



To Our Dealer Partners,

The entire Collins Bus Corporation team would like to thank you for your partnership this past year and we certainly hope you and your family are safe and healthy.

As you know, with all the inflation discussions in the news and current marketplace, the pricing pressures continue to affect manufacturers for various commodities and services. Labor, material cost and transportation cost increases have not only continued to rise but will likely remain so for the foreseeable future.

Rest assured, the Collins Bus team is working around-the-clock to ensure the security of our supply chain and deliver buses to you as quickly and efficiently as possible, while continuing to provide the quality you expect from us. We have, and will continue to invest in our product, our people, and our operations to ensure that we provide the highest quality products with the most competitive lead times in the industry.

Nonetheless and in full transparency, we have experienced a substantial net increase in our operating costs primarily related to the following areas that are simply beyond our control.

| Component | Increase over Last Year |
|----------------------------|--------------------------------|
| Steel | 127% |
| Aluminum | 52% |
| Fiberglass | 22% |
| Paint / Chemicals | 9% |
| Door and Window Components | 24% |
| Inbound Freight | 73% |
| Labor Wages and Benefits | 25% |

Unfortunately, with these types of pricing increases from our suppliers, we've had to make the difficult decision to apply a \$5000 surcharge on buses in our backlog to help mitigate some of these cost pressures. As inflation rises, we continue to see increased monthly requests from suppliers to the above amounts.

We will continue to work diligently to find ways to reduce the pressures without impacting the quality of our products. Your partnership is important to us, particularly as we navigate these challenging times.

Sincerely,

COLLINS BUS CORPORATION

Todd Gibson
Director of Sales

Bryce Pfister
VP/General Manager