



## ANNOUNCEMENT

**March 31, 2025**

To Our Valued Customers,

The evolving tariff situation between the U.S. and Canada has created a level of uncertainty across our industry, and we know that for many of you, it raises valid concerns about how this impacts your business. At CGC, we are closely monitoring all developments and working to fully understand how the announced tariffs and retaliatory measures will affect the materials and products we bring into Canada.

Many of the goods CGC imports from the U.S. that are essential to our Canadian operations (both finished goods and raw materials) will be subject to the additional retaliatory tariffs of 25%, proposed by the Canadian government. While CGC works to assess the full implications, our priority is to keep you, our valued partners, informed and aware of any possible consequences.

We want to be clear: CGC will not benefit from any potential cost adjustments related to these tariffs. Any surcharge we may need to implement would be a direct result of increased costs beyond our control and necessary to continue delivering the quality and service you expect from us. These tariff penalties would be in addition to, and completely separate from, communicated price increases, which are tied to broader inflationary pressures—not profit or markup.

We are currently exploring options and will continue to analyze the impact across all product categories. Please stay tuned as we formulate a plan for implementation; our goal is to provide more detailed information as soon as possible.

We recognize the challenges that uncertainty can bring, and we are committed to keeping you updated with transparency as the situation evolves. Thank you for your continued trust in CGC—we are grateful for your partnership and support.

Regards,

A handwritten signature in black ink, appearing to read "S. Youngblut", written in a cursive style.

Steve Youngblut  
President  
CGC Inc.