



January 27, 2022

To our valued customers,

We regret to inform you that due to ongoing supply chain issues exacerbated by covid 19, we are forced to streamline our production and will have to suspend producing your products for 12 weeks beginning February 1, 2022. This decision was not made lightly, and we sincerely apologize for the inconvenience we may cause your company.

Reasons for this:

1. **Labor Shortage:** Although we have been proactively taking measures to hire aggressively and fully staff our facilities, we have a 20-30% workforce shortage in ytd 2022
2. **Supply Chain Struggles:** Carriers are hard to come by and significantly delayed in a lot of cases. This is putting pressure on our warehouse space and inventory management.
3. **Packaging and Raw Materials:** Overall, there is an inconsistent flow of product supplies, including film, boxes, and raw materials.

With the labor shortage, production is under-equipped to adequately manage the daily changes and challenges due to supply issues. Given this combination of pressure, it is critical to reduce complexity within our facilities to allow the teams to stabilize the business.

Next Steps:

1. Shearers will produce and deliver any existing order in the system but will no longer accept further orders.
2. May 1, 2022, we will re-evaluate our position and communicate status and direction at that time.

My sincere apologies,

A handwritten signature in black ink, appearing to read "Omar Khalaf", with a long horizontal line extending to the right.

Omar Khalaf  
Chief Commercial Officer  
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