



July 19, 2021

To Our Valued Customers,

This has been a difficult time for our industry with labor, material, and transportation challenges. Inline Plastics has not been immune to this. On the material front, due to keen foresight we have fared well, but we have experienced labor challenges along with most companies. Our production output had fallen slightly but was manageable until our order volume grew exponentially driven by our customer's needs to fill the gap left by the product shortages of our competitors. This has dramatically affected our inventory levels, fill rates, and hindered our ability to meet our customer's needs. We have taken several steps to ensure a more reliable workforce that are gaining traction, and our production output has increased, but we are still challenged with the current order volume.

Our top priority and focus is to meet our loyal customer's needs who chose Inline Plastics as their preferred packaging supplier. To that end, we are taking the following steps:

- **We will not accept any new or incremental business until we are able to replenish our inventory levels and ensure consistent supply to our customers.**
- **We will limit the monthly order volume of our Direct Customers to their average run rate for the 12-month period ending March 2021. We will do our very best to meet these orders but cannot guarantee our targeted fill rates until we replenish our inventory to a more consistent level.**

We ask that our Distribution and Processor partners prioritize those End Users who chose Inline Plastics as their preferred packaging provider.

Last year was a chaotic year with a slow start but together we finished strong and showed tremendous growth with our trading partners by year end. If we work together and prioritize our loyal customers, we will replenish our inventory, continue growing with you, and have another record year.

We are committed to providing the high service and quality levels that you have come to expect from Inline Plastics and appreciate your understanding and cooperation during this time.

Please do not hesitate to reach out to me if you have any questions.

Best Regards,

A handwritten signature in black ink, appearing to read 'JL Baragar'.

John Baragar

Vice President - Sales and Marketing