



DT: January 12th, 2021

TO: Cristek Customers

RE: COVID-19 Update

Dear Cristek Customer:

The purpose of this letter is to inform you of the effects of the COVID-19 surge in Orange County, CA on our Anaheim, CA facility. As of Tues, January 12th, the county remains in the Purple tier of COVID-19 risk mitigation. As an essential business, we are allowed to remain open but have taken the additional step to require non-production and production support staff to remain working from home. However, we have seen a significant increasing trend in overall impacts both at Cristek and at our supply chain base.

As of today, Cristek's production labor availability is down 22% with absences continuing to increase since our return from break. Reasons for absences remain various including self-imposed quarantine, difficulty in securing childcare and other concerns. Cristek is seeing little indication of spread within the facility, but we remain proactive to ensure all employees' health and safety is protected.

Cristek's business continuity plan remains in effect by following DPAS requirements in allocating labor priority. Please note that over 80% of our current backlog consists of rated orders with both DX and DO ratings. The fluidity of the labor outages continues to prevent us from accommodating early delivery requests, and lead times for all outstanding quotations have been extended by 4 weeks.

Please address specific order status inquiries to your primary account manager. We aim to provide proactive notification of specific contractual delivery impacts; however, the uncertainty of production resources, high volume of requests and the number of remote workers presents unique challenges. Any requests that cannot be answered will be escalated by your account manager to the Management Team for response.

Cristek's commitment to you, our customer, has been to keep you informed and up to date while we strive to maintain our quality and delivery objectives for the products and services you rely on us to provide. Our facility in Minden, NV remains fully operational with minimal impacts. Our Lowell, MA facility continues to improve and is also experiencing minimal impacts.

Sincerely,

Cristi Cristich
President

Brandon Roemer
Director of Sales and Marketing

Roy Sharma
General Manager, Anaheim

Anaheim, California

Lowell, Massachusetts

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cristek.com