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March 27, 2023

Dear Valued Customer,

During the past year, producers and customers have been subject to unprecedented supply chain challenges affecting manufacturers of most every size and industry. From shortages of vital parts such as integrated circuits, to labor absenteeism resulting from COVID-19, few aspects of the supply chain have been unaffected. Unfortunately, Inovonics has also experienced significant supply chain challenges. While we continue to do everything we can to resolve these issues in a timely manner, we understand and sympathize with the effect this situation has had on you, and in turn, your customers. We deeply regret the consequences of this situation with respect to your business.

To update you on the actions we have taken, Inovonics has reprioritized all its resources and taken several additional actions over the past several months, including the following:

- We have relocated manufacturing operations within our current contract manufacturer's network to a facility with additional capacity and capability. Total monthly volumes are substantially increasing, and we are continuing to ramp up production across the remainder of our portfolio of products.
- To expedite a broader recovery, we are bringing on an additional contract manufacturer to rapidly increase capacity on critical items. We expect the first units to be shipped from this facility in the April/May timeframe as capacity and throughput continues to increase in the months beyond.

As we expand the number of product SKUs in production, we will be making improvements in our backlog shipments. We thank you for your continued patience and understanding as we diligently work to resolve these supply chain issues. We know this can be difficult for you and your teams, and sincerely apologize for any inconvenience this has caused. We are driving to normalize lead times and ensure that all due backlog is shipped before the end of the year.

Please continue to communicate with the appropriate Inovonics personnel in the near term as we are shipping product and doing our best to meet your most urgent and immediate needs.

Thanks again for your business and continued support. We truly value our partnership with you and look forward normalizing our business in the months ahead.

Best regards,

Robert McMaster
VP Supply Chain and Operations