



## COVID 19 Update 6

August 24, 2020

The last update, number 5, was dated April 29<sup>th</sup> and sadly little has changed since it was issued beyond increased capacity. The challenges related to COVID continue to adversely impact our deliveries. We are doing the best that we can to cope with the situation and are slowly making progress on returning to on time delivery.

The most recent calamity, the wildfires in Napa, fortunately has had little impact upon AP Tech. The fires were not close to the factory. Some staff were evacuated for their safety, but none have reported loss of homes at this point. The smoke is dense but not to a level to cause a problem to the factory.

Multiple updates have been issued regarding the COVID pandemic and explaining its impact. We will, therefore, not restate the history or details in this update. We, and our vendors, are still doing the absolute best that we are able to protect our staff while maintaining manufacturing and the flow of product to our customers. The health and safety of our staff and vendor's staff is still our number one priority.

We have been actively taking steps to resume on time delivery. Staff have been added to offset the negative impact of COVID safety measures and to increase capacity. We have been steadily increasing inventory levels to help mitigate COVID related supply chain disruptions. We have also been constantly refining our safety measures to improve manufacturing while decreasing risk of infection.

Today, existing orders are still shipping late. The number of days late varies by order, primarily due to parts availability. Unfortunately, in spite of our efforts, we are not able to predict exactly when we will be able to eliminate late deliveries or reduce lead times.

In addition to the proactive measures noted, standard lead times are being increased to 10 to 12 weeks from 8 to 10 weeks with specials at 12 to 14 weeks. These are typical deliveries which can vary depending upon the quantity being ordered, the nature of the special or parts availability. We understand that meeting our delivery commitments is everyone's highest priority and longer lead times today are a necessary evil to achieve that goal.

We are doing our best to cope with the ever changing challenges but it is still a very fluid, and unpredictable situation. This update provides our current status which could change tomorrow due to COVID or some other crisis.

We still sincerely appreciate everyone's continued patience, cooperation and understanding throughout this crisis. We hope that everyone is staying safe and healthy.