

November 30, 2021

Dear Valued Elcam Medical Customer,

We hope you and your loved ones are safe and healthy.

It's no secret that the pandemic and the current global logistics crisis has disrupted all our lives. Globally, there continues to be massive delays due to container availability, sea shipping and port backlog, reduction in available air cargo routes and limited trucks & container chassis. That coupled with limitations in human resource such as port workers, truck drivers and warehouse personnel add up to a very significant challenge. With no near-term end to this crisis in sight, Elcam is working internally, working with suppliers and working with our customers to minimize impact as best possible through a variety of methods:

- Internally, Elcam has encouraged and facilitated employees' vaccination in all its facilities and is proud to announce that the majority of our workers worldwide have been vaccinated. This dedication helps us minimize potential departmental and facility wide shutdowns.
- We have taken a hands-on approach working closely with customers and partner logistics companies to manage and expedite deliveries as best possible. Air cargo is generally not an economical solution, but for delays that might impact customer production, we are using available air shipment routes to meet the near-term needs of our customers.
- A long-time Elcam strategy of ongoing automation of processes in our warehouses with robotics and artificial intelligence is helping minimize disruption, in order to increase square footage capacity allowing more inventory locations and minimize labor shortages.
- Elcam has committed to build additional safety stock for warehouse inventory around the globe, specifically introducing 3 new warehouses in Europe (Italy), the Middle East (Israel) and South America (Mexico). All as part of our endeavors to minimize the effects of international logistics problems and improve responsiveness to customers' immediate needs.
- While global raw material costs continue to skyrocket and shortages abound, Elcam has increased safety stock of critical raw materials for the next 6 months and is also exploring new potential alternate sources of raw material supply in attempt offset any availability issues.

No one knows for sure when this logistics crisis will end, but you can be sure that Elcam will continue to work closely with our customers to identify all possible methods to minimize delays and disruptions.

Best Regards,

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Chief Sales Officer

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