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Thursday, March 26, 2020

Re.: Operations Update / Coronavirus

Dear LTS Customer,

I would like to take the opportunity to provide you with an additional update regarding the COVID-19 (novel coronavirus) situation as it pertains to the Laird Thermal Systems business and its global operations.

Since my last communication dated March 12th, we have exceeded our full production capacity in Shenzhen and maintain on track to recover any COVID19 impacted orders by early April. Our successful steps in keeping our Asian employees healthy while safeguarding productivity are now being applied to our operations in Liberec/Czech Republic and in Durham/USA as well. At this point in time all our manufacturing plants remain in full operation and we are shipping orders on schedule.

We are also closely monitoring all global developments and are working with our key suppliers and logistic partners to understand and respond to the potential impact on our supply chain. We have not experienced any shortages to date and we are not forecasting any shortages at this point in time. Additionally, we have the advantage of maintaining direct offices in all regions where we purchase parts; thus, allowing us to work with suppliers on a local level as well as to share our "lessons learnt" and business continuity plans with them.

Moreover, we always maintain a substantial level of inventory and, as a precautionary measure, are momentarily increasing our part and finished goods stock.

Not to mention, project deliverables have not been impacted; we have several processes implemented to ensure your research and development plans stay on track:

- All our communication platforms are digital so, whether our engineers are in the office or working from home, you will continue to have access to our staff via voice, text and video services.
- In the event that the lead project manager becomes affected, our engineering organization is setup to continue the ongoing tasks with the remaining engineering team.
- All technical information, analysis and reporting systems are cloud-based with multiple layers of redundancy. This ensures your information is secure, regularly backed up, and remotely accessible at any time.

While we believe we are well-positioned to work through the current challenges, this situation may change from day to day. We continue to follow the guidance of the WHO as well as state and federal government agencies and will update this statement if we learn of any issues that could affect the availability of our products.

Thank you for your continued trust in Laird Thermal Systems.

Best regards,

