

# UNICHEM

PHARMACEUTICALS (USA), INC.

March 18, 2020

Dear Valued Customer,

Unichem is experiencing some logistical disruptions as a direct result of the global impact of COVID-19. We ask for your understanding and support as we navigate these challenges, some of which are outlined below.

Just as many retail outlets have experienced heavy demand, leading to well-publicized shortages of key products, we have experienced a significant increase in demand from our customers. These additional orders have overwhelmed our warehouse's capacity for timely outbound deliveries. While we are authorizing overtime to minimize these delays, the high influx of orders may result in a few days' delay in order shipment. We apologize in advance for any unexpected delays or inconvenience resulting from this situation that is outside of our reasonable control.

Additionally, shelter-in-place directives have resulted in higher consumer demand for small-parcel shipments. Paired with manpower shortages experienced by the companies that provide this service, this has resulted in temporary inability to schedule such shipments to our customers, as well as a much higher cost to service those shipments.

Finally, container shortages in India for sea-shipped product and reductions in availability of international cargo flights have resulted in delays within our supply chain. This may lead to minor incremental delays in lead times for products currently on backorder, or for temporary periods of backorder on products that currently have low levels of inventory. That said, most of the products in our portfolio have ample inventory, and only a small number of SKUs will be noticeably affected by these delays.

Due to these major developments, and government-imposed sanctions on movement of materials and personnel that are outside of Unichem's reasonable control, Unichem will not honor any failure to supply or service level penalties until this crisis has passed and normalcy is restored.

Thank you for your continued support, and your patience as we manage the challenges associated with COVID-19. Unichem remains committed to providing affordable medication to patients. We appreciate our partnership with you and your company as we work toward that shared goal.

Thank you,



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