



Technicote – Cuyahoga Falls, OH (CFO) plant update and recovery plans:

On the morning of Friday, December 16th there was a fire at the Technicote Cuyahoga Falls manufacturing facility. The fire occurred during a routine process change on one of our coaters.

First, I want to thank all the companies, organizations and individuals who reached out to offer help during this challenging time. As we reported earlier, we're very thankful no one was injured in this fire.

Technicote has great people who are dedicated to supplying excellent products to our customers. Challenging situations like this is where people show their true mettle. I'm very proud of our employees and how they've risen to the occasion. Although this is a difficult situation, Technicote will emerge stronger and better for having gone through this trial.

We have plans in place to shift production to our Terre Haute, IN (THI) and Corona, CA (CCA) facilities where we have sufficient capacity to fully make up for the capacity lost in the fire at CFO. We expect our customers will see only minimal disruption over the next week or so while we prepare our other facilities for production on items normally produced in CFO.

Speaking to the extent of the fire; after the fire had been put out, we were able to get back into parts of the building and determine more specifically the extent of the damage. One section of the plant was separated from the main plant by a fire wall. This section, which housed one of our adhesive coating lines and some finished goods inventory, was undamaged and appears to be structurally sound (this is being confirmed today by a structural engineer). We expect to get power to this section today or tomorrow and other utilities over the next several days. We anticipate being back in operation on this coating line sometime over the next 5-10 days.

The sheeter and guillotine which support our Strata pressure sensitive sheet division appear to be undamaged as is the majority of our Strata inventory. We plan to remove this equipment and are looking for an appropriate facility to lease in the short term, where we'll reinstall it. I expect we will be back to normal sheeting operations within the next 2 weeks.

We won't know the damage to the rest of the plant equipment until we are able to do a full inspection.

We've offered opportunities to all affected employees to continue working in either Cuyahoga Falls, OH (to operate the lines that were not damaged), or in Terre Haute, IN. To date, 21 employees from CFO have accepted and are traveling to THI today. Employees who are not qualified on the undamaged equipment in CFO, and are unable to work in THI due to personal reasons will be given assistance finding employment elsewhere.

Technicote has had a long successful history of growth. We are already talking about the need to replace coating and slitting lines. Whether that's by rebuilding the CFO plant, or finding a location elsewhere is still to be determined.

Once again, I would like to thank everyone for their support.

Sincerely,

A handwritten signature in black ink that reads "Doug".

Doug O'Connell
President
Technicote, Inc.