



RE: WORLDWIDE ELECTRONIC COMPONENT SHORTAGES

July 6, 2021

To: Credence ID Partners and End-Users

As you are likely aware, the COVID-19 pandemic and the related supply chain issues have created a worldwide shortage of many critical components used in the manufacturing of electronic devices including those from Credence ID.

The pandemic is an extraordinary global event which is beyond the control of Credence ID and our suppliers. These disruptions and shortages to the global supply chain have caused delays in countless production contracts for companies large and small worldwide. Despite our best efforts, Credence ID is not immune to these issues, but we are working closely with our supply chain partners to manage and mitigate the impact caused by these shortages. We are continuing to manufacture our mobile biometric and credential reading devices using only certified quality components as available.

Additionally, at our cost, we are implementing extreme measures to secure constrained components. These efforts include paying premiums to suppliers, funding the costs of expediting fees and, when possible, using higher cost certified alternative parts.

The entire Credence organization is engaged in addressing these issues and we are making every effort to produce and deliver our products per agreed upon schedules; however, we must anticipate and advise you that there may be delays.

Like others in the electronic manufacturing industry, we do believe this is a temporary shortage of parts and the supply will return to normal in the not-to-distant future. In the meantime, we ask for your continuing support and patience. We appreciate the challenges that this creates with our customers and their end-users.

We will provide updates regarding this situation at regular intervals. Please contact me directly via phone or e-mail if you have questions.

Sincerely,

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