COVID-19 Sensitron Production Output and Expected Backlog Impacts

May 12th 2020

This Pandemic has been an impact to us all to some degree, the COVID-19 crisis is affecting us personally, in business, and overall life. We hope you are safe and well.

As previously communicated, our local downstate New York region has been particularly hard hit by this virus and Sensitron has been experiencing production and shipment delays directly related to the COVID-19 crisis. Our county, Suffolk County, has the 3rd largest of confirmed positive cases in New York State behind NYC and Nassau County where most of our employees reside.

I share with you some of the changes Sensitron has made and subsequent impacts we have had thus far directly related to this global Pandemic.

- Sensitron initiated a split shift work schedule in Mid-March.
  - Split shift reduced our on-site population by 50% in support of the safe “social distancing” policies required by the CDC & NYS.
  - The split shift is a 6-day work week, at 12 hours per day.
  - Staff working every other day in two alternating groups.

Running on this split schedule, has helped tremendously in keeping our staff healthy and has allowed for safe distancing, which has been one of our top priorities. While we maintain these directives and comply with CDC & NYS, this has added a layer of inefficiency as product does not move through the facilities as we had initially forecasted.

Additional COVID-19 Impacts

- A significant portion of our production operations personnel and support staff have been absent from the facilities over the last 6-8-week time frame.

- Many of Sensitron’s vendors have experienced schedule delays, that have pushed deliveries to us. Our vendors citing these delivery issues resulting from the current situation and similar manufacturing challenges they are facing due to this Global Pandemic.

Sensitron continues to work aggressively to mitigate impacts to our customer deliveries as much as possible due to this COVID-19 crisis, however this Force Majeure incident has caused impacts beyond our control. Based on the items specified above and the understanding from the CDC and NYS government, we anticipate that the split shift schedule will need to remain in place for the foreseeable future. In a continued effort to keep our customers abreast of our true current delivery schedules, we are rescheduling our discrete backlog, and will be sharing that with you. We are projecting a current state and future state review in the coming months to evaluate the time frame we expect to return to a full work force.