



September 25, 2019

Re: Apple & Eve Supply Disruption

Dear Valued Customer:

The entire Apple & Eve family is very appreciative of the trust you have put in us over the last 15 years. As a direct result of your trust, Apple & Eve 100% juices and SWITCH 100% sparkling juices have become a staple of U.S. school nutrition meals and a la carte offerings.

We are keenly aware of the role our brands play in school meal planning and the importance of having our juices served to students as part of a healthy and delicious meal. We also recognize the ramifications of being out of inventory on juice and the implications to the meal pattern if fruit items are not available to offer to students.

Since the beginning of the 2019/2020 school year, we have experienced a number of issues in our supply chain network that have caused significant disruption in our ability to supply distributors with our Apple & Eve 100% juice and our SWITCH 100% sparkling juice products. Those issues have included the loss of a long-term contract manufacturing partner, packaging shortages and systemic data issues related to integration activities at numerous manufacturing locations.

We are taking several immediate actions to address the supply challenges noted above. First and foremost, we are working tirelessly to get our contract manufacturing partners fully up-to-speed, not only to produce enough product to meet current demand, but to create sufficient safety stock to mitigate against any future supply disruptions. Second, we are hiring additional customer service staff to improve our ability to proactively communicate when issues occur so that answers to all order inquiries and options for alternative arrangements are provided in a timely fashion. Lastly, we are making investments in systems that will help us better administer orders, identify and track inventory and improve communications with our manufacturing and transportation partners.

While some of these solutions will be in place sooner than others, we expect that we will continue to experience some supply difficulties in the near term future.

We are committed to ensuring that schools continue to serve Apple & Eve and SWITCH products to students during this difficult period. At the same time, we want you to meet all of your fruit serving needs and we are happy to work together to identify supplemental solutions to fulfill those requirements until our normal service levels return.

We ask for your patience and understanding while we work quickly to implement the corrective actions identified above. In the meantime, please be assured that the Apple & Eve team will urgently bring clarity and solutions to service issues as they arise.

Please feel free to call me with any additional questions or concerns.

Sincerely,



Bill Harrison
Vice President, Sales
Apple & Eve, LLC