

July 2021

Fellow employee-owners, fiscal 2020 will be a year like none other in the history of PAQ, Inc. Thanks to all of your hard work and diligence in keeping yourself and our customers safe during the pandemic, PAQ had an incredible year.

Sales grew by 13.5% over 2019. The company added two new stores to its family. The company also effectively reduced its debt by \$25.2 million. The equity of the company grew by 1,071%, which resulted in your share value growing from \$0.28 per share to \$3.30 per share – an increase of 1,079%. Yes, you read that right. Your collective hard work resulted in an incredible increase to your investment in your company. You should all be proud of this accomplishment.

Now that I have shared this great news with you, please remember our guiding principles. One of them is that a “spotting whale gets harpooned”, so keep this information amongst us employee-owners. Sharing our owner information outside our company will be harmful to our company.

For 2020 there were 1,078 employee-owners. This is an increase of 17 from 2019. The change was due to 88 former employee-owners leaving the company and forfeiting their unvested value to all of the remaining employee-owners, and 105 new employees that met the criteria for ownership - congratulations.

With the 2020 valuation information just received, the company is planning to hold ESOP owner meetings to share the information and make sure you know the good news, answer any questions and hand out your Participant Statements.

Let's keep up the good work. Fiscal 2021 is starting off to be another good year. The more we understand how all of our positive work contributes to the total company, the better for our ESOP. Let's build upon our success.

In closing, I would like to thank you all again for your hard work and service to our company. Let's continue to make PAQ, Inc. a great employee-owned company.

Thank you,

Bill Cote
President & CEO