

September 13, 2021

President's Letter

Employee-owners,

I am writing you to let you know of some exciting news your company has just completed.

As many of you know, I had the pleasure to meet with many of you over the month of August to announce and explain your share value for 2020. Your hard work and dedication in keeping our stores safe from Covid allowed us to have a very good year for 2020. We are continuing to have another good year so far for 2021. Thank you for your continued hard work and dedication to a safe work environment.

I am pleased to announce that your company just completed a refinancing of all its debt that was put into place for the ESOP sale transaction. The previous debt was to be paid off over a 15-year timeframe and was principally owed to our former owners. The new debt was financed in full by Wells Fargo Bank N.A., our lender, and is scheduled to be paid off within five years at a lower interest rate.

This is a very impressive accomplishment to be able to refinance 15-year debt from the buy-out transaction to 5-year debt, after only 18 months of operation as a new management team. I want to congratulate everyone for this achievement, and Mike Molinar, our Senior Vice President of Finance, for negotiating the refinance. Your share value will grow faster as the debt is paid off sooner. Let's keep up the good work.

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