

June 9, 2022

To All Simply Mac Employees:

I am saddened I must deliver to you the bad news that today we are forced shut down our business and terminate all employees effective immediately in anticipation of filing for Protection under Chapter 7 of the United States Bankruptcy Code. Since our acquisition of Simply Mac from GameStop on September 25, 2019, we have worked hard as a team to grow our company to be North America's preeminent Apple Partner and provide our customers with transformational experiences that drive long-term loyalty. However, we could not have possibly foreseen that on December 12, 2019 in Wuhan, China a world-wide pandemic would start and ultimately cause us to layoff half our workforce and close many of our stores. We were able to survive that initial blow with the help of \$5.1 million in PPP loans from the government.

As the first wave of the pandemic receded, in October 2020 we began a program to open new stores under the assumption that we had a solid model and could drive to profitability through economies of scale. But we could also not have foreseen that the Alpha variant of COVID would emerge, followed by Delta and Omicron. During all of this, our financial performance never met our expectations and we were unable to get sufficient funding. The 2021 holiday selling season was a great disappointment due to the funding constraints. Although we had hopes that new funding would materialize over the past few months, it never did, and we were unable to adequately stock our stores with inventory or stay current with our financial obligations. Nonetheless, I am proud of what we accomplished, and want to thank you all for your efforts and dedication.

Chapter 7 Bankruptcy will result in a complete liquidation of the company, and we are forced to shut down all stores and operations immediately. A court-appointed Trustee will then be in control of the Company, and will be in charge of liquidating all remaining assets and making distributions to creditors based on the Bankruptcy Code. We are unable to pay payroll tomorrow or in the future, and all employees will receive a notice from the Bankruptcy Court in due course and have an opportunity to submit a claim.

We are sorry it has come to this, and wish everyone the best in the future.

Regards,

Rein Voigt, CEO