

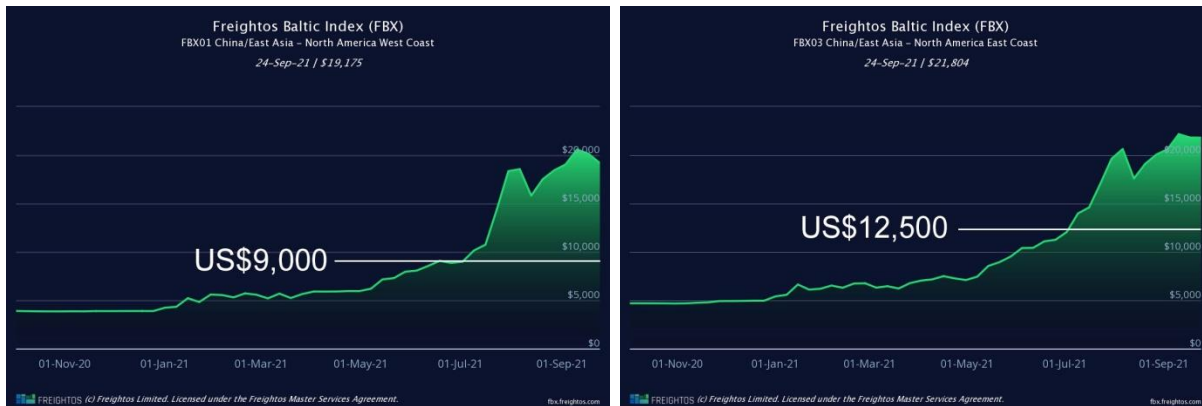


September 30, 2021

**RE: Mr.Noodles Freight Adjustment**

The past 18 months have been very challenging times for the Grocery Industry but more so for the importers of grocery products into Canada with respect to both costs and supply chain related issues.

Ocean freight, a relatively stable commodity prior to the COVID-19 pandemic, has been thrown in to unprecedented disarray due to issues with the global balance of container flow as well as extreme port congestion. Both of these issues have driven up the costs of ocean freight to levels never seen before and there is seemingly no end in sight. At present the cost of freight has risen almost 800% from pre-COVID levels.



The two graphs above show the increases we've experienced in the past year for both the east and west coasts. Earlier in the year we implemented an adjustment using a US\$5,000 cost for the west and a US\$6,000 cost for the east. For the freight adjustment we are implementing now, we are using a US\$9,000 cost for the west and a US\$12,500 for the east, resulting in a net US\$4,000 increase for the west and a net US\$6,500 increase for the east. These freight values are far below the current rates we are actually experiencing but we feel the Canadian consumer should not be responsible for bearing all the burden of these supply chain increased costs.

As a result of the above, we are imposing a case specific adjustment effective December 1, 2021. Please be aware that once our freight rates return to their historical levels, we will reset our case prices accordingly.

Thank you for your co-operation in this matter.

Robert Johnston  
Vice President  
Anderson Watts Ltd.