### Re: Valyou Furniture 2023 Customer Success

Hi Derek & Modern Castle Family,

Thank you for reaching out to us. We invite open dialogues, as they provide a golden opportunity to re-acquaint our customers and the broader community with the new strides Valyou Furniture has taken.

It seems the concerns you've mentioned stem from reviews primarily circulated during 2021 and 2022, a period marked by unprecedented challenges globally, and particularly in the furniture industry. While those reviews echo concerns we've observed on various platforms, it's vital to underline that they reference a phase we have tirelessly worked to move past.

During 2021 and 2022, the industry grappled with severe disruptions. We fully acknowledge the frustrations associated with online purchases and extended delivery times that were rampant during this period. Like many sectors, we were not immune to the ripple effects of the supply chain crisis. However, we have taken substantive steps in 2023 to rectify these concerns, diligently ironing out the wrinkles that emerged during the pandemic's height.

Similar to the biggest hurdles that importers, manufacturers, wholesalers and retailers in the furniture industry were facing worldwide in 2021-2022 during the supply chain crisis, we do understand the frustrations of buying online and expected delivery times during a supply and demand backlog.

As for the reviews. Unfortunately, If you look, you will find them. We have serviced well over 100,000 customers successfully and in light of the supply chain issue, we have experienced a bump in the road. This is why we took the approach in making incredible changes in 2022 to be able to satisfy customers.

Every company in furniture has experienced the same issues with us in 2021-2022, and this is no way to deflect attention, but to point out an even bigger issue. From Wayfair and Pottery Barn's 1 star rating on Better Business to All Modern 1 star rating on Resellerratings, the list goes on and on- if you are actively looking, you will always find them. All that to say, we understand the frustration of customers at that time and took it very seriously to make an effective change, not just promises, and to innovate quickly... which is why we feel confident in winning a hyper smooth operation.

If a customer is concerned that they haven't received any communication from us we would ask them to check their spam filter. Valyōu Furniture sets transparent warranties and has several initiatives in place that ensure customers receive confirmation, updated shipping information as it becomes available, delivery notifications, and more.

The team at Valyōu Furniture ensures that order cancellations are not refused. We've experienced delays with some of our payment solution vendors, which process the return of funds to the customer bank accounts based on their policy terms and conditions. These are partnerships we are looking into and updating to create a more convenient customer experience.

Based on high demand of a top selling product, the Feathers Collection, we experienced delayed production and an uptick of customers that mention they are patiently waiting for the product. We communicate to these customer that they have the option to cancel or replace their selected items due to the delay. In the case of a cancellation, we would process the return and refund their purchase within 14 business days.

As a brand who values authenticity, we send weekly updates to each of these customers with the same option just in case their mind has changed along the wait time.

In one of these emails in late 2022 we touched on the current industry-wide delays saying, "Most industries, especially furniture, have seen some unexpected delays that you can read more about <u>here</u>. However, our efforts to find solutions are working and over the past month we've continued to stay on track with consistent production and deliveries."

Overall, Valyou Furniture has improved and come back to the brand everyone loves in the following ways:

# 1. Localized Manufacturing

- Opened a new manufacturing facility in Mexico to bypass international shipping delays and enhance production control.

### 2. Self-Managed Logistics

- Terminated ties with third-party logistics companies to gain better control over the last mile of delivery.
- Invested in a fleet of our own trucks and developed a dedicated in-house delivery team, ensuring a seamless and reliable delivery process.

#### 3. Enhanced Customer Support

- Introduced SMS messaging support to facilitate quicker response times and foster better communication with our customers.

## 4. Physical Expansion

- Established physical showrooms in key locations including Los Angeles, Las Vegas, Kapolei, and Honolulu, allowing customers to personally experience our brand and products.

#### 5. Advanced Shipping and Logistics Technology

- Upgraded our shipping and logistics technology to provide extremely accurate arrival times.

- Implemented a quick delivery program, promising a delivery timeframe of 3-5 days for in-stock items, dramatically reducing waiting times for our customers.

Our network spans tens of thousands of consumers and partners and represents one of the most explosive emerging platforms for ecommerce and furniture. Our product and logistic teams are solving some of the most difficult problems at the intersection of the physical and digital worlds. Our operations teams are allowing us to meet the compassion of our customers and to allow our business to emerge and to be the solution during this challenging time.

As we spearhead remarkable transformations in the furniture industry, we cordially invite you to revisit and reshape any outdated perceptions of our brand, to recognize and champion the renewed updates and dedication that now define our journey forward in this ever-evolving marketplace.

Thank you for your consideration & being an amazing partner.

Best.

Eddie Castillo

Chief Marketing Officer