Dear Investors,

Dear Fellow Bears,

Thank you for your patience while we wrote the Annual Shareholder Letter. It has been a long year. We want to thank our longtime shareholders who have stuck with us through the ups and downs. We want to welcome our new shareholders who have joined us in the last year. We want to thank our customers who have chosen our shoes over the last year.

As a reminder, Fiscal Year 2019 ran from September 1st of last year to August 31st of this year. Unless otherwise specified, all financial data in this letter is for Fiscal Year 2019 and all comparisons are to Fiscal Year 2018.

Fiscal Year 2019 was a year of two halves. The first half of the year was a challenging one for us. We had to deal with a supply chain issue that was a result of our success in Fiscal Year 2018. We had to deal with a new competitor who had copied our shoes and was selling them at a lower price. We had to deal with a new tariff on our shoes that was being imposed by the Trump Administration. We had to deal with a lawsuit from our former Chief Financial Officer, who had left the company in Fiscal Year 2018 and was claiming that we had fired him because he was a whistleblower. We had to deal with a lawsuit from our former Chief Marketing Officer, who had left the company in Fiscal Year 2018 and was claiming that we had fired him because he was a whistleblower. We had to deal with a lawsuit from our former Chief Operating Officer, who had left the company in Fiscal Year 2018 and was claiming that we had fired him because he was a whistleblower. We had to deal with a lawsuit from our former Chief Executive