

Re: Supply Chain Challenges

Date: 4<sup>th</sup> March 2021

Dear Valued Customer,

As you may be aware there is a global electronic component shortage that is affecting the production of electronic components, including payment devices. In the last two weeks, we have been informed by our main terminal provider (Castles) of certain challenges in securing components to build our terminals.

IPOS Systems places its orders months in advance to its suppliers to minimize the impact of such shortages and be ready for spikes in demands. We also keep several months inventory and recommend our main distributors and larger customers to do the same which most actually do.

With these reserves, we are able to maintain the supply chain for about 30 to 60 days for most products.

At this point, given the increased demand to our products, we are noticing mostly Z8's shortages. Most of the immediate needs will be filled up by end of march, however, we don't have clear visibility for April and May manufacturing. We are well stocked for Z9s, Z11s and Pin Pads.

Z11s could be used as temporary replacements, even if slightly more expensive. With Aura, the Z11 provides a beautiful customer friendly graphical and touchscreen interface.

Its adequate to note that we are also expediting certifications and final testing of our new Q Android line. Our Android manufacturer has informed us that they do not currently have, nor are forecasting, any immediate supply challenges. Our Android currently supports the FDC Omaha platform via BridgePay, Worldpay and we are awaiting final certification from TSYS, hopefully by the end of March.

Should you want to try Dejavoo Android, please order with your rep. The Q Android line is fully supported by STEAM and compatible with DeNovo, RKL and SPIn.

In conclusion, we highly recommend ordering inventory this month, to ensure on time delivery for the next quarter and as that you consider Z11s as a booster for Z8s while needed and finally, give our Androids a try.

Please call your sales representative or myself to discuss. No order size is unimportant. We want to secure all your deliveries.

Yours,

Joe Casella  
CEO  
Dejavoo Systems