



Dear Alula Partner:

The entire Alula team is first and foremost hoping for an expedient and safe response to the recent COVID-19 outbreak, and pleased to see everyone doing their part to help control the spread of this virus.

Proactive communication with our partners is critical to our success and we will continue our outreach with your teams to ensure you have the latest information.

Unfortunately, this virus is having a notable impact on the global supply chain. Despite this, Alula has been working diligently to minimize product disruptions for all of our partners and to procure components that meet demand as we approach the active summer months for the security industry.

The effort to meet these demands does require incremental investment. A significant number of commonly-used components are now priced 15-20% higher than they were before the outbreak. In addition, the cost of transporting materials has increased as much as 50% over the costs we observed in 2019.

Despite our costs increasing across all product families, we are driving efficiencies throughout Alula and committed to helping our partners keep their account creation costs as low as possible. Here are some additional measures we're taking.

- Extending our popular sunset ConnectUP manufacturer rebate program
- Extending our Connect+ conversion program for ITLX dealers
- Promotional pricing for the award winning BAT-Connect will now continue into Q2
- Connect+ kits are now available to improve partner provisioning and installs
- We will offer free shipping on orders in an amount greater than \$10,000 beginning April 1, 2020
- A 10% price increase on Alula translators RE508X and RE524X beginning April 1, 2020

We will also be releasing special pricing in the coming weeks as part of our Alula PRO Partner Program.

Alula builds both the software that powers Alula Interactive and hardware that connects to our platform. This allows us to quickly react to changes in the market and mitigate challenges at a faster rate. We bring these changes above while remaining committed to advancing our innovation and we're happy to report that we continue to deliver against our roadmap initiatives.

We have also seen important actions like our dual path supply chain perform well with this recent global challenge. We remain confident in our continued ability to meet market demands on our core products for the foreseeable future and we're committed to helping our partners work through the changes in the market.

Thank you,
Your Alula team