



Partners, Customers, and Friends of CalChip Connect,

The Helium Community has expressed legitimate frustration and concerns regarding Hotspot Miner delays. We acknowledge your concerns and want to take an opportunity to address the situation.

Claims made about CalChip include:

It's CalChip's fault we don't have miners.

CalChip ships inventory after receiving it from its manufacturing partners. In August 2020, we signed a distribution agreement with the first third party Helium hotspot miner manufacturer and paid in advance for the first 2,500 units so they could begin preparing for manufacturing miners for the Helium Community. As demand grew, CalChip increased the size and number of orders with manufacturers. Unfortunately, due in part to the global pandemic, and with the unprecedented growth around the Helium network, manufacturers in the ecosystem have been challenged with trying to build products. This is happening at a global level as well, not just with respect to the Helium Ecosystem. To help support delivery of more products to CalChip customers, we work with all our manufacturers to help them find and obtain components in the market to build more products for the ecosystem, leveraging our CalChip 37+ year backbone in the distribution industry.

CalChip only cares about business customers.

More than 62% of RAK units shipped by CalChip have gone to individual consumers. In the 4th quarter of 2021, we expect to deliver less than 10% of miner orders to business clients. Yes, CalChip sells to businesses as well as consumers. No, we do not prioritize or care more about our business customers or divert consumer orders to them. In fact, most of our increased headcount and investments in operational infrastructure have gone to improve our individual customer experience, and this remains a critical priority for CalChip going forward. Per our September 22nd correspondence, CalChip is offering customers in our RAK backlog preferred access to discounted in-stock inventory, with free expedited shipping. We have streamlined our refund process and have invested in staffing agencies to increase the number of agents handling consumer tickets, all in an effort to decrease the average time to resolution and work to continually improve our customer experience. We have also implemented stringent protocols for evaluating and determining which companies we partner with so that we can avoid any potential disruptions with product deliveries or product quality issues.

CalChip doesn't pay refunds.

CalChip does offer refunds on backorders. As stated, we have created processes to accommodate special refund requests where the original form of payment makes it difficult to expedite the issuance of the refund and are working to improve our refund processing times. Please note that our team is doing its best to get through all the refunds as fast as we can.



Please allow us additional time to have your refund request processed. You will receive an automatic cancellation notice and refund confirmation to the email on file once your order has been canceled and refunded. Thank you for your ongoing patience.

CalChip is using customer funds for their own financial gain while they fail to deliver purchased products.

CalChip has consistently funded its hotspot manufacturing partner's inventory. We continue to make bold investments in the Helium ecosystem by placing large purchase orders to provide our customers with access to a variety of Helium compatible hotspot miners. In fact, we distributed more Helium miners than any single institution over the last year (September 2020 through September 2021). When some of our hotspot manufacturing partners informed us that they would be unable to meet commitments to CalChip and the Helium community, we invested in alternative miners, which we're offering to the community first. CalChip is, and remains, highly committed to the Helium community, and to delivering on our orders. In addition, CalChip has helped to bring tier one LoRaWAN manufacturers into the Helium ecosystem. These include reputable manufacturers such as Browan, Kerlink, Tektelic, SEED, and more to be announced soon! We continue to work closely with RAKwireless as our first tier 1 manufacturing partner. We impose stringent quality controls on new Helium hotspot manufacturers and have not brought hardware fraught with challenges to our customers.

CalChip is trying to rip us off with overpriced replacement miners

In order to create options for our customers, CalChip worked with multiple manufacturers to obtain components and assemble excess inventory of miners at a premium. We did this to have something to offer our backlog customers and have chosen to reserve them for the community first. Unfortunately, these were expensive to obtain, and we cannot offer them at MSRP (our costs are higher). However, we hear the legitimate concerns of the Helium community and are pleased to announce we will be offering access to other hotspot options at lower than standard distribution margins. Additionally, we are offering free expedited shipping (\$25 value) on all replacement orders. These new units only come from reputable manufacturers, for which we have in-stock inventory.

CalChip will do this all over again with 5G

We learned a lot in 2021. CalChip grew from a small team to a 40-person firm. We increased customer support tools and added Zendesk and other third-party support staff. We are also working closely with our suppliers and partners to align on 4G/5G inventory and coordinate a single waitlist. For in-demand products, we are adopting paid waitlists, available to the community first, and only for a limited time. Furthermore, CalChip is working with onshore partners who provide transparency and bring extensive experience to the table. Until there are zero backlog or waitlist customers, we are allocating a minimum of 90% of all new units to community reservations and sales. Together, with our partners, we are working diligently to deliver an amazing 4G/5G rollout.



We're here for our Community and the Helium Ecosystem

In September of 2020, the Helium Network was still in early stages of growth. Creating the pervasive Helium network and ecosystem we all know and love today took a lot of partners coming together to help make happen, in the midst of the worst supply chain crisis since WWII. Over the last 12 months, the Helium Community and Ecosystem grew significantly. Dealing with growth of this rate amidst a crisis, creativity in supply chain, product, and supporting consumer focused IoT sales was a challenge. But what we have built here amongst our Helium Community is very real and remarkable.

So, how is CalChip helping the ecosystem and Helium Community? We are now working with best-in-class manufacturers, we are working with all of our semiconductor partners in the industry to pitch them the Helium story and what is now proven, and we are helping to get global mindshare in IoT and Blockchain to help support the component requirements that will be needed to build products in 2022 and beyond. We are working on unique supply chain models with our manufacturers to drive more products to market faster. We are helping consumers, startups, and enterprises build solutions on the Helium Network.

Ultimately, we are helping to bring the right partners together in this ecosystem to create the world's true first end-to-end easy IoT Buying Journey, with the ability to build your own network and join a community of enthusiasts who want to innovate and change the world, one block at a time.

We continue to ramp up our people and processes to support upcoming growth and expected Helium Community support required and look forward to continuing to strive for the best customer experience while doing the right things and standing behind our valued customers.

With Utmost Sincerity,

TJ Rancour

TJ Rancour - Co Founder
CalChip Connect

