



CEO Letter

March 2022

We recently marked INEO's second anniversary of becoming a publicly traded company. It has been an eventful two years, set on the backdrop of a generational pandemic, and INEO has come through this tumultuous time stronger than ever and positioned for success. Our balance sheet is stronger, our technology is better, our talent is deeper, our global partner is committed and our target markets are prime for the taking. All signs point to 2022 being a pivotal year for INEO.

INEO has many unique assets which will allow the Company to succeed. We believe one of the main advantages is our executive team's experience. Both Founder and Chairman, Greg Watkin, and I have the benefit of experience – we have both built successful technology companies and we are using this experience to propel INEO forward. We took the “opportunity” of the pandemic to use that experience to redesign INEO's organizational structure to allow us to harness the capabilities of a much larger company while keeping the strategic nimbleness of a start-up. We also crafted a plan of action for the next three years looking ahead so we can create an organization which can avoid the dangers while exploiting the opportunities facing INEO. Thanks to this corporate redesign, INEO is well prepared for the rapid growth it will experience in 2022.

Over the past year we have made tremendous progress. We have expanded our patent portfolio, we have deployed Welcoming Systems in over 140 revenue generating locations, we have numerous pilots installed within large retailers around the world and we have signed a partnership agreement with Prosegur, a global security company. INEO is at the forefront of the trend of retailer digitization.

Key Industry and Market Trends

Key industry and market trends are progressing in INEO's favour. These include: (i) growth in the overall Digital Out-of-Home (DOOH) advertising market; (ii) a resurgence in the retail sector; (iii) the use of data and analytics to drive business; and (iv) our global partner, Prosegur, becoming a dominant player in the retail loss prevention sector.

The Digital Out-of-Home advertising market is surging in 2022. As a refresher, DOOH advertising is any digitized or electronic display advertising located outdoors or in a public location like an airport or mall. The dollars spent in DOOH advertising is growing faster than the general advertising market. The imminent decline in online advertising demographic targeting abilities, due to new privacy regulations, is accelerating this trend as DOOH is a great alternative for advertisers who want to continue to utilize demographic targeting. Studies are also showing DOOH is one of the most trusted types of advertising by the consumer. With these trends in place, the growth in DOOH is staggering. The number of DOOH advertising screens is up over 40% in the last four years and the dollars spent on DOOH are grew over 20% last year alone. Of the top 100 DOOH advertisers in the US, 80 spent more in 2021 than in 2020 with 20 of them spending 1000% more. The end of the pandemic will increase the growth in this market as consumers once again enter public spaces and plazas, including retail stores, where DOOH has its greatest effect.



We believe retail is a ripe market for innovative ideas and modern technology. The digitization of the traditional retail store is well underway. Retail stores have seen their fair share of adversity over the last few years. Retailers are emerging from the trough of the pandemic and are coming back with a strong commitment to invest in new technology and the customer experience. This plays to the strength of INEO. The INEO Welcoming System digitizes the front entrance of the retail store. The Welcoming System is new, it is novel and moreover it is compelling. We are generating interest everywhere we have been able to secure an audience to present. INEO delivers on all fronts for retail.

Core to retail digitization is the rapid expansion in the use of data and analytics. Capturing useful data is key to retailers being more competitive and overall being more successful in business. The INEO Welcoming System captures vital demographic data which is core to a retailer's operations and delivers a key differentiator for INEO's DOOH offering. INEO is also leading in the interpretation of this data, delivering it to our customers with analysis and actionable insights. We will continue to advance this aspect of our business over the coming year.

INEO's partnership with Prosegur was put into full gear with the signing of the worldwide licensing and distribution agreement last November. We had been working together in good faith and making substantial progress even before the official signing and since then, our mutual progress has accelerated. At the time of writing, we have installed units with Prosegur in North America, South America and Europe. Prosegur is creating a groundswell of interest which bodes well for future deals. Prosegur's sales force is taking the INEO product to the retail market faster and in more places than INEO could have achieved on its own and is raising INEO's profile within the retail marketplace and the equity markets.

Looking Forward to 2022

What does all this mean for INEO in 2022? We have a burning desire to win at INEO. 2022 will be the year of the "agreement". What I mean is our progress in 2022 should be measured by how many pilots and follow-up agreements we can secure. 2022 is the year of deal making. It will show how the INEO Welcoming System brings retail, DOOH and data analytics together to build value for our customers and investors.

The global backdrop to 2022 has started with inflation concerns and war in Europe, both contributing to uncertainty in the capital markets. INEO is well positioned to weather this storm due to our strong balance sheet and our rapidly expanding sales. INEO's short to medium term strategy is to continue to invest in R&D and customer deployments to create critical mass of systems on the INEO Media Network and the key objectives over the next year are as follows:

- Invest in the growth of INEO as a premier media network for retail.
- Increase revenues through the sale of data analytics and advertising on the INEO Media Network.
- Expand the INEO Media Network in key geographical markets across Canada, the United States, South America and Europe.
- Support Prosegur with its growth initiatives at key retailers across the globe.



This year we are focusing our investor relations activities by expanding the number of people who know our amazing story. We look forward to announcing new retail contracts and reporting positive financial performance in the coming quarters. This year, and going forward, we are going to do our utmost to get our story out there. When we do, I believe we will emerge as the quintessential technology success story.

2022 will be an exciting year for INEO. Greg and I have built a dedicated team. We have built a solid technology portfolio with a defensible patent strategy. And finally, we have the experience necessary to manage the growth as we drive the rapid expansion of the INEO Media Network.

We are grateful to have you to share this journey with us. We are thankful to our customers and our employees who have made this all possible and we appreciate the support of our investors and shareholders. As always, we welcome hearing from you.

Regards,

A handwritten signature in grey ink, appearing to read 'Kyle Hall'.

Kyle Hall
CEO
INEO Tech Corp.