



ILUS International Inc
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To the Shareholders of ILUS International Inc.:

ILUS International has been working extremely hard to build a business with a strong foundation that everybody would be proud to invest in. Our vision as a company is a long-term one, focusing on growth, profitability, and sustainability. Our goal is to earn a strong and loyal shareholder base as we execute our business plans. There will be short, medium, and long-term milestones that we feel will push us to continued organic growth.

The purpose of this shareholder letter is to summarize, in detail, our first full quarter as a publicly traded entity and to update you on the outlook for the second quarter and the rest of the year. We will also be addressing some of your concerns as we have read every email sent to us because we value and will always value you as a shareholder.

The Team

Currently, we have a staff of approximately 45 people between the UK, Dubai, and India. We are currently hiring for positions in Acquisitions, Sales and Marketing for all 3 locations. We are also recruiting top-notch talent for the engineering team to work specifically with EV and autonomous technology as well as Fire Fighting Equipment Integration. Because we are profoundly serious about a future up-list to Nasdaq, we are also in the process of strengthening our board. More on this very soon. We are also finalizing engagement contracts with several highly reputable independent directors who will be announced this quarter.

Sales

We currently have multiple orders in production for our distributor in India.

- EV Rapid Response Vehicle for DIFC (Dubai Financial Centre)
- Order for the United Nations
- Order for pump sets for 2 UK fire Brigades
- Pump sets for a Dubai Trading Company
- 2 Ambulances for a Hospital in Abu Dhabi
- Fire Vehicle equipment upgrade for a large mall

Our sales pipeline captured in Q1 was over \$5,000,000 of which we hope to convert 50% into orders for delivery in Q3 & Q4 of 2021.

Products

We will be rolling out a product portfolio awareness campaign over the next few weeks making shareholders aware of our technology including the products, potential routes to market, future revenues, etc. This will also help shareholders understand the magnitude of our range of products and the vertical and horizontal integration and potentially global reach.

We aim to engage in the certification testing of our EV E-Raptor for the USA market during this quarter and we also plan to increase our rollout activity this quarter across the Middle East.

We are very close to signing an agreement with an Unmanned Ariel Vehicle Company in Germany which would allow us to roll out a large Industrial Unmanned Aerial Fire Fighting Vehicle (DRONE) with our technology suitable for wildfires hopefully by Quarter 3 or 4 2021. More info on this will be available after the agreement has been signed.

Infrastructure

The Dubai factory offices are now complete, and the engineering team is moving in this week. Manufacturing should commence by the end of April. This will allow significant cost reductions, scale, and operating efficiencies across Firebug and TVC business units.

We are also currently looking for a suitable facility in Saudi Arabia to better position us to capitalize on the Saudi Market growth including the new \$500B Mega-City called NOEM. We hope to have acquired an operating facility in Saudi Arabia by Q3 this year.

Acquisitions

This is an exciting area of growth for ILUS International, and we are very excited about the future. We will be announcing another acquisition very soon. There were a few legal matters to clear up, but they are all done. There is another rather large acquisition that will take another few weeks to complete. The team and I will be traveling to Europe this week to negotiate the final legal agreements. This acquisition will be focused on our EV offerings.

We are currently in discussions and due diligence with 3 other companies, and we are relatively confident that we will complete at least one of those deals this quarter. We are also working on an acquisition in the US. We are in the early stages on that one and nothing is concrete at this point, but we are hopeful to complete a USA deal early by Q3.

We are working with Milanion to finalize our customized Fire Equipment provision for the Milanion UGV and to integrate their Autonomous technology onto our ERaptor. We plan to release the first vehicle in the second quarter.

Shareholder Meeting & Communication

We truly value and appreciate everyone's questions, comments, and concerns, so we have decided to implement a live Q&A answer video where shareholders can participate. Stay tuned for more about this. We are also going to begin regular bi-annual shareholders meetings. Because of Covid restrictions, we will have to do some proper DD as to where this could be held but can be done virtually until a location with adequate infrastructure is secured. The dates and location will be conveyed to the public when they become available. We will continue to update shareholders on any new developments via our Corporate Twitter account.

Shareholder Structure:

With the share structure, our goal has always been to maintain a tight and liquid share structure for our shareholders. The company did not permit or authorize the converting of any stock. Last Sunday we released a copy of the OTC report dated 3/26/2021 which showed there was no dilution. But after becoming current, there was an old restricted certificate holder we now know was permitted to convert by the TA. This was done 100% without our authorization. Last week we discovered that stock had indeed been converted without my approval. Our legal team immediately went to work. Their investigation discovered that in past years an Automatic Conversion Agreement had been signed between the Transfer Agent and a restricted certificate holder allowing them to convert without my authorization. I apologize profusely and assure you that we were not aware of these agreements when we posted about dilution. We were beyond disappointed and very annoyed at the situation after we had worked so hard to become current. With our aggressive plans to buy back shares, you can believe we did not want more being issued. No one in the current company has sold any shares and none of us intend to. Our entire financing agreement was set up to avoid dilution and provide the company the opportunity to buy back shares which we intend to do. My holding company holds 390m Common Shares, all of the Preferred A Shares (10M) and all of the Preferred D shares (60,741,000), and all of Preferred E shares (3,172,175). We have not sold a share and do not have plans to sell any. Rest assured our interests are mutually aligned. We will be issuing a small tranche of restricted shares to use for staff as an incentive plan which will happen this quarter and is to motivate and align the staff's interests with the shareholders.

We are working extremely hard behind the scenes to clean up the company including the controls and governance. Over the past few months, we have been unable to track down many of the old small, restricted shareholders who date back to 2012 but can confirm only 2 holders are holding large blocks of shares, Black Ice Advisors who have been on the register long before our involvement and the other being Cicero Transact. We have not had any contact with Black Ice Advisors. We have, on the other hand, had several great conversations with Cicero Transact CEO Michael Woloshin, I can confirm that Cicero Transact has not converted any of their restricted stock and are supportive of ILUS International business moving forward.

Even though we would not have been able to prevent the conversions I would have been able to manage the situation and expectations, had I been aware. I can assure you we were not aware of the agreements with the TA allowing conversions without ILUS approval. The good news is, moving forward, we are doing everything in our power to prevent any further conversions and the new funding vehicle will allow this to be executed more quickly.

We are in the process of preparing ourselves both financially and regulatory for a share buyback and we anticipate this commencing this quarter.

ILUS Coin & Toto Capital

ILUS is not a Crypto company and does not have licenses for Crypto and nor does it intend to be a Crypto company. We have engaged with Toto Capital who is in the crypto space. ILUS International is focused on acquiring technology businesses and investing in opportunistic technology companies that are likely to have a major upside for ILUS International shareholders. However, the opportunity around Crypto is simply becoming too big to ignore. In one of our first letters to shareholders, we said we would keep an open mind to opportunities that would enhance value to ILUS shareholders. To be clear, **we are not a crypto company, and we don't intend to be one.** But we do intend to leverage every opportunity that adds value for our shareholders and customers. We strive to be disruptive and be a leader in everything we do and will continue to be so for the long term. As far as we can tell, this model has never been seen before and therefore, if it works as well as we expect it will, it could become a new trend. We will go into much more detail about the actual mechanics of it all over the next week or two before the coin launch. The key takeaway for everyone is this means \$35 million of non-dilutive, non-debt cash to grow the business, Your Business! We believe this is truly a rare opportunity. Not only is it cash to grow the business, but it also provides options for ILUS customers to lease ILUS equipment where otherwise, they may not have been able to afford the initial capital outlay to buy ILUS equipment and of course there is also the option that ILUS can accept Coin as payment. Many countries, where exchange rates or supply of fiat money is unstable, are now starting to use Crypto as a form of payment. We see this as a great opportunity.

Toto Capital is a boutique funding company whom I have personally known for many years. They have historically been operating as an "exclusive investors club" by invitation only. They have never been in the public domain before the tailoring of this unique funding deal. More recently, Toto Capital has become very active in the crypto space and they have chosen to work with us to commercialize the offering. The ILUS token strategy is incredibly unique. We have not found any company that has done anything similar and we are beyond excited to get rolling. We believe this will open the door to many small-cap companies looking for funding in the future while getting rid of the need for toxic financing.

Toto Capital itself has several registered entities under a framework of entities, none of which are in the USA or Canada. It has a wide network of funding spread across the globe mostly in Special Purpose Vehicles (SPVs) which is what underpins the ILUS Coin. It appears there is a Toto Capital LLC business in the USA that is a small operation that investors have inquired about. - This is not the same company.

There will be a lot of information released about the Coin and the mechanics of it over the next several weeks. For now, all we can say is there is no downside to the deal and conversely, there is only an upside to it.

Canada

We are aware that Canadian brokers are not offering ILUS stock due to a Cease Trade order that was issued in 2013 due to a name change. Our legal team is handling the paperwork to get this removed. Once filed we hope our friends in Canada will be able to invest shortly after. We look forward to welcoming the Canadian market to the ILUS Army. We will provide updates on this on our Corporate Twitter account.

Reg A

We want to make it very clear that this Reg-A is not needed, but is only there as a backup plan or a Plan B. It is my job to grow the business and increase the value for shareholders and do everything possible to ensure shareholder protection. Growing a business rapidly without a plan A, B or C is not just risky, it is irresponsible. As we grow, the need for capital will grow with it and we need to make sure we have several funding lines in place. But not just any funding, non-toxic funding. Between the coin, responsible leverage, and private structured funding placements, we hope to never need the Reg A. Securities applications take time and are valid for 2 years. Having it already in place assures the company will never have to scurry for funding.

Administration

We are now current, and the team is working on the financials and filings for Q1 to be ahead of schedule. The financial audit is underway, and we expect to be fully reporting this quarter. This allows us to up list to OTQB. In addition to the Audit, we are wrapping up the Form 10 which allows us to be fully reporting with SEC. It might be ambitious, but we are aiming for that to be completed during Q2. FINRA won't process our name change until the Form 10 is complete because when ILUS de-registered from the SEC it was not current. All part of the process but the finish line is in sight.

Note

I would like to make ILUS shareholders aware, I have been co-founder and Chairman of a company called Swifty Global <https://Swifty.Global> which reversed into ticker DRCR on the OTC last week. This company has what I believe is the most disruptive sports prediction technology out right now and has unicorn potential in the market. I have contributed 10mil of my personal shares of DRCR to ILUS, this aligns with our interests. I am not actively involved on a day-to-day basis in Swifty who have their own expert team, but I am an advisor and Chairman. Their CEO will make relevant announcements on his timeline. This brings a huge potential to ILUS Shareholders in the long term without any distraction to ILUS's core business.

Summary

We have achieved a lot this 1st quarter, but we can always do more and we plan to. I am proud of what the ILUS Team has been able to accomplish in such a short time. We know the expectations from shareholders are high and we have those same lofty expectations of ourselves. We are committed and focused on moving step by step in a sustainable manner creating long-term value all while meeting and exceeding expectations.

The most challenging period is done, and we are now ready for sustained growth. Again, I do apologize for the untimely dilution. It happened on my watch and I take responsibility for that. My legal team and I are doing everything in our power to prevent anything like that from happening again and I'm also working hard to ensure that the value we add through new business, acquisitions, partnerships, and more will soon dwarf the short-term dip and leave it in our dust.

We are excited about the future and look forward to delivering on our promises and meeting your expectations on the journey to the big boards. I would also like to thank the shareholders for their patience and loyal support.

Yours Sincerely,

Nick Link