

Dear TSS Shareholders:

We are continuing to make good progress toward meeting our 2022 plan. We still have a lot of hard work and additional funding to execute, but our results from 1Q22 and our business execution plans for 2Q22 are demonstrating progress. Below are some key 1Q22 highlights and 2Q22 plans:

- (1) Our first game partner, Crimson Company, has been issuing weekly and monthly tournament rewards to their players, which can be redeemed for cash through our platform, acQyr eXchange. We are fully integrated with Crimson Company and have several gamers now on our QX app. Since most tournament winners are outside the US, those gamers have not been able to exchange and redeem their tournament vouchers on QX. However, **our production update, which is being released next week, will allow international redemptions using our new PayPal redemption method.** This is expected to significantly increase the number of revenue-generating transactions on our platform.
- (2) Our next two game partners, ePlay Digital, and Studio 85, are currently completing the QX integration work on their games. We expect to have some of their games and gamers using the QX platform soon. **ePlay Digital brings a Canadian publicly traded company with multiple games and many gamers should benefit from the exchange and redemption of digital assets.** Studio 85 uses Google services for its backend, which required us to explore integration via the Google game services. The integration solution opens up QX to Studio 85 and other game developers that are using Google Game services.
- (3) Amazon and their technical services team have agreed to supporting us in completing our QX Event-Sharing Pipeline (QX-ESP) during 2Q22. This real-time infrastructure will allow us to capture tens of thousands of in-game events per minute across multiple games. This QX proprietary IP will allow us to apply in-game events to targeted offers, defined by our game partners, and track gamer achievement of those offers. As targeted offers are achieved, we issue reward value on behalf of our game partner, adding another significant revenue stream for us. We are very pleased that **Amazon has agreed to cover almost 60% (\$141,000 of \$244,000)** of the cost of this implementation, with no claims of equity, debt, and ownership of the IP.
- (4) We are also planning to roll out our **premium services for gamers in late 2Q22.** This will allow gamers, for a monthly subscription fee, to receive additional rewards and benefits from QX and our game partners. Additionally, we are in early-stage discussions with a product brand digital incentives platform to allow targeted offers to include product brand digital coupons, from which we receive a portion of the fee as another revenue stream. We are planning on this feature being available in 3Q22.
- (5) We continue to have discussions with early-stage funds that, we hope, will provide a significant infusion of capital to fund our development, growth, and debt reduction. Meanwhile, our current investors have been providing funding to keep us moving forward. We still need additional short-term investment from our existing investors to execute our 2Q22 plans and get us to a large fund closing. **For those of you that have provided this short-term funding in 1Q22, thank you.** For those considering an additional investment, I encourage you to reach out to me this month or go to our Reg Crowdfunding Platform on NetCapital ([acQyr eXchange ← Netcapital](#)) for any additional information or questions that you might have.

Sincerely Yours,

Jim

**James O. Mulford**, Chief Executive Officer

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