

Tevano Signs LOI to Acquire Illuria - Cyber Deception Specialist

Vancouver, BC, August 12, 2021 — **Tevano Systems Holdings Inc.** (CSE: TEVO, FRA: 7RB) (“**Tevano**”, or the “**Company**”), is very pleased to announce that it has signed a non-binding letter of intent dated for reference August 8, 2021 and signed by all the parties on August 11, 2021 (“**LOI**”) for the acquisition of cyber deception software developer Illuria Security Inc. (“**Illuria**”) (the “**Transaction**”).

Under the terms of the LOI, Tevano will acquire 100% of Illuria which will operate as a wholly owned subsidiary of Tevano. Tevano has agreed to issue up to 20,000,000 common shares (subject to adjustment on receipt of an independent valuation) at a deemed price of \$0.25 per share (the “**Transaction Shares**”) to the existing shareholders of Illuria as follows:

- 20% of the Transaction Shares on the closing date of the Transaction;
- 40% of the Transaction Shares on achievement of audited revenue of US\$7 million derived from the intellectual property or business of Illuria for the fiscal year ended 2022; and
- 40% of the Transaction Shares on achievement of audited revenue of US\$20 million derived from the intellectual property or business of Illuria for the fiscal year ended 2023.

The Transaction Shares are to be allocated to the Illuria shareholders on a pro rata basis on each issuance date. The final structure of the Transaction will be determined by Tevano and Illuria to accommodate tax considerations, accounting treatment, and applicable legal and regulatory requirements. Illuria is a pre-revenue company and receipt of historical financial information is pending.

Tevano will add one nominee of Illuria to its board of directors on the closing date of the Transaction and enter employment agreements with certain key employees of Illuria.

To support the Transaction, Tevano will arrange a private placement to raise on a best efforts basis up to C\$2,000,000 to a maximum of C\$3,000,000 to fund the business of Illuria which may be funded in one or more offerings (tranches) as agreed to by the parties (the “**Transaction Financings**”). The terms of the Transaction Financings are to be determined on a tranche by tranche basis. At this time Tevano anticipates selling up to 12,000,000 common shares at \$0.25 per share on a non-brokered basis. Finders’ fees of up to 10% of the subscription amounts raised in the Transaction Financings may be paid to arm’s length parties on close of each tranche of the Transaction Financings. All funds received in connection with the first tranche of the Transaction Financings will be held in trust until the closing date of the Transaction. The parties have not determined the terms and size of the first tranche.

“We believe this acquisition marks a significant opportunity for Tevano”, states David Bajwa, CEO, Tevano. “Through the implementation of Illuria’s technology into our Health Shield platform, we realized the unique opportunity presented by Illuria’s cyber-deception technology, both as part of the Health Shield solution and as a standalone application”

Cyber deception software is one of the technological approaches to combat cyber hacking. A 2020 industry report by the SANS Institute (www.sans.org/cyber-security-courses/cyber-deception-attack-detection-disruption-active-defense/) determined that organizations operating a cyber-deception strategy experienced a 90% reduction in intrusion detection time.

“Through the introduction of our Health Shield technology, we have developed relationships with a number of leading companies in some of the most data sensitive industries”, states David Bajwa. “Our

strategy is to meet the cyber security needs of our existing connections, expand through ongoing sales & marketing initiatives and the development of strategic industry partnerships will leverage off the timeliness and industry exposure of this approach to cyber-security”.

We believe a cyber-deception strategy adds the “next level” of network security and is easily implemented into existing network security measures. Immediate benefits include the reduction in time to detect the attack while providing “real-time” information about the type and nature of the attack without the hackers knowledge while providing high-quality actionable items to be implemented by the IT security team. We believe significant savings are realized by early threat detection as well as more efficient resource allocation of part of the IT team.

Cyber-deception software utilizes a strategy of implementing “lures and decoys” to divert attack attempts away from critical resources. The premise is that by keeping attack attempts in a controlled environment, network security administrators can monitor, evaluate, prioritize and implement an action plan before a critical breach is experienced.

Closing the Transaction is subject to Tevano and the owners of Illuria negotiating and executing definitive documentation, the satisfactory completion of due diligence and receiving all other necessary consents and approvals, among other conditions typical for a transaction of this nature. If a definitive agreement is signed, the Transaction is expected to close no later than December 31, 2021.

About Illuria

Illuria is a U.S. software corporation whose technology involves active cyber deception to protect critical network systems of enterprise systems of all sizes. Using custom software decoys and lures, Illuria’s software seeks to solve the challenge of cyber-attacks by detecting threats, systematically deceiving attackers, and actively deterring future attacks. Illuria believes security software to be effective must always be one step ahead of the attackers.

About Tevano

Tevano is a hardware and software business solutions company. Its initial product Health Shield™, is an innovative AI-driven electronic device which provides instant body temperature scanning and notifies users if they need to wear a face mask. Health Shield™ devices can be placed at all entrances where patrons and/or employees gain access to buildings. The Health Shield™ device is supported by a cloud software solution that can manage multiple devices and provide detailed reporting and analysis.

For more information, please visit www.tevano.com

On behalf of the Board of:

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Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, completion of due diligence, negotiation of definitive agreements, receipt of applicable approvals for the Transaction, the Company's ability to raise further capital, the close of the Transaction and the ability of Illuria to reach its financial milestones. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

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