

Letter to Fellow Shareholders

Dear Fellow Shareholders,

You may have noticed our competitor's focus on earth-bound activities and athletes. Our focus is on exactly the opposite direction. In actuality, the technological superiority of our products is at the point where our sales are limited only by the technological inferiority of other scientific fields (specifically, current transportation means). As space communities continue to grow, we intend to be among the first to market our products in new worlds. It is there that our technological advances in light and sound can combine with our rugged footwear to propel all galactic sports participants to their fullest potential.

Back here on earth, the past year has been one of the most dynamic and exciting years since I began my tenure at Apollo Shoes in the fall of 2019. From the beginning, Apollo Shoes, Inc. has adapted itself to meet the needs of all its galactic customers and to take advantage of all opportunities supplied by exploration of new frontiers. After a record year when most companies may have wanted to relax and play it safe, we have decided to use this excitement to reach out further in our continuing mission: to make a difference in this galaxy.

Our product lines led by the flagship products ***SPOTLIGHT*** (for athletes who like to compete at night), and ***SIREN*** (designed specifically for attendees at large music festivals) have met widespread acceptance. We have signed with some of this world's premier athletes as spokespersons for our products, including a recent winner of the grueling Alaska Iditarod who used his ***SPOTLIGHTs*** to guide his dogs to a late-night finish line. We are currently negotiating with a soccer league to exclusively use our ***SIRENs***; the shoe's flashing lights are designed to go off after every team goal!

Our strategic management plans have allowed us to maintain a positive trend in income over the past several years, and this was no easy task, given the state of the galactic economy. Our net income for the year has been the best since we began operations four years ago. Next year is already on track to be even better!

The strength of our results for the past year should not be confused with the truth of the times. This was a uniformly difficult year for all businesses. Due to the conflicts in foreign countries, and uncertainty with the Federal Reserve's adjustments of interest rates, consumer confidence specifically and the overall economy more generally, has been negatively affected; therefore, fewer Earth consumers are buying our state-of-the-art athletic equipment. All of our operating divisions were severely tested. I am proud of their responses. Although sales were not as strong as we had anticipated, our marketing plans will allow us to bounce back next year.

Indeed, with the advent of significant new breakthrough technology by Apollo Shoes, Inc.'s research and development team, Apollo Shoes, Inc. now has the possibility to take a leadership role in the galactic athletic footwear market. Apollo Shoes, Inc. has always been known for its leadership position in electronic shoe technology, but we are now committed to expanding our marketing focus. With new applied technologies, Apollo Shoes, Inc. can maintain its tradition of high-tech electronic performance and style. We continue to work on and improve the ***SPEAKERSHOE***, an athletic shoe with an amplified loudspeaker, originally designed for the international recording group "Mythic

Cockroach." We are hard at work on new ideas, such as the ***PHONESHOE***, the sneaker with a cellular phone for those space citizens who need to remain intergalactically connected at all time. We anticipate that the ***PHONESHOE*** will capture a significant piece of this quickly expanding market.

At Apollo Shoes, Inc., we like to briefly acknowledge prior achievements and then proceed to new challenges. This year was great only because it provided us with the resources to expand our operations and help enable our further technological progress. As we move forward to 2021 and beyond, we recognize that we need to provide "more, faster, and better" to our markets. It is critical to continue this tradition because production, speed, and quality are critical elements for future success. We look forward to the challenge.

Larry Lancaster

Chairman, President and CEO
January 6, 2021