

Trakopolis Announces Record Third Quarter Results

CALGARY, October 31, 2017 /CNW/ - Trakopolis IoT Corp. ("**Trakopolis**" or the "**Company**") (TSXV: TRAK) is pleased to report its financial and operating results for the period ended September 30, 2017.

Third quarter financial highlights include:

- Subscription sales (recurring revenue) of \$990 thousand, which represents 9% growth quarter-over-quarter and a 25% increase compared to the prior year period.
- Monthly subscription sales (recurring revenue) of \$347 thousand, representing 14% growth quarter-over-quarter and a 26% increase compared to the prior year period.
- Revenue of \$4.63 million for the quarter, which represents 192% growth quarter-over-quarter and a 299% increase compared to the prior year period.
- Hardware sales revenue of \$3.61 million, which represents 491% growth quarter-over-quarter and a 904% increase compared to the prior year period.
- An increase in our enterprise subscriber base from 32% in the prior quarter to 38% in the current quarter.
- A reduction in net loss from \$1.36 million in the prior year period to \$1.19 million in the current quarter, representing an 8% improvement quarter-over-quarter and a 12% improvement over the prior year period.
- Net addition of 1,345 subscribers, representing 11% growth quarter-over-quarter and a 26% increase compared to the prior year period.
- Average revenue per unit of \$24.57, representing 2% growth quarter-over-quarter and a 3% increase compared to the prior year period.

Third quarter operating highlights include:

- Completion of a major enterprise customer roll-out of the Trakopolis-enabled Honeywell ConneXt LoneWorker™ device, deployed across 19 cities in 6 states.
- Successful launch of Trakopolis' Electronic Logging Device ("**ELD**") resulting in over 300 total active ELD subscribers, an enterprise win and a strong sales funnel.
- Successful negotiation and execution of a strategic relationship with Mullen Group Ltd., one of the leading suppliers of trucking and logistics services in Canada, to advance the

ongoing development of a logistics platform which incorporates load sharing technology developed by Trakopolis.

- Successful completion of private placement financing resulting in an additional \$2.02 million of capital with institutional, strategic and director participation.

"The third quarter of 2017 produced record hardware revenue as we continued our focus on the enterprise segment and we expect the strong hardware sales in the third quarter to translate into increased recurring subscription sales revenue going forward. Completing the large enterprise customer implementation in record time proves that current operations can handle further sale velocity" stated Brent Moore, CEO of Trakopolis.

"We're also very pleased to be moving forward with our partner Honeywell on the integration of the entire wireless gas detection portfolio of RAE Systems, a wholly-owned Honeywell subsidiary. We know that major corporations require an enterprise grade platform that can connect everyone and everything and we are pleased to separate ourselves even further from our industry peers in that regard. Having the Honeywell wireless portfolio connected to Trakopolis enables the Company to provide substantially more to customers while opening the multi-billion-dollar global gas detection market to us. Our partnership with Honeywell gives Trakopolis brand name recognition, established global sales and support channels, major marketing horsepower and access to an unrivalled selection of proven technologies, all with only a minimal R&D spend."

"Our long-held strategy of collaboration continues to create crucial differentiation in the global safety and productivity market, and we look forward to working with clients to deliver unmatched, comprehensive, end-to-end industrial internet of things solutions." An updated Trakopolis corporate presentation highlighting our growth strategy is now available on the Company's website and can be accessed at:

http://trakopoliscorp.com/wp-content/uploads/2016/08/TRAK_CorporatePresentation_November01-2017.pdf

Trakopolis' third quarter financial statements and MD&A have been posted to the Company's website and can be accessed at <http://trakopoliscorp.com/investors/>. The MD&A and Financial Statements have also been filed with SEDAR and will be accessible at www.sedar.com.

About Trakopolis

Trakopolis is a Software as a Service (SaaS) company with proprietary, cloud-based solutions for real-time tracking, data analysis and management of corporate assets such as equipment, devices, vehicles and workers. The Company's asset management platform works across a variety of networks and devices. Trakopolis has a diversified revenue stream from many verticals including oil and gas, forestry, transportation, construction, rentals, urban services, mining, government and others.

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Forward-Looking Information

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements regarding: growth in subscription revenue going forward; increasing the Company's enterprise sales funnel; and integration of the Honeywell wireless portfolio. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: activation of units by end users; commercial success of our products and services; adoption of new Honeywell devices by customers; general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; those additional risks set out in the Company's public documents filed on SEDAR at www.sedar.com; and other matters discussed in this news release. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Non-GAAP Measures

This news release contains references to certain financial measures that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other entities. These non-GAAP financial performance measures should be viewed as a supplement to, and not a substitute for, the Company's results of operations reported under IFRS. These financial measures are identified and defined below:

"Recurring Revenue" includes monthly software subscriptions, and resale of cellular and satellite data. Recurring revenue is recognized monthly as services are delivered and is derived from the subscription revenue category within the Company's financial statements. The Company believes that Recurring Revenue provides useful information to investors because it shows the long-term nature of recurring service revenue.

Please refer to the Company's September 30, 2017 MD&A dated October 30, 2017 for additional information regarding these non-GAAP measures.

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