

TrackX Holdings Reports 144% Year-over-Year Revenue Growth for Fiscal Third Quarter

Execution of business strategy drives successive positive Adjusted EBITDA Quarters

DENVER, CO — August 29, 2018 — TrackX Holdings Inc. (TSX.V:TKX) (“TrackX” or the “Company”), a Software-as-a-Service (SaaS) based enterprise asset management solution provider, announces the financial and operational highlights from its fiscal third quarter ended June 30, 2018. The Company will host a conference call to discuss the results today at 5pm EST (details below). All results are reported in Canadian dollars unless otherwise specified. A complete set of the June 30, 2018 Consolidated Financial Statements and Management’s Discussion & Analysis has been filed on SEDAR (www.sedar.com).

Financial Highlights for the 3 Months Ended June 30, 2018 (“Q3/F18”)

- Q3/F18 revenue of \$2.145 million was a 144.2% increase from \$0.878 million in Q3/F17 and was due to both new customer acquisition as well as continued solution expansion with the existing customer base;
- Q3/F18 recurring revenue increased 37.0% year-over-year to \$0.556 million from \$ 0.406 million in Q3/F17, primarily due to the expanding base of SaaS customers;
- Q3/F18 services revenue was up 151.5% year-over-year to \$0.860 million versus \$0.342 million in Q3/F17, due to an increase in billable hours for implementation and delivery of TrackX solutions.
- Gross margin during Q3/F18 was 57.0% versus 32.6% in Q3/F17. Gross margin increased due to growth in both software license and SaaS revenue without a proportionate increase in operating expenses.
- Adjusted EBITDA in Q3/F18 was \$0.071 million compared to a loss of \$1.070 million in Q3/F17, due to continued focus on operational efficiency, streamlined implementation processes and successful consolidation of the broTECH acquisition.
- TrackX ended the quarter with a cash balance of \$0.316 million, down from \$0.672 million at March 31, 2018. Subsequent to the quarter end, the Company secured a loan facility of up to \$5.2 million of which \$2.6 million has been drawn down for use in operational expansion.

Quarterly Revenue Breakdown by Segment

Revenue \$(000s)	Q3/F18	Q3/F17
Recurring Software	\$0.556	\$0.406
Software License	\$0.259	\$0.016
Setup, implementation, and other fees	\$0.860	\$0.342
Hardware	\$0.470	\$0.114
TOTAL	\$2.145	\$0.878

Operational Highlights for the 3 Months Ended June 30, 2018

- [May 1](#): announced a strategic partnership with [Impinj](#) (NASDAQ: PI), a leading provider and pioneer of RAIN RFID solutions;
- [May 15](#): expanded an existing contract with a leading provider of portable toilet rental services;
- [June 12](#): expanded a yard management solution for the leading Global Appliance Manufacturer customer contract announced on January 25, 2018;
- [June 26](#): signed a reseller agreement with RACO Industries, a leading integrator of handheld and wireless mobility solutions that enhance productivity and services of the mobile workforce;

Management Commentary

“TrackX accomplished several milestones during the quarter,” said TrackX Chairman and CEO Tim Harvie. “Our high margin, recurring revenue continues to increase; our gross margin increased more than 25% year-over-year, and we had our second successive positive adjusted EBITDA quarter. Post quarter end, the secured loan facilities strengthen our balance sheet, enabling us to accelerate the execution of our business plan, hire ahead of the implementations we anticipate from new customer contracts and to close on additional pipeline opportunities with enterprise accounts.”

Financial Highlights for the Nine Months Ended June 30, 2018 (“YTD 2018”)

- Recurring revenue for YTD 2018 was up 57.1% year-over-year to \$1.527 million from \$0.972 million;
- Gross margin increased to 57.5% YTD 2018 from 31.0% in the equivalent year-ago period;

- Total revenue for YTD 2018 was \$4.994 million, a 30.1% increase year-over-year from \$3.839 million. The increase was due to ongoing customer expansion and the continued growth in the customer base;
- Services revenue for YTD 2018 was \$1.578 million, a 68.0% increase over \$0.939 million in the comparable F17 period;
- Adjusted EBITDA loss was \$0.447 million versus the \$2.378 million loss for the first nine months of F17.

Selected Financial Information

\$(000s) (except per share)	Three-month Period Ended June 30		Nine-month Period Ended June 30	
	F18	F17	F18	F17
Revenue	\$2.145	\$0.878	\$4.994	\$3.839
Gross Margin %	57.0%	32.6%	57.5%	31.0%
Loss for the period	(\$0.251)	(\$1.090)	(\$1.310)	(\$2.685)
Loss per share	(\$0.00)	(\$0.02)	(\$0.02)	(\$0.05)
Adjusted EBITDA (Loss)*	\$0.071	(\$1.070)	(\$0.447)	(\$2.378)
* Adjusted EBITDA is a non-IFRS (international financial reporting standards) measure and excludes stock-based compensation				

Conference Call August 29, 2018 at 5:00PM EST

TrackX will host a conference call to provide a business update and discuss its fiscal Q3 2018 financial results today, August 29, 2018 at 5:00pm Eastern Standard Time. The call will be hosted by Tim Harvie, Chief Executive Officer and Chairman, and Gene McConnell, Chief Financial Officer.

DATE: Wednesday, August 29, 2018
 TIME: 5:00pm Eastern Standard Time
 DIAL-IN NUMBER: (866) 952-8559, (785) 424-1881
 CONFERENCE ID: TRACKX
 REPLAY: www.TrackX.com

About TrackX



TrackX, Inc. (TSX VENTURE:TKX), based in Denver, Colorado, is an enterprise asset management company deploying SaaS-based solutions leveraging multiple auto-ID and sensor technologies for the comprehensive tracking and management of physical assets. TrackX's Global Asset Management for Enterprises (GAME) platform enables the IIoT by providing unique item level tracking, workflow processing, event management, alerting and powerful analytics to deliver solutions across a growing number of industries. TrackX delivers significant value to a growing list of Fortune 500 companies and for customers in industries such as transportation, beverage and brewery, hi-tech, agriculture, manufacturing and government.

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