

TrackX Reports Third Quarter of Fiscal 2019

Company Hosting Conference Call at 4:30pm EST Today

DENVER, Aug. 29, 2019 -- **TrackX Holdings Inc. (TSX.V:TKX | OTC: TKXHF | FRANKFURT:3TH)** (“TrackX” or the “Company”), a SaaS-based enterprise asset management solution provider, announces the financial and operational highlights from its third quarter of fiscal 2019 ended June 30, 2019. All results are reported in Canadian dollars unless otherwise specified. A complete set of the June 30, 2019 Consolidated Financial Statements and Management’s Discussion & Analysis has been filed on SEDAR (www.sedar.com). Management will host a conference call today at 4:30pm EST to discuss the financial results (dial-in details provided below).

Financial Highlights for the 3-Months Ended June 30, 2019

- Revenue of \$1.39 million versus \$2.14 million in the year-ago quarter (35% decrease); resulting from a reduction in non-recurring software licensing revenue;
- Recurring revenue increased 37% over the previous year period and 14% over the prior quarter to \$761,574;
- Gross margin of 39% compared to 57% in the year-ago quarter, due to a decrease in non-recurring software licensing revenue;
- Adjusted EBITDA loss of \$768,317 compared to a \$71,480 gain in Q3FY18;
- Net loss of \$1.27 million (\$0.02/share) versus a \$251,321 loss (\$0.00/share) in Q3 FY18.

Third Quarter FY19 Revenue Mix

Revenue	Q3 FY19	Q3 FY18
Recurring	55%	26%
Perpetual Software License	<1 %	12%
Hardware	18%	22%
Setup, implementation, and other fees	26%	37%
Services	1%	3%
TOTAL	100%	100%

Operational Highlights for the 3-Months Ended June 30, 2019

- Enterprise agreement with [one of the largest U.S. furniture rental companies](#);
- Announce support for [Amazon Managed Blockchain](#);
- [Port of Oakland](#) extends license for security and compliance solution.

Management Commentary

“While Q3 was a bit challenging with respect to the closing of new enterprise opportunities, we grew recurring revenue, our core metric, through execution of our expansion strategy and the further development of our partner network,” said CEO Tim Harvie. “Our sales pipeline continues to grow steadily; we have multiple expansion opportunities within our installed customer base that we anticipate completing in calendar 2019, and we are in discussions with several Fortune 100 companies for initial deployments. We look forward to updating investors on these opportunities as they continue to develop.”

Selected Financial Information

C\$(000s) (except per share)	Three-month Period Ended June 30	
	2019	2018
Revenue	\$ 1,391	\$ 2,145
Gross Margin %	39%	57%
Loss for the period	\$ (1,270)	\$ (251)
Loss per share	\$ (0.02)	\$ (0.00)
Adjusted EBITDA (Loss)*	\$ (768)	\$ 71
* Adjusted EBITDA is a non-IFRS (international financial reporting standards) measure and excludes stock-based compensation		

Business Outlook

TrackX has remained focused on the continued execution of its core strategies. The Company's land and expand strategy has seen growth in both our solution's capabilities and the number of locations for many existing customers. Expansion within our existing client base during the quarter and additional deployments beyond include:

- Global household appliance manufacturer: we completed 2 additional implementations of GAME for Supply Chain Management (SCM), bringing the total to 7 implementations to date and four additional sites are planned through the remainder of calendar year 2019.
- Carvana: We have continued to expand at a national level, and in Q3 completed an enterprise-wide update to our new GAME for Automotive solution;
- The world's second largest processor and marketer of beef, pork and poultry: we implemented three additional locations for a total of 16, and three additional locations are planned to be completed prior to the end of fiscal 2019;
- Port of Oakland: renewed its GAME platform license for an additional three years to manage access, security and related operations within the Port; and,
- Major U.S.-based baked goods manufacturer: expanded their GAME for SCM to their second location during the quarter and committed to deploy at their third location within calendar year 2019.

With expansion commitments from existing customers alone, we are on target to more than double the total number of implementations in fiscal 2019 over fiscal 2018. And with more implementations, we anticipate recurring revenues to ramp significantly as more assets, locations and processes are managed by the TrackX solution.

Our focus areas remain returnable asset tracking, high value asset tracking (i.e. IT asset tracking) and supply chain management. Significant pipeline activity in each of these segments is anticipated to drive additional revenue growth over the subsequent quarters. While Q3 was a slow quarter with respect to the closing of new customer engagements, much progress has been made in progressing these large enterprise opportunities through the sales process. It is anticipated that the result of these efforts will be realized over the upcoming months.

TrackX will also continue to expand and leverage its partner network. Partners not only provide implementation resources to meet increased demand, but they also have access to large potential customer bases. Over the past quarter, relationships with Amazon Web Services, Barcodes, Impinj and Barcoding have resulted in numerous enterprise opportunities. As the Company converts these opportunities into customer implementations, the Company anticipates continued growth in higher margin recurring SaaS revenue as a percentage of total revenue.

TrackX Hosting Conference Call Today at 4:30pm EST

Chairman and CEO Tim Harvie and CFO Gene McConnell will host a conference call to discuss the results at 4:30pm EST on Thursday, August 29, 2019. All interested parties are invited to participate in this conference call and should dial the numbers below 10 minutes before the starting time.

DATE: Thursday, August 29, 2019
TIME: 4:30pm Eastern Daylight Time
DIAL-IN NUMBER: 800-895-3361, 785-424-1062
CONFERENCE ID: TrackX
REPLAY: [TrackX.com](https://www.trackx.com)

About TrackX

TrackX Holdings, Inc., 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 Industrial Internet of Things (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, brewery, healthcare, hi-tech, hospitality, mining, agriculture, horticulture, manufacturing and government.

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