

TrackX Reports Q1 2021 Financial Results

DENVER, CO — March 2, 2021— TrackX Holdings Inc. (TSX.V:TKX | FRANKFURT:3TH) (“TrackX” or the “Company”), a Software-as-a-Service (SaaS)-based enterprise asset management and supply chain solutions provider, announces the financial and operational highlights from its first quarter ended December 31, 2020. All results are reported in Canadian dollars unless otherwise specified. A complete set of the December 31, 2020 Consolidated Financial Statements and Management’s Discussion & Analysis has been filed on SEDAR (www.sedar.com).

“The past year has proven to be difficult for many companies as they have had to cope with significant challenges and disruptions in the midst of a global pandemic,” said Tim Harvie, TrackX CEO. “For TrackX, these disruptions caused customer implementation delays which negatively impacted our revenue, but we anticipate that many of these implementations will occur in 2021. The sale of our yard management business to FourKites also resulted in a decline in recurring revenue as yard management customers and contracts were transitioned. With this transition now being complete, our team has been much more focused on the delivery of repeatable, high margin SaaS-based solutions within those industries which have supply chain challenges, ESG (Environmental Social and Corporate Governance) initiatives and urgency to respond to regulatory and compliance mandates. In today’s world, companies will have to become more adaptable and flexible in dealing with supply chain disruptions and more responsive to consumer demand for proof of ESG claims. The TrackX platform provides enterprise accounts with the IoT sensor driven data, workflow processing and comprehensive analytics to better track products and drive operational efficiencies. Our recently announced partnership with Topl extends TrackX’s platform capability by leveraging blockchain technologies to provide the information security, transparency and data accessibility necessary to prove sustainability claims and enable collaboration throughout the entire partner ecosystem.”

Financial Highlights for the three months ended December 31, 2020 (“Q1 2021”)

- Net income for the first quarter was \$0.333 million or \$0.00/share compared to a net loss of \$0.749 million or (\$0.02/share) for the three months ended December 31, 2019 (“**Q1 2020**”);
- Q1 2021 gross margin of 77%, as compared to 49% in Q1 2020;
- Adjusted EBITDA income for the first quarter increased to \$0.163 million compared to a \$0.192 million loss for Q1 2020;
- Recurring revenue of \$0.198 million, a 73% decrease over \$0.731 million for Q1 2020, largely due to the sale of the yard management business to FourKites and decline in business from a large automotive customer moving its requirements in-house.

First Quarter Revenue Mix

Revenue	Q1 21	Q1 20
Recurring and Software License	23%	62%
Hardware	2%	9%
Setup, implementation, and other fees	75%	29%
TOTAL	100%	100%

Highlights Subsequent to the First Quarter

- America's second largest insurance company executed a renewal of their GAME SaaS agreement and committed to additional expansion of their GAME (Global Asset Management for Enterprises) implementation;
- Further partnership expansion with TOPL, a blockchain-based social impact technology company, to provide a joint solution that allows users to visualize their supply chain data, monitor suppliers, and easily report the progress of environmental, social, and governance (ESG) initiatives to all stakeholders

Selected Financial Information

C\$(000s) (except per share)	Three-month Period Ended December 30	
	2020	2019
Revenue	\$884	\$1,177
Gross Margin %	77%	49%
Income (loss) for the period	\$333	(\$749)
Loss per share	\$0.00	(\$0.02)
Adjusted EBITDA Income (Loss)*	\$0.163	(\$0.192)

Business Outlook

In 2020, the Company made a strategic decision to exit the Yard Management Business and focus on leveraging its enterprise scalable SaaS-based platform and experience on more repeatable, high margin supply chain opportunities. As companies emerge from the impact of the most recent pandemic, it will be vital for companies in the supply chain ecosystem to rapidly innovate and adapt. It has become important for companies to prioritize sustainability as a strategic initiative and enterprises will have to be equipped with the tools, technologies and resources to navigate disruptions. Consumers are demanding product tracing and tracking, better identity of origin, product authenticity, chain of custody, and proof environmental, social and compliance (ESG) behaviors. The TrackX solutions enable the digital supply chain and the GAME platform represents one of the only full-cycle supply chain execution platforms with the ability to scale and cater to a global market and enterprise accounts in the areas of tracing, tracking and sustainability. With this as its primary solution focus, TrackX expects to see an increase in pipeline activity and new revenue opportunities throughout 2021.

New partners, like FourKites, will continue to be added to the TrackX ecosystem, and more focused collaboration with partners is expected to fuel additional growth in pipeline activity, and growth in high margin recurring SaaS revenue.

In 2021, the Company intends to make additional investments in marketing, website content and social media in order to improve its messaging to the market. New outbound target

marketing campaigns and an aggressive prospecting program are expected to generate an increase in pipeline opportunities and revenue growth.

About TrackX

TrackX Holdings, Inc., is a Denver-based enterprise asset management and supply chain solutions company leveraging multiple auto-ID and sensor technologies and an event driven software platform to provide transparency and velocity to the world most complex supply chains. 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 companies in industries such as transportation, beverage, brewery, hi-tech, hospitality, automotive, agriculture, horticulture, manufacturing, and government.

www.trackx.com

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