

TrackX Reports Q4 and Fiscal 2020 Financial Results

DENVER, CO — February 2, 2021— TrackX Holdings Inc. (TSX.V:TKX | FRANKFURT:3TH) (“TrackX” or the “Company”), a Software-as-a-Service (SaaS)-based enterprise asset management solution provider, announces the financial and operational highlights from its fourth quarter and fiscal year ended September 30, 2020. All results are reported in Canadian dollars unless otherwise specified. A complete set of the September 30, 2020 Consolidated Financial Statements and Management’s Discussion & Analysis has been filed on SEDAR (www.sedar.com).

“Fiscal 2020 represented a challenging year for many companies,” said President and CEO, Tim Harvie. “Disruptions across many industries due to COVID-19 resulted in contract delays and an inability to travel to customer sites to complete implementations. While we expect to see progress on these implementations in 2021, the delays did have a negative impact on our revenue in Fiscal 2020. The sale of the yard management business to FourKites and transition of related customer accounts also represented a decline in recurring revenue, offset by a significant increase in services revenue and a strong partnership that we anticipate will generate additional opportunity for TrackX over subsequent quarters. The transition away from yard management represents a strategic decision for the Company, enabling it to focus on leveraging its experience and enterprise platform to deliver more repeatable, higher margin, IoT-enabled supply chain tracing, tracking, execution and sustainability solutions to help customers achieve increased visibility, transparency, efficiency, responsiveness and proof of environmental, social and governance (ESG) claims. With this being a core strategy for TrackX moving forward, The Company recently announced a strategic partnership with Topl, a blockchain-based social impact technology company. The joint solution, TrackX Verify, will provide customers and consumers with IoT event-driven tracing, tracking, verifiable proof of origin and sustainability as well as Corporate Social Responsibility (CSR) claims. Unlike other supply chain optimization platforms, the TrackX and Topl platform will be one of the very few to reliably collect, track, report, and verify supply chain events in a single end-to-end solution.”

Financial Highlights for the Year Ended September 30, 2020

- Net income was to \$0.185 million or \$0.01/share compared to a net loss of \$3.92 million or (\$0.05/share) for the year ended September 30, 2019 (“FY19”);
- FY20 gross margin of 56%, as compared to 43% in FY19;
- Recurring revenue of \$2.037 million, a 25% decrease over \$2.711 million for the FY19, 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.
- Adjusted EBITDA loss for the year decreased to \$0.33 million compared to a \$1.88 million loss for the FY19;

Annual Revenue Mix

Revenue	FY20	FY19
Recurring and Software License	52%	43%
Hardware	7%	17%

Setup, implementation, and other fees	41%	40%
TOTAL	100%	100%

Financial Highlights for the 3-Months Ended September 30, 2020

- Revenue of \$0.82 million versus \$1.05 million in the fourth quarter of FY19 (“Q4 19”).
- Gross margin of 68%, up from 55% from for Q4 19;
- Adjusted EBITDA of (\$0.06) million compared to \$0.49 million in Q4 19;
- Net loss of \$0.31 million (\$0.01/share) versus \$0.51 million (\$0.01/share) in Q4 19.

Fourth Quarter Revenue Mix

Revenue	FY20	FY19
Recurring and Software License	18%	67%
Hardware	10%	(3)%
Setup, implementation, and other fees	73%	36%
TOTAL	100%	100%

Highlights Subsequent to the Fourth Quarter

- America’s second largest insurance company is expanding their GAME implementation to include third party hardware manufacturers in order to drive additional supply chain visibility to hardware shipments from the vendor to the customer’s facilities;
- Formalized a partnership 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; and
- Solution expansion with a global powersports leader where GAME will be further leveraged for vehicle management across a multitude of recognizable brands.

Selected Financial Information

C\$(000s) (except per share)	Twelve-month Period Ended September 30		Three-month Period Ended September 30	
	2020	2019	2020	2019
Revenue	\$3,955	\$6,288	\$818	\$1,053
Gross Margin %	56%	43%	68%	55%
Income (loss) for the period	\$0.185	(\$3,919)	(\$307)	(\$512)
Loss per share	(\$0.01)	(\$0.05)	(\$0.01)	(\$0.01)
Adjusted EBITDA (Loss)*	(\$0.333)	(\$1,881)	(\$0.064)	\$0.489

* Adjusted EBITDA is a non-IFRS (international financial reporting standards) measure and excludes stock-based compensation

Business Outlook

In 2020, the Company made a strategic decision to exit its yard management business and completed the sale of that business to FourKites, the Chicago-based creator of the predictive supply chain visibility category. The completion of this transaction enables TrackX to focus on the delivery of high margin, repeatable and more easily deployable solutions leveraging its long-term experience in supply chain and IoT. In the wake of COVID-19, we anticipate an increased demand for supply chain visibility and efficiency as enterprises strive to ensure that they are able to protect their value chains and deliver quality goods and services to their customers. With a proven, enterprise scalable, IoT-agnostic, blockchain-enabled supply chain platform, TrackX expects to see a further increase in pipeline activity and expects to see opportunities close more quickly throughout 2021.

To increase delivery capacity and more effectively respond to industry opportunities, TrackX will continue to develop its partner network. New partners, like FourKites, will continue to be added to the TrackX ecosystem, and additional joint sales and marketing 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.

Subsequent to Q4, 2020, TrackX announced a partnership with Topl, a blockchain-based social impact technology company. An integrated solution will combine Topl's purpose-built blockchain technology with TrackX's core GAME asset management and supply chain capabilities. The joint solution 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.

About TrackX

TrackX Holdings, Inc., is a Denver-based 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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