

MESSAGE TO SHAREHOLDERS

Highlights

+41% Improvement in Operating Performance

Net loss improved by 41% for the first quarter of 2019 compared to Q1 2018 and EBITDA improved by 36% in the same comparable periods.

Subscriber Growth

Addition of 1,771 subscribers for the twelve months ended March 31, 2019 which represents a 11% increase year-over-year

Dear Shareholders,

The Company has announced its first quarter results for 2019 and while I encourage you to review in detail our financial statements and MD&A for the period, I wanted to highlight a few achievements by our team.

Our bottom line improved by 41% for the quarter ended March 31, 2019 compared to Q1 2018, we have set operational performance targets for 2019 that focus on leveraging our solution portfolio, established channels and current customer base to drive improved results in top and bottom line.

Our subscriber base continues to expand, increasing by 1,771 subscribers over the twelve months ended March 31, 2019 for an 11% increase, this in despite of a challenging oil and gas market which represents a significant portion of our current customer base.

The enterprise segment of our customer base represents 55% of subscription revenue and is a key element in driving revenue growth for 2019. We have focused our innovation and sales efforts on addressing the needs of this underpenetrated market segment.

We have successfully progressed several key product initiatives through R&D which expand our platform capabilities enabling us to focus the remainder of fiscal 2019 on commercialization

Innovation & Monetization

Trakopolis continues to position itself as a true IIoT solution, well beyond the scope of traditional fleet management companies.

Operational Breakeven

Given the launch of several new products and implementation of expense reductions, the Company has been able to make material strides towards operational breakeven.

through both our channel partners and current customer base.

We believe our efforts to build an enterprise platform that is configurable in providing end-users a customized solution strengthens our position in the market and aligns with trends in the industrial internet of things (“IIoT”) marketplace.

Our agnostic approach to hardware provides flexible options and new functionality and capabilities for customers who view digital transformation, connectivity and visibility as clear operational advantages.

Trakopolis continues to position itself as a true IIoT solution, well beyond the scope of traditional fleet management companies. We have invested in strategic partnerships that position the Trakopolis platform to capture a very broad and complimentary market in 2019.

Going Forward

Collaboration and partnerships are core strategies of Trakopolis. Now that we have launched important new products, we can concentrate our efforts on monetization. This has allowed us to significantly reduce our operating costs and grow monthly subscription revenue with a goal to achieve operational breakeven as soon as possible.

I want to thank you for your continued support as we grow the business.



Sincerely,

Brent Moore

President & Chief Executive Officer
Trakopolis IoT Corp