

TRAKOPOLIS Announces Continued Revenue Growth and Second Quarter Financial Results

CALGARY, July 27st, 2017 - Trakopolis IoT Corp. ("Trakopolis" or the "Company") (TSX-V : TRAK) has reported financial results for the second quarter of 2017.

Second quarter financial highlights include:

- Revenue of \$1.59 million, which represents a 39% increase compared to the same period in 2016 and 9% growth, quarter over quarter.
- Gross profit of \$811 thousand, which represents a 16% growth compared to the same period in 2016 and 6% growth, quarter over quarter.
- Recurring subscription revenue increased by 12% compared to the same period in 2016 and a 2% increase quarter over quarter. Further growth in subscription revenue is expected during Q3 upon completion, installation and activation of related subscriptions for hardware sold to a previously announced enterprise customer.
- Hardware revenue was \$610 thousand, representing growth of 101% compared to the same period in 2016 and a 14% increase, quarter over quarter. This increase is a result of the Company realizing continued sales to existing customers and sales to an enterprise customer of \$150K during the quarter.
- A net loss of \$1,298 thousand was recorded for the quarter compared to a net loss of \$1,231 for the same period in 2016 and a net loss of \$689 in prior quarter. The increase in net loss arises from increased sales, marketing and operations expenses during the quarter as a result of implementing the Company's growth plan and increased share based compensation expense.
- Adjusted EBITDA of negative \$769 thousand compared to the prior quarter of negative \$296 thousand. The decrease in adjusted EBITDA is primarily a result of receiving a SR&ED rebate of \$403 thousand during Q1 2017.

"Our growth, year over year, is a result of increased orders from existing customers and the initial roll out of a large enterprise sale during the quarter. Our focus will continue to target enterprise customers while continuing to win small and medium sized businesses (SMB) accounts to achieve further, rapid growth in our subscription base", stated Brent Moore, Chief Executive Officer of Trakopolis. "As we continue to execute sales to enterprise customers and capitalize on our growing electronic logging device (ELD) sales funnel we expect to experience significant growth in future quarters."

Trakopolis' second quarter financial statements & management discussion have been posted to the Company's website and can be accessed at <http://trakopoliscorp.com/investors/>. The MD&A and Financial Statements have also been filed with SEDAR and will be accessible at www.sedar.com.

About Trakopolis

Trakopolis is a Software as a Service (SaaS) company with proprietary, cloud-based solutions for real-time tracking, data analysis and management of corporate assets such as equipment, devices, vehicles and workers. The Company's asset management platform works across a variety of networks and devices. Trakopolis has a diversified revenue stream from many verticals including oil and gas, forestry, transportation, construction, rentals, urban services, mining, government and others.

Disclaimer for Forward-Looking Information

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; those additional risks set out in the Company's public documents filed on SEDAR at www.sedar.com; and other matters discussed in this news release. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

This news release contains references to certain financial measures that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other entities. These non-GAAP financial performance measures should be viewed as a supplement to, and not a substitute for, the Company's results of operations reported under IFRS. These financial measures are identified and defined below:

Earnings before interest, tax, depreciation and amortization (EBITDA) is an indicator of the financial results generated by our business activities excluding the impact of any financing

activities, amortization and depreciation of property, equipment and intangible assets, and taxes.

Adjusted EBITDA is a further refinement of EBITDA to remove the effect of share-based compensation expense. As such, Adjusted EBITDA provides more meaningful continuity with respect to the comparison of our operating results over time.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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