

TRAKOPOLIS Announces Record First Quarter Financial Results

CALGARY, May 1, 2017 /CNW/ - Trakopolis IoT Corp. ("Trakopolis" or the "Company") (TSX VENTURE: TRAK) has reported financial results for the first quarter of 2017.

First quarter financial highlights include:

- Revenue of \$1.46 million, which represents 20% growth quarter over quarter.
- Gross profit of \$763 thousand, which represents an 18% increase quarter over quarter.
- Adjusted EBITDA of negative \$296 thousand. This is compared to the prior quarter of negative \$522 thousand, which represents a 43% improvement quarter over quarter.
- Hardware revenue was \$532 thousand, an increase of 46% quarter over quarter. This was a result of increased sales to existing customers and enterprise sales through its strategic partnership with Honeywell for the ConneXt Lone Worker.
- Subscription revenue increased by 5% to \$889 thousand. Growth in subscription revenue is expected as enterprise clients roll out and activate newly acquired units in the coming periods.
- A net loss of \$689 thousand was recorded for the quarter. This is compared to \$318 thousand from the same period in 2016. The increased net loss arises from increased sales and marketing, operations and general and administrative expenses during the quarter compared to the prior year as a result of implementing our growth plan subsequent to raising \$5.75M.

“Our growth quarter over quarter is a result of follow on orders from existing customers, wins in new markets and contributions from new product offerings.”, stated Brent Moore, Chief Executive Officer of Trakopolis. “As we continue to refine our new products and increase our enterprise sales funnel we believe we are well positioned to continue to prove out our business model and strategy with organic growth.”

Trakopolis' first 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 in this news release include, but are not limited to, statements regarding: future sales of as part of the Honeywell ConneXt Loneworker™ solution and expansion of the relationship with Honeywell. 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: commercial success of the Honeywell ConneXt Loneworker™ solution and sales of the solution and other solutions under an expanded Honeywell relationship; 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:

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 and one-time costs associated with the RTO transaction. 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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