

# MESSAGE TO SHAREHOLDERS

## Highlights

**\$3.6 million**

in subscription revenue for the year to date, representing a 28% increase compared to the prior year

**+22%  
Subscriber  
Base**

in the current quarter, compared to the same quarter in prior period.

Dear Shareholders,

We are pleased to present our results for our third quarter ending September 30, 2018. Our net loss improved by \$382 thousand or 32% from Q3 2017 and our EBITDA loss also improved by 25% as we continue to focus on both revenue and subscriber growth as well as optimizing our cost structure as we strive for profitability.

Our total number of subscribers continues to increase across our major verticals. Our Monthly Recurring Revenue (“MRR”) declined slightly from the prior quarter due to a select few enterprise customers opting to hibernate assets, reducing average revenue per unit. Despite these hibernations, our year over year subscription revenue growth is 28%.

Hibernations are typically exercised for temporary periods and are reactivated upon request, but we are pleased to see these hibernations are coming back online, albeit modestly.

Our focus on advanced analytics through Microsoft Power BI continues to be well received by our customers who embrace digital transformation and want deeper insights to operational data. This is a pleasing trend and aligns with our market predictions.

During the quarter the Company accelerated its partnership with KeepTruckin’ which included a direct integration of their hardware into Trakopolis. This dramatically simplifies the combined solution and boosts the functionality for end users.

This partnership provides Trakopolis with the industry leading electronic logging device (“ELD”) solution that complements our current product offering in the transportation vertical for small and medium sized businesses and for enterprise customers.

### Going Forward

Our stated goal of hitting 20,000 subscribers by the end of fiscal 2018 is attainable but very dependant on the timing of a successful enterprise win which has eluded us so far this year. We believe our product pivot in ELD was short term pain for long term gain but that is behind us now.

Given that our products and channel partners are established we will direct sales efforts to the maturing funnel opportunities. Operationally we are taking a sharpened approach to profitability given the continued progression of enterprise opportunities, return of ELD sales velocity and product demand from new and existing customers.

The Company has never been busier with pilots, partnerships, process improvements, exciting integrations, product enhancements, re-launches and onboarding and training our growing customer and subscriber base. We are confident these efforts will translate into material results in the near term.

Please review our interim financial statements MD&A for further financial analysis and information.

Thank-you for your continued support and be sure to download our recently updated corporate presentation to learn more about our growth story by clicking the link below.

[Click here to view the presentation](#)



Sincerely,  
*Brent Moore*

**Brent Moore**  
President & Chief Executive Officer  
Trakopolis IoT Corp