



CSE:CRL
FSE:7C5
OTC:CDTAF

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CARL DATA SOLUTIONS RELEASES CEO LETTER TO SHAREHOLDERS

August 22, 2019 - Vancouver, British Columbia - Carl Data Solutions Inc. (CSE:CRL, FSE:7C5, OTC:CDTAF) (öCarl Dataö), is pleased to provide a corporate update.

Dear Shareholders,

During the past few months, Carl Data management has been very active in developing business opportunities. This summary of our various corporate developments provides an update on our progress.

Industrial IOT Business Development - Water Monitoring

Building on FlowWorks, our real-time monitoring platform for water and sewer system management, we have created a suite of tools and applications that help predict when and where environmental events like flooding may cause damage to critical infrastructure. By automating calculations with data updated in real-time, engineering reports that previously took days to complete are dynamically generated instantly. This provides significant time and cost savings for our clients. Working closely with trusted, long-term municipal government partners to pilot these products, we are now commercializing these essential risk mitigation tools to a very receptive marketplace.

Cities such as Los Angeles and Toronto and engineering firms such as CH2M and AECOM already rely on our software platform, and 97.5 per cent of our customers renew their contracts. Existing customers are also being upsold to our newly released products that complement their basic software subscriptions. Enquiries about our technology from municipalities, engineering firms and environmental groups has increased exponentially. An estimated \$300 billion USD investment is needed to repair and manage aging US sewage systems alone.¹ Carlø products and services are perfectly positioned to meet the needs of governments looking for resources to tackle this massive problem.

¹ https://www.washingtonpost.com/local/billions-needed-to-upgrade-americas-leaky-water-infrastructure/2011/12/22/gIQAdsE0WP_story.html

Industrial IOT Business Development - Dam & Mines Monitoring

After years of software development and several successful pilot projects around the world, Carl Data is allocating more resources to focus on the lucrative dam monitoring market. There are over 3,500 mine tailings dams² and 56,000 large water dams worldwide, many aging and ill equipped to manage climate uncertainty and environmental changes. Currently, only 1 per cent of data collected is actually used to ensure productivity and safety within the mining industry.³

Successful pilot projects and subsequent full deployments at several of Teck Resources Limited's (Teck) mine sites have proven that our platform is superior to traditional flood risk assessment methods. We are confident this validation from Teck will establish us as the benchmark for monitoring tools in the industry.

In 2019 just one tailings dam disaster in Brazil resulted in hundreds of deaths, 11.7 million cubic meters of toxic mud pollution⁴ and over USD\$19 billion loss in market capitalization⁵. To protect investments, save the environment and lives, real time monitoring platforms are required to avoid future disasters. Carl is on the forefront of developing and delivering these solutions.

Industrial IOT Business Development - Oil & Gas 2.0 Monitoring

Carl Data Solutions is changing the way oil & gas companies monitor their pipeline infrastructure. Our holistic approach not only monitors the pipeline itself, but also the surrounding environment. Pipelines are susceptible to breaks and leaks when there are movements in the earth or rivers that they cross become swollen with rainwater. Our automated risk analysis is a completely different approach than current practice of manual calculations and modelling.

We benefit from the current trend of increasingly stricter environmental laws and regulations that demand products like ours are used in infrastructure monitoring. The pipeline maintenance market is estimated at \$5.2 billion USD in the US alone while the worldwide the market potential is estimated at \$8.3 billion USD.⁶ Carl Data's software platform predicts events that can lead to failures and help avoid disastrous oil spills. We are currently discussing solutions with companies in the United States, Norway and the Middle East.

Pilot Project Status

A total of eight innovative machine learning (AI) enabled software pilot projects for infrastructure monitoring are nearing completion this fall. Each pilot is being assessed for full scale deployment. Carl Data's fully owned subsidiary, Astra Smart Systems Corp.'s AirSafe sensor pilots for mining, forestry and property management were successfully completed. We already

² <https://www.economist.com/the-economistexplains/2019/01/28/the-danger-of-tailingsdams>

³ www.mckinsey.com/industries/metals-andmining/our-insights/how-digital-innovationcan-improve-mining-productivity

⁴ www.msn.com/en-xl?refurl=%2fexl%2flatinamerica%2ftop-stories%2fwatare-dangers-of-mining-waste-in-brazil%2far-BBSS4Hp

⁵ www.reuters.com/article/us-vale-sadisaster-stocks/vale-stock-plunges-afterbrazil-disaster-19-billion-in-market-valuelost-idUSKCN1PM1JP

⁶ www.aopl.org/wp-content/uploads/2018/08/2017-API-AOPLPipeline-Safety-Excellence-Strategic-Plan-Performance-Report.pdf

have partners in resource development placing orders for these low-cost sensors to expand their environmental monitoring and analysis of their data.

Transition & Global Commercialization

Carl Data has invested millions of dollars in building technology that revolutionizes the way industry extracts value from data. Now that our technologies have proven their worth to large municipalities and multi-billion dollar corporations, we are prepared for the global commercialization of our product lines.

PRC PARTNERS LTD. (øPRCö), a consultant group based in Hong Kong, with strong representation in China, Germany and Scandinavia is helping us approach potential clients around the globe. PRC is working closely with us during this transition period to introduce new joint venture partners, licensing deals and strategic investors.

Europe

At the end of September, PRC has planned a roadshow where we will meet with European institutional investors. Engaging with funds that specialize in investing in technology companies like Carl Data will allow us to increase liquidity in our stock and attract analyst coverage. We will also meet with potential clients and joint venture partners in Scandinavia, Germany and the Netherlands. The focus will be on water monitoring and the upcoming Oil & Gas monitoring platform.

China

Several perspective Chinese clients have approached Carl Data about our real time predictive water and sewer system monitoring platform. Currently, China's infrastructure does not meet the needs of their expanding population. They have approximately 4,000 treatment plants⁷ compared to the 16,000 treatment plants in the US⁸, and four times the population.

As China attempts to modernize their sanitation infrastructure, there is huge potential for Carl Data's platform. In the past, PRC successfully negotiated major licensing deals in China, and will assist us in securing future licensing deals and joint venture partners.

Research & Development

Carl Data is building a first of its kind low-cost IoT sensor laboratory in our 12,000 square foot, Trail, BC facility. We will be able to test the performance of our new machine-learning and AI enabled products, and access other sensors and hardware.

We are also developing a new generation of vibrational sensors that will complement our machine learning applications and monitoring platform. We plan to disrupt the existing sensor hardware industry by lowering the cost of deploying environmental monitoring networks and putting the focus on the data versus the data collection device.

⁷ <https://www.thesourcemagazine.org/urban-china-turns-sewage-power/>

⁸ https://en.wikipedia.org/wiki/Publicly_owned_treatment_works

For two years, we have been leaders in using machine learning to detect anomalies and problems with data as it is ingested into cloud storage. We are continuing to build on this lead, increasing the amounts of data that can be cleaned and recognizing patterns in datasets that can lead to biased results.

Recent Private Placement

Last week's private placement at CAD\$0.20 per share represented a considerable premium to the current market price, and demonstrates that strategic investors are starting to realize the enormous potential of our industry disruptive technology. Further financings will only be considered at a much higher company valuation. We believe that our current share price does not represent our true potential.

Corporate Brochure

For more details about our technology and business strategy you can download our new corporate brochure: www.carlsolutions.com/assets/resources/CARL_InvestorDeck_20190707.pdf

Many of our revolutionary software, hardware and networking products are now proven to drastically improve safety and efficiency. Over the next year Carl Data will disrupt industries with affordable, accessible and vital technologies for our changing planet. We thank you for your continued support and are looking forward to reporting our continued progress.

Sincerely,

Greg Johnston

CEO Carl Data Solutions

About PRC

PRC Partners Ltd. is a Hong Kong based consultant group that focuses on undervalued and promising growth companies and serves these companies by increasing visibility & accessing capital through an experienced network of investors. The company focuses on Europe and Asia Pacific, with a strong focus on China.

About Carl Data Solutions Inc.

Carl Data Solutions Inc. is an Industrial IoT (IIoT) company that provides next generation collection, storage and analytics solutions for data-centric companies. Building on its recent acquisitions, Carl Data helps clients analyze and model environmental data through a powerful technology agnostic end-to-end platform of smart sensors combined with web-based monitoring, reporting, and predictive analytics applications.

Carl Data continues to develop applications that extract value from new cloud-based mass storage services and machine learning (AI) analytics tools to provide the scalability needed to effectively monitor smart cities, utilities and other industrial verticals. This

software suite saves clients time and money by amassing information from any sensor or source to create a real-time decision support system with deep insights into how to protect infrastructure and assets. More information can be found at www.CarlSolutions.com.

On behalf of the Board of Directors:

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The Canadian Securities Exchange (operated by CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.

This press release contains certain forward-looking statements within the meaning of applicable securities law. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking statements in this press release include, but are not limited to, the statements that validation from Teck will establish Carl Data as the benchmark for monitoring tools, that with help from PRC, Carl Data will meet with European institutional investors, potential clients and joint venture partners during a roadshow in Europe and PRC will also assist Carl Data in securing licensing deals and joint venture partners in China and that Carl Data's Trail, BC facility will allow for the testing of new machine learning and AI enabled products to help disrupt the sensor hardware industry.

Although Carl Data believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements including, without limitation, risks with respect to world markets not responding to Carl Data's product offering in as positive a manner as expected, the inability of the various partners and stakeholders to complete their communications work, the potential that Carl Data may lose the confidence of municipal partners in its services; competitive conditions in the industry; general economic conditions in Canada and globally; the inability to secure additional financing; competition for, among other things, capital and skilled personnel; potential delays or changes in plans with respect to deployment of services or capital expenditures; possibility that government policies or laws may change; technological change; risks related to Carl Data's competition; Carl Data's not adequately protecting its intellectual property; interruption or failure of information technology systems; and regulatory risks relating to Carl Data's business, financings and strategic acquisitions. Any forward-looking statements contained in this press release are made as of the date of this press release. Carl Data disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.