



Carl Data Solutions December 2019 CEO Update

Carl Data Solutions Inc. (CSE: CRL) (FSE: 7C5) (OTCQB: CDTAF)

Dear Shareholders,

We are at the beginning of something big and I wanted to take this opportunity to thank all shareholders for your trust and support Carl as well as provide an update on the company. The team is working extremely hard to ensure Carl Data reaches its full potential both as a publicly listed company and as a provider of unique Industrial IoT (IIoT) and Big Data services for government and Industry. I am pleased with and very proud of accomplishments and new developments happening at Carl Data.

With the recent \$2.3 million contract signed, Carl is rapidly approaching profitability. Our core technology platform was built to specifically to handle these very large 7 to 8 figure projects allowing us to deploy multiple solutions concurrently without significantly expanding our staff or operating costs. We are just beginning to achieve our goal of high revenue growth with minimal additional investment required. The two greatest strengths of our technology are: 1. the solution is extremely scalable, and 2. we can integrate practically any data source. This means fast deployments and higher margins as new clients are added. These two main features are critical to our success as we expand globally. I am happy to report that since we have closed this latest deal, interest in our company and our products has increased from both domestic and international leads and partnerships that we have been actively pursuing.

Our latest industry leading products built on our core platform have been well received. New requests for pilot projects have increased significantly as governments and companies scramble to find vendors that can deal with the collection, storage and analysis demands present in our new data driven economy. Carl's Business Development Group is aggressively pursuing a large number of existing opportunities while an increasing number of new leads flows in



daily. Our focus is firmly on larger, more lucrative contracts to take advantage of our quick deployment and ability to scale leading to exponential revenue growth through fewer contracts.

We received a number of inquiries from institutions and shareholders in the past few days with regards to potential financing. I would like to clarify that it is the opinion of the management, Board of Directors, and our business consultants that at this time our current valuation is not sufficient to undertake a private placement. The main objective of management is to keep share dilution to a minimum to make the company as attractive as possible to investors and other interested parties. We plan to delay future financing until we feel the stock price is representative of the company's potential with respect to growth and revenue. In the interim, Carl has received a commitment letter for a \$500,000 CAD loan from one of our major shareholders to cover any short term deficit from our operational and business development activities.

With significant new revenue now being generated from our subsidiaries, management believes that we have reached a stage where we can now successfully solicit coverage and investment from major institutional investment firms. We are actively discussing the company and the opportunity with firms from Europe, the United States and Asia that are interested in the company and its technology.

The management of Carl Data firmly believes that with our existing projects underway and new projects under development, the company has reached a key milestone in its development. Carl Data's unique solutions for IIoT are ready for global expansion. Large companies and governments clearly see the need to implement AI and Big Data solutions to protect infrastructure. As an early adopter and developer of new technology in this area, Carl Data has a distinct advantage in securing new business. We are confident that we are in the right market at the right time and well ahead of our nearest competitors.

The company is in preliminary talks with two organizations based in China regarding a range of Carl Data's software solutions. Meetings are currently being scheduled in Beijing, Shanghai, Shenzhen and Dongguan. Carl Data and PRC



Partners believe that China will be a major market for the specific type of IIoT products Carl provides.

Carl Data believes that several of our solutions have now successfully reached a level to be tested by major independent technology institutions worldwide. The purpose of the testing is to achieve validation and recommendations for major insurance companies in Europe and the United States that would promote and reward companies using these real time monitoring solutions for risk mitigation.

New Company Organizational Structure

The recent successful acquisitions of i4C Innovation Inc. (i4C) and Astra Smart Systems Corp. (Astra), have enabled the company to provide end-to-end IIoT solutions, including hardware, software and telemetry. i4c and Astra were instrumental in landing our latest and biggest project to date and are complimentary to our FlowWorks Inc. (FlowWorks) subsidiary which itself recently signed large contracts with Miami-Dade County and Washington D.C. Astra and FlowWorks will work together on key projects where products and scope are aligned. Both Astra and FlowWorks now boast client lists that extend well beyond small regional contracts that they began with and are now securing substantial, multi-year corporate and government deals. This has been achieved through integration with Carl Data's core technology platform.

Our immediate next steps are to:

- expand the business development team for Astra and Flowworks to accelerate sales;
- developing Chinese and German user interfaces for our SaaS products;
- rebrand and develop multilingual versions of support, sales, and marketing materials;
- undertake a major marketing and advertising campaign in the USA and Canada;



- change our strategic approach to sales by leading the RFP processes with cities and large companies directly, rather than acting as a subcontractor; and
- up-selling existing clients with our new solutions.

We are confident that both Flowworks and Astra are in strong positions to secure a large contracts for environmental and infrastructure monitoring, especially related to water resources which are now under threat on a global scale.

Conclusion

Carl Data's end-to-end solutions for real time environmental data monitoring through its two primary subsidiaries, Astra and FlowWorks Inc., have demonstrated there is an enormous market for the products we have built. Carl and its subsidiaries provide the technology to solve problems where current solutions are missing our inadequate. Our growth is tied to a much larger change that is happening in the world today: collecting and harnessing data for deeper insight. Carl Data has an enviable platform from which to build unique products leveraging knowledge that was simply unavailable only a short time ago. We are looking forward to going far beyond the advances we have made this year to ensure 2020 becomes a truly breakout year for the company.

Greg Johnston
President, Chief Executive Officer, Director
Carl Data Solutions Inc.
For further information please contact:
Victoria Oh
Corporate Communications
Carl Data Solutions Inc.
Telephone: (778) 379-0275
Email: info@carlsolutions.com

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