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17 December 2021

t42 IoT Tracking Solutions PLC
("t42" or the "Company")

Agreement to Supply IoT Shipping Container Solutions to Latin America

t42 IoT Tracking Solutions plc (AIM: TRAC), which provides IoT driven real-time tracking, monitoring, analysis and security solutions for the global container and freight market, is pleased to announce that it has secured an agreement with a Latin America consortium (the "Customer") for the sale and distribution of t42's shipping container tracking devices, including its "Tetis" and Lokies" products, and SaaS related revenues (the "Agreement").

The Agreement is for no fixed term but provides a framework for the Customer to order up to a certain amount of product from t42 through to the end of 2024, with ongoing SaaS revenues on units deployed, which could result in overall revenues in excess of US\$40 million if the maximum number of product units indicated by the Customer are deployed. Whilst there is no commitment for the Customer to order a minimum amount, the Agreement provides that exclusivity for a Latin American country will only be granted to the Customer if the total orders indicated in the Agreement are placed in 2022, 2023 and 2024. However, there is no guarantee on total revenues at this stage and the exact annual offtake of products under the Agreement is still subject to further discussion and is expected to be more clearly defined as work under the Agreement progresses.

The Customer is a Latin America consortium of five leading local companies which provide data information to the port authorities for a major regional port in Latin America and it is expected that further opportunities will arise from this relationship over the next few years. The consortium will assist port authorities to track and monitor goods in transit and to increase taxation revenues.

The Company's new strategy is to target the multibillion-dollar global shipping container industry, where the Board sees immense unmet asset tracking needs. t42's state-of-the-art solutions provide 24/7 real-time monitoring, cloud-based analytics, enhanced security and actionable data for target customers which includes ports, cargo owners, shipping companies, freight forwarders, insurance companies, customs authorities and homeland security and police.

This Agreement follows the Company's announcements on 22 October and 3 November 2021, in which it was reported that negotiations for potential new contracts were in advanced stage discussions for the supply of Starcom's various devices for the tracking and monitoring of containers and related items. The Directors of t42 were seeking to conclude at least one contract before the end of this year and in addition to this Agreement, discussions also continue with other potential customers for similar contracts, particularly in South America and the USA.

Avi Hartmann, CEO of t42, commented:

"We are delighted to announce our first sales and distribution partnership in Latin America, with potentially significant revenues over the four-year period, which would make it the largest contract in the Company's history. This reflects our new strategic focus on the global shipping container market and is expected to be the first of a number of deals in this sector that we hope to complete over the coming months.

“The Board believes that considerable losses for global shipping and logistics companies, which have been estimated at US\$50bn annually, and disruption to supply chains globally could be prevented by widespread adoption of t42’s real-time monitoring solutions. The Company is therefore keen to spread the benefits of its tracking technology as widely as possible around the world and thereby deliver significant improvements in reliability and efficiency of global supply chain processes. This will in turn drive down costs for the shipping industry, and hence for end user consumers.

“With discussions now well advanced on a promising pipeline of substantial projects within the sector, we look forward to providing further updates in due course.”

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