

Q&A with John Putters, Founder & CEO



VISIONSTATE™



1. Can you please explain the difference between Visionstate Corporation and Visionstate IoT Inc. and describe the activities of each company?

Visionstate Corp. is a public company trading on the TSX Venture Exchange (TSXV) that owns 100% of its main operating division, Visionstate IoT Inc.

Visionstate IoT Inc. is focused on Internet of Things (IoT) in the facility management industry. The main product is WANDA, a tablet device that collects sensor data and is used to track supplies, cleaning activities and maintenance in public areas.

2. Visionstate Corp. has been public since 2005. What would you consider the Company's biggest achievement so far?

In 2012 the Company pivoted to IoT applications away from interactive directories as brick and mortar retail continued to be challenged and therefore impacted Visionstate Corp.'s main products. Since the launch of WANDA, the Company has focused on the growing demand for IoT applications, and the product has been installed globally with industry leading partners, such as Telus, Bunzl, AT&T, and others.

Therefore, the biggest achievement has been recognizing the opportunity in IoT and moving further towards that business by partnering with global leaders.

3. Let's talk about Visionstate IoT Inc. WANDA is obviously the core of your business. What's the story behind the device?

WANDA is an acronym for Washroom Attendant Notification Digital Aid and was initially created as a device tablet installed in public restrooms to monitor cleaning, maintenance and supplies and issue public alerts when the area requires attention. The product was developed and originally launched in 2014 at a large shopping centre in Canada as a way to track cleaning activities in order to improve customer perception and to provide a digital audit trail for such activities in cases involving slip and fall law suits.

As the technology evolved, so did our solution. It is now a smart, cloud-based device that can gather information from cleaning staff activities and sensors such as traffic counters and present the data in a concise analytics dashboard that is used by facility managers to improve operational efficiencies. WANDA is no longer tailored for public restrooms exclusively but for any public space area. Today the technology has expanded into a hub of data that is serving the entire facility management industry.

4. Where's WANDA currently installed?

WANDA is installed in many different industry verticals including hospitals, airports, shopping centres, office buildings and casinos across North America and most recently in the UK at the World Wildlife head office. Hospitals are particularly concerned about cleanliness and the ability to track cleaning and maintenance activities, so currently the largest install base for WANDA is within hospitals, such as Grey Nuns in Edmonton, the Colorado Children's Hospital in Denver, and the newly renovated Joseph Brandt Hospital in the Greater Toronto area to name a few. We are also currently doing a pilot project with a large grocery chain in the GTA; something Visionstate is particularly excited about.

5. One of your biggest partners is Bunzl Canada which is a division of a global company Bunzl (LSE: BNZL). How did this partnership come to be and what do you expect out of it in the near future?

Visionstate was initially approached by Bunzl in 2017 as it recognized the growing importance of technology in the cleaning and hygiene industry, particularly for big data related to consumable products and operational efficiencies derived from analytics.

Bunzl Canada, being a large industry partner, provided Visionstate with an opportunity to accelerate the sales and marketing of WANDA in all corners of the globe. Bunzl's reach and market dominance in the cleaning and hygiene industry made it a perfect fit for Visionstate, which is also leveraging its partner's purchasing power for the WANDA device to get the best possible price.

With the rapid growth of IoT solutions, both Bunzl and Visionstate are poised to dominate the market for smart technologies in the facility management industry. The opportunity exists both in leveraging technology to create greater efficiencies, but also becoming a leader in big data as it relates to this industry. The market is poised to adopt WANDA technology as IoT solutions become mainstream.

6. What's the Company's current revenue model?

Visionstate's primary business model is based upon royalties and recurring revenue tied to annual license fees for the solution. Visionstate earns revenue on each unit sold as a royalty on the initial sale of WANDA, and collects annual license fees to support and upgrade the software as required.

The Company uses channel sales partners and distributors to market and sell the product globally, which enables Visionstate to continue focusing on expanding the existing technology base.

7. Are you working on any new developments for WANDA? What should the market expect to see from Visionstate IoT?

Since taking WANDA to market in 2018 with our partner Bunzl, the Company has identified new opportunities to expand its technology further into IoT and introduce new revenue streams and licence fees.

New development includes battery-powered IoT buttons that work alongside WANDA but require less infrastructure to install. These IoT buttons will be used in restrooms and public areas where cleaning activities need to be recorded and public alerts received, but with less infrastructure than currently required for WANDA. A typical install would be in franchise food restaurants that want to track cleanings and public alerts but do not have the necessary infrastructure or budget to install WANDA units. The IoT buttons can be installed anywhere because they do not require power and can still monitor important activities in the restroom or public area. This provides Visionstate with new revenue streams as well as expands its ability to further penetrate the facility management sector by introducing a low-cost alternative to the full WANDA product.

Further to that, the Company is working with third party vendors to introduce generic sensors to measure supplies and performance of devices such as paper towel dispensers, soap dispensers and toilet paper use. Since WANDA is sensor independent, it can collect data from virtually any data point, and in this way acts as a data hub.

Visionstate is also working on a new mobile app operating in conjunction with WANDA hut that will make monitoring areas outside of the restroom easier for the facility managers. The objective with the mobile app is to be able to analyze conditions within a facility and generate an intelligent work flow based on that information. The mobile app will also introduce new revenue streams in royalties and licensing.

8. Visionstate Corporation also has two investments in its portfolio – Exceed Solar and Freedom Cannabis. How are those investments linked to your core strategy? Where do you see both moving forward?

Both investments have been strategic – the goal has always been to open up new revenue streams for Visionstate, allowing WANDA to penetrate into new industries. Visionstate recognizes the enormous opportunities with leveraging its IoT solution to introduce to new industry sectors including cannabis and housing.

Exceed Solar is focused on disrupting housing by introducing new living spaces that are affordable, smart, and run on renewable energy. This includes unique, environmentally friendly building envelopes that significantly increase the efficiency of the living space, which at some point will require sensors to monitor and report on their overall efficiency. Visionstate sees incredible opportunities for Exceed Solar to capitalize on changing demographics and the movement toward sustainability.

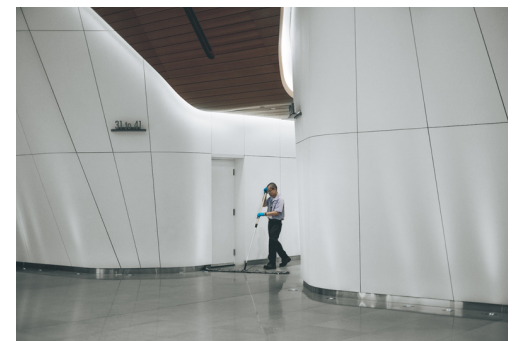
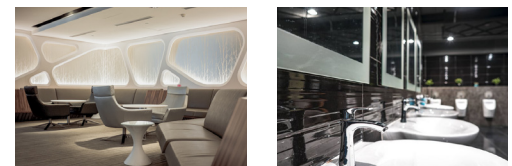
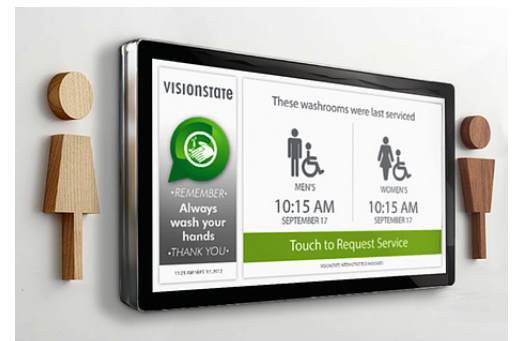
Similarly, the cannabis industry requires constant monitoring in production to reduce the incidencies of tainted crops, which is a deficiency that can be filled with IoT sensors monitoring the growing process. Visionstate Corp. invested in Freedom Cannabis to build relationships in that lucrative sector.

The investments in both companies have also strengthened our balance sheet as both investments have showed steady sign of growth.

Exceed Solar has entered revenue stage for their products. Since Exceed Solar is currently focused on deployment, Visionstate's strategy is to assess progress as it occurs until it's the right time to begin discussions on IoT technology applicable for their living spaces. Likewise, Freedom Cannabis just recently attained its license to produce, and Visionstate will be advancing conversations about IoT solutions as it gears up to begin the growing process.

9. And finally, what will 2019 look like for Visionstate Corp.? Is there anything special your investors should be looking forward to?

IoT is predicted by Forbes Magazine to be one of the breakout technologies for 2019, moving from industry interest to full adoption. This bodes well for Visionstate as the Company is perfectly positioned with large industry and technology partners to dominate the facility management industry with our IoT solution. Our position in this market will be further strengthened by new products coming on to the market, including IoT buttons, generic sensors and a WANDA mobile app. These investments into technology will further increase the Company's revenue base and recurring license fees while at the same time solidifying Visionstate's position as a global leader in IoT solutions.



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