

Investor Relations:

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Location Based Technologies, Inc. CEO Letter to Shareholders

IRVINE, Calif. May 17, 2018 Location Based Technologies® Inc. ([OTCBB:LBAS](#)) CEO, Dave Morse, has released a letter to shareholders.

Dear Shareholders,

This is a special update focused primarily upon the benefits and merits of our growing and valued relationship with Yepzon OY and Yepzon USA. From its beginning, Location Based Technologies was designed to be rigorously customer centric. Quality of product and services, along with reliable technology, are its 3 key Pillars of Value. We have found a sister company with the same high level of commitment to excellence in Yepzon and in their ability to be a, if not “the”, leader in the IoT tracking device technology side. The Finnish culture’s fine eye for elegant design, combined with world class engineers, is producing the best device form factors and technology that we have been able to find anywhere in the world. Combining LBT’s customizable and robust End-User-Interfaces and features with Yepzon’s world class devices strengthens its position in the US location service market. The initial M&A step is to merge the Consumer business of PocketFinder, a licensing partner of Yepzon since 2016, with Yepzon’s US affiliate, Yepzon Inc. We are actively pursuing ways for our two companies to combine essential elements built upon delivering top customer value with feature rich capability and reliability. Jointly, we see a win-win for existing and future customers looking for GPS/cellular based personal tracking solutions for both family and business applications and we believe that this combination of two high value contributors will drive growth and wider acceptance of use within the accelerating IoT market.

The business of “Tracking Services” (including application built, high quality devices, with supporting feature rich backend capability) is finally ramping up thanks to the overall rise and mainstream acceptance of IoT. The world-wide push for 5G technologies (NB IoT + CAT M) adds additional acceleration for greater reliability, faster delivery of data, and for less power consumption for these miniaturized electronic trackers.

Mr. Otto Linna, Yepzon OY’s International CEO, states: “The IoT industry is facing its biggest change: 5G networks within the following 2 years. But being the technology lead is not enough. To lead the market means being strong in brand and local presence as well. We, at Yepzon, see that combining our strengths with Pocketfinder will lead to a strong and independent entity in North America. This entity can really dominate the market. We warmly welcome Location Based Technologies, its committed personnel and owners to join us.”

A Letter of Intent to merge our North American approach to the Consumer personal tracker market was signed on April 3, 2018. Should the M&A be realized fully, the company behind PocketFinder, Location

Based Technologies (LBAS), listed in the US, will become an owner in Yepzon Inc. Yepzon recognizes PocketFinder as one of the best-known location brands in the North American Consumer sector. The jointly agreed to steps towards acquisition will enable Yepzon to grow its market share and revenues. Both companies are “pioneer companies” that share an unfaltering commitment to deliver high value to every user. The IoT tracking world remains highly fragmented. We see this as an opportune time to bring the “best of the best” together with the desire to leverage and build upon each partner’s strengths, knowledge and capabilities.

Step one of the partnership includes working together to rapidly expand Consumer channel sales opportunities. For example, a full PocketFinder product page was just opened on Amazon at <https://www.amazon.com/dp/B0794ZKBJL> and our joint storefront build is underway. Customers now have the option to purchase either an “on demand” Freedom tracker or an “always on, full tracking” solution provided by LBT. A win for customers who have the choice to select the solution that best meets the application needs they seek. Concurrently, LBT will be working with Yepzon to add the same capability for customers to purchase the “on demand” Yepzon Freedom from LBT’s website. Further, the Yepzon team is collecting training material, Q&A’s etc. so that LBT can train its customer service team to handle all North American support calls and later, other customer service functions.

Measurable, successful achievements in the Personal tracking market will allow both companies to clearly examine the merit and benefit to each company’s shareholders, investors and customers to determine timing and “next steps” in furthering the definition and depth of our National and International relationship to include the desire for merger options in the near future. For now, our combined efforts will focus on rapid growth of our North American customer base as we attract people who desire to stay connected, even when they are on the go, in our highly mobile society – for family or business needs.

Sincerely,

David M. Morse, PhD
CEO

Forward Looking Statements

This letter contains certain forward-looking statements of our intentions, hopes, beliefs, expectations, strategies, and predictions with respect to future activities or other future events or conditions within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are usually identified by the use of words such as “believe,” “will,” “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “should,” “could,” or similar expressions. These statements are only predictions and involve known and unknown risks, uncertainties and other factors. Actual results may materially differ from the results, levels of activity, performance or achievements, express or implied by these forward-looking statements.

Although we believe that the assumptions underlying the forward-looking statements contained in this report are reasonable, any of the assumptions could be inaccurate, and, therefore, there can be no assurance that the forward-looking statements included in this report will prove to be accurate. We will not update these statements unless the securities laws require us to do so. Accordingly, you should not rely on forward-looking statements because they are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results to differ materially from those contemplated by the forward-looking statements.