



July 29, 2016

Dear Fellow Shareholders:

In advance of VirTra's Annual Meeting of Stockholders on September 16, 2016, I'd like to highlight the company's accomplishments of the past year, share our enthusiasm for the future, and encourage you to exercise your right to vote as a fellow shareholder. Accompanying this letter, you have received important proxy materials about the proposals for your consideration along with instructions on how to vote your shares. We appreciate and request your participation as well as your ongoing support for our efforts to grow the business and enhance shareholder value and trading liquidity.

As we look back on 2015, we are extremely proud of our hard won accomplishments, delivering another year of strong financial and operational results. We generated record revenue of \$13.3 million for the year, extending a long track record of growth and achieving a compounded annual growth rate of 20% since 2009. In addition, we recorded net income of \$1.5 million for the year, which also continues our legacy of annual profitability in seven out of the last eight years. We ended the year with a healthy balance sheet and ample liquidity. It is encouraging to see our years of profitable growth translate into increased shareholder value, as our stock price has more than doubled from its level one year ago at this time.

Our brisk operating momentum has continued into 2016, and during the first quarter, we recorded our highest ever quarterly level of revenue and net income. The combination of our increased investment in sales, marketing, research and development with our excellent reputation for customer service has accelerated our pace of new business wins both in the U.S. and throughout the world. In the last twelve months, we have expanded our list of strategic customers to include such prominent government agencies as the U.S. State Department and the U.S. Secret Service, as well as key international customers in several countries around the globe. We believe that if we exceed our customers' expectations on these projects, we will benefit from a "knock-on" effect in our efforts to secure new business and grow our market share. This should further bolster our recognition as a global leader in use of force and firearms training simulators.

Recently we also made meaningful progress towards expanding the application for our technology further into the commercial market. In early 2015, we entered into a co-venture agreement whereby we licensed our technology to Modern Round Entertainment Corporation, a developer and operator of the world's first virtual shooting lounges with the potential to expand across the United States and internationally. Modern Round recently opened their first location in Peoria, Arizona. I personally believe that Modern Round has first-rate food, service and shooting simulators – you should try it out for yourself!

In addition to our ongoing investments in human capital, infrastructure and R&D, we are implementing changes in the area of financial reporting and corporate governance that will better prepare us to eventually obtain a listing on a national stock exchange. We are committed to ensuring that our shareholders are provided with disclosure and transparency that is both meaningful and comprehensive as we pursue our goals of achieving increased trading liquidity for our stock and expanding our shareholder base to include a greater proportion of institutional investors.

On December 1, 2014 President Obama asked for \$263 million in funding for police body cameras and training in the wake of growing tensions surrounding use of force decisions. While much of the focus has been on body cameras, we believe the most important objective is to ensure proper training for every person entrusted with lethal force to an extent that they can perform their duties and survive their job, even in the toughest of situations. While body cameras can provide valuable information after the fact, VirTra and its stakeholders are focused on preventing tragedies from happening in the

first place. The ability to handle split second life or death situations successfully is not an innate talent; it requires extensive training and preparation. VirTra has devoted over 140 man years of effort to create the most effective simulator system in the world for helping to train law enforcement in these unique skills. As a stakeholder in VirTra, you have every right to feel very proud of the benefits that VirTra's products bring to society each and every day!

At VirTra, we remain focused on our mission of delivering the finest simulator solutions in the world, combined with the highest level of customer support. We will continue to operate the Company with an eye towards generating profitable growth and delivering increased shareholder value, while also offering our valuable employees expanded opportunities for career development.

In closing, I want to express my appreciation for the support of our employees, customers, investors and vendors. VirTra's long-term success depends on excellent staff doing exceptional work each and every day. We still have so much left to accomplish, we look forward to a brilliant future ahead.

Sincerely,

A handwritten signature in blue ink that reads "Robert Ferris". The signature is written in a cursive, flowing style.

Robert D. Ferris  
Chairman and Chief Executive Officer