



ParcelPal Technology, Inc. Reports Fiscal Year End 2019 Results Highlighted by Record Revenue Numbers

Vancouver, British Columbia – June 9, 2020 – ParcelPal Technology Inc. (“ParcelPal” or the “Company”), (PKG:CSE) (FSE:PT0) (OTC:PTNYF) is pleased to announce its FY 2019 financial results again highlighted by revenue record numbers.

Overview

In FY 2019, the Company expanded into new geographic areas and achieved record growth, which was driven by revenue growth of nearly 42% to approximately \$4.8 million (up from \$3.4 million in FY 2018). Some highlights of the year included the Company delivering well over 2 million packages, a significant increase in business with Amazon and securing a distribution agreement with Aphria Inc. for delivery of medical cannabis to patients.

Additionally, we completed a private placement, invested in our product development, signed an important agreement with Aphria, added to our bench strength with a talented sales executive, and expanded into new markets.

"The past actions we took to increase our revenue and rebuild our product have placed our Company in a better position to deliver value to our customers during the crisis caused by the COVID-19 pandemic." said ParcelPal's CEO Rich Wheelless. "During a time when we have seen massive layoffs globally, our lean, nimble and talented team has continued to work hard to provide customers a way to have what they want delivered, many times within an hour or less, in a way that solves the problem of paying from a safe social distance."

The past investment we made in upgrading our technology has streamlined our development process and has helped to accelerate our introduction of new product features.

As businesses begin reopening after being in a state of lockdown, they will need innovative and creative solutions to operate their businesses while maintaining social distancing to keep customers and staff safe. In addition to new sanitation guidelines and physical distancing signage, innovative technologies such as mobile ordering and no-touch contactless delivery will play an important role in improving staff and customer safety.

"We have more work to do, and we will continue to take actions to strengthen our business." said ParcelPal's CEO Rich Wheelless. "Since I came aboard on March 1 of this year, the Company has made significant progress in reducing expenditures at the same time as aligning



our strategy with execution and marketing plans. We will achieve this by right-sizing the Company to respond to our business needs more efficiently with reduced head office expenses and improved accountability and visibility across teams. This will be a 12 to 18 month transformation and I remain confident that we will unlock value for our stakeholders as our Company's transformation accelerates. We have quickly expanded into new markets and have experienced continued growth, accelerated by the COVID-19 pandemic. One of my main goals along with the expansion into new markets, an increasingly diversified customer base and continuing to engage higher margin customers is to get the company to break even by the end of FY 2021."

FY 2019 Financial Highlights:

December 31, 2019 compared to December 31, 2018 - Financial Highlights:

- Working capital of \$218,989 at December 31, 2019 compared to \$2,084,902 at December 31, 2018 and long-term debt of \$11,581 compared to \$617,614 at December 31, 2018.
- Office and miscellaneous increased to \$970,019 (2018 - \$522,194) due to increased company activity and expansion into Alberta and Saskatoon.
- Marketing and promotion increased to \$1,586,284 (2018 - \$470,394) due to increased promotional activities during the current period as the Company expands into new markets.
- During the year ended December 31, 2019 the Company had a net loss of \$4,498,228 compared to \$3,818,453 during the year ended December 31, 2018.
- Net loss in FY 2019 represented \$0.06 per share while the net loss in FY 2018 also represented \$0.06 per share.

Q4 2019 Financial Highlights:

- Consulting fees in Q4 decreased to \$292,450 (Q4 2018 - \$351,791) due to a decreased number of consultants in the current period.
- Share-based compensation in Q4 decreased to \$19,922 (Q4 2018 - \$554,765) due to fewer stock options being granted during the current period.
- During the three months ended December 31, 2019 the Company had a net loss of \$387,425 compared to \$1,762,185 (a decrease of 78%) during the three months ended December 31, 2018.



- Net loss in Q4 2019 represented \$0.00 per share while the net loss in Q4 2018 represented \$0.01 per share.

Q4 2019 Highlights:

- On November 22, 2019, the Company closed a non-brokered private placement financing of \$346,065.
- In December 2019, the Company increased its partnership with LineTen, a point of sale provider in the UK, Canada and the USA. The Company was already successfully operating in Calgary, but expanded with them in the Vancouver market.

Subsequent to the period ended December 31, 2019, a few notable events occurred:

- On January 30, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital.
- On April 14, 2020 the Company completed a non-brokered private placement of US\$367,500.
- On May 6, 2020 the Company granted 2,875,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of \$0.09 per option and expire on May 6, 2025.
- Launched a sales and marketing campaign encouraging merchants to sign up for ParcelPal. During the ongoing crisis, the Company is offering special reduced rates to support the restaurant and service industry and small businesses. This campaign has resulted in numerous new merchants signing up with ParcelPal since the launch.
- Launched a special promotion to healthcare workers in Vancouver, BC. The Company activated all of its social media channels and offered a special promotion by providing an in-app credit to healthcare workers in Vancouver, BC.

Outlook

The Company's strategic priorities for the remainder of fiscal 2020 include:



- Continued development of the ParcelPal product through a series of build-measure-learn iterations and moving beyond the restaurant vertical.
- Building an exceptional and world-class brand with a focus on high quality content.
- Increasing the number of merchants and users using the ParcelPal platform.
- Using data, technology, and inbound selling to ramp up sales and revenue generation.
- Continued expansion into large markets in Canada and also planning the company's entry into the United States market.

The Company's complete financial results are available in its Audited Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2019, each of which have been filed with Canadian securities regulators at www.sedar.com.

The Company also announces that a private company controlled by Brian Storseth, a director of the Company, and the Company have mutually agreed to terminate the Business Advisor Services Agreement dated June 20, 2019. The Company has agreed to issue 1,200,000 common shares to Mr. Storseth's corporation in settlement of all amounts due and owing under the agreement.

About ParcelPal Technology Inc.

ParcelPal is a leader in the growing technology and logistics industry. ParcelPal seamlessly connects consumers to businesses, where they have access to the goods they love, anytime, anywhere. Customers can shop at partner businesses and through the ParcelPal technology receive their purchased goods within an hour or the same day. The Company offers on-demand delivery of merchandise from leading retailers, restaurants, medical marijuana dispensaries and liquor stores in Vancouver, Calgary, Saskatoon and soon in major cities Canada-wide.

ParcelPal Website: www.parcelpal.com

The Canadian Securities Exchange ("CSE") or any other securities regulatory authority has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release that has been prepared by management.

CSE – Symbol: **PKG**

FSE – Symbol: **PTO**



OTC – Symbol: **PTNYF**

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Forward Looking Information

This news release contains forward looking statements relating to the Proposed Transaction, and the future potential of ParcelPal. Forward looking statements are often identified by terms such as "will", "may", "should", "intends", "anticipates", "expects", "plans" and similar expressions. All statements other than statements of historical fact, included in this release are forward looking statements that involve risks and uncertainties. These risks and uncertainties include, without limitation, the risk that the Proposed Transaction will not be completed due to, among other things, failure to execute definitive documentation, failure to complete satisfactory due diligence, failure to receive the approval of the CSE and the risk that ParcelPal will not be successful due to, among other things, general risks relating to the mobile application industry, failure of ParcelPal to gain market acceptance and potential challenges to the intellectual property utilized in ParcelPal. There can be no assurance that any forward looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The Company cannot guarantee that any forward looking statement will materialize and the reader is cautioned not to place undue reliance on any forward looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward looking statements contained in this news release are expressly qualified by this cautionary statement. The forward looking statements contained in this news release are made as of the date of this news release and the Company will only update or revise publicly any of the included forward looking statements as expressly required by Canadian securities laws.