



ParcelPal Technology, Inc. Reports Record Second Quarter 2020 Financial Results Highlighted by Quarterly year over year Revenue Growth of 88% Coupled with a 59% Lower Net Loss

Vancouver, British Columbia – August 31, 2020 – ParcelPal Technology Inc. (“ParcelPal” or the “Company”), (PKG:CSE) (FSE:PT0) (OTC:PTNYF) is pleased to announce its financial results for the period ended June 30, 2020 (“Q2 2020”), highlighted by significant revenue growth and a significantly lower net loss compared to the same period 2019.

Overview

In Q2 2020, the Company continued its operating growth, which was driven by revenue growth of nearly 88% to approximately \$1,445,587 (up from \$802,034 in Q2 2019). It should also be noted that this was a record revenue high for Q2 since inception of the Company. Equally important, the Company’s net loss decreased 59% to \$802,034 (compared to \$1,946,831 in Q2 2019). Some additional highlights of the quarter include both a significant increase in business with Amazon, as well as continued diversification of our customer base and into other areas driven by home meal kits and large retail store chain deliveries. The Company had also announced new agreements that were recently signed, including customers in the flower delivery space (with two different companies), a small beverage company, a grocer, a pet supply store, and a nationwide meal delivery kit company (our second of this type since February 2020).

Our revenue growth and net loss reductions are, in large measure, driven by our business expansion plan, in which we continue to invest in our product development, retain higher margin customer agreements, ramp up our staffing levels to meet the increase in business, increase our focus on client diversification, and begin our geographic expansion.

CEO Rich Wheelless stated, "I am very pleased that in this second quarter we made significant headway in executing the plan I laid out when I started with the Company in March 2020, and we will continue to take actions to continually strengthen our business. This includes a focus on what we do best, including, but not limited to, retaining larger customers, entering into new business arrangements and agreements and having operations in multiple site locations, all of which has enabled us to scale at a faster pace. Importantly, these economies of scale have helped lead us to better margins. Additionally, management has made major progress in reducing expenditures while aligning our strategy and marketing plans. It is important to note that due to the COVID-19 pandemic, we believe that there is and will be a continued shift in consumer behavior, which



is beneficial to our business model and should also be accretive in the next quarter and beyond. I look forward to providing new and relevant information in the upcoming quarters.”

Q2 2020 Financial Highlights:

- Revenue growth of nearly 88% to \$1,445,587 (up from \$770,452 in Q2 2019). Note: this was a record revenue high for Q2 since inception of the company.
- Gross profit increased to \$173,472 (up from \$64,053 in Q2 2019). Also, Q2 gross margins increased to 12% (up from 8% in 2019). This was driven by a focus on higher margin corporate customers.
- Decreased expenses on non-profitable marketing and promotions to \$28,314 (Q2 2019 - \$867,722) in an effort to conserve cash and focus on operational growth.
- Consulting fees in Q2 decreased to \$250,736 (Q1 2019 - \$284,287) as the Company reduced such expenses to reduce overhead costs and conserve cash in the current period. We expect these consulting fees to be significantly reduced further on a going forward basis.
- Share-based compensation in Q2 decreased to \$115,000 (Q2 2019 - \$238,237) due to fewer stock options and other stock based compensation being granted during the current period.
- During the three months ended June 30, 2020 the Company had a net loss of \$802,034 compared to \$1,946,831 (a decrease of 59%) during the three months ended June 30, 2019.

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 into new verticals.
- Building an exceptional and world-class brand with a focus on high quality content and services.
- Increasing the number of customers 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 unaudited financial statements and Management's Discussion and Analysis for the period ended June 30, 2020, each of which have been filed with Canadian securities regulators at www.sedar.com.

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, Toronto and soon in other 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**

Contact: re: Investor Inquiries - info@parcelpal.com

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.