



## **ParcelPal Technology, Inc. Reports Fiscal Year End 2020 Results Highlighted by Record Revenue Numbers**

**Vancouver, British Columbia – April 30, 2021** – ParcelPal Technology Inc. ("ParcelPal" or the "Company"), (OTC:PTNYF) (CSE:PKG) (FSE:PTO) is pleased to announce its FY 2020 financial results again highlighted by revenue record numbers.

### **Overview**

In FY 2020, the Company expanded into new geographic areas and again achieved record revenue numbers, which was driven by annual revenue growth of nearly 32% to approximately \$6.3 million (up from \$4.8 million in FY 2019). Some highlights of the year included the Company delivering well over 2 million packages, an increase in business with Amazon and onboarding new customers in the B2B space, including in the flower delivery, grocery, pharmaceutical, meal kit deliveries and retail spaces to both further diversify and grow our customer base, while increasing operating margins.

Additionally, we completed multiple capital financings, including the entry into a \$5M USD equity line of credit facility, we dual listed our common shares in the United States (as a primary trading exchange), became a United States SEC compliant filer under the Exchange Act of 1934, as amended, added to our bench strength with additional staff members, and acquired numerous vehicles as we expanded into new markets.

"The past year's actions we took to increase our revenue, increase our operating margins and diversify our customer base have placed our Company in a better position to deliver value to our customers during the crisis caused by the COVID-19 pandemic, and beyond." said ParcelPal's CEO Rich Wheelless. "During a time when we have seen massive layoffs globally, our lean, nimble and talented team has managed to provide world class service while we continue to onboard new B2B clients. I am most proud of the fact that we are so much better capitalized to execute the Company's expansion and growth plan that I have laid out, including a continued expansion through organic growth, strategic transaction and/or acquisitions."

"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 was promoted to CEO approximately one year ago, the Company has made significant progress in reducing expenditures, while simultaneously aligning our strategy with execution and strategic marketing plans. We will achieve this by continually right sizing the Company to respond to our business needs and improved accountability and visibility across teams. I remain confident that we will continue to unlock



value for our shareholders as our Company's transformation continues. We have quickly expanded into new markets and have experienced continued growth, accelerated in part 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 full year operating break even by the end of FY 2021.”

### **FY 2020 Financial Highlights:**

December 31, 2020 compared to December 31, 2019 - Financial Highlights:

- Record revenue in FY 2020 and growth of nearly 32% to approximately \$6.3 million (up from \$4.8 million in FY 2019).
- Cash of \$255,668 at December 31, 2020 compared to \$295,593 at December 31, 2019, and vehicles and right-of-use assets of \$343,699 compared to \$210,257 at December 31, 2019. Of note, we currently have approximately \$500K cash on hand, with the delivery of a \$325K USD payment (the third tranche of our last convertible financing) in or about 30 days from the date of this news release and we have an untapped equity facility of \$5M available to us at our discretion, which we implemented in December 2020.
- It is important to note that of the three convertible notes issued in FY 2020, two of them (April and June) have been fully converted and retired.
- Administrative, office and miscellaneous expenses increased to \$1,155,805 (2019 - \$994,124) due to increased company activity and expansion into new cities and territories.
- Professional fees increased to \$655,378 (2019 - \$124,550) due to increased auditor, expert, legal and accounting fees during the current period as the Company undertook a significant number of transactions, including capital raises, debt and registered equity facilities, becoming dual listed and SEC compliant, as well as terminating numerous previously existing non-cash producing contracts, among other items.
- During the year ended December 31, 2020, the Company had a net loss of \$4,874,082 compared to \$4,610,512 during the year ended December 31, 2019. It is important to note, however, that in FY 2020, approximately \$2.3M of primarily non-cash expenses included amortization, share issuances (including for debt settlements), derivative liabilities and approximately \$500K in non-recurring expenses for our primary exchange listing on the OTCQB, our becoming a U.S. SEC compliant filer under the Exchange Act of 1934, the establishment of a \$5M equity line of credit facility, the filing and effectiveness of a Form F-



1 registration statement, debt facility financings and the termination and costs related to previously existing contracts.

- Net loss in FY 2020 represented \$0.05 per share while the net loss in FY 2019 represented \$0.06 per share.
- Net loss as a percentage of revenue declined from 99% in FY 2019 to 77% in FY 2020.
- Net cash flows used in operating activities dropped to \$927K in FY 2020 from \$2.7M in FY 2019

#### **Q4 2020 Financial Highlights:**

- The Company had its largest quarterly gross revenue quarter since inception with over \$2.3M in the fourth quarter of 2020 (compared to Q4 2019 of \$1.9M).
- Consulting fees in Q4 decreased to \$210,033 (2019 - \$292,450) as the Company reduced the number of external non-revenue generating consulting contracts.
- Office and miscellaneous in Q4 decreased to \$213,536 (2019 - \$262,927) due to cost saving measures undertaken by management to streamline the business.
- During the three months ended December 31, 2020, the Company had an operating profit of \$74,939 compared to an operating loss of \$651,640 during the three months ended December 31, 2019.

#### **Q4 2020 Highlights:**

- On October 5, 2020, the Company's shares began primary trading on the OTCQB marketplace.
- On November 24, 2020, the Company entered into an agreement to provide delivery services with CareRx which is one of Canada's fastest growing and trusted providers of comprehensive specialty pharmacy services and solutions. CareRx operates a rapidly growing national network of pharmacy fulfilment centres throughout Canada. ParcelPal began providing same day and next day prescription delivery to different facilities in the Edmonton, Alberta and Calgary, Alberta areas to start, with other cities to follow.
- On December 17, 2020, the Company announced that it has entered into a US\$5,000,000 investment agreement with Tangiers Global, LLC, as well as a registration rights agreement



related thereto. The US\$5,000,000 financing is in the form of an Equity Line of Credit over a maximum duration of 36 months, the underlying common shares which have since been registered with the Securities and Exchange Commission.

Subsequent to the period ended December 31, 2020, a few notable events occurred, including:

- In January 2021, the Company entered into a pilot agreement to provide delivery services to Oco Meals, one of Vancouver's fastest growing and trusted providers of meal kits. Oco Meals is a meal prep company that offers a weekly subscription service where they prepare and deliver pre-cooked meals that are made by small restaurant and catering chefs locally in Vancouver. In March 2021, the pilot converted into a full agreement.
- On January 22, 2021 the Company granted 2,000,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of \$0.145 per option and expire on January 22, 2026.
- On March 12, 2021 the Company completed a non-brokered private placement of US\$1,050,000.
- In March 2021, the Company entered into a pilot agreement with Sysco@Home, which is the global leader in selling, marketing and distributing food products to restaurants, healthcare, educational facilities, lodging establishments and other customers who prepare meals away from home. As part of the pilot program, we are providing delivery services to them in two major cities in Canada. The pilot program concluded in April 2021, which we have since agreed to a longer-term agreement.
- In April 2021, we also announced an agreement to provide delivery services with Bayshore Specialty Rx (specialty pharmacy, infusion and pharmaceutical patient support services). They are a subsidiary of Bayshore HealthCare, one of Canada's leading providers of home and community healthcare services. With over 100 locations across the country, including 65 home care offices, 13 pharmacies and 90+ clinics, Bayshore has more than 13,500 staff members and provides care to over 350,000 clients. ParcelPal will be providing same day and next day prescription delivery to different facilities in the Vancouver, British Columbia area to start.

## **Outlook**

The Company's strategic priorities for the remainder of fiscal 2021 include:

- Continued improvement in operating performance, and diversification of our customer base.



- Building an exceptional and world-class brand with a focus on signing quality partners.
- 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 included in the Company's annual report for the year ended December 31, 2020, each of which have been filed with Canadian and United States securities regulators, respectively at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov).

#### **About ParcelPal Technology Inc.**

ParcelPal is a Vancouver, British Columbia based company that specializes in last-mile delivery service and logistics solutions. We are a customer-driven, courier and logistics company connecting people and businesses through our network of couriers in cities including Vancouver, Calgary, Toronto and soon in other major cities Canada-wide. Some of our verticals include pharmacy & health, meal kit deliveries, retail, groceries and more.

ParcelPal Website: [www.parcelpal.com](http://www.parcelpal.com)

Neither the Canadian Securities Exchange ("CSE"), the Securities and Exchange Commission nor any other securities regulatory authority has reviewed and do not accept responsibility for the adequacy or accuracy of this news release that has been prepared by management. The information in this news release is not complete. For a more complete description of all items referenced herein, please see our annual report on Form 20-F filed with the Securities and Exchange Commission and in our MD&A filed on Sedar, each as filed on the same date of this news release.

OTC – Symbol: **PTNYF**

CSE – Symbol: **PKG**

FSE – Symbol: **PTO**

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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.