



ParcelPal Logistics Inc. Reports Fiscal Year End 2021 Results Highlighted by Record Revenue Numbers and Record Margins

Vancouver, British Columbia – May 4, 2022 – ParcelPal Logistics Inc. (“ParcelPal” or the “Company”), (OTC:PTNYF) (CSE:PKG) (FSE:PTO) is pleased to announce its FY 2021 financial results again highlighted by record revenue numbers and record margins.

Overview

In FY 2021, the Company expanded into new geographic areas and again achieved record revenue numbers, which was driven by annual revenue growth of nearly 19% to approximately \$7.5 million (up from \$6.3 million in FY 2020). The Company also entered into the United States market in September 2021 with its first acquisition. It is important to note that in 2021 we only recognized just over three months of revenue from the acquisition, but will get the benefit in 2022 of the full year of U.S. operation revenues in 2022.

Some additional highlights of the year included the Company delivering well over 3 million packages, an increase in business with Amazon and onboarding new customers in the B2B space to both further diversify and grow our customer base, while increasing operating margins.

Additionally, we completed two capital financings, opened our first warehouse in the Vancouver area in June 2021, 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. We also hit our largest milestone to date with our first completed acquisition in the United States, which we are using to rapidly expand operations in the United States. I am most proud of the fact that we are better capitalized to execute the Company's expansion and growth plans, including a continued expansion through organic growth, strategic transaction and/or acquisitions, which we will update as these items develop and consummate."

FY 2021 Financial Highlights:

December 31, 2021 compared to December 31, 2020 - Financial Highlights:



- Record revenue in FY 2021 and growth of nearly 19% to approximately \$7.5 million (up from \$6.3 million in FY 2020).
- Record margins in FY 2021 of 16.9% (up from 5.9% in FY 2020).
- Cash of \$551,961 at December 31, 2021 compared to \$255,668 at December 31, 2020, and vehicles and right-of-use assets of \$652,353 compared to \$343,699 at December 31, 2020. Of note, we have an untapped equity facility of \$5M available to us at our discretion, which we implemented in December 2020.
- Administrative, office and miscellaneous expenses decreased to \$964,282 (2020 - \$1,155,805) due to cost cutting measures.
- Professional fees decreased to \$389,817 (2020 - \$655,378) due to decreased auditor, expert, legal and accounting fees during the current period.
- During the year ended December 31, 2021, the Company had a net loss of \$4,102,608 compared to \$4,874,082 during the year ended December 31, 2020. It is important to note, however, that in FY 2021, approximately \$2.4M of primarily non-cash expenses included amortization, share issuances (including for debt settlements) and derivative liabilities.
- Net cash flows used in operating activities increased to \$1.1M in FY 2021 from \$927K in FY 2020.

Q4 2021 Financial Highlights:

- The Company had its largest quarterly gross revenue quarter since inception with over \$3.2M in the fourth quarter of 2021 (compared to Q4 2020 of \$2.3M).
- Consulting fees in Q4 decreased to \$25,987 (2020 - \$210,033) as the Company reduced the number of external non-revenue generating consulting contracts.
- During the three months ended December 31, 2021, the Company had an operating profit of \$217,893 compared to an operating profit of \$74,939 during the three months ended December 31, 2020.

Q4 2021 Highlights:



- On October 5, 2021, the Company signed a “letter of intent” with another United States delivery service company for its second acquisition.
- On October 7, 2021, the Company signed an agreement to provide delivery services for a large new client in the specialty pharmacy services space, which has access to over 1,300 retail stores throughout Canada.
- On November 24, 2021, the Company signed another new meal kit delivery customer. This new customer currently operates in British Columbia.

Outlook

The Company's strategic priorities for the remainder of fiscal 2022 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, with a focus on further expanding throughout the United States markets, including with new higher margin customer contracts.

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, 2021, each of which have been filed with Canadian and United States securities regulators, respectively at www.sedar.com and www.sec.gov.

About ParcelPal Logistics 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 major Canadian cities including Vancouver, Calgary, and Toronto, and now in the western region of the United States. Some of our verticals include pharmacy & health, meal kit deliveries, retail, groceries and more.

ParcelPal Website: 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.