



Spotlite360 Begins Pharmaceutical Industry Initiative for Supply Chain Tracking, Tracing, and Sustainability

DENVER and VANCOUVER, JULY 6, 2021, SPOTLITE360 TECHNOLOGIES, INC.

(“Spotlite360” or the “Company”) (CSE: LITE) is pleased to announce the Company has launched an initiative to offer tailored supply chain tracing and tracking solutions for organizations in the pharmaceutical industry, for which it is presently in contract negotiations with pharmaceutical firms. This initiative aligns with an impending U.S. regulatory change in the USD \$1.3 trillion pharmaceutical industry¹ requiring companies to comply with the *Drug Supply Chain Security Act* (“DSCSA”), which mandates the implementation of electronic tracing measures. The Company has identified an opportunity to deliver solutions geared towards compliance with the DSCSA using RFID and IoT (“Internet of Things”) sensors in conjunction with blockchain, machine learning, and enterprise tracking software licensed from TrackX Holdings Inc. (“TrackX”).

“The Drug Quality and Security Act (DQSA), was enacted by Congress on November 27, 2013. Title II of DQSA, the Drug Supply Chain Security Act (DSCSA), outlines steps to build an electronic, interoperable system to identify and trace certain prescription drugs as they are distributed in the United States. This will enhance FDA’s ability to help protect consumers from exposure to drugs that may be counterfeit, stolen, contaminated, or otherwise harmful. The system will also improve detection and removal of potentially dangerous drugs from the drug supply chain to protect U.S. consumers.”

Excerpt from the [Food and Drug Administration webpage](#) introducing the DSCSA and its objectives

In addition to the burden of compliance with new and emerging regulations such as the DSCSA, pharmaceutical industry players face other persisting challenges in their supply chains to include the following:

- Approximately USD \$200 billion worth of counterfeit drugs are sold annually worldwide²

- Pharmaceutical cargo theft amounts to more than USD \$1 billion per year, with the median theft value of USD \$100,000 being above average compared to other industries³
- Deficient storage and transportation practices (e.g., unrefrigerated vehicles, shipping times exceeding a drug's shelf life) can cause damage to pharmaceuticals, identified as a multi-billion dollar problem in a 2018 study⁴

Empowered by the Spotlite360 technologies tailored to clients in the pharmaceutical industry, the Company's existing SaaS solution will be able to capture real-time and event-driven data which can identify inefficiencies and possible hazards for pharmaceutical firms, thus potentially mitigating issues such as those listed above. Further, by providing proof of origin, reliably authenticating goods, and allowing for visibility into the chain of custody, potential benefits to clients in the pharmaceutical industry include accountability of global suppliers, as well as validation of claims relating to environmental, social, and corporate governance ("ESG") matters.

Blockchain technology has already proven successful in various functions of pharmaceutical supply chains, including compliance with DSCSA. In 2020, a major technology firm published a study of its blockchain pilot program in collaboration with pharmaceutical giant Merck & Co. and the U.S. Food and Drug Administration ("FDA"), which was deemed initially feasible as detailed in its final report submitted to the FDA⁵. By offering an enhanced value proposition through comprehensive visibility and tracking capabilities, Spotlite360 seeks to create new industry standards with its latest initiative for the pharmaceutical industry.

Spotlite360 President James Greenwell commented, "There are numerous risk factors that make the pharmaceutical supply chain perhaps the most complex of all. Firms are under immense pressure to have oversight of the chain of custody to ascertain the origin and provenance of all ingredients and authentication of the finished product right up to the moment it reaches the patient. Lack of visibility into each step along the supply chain leaves drugs susceptible to fraud through counterfeiting, theft, and damage of all kinds (e.g., puncturing of containers, spoilage from storage at improper temperatures). Moreover, expectations for environmental, social, and governance ("ESG") standards of corporations are higher than ever as enterprise technologies become more sophisticated and provide the tools to make sustainable and socially conscious business decisions. The Spotlite360 technology platform can offer significant value to the pharmaceutical industry and consumer by leveraging blockchain technology and machine learning to provide event-driven tracing and tracking, as well as proof of sustainability."

RSU Grant

The Company also reports that it has issued 700,000 restricted shares units of the Company ("RSUs") under the Company's restricted share unit plan (the "RSU Plan") to the President of the Company, as compensation and an incentive for the President to drive the growth of the Company. The RSUs and the RSU Plan remain subject to shareholder approval and ratification at the next annual general and special meeting of shareholders, scheduled for August 30, 2021.

An initial 70,000 RSUs will vest on the date of shareholder approval, and the remaining six (6) tranches of 105,000 RSUs per tranche will vest every six (6) months over a period of 36 months from June 15, 2021. Once vested, each RSU shall entitle the holder to acquire one common share of the Company underlying each such RSU by delivering a notice of acquisition to the Company in accordance with the RSU Plan for a period of 5 years. In accordance with the RSU Plan, the RSUs were priced at CDN \$0.90 based on the closing price of the common shares on the Canadian Securities Exchange on July 5, 2021.

Engagement of Marketing Services

The company further announces that it has engaged JBN Partners, LLC ("JBN") to increase public awareness of and interest in the Company, its management and its products by coordinating certain investor relations and corporate financial public relations with members of the investment community, the financial media and the public, in general. The services agreement with JBN has a three-month term with a total payment value of USD\$50,000.

The Company has also engaged Think Ink Marketing Data and Email Services ("Think Ink") to provide and manage a public relations campaign for the Company, to increase public awareness of the Company and its products, services, and securities. In connection with Think Ink's engagement, the Company has entered into a six-month public relations services agreement with Think Ink with a total payment value of USD\$50,000.

Sources

- 1 - <https://www.selectusa.gov/pharmaceutical-and-biotech-industries-united-states>
- 2 - <https://www.forbes.com/sites/sap/2019/10/03/counterfeit-drugs-a-bitter-pill-to-swallow/?sh=1d22a3aa7a68>
- 3- <https://www.bsigroup.com/en-US/blog/supply-chain-blog/risk-management/theft-and-counterfeiting-global-threats-to-pharmaceutical-supply-chains/>
- 4 - <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5821242/>
- 5 - <https://www.ibm.com/blogs/blockchain/2020/05/how-the-fda-is-piloting-blockchain-for-the-pharmaceutical-supply-chain/>

On behalf of the Board of Directors of the Company,

Spotlite360 Technologies Inc.

"James Greenwell"

James Greenwell, President

For more information about Spotlight360, please visit: <http://spotlite360.com>

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About Spotlight360 Technologies Inc.

Spotlite360 is a logistics technologies solutions provider unlocking value, opportunities, and efficiencies for all participants in a supply chain. Building upon existing applications of IoT technologies, distributed ledgers, and machine learning, Spotlight360 endeavours to set new standards of transparency, integrity, and sustainability in the pharmaceutical, healthcare, and agriculture industries. As regulators across the globe begin to impose new tracing and accountability requirements for the protection of consumers (e.g., DSCSA and FSMA from the U.S. Food and Drug Administration), the need for reliable, cost-effective, and versatile tracking technology is expected to grow considerably. Spotlight360’s flagship SaaS solution has been engineered to seamlessly track the movement of a product by integrating with systems of all major stakeholders in a supply chain ranging from the raw materials to the hands of the end consumer. With a primary objective of onboarding new clients in 2021, Spotlight360 plans to explore innovative use cases for its proprietary stack of technologies which could transform logistics workflows in some of the world’s largest industries.

Forward-Looking Statements

This news release contains “forward-looking information” within the meaning of applicable Canadian securities legislation, with respect to the Company. The forward-looking information included in this news release is not based on historical facts, but rather on the expectations of the Company’s management regarding the future growth of the Resulting Issuer, its results of operations, performance, business prospects, and opportunities. This news release uses words such as “will”, “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or similar expressions to identify forward-looking information. Such forward-looking information reflects the current beliefs of the Company’s management, based on information currently available to them.

This forward-looking information includes, among other things, statements relating to: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company; anticipated developments in operations of the Company;

market position, ability to compete, and future financial or operating performance of the Company; the timing and amount of funding required to execute the business plans of the Company; capital expenditures of the Company; the effect on the Company, of any changes to existing or new legislation or policy or government regulation; the length of time required to obtain permits, certifications and approvals; the availability of labour; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; our expectations regarding revenues, expenses and anticipated cash needs.

In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions, and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and there can be no assurance that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties, and assumptions, prospective investors should not place undue reliance on these forward-looking statements. Whether actual results, performance, or achievements will conform to the expectations and predictions of the Company is subject to a number of known and unknown risks, uncertainties, assumptions, and other factors, including those listed in the Company's non-offering prospectus dated May 26, 2021.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in the forward-looking statements. Information contained in forward-looking statements in this news release is provided as of the date of this news release, and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements.

All of the forward-looking information contained in this news release is expressly qualified by the foregoing cautionary statements.

Statement Regarding Third-Party Investor Relations Firms

Disclosures relating to investor relations firms retained by Spotlite360 Technologies Inc. can be found under the Company's profile on <http://sedar.com>.