



SpotLite360 IOT Solutions, Inc. Releases Q2 2022 Financial Results

DENVER, COLORADO and VANCOUVER, BC, CANADA August 29, 2022, SPOTLITE360 IOT SOLUTIONS, INC. (“SpotLite360” or the “Company”) (CSE: LITE) (OTC: SPLTF) (Frankfurt: 87A) is pleased to announce that it has released financial and operational results for the second quarter of 2022. A complete set of the June 30, 2022 Consolidated Financial Statements and Management’s Discussion & Analysis (MD&A) are filed on SEDAR (www.sedar.com). All results are expressed in Canadian dollars unless otherwise specified.

SpotLite360 was listed on the Canadian Security Exchange (CSE) in June of 2021 and has since focused on a strategy of growth through organic sales and strategic acquisitions. The Company’s portfolio of solutions has continued to evolve with our customer’s needs and the addition of our acquisitions’ expertise, technologies, engineering, and product offerings. Throughout our first-year start-up, SpotLite360 has steadily grown quarterly revenues and adjusted EBITDA. The vision of creating a supply chain tracing, tracking, monitoring, and visibility SaaS platform for enterprise scale has proven to add value to our client’s operations. SpotLite360 is pioneering new solutions and disrupting traditional outdated supply chain practices.

SpotLite360 posted a significant increase in revenue for the second three months of fiscal 2022 with total revenue of C\$8,705,783 as compared to Q1 2022 revenue of C\$944,000 and C\$(NIL) for Q2 of the prior year 2021. The company’s first cash flow positive quarter with adjusted EBITDA of C\$211,137 as compared to a near break-even cash flow Q1 2022. With continued investment in operations and delivery of enterprise scalable solutions, the company recognized a Q2 2022 loss of C(\$522,671) or \$(0.01) per share. Most expenses are related to salaries, amortization, operating expenses and share based compensation.

On a six (6) month basis of fiscal 2022 the Company recognized total revenue of C\$9,699,986 as compared to C\$(NIL) for the first six (6) months of 2021 adjusted EBITDA for the first six (6) months 2022 was a positive cash flow of C\$201,654. As compared to the first six (6) months of 2021 adjusted EBITDA loss C\$(920,325).

James Greenwell, President and CEO commented, "We are very excited to share these results and prove our strategy of driving supply chain data and proof to consumers. SpotLite360 is creating an automated, smart, connected supply chain ecosystem. As we stated with our Q1 2022 earning release, at that time the Company had a backlog of contracted business of over C\$10 million and anticipated a strong 2022 Q2. While we expect challenges and some market headwinds in the second half of 2022, our contracted backlog of business has grown to total over C\$13 million. Our pipeline of opportunities also continues to grow for 2023, and our recent acquisitions are proving to be accretive. Year-to-date positive cash flow - adjusted EBITDA with multiple state expansions and product innovations will position SpotLite360's future growth."

Operational and Financial Highlights for 2022, include:

- + Q2 2022 revenue of \$8,705,783 versus Q1 2022 revenue of \$0.944 million. Greater than nine times revenue increase quarter over quarter while net loss of Q2 2022 improved to \$(0.523) million or \$(0.01)/share from Q1 2022 net loss of \$(0.548) million or \$(0.01)/share.
- + Revenue for the first six months of fiscal year 2022 totaled \$9,699,986 versus \$(NIL) for the first six months of fiscal 2021.
- + Q2 adjusted EBITDA improved from a Q1 2022 loss of \$(0.009) to a Q2 2022 positive \$0.211 million. For the first six months of 2022 adjusted EBITDA was a positive \$201,654 as compared to loss \$(920,325) for first six months of 2021
- + With visibility to a decrease in first year expenses related to CSE listing costs, our consulting costs are more closely managed.
- + Backlog value of executed contracts entering Q3 2022 is over \$13 million with project implementations underway. As outlined in our [April 7, 2022](#) press release, expansion of office openings has begun with operations now in Arizona, Oklahoma, and Colorado. Two more offices are expected to open in the second half of 2022. Each office is staffed with local engineering expertise.
- + Marketing efforts include updates to the Company's website and marketing materials with initiatives underway for a stronger social media presence. Increased sales activities have led to greater value of total proposed contracts, including new product and service offerings engineered into future implementations. Several new project announcements are expected in coming months.
- + While some markets and strategic relationships have appeared to require long lead-times, the maturing of these opportunities continues. The Company is on the leading edge of engineering design, several new initiatives announcements are anticipated in the coming quarters.

+ Several merger and acquisition targets have been added to the pipeline. While negotiations are complex and ongoing, the strategy to add product capabilities with additional customers and cross selling products and services is anticipated.

The vision of building an enterprise scalable SaaS based technology company targeting the supply chain remains a high priority. Customer implementations are leveraging SpotLite360's engineering and solutions to create visibility into mission critical supply chain data. Leveraging IOT, sensors, the cloud, software, and blockchain to make real time and near real time supply chain decisions is invaluable. Regulatory demands, marketplace disruptions, consumer demand for sustainability and Environmental, Social and Governance (ESG) compliance are all forcing the disruption of traditional supply chain practices. Spotlite360 is creating an automated, smart, connected supply chain environment from any product's origin to the consumer. Future emphasis will be focused on the consumer visibility to supply chain proof with historical data.

On behalf of the Board of Directors of the Company,

SpotLite360 IOT Solutions, Inc.

"James Greenwell"

James Greenwell, President and CEO

For more information about SpotLite360, please visit: <http://spotlite360.com>

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About SpotLite360 IOT Solutions, 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, SpotLite360 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. SpotLite360'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 2022, SpotLite360 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 because 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 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 IOT Solutions, Inc. can be found under the Company's profile on <http://sedar.com>.