JEMTEC INC.
TSX-V: JTC

Source: JEMTEC Inc.

FOR IMMEDIATE RELEASE

JEMTEC SECOND FISCAL QUARTER & FINANCIAL UPDATE

March 26, 2020 - JEMTEC Inc. (TSX-V: JTC) (the "Company") is pleased to provide an update on its Second Quarter performance for the period ended January 31, 2020 and the Companies improving financial situation, with no debt, strong liquidity and net worth.

One Time Dividend
On January 8, 2020, the Company announced that the board of directors approved the payment of a onetime special dividend of $0.25 per common share (the "Special Dividend"). The Special Dividend was payable to shareholders of record as of the close of business on January 17, 2020, resulting in a dividend declaration of $679,219. As of January 31, 2020, $Nil of the dividend declared had been paid and $679,219 is recorded in accounts payable and accrued liabilities.

Subsequent New Agreements and Extensions
On March 18, 2020, PWGSC confirmed that Jemtec won the Correctional Services Canada (CSC) RFP which will result in a five duration if CSC selects all its options of one year plus up to four additional one year extensions are exercised. On March 13, 2020, Saskatchewan which has a three year plus one year plus one year confirmed the current agreement was extended for first one year, from April 1, 2020 to March 31, 2021.

Q2 Revenues and Expenses
Revenues have remained consistent during the quarter ended January 31, 2020 compared to the quarter ended January 31, 2019 while Expenses increased by 2% compared to 2019.

Q2 Income Tax
For the quarter ended January 31, 2020, the Company recognized a provision for income tax expense of $45,000 (2019 - $Nil). The current income tax expense was related to income tax in Canada.

Q2 Net Income
For the quarter ended January 31, 2020, the Company recorded a net income of $94,871, compared to a net income of $146,073 during the quarter ended January 31, 2019. This decrease in net income is primarily due to the increase in the income tax provision.

Q2 Liquidity
At January 31, 2020, the Company had cash and cash equivalents of $2,364,488 and working capital of $1,665,490. All cash and cash equivalents are on deposit with a Schedule I bank in Canada in current or interest accruing accounts.

Eric Caton, President and CEO said, "We are pleased with the Q2 results and new and extended agreements and we see a profitable and stable path ahead with the Company well positioned to increase its market share." Jemtec has provided a full spectrum of monitoring technologies and services to provincial and federal correctional and border services across Canada since 1987 and in doing so has built a reputation for offering the best technological solutions and support for use in this demanding environment.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Investors are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected. These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, the Company *does not assume any obligation to update or revise them to reflect new events or circumstances.*

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