INEO Revenue Increased 42% in Fiscal First Quarter 2021

- INEO increases its *Welcoming Network* to seventy retail locations across all the major metropolitan regions in British Columbia and Alberta.

SURREY, BC, Nov. 23, 2020 /CNW/ - **INEO Tech Corp.** (TSXV: INEO) (the "**Company**" or "**INEO**"), an innovative provider of location-based digital advertising, analytics and loss prevention solutions for retailers, today announced it has filed its Interim Consolidated Quarterly Financial Statements and Management's Discussion and Analysis on SEDAR.com for the Company's fiscal first quarter ended September 30, 2021.

"We are very pleased with the progress that the Company achieved over the past quarter in ramping up production and expanding the footprint of *The INEO Welcoming Network*," said Greg Watkin, Chairman and Founder of INEO. "INEO now has installations in every major metropolitan market in B.C. and Alberta with plans to expand across North America in the future. Our current footprint of seventy retail locations provides advertisers with a location based Digital-Out-of-Home advertising option unlike any other. INEO's artificial intelligence (AI) technology, data capture expertise and operational capabilities uniquely position the Company as an emerging leader in retail location based targeted digital advertising and analytics."

Fiscal First Quarter 2021 Financial Highlights:

- INEO generated $148,150 of revenue for the three months ended September 30, 2020, representing an increase of 42% as compared revenue of $104,431 for the three months ended September 30, 2019. The increase in revenue is primarily attributable to an increase in the Company's online sales of loss prevention products.
- INEO generated gross profit for the three months ended September 30, 2020 of $56,641, as compared to gross profit of $76,935 for the year ended September 30, 2019. The Company attributes this decrease in gross profit as COVID-19 had a negative impact on the rate of USD/CAD while also causing shipping costs to increase substantially, leading to higher cost to purchase inventory from Asian suppliers. The Company expects gross margin to return to historic levels for the sales of loss prevention items once the effects of COVID-19 on supply chains normalize. More importantly, gross margin will be positively enhanced as the share of revenue delivered by advertising increases.
- Net loss for the three months ended September 30, 2020 was $354,121 or $0.01 per share compared to net loss of $87,827 or $0.01 per share for the three months ended September 30, 2019. The Company had a greater loss in 2020 due to increased salary costs as it ramped its development and deployment of its products and systems.
- INEO had $952,384 of cash and cash equivalents at September 30, 2020, compared to $1,252,638 of cash and cash equivalents at June 30, 2020.
- As of September 30, 2020, the Company had 40,680,740 shares issued and outstanding.

Fiscal First Quarter 2021 Business Highlights:

- On July 15, 2020, INEO launched and announced the commercial availability of the industry's first wireless *Welcoming System*, which significantly simplified the installation process, reducing in-store installation time from over four hours down to less than one hour.
- On August 18, 2020, INEO appointed Serge Gattesco to the Company's Board of Directors.

Gattesco has immense audit, strategy, profitability and operations experience as the former Canadian Managing Partner of Strategy and Operations for PwC Canada and as the Canadian Managing Partner for PwC Canada's Audit and Assurance Group.
- On September 21, 2020, INEO entered into a partnership agreement with Consumer Media Solutions Inc. ("CMS"), a Toronto-based media sales organization, who will take over the day to day activities of selling the advertising inventory on the INEO Welcoming Network screens placed inside retail stores.

Subsequent Events to September 30, 2020:

- On October 27, 2020 INEO announced a partnership agreement with Hivestack to connect INEO's network of premium retail advertising screens to Hivestack's digital out-of-home programmatic advertising platform to deliver targeted location-based advertising. This partnership gives brands and advertisers who utilize the Hivestack platform access to ad space on INEO's Network of Welcoming screens uniquely located at the entrances of retail stores.
- On November 5, 2020, INEO announced it had expanded the INEO Welcoming Network to the Okanagan Valley region with the successful installation of its systems in five retail locations.

Outlook:

INEO continues to execute on its organic growth strategy by increasing the number of retail locations on *The INEO Welcoming Network* and ramping up its digital media advertising capabilities. The Company has been aggressively ramping up new retail installations since British Columbia and Alberta entered Phase 3 of their respective COVID re-opening plans. The addition of CMS as the Company's advertising sales representatives and partnering with Hivestack's programmatic advertising platform will enable the Company to scale its sales operations without adding significant costs. INEO has a healthy pipeline of additional retail locations ready for installations throughout the winter. INEO plans on continuing to innovate in the areas of integrated digital screen and loss prevention technology, improving data analytics with machine learning algorithms and optimizing its cloud based digital advertising network.

Kyle Hall, CEO of INEO commented, "We are very excited with the new customers and advertisers that we are bringing onto our platform. We are expecting the increase in the number of sites on the *INEO Welcoming Network* will drive revenue growth in 2021. Meanwhile, we remain committed to our objective to leverage our installed base of independent liquor stores into relationships with larger national and international retailers."

About INEO Tech Corp.

INEO Tech Corp., through its wholly owned subsidiary, INEO Solutions Inc., provides retailers, advertisers and brands with *The INEO Welcoming Network,* a patented in-store and online location-based advertising network which enhances the customer experience, monetizes the entrances of retail stores and protects against retail theft. The *INEO Welcoming Network* is a revolutionary cloud-based digital advertising and data analytics system, which sends customized advertising to digital screens integrated with theft detection sensor gates at the entrance of retail stores. INEO is headquartered in Surrey, Canada and publicly traded on the TSX-Venture Exchange under the symbol "INEO".

For more information please visit: www.ineosolutionsinc.com.

Forward-Looking Statements

Investors are cautioned that, except as disclosed in the disclosure document, any information released or received with respect to the Company may not be accurate or complete and should not be relied upon. Trading in securities of the Company should be considered highly speculative.

This news release contains forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectations. Important factors – including the availability of funds, acceptance of the Company's products, competition, and general market conditions – that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed on SEDAR, including the Company's Filing Statement dated January 20, 2020 (see www.sedar.com). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE INEO Tech Corp.

c View original content to download multimedia: http://www.newswire.ca/en/releases/archive/November2020/23/c9118.html

%SEDAR: 00028770E

For further information: Pardeep Sangha, Investor Relations, INEO Tech Corp., investor@ineosolutionsinc.com, (604) 572-6392

CO: INEO Tech Corp.

CNW 16:58e 23-NOV-20