Zonetail Corporate Update

Toronto, Ontario--(Newsfile Corp. - October 21, 2020) - Zonetail Inc. (TSXV: ZONE) ("Zonetail" or the "Company") is pleased to update its shareholders on recent advancements to increase its market share, customer engagement, and revenue.

Zonetail provides mobile platforms to hotels and condominiums connecting the residents of a condo and the guests of a hotel to the amenities and services of their building through the convenience of their personal mobile device. Included on both platforms is an 'Explore' section highlighting the businesses and services in the local area. These businesses pay to be on the platform to reach the highly sought, but often difficult to reach hotel guests and condo residents. In addition to the advertising revenue, Zonetail is also engaged in transaction revenue, where the Company receives fees for merchandise and services purchased through the platforms.

Highlights

- Zonetail is partnered with AAHOA, the largest association of hoteliers in the world, representing over 25,000 hotels and 50% of the US hotel market.
- Zonetail is also partnered with Shiftsuite, one of the largest property management system software providers to the condo industry in Canada and is now 'live' and in revenue in approximately 85,000 households. It is expected that the current units will continue to grow.
- The amount of buildings we are in, and the number of residents that have downloaded the app once they are made aware of it, are two early and key metrics investors should consider when evaluating Zonetail's revenue potential. Couple that with how many more buildings and users we can add over the coming months, and you are much closer to projecting not just the value of the Company today, but where it can be in the very near future. Technology plays a large role in influencing these metrics, and thus influencing future revenue.
- The Company is close to completing a new residential platform and APIs designed to seamlessly integrate with other property management systems, including some of the world's largest, potentially adding significant amounts of new buildings and users.
- As a direct result of our current technology developments, and with the much-appreciated assistance of our Telecom partner, Zonetail has recently entered into promising discussions with a potentially new and substantial strategic partner in our condo vertical. Should this partnership be secured, it has the potential to add a large amount of new condo buildings to our portfolio. It also has the potential to introduce a third vertical by adding a sizable amount of apartment buildings across Canada to our residential portfolio. In addition, it is expected to provide the necessary stepping-stone to launch Zonetail's residential platform in the United States. Readers and shareholders are politely encouraged to pay close attention over the coming days and weeks for updates on this exciting opportunity.
- The Company has been steadily increasing the number of buildings we are servicing, and the number of users on the platform with 88% growth over this time last year and 230% growth from May to September of this year.
- As a result, the Company's guidance for revenue for the fourth quarter of 2020 is already higher than the first three quarters of 2020 combined.
- We have selected two recent advertiser wins and two recent transaction revenue wins to highlight, below:
    - On March 9, 2020, the Company announced an agreement with one of Canada's largest Telecommunication companies. https://finance.yahoo.com/news/zonetail-expands-condo-resident-offers-113000803.html Phase one launched on April 1, 2020, and has been deemed a success, in spite of the COVID-19 disruption. Phase two of the partnership has recently launched, which includes the introduction of a specified section on the app dedicated exclusively to our Telecom partner, where they market their telecom residential services directly to condo residents. Phase two is also planned to double the number of condo units they are currently participating in, thus doubling the revenue.
    - On October 7, 2020, the Company announced the signing of Insurance Store. https://ca.finance.yahoo.com/news/zonetail-signs-exclusive-ontario-wide-113000660.html This is a

significant new partnership for both revenue and proof of concept. It clearly demonstrates two important trends: the Zonetail condo platform appeals to a broad range of companies from many differing industries and secondly, due to COVID, companies are in immediate need of a platform like ours as they adjust their sales techniques from face-to-face sales to '*touchless*', digital sales, without diminishing personalized service. Insurance Store is now advertising in over 69,000 units across Ontario, with added revenue derived from exclusivity, having their own section on the app, and the ability to run multiple ads for different insurance products.
    - It's no secret that home delivery businesses are booming during COVID. As part of our transaction revenue stream, Zonetail announced on August 24, 2020 the signing of Plant Be. https://finance.yahoo.com/news/plant-toronto-partners-zonetail-bringing-110000723.html Plant Be is a unique vegan food delivery service offered directly to condo residents. Plant Be is currently targeting approximately 35,000 units across the GTA, with plans to expand into other cities in the near future. Zonetail receives $1.00 per delivery.
    - On September 24, 2020, Zonetail signed an agreement with Radical Road Brewing Company. They deliver a high-end selection of craft beer, wine and selected spirits straight to your door. They are going live in 35,000 condo units across the Greater Toronto Area, and are planned to go Province wide in approximately 70,000 units by the end of October. Before the end of the year, they intend to deliver straight across Canada. Radical Road is planning to offer a 15% discount on all orders that come through the Zonetail condo platform. For every order placed, Zonetail receives a flat fee of $2.50. Over time, this has the potential to be very profitable for both companies.
- Currently, we are pitching and/or in negotiations with over 50 new National and Regional businesses, some of which we expect to sign over the coming days, weeks and months, as more and more businesses are attracted to our unique approach in targeting condo residents.
- The Company is also currently in late-stage discussions with a potential technology partner in the hotel vertical that offers the opportunity to charge each hotel a monthly service fee, deriving revenue directly from the hotels themselves, on top of the advertising and transaction revenue. This technology also has the potential to provide a much more effective method in getting the Zonetail hotel application into the hands of literally millions of hotel guests. The potential this partnership offers can have a significant impact on the hotel revenue in 2021 and beyond. Keep an eye out for future announcements.

Business Outlook (and the effects of Covid-19)

On June 2, 2020 and July 3, 2020, the Company was pleased to complete a $1.295 million private placement of units. Raising capital under the shadow of COVID-19 had its challenges. However, smart investors realize that, although many businesses are struggling greatly, and many more have disappeared entirely due to COVID, some companies like Zonetail have the ability to quickly adapt to not only survive, but to thrive in these unprecedented conditions.

When considering unpredictable events such as COVID-19, it is important to keep in mind that Zonetail is at scale in two verticals, hotels and condos. As such, when one vertical, in this case hotels, is unexpectedly hit hard by the pandemic, Zonetail has the flexibility to place a greater emphasis on the other vertical, condos, without suffering major setbacks.

As a result of COVID-19, and throughout 2020, our efforts continue to be focused more predominantly on the condo vertical, as the hotel industry will take some time to recover. COVID has also had negative effects for some of our advertising clients as well, most notably restaurants. In response, Zonetail is offering a COVID relief discount to restaurants to assist them through these difficult times.

For some other industries, the pandemic has provided opportunity. The delivery business is booming, and many other companies are adopting new '*touchless*' ways to sell their products and services. Zonetail's condo platform provides a unique and innovative way for companies who previously relied on face-to-face sales techniques to transition into digital and '*touchless*' communications, directly with their customers.

With the completion of our recent financing, increases in revenue, along with a laser-focused approach to operating under a lean budget in these challenging times, the Company is confident that it has ample runway and cashflow to carry us well into 2021, and projected profitability.

Neither 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.

To read the complete corporate update please follow this link: https://www.zonetail.com/2020/10/21/zonetail-corporate-update-full-version/.

About Zonetail

Zonetail Inc. (TSXV: ZONE) is a mobile platform for hotels and condominiums providing guests and residents access and interaction with building amenities and services as well as neighbouring restaurants, stores, services, and other businesses. Zonetail is partnered with AAHOA, the largest association of hoteliers in the world, representing over 25,000 hotels and 50% of the US market. Zonetail is also partnered with Shiftsuite, one of the largest property management system software providers to the condo industry in Canada. The condo platform is now live in over 80,000 condominium households.

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