

## Zoomd Announces Preliminary Financial Estimates for Q4 2019 and Engages Corporate Communications Consultants

VANCOUVER, British Columbia, Feb. 14, 2020 — **Zoomd Technologies Ltd.** (TSXV: ZOMD) (<https://www.zoomd.com/>) and its wholly-owned subsidiary Zoomd Ltd. (collectively, “**Zoomd**” or the “**Company**”), announced today preliminary unaudited financial estimates for the fourth quarter ended December 31, 2019:



- Total revenue of **US\$7.5 million**, in line with Q4 of last year and an increase of approximately 27.3% compared to Q3 of 2019
- Cost of sales and services of **US\$5.3 million**, representing an increase of approximately 8.4% compared to the same period last year and 33.1% compared to Q3 of 2019
- Gross profit of **US\$2.2 million**, representing a decline of approximately 16.7% compared to the same period last year and growth of approximately 15.3% compared to Q3 of 2019
- Adjusted EBITDA of **US\$(0.5) million**, representing a decline of approximately 26.4% compared to the same period last year and 33.7% compared to Q3 of 2019

Zoomd’s total revenue improved in Q4 19’ relative to Q3 19’ as a result of Zoomd’s efforts during the period to acquire new clients and generate more revenue from existing clients. Total revenue remained in line with Q4 18’ primarily due to the fact that revenue from one of Zoomd’s top 10 clients decreased relative to Q4 19’ which offset some of the new revenue

generated from the newly acquired clients in Q4 19'.

Gross profit margins were consistent in Q4 19' with the first nine months of 2019 and lower than Q4 18'. The decrease in gross profit margins in Q4 19', as compared with Q4 18', was primarily due to lower profitability associated with the new clients acquired in 2019.

During 2019, Zoomd continued its plans of global expansion that resulted in increases in its workforce, marketing and public relations related expenses. Compared with Q3 19', Zoomd's expenses increased in line with the noted expansion. Compared with Q4 18', expenses were flat, but when excluding the one-time bonuses that were paid in Q4 18', expenses increased, in line with the expansion plan.

"We are pleased to see that we were able to implement our strategy over the last quarter," says Zoomd CEO and co-founder Ofer Eitan. "We continued our plans of global growth, increases in HR and marketing expenses. Looking forward to increase market share through next year, we are building our AI proprietary technology to the level of creating absolute optimal, automated, media buying funnel from all digital media channels, targeting user acquisition first."

### **Investor Relations Agreements**

Zoomd is also pleased to announce that it has entered into corporate communications / investor relations / online marketing agreements with each of Oak Hill Financial Inc. ("**Oak Hill**"), bull markets media GmbH ("**Bull Markets**") and Maximus Strategic Consulting Inc. ("**Maximus**") (each, an "**Agreement**", and each entity an "**IR Firm**").

Under the terms of each Agreement, each IR Firm will assist Zoomd in working and communicating efficiently with the business community, including potential investors, journalists and newsletter writers as well as current shareholders to keep them informed and up-to-date on Zoomd's activities.

The length of the Agreement with Oak Hill is three months (ending April 10, 2020, subject to an automatic renewal unless written notice is provided otherwise), the length of the Agreement with Bull Market is twelve months from the date of Zoomd becoming a reporting issuer (ending August 28, 2020), and the length of time of the Agreement with Maximus is six months (ending May 31, 2020).

In consideration for the services of each IR Firm, Zoomd has agreed to pay a fee of CA\$10,000 per month to Oak Hill, a one time fee of CA\$60,000 to Bull Markets, and a one time fee of CA\$100,000 to Maximus.

Zoomd and each IR Firm are not related parties and operate at arm's length. Except for Maximus and Bull Markets, to the knowledge of Zoomd, the IR Firms do not, directly or indirectly, hold any interest in Zoomd or its securities, or have a right or intent to acquire

such interest.

### **About Zoomd:**

Zoomd (TSXV: ZOMD), founded in 2012 and began trading on the TSX Venture Exchange in September 2019, offers a site search engine to publishers, and a mobile app user-acquisition platform, integrated with a majority of global digital media, to advertisers. The platform unifies more than 600 media sources into one unified dashboard. Offering advertisers a user acquisition control center for managing all new customer acquisition campaigns using a single platform. By unifying all these media sources onto a single platform, Zoomd saves advertisers significant resources that would otherwise be spent consolidating data sources, thereby maximizing data collection and data insights while minimizing the resources spent on the exercise. Further, Zoomd is a performance-based platform that allows advertisers to advertise to the relevant target audiences using a key performance indicator-algorithm that is focused on achieving the advertisers' goals and targets.

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

### **Cautionary Statement Regarding Forward-Looking Information**

*Information regarding preliminary unaudited financial results contained in this press release may constitute forward-looking-information within the meaning of securities laws. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The financial estimates provided in this press release is provided to provide early guidance on the fourth quarter financial performance of the Company and readers are cautioned that this information may not be appropriate for any other purpose. In preparing the financial estimates, the Company completed an initial review of operations for the quarter ended December 31, 2019, however actual results may differ materially from the financial estimates provided in this press release as the financial outlook has not been audited or reviewed. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed that the material factors referred to herein will not cause such forward-looking statements and information to differ materially from actual results or events. However, there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.*

*Other than as required under securities laws, we do not undertake to update this information at any particular time.*

Forward-looking information contained in this press release is based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date. All forward-looking information contained in this press release is expressly qualified in its entirety by this cautionary statement.

## **CAUTION REGARDING Financial Estimates**

The financial estimates set forth above are based on an initial review of the Company's operations for the quarter ended December 31, 2019 and are subject to change. The Company's independent registered public accounting firm, Brightman Almagor Zohar & Co. (Deloitte Member Firm), has not audited, reviewed or performed any procedures with respect to the accompanying financial estimates and other data, and accordingly does not express an opinion or any other form of assurance with respect thereto. They should not be viewed as a substitute for audited financial statements prepared in accordance with generally accepted accounting principles and are not necessarily indicative of the Company's results for any future period.

## **CAUTION REGARDING NON-GAAP FINANCIAL MEASURES**

This press release refers to "Adjusted EBITDA" which is a non-GAAP and non-IFRS financial measure that does not have a standardized meaning prescribed by GAAP or IFRS. The Company's presentation of this preliminary financial measure may not be comparable to similarly titled measures used by other companies. This preliminary financial measure is intended to provide additional information to investors concerning the Company's estimated results. Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortization and is a measure of a company's operating performance. Essentially, it's a way to evaluate a company's performance without having to factor in financing decisions, accounting decisions or tax environments. The following table (all in \$US thousands) shows the Company's Non-IFRS measure (Adjusted EBITDA) reconciled to operating profit for the indicated periods:

	<b>Q4 2018</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>2019</b>
	<b>(actual)</b>	<b>(actual)</b>	<b>(estimated)</b>	<b>(estimated)</b>
<b>Operating profit (loss) .</b>	<b>(2,061)</b>	<b>(1,059)</b>	<b>(1,171)</b>	<b>(3,448)</b>
<b>Adjustments ..</b>				
Depreciation and amortization . . .	<b>470</b>	<b>574</b>	<b>590</b>	<b>2,178</b>
Cost of share-based payments ....	<b>1,189</b>	<b>105</b>	<b>73</b>	<b>640</b>
<b>Total adjustments</b>	<b>1,659</b>	<b>679</b>	<b>663</b>	<b>2,818</b>
<b>Adjusted EBITDA ...</b>	<b>(402)</b>	<b>(380)</b>	<b>(508)</b>	<b>(630)</b>

Management uses this non-IFRS measure as a key metric in the evaluation of the Company's performance and the consolidated financial results. The Company believes Adjusted EBITDA

is useful to investors in their assessment of the operating performance and the valuation of the Company. However, non-IFRS financial measures are not prepared in accordance with GAAP or IFRS, and the information is not necessarily comparable to other companies and should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP or IFRS. The references in this press release to Adjusted EBITDA are forward-looking information about prospective financial performance and readers are cautioned that this information may not be appropriate for other purposes.

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