Zoomd Delivered A Fourth Consecutive Quarter Of Growth In Both Revenue And Adjusted EBITDA, Achieving An Adjusted EBITDA Increase Of More Than US$5m For The Nine Months Ended September 30, 2021 Compared To The Same Period In 2020[1]

Achieving a record revenue per quarter of US16M and a record revenue growth rate of 141% YOY

VANCOUVER, BC, Nov. 22, 2021 /CNW/ — Zoomd Technologies Ltd. (TSXV: ZOMD) (OTC: ZMDTF) ("**Zoomd**" or the "**Company**"), a leading provider of an online advertising robust marketing platform that focuses on improving customers user acquisition campaigns, reported its financial results for the three and nine-month period ended September 30, 2021 today. The financial statements and MD&A are available on SEDAR under the Company's profile.

Ofer Eitan, Zoomd's CEO, commented, "we achieved a new record in Q3 2021 as our focus on diversifying our client base, both with respect to sectors and geographies, is beginning to bear fruit. We are seeing a surge in budgets from our legacy clients that are looking to expand their acquisition sources, as the post-pandemic recovery continues and privacy limitations start affecting advertisers ROI's. The strong revenue growth is producing positive adjusted EBITDA and cash flows, demonstrating the strength of our business and strategic positioning."

Ofer further added, “we are continuing to experience strong demand for our user-acquisition products and services from both new and existing clients, driven by our innovative technology, and the great results our existing clients are achieving with our technology. We are seeing an increase within the allocation of advertising budgets to our platform and services, which we consider to be a direct result on the Company’s ability to mitigate against the impacts of the major iOS 14, 15 updates and other new market privacy limitations rolled out, as well as announced by Apple and Google.

Ofer ended by noting that, “our growth initiatives to expand into new geographies, such as Latin America and Asia, as well as expanding in hyper growing industry categories including fintech, e-commerce, gaming, and on demand services, have proven successful. As we look forward to 2022 and beyond, we expect to ramp up our self-serve products to expand our client base and further the growth of the Company.”

THIRD QUARTER 2021 KEY HIGHLIGHTS (ALL FIGURES ARE IN USD)

- Q3–2021 Revenues increased 141% compared to Q3-2020 and 43% compared to Q2-2021 to a quarterly record of $16M, making the fourth consecutive quarter of revenue growth.
- Q3-2021 growth was driven primarily by the growing momentum in current customers as well as the onboarding of new clients.
- The Company increased the number of “big customers” [2] by 33% YOY. Moreover, the average revenue per customer increased by 170%% YOY.
- The Company generated a positive Adjusted EBITDA of $1.6M during the quarter, its highest level as a public company, compared to ($0.9M) in Q3-2020 and an increase of 25% relative to Q2–2021.
- The Company achieved a positive cash flow from operations of $1.7M in the quarter, compared to ($1M) in Q3-2020.

THIRD QUARTER 2021 HIGHLIGHTS (ALL FIGURES ARE IN THOUSANDS USD)

- For the three months ended September 30, 2021, revenues were $15,961, as compared to $6,625 for the three months ended September 30, 2020, an increase of approximately 141% year-over-year. The increase in revenues is primarily a result of customer acquisitions in growth sectors such as fintech, e-commerce, and gaming, as well as expansion in new geographies such as Latin America. In addition, our existing customers have allocated an increasing portion of their user acquisition budgets to Zoomd, as they have witnessed strong ROI on their spending.
- Gross profit margin was 29% for the three months ended September 30, 2021, versus 31% for the same period last year, reflecting the typical lower margin achieved in the starting phases of new client relationships.
- Research and Development (R&D) expenses for the three months ended September 30,

2021, were $ 1,194, a 27% decrease YOY, primarily reflecting the capitalization of software development costs.

- Selling, General and Administrative (SG&A) expenses for the three months ended September 30, 2021, were $2,459, a 31% increase YOY, primarily reflecting the expenses incurred as a result of the Performance Revenues acquisition and increases in sales department bonuses as part of the significant growth in revenues.
- Adjusted EBITDA for the three months ended September 30, 2021, was $1,647 as compared with an Adjusted EBITDA loss of ($850) for the three months ended September 30, 2020, an increase of $2,497. The improvement in the Adjusted EBITDA is primarily attributed to the significant increase in revenue.
- Net cash generated from operating activities for the three months ended September 30, 2021 was $1,653 as compared to net cash used from operating activities of $(991) in Q3-20, a positive change of $2,644. The increase in cash used in operating activities is primarily attributed to the increase in revenues over the comparative periods.
- As of September 30, 2021, the Company's cash and cash equivalents amounted to approximately $3,217, and no debt, compared to $2,972 on September 30, 2020. In addition, as of September 30, 2021 the Company had $10,689 of trade receivables, compared to $4,619 for the same period last year.

PLATFORM AND SELF SERVE PRODUCTS UPDATE:

- During Q3 2021, Zoomd's platforms received market justification of its approach to the iOS 15 privacy changes led by Apple. Zoomd's underlying product logic is built in a way that resulted in the privacy changes having a minimal impact on the products and their users.
- The Company signed a Marketing Partner Agreement with Snapchat and got certified as a formal API platform integrated marketing partner. The platform integration will grant Zoomd's customers the ability to enjoy the growing success and uniqueness of Snapchat under within the Zoomd ecosystem which compliments the other channels that Zoomd is already integrated with.
- The Company released an updated publisher dashboard for publishers which works with Zoomd's "on site" search solution. The upgraded version provides publishers more insights and clarity regarding site traffic, search behavior and content engagement.

CONFERENCE CALL

Zoomd management will host a conference call on November 23, 2021 at 11:00 a.m. ET to discuss the third quarter's results.

Please join the call using the following link: https://zoomd.com/investors/ or at https://www.webcaster4.com/Webcast/Page/2473/43788

About Zoomd:

Zoomd (TSXV: ZOMD, OTC: ZMDTF), 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.

CAUTION REGARDING NON-IFRS FINANCIAL MEASURES

This press release refers to "Adjusted EBITDA" which is a non-IFRS financial measure that does not have a standardized meaning prescribed by 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, as adjusted for share-based payments, 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.

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 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 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.

Please refer to the Company's MD&A for the three and nine-month period ended September 30, 2021 for a reconciliation of EBITDA and Adjusted EBITDA to Operating Gain (Loss) for the three and nine months ended September 30, 2021, and 2020.

DISCLAIMER IN REGARD TO FORWARD-LOOKING STATEMENTS

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect Zoomd’s future ability to successfully continue its growth, its ability to continue to deliver products and services largely unimpacted by the privacy updates undertaken (or will be undertaken in the future) by Google and Apple as well as its ability to continue expanding into new geographies and industries. Forward-looking statements are based on our current assumptions, estimates, expectations and projections that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, technological, legal, privacy matters, political and social uncertainties (including the impacts of the COVID-19 pandemic), the extent and duration of which are uncertain at this time on Zoomd’s business and general economic and business conditions and markets. There can be no assurance that any of the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by law.

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.

[1] “Adjusted EBITDA” is a NON-IFRS financial measure. See “Caution Regarding Non-IFRS Financial Measures”.

[2] “big customers” are considered customers that produce an average monthly revenue of more than US$100,000.

Logo – https://mma.prnewswire.com/media/1039696/Zoomd_Logo.jpg

FOR FURTHER INFORMATION PLEASE CONTACT:

Company Media Contacts:
Amit Bohensky
Chairman
Zoomd
ir@zoomd.com
Website: www.zoomd.com

Investor relations:
Lytham Partners, LLC
Ben Shamsian
New York | Phoenix
ZOMD@lythampartner.com

View original content to download multimedia:https://www.prnewswire.com/news-releases/zoomd-delivered-a-fourth-consecutive-quarter-of-growth-in-both-revenue-and-adjusted-ebitda-achieving-an-adjusted-ebitda-increase-of-more-than-us5m-for-the-nine-months-ended-september-30-2021-compared-to-the-same-period-in-2020-301429909.html

SOURCE Zoomd Technologies Ltd.