Zoomd Reports 1Q2021 Financial Results Highlighted By Strong Gross Margins. Maintains 2021 Revenue Growth Guidance Of 30% To 40%

Key Highlights & Outlook
– Maintains 2021 revenue growth guidance of 30% to 40%, reflecting the strong post-pandemic market recovery, the on-boarding of new clients, the launch of new product lines, and strategic M&A activity.
– Gross profit margin increased roughly 17% from 30% to 35%, primarily due to focusing on more profitable customers.
– Over the past 9 months, the Company has diversified its customer base with the onboarding of customers operating in industries to areas such as fintech, entertainment, and Ecommerce. In addition, sectors that were shut down during the pandemic and are reopening, such as sports, are benefiting existing customers.
– Beginning to see the positive impact of "Performance Revenues" acquisition.

VANCOUVER, BC, June 1, 2021 — Zoomd Technologies Ltd. (TSXV: ZOMD) (OTC: ZMDTF) (https://www.zoomd.com) and its wholly-owned subsidiary Zoomd Ltd. (collectively, "**Zoomd**" or the "**Company**"), the marketing tech (MarTech) user-acquisition and engagement platform, today reported its financial results for the three month ended March 31, 2021. The financial statements and MD&A are available on SEDAR under the Company's profile.

ZOOMD
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"We are excited to return to sustainable revenue growth as our clients expand their advertising budgets to pre-COVID levels," said Ofer Eitan, Zoomd's CEO, adding "Over the last nine months we have been successful in acquiring new customers in growing industries such as fintech and Ecommerce. We expect our newly acquired customers to increase their

activity with us during 2021. Our organic growth in the upcoming months, combined with our integration of the Performance Revenues acquisition and ongoing M&A discussions, led us to maintain our 2021 revenue growth guidance. Furthermore, we are proud of the strong gross margins achieved during the first quarter, which are the result of our focus on profitable activities and our efforts to diversify our customer base."

PLATFORM UPDATE

During Q1-2021, Zoomd released self-serve products such as Performance, Premium channels, and DSP. The self-serve products save Zoomd's advertising customers money, time and resources in the ad buying, optimization process and general campaign management, by uniting all of the client's advertising campaigns under a single central dashboard, allocating budget and providing data on the user acquisition capabilities across various digital channels.

ACQUISITION OF PERFORMANCE REVENUES

On February 9, 2021, Zoomd acquired Performance Revenues, a leading international mobile marketing and influencer company, providing a variety of performance-based marketing solutions led by a team of professional marketers ,media buyers and account managers. Zoomd believes that it is able to leverage the people, talent, and clients acquired through this acquisition to drive growth in the future by realizing certain synergies between the platforms.

FIRST QUARTER 2021 HIGHLIGHTS (ALL FIGURES ARE IN USD)

- For the three months ended March 31, 2021, revenues amounted to $6,776, as compared to $6,513 for the three months ended March 31, 2020, an increase of approximately 4% year over year. The increase in revenues is primarily a result of the onboarding new customers in the second half of 2020 and an increase of online media and marketing budgets for some of our top 10 customers. In addition, during the period, the Company added numerous clients to its platform, with smaller initial budgets that the Company expect to increase in the coming months.
- Gross profit was 35% for the three months ended March 31, 2021, roughly 17% increase from 30% for the three months ended March 31, 2020. The improvement in the gross profit margin was primarily attributable to the Company's decision to disengage from less profitable customers and general client base diversification, thereby not connecting the Company's performance to any specific industry.
- Selling, General and Administrative (SG&A) expenses for the three months ended March 31, 2021 were $1.96 million, roughly flat YOY, as increased advertising expense was offset by a decrease in G&A spending. Research and Development (R&D) expenses for the three months ended March 31, 2021 decreased 31% YOY reflecting the capitalization of software development costs.
- EBITDA for the three months ended March 31, 2021 increased by $900. The YOY

increase is attributed to the increase in revenue, capitalization of software and the improvement in the gross profit margin, all of which carried the Company to positive adjusted EBITDA for the first time since it became publicly traded. “EBITDA” is a non-GAAP and non-IFRS financial measure that does not have a standardized meaning prescribed by GAAP or IFRS – please see “Non-IFRS Measures” below.

The following table presents a reconciliation of EBITDA and Adjusted EBITDA to Operating Loss for the three months ended March 31, 2021 and 2020:

	Three months ended	
	March 31, 2021	**March 31, 2020**
Operating loss	(638)	(1,514)
Depreciation and amortization	643	619
EBITDA	**5**	**(895)**
Adjustment:		
Cost of share-based payments	58	48
Adjusted EBITDA	**63**	**(847)**

- As of March 31, 2021, the Company’s cash and cash equivalents amounted to $1.4 million, and no debt.

2021 GROWTH EXPECTATIONS (ALL FIGURES ARE IN USD)

The Company is maintaining its revenue outlook of $25 million to $36 million for the year ending December 31, 2021, representing growth of 30% to 40% YOY. This outlook reflects the following assumptions which management believes are reasonable:

- **Organic Growth** – Management estimates that at least $4 million or approximately 40% of the revenue growth for the year ending December 31, 2021 to be caused primarily from the existing business model where the key drivers are:
  New customers acquired primarily during the second half of 2020 through to the beginning of the year 2021, which are expected to increase their marketing budgets as they become more familiar with the platform, the services and the results.
  New customers acquired by the newly launched Self-Served products: Performance, Premium channels, and DSP.
  Post-COVID online advertising demand surge, especially from sectors that were shut down during the height of the pandemic and are beginning to reopen, such as sports.
  Geographical expansion in India, East Europe, the Philippines, and Japan announced earlier this year.

- **Mergers and Acquisitions** – Management estimates that up to $6 million or 60% of the revenue growth for the year ending December 31, 2021 to be caused primarily as a result of acquisitions of carefully selected target companies that in line with the Company’s business, strategy, and vision. The Company’s acquisition of “Performance

Revenues" that was announced on February 10, 2021 already factors into the above expectation as management believes it will bear a positive impact on its revenue growth in 2021. In addition, the Company has announced that it is engaged in a series of discussions for potential acquisitions during 2021.

The above forward-looking financial information was approved by the Company in connection with the filing of the MD&A for the year ended December 31, 2020.

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.

NON-IFRS MEASURES

This press release refers to "EBITDA" and "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 financial measure may not be comparable to similarly titled measures used by other companies. This financial measure is intended to provide additional information to investors concerning the Company's estimated results. EBITDA is defined as earnings before interest, tax, depreciation and amortization, and Adjusted EBITDA adjusts EBITDA for share-based compensation. Both measures are used to measure a company's operating performance. Essentially, it is a way to evaluate a company's performance without having to factor in financing decisions, accounting decisions or tax environments.

DISCLAIMER IN REGARD TO FORWARD-LOOKING STATEMENTS

This news release includes certain "forward-looking statements" and "forward-looking

financial outlook" (collectively, "**forward-looking statements**") under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to Zoomd's future financial situation, its expected revenue growth for 2021, its ability to successfully grow revenue organically and via mergers and acquisitions, the impact and length of time of the COVID-19 pandemic on global advertising budgets and Zoomd's revenue, its ability to meet its strategic targets on the development roadmap, the overall success of the development roadmap, its ability to realize synergies in connection with the acquisition of Performance Revenues and the overall success of the new SaaS product. Forward-looking statements are necessarily based upon several estimates and assumptions 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, 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.

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