

## **Zoomd Reports 1Q2022 Financial Results, with a strong revenue increase of 140% YoY.**

**Conference call will be held on May 31, 2022**

VANCOUVER, British Columbia, May 31, 2022 /CNW/ — Zoomd Technologies Ltd. (TSXV: ZOMD) (OTC: ZMDTF) and its wholly-owned subsidiary Zoomd Ltd. (collectively, “**Zoomd**” or the “**Company**”), the marketing technology (MarTech) user-acquisition and engagement platform, today reported its financial results for the three months ended March 2022. The Company’s financial statements and management discussion and analysis (“**MD&A**”) are available on SEDAR under the Company’s profile.



### **Fiscal 2022 Outlook Maintained**

Zoomd expects business and revenues growth in fiscal 2022 to be in a range of \$74M to \$80M, representing a year-over-year growth of up to approximately 50%. The outlook is based on assumptions, each of which management considers to be reasonable and are set out in the MD&A.

### **Key Highlights**

- 1Q22 revenues increased 140% YOY to \$16.2M. Results were driven primarily by the onboarding of new clients in recent months, growth with existing clients and expansion into growth geographies such as Latin America, Asia, and North America
- Operating profit was \$0.9M for 1Q22 compared to an operating loss of \$0.6M in 1Q21,

primarily as a result of increased revenue

- Achieved positive cash flow from operations of \$1.7M in 1Q22, ended 1Q22 with a cash balance of \$5M and no long-term debt
- Achieved positive Adjusted EBITDA of \$1.9M during 1Q22
- Increasing “large customers” numbers by 200% YoY
- Completed the acquisition of albert.ai, strengthening North America activity with tier 1 customers and consolidate self-serve and SaaS business model
- Apple’s iOS14+ privacy changes helped drive new customers to Zoomd’s platform and products

## **Management Commentary**

The strong momentum of 2021 has maintained through 1Q22, as we achieved another robust quarter. Our partners are continuing to increase their budgets with us, and we have a powerful pipeline of new customers. Our user acquisition platform has been integral in enabling to manage multiple campaigns from one place, allowing time saving and efficiency with real-time control. Our platforms enable our customers to grow their UA with limited additional resources, giving the ability to scale immediately by demand. Our growth is coming from burgeoning sectors such as Ecommerce, Education (new targeted vertical), iGaming, Gaming and Fintech, and hypergrowth geographies such as Latin America, Asia, and North America, while we see increase within North America clientele via the Albert.ai acquisition. In March 2022, the Company announced the acquisition of Albert, a U.S.-based artificial intelligence marketing platform for advertisers, driving fully autonomous digital campaigns for some of the world’s leading brands, that will now be able to use the Company’s products and services. The acquisition is aligned with the Company strategy to provide customers a variety of business models including self-serve abilities. Considering small and mid-market businesses, the self-serve abilities are an upper hand for scaling without the need of massive HR growth.

Our visibility into revenues going forward is to maintain our 2022 revenue guidance range of \$74M to \$80M, which represents approximately 40% – 50% year over year growth, details of which are set out in the MD&A.

“We are very pleased with the continued robust pace of our business, as we see strong demand for our user-acquisition activities from both new and existing clients” said Ofer Eitan, Zoomd’s CEO, adding “Companies are seeing the results and value of our unique activity and are further allocating larger portion of their user acquisition budgets to Zoomd. While we are happy with our current pace of growth, we believe that our ability to execute in various verticals, geos, plus different business models while we make our platforms accessible for self-serve use, can bring us to the next level even further than expected. Almost every UA challenge will find a solution under our wings, hoping to become the last user acquisition platform that our customer will ever use.”

## **First Quarter 2022 Highlights (All Figures in Thousands in USD)**

- For the three months ended March 31, 2022, revenues were \$16,250, as compared to \$6,776 for the three months ended March 31, 2021, an increase of 140% year-over-year. The increase in revenues is primarily the result of customer acquisitions in the growth sectors such as e-commerce, education (new targeted vertical), fintech, and gaming as well as expansion in new geographies such as Latin America, Asia, and North America, targeting specific growth potential countries. 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 30% for the three months ended March 31, 2022, versus 35% for the same period last year, reflecting more social media advertising portion that is known to be with lower profit margins.
- Research and Development (R&D) expenses for the three months ended March 31, 2022 were \$1,234, a 17% increase YOY, primarily reflecting the amortization of capitalized software development costs.
- Selling, General and Administrative (SG&A) expenses for the three months ended March 31, 2022 were \$2,633, 34% increase YOY, primarily reflecting increases in sales department bonuses as the result of increased revenues, and as a result of some new employees joining the company.
- Adjusted EBITDA for the three months ended March 31, 2022 was \$1,932 as compared with Adjusted EBITDA of \$63 for the three months ended March 31, 2021, an increase of \$1,995. The improvement in the Adjusted EBITDA is primarily attributed to the significant increase revenue growth.
- Operating profit was \$932 for Q1 2022 compared to an operating loss of \$638 in Q1 2021, primarily as a result of increased revenue.
- As of March 31, 2022, the Company's cash and cash equivalents amounted to \$5 million, and no debt.
- On March 28, 2022, the Company announced that it has acquired substantially all of the assets of Albert Technologies Ltd. and Albert Technologies' Inc ("Albert") in a cash and share deal (the "Transaction"). The Company would like to provide additional disclosure in connection with the Transaction. The consideration payable by the Company pursuant to the Transaction consists of \$125,000 in cash and share issuance by the Company of \$375,000 worth of common shares of the Company at closing (being up to 375,000 common shares) and a second payment of \$125,000 in cash and \$375,000 worth of common shares of the Company (being up to 375,000 common shares) upon the satisfaction of certain performance-based metrics. The price per share used for the purposes of the aforementioned share issuances will be the greater of \$1.00 and the closing price of the shares of the Company on the TSX-V prior to their issuance.

In addition, as partial consideration for certain of Albert's employees hired by the Company, the Company has entered into certain shares for services arrangements with such employees

totaling up to \$0.2M worth of company shares, to be issued upon the completion of the services to the Company and using the price per share at the time of issuance. None of the employees are non-arm's length to the Company or any of its affiliates.

## **CONFERENCE CALL**

Amit Bohensky, Founder and Chairman, will hold a conference call to discuss the quarter's financial results at May 31, 2022.

Interested parties can listen via a live webcast, from the link available in the Investors section of the Company's website at <https://zoomd.com/investors/> or at <https://app.webinar.net/JWmgNewpM63>.

A replay will be available after the call, in the Investors section of the Company's website at <https://zoomd.com/investors/> or via <https://app.webinar.net/JWmgNewpM63>.

## **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 non-recurring operating expenses, 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. A reconciliation of Adjusted EBITDA and operating profit is available in Zoomd's MD&A located on the Company's profile at [www.sedar.com](http://www.sedar.com) which is incorporated by reference into this press release.

### **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 Zoomd's 2022 revenue outlook, its 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 that 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 and the current war in Ukraine), 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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