

Zoomd Reports 2Q2022 Financial Results. Revenues Increased 45% YOY, Representing the 6th YOY Consecutive Quarter of Growth

Conference call will be held on August 30, 2022 at 11AM ET

VANCOUVER, BC, Aug. 29, 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 June 2022. The Company’s financial statements and management discussion and analysis (“**MD&A**”) are available on SEDAR under the Company’s profile.



Key Highlights

- 2Q22 revenues increased 45% YOY to \$16.2M. Strong revenue results were driven primarily by the onboarding of new clients in recent months, growth in spending of existing legacy clients and expansion into growth geographies such as Latin America and Asia.
- Achieved positive Adjusted EBITDA of \$1.5M or 9% of sales during 2Q22.
- Operating profit was \$20K for 2Q22 compared to an operating loss of \$621K in 2Q21, primarily as the result of higher salaries and bonus payments.
- Achieved positive cash flow from operations of \$2.7M in 2Q22.
- Ended 2Q22 with a cash balance of \$5.1M and no long-term debt.
- For the first time, the Company is expected to generate an annual recurring revenue

(ARR) of \$3M for 2022.

Management Commentary

Our current clients are continuing to be satisfied with results that Zoomd brings to their user acquisition efforts, and we have a strong pipeline of new customers. Our platform has been integral in enabling our clients to manage their multiple campaigns on a single system, allowing for greater time saving and efficiency with real-time control. Our platform enables our customers to grow their user acquisition programs with limited additional resources, giving the ability to scale immediately by demand.

“We are excited to report another strong quarter, continuing our momentum which began in early 2021. Revenues in 2Q22 increased 45% year over year, on top of the 97% increase we achieved in 2Q21. Said Ofer Eitan, Zoomd CEO “While our growth continues to outpace the overall AdTech industry, we are not fully immune to the recent global slowdown, especially in areas of Fintech and Cryptocurrency. The Fintech and Cryptocurrency sectors are an important portion of our revenue base; however, in recent months we have further diversified our business by increasing our exposure to sectors such as education, E-commerce and gaming.

The integration of Albert, an artificial intelligence marketing platform for advertisers, is progressing well. We are in the technology integration stage, while continuing to serve Albert’s customers, including leading fortune 500 corporations. Albert drives fully autonomous digital campaigns for some of the world’s leading brands. We expect to begin efforts of cross selling our services in the upcoming months.

Amit Bohensky, Chairman, stated the following: “We are continuing to progress in our goal to launch our self-serve products in 2022. Our self-serve products are expected to unlock our capacity to attract additional small and mid-ranged customers and to generate ongoing recurring revenues.

We remain optimistic about Zoomd’s long-term growth prospects. However, given the recent slowdown in global markets, we believe it is prudent to take a conservative stance on our near-term expectations. As such, we are revising our 2022 revenue guidance to be in the range of \$65M to \$70M. Our focus remains to increase our market share while strengthening our balance sheet.

In summary, we remain pleased with the pace of our business, as we see continued strong demand for our services from both new and existing clients. Companies are seeing the results and value of our unique platform and are further allocating larger positions of their budgets to Zoomd. We remain excited about our growth prospects including the launch of our self-serve products.”

Second Quarter 2022 Highlights (All Figures in Thousands in USD)

- For the three months ended June 30, 2022, revenues were \$16,205, as compared to \$11,157 for the three months ended June 30, 2021, an increase of 45% year-over-year. The increase in revenues is primarily the result of customer acquisitions in the growth sectors such as Fintech, E-commerce and gaming, as well as expansion in new geographies such as Latin America, Asia and North America. In addition, our existing customers have allocated in 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 June 30, 2022, versus 33% for the same period last year, reflecting more social media advertising portion that is known to have lower profit margins.
- Research and Development (R&D) expenses for the three months ended June 30, 2022 were \$1,521, a 52% increase YOY, primarily reflecting salaries to new employees who joined the Company, as well as salaries and retention payments to Albert employees.
- Selling, General and Administrative (SG&A) expenses for the three months ended June 30, 2022 were \$3,092, a 52% increase YOY, primarily reflecting increases in sales department bonuses as the result of increased revenues, and the expenses incurred as a result of new employees joining the Company, primarily after the acquisition of Albert.
- Adjusted EBITDA for the three months ended June 30, 2022 was \$1,520 as compared with Adjusted EBITDA of \$1,318 for the three months ended June 30, 2021. The improvement in the Adjusted EBITDA was primarily attributed to the significant increase in revenue.
- Operating profit was \$20K for Q2 2022, compared to an operating loss of \$621K in Q2 2021, and was primarily attributed to increased salaries and bonuses for current as well as Albert employees.
- As of June 30, 2022, the Company's cash and cash equivalents amounted to \$5 million, and no debt.

Fiscal 2022 Outlook Update

Management now expects that revenues in fiscal 2022 to be in a range of \$65M to \$70M, representing a year-over-year growth of 25% to 35%. The revised outlook reflects the global financial slowdown which is affecting advertising budgets. The outlook is based on assumptions, each of which management considers to be reasonable which are set out in the MD&A.

Conference Call

Amit Bohensky, Founder and Chairman, will hold a conference call to discuss the quarter's financial results at 11AM ET on August 30, 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/mM8ag74LB9R>

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/mM8ag74LB9R>.

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. 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 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, the success of its self-serve software, the relative profit margins of the self-serve software compared to the legacy platform, 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, the current war in Ukraine and the current market downturn), 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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