Zoomd Reports Q2 2020 Results; Generated US$5.6 million in Revenue and strong gross margin performance of 31%

VANCOUVER, BC, Aug. 21, 2020 — **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 financial results for the three and six months ended June 30, 2020. The interim financial statements and interim MD&A are available on SEDAR under the Company's profile.

"Our second quarter revenues were impacted by the global decline in media spending caused by COVID-19, which also caused a slowdown in the KR and LATAM regions" said Ofer Eitan, Zoomd's CEO, adding "however, we target a return to revenue growth while some verticals start recover, and as professional sports around the world resume play. In the meantime, we continue to grow our gross margins and work towards the launch of our SaaS based model as planned."

SECOND QUARTER 2020 HIGHLIGHTS (ALL FIGURES ARE IN US$)

- Total revenue for the three months ended June 30, 2020 was $5.7 million compared to $6.7 million for the same period in 2019, a decrease of 15%. The decrease in revenues was primarily attributed to the impact of the COVID-19 on the Company's customers, specifically on some of the Company's top 10 customers in the sports industry, which significantly lowered their online media and marketing budgets.

- Cost of sales and services of $3.9 million, representing a decrease of approximately 19% compared to the same period in 2019. The decrease was primarily attributed to the decrease in variable costs linked to the decrease in revenues.
- Gross profit margin (revenue less cost of sales and services) of 31%, representing an increase of approximately 10% compared to the same period in 2019. The increase in gross margin was primarily attributable to management's focus on reducing low margin customer-acquisition campaigns and focusing on higher margin products and services.
- Net loss for the three months ended June 30, 2020 was $1.5 million compared to net loss of $2.1 million for the three months ended June 30, 2019. The decrease in net loss was primarily attributed to the expenses incurred during the three months period of 2019 related to mark-to-market adjustment of convertible debt securities that took place immediately prior to the closing of the Qualifying Transaction.
- Adjusted EBITDA of $(0.8) million for the three months ended June 30, 2020 compared to Adjusted EBITDA of $0.05 million for the same period in 2019. The increase in the operating losses for the three months ended in June 30, 2020 was primarily attributed to the Company's growth plan, causing an increase in expenses. The increase in expenses was primarily attributed to an increase in research & development expenses due to the Company's final stages of development the Company's new SaaS platform, all of which caused the Adjusted EBITDA to decline.
- Operating loss of $(1.4) million for the three months ended June 30, 2020 compared to an operating loss of $(0.8) million for the same period in 2019.
- As at June 30, 2020, the Company's cash and cash equivalents amounted to $4.2 million compared to $2.1 million for the same period in 2019, an increase of 93%.
- As of June 30, 2020, the Company had working capital of $2.7 million, compared to approximately $0.6 million as of June 30, 2020.
- Zoomd continued to invest in its platform, integrating Google UAC and TikTok in addition to a new and unique integration of Samsung, allowing the Company to display "On Device" ads directly on Samsung devices and apps.

NON-IFRS 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 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. Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortization and share-based compensation 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:

	Three months ended	
	June 30, 2020	June 30, 2019
Operating loss	(1,440)	(786)
Adjustments:		
Depreciation and amortization	613	557
Cost of share-based payments	67	176
Total adjustments	680	733
Adjusted EBITDA	**(760)**	**(53)**

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.

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.

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 to Zoomd's future financial situation, 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 (including the expected MVP release in October) and the overall success of the development roadmap. 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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