

Zoomd Reports Q4 and Year End 2020 Financial Results And Provides Operational Update, Anticipating Revenue Growth of 30% to 40% for 2021

VANCOUVER, BC, April 20, 2021 —

Key Highlights & Outlook

- Company expects increase of YOY revenues by between 30% to 40% in 2021 due to post-pandemic strong market recovery, the on-boarding of new clients, Company launch of new product lines and strategic M&A activity
- Minimal COVID-19 impact on business resulted in approximately 6% YOY decline in revenues
- Gross profit margins increased approximately 3.5% during the year to be 33% compared to 29% for the same period in 2019 primarily due to focusing on the most profitable customers
- Acquisition of Performance Revenues is completed and is fully assimilated into Zoomd's business, which in turn is expected to have positive revenue growth impact on Zoomd's performance in fiscal 2021. Zoomd maintains its active M&A strategy and is already engaged in series of discussions for potential acquisitions for 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 and twelve months ended December 31, 2020. The financial

statements and MD&A are available on SEDAR under the Company's profile.

"We believe Zoomd has positioned itself well to grow revenues and profitability in 2021, despite a challenging 2020 that effected our clients' advertising budgets," said Ofer Eitan, Zoomd's CEO, adding, "In the past 12 months our team worked diligently to build our new platforms, SaaS strategy and adding to our client base in verticals such as fintech, delivery, and ecommerce. The results from these targeted activities are already reflected in the preliminary results we have received for 2021."

SaaS Platform Update

On January 6, 2021, Zoomd announced the official launch of its self-serve SaaS platform. The platform is targeted to provide an advertiser with an artificial machine that uses artificial intelligence (AI), machine learning, and prediction and automation technology as the basis for the user platform. The Company believes that this platform will save its advertising customers money, time and resources in the ad buying and optimization process, by uniting all of the user's advertising campaigns under a single central dashboard, allocate budget and provide data abilities providing full user acquisition capabilities across various premium 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, designers, media buyers, and account managers. Zoomd believes that it will be 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.

FOURTH QUARTER 2020 HIGHLIGHTS (ALL FIGURES ARE IN USD)

- Total revenue for the three months ended December 31, 2020 was \$6.6 million compared to \$7.5 million for the same period in 2019, a decrease of 12%. While many customers have begun to return their budgets to pre-COVID levels, there are still other companies in the sports and events verticals who have yet to see their businesses recover. In addition, during the fourth quarter, Zoomd chose to decrease engagement levels with two major customers that were not profitable. Revenue growth was positively affected by the onboarding of new customers, although at modest initial budgets.
- Gross profit margin (revenue less cost of sales and services) increased approximately 3.5% during the year to be 33% compared to 29% for the same period in 2019. The increase in gross margin was primarily attributable to the Company's decision to disengage from non-profitable customers, as mentioned above.

- Research and Development (R&D) expenses for the three months ended December 31, 2020 were \$1.2 million, a 18% decline compared to \$1.4 million for the same period last year. The decrease in R&D expenses was primarily due to the capitalization of software development costs during the fourth quarter of 2020.
- Selling, General and Administrative (SG&A) expenses for the three months ended December 31, 2020 decreased 6% to \$1.8 million compared to \$1.9 million for same period last year. The decrease was primarily due to general cost cutting efforts as the Company focuses more intently on profitability.
- As of December 31, 2020, the Company's cash and cash equivalents amounted to \$2.5 million, and no debt.

2021 Growth Expectations (ALL FIGURES ARE IN USD)

The Company has also announced its revenue outlook for the year ending December 31, 2021 and anticipates revenue growth between 30% to 40% from \$25.4 million up to \$35.6 million. 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 spend as they become more familiar with the platform, the services and the results.
 - New customers that managements expects to acquire as a result of the newly launched self-served SaaS platform for online campaign management and the recently announced white labeled DSP (Demand Side Platform) programmable advertising service.
 - 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 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.

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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