# Zoomd Technologies Reports First Quarter 2023 Financial Results and Management Update

**Conference call will be held on June 2, 2023, at 11AM ET**

VANCOUVER, BC , May 30, 2023 /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 31, 2023. The Company's financial statements and management discussion and analysis ("**MD&A**") are available on SEDAR under the Company's profile. All currency references in this press release are in USD.

## Key Financial Highlights

- Achieved strong gross margins of 40% in 1Q23 versus 30% in 1Q22.
- Achieved positive Adjusted EBITDA of $0.2M in 1Q23.
- Ended 1Q23 with a cash balance of $2.7M and no long-term debt.

## Management Commentary

Amit Bohensky, Chairman of Zoomd Technologies, stated, "During the first quarter of 2023, our business faced ongoing macroeconomic challenges, particularly in the fintech, cryptocurrencies, and e-commerce sectors.

Under the guidance of our new CEO, Ido Almany, we are currently undertaking a thorough analysis and evaluation of each business line and supporting operations with the objective of consolidating and significantly streamlining our cost structure. We have identified several areas of inefficiency that are currently under active discussion by management and awaiting subsequent approval from the board. As of the date hereof, a final decision has not been made, and discussions are still currently underway. We anticipate that final decisions on each business line and supporting operations will be made imminently. Once these decisions are finalized and the corresponding measures are implemented, we believe they will lead to improved bottom line and increased cash flow for the Company."

**First Quarter 2023 Highlights**

- Revenues for the three months ended March 31, 2023, were $8.6 million, a 47% decline relative to Q1 2022. The decrease in revenues is primarily as a result of global macroeconomic conditions that impact client advertising budgets in general and especially in areas of Fintech and in particular Cryptocurrency.
- Gross profit margin was 40% for the three months ended March 31, 2023, versus 30% for the same period last year, reflecting lower revenues from the cryptocurrency segment which carries lower margins.
- Research and Development expenses for the three months ended March 31, 2023, were $1.2M, a 20% decrease relative to Q1 2022, reflecting lower deprecation and other R&D expenses.
- Selling, General and Administrative expenses for the three months ended March 31, 2023, were $3.1M, a 16% increase YOY, primarily reflecting increases in expenses incurred as a result of new employees joining the Company, primarily after the acquisition of Albert.
- Other expenses – Impairment for the three months ended March 31, 2023, are software costs write off in the amount of $2.8M.
- Adjusted EBITDA for the three months ended March 31, 2023, was $0.2M as compared with Adjusted EBITDA of $1.9M for the three months ended December 31, 2022. The decrease in Adjusted EBITDA was primarily attributed to the decrease in revenue.
- Operating loss was $3.5M for Q1 2023, compared to an operating profit of $0.9M in Q1 2022, and was primarily attributable to the impairment of intangible assets, which are the software costs write off.
- As of March 31, 2023, the Company's cash and cash equivalents amounted to $2.7 million, and no long-term 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 in a cash and share deal. 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. In September 2022, the Company issued 333,863 shares to Albert's employees with a deem price per share of CAD$0.39. In May 2023, the Company issued 804,923 shares to Albert's employees with a deem price per share of CAD$0.16.
- Zoomd's Board of Directors is reviewing and considering potential changes to optimize business lines and product offerings for improved growth and profitability.

**Conference Call**

Amit Bohensky, Founder and Chairman, will hold a conference call to discuss the quarter's financial results at 11AM ET on June 2, 2023.

Interested parties can listen via a live webcast, from the link available in the Investors section of Zoomd's website at https://zoomd.com/investors/ or at https://app.webinar.net/v87wJ1YJxdQ

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/v87wJ1YJxdQ.

**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 many global digital media outlets, 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 one-time non-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 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 future outlook, its future ability to successfully continue its growth, its ability to improve profitability as a result of the ongoing management review, 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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