

Zoomd Technologies Reports Fourth Quarter and Fiscal 2022 Financial Results

Conference call will be held on April 28, 2023 at 11AM ET

VANCOUVER, British Columbia, April 28, 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 and full year ended December 31, 2022. The Company’s financial statements and management discussion and analysis (“**MD&A**”) are available on SEDAR under the Company’s profile.



Key Financial Highlights

- Despite global macroeconomic headwinds, revenues in FY2022 remained stable.
- FY2022 adjusted EBITDA was \$3.7M, as gross margins were constant.
- Ended FY2022 with a cash balance of \$3.8M and no long-term debt.

Management Commentary

Amit Bohensky, Chairman, stated “We were able to slightly grow our revenues and maintain our gross margins in 2022, despite the ongoing global turmoil.

Despite the macroeconomic challenges, our current clients continue to be pleased with the results that Zoomd brings to their customer acquisition efforts. In 2022 we were successful in

acquiring new clients, and our pipeline of new customers remained solid. Our products and services enable our customers to grow their user acquisition programs with limited additional resources, giving the ability to scale immediately by demand.

We have successfully integrated Albert's operations, an artificial intelligence marketing platform for advertisers, acquired during Q1, and started cross selling, which has been received well.

Our products are the Company's future, allowing us to offer more digital advertising services; self-managed and AI based. These products provide clients with a diverse digital advertising solution not only for performance but also full funnel marketing objective solutions. Our products unlock our capacity to attract more small and mid-range customers and to generate ongoing recurring revenues. In 2022 we have successfully onboarded a wide variety of customers, including WPT, Rappi, Samsung, Elektra (MX), Free now, and Binance. We remain optimistic about Zoomd's long-term growth prospects."

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

- Revenues for the three months ended December 31, 2022 were \$10.8 million, a 42% decline relative to Q4 2021. Comparisons from 4Q21, in which we grew an amazing 183%, are impacted by the overall changes in the macroeconomic environment, in particular the areas of fintech, crypto and e commerce. Excluding the effect of revenues from crypto and fintech customers, revenues in the fourth quarter would have declined approximately 6%.
- Gross profit margin was 38% for the three months ended December 31, 2022, versus 30% for the same period last year, reflecting lower revenues from the Cryptocurrency segment which carries lower margins, as well increased revenues from Albert, which carries higher gross margins.
- Research and Development expenses for the three months ended December 31, 2022 were \$2.5M, a 157% increase YOY, primarily reflecting salaries to new employees who joined the Company, as well as salaries and retention payments to Albert employees and former share holders
- Selling, General and Administrative expenses for the three months ended December 31, 2022 were \$3.2M, a 24% increase YOY, primarily reflecting increases in expenses incurred as a result of new employees joining the Company, primarily after the acquisition of Albert.
- Adjusted EBITDA for the three months ended December 31, 2022, was \$0.1M as compared with Adjusted EBITDA of \$2.9M for the three months ended December 31, 2021. The decrease in Adjusted EBITDA was primarily attributed to the decrease in revenue.
- Operating loss was \$1.7M for Q4 2022, compared to an operating profit of \$2.1M in Q4 2021, and was primarily attributed to the decrease in revenues, salaries and retention

payments made to Albert's former employees which have joined Zoomd.

- As of December 31, 2022, the Company's cash and cash equivalents amounted to \$3.8 million, and no long-term debt.

Fiscal Year 2022 Highlights (All Figures in Thousands in USD)

- For the twelve months ended December 31, 2022, revenues were \$53M, an increase of 1% year-over-year. The flat YOY revenues are primarily a result of global macroeconomic conditions that impact client advertising budgets especially in areas of Fintech and Cryptocurrency.
- Gross profit margin was 31% for the twelve months ended December 31, 2022, roughly flat versus 2021.
- Research and Development expenses for the twelve months ended December 31, 2022 were \$6.7M, a 59% increase YOY, primarily reflecting salaries to new employees who joined the Company, as well as salaries and retention payments to Albert employees and former share holders.
- Selling, General and Administrative expenses for the twelve months ended December 31, 2022 were \$12M, a 32% increase YOY, primarily reflecting increases in expenses incurred as a result of new employees joining the Company, primarily after the acquisition of Albert.
- Adjusted EBITDA for the twelve months ended December 31, 2022, was \$3.7M as compared with Adjusted EBITDA of \$5.8M for the twelve months ended December 31, 2022. The decrease in Adjusted EBITDA was primarily attributed to the increase in operating expenses at the result of to new employees who joined the Company, as well as payments to Albert employees who joined the company after the acquisition.
- Operating loss was \$2.1M for FY 2022, compared to an operating profit of \$3M in FY 2021, and was primarily attributed to salaries and retention payments made to Albert's former employees which have joined Zoomd, as well as payments made in connection with the acquisition of Albert.

Conference Call

Amit Bohensky, Founder and Chairman, will hold a conference call to discuss the quarter's financial results at 11AM ET on April 28, 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/GQkqjwgjYry>

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/GQkqjwgjYry>.

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 mobMile 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 future 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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