Zoomd Technologies Reports Fourth Quarter and Fiscal 2023 Financial Results

Conference call will be held on April 24, 2024 at 11AM ET

VANCOUVER, BC, April 24, 2024 — 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, 2023. The Company's financial statements and management discussion and analysis ("**MD&A**") are available on SEDAR+ under the Company's profile.

Key Financial Highlights

- Revenues in FY2023 were $32.1M, a 39% decline versus FY2022, primarily due to lower revenues from the cryptocurrency sector and Zoomd's decision to discontinue unprofitable activities.
- Gross margins increased by 6% for the same period.
- Mid-year improvements were made to address market trends. These actions lead to positive operating income in Q4.23, for the first time in the last 5 quarters.
- Ended FY2023 with a cash balance of $2.6M, net cash generated from operating activities of $0.4M, and no long-term debt.

Management Commentary

Ido Almany, CEO of the Company stated, “In response to market trends challenges, the Company’s management team undertook at the end of the first half of 2023 a series of strategic actions aimed at mitigating the impact on the Company’s financial health and positioning the Company for sustainable growth, including a decision to cease operations in certain business lines and refocus Company’s efforts and own technology on core user acquisition activities. Additionally, the management team successfully implemented substantial cost-reduction measures across various areas of the Company, aiming to streamline operations and improve efficiency.

We have already begun to see the fruits of our actions in the second half of 2023 with an improvement of $1.1M in terms of adjusted EBITDA comparing the first with the second half of the 2023 fiscal year. Moreover, these actions led to positive operating income, for the first time in 5 quarters. Additionally, the Company achieved a crucial financial milestone by transitioning from cash-burning to cash generating from operational activities in the second half of the year.

The joint work of the management team and the board and the successful execution of the restructuring plan previously announced, lays the stable foundation to build upon. We are confident in our ability to continue delivering results for our current and future clients.”

Amit Bohensky, Chairman of Zoomd Technologies added “The hard work and collaboration between the management team and the board are showing through the numbers of the 2023 financial statement.I stay confidant and optimistic in our team work. We are thankful to our supportive investors and delighted to share this journey with them.”

Fourth Quarter 2023 Highlights (All Figures in Thousands in USD)

- Revenues for the three months ended December 31, 2023 were $7.5 million, a 30% decline relative to Q4.22. Revenues continued to be negatively affected by the global economic slowdown, in particular in the areas of cryptocurrencies. We continue to diversify our business by increasing our exposure to sectors such as E-commerce, iGaming and transportation. Furthermore, our decision to discontinue unprofitable areas, including our publishers’ monetization business, led to a decline in revenue. Excluding both Cryptocurrency clients and non profitable operations clients that have been discontinued, revenue in Q4.23 has risen in comparison to the corresponding period of 2022.
- Gross profit margin was 34% for the year ended December 31, 2023, versus 38% for the same period in 2022.
- Research and Development expenses for the three months ended December 31, 2023 were $0.6M, a 76% decrease YOY. Selling, General and Administrative expenses for the three months ended December 31, 2023 were $1.9M, a 40% decrease YOY. The decrease in expenses is primarily attributable to the implementation of mid-year

improvements that were made to address market trends noted above.
- Adjusted EBITDA for the three months ended December 31, 2023, was $0.6M as compared with Adjusted EBITDA of $0.2M for the three months ended December 31, 2022. The increase in Adjusted EBITDA was primarily attributable to the implementation of mid-year improvements that were made to address market trends.
- Operating income was $0.1M for Q4.23, compared to an operating loss of $1.7M in Q4.22. the Company achieved a positive operating income, for the first time in 5 consecutive quarters.
- As of December 31, 2023, the Company's cash and cash equivalents amounted to $2.6 million, and no long-term debt.

Fiscal Year 2023 Highlights (All Figures in Thousands in USD)

- For the twelve months ended December 31, 2023, revenues were $32M, a decrease of 39% year-over-year. Excluding both cryptocurrency clients and non profitable operations clients that have been discontinued, revenue in 2023 has risen in comparison to the year 2022.
- Gross profit margin was 37% for the twelve months ended December 31, 2023, versus 31% for the same period in 2022.
- Research and Development expenses for the twelve months ended December 31, 2023 were $3.3M, a 51% decrease YOY. Selling, General and Administrative expenses for the twelve months ended December 31, 2023, were $10M, a 17% decrease YOY. The decrease in expenses is primarily attributable to the implementation of mid-year improvements that were made to address market trends.
- Adjusted EBITDA for the twelve months ended December 31, 2023, was $1.7M as compared with Adjusted EBITDA of $3.7M for the twelve months ended December 31, 2022. The decrease is primarily attributable to the decrease in revenues.
- Operating loss was $4.1M for FY 2023, compared to an operating loss of $2.1M in FY 2022. The increase in operating loss is primarily attributable to the impairment of intangible assets.

Conference Call

Amit Bohensky, Founder and Chairman, will hold a conference call to discuss the quarter's financial results at 11AM ET on April 24, 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/w7KopoOpqXE

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/w7KopoOpqXE

About Zoomd:

Zoomd (TSXV: ZOMD, OTC: ZMDTF), established in 2012 and listed on the TSX Venture Exchange since September 2019, provides an innovative mobile app user-acquisition platform that integrates with numerous global digital media outlets. This platform presents a unified view of multiple media sources, thereby serving as a comprehensive user acquisition control center for advertisers. It streamlines campaign management through a single point of contact, simplifying customer acquisition efforts. The consolidation of media sources onto one platform enables Zoomd

to offer advertisers substantial savings by reducing the need for disparate data source integration, enhancing data collection and insights, and minimizing resource expenditure.

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.sedarplus.ca 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 military conflicts), 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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