

Zoomd Technologies Reports Third Quarter 2022 Financial Results.

Conference call will be held on November 29, 2022 at 11AM ET.

VANCOUVER, British Columbia, Nov. 29, 2022 — 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 September 2022. The Company’s financial statements and management discussion and analysis (“**MD&A**”) are available on SEDAR under the Company’s profile.



Key Highlights (all figures are in USD)

- Over the nine-month period in 2022 revenues have increased by 25% compared to the same period last year.
- Revenues in 3Q22 reached \$9.8M, a decrease of 39% YOY primarily as the result of global macroeconomic conditions that impact client advertising budgets, especially in the areas of Fintech and Cryptocurrency.
- Achieved positive Adjusted EBITDA[1] of \$15K in 3Q22. Over a nine-month period, the Company has generated Adjusted EBITDA of \$3.6M.
- Operating loss was \$1.4M for 3Q22 compared to an operating profit of \$961K in 3Q21, primarily as the result of payments made in connection with the acquisition of Albert and decrease in revenues.
- Ended 3Q22 with a cash balance of \$3.4M and no long-term debt.

- The company will generate an annual recurring revenue (ARR)[2] of \$3M from self-serve products.

Management Commentary

Ofer Eitan, CEO stated “After six consecutive quarters of year over year growth, the third quarter proved challenging due to the recent global slowdown, especially in areas of Fintech and Crypto. Advertising is one of the first areas that companies cut back on when uncertainties arise, and we are not immune to that phenomenon. Despite a difficult third quarter, we continue to be cash flow positive on an annual basis, and on pace to grow our revenue roughly 5% YOY in 2022.

I am happy to say that we are seeing customers slowing the rate of advertising budgets cuts, and in many cases beginning to increase budgets. While revenues in 4Q22 will still be below last year’s levels, we remain optimistic about Zoomd’s long-term growth prospects, and our focus remains to increase our market share while strengthening our balance sheet.

Despite the macroeconomic challenges, our current clients are continuing to be pleased with the results that Zoomd brings to their user acquisition efforts. In the fourth quarter, we have been successful in acquiring new customers, and our prospective customer pipeline remains solid.

The integration of Albert, an artificial intelligence marketing platform for advertisers, is now complete. Albert drives fully autonomous digital campaigns for some of the world’s leading brands, including fortune 500 companies. We have now begun cross-selling our services, which has been received well.

The launch of our self-serve products has been successful and customer adoption has exceeded our expectations. Our self-serve products unlock our capacity to attract more small and mid-range customers and to generate ongoing recurring revenues and provide the customers software-only nature and little reliance on human capital.

We remain excited about our future growth prospects, including the expansion of our self-serve products.”

Fiscal 2022 Outlook Update

Zoomd expects revenues in fiscal 2022 revenues to grow roughly 5% year-over-year. The revised outlook reflects the global financial slowdown which is affecting advertising budgets. The outlook is based on assumptions, each of which management considers to be reasonable, which are set out in the MD&A.

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

- For the three months ended September 30, 2022, revenues were \$9,790, as compared to \$15,961 for the three months ended September 30, 2021, a decrease of 39% year-over-year. The decrease in revenues is 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 three months ended September 30, 2022, versus 29% for the same period last year, reflecting lower social media advertising portion that is typically has lower profit margins.
- Research and Development (R&D) expenses for the three months ended September 30, 2022 were \$1,446, a 21% increase YOY, primarily reflecting salaries and retention payments to Albert employees and former share holders.
- Selling, General and Administrative (SG&A) expenses for the three months ended September 30, 2022 were \$3,071, a 25% increase YOY, primarily reflecting increases in expenses incurred as a result of the acquisition of Albert.
- Adjusted EBITDA for the three months ended September 30, 2022, was \$15 as compared with Adjusted EBITDA of \$1,647 for the three months ended September 30, 2021. The decrease in Adjusted EBITDA was primarily attributed to the decrease in revenue.
- Operating loss was \$1.4M for Q3 2022, compared to an operating profit of \$961K in Q3 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 well as payments made in connection with the acquisition of Albert, including payments upon the achievement of certain performance metrics.
- As of September 30, 2022, the Company's cash and cash equivalents amounted to \$3.4 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.

Conference Call

Amit Bohensky, Founder and Chairman, will hold a conference call to discuss the quarter's financial results at 11AM ET on November 29, 2022.

Interested parties can listen via a live webcast, from the link available in the Investors section of the Company's website at <https://zoomd.com/investors/> or at <https://app.webinar.net/EPp4GXgkB6r>.

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/EPp4GXgkB6r>.

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.

CAUTION REGARDING NON-IFRS FINANCIAL MEASURES

This press release refers to "Adjusted EBITDA" and "ARR" which are non-IFRS financial measures that do not have a standardized meaning prescribed by IFRS. The Company's presentation of these financial measures may not be comparable to similarly titled measures used by other companies. These measures are intended to provide additional information to investors concerning the Company's 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. ARR provides an indication of the subscription revenue from customers that is expected from continued usage per the term of contract signed, and as such management believes ARR to be a meaningful measure for assessment of Company performance. Key assumptions related to ARR figures are from continued usage of the services over the life of the agreement, with the calculation based on the annual average of subscription revenues over the life of the agreement.

Management uses these non-IFRS measures as key metrics 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, and ARR is useful to assess the success of its self-serve tools,

subject to the assumptions noted above. 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 2022 revenue outlook, its future ability to successfully continue its growth (including with respect to its self-serve business), 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.

[1] "Adjusted EBITDA" is a Non-IFRS financial measure. See "Caution Regarding Non-IFRS Financial Measures".

[2] "ARR" is a Non-IFRS financial measure. See "Caution Regarding Non-IFRS Financial Measures".

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