Zoomd Technologies Reports Third Quarter 2024 Financial Results

Conference call will be held on November 29, 2024 at 11 AM ET

TORONTO, Nov. 29, 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 and nine months periods ended September 30, 2024. The Company's financial statements and management discussion and analysis ("**MD&A**") are available in the Investors section of Zoomd's website at https://zoomd.com/investors/ and on SEDAR+ under the Company's profile.

Unless otherwise stated herein, all amounts are presented in United States dollars.

ZOOMD

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Third Quarter Financial Highlights

- Revenues were $16.7M reflecting 135% YoY growth, totaling $39.4M for the nine months ended September 30, 2024.
- Adjusted EBITDA[1] of $3.9M, a $3.3M increase compared to Q3.23, totaling $8.1M for the nine months ended September 30, 2024.
- Net income of $3.2M, reflecting the sixth consecutive quarter of net income growth.
- Cash flow generated from operating activities of $2.7M in Q3.24.
- Ended with a cash balance of $6.8M and no long-term debt.

Management Commentary

Ido Almany, CEO of Zoomd Technologies stated, “This quarter highlights Zoomd’s ongoing transformation and resilience, with a 135% year-over-year increase in quarterly revenue to $16.7 million and a 20% growth from Q2. This performance reflects the strength of our core business and our ability to capitalize on unique opportunities, including one-time client events such as the EURO football campaign. Importantly, this 20% revenue growth drove an approximately 50% increase in Net Income compared to the prior quarter, highlighting our disciplined cost management and operational efficiency.

Our Net Income reached $3.2 million, marking our sixth consecutive quarter of profitability. Adjusted EBITDA surged over 500% year-over-year to $3.9 million for the quarter, contributing to a total of $8.1 million in Adjusted EBITDA for the first nine months of 2024.

These achievements would not have been possible without the unwavering support of our board and the hard work and dedication of our leadership team and their teams across the organization.

We remain steadfast in prioritizing profitability and operational efficiency over outright revenue growth as core elements of our strategy.”

Amit Bohensky, Chairman of Zoomd Technologies stated, “We are immensely proud of Zoomd’s remarkable performance, reflecting the hard work and dedication of all members of our team.

The market has rewarded the successful execution of our strategic plan, which prioritizes profitability and operational efficiency over outright revenue growth. Despite our strong stock performance, we believe that our financial multiples indicate significant headroom for growth. Our P/E, P/S, and EV/EBITDA ratios remain notably below industry benchmarks, which we believe underscores the substantial value and potential that Zoomd offers.

We remain committed to creating long-term value for our shareholders.”

Third Quarter 2024 Highlights

- Although the Company discontinued several operations that no longer aligned with its vision, it succeeded in increasing revenues in Q3.24 by 135% compared to Q3.23. Following these strategic changes, the Company’s revenues have consistently grown each quarter, with a 20% increase in Q3.24 compared to Q2.24.
- Costs of Sales for the third quarter were $10.1M, reflecting a 133% increase compared to the same period in 2023. This increase corresponds to the increase in revenues, so there is no substantial change in gross margin.
- Operating expenses as a percentage of revenues for the three months ended September 30, 2024 were 20%, reflecting a consistent decrease in operating expenses

as a percentage of revenue, over the past seven quarters.
- Adjusted EBITDA grew significantly from $0.6M in Q3.23 to $3.9M in Q3.24, resulting in over $8M in Adjusted EBITDA for the nine months ended September 2024.
- Net income was $3.2M in Q3.24, compared to a net loss of $0.3M in Q3.23, reflecting the sixth consecutive quarter of net income growth.
- Cash flow generated from operating activities for Q3.2024 was $2.7M. As of September 30, 2024, the Company's cash and cash equivalents amounted to $6.8M, and no long-term debt.
- Earnings per share for the nine months ended September 30, 2024 were $0.06, or C$0.08.

CONFERENCE CALL

Amit Bohensky, Founder and Chairman, will hold a conference call to discuss the quarter's financial results at 11 AM ET on November 29, 2024.

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 via https://bit.ly/Zoomd_Q3. A replay will be available after the call using the same links.

INCENTIVE PLAN AMENDMENT

Pursuant to Section 12 of the Company's stock option plan (the "**Plan**") that was previously approved by the shareholders of Zoomd, the Board of Directors of the Company intends to amend the terms of the Plan to provide for a cashless exercise option for the Optionholders. Such cashless exercise option, if selected by the Optionholder, will cause the full deduction of the number of underlying shares from the plan reserve without regard to the number of options used to satisfy the exercise price. The aforementioned amendment is subject to receipt of the required approval from the TSX-V.

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 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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Logo – https://mma.prnewswire.com/media/1039696/Zoomd_Logo.jpg

[1] Adjusted EBITDA is a non-IFRS measure. Please see “Caution Regarding Non-IFRS Financial Measures”.

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