

# ADCORE

## ADCORE REPORTS RECORD SECOND QUARTER 2019 RESULTS; HIGHLIGHTED BY 53% YOY REVENUE GROWTH

**Generated \$3.59 million in Revenue and \$1.08 million in Adjusted EBITDA**

**TORONTO, ONTARIO – August 29, 2019** – Adcore Inc. (the “Corporation” or “Adcore”) (TSXV:ADCO), a leading provider of machine-learning powered advertising technologies used by digital agencies and advertisers to enhance and maximize Search Engine Marketing (“SEM”), today announced its financial results for the three and six months ended June 30, 2019.

### Second Quarter 2019 Highlights

- Successfully completed a public listing on the TSX Venture Exchange by way of a reverse take-over between Adcore’s wholly-owned subsidiary, Podium Advertising Technologies Ltd., and County Capital One Ltd. (“County”) and began trading on May 29, 2019 under the symbol **TSXV:ADCO**
- When combined with funds in County at the time of closing, raised gross proceeds of approximately **\$4.0 million** as part of the going-public effort
- Total revenue was \$3.59 million compared to \$2.35 million for the same period in 2018, an increase of **53%**
- Revenue less media costs (gross margin) was 58% compared to 55% for the same period in 2018.
- Adjusted EBITDA (see "Use of Non-IFRS Measures") was \$1.08 million compared to Adjusted EBITDA of \$0.87 million for the same period in 2018, an increase of **24%**
- Continued to invest in its global sales and marketing team and industry-leading technology, including the launch of an upgraded Alert system on the SEMDOC<sup>2</sup> platform as well as the launch of an **AI feed mapping feature** on the feed:itor platform
- As of June 30, 2019, total working capital was \$3.56 million compared to (\$161,000) for the year ended Dec 31, 2018, an increase of **\$3.72 million**
- As of June 30, 2019, the Corporation's cash and cash equivalents was **\$4.4 million**
- Opened a Toronto office and relocated Adcore’s Head of Sales from Tel-Aviv to accelerate North American sales
- Announced two significant contracts; the renewal of the Israeli Government Advertising Agency’s \$125 million, 5-year contract and Experience Oz, Australia and New Zealand’s number one site for travel experiences, up to \$5 million contract

“Our growth continues to outpace the market and our competitors, with yet another record quarter of revenue and earnings,” said Omri Brill, Chief Executive Officer. “Our outlook for the second half of the year, historically the stronger half of the year, remains extremely bullish and we expect to make several exciting announcements over the coming months to drive shareholder value.”

### **USE OF NON-IFRS MEASURES**

#### **Adjusted EBITDA**

Management uses Adjusted earnings before interest, income taxes, depreciation and amortization (“**Adjusted EBITDA**”) as a key financial metric to evaluate Adcore’s operating performance and for planning and forecasting future business operations. Adjusted EBITDA excludes significant items which are non-operating in nature in order to evaluate Adcore’s core operating performance against prior periods.

Adjusted EBITDA is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for net earnings, overall change in cash or liquidity of the business as a whole. Management believes the use of Adjusted EBITDA allows investors and analysts to understand the results of the continuing operations of the Corporation and its subsidiary, by excluding certain items that have a disproportionate impact on Adcore's results for a particular period. Management's method of determining non-GAAP financial measures are evaluated periodically and may differ from other companies' methods and therefore may not be comparable to those used by other companies.

**The following table presents the adjusted EBITDA for the periods ended:**

	Three Months ended June 30, 2019	Three Months ended June 30, 2018
	CAD \$ in thousands	CAD \$ in thousands
Operating (loss) profit for the quarter	(1,196)	603
Adjustments:		
Depreciation and Amortization	147	77
Issuance expenses	2,061	-
Share-based payments	74	192
Total Adjustments	<u>2,282</u>	<u>270</u>
<b>Adjusted EBITDA</b>	<b>1,086</b>	<b>873</b>

ADCORE's second quarter 2019 financial statements are available on the Corporation's Sedar profile at [www.sedar.com](http://www.sedar.com). All amounts are in CAD and are based on ADCORE's condensed interim financial statements for the three and six months ending June 30, 2019 and related notes prepared in accordance with International Financial Reporting Standards (IFRS), unless otherwise noted.

Amounts in this press release are in CAD based on the following USD to CAD exchange rates: Q2 2018 - 1.2912, Q2 2019 - 1.3375 (source: Bank of Canada).

## **ABOUT ADCORE**

Adore is a leading provider of machine-learning powered advertising technologies. Adcore's suite of solutions empowers digital advertisers with automated solutions to enhance and maximize their Search Engine Marketing ("SEM"). Adcore's technologies are designed for in-house marketing professionals, freelancers and advertising agencies to scale their SEM activity and maximize their ROI.

By combining extensive industry knowledge and experience with its proprietary artificial intelligence ("AI") engine, Adcore offers a unique SEM platform. In addition to being named numerous times on Deloitte's Fast 50 Technology list, Adcore is a certified Google Premier Partner.

Adcore serves hundreds of clients worldwide including: Digital Marketing Agencies, e-Commerce Businesses, Travel, Financial Technology and Gaming Companies and its strength as an agile and leading player in the industry has led to winning the largest online tender to date in Israel, a co-managed 5-year \$125 million contract with the Israel Government Advertising Agency.

Established in 2006 and majority-owned by its founder and CEO, Mr. Omri Brill, the Corporation employs over thirty people in its headquarters in Tel Aviv, Israel and satellite offices in Melbourne, Australia, Toronto, Ontario and Winnipeg, Manitoba.

For more information about Adcore, please visit <https://www.adcore.com/investor>

## **FORWARD-LOOKING STATEMENTS**

This press release contains certain forward-looking statements, including statements about the Corporation. Wherever possible, words such as “may”, “will”, “should”, “could”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “predict” or “potential” or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management’s current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Corporation cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

**For further information please contact:**

**ADCORE INC.**

Robert Munro, Director  
Telephone: 888-448-4969  
Email : [rob.m@adcore.com](mailto:rob.m@adcore.com)  
Website: [www.adcore.com](http://www.adcore.com)

Omri Brill, CEO  
Telephone: 647-497-5337  
Email: [info@adcore.com](mailto:info@adcore.com)

**Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or the accuracy of this release.**