

ADCORE

ADCORE REPORTS RECORD THIRD QUARTER 2019 RESULTS; HIGHLIGHTED BY 37% YOY GROWTH IN ADJUSTED EBITDA

Generated \$4 million in Revenue and \$1.46 million in Adjusted EBITDA

TORONTO, ONTARIO – November 25, 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 nine months ended September 30, 2019.

Third Quarter 2019 Highlights

- Total revenue was \$4 million compared to \$3.2 million for the same period in 2018, an increase of 25%
- Revenue less media costs (gross margin) was 64% compared to 56% for the same period in 2018
- Adjusted EBITDA (see “Use of Non-IFRS Measures”) was \$1.46 million compared to \$1.06 million for the same period in 2018, an increase of 37%
- As of September 30, 2019, total working capital was \$4.43 million compared to (\$172,000) for the year ended Dec 31, 2018, an increase of \$4.61 million
- As of September 30, 2019, the Corporation’s cash and cash equivalents was \$3.85 million
- Continued to invest in its global sales and marketing team and industry-leading technology, including the launch of a Microsoft Ads version of its SEMDOC² platform as well as all new omni channel data feed features
- On September 3, 2019, announced the appointment of its new Chief Financial Officer.
- On September 23, 2019, announced obtaining an official channel status in the Microsoft Ads partner program

“We couldn’t be more happy with our results for the third quarter of 2019, our strongest earning quarterly report ever, as we continued to see significant growth in both revenue and Adjusted EBITDA. The fact we have managed to keep such a positive momentum during the third quarter is a strong indicator for the entire year” said Omri Brill, Chief Executive Officer. “Our outlook for the fourth quarter, historically the strongest quarter 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 September 30, 2019	Three Months ended September 30, 2018
	CAD \$ in thousands	CAD \$ in thousands
Operating (loss) profit for the quarter	1,081	688
Adjustments:		
Depreciation and amortization	112	85
Share-based payments	141	294
Employee relocation	128	-
Total Adjustments	381	379
Adjusted EBITDA	1,463	1,067

ADCORE’s third quarter 2019 financial statements are available on the Corporation’s SEDAR profile at www.sedar.com. All amounts are in CAD and are based on ADCORE’s condensed interim financial statements for the three and nine months ending September 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 average exchange rates for each of the relevant periods: For the nine and three months ended September 30, 2019, 0.752, and 0.758 respectively. For the nine and three months ended September 30, 2018, 0.777 and 0.765 respectively.

ABOUT ADCORE

Adcore 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 and Microsoft 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 and its subsidiaries 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.

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