

TSX:ADCO | OTCQX:ADCOF

Adcore's Q4 & FY 2023 Earnings Call

March,
2024

ADCORE

Hosts



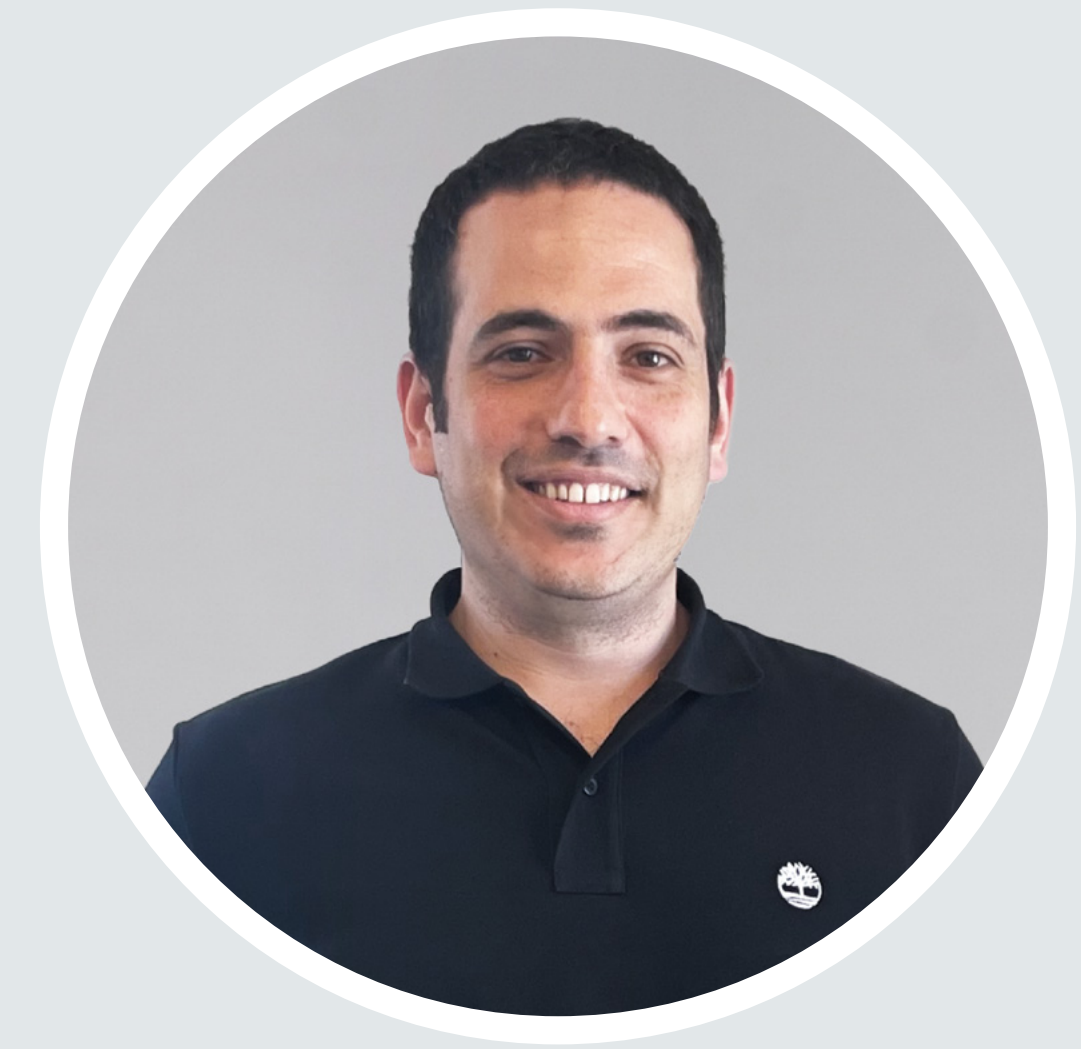
Atarah Gobrin

Marketing



Omri Brill

CEO



Amit Konforty

CFO

Agenda

- Forward Looking Statements
- CEO Opening Remarks
- CFO Financial Highlights
- Q&A

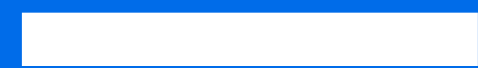
Forward Looking Statements and Information

This conference call contains certain forward-looking information and forward-looking statements (collectively “forward-looking information”), including statements about the Company. Forward-looking information may relate to the Company’s financial outlook and guidance (including revenue, gross profit, gross margin and Adjusted EBITDA), and anticipated events or results and may include information regarding the Company’s financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, plans and objectives. Particularly, information regarding the Company’s expectations of future results, performance, achievements, prospects or opportunities or the markets in which the Company operates, the achievement of advances in and expansion of the Company’s technologies and platforms, expectations regarding the Company’s revenue, gross margins and future profitability, the future impact of the COVID-19 pandemic and the Russian invasion of Ukraine and reactions thereto, is forward-looking information. 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 and forward-looking information. These statements reflect management’s current beliefs and are based on information currently available to management as at the date hereof. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

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. Such risks include the factors discussed under the “Risk and Uncertainties” section in the Company’s quarterly and annual MD&A’s. Other factors that could cause actual results or events to differ materially include, but are not limited to, loss of major clients, inability to acquire new clients, significant changes to policies and guidelines of media partners and any significant change to the global business environment and/or in specific territories in which the Company operates. These factors should be considered carefully and listeners and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this call and financial results press release are based upon what management believes to be reasonable assumptions, the Company cannot assure listeners and readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this conference call, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

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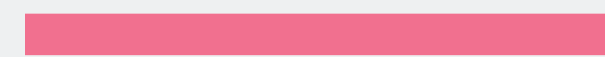
CEO Opening Remarks



Q4 2023 Performance:

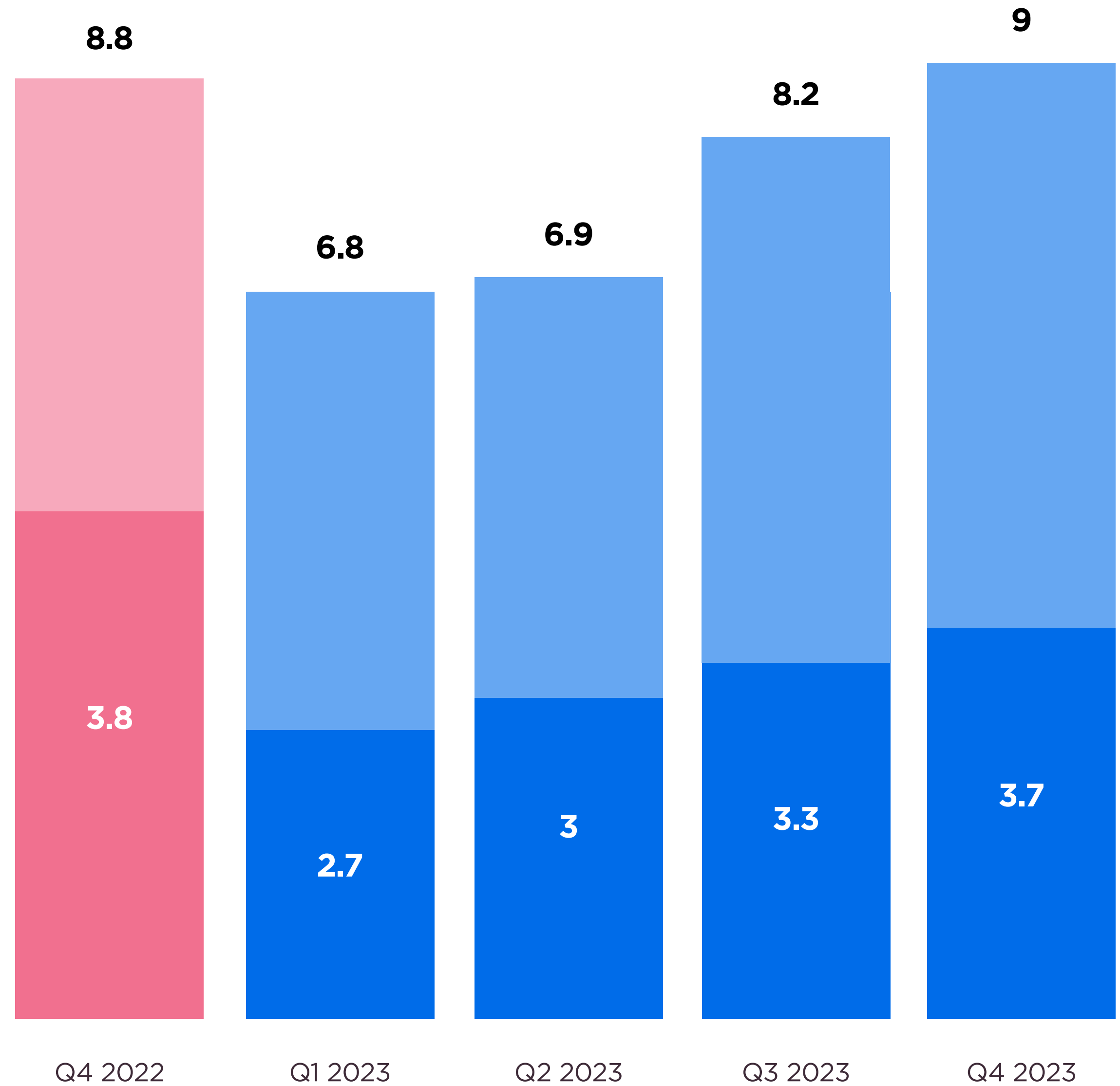
Q4 2023 and the entire year of 2023 were periods of **strong performance** for us, marked by significant achievements and **positive growth**.

Quarterly Revenue



CAD in million

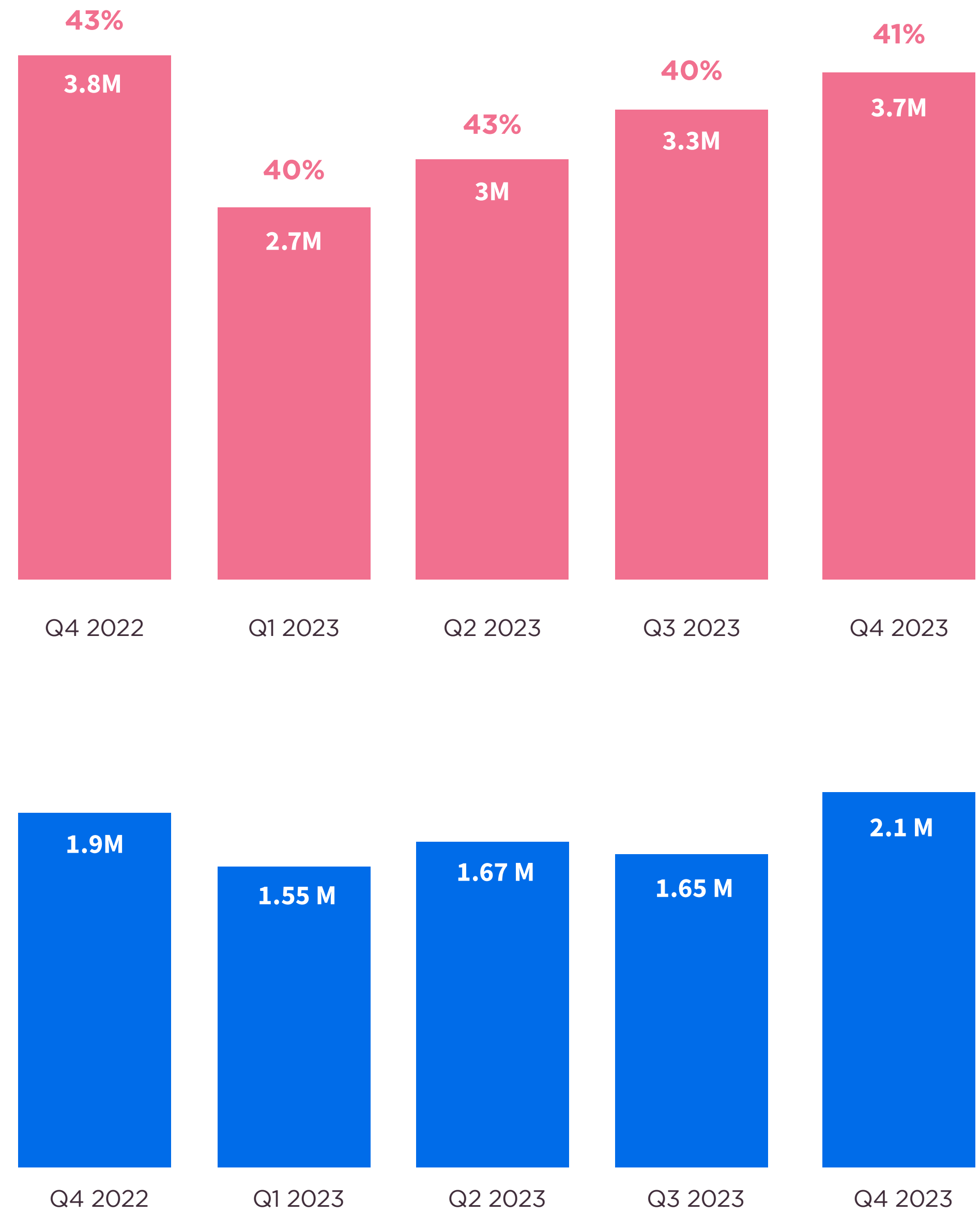
■ Quarterly Revenue (**↑3% YoY**)
■ FY Revenues (**↑17% YoY**)



Quality Growth KPIs

CAD in millions

- Gross margin
- North America revenue

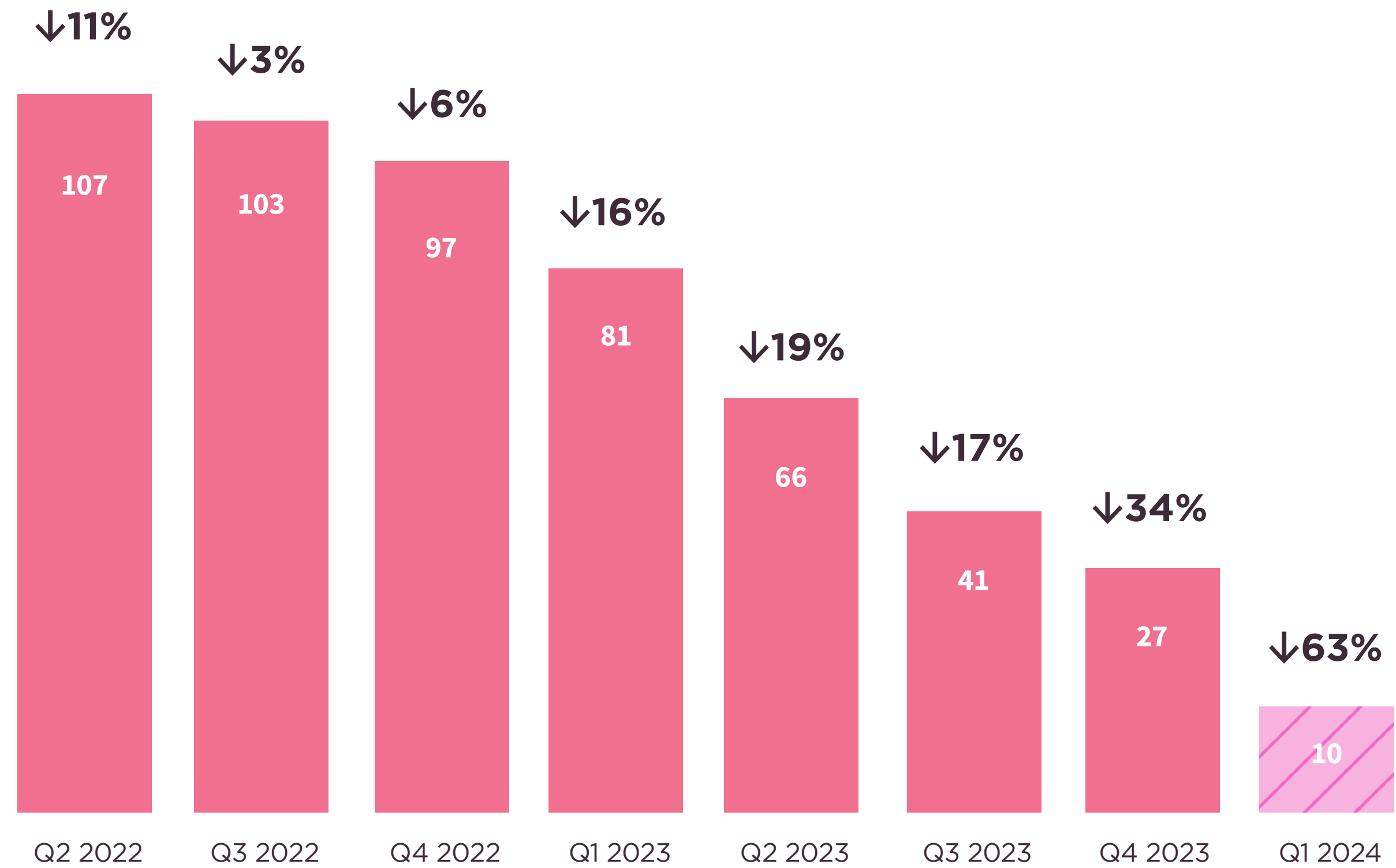


AMPHY Highlights

USD in thousands



Monthly Average Burn Rate



Report Highlights

Yearly

- Revenue grew **17%** YoY
- APAC revenue grew **14%** YoY
- EMEA revenue grew **20%** YoY
- North America revenue grew **18%** YoY
- Gross profit increased by **1.2M** YoY

Quarterly

- Revenue grew **3%** YoY
- North America revenue grew **11%** YoY
- Operating profit grew **22%** YoY
- Cash and cash equivalents grew **7%** QoQ

2023 Targets

1



Maintain a strong balance sheet with a focus on increasing cash reserves.

2



Keep the gross margin within the 40% to 50% range.

3



Achieve double-digit growth in revenue, gross profit and operating profit.

4



Expand our global footprint in North America.

5



Strengthen strategic partnerships to drive mutual growth and market share.

6



Invest in research and development to drive innovation and improve our product offerings.

Rebound in Stock Price

0.17c to - 0.255c	↑ 50%
3 months	↑ 38%
6 months	↑ 16%
12 months	↑ 0%

Comparable Companies

Significant share price upside opportunity as Adcore rises to peers:

\$0.255

Current share price
March 19, 2024

COMPANY NAME	TICKER	MARK CAP	ENTERPRISE VALUE (EV)	EV / GROSS PROFIT	EV / EBITDA (ADJ)
Fluent Inc	FLNT US	62	93	0.8	-0.9
Criteo SA	CRTO US	1,821	1,220	1.1	6.9
Evertz Technologies Ltd	ET CN	1,319	1,287	3.3	8.0
Inuvo Inc	INUV US	34	28	0.4	-1.7
Kinaxis Inc	KXS CN	4,266	2,855	11.4	67.1
Marin Software Inc	MRIN US	7	-9	-1.0	0.4
Magnite Inc	MGNI US	1,397	2,022	9.3	15.6
PubMatic Inc	PUBM US	847	642	2.9	9.7
Integral Ad Science Holding Corp	IAS US	2,995	3,149	6.3	37.9
Illumin Holdings Inc	ILLM US	88	28	0.5	-3.4
DoubleVerify Holdings Inc	DV US	6,790	6,506	11.5	41.0
Average				4.2	16.4
ADCORE	ADCO CA	11.14	3	0.4	5.8
			Upside	1,067%	183%

As of November 9, 2023. Currency in CAD. All numbers in millions

Adcore Share Purchases by the Company

	Quantity	Share Price	Value (CAD)
Q4/23 Company NCIB purchase	70,000	0.2	\$ 14,096
	Quantity	Share Price	Value (CAD)
Total accumulated NCIB purchases Including 01/24	1,874,500	0.27	\$ 498,869
Shares purchased from former executive officer	2,171,400	0.2	\$ 434,280
TOTAL PURCHASES	4,045,900		\$ 933,149

Adcore 2024 Four Strategic Pillars

1

Technology & AI

2

Enterprise & Aggregators

3

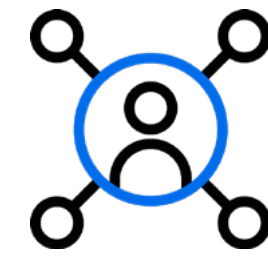
Low Touch - DIY

4

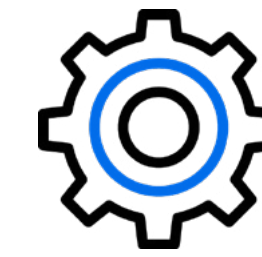
Synergy



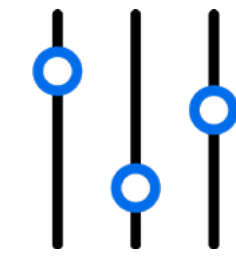
Flex Offering



Full-Service

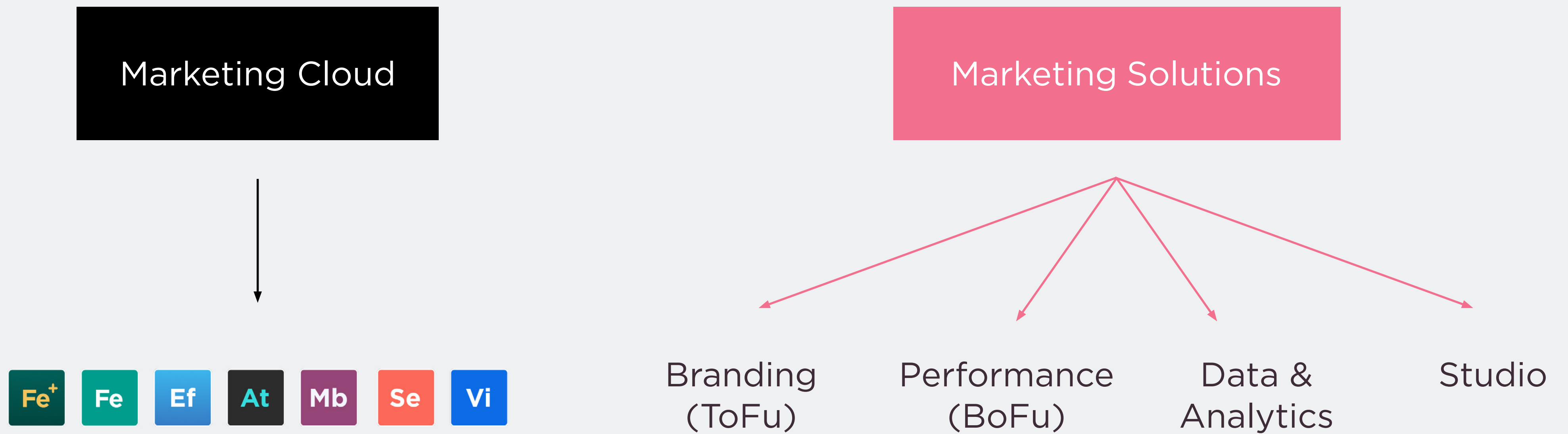


Self-Service



Hybrid

Company Structure



2024 Targets

1

Maintain a strong balance sheet with a focus on increasing cash reserves.

2

Keep the gross margin within the 40% to 50% range.

3

Achieve double-digit growth in revenue, gross profit and operating profit.

4

Expand both our marketing technology and marketing solution offerings.

Social Responsibility

Provided over 800 pairs of bicycles and helmets for evacuated communities affected by October 7th events, **raised over 500,000 shekels**, aiming for 1 million to ensure project continuity, collaborated with Rosen and Mintz, Trek, and Israeli Cycling Federation, expanding community engagement Aiming to construct bike tracks in southern Kibbutzim, providing children with a safe space to practice and enjoy their new bikes.



In response to the rehousing efforts for affected Kibbutzim post-October 7th, we initiated a **bicycle donation system** for children, enabling their mobility within their new living areas.



105 pairs of bikes and helmets donated to Kibbutz Mefalsim



110 pairs of bikes and helmets donated to Kibbutz Reim

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CFO Financial Highlights



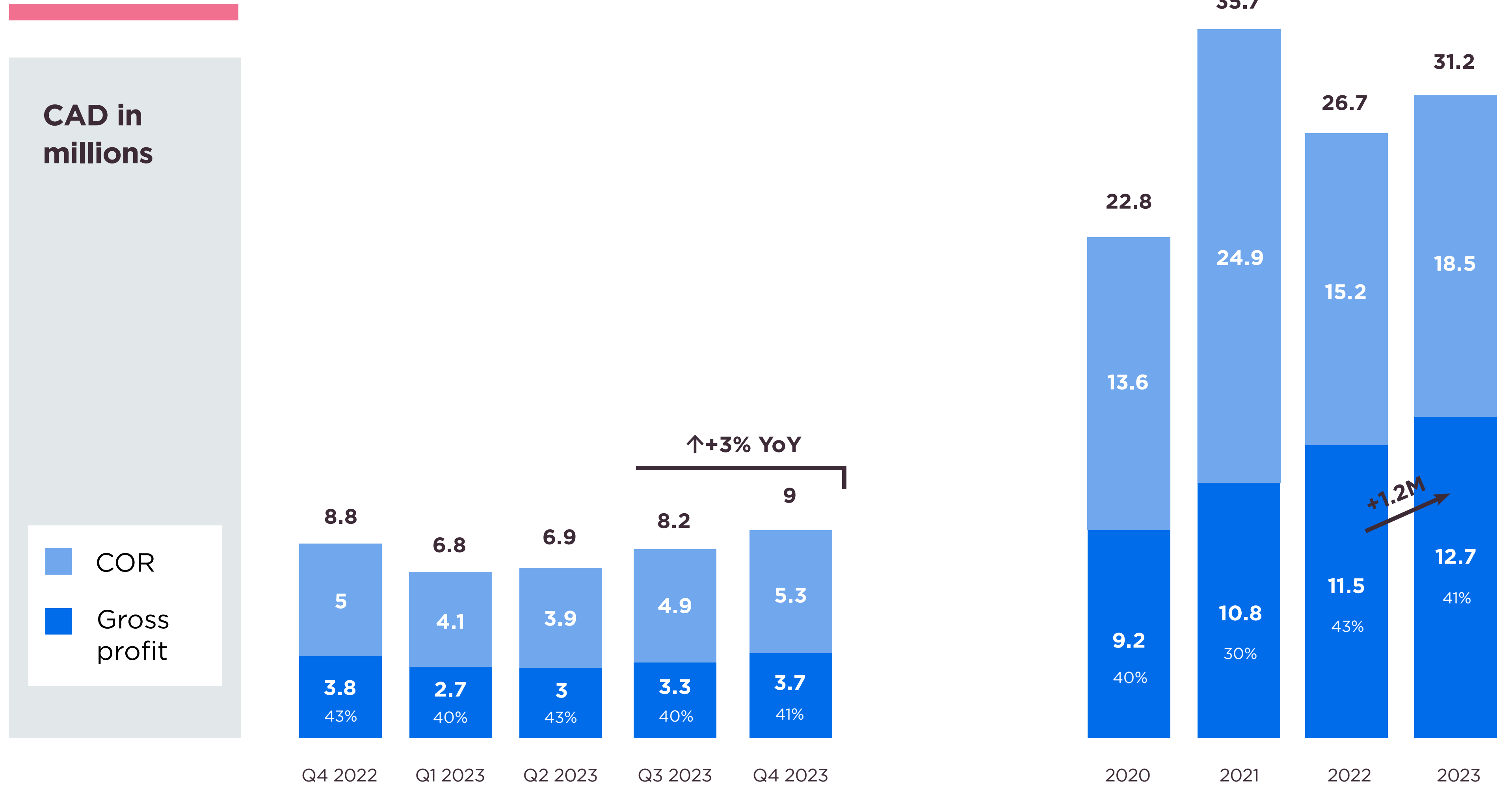
Comprehensive Income

3% growth in
Q4-23 vs.Q4-22
Revenues

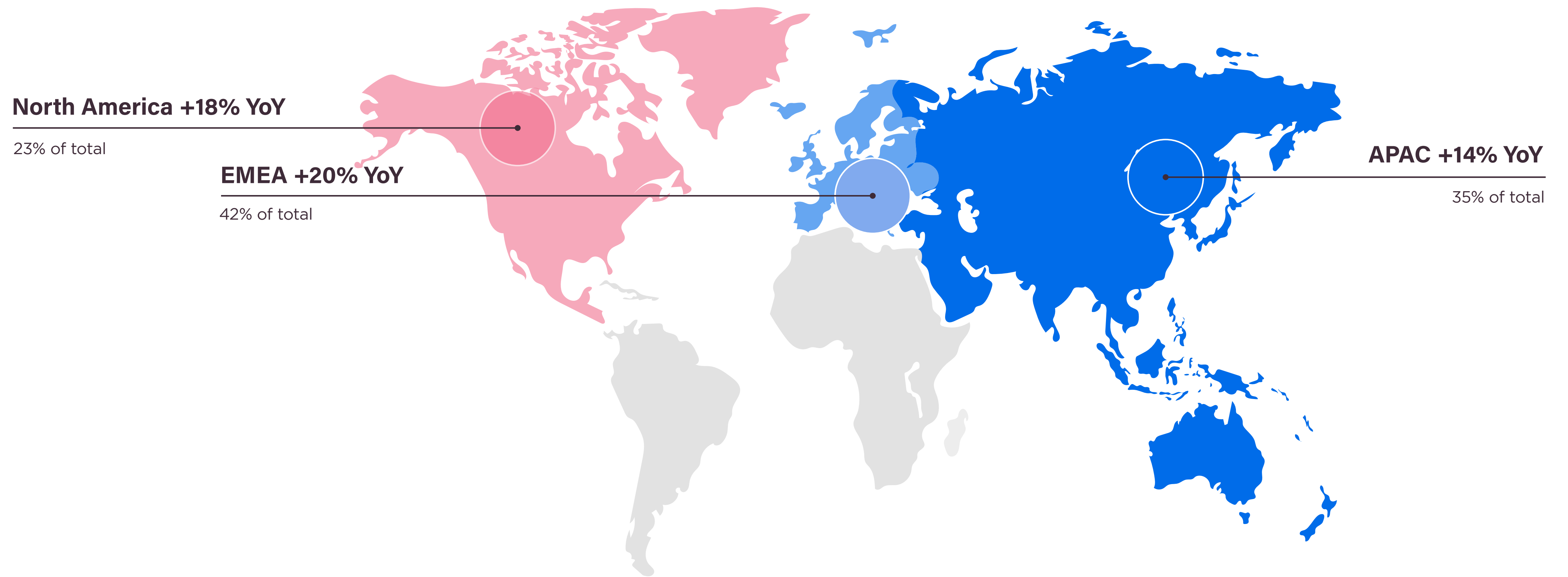
3% decrease in
Q4-23 vs.Q4-22
Gross profit

CAD in million	Three months ended December 31, 2023	Three months ended December 31, 2022	YoY
Revenues	9	8.8	+3%
Cost of revenues	5.3	5	
Gross profit	3.7	3.8	-3%
RnD	0.6	0.4	
SG&A	3	3.3	
Operating profit	0.1	0.1	
Finance expenses	0.2	0.6	
Finance income	0.1	0.0	
Profit (loss) before taxes on income	0.0	(0.5)	
Tax expenses (income)	(0.1)	0.0	
Total Comprehensive Profit (Loss) for the period	0.1	(0.5)	

Total Revenues & Gross Profit

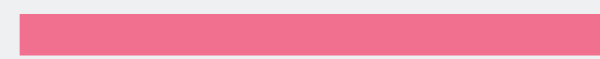


FY 2023 Revenue Breakdown

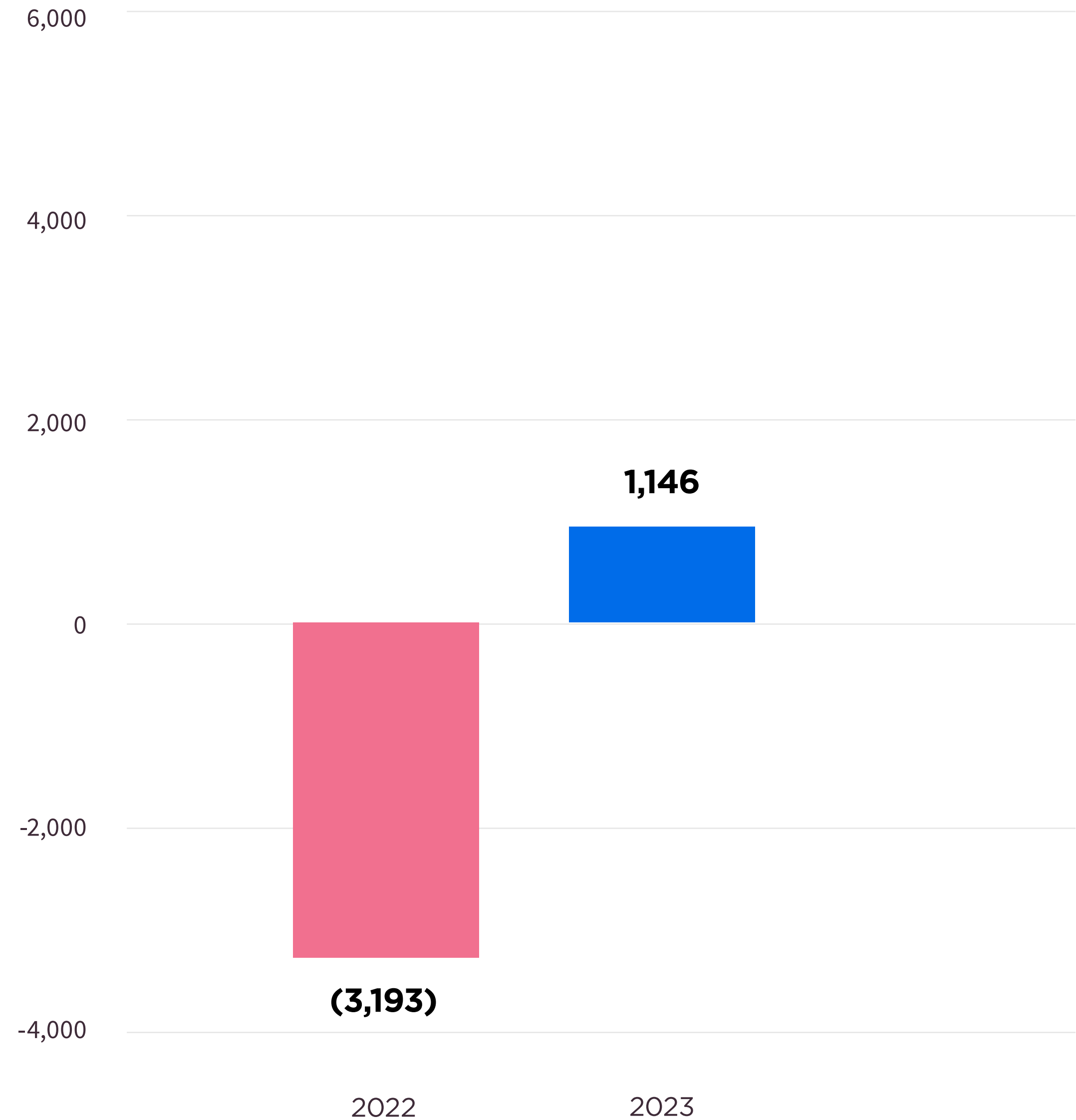


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Net cash from (used in) operation activities



CAD in thousands



Financial Position - Assets

Adtech total capitalization in the 3 months ended December 31,2023 was 0.24

CAD in million	31.12.2023	31.12.2022
CURRENT ASSETS		
Cash and cash equivalents	8.1	8.8
Trade accounts receivable, net	6.1	6.3
Other accounts receivable	0.5	0.4
Total current assets	14.7	15.5
NON-CURRENT ASSETS		
Property, plant and equipment, net	0.3	0.6
Intangible assets, net	4.1	3.6
Total non-current assets	4.4	4.2
TOTAL ASSETS	19.1	19.7

Financial Position - Liabilities

	CAD in million		31.12.2023	31.12.2022
Debt free	CURRENT LIABILITIES			
	Trade accounts payable		5.0	4.8
	Other accounts payable		2.2	1.2
	Lease liability		0.0	0.3
	Total current liabilities		7.2	6.3
	NON-CURRENT LIABILITIES			
	Deferred tax liability, net		0.2	0.2
	Derivative liability - warrants		0.0	0.0
	Lease liability		0.0	0.0
	Total Non-current liabilities		0.2	0.2
	Total Equity		11.7	13.2
	TOTAL LIABILITIES & EQUITY		19.1	19.7

Adjusted EBITDA

CAD in thousands	Three months ended December 31, 2023	Three months ended December 31, 2022
Operating profit (loss)	106	87
Depreciation and amortization	387	234
Share-based payments	(10)	93
Other non-operational items	-	191
Total Adjustments	377	518
Adjusted EBITDA	<u>483</u>	<u>605</u>

AdTech activity Adjusted EBITDA was \$580 thousands for the three months ended December 31, 2023

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Q&A



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Thank You.

For more information visit adcore.com/investors

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