

TSX:ADCO | OTCQX:ADCOF

Adcore's Q4 2024 & FY 2024 Earnings Call

March,
2025

ADCORE

Hosts



Nick Campbell

Investor Relations



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.

Adcore's Q4 2024 & FY 2024 Earnings Call | March 2025

CEO Opening Remarks



Q4 2024 Report Highlights

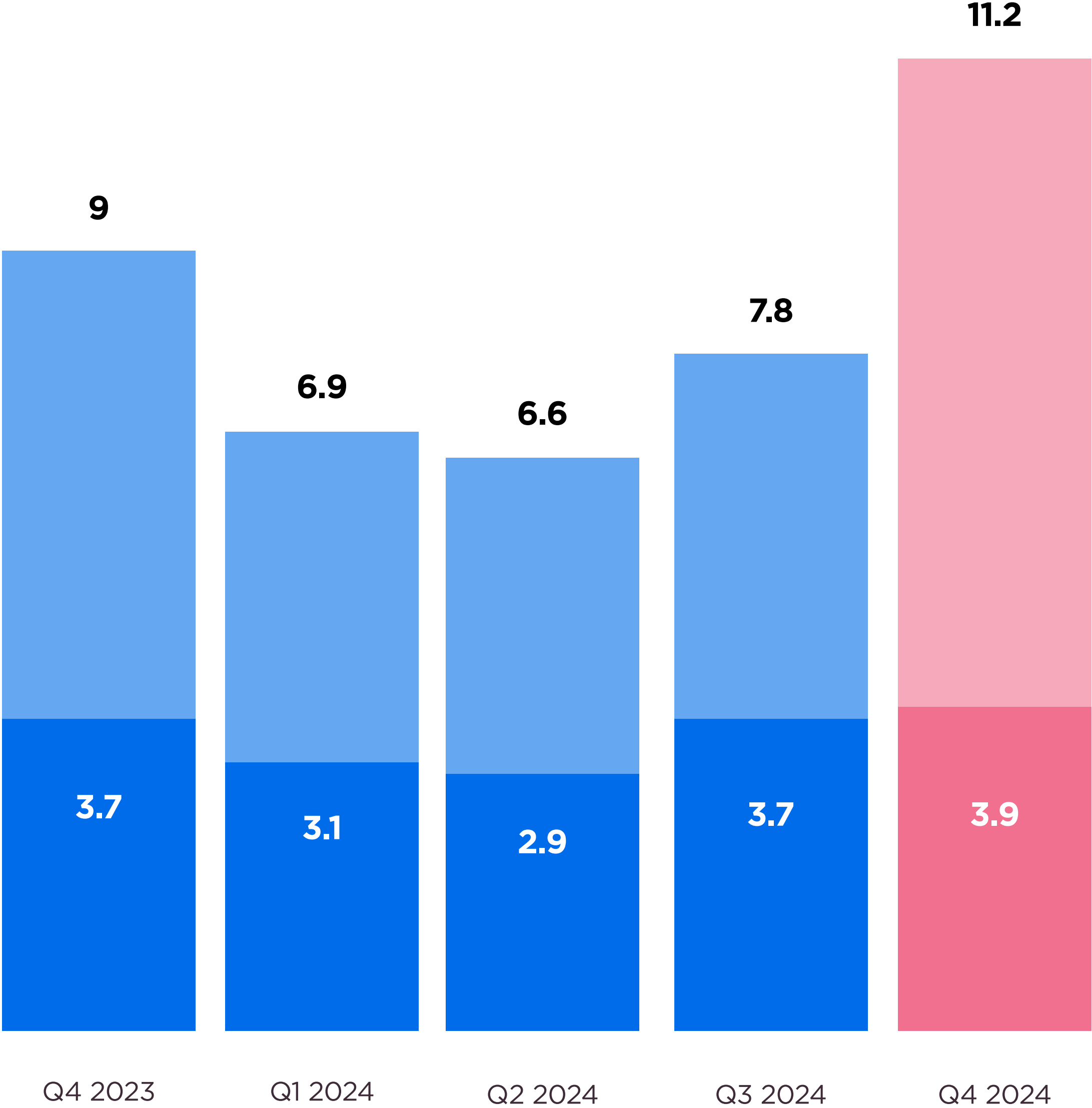
Record-Breaking Q4 and
Year-End 2024 Financial
Results



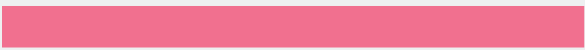
Quarterly Revenue

CAD in million

- Quarterly Revenue (↑24% YoY)
- Gross Profit (↑6% YoY)

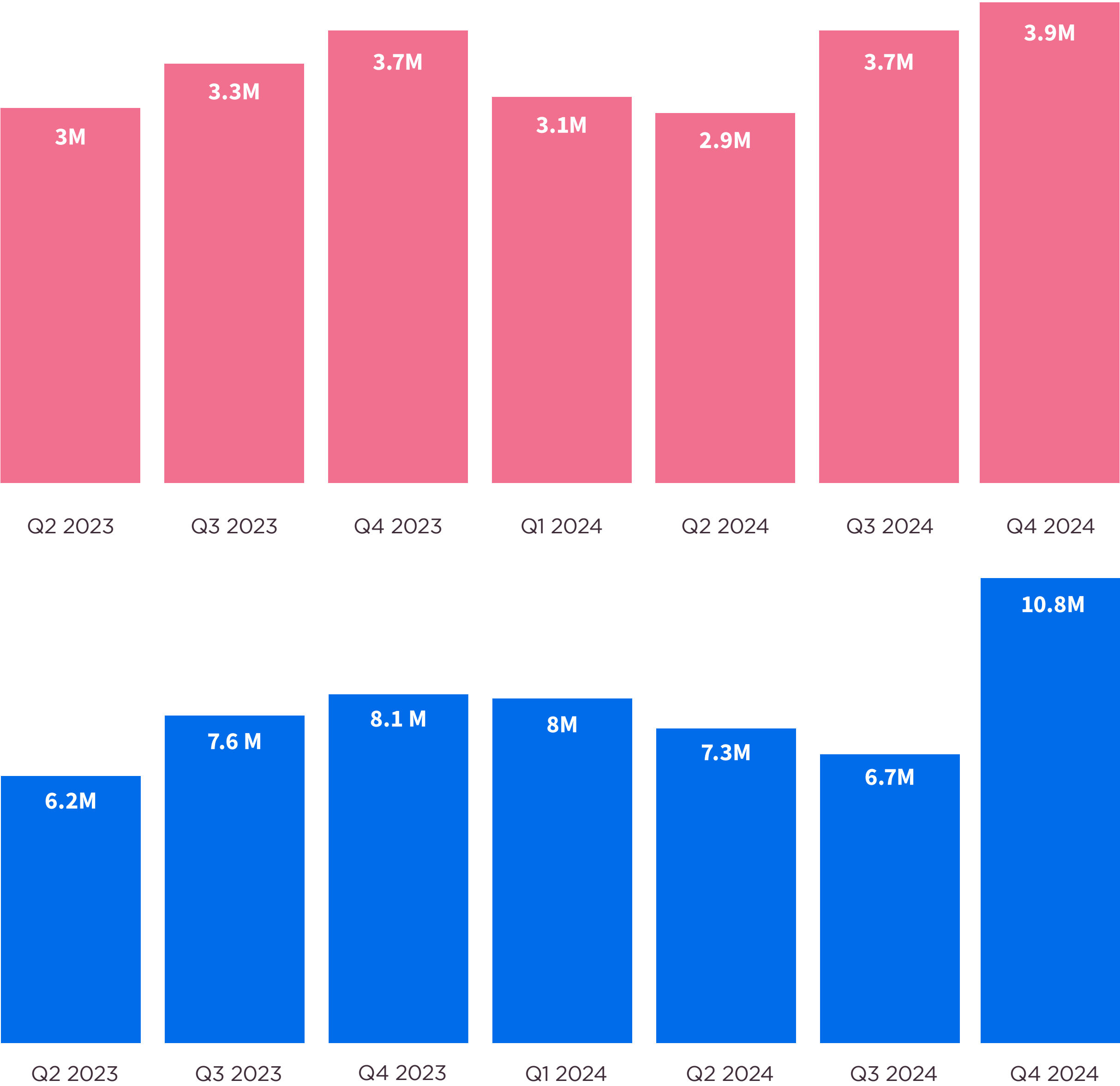


Quality Growth KPIs



CAD in millions

- Gross profit
- Cash and cash equivalent



Earnings Report Highlights Q4 2024

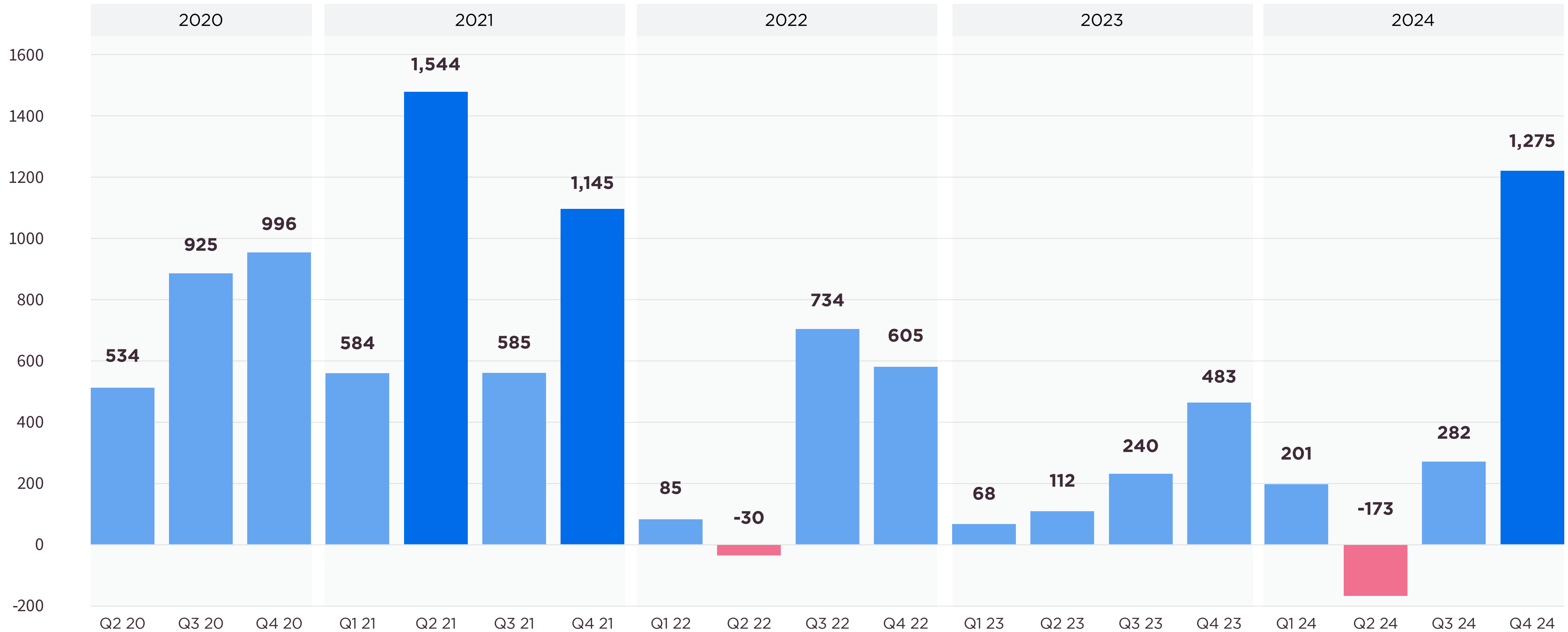
- **Revenue:** Grew 24% YoY
- **APAC revenue growth:** Achieved a 58% year-over-year (YoY) increase
- **EMEA revenue growth:** Achieved a 14% year-over-year (YoY) increase.
- **Net cash flow generated by operating activities:** For the three months ended December 31, 2024, amounted to CAD\$3.8M, compared to CAD\$1.1M for the three months ended December 31, 2023.
- **Gross profit:** Rose to CAD\$3.9M, an increase of CAD\$0.2M or 6% from the 3 months ended 31 December 2023.
- **Operating profit:** Rose to CAD\$0.4M, an increase of 0.3M or 287% from the 3 months ended 31 December 2023.
- **Adjusted EBITDA:** For Q4 2024 was CAD\$1.3M compared to CAD\$0.5M for Q4 2023.

Earnings Report Highlights FY 2024

- **Revenue:** Grew 4% YoY.
- **APAC Revenue Growth:** Increased by 25% YoY.
- **North America Revenue Growth:** Recorded a 14% YoY increase.
- **Net Cash flow generated by operating activities:** For the year ended December 31, 2024, were CAD\$3.3M, compared to CAD\$1.1M for the year ended December 31, 2023.
- **Gross profit:** Rose to CAD\$13.5M, a increase of CAD\$0.8M or 6% from the 12 months ended 31 December 2023.
- **Adjusted EBITDA:** For year 2024 was CAD\$1.6M compared to CAD\$0.9M for year 2023.
- **Cash and Cash equivalent:** Grew 34% YoY.

Adjusted EBITDA

CAD in thousands



2025 Growth Strategy: Accelerating Momentum

1

Scale Revenue

Targeting **25% growth** to reach **\$40 million** in annual revenue.

2

Strengthen Profitability

6 straight quarters of positive Adjusted EBITDA and **positive cash flow** from operations in 2025.

3

AI-Driven Innovation

Deep AI integration across R&D, apps, and marketing solutions.

4

Grow SaaS Recurring Revenue

Reaching **\$4M-\$5M ARR** from our applications.



Comparable Companies

Significant share price upside opportunity as Adcore rises to peers:

\$0.3

Current share price
March 20, 2024

COMPANY NAME	TICKER	MARK CAP	ENTERPRISE VALUE (EV)	EV / GROSS PROFIT	EV / EBITDA
Fluent Inc	FLNT US	59	99	1.0	5.1
Criteo SA	CRTO US	2,860	2,560	1.8	7.3
Evertz Technologies Ltd	ET TO	832	756	2.6	7.5
Inuvo Inc	INUV US	89	87	0.8	22.6
Kinaxis Inc	KXS TO	4,490	4,130	14.0	109.6
Magnite Inc	MGNI US	2,717	2,889	4.9	18.0
PubMatic Inc	PUBM US	677	541	2.0	7.7
Integral Ad Science Holding Corp	IAS US	2,088	2,045	3.4	11.5
Illumin Holdings Inc	ILLM TO	91	57	0.9	175.0
DoubleVerify Holdings Inc	DV US	3,346	3,032	3.9	15.7
Average				3.5	32.5
ADCORE	ADCO CA	18	12	0.9	19.4
Upside				316%	67%

As of March 20, 2025. Currency in CAD. All numbers in millions

Adcore's Q4 2024 & FY 2024 Earnings Call | March 2025

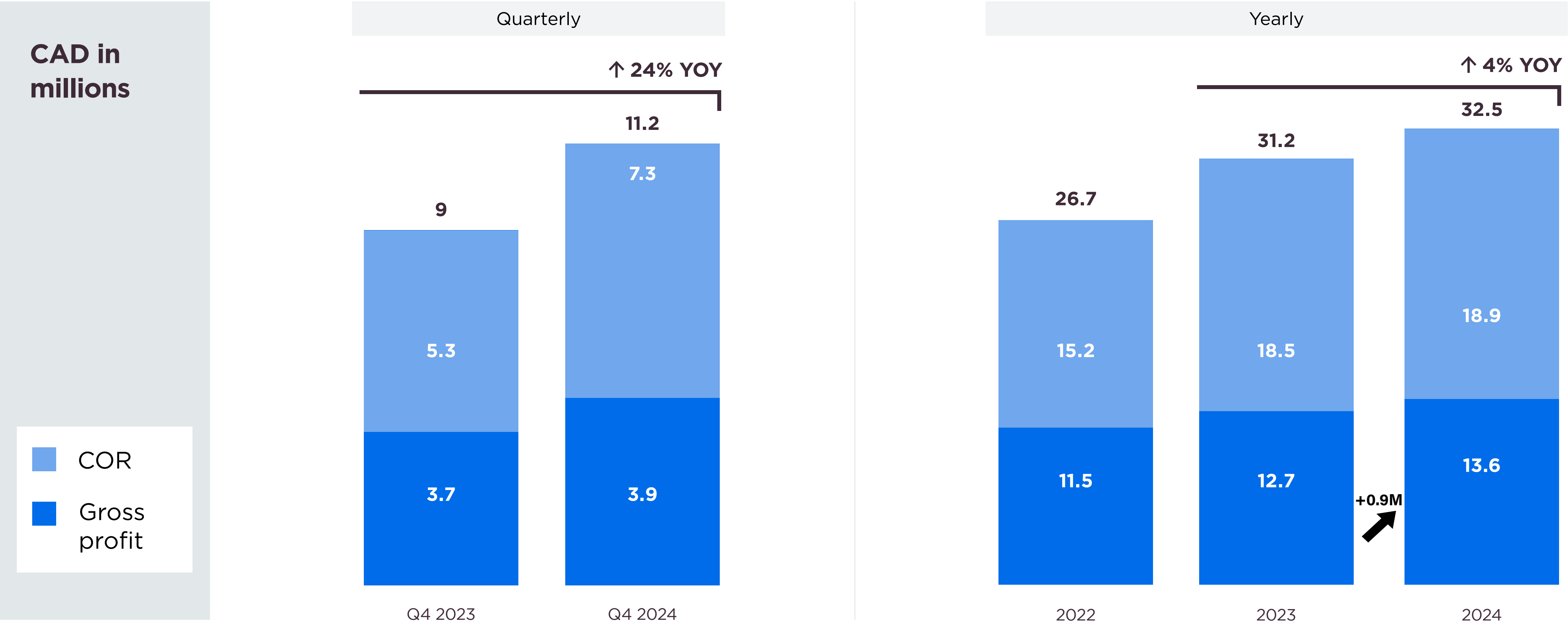
CFO Financial Highlights



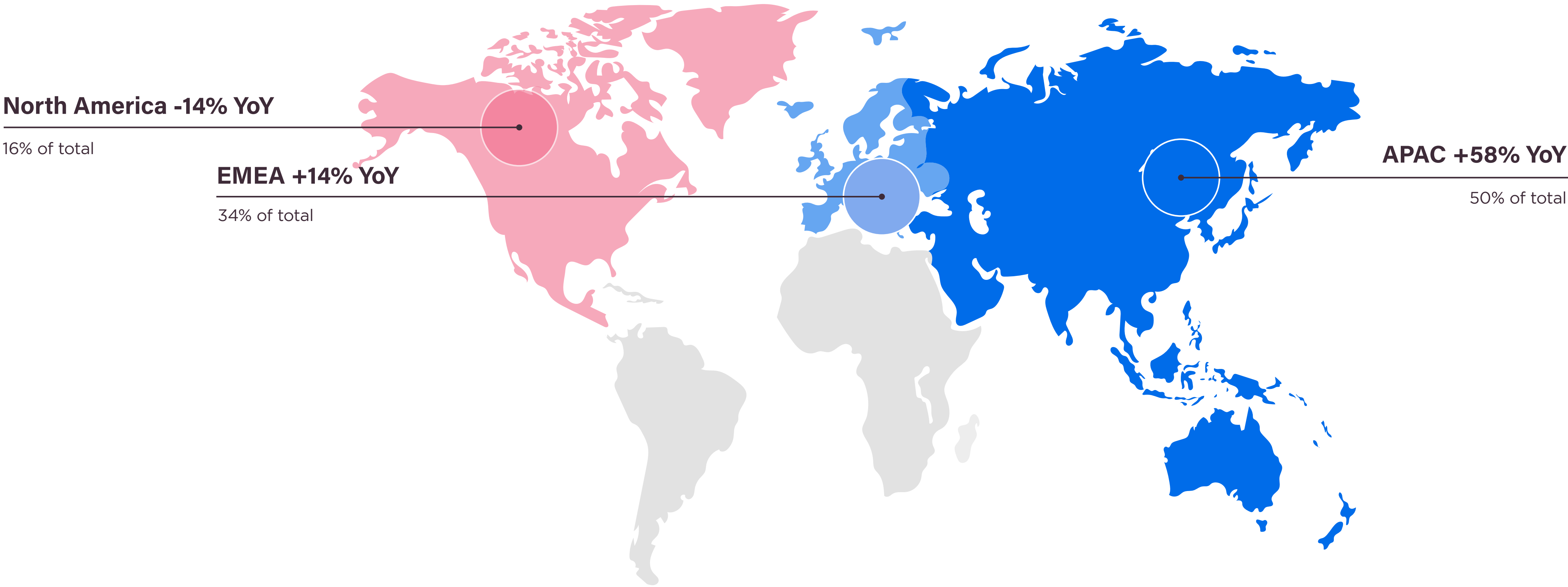
Comprehensive Income

CAD in million	Three months ended December 31, 2024	Three months ended December 31, 2023	YoY
Revenues	11.2	9.0	+24%
Cost of revenues	7.3	5.3	
Gross profit	3.9	3.7	+6%
RnD	0.7	0.6	
SG&A	2.8	3.0	
Operating profit	0.4	0.1	
Finance expenses	0.1	0.2	
Finance income	0.2	0.1	
Profit (loss) before taxes on income	0.5	0.0	
Tax expenses (income)	0.0	(0.1)	
Total Comprehensive Profit (loss) for the period	0.5	0.1	

Revenues and Gross Profit



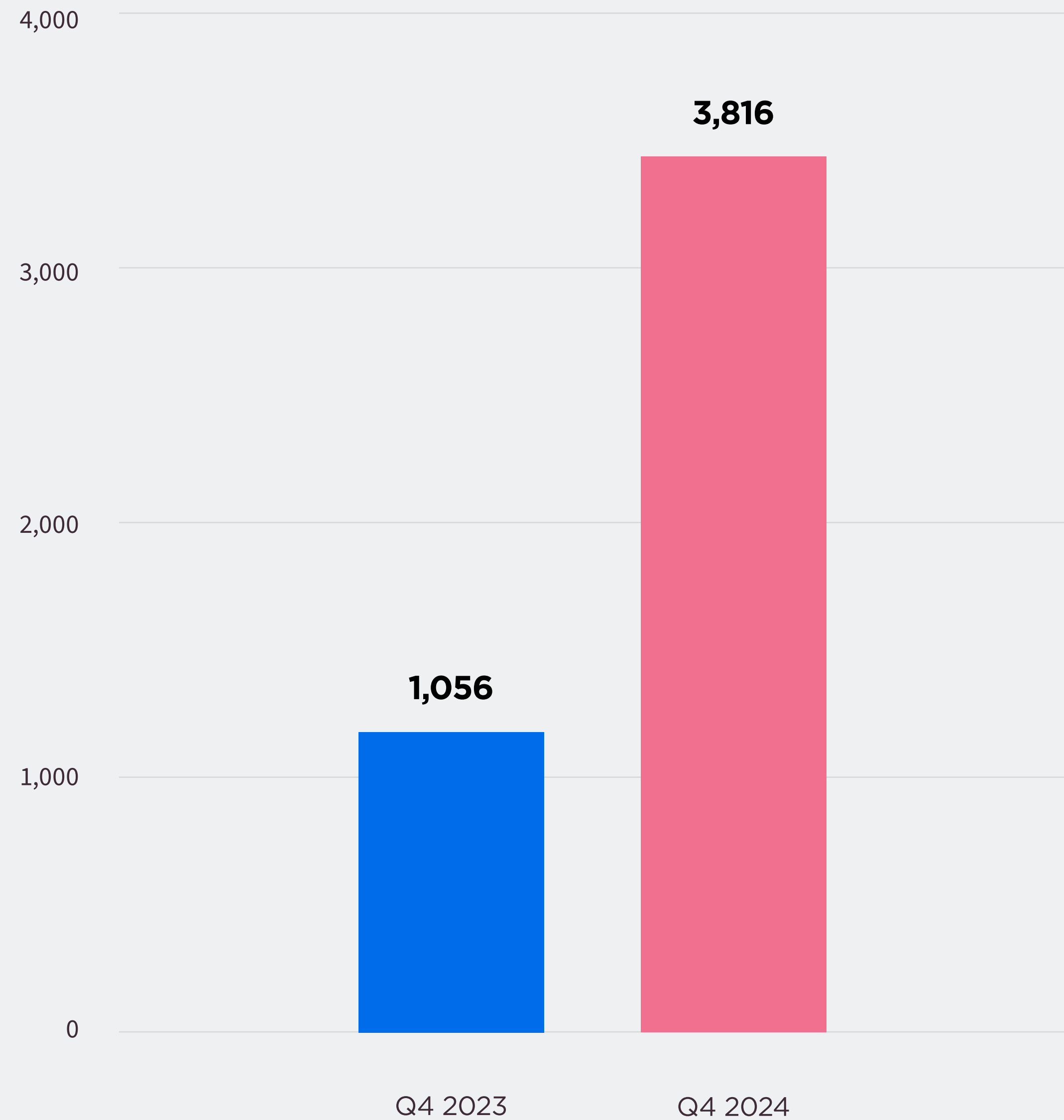
Q4 2024 Revenue Breakdown



Net Cash Generated by Operating Activities



CAD in thousands



Financial Position - Assets

Total capitalization in the 3 months ended December 31, 2024 was 0.32

CAD in million	31.12.24	31.12.23
CURRENT ASSETS		
Cash and cash equivalents	10.8	8.1
Trade accounts receivable, net	6.6	6.1
Other accounts receivable	0.6	0.5
Total current assets	18	14.7
NON-CURRENT ASSETS		
Property, plant and equipment, net	0.5	0.3
Intangible assets, net	4.1	4.1
Lease asset, net	0.8	0.0
Total non-current assets	5.4	4.4
TOTAL ASSETS	23.4	19.1

Financial Position - Liabilities

Debt free

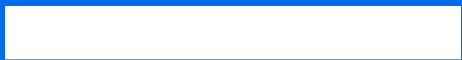
CAD in million	31.12.24	31.12.23
CURRENT LIABILITIES		
Trade accounts payable	8.1	5.0
Other accounts payable	2.4	2.2
Lease liability	0.2	0.0
Total current liabilities	<u>10.7</u>	<u>7.2</u>
NON-CURRENT LIABILITIES		
Deferred tax liability, net	0.0	0.2
Lease liability	0.7	0.0
Total on-current liabilities	0.7	0.2
Total Equity	12	11.7
TOTAL LIABILITIES & EQUITY	23.4	19.1

Adjusted EBITDA

CAD in thousands	Three months ended December 31, 2024	Three months ended December 31, 2023
Operating profit (loss)	410	106
Depreciation and amortization	441	387
Share-based payments	17	(10)
Other non-operational items	407	0
Total Adjustments	865	377
Adjusted EBITDA	1,275	483

Adcore's Q4 2024 & FY 2024 Earnings Call | March 2025

Q&A



Thank You.

For more information visit adcore.com/investors

ADCORE