

TSX:ADCO | OTCQX:ADCOF

Adcore's Q4 2021 and FY 2021 Earnings Call will start at 10:02AM

March
2022

ADCORE

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Adcore's Q4 2021 and FY 2021 Earnings Call

March
2022

ADCORE

Hosts



Yatir Sadot

CFO



Omri Brill

CEO



Barak Frank

CORPORATE SECRETARY

Agenda

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

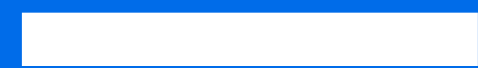
Forward Looking Statements

This conference call contains certain forward-looking statements, including statements about the Company. 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.

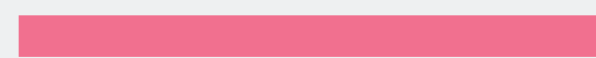
Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and listeners 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 that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this 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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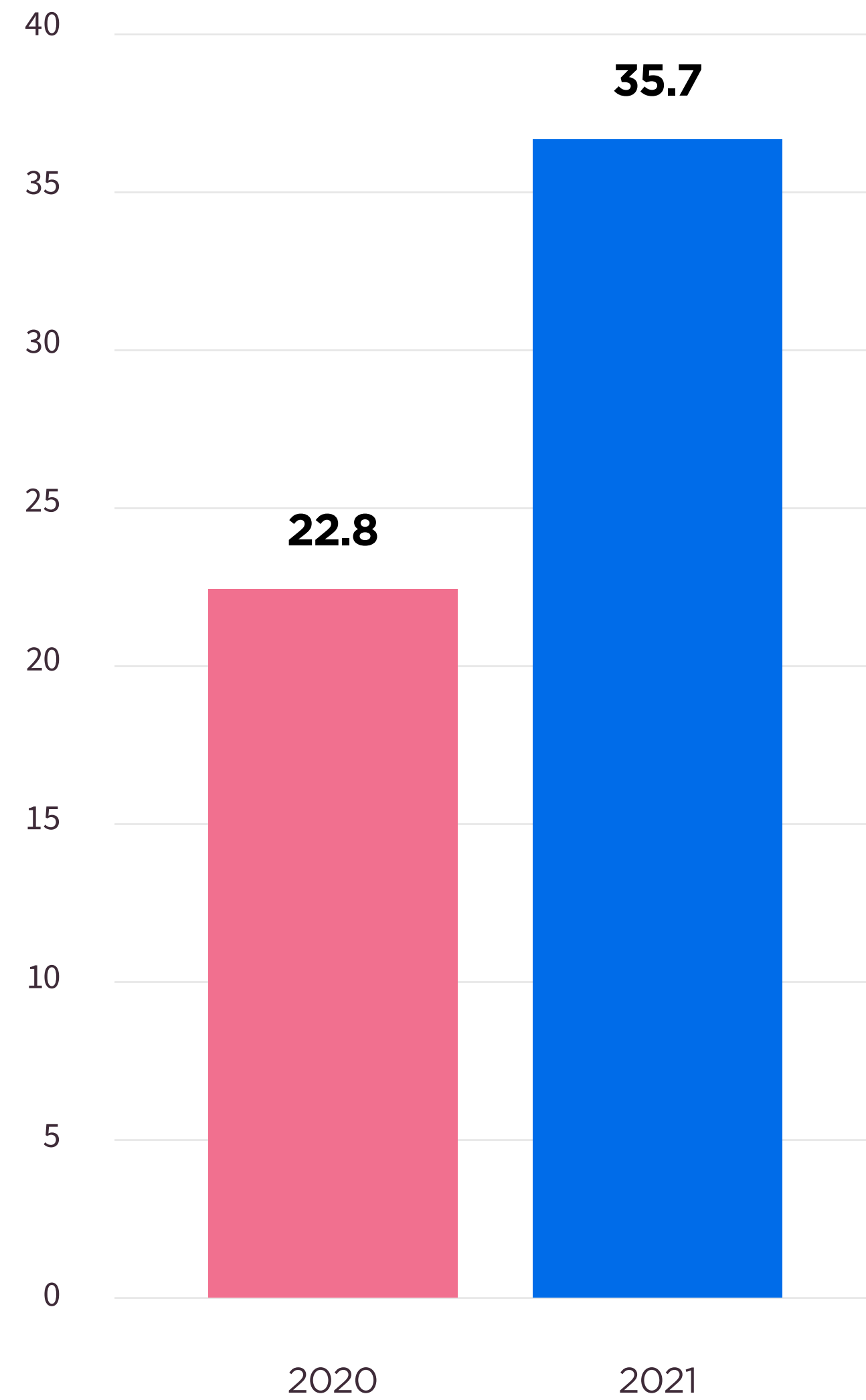
CEO Opening Remarks



Annual revenue growth



CAD in million



Revenue growth

■ 2021 - 57% (12.9)

Gross profit growth

■ 2021 - 17%

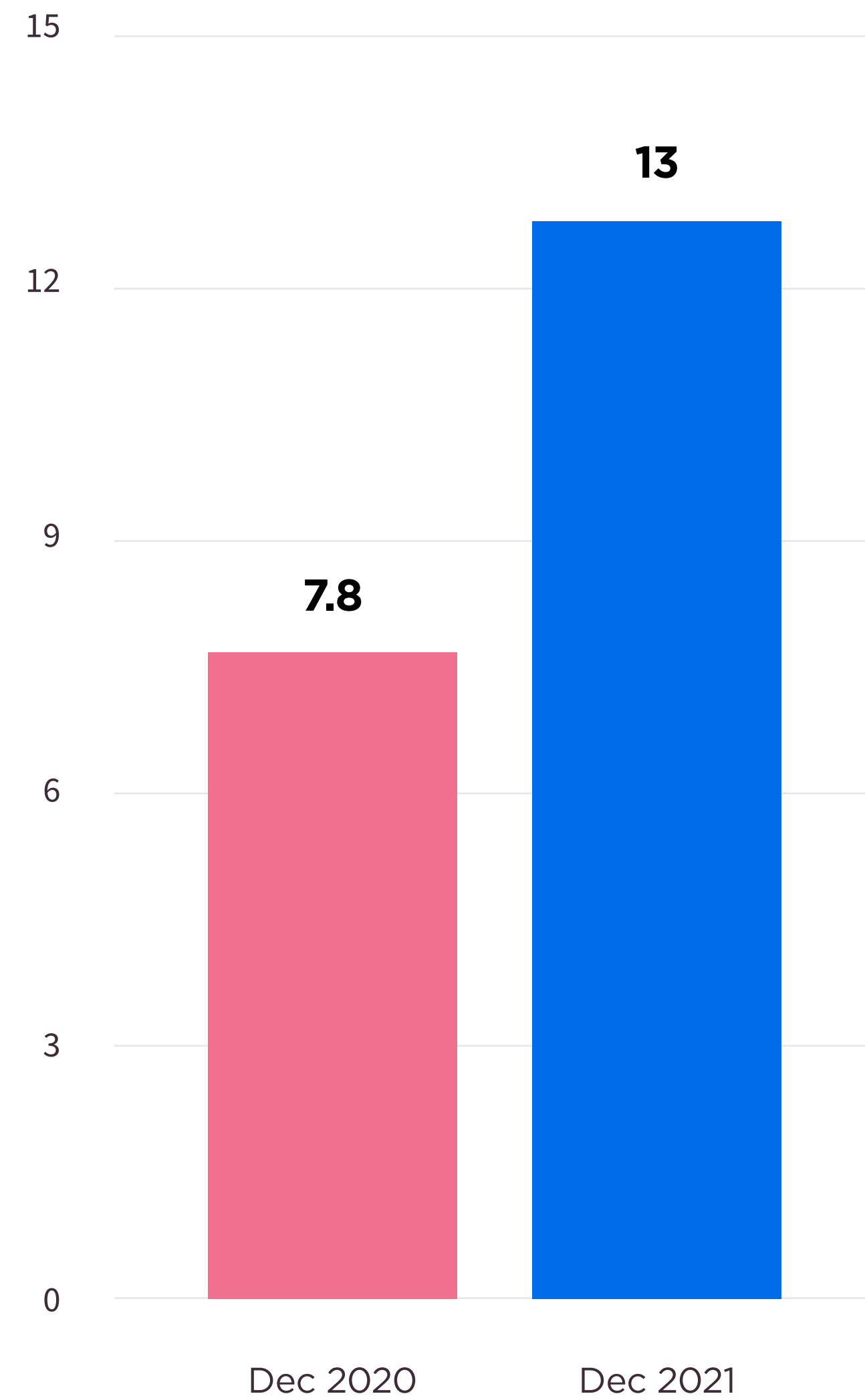
Adj. EBIDTA growth

■ 2021 - 17%

Annual working capital growth



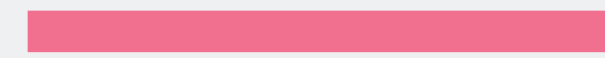
CAD in million



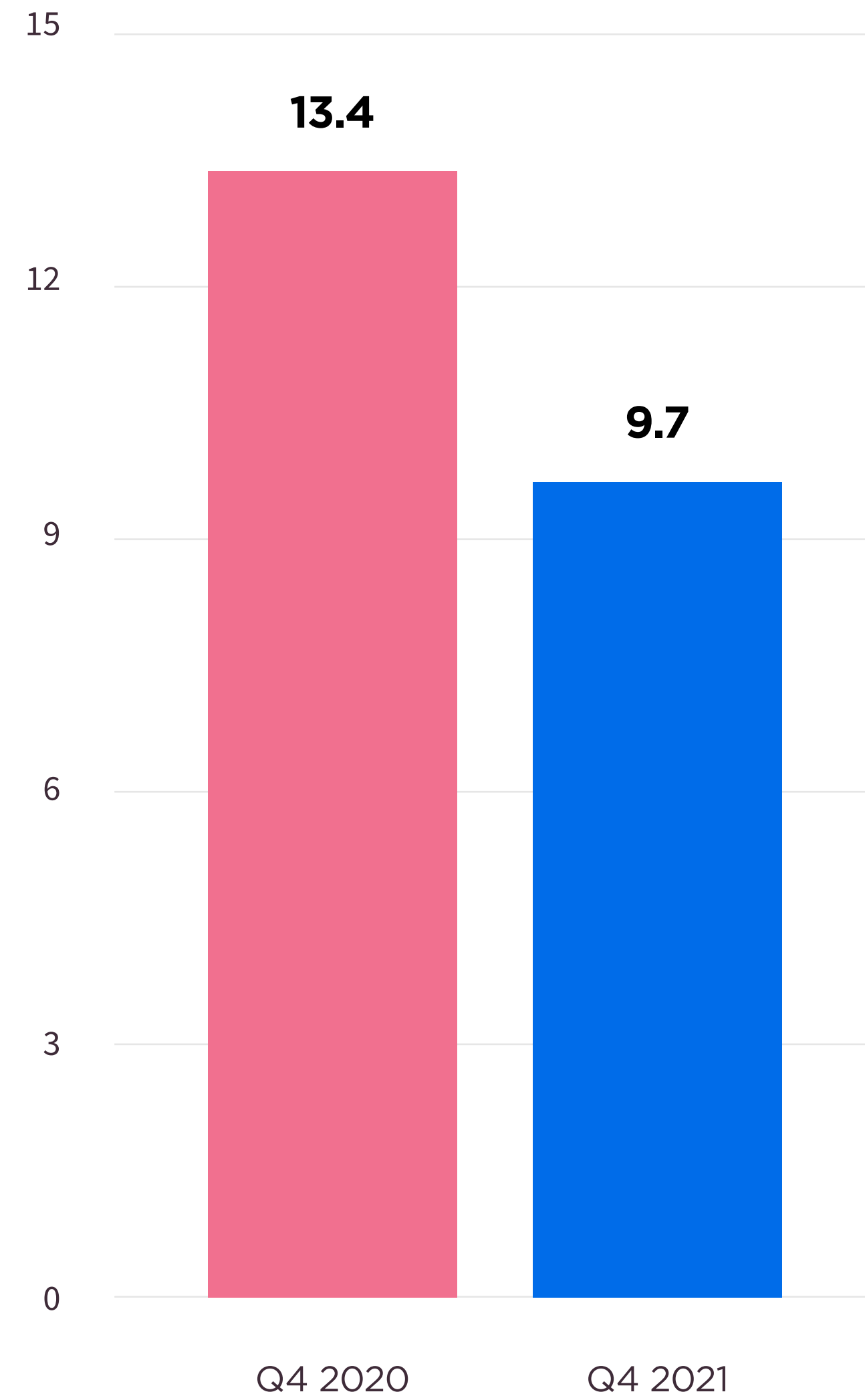
Working capital growth

2021 - 67% (5.2)

Quarterly revenue



CAD in million



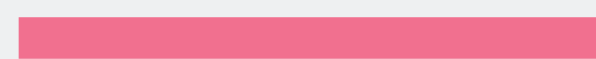
Revenue

■ 2021 - (-28%)

Cost of revenue

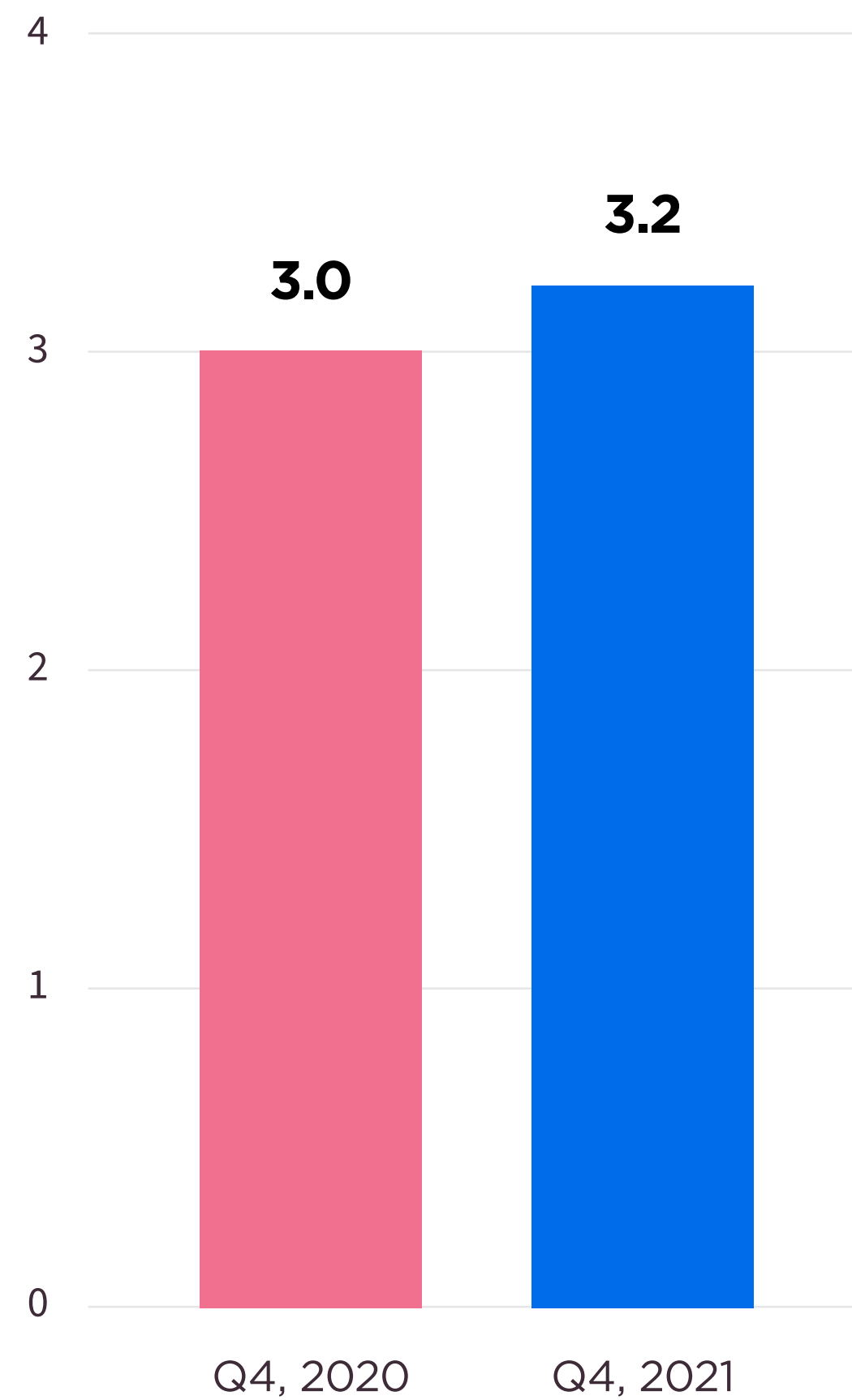
■ 2021 - (-38%)

Quarterly operating profit growth



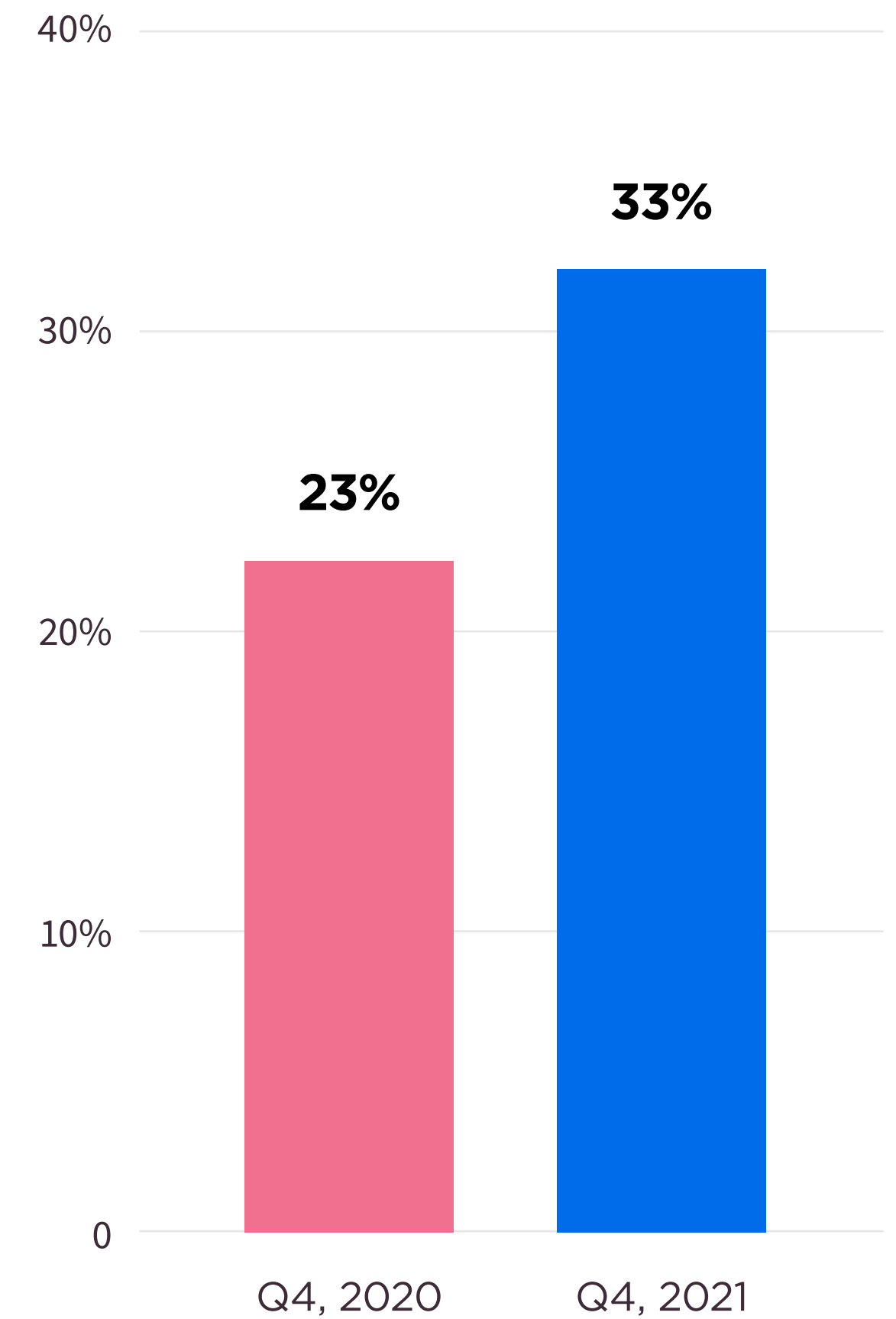
CAD in million

Gross profit



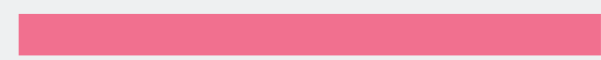
2021 - 5% (0.2)

Gross margin

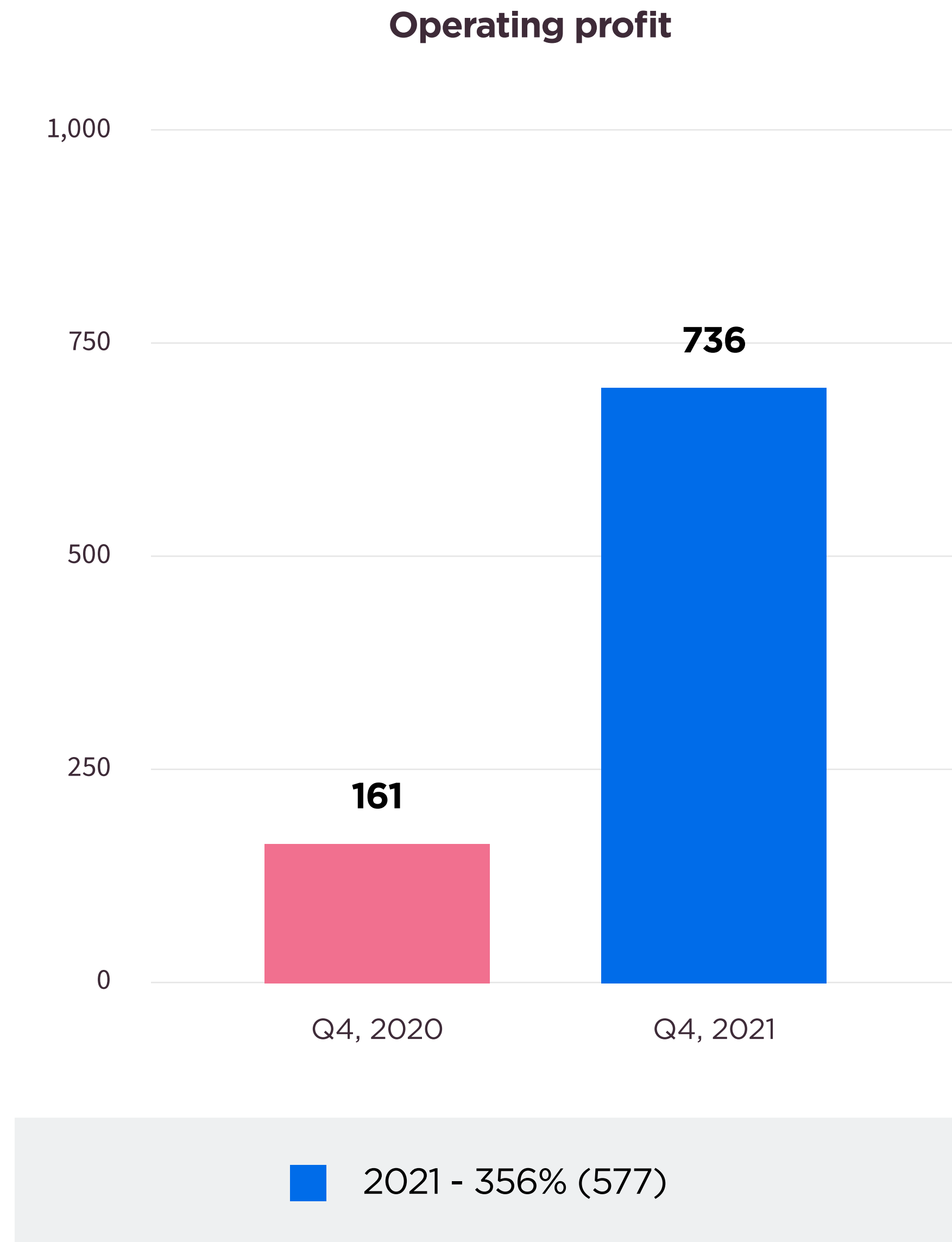


2021 - 46% (10%)

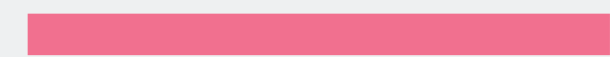
Operating profit



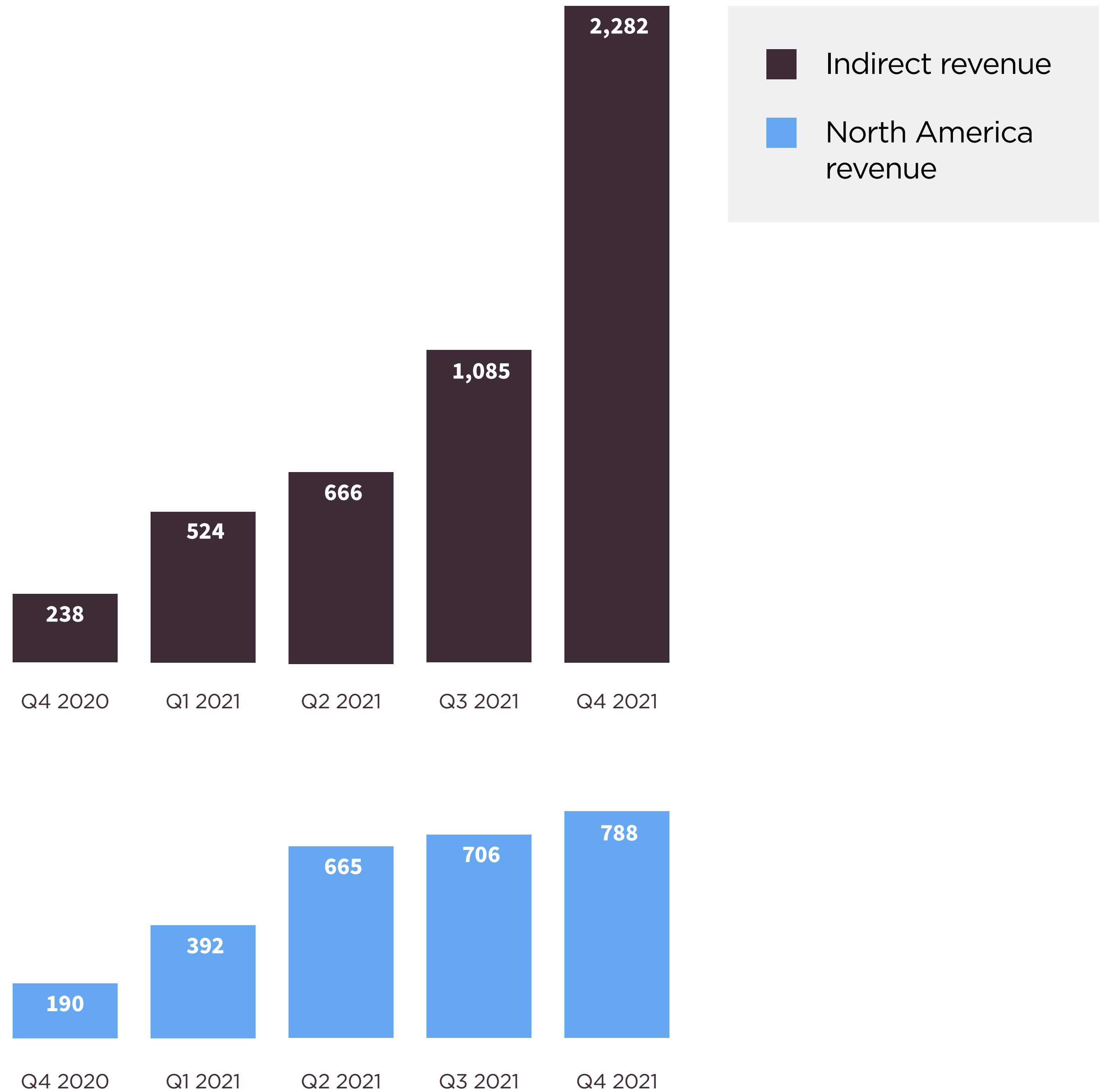
CAD in thousands



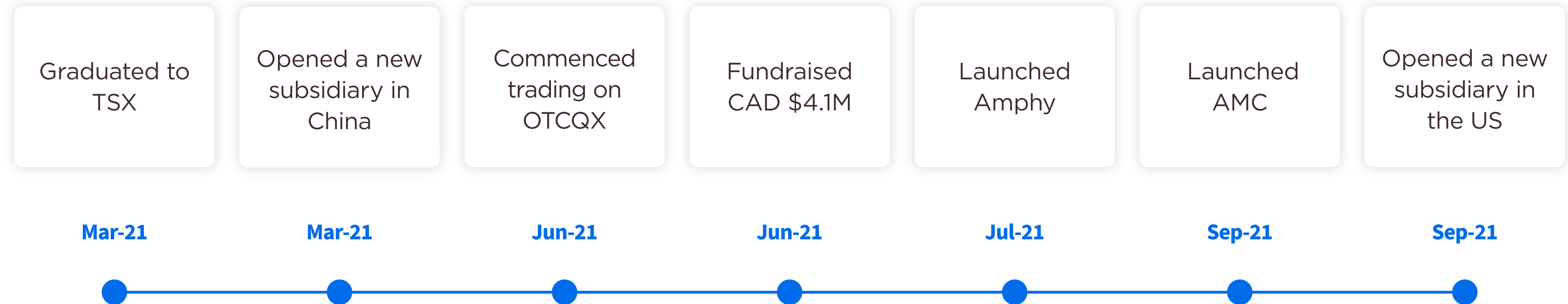
Quality growth KPIs



CAD in thousands

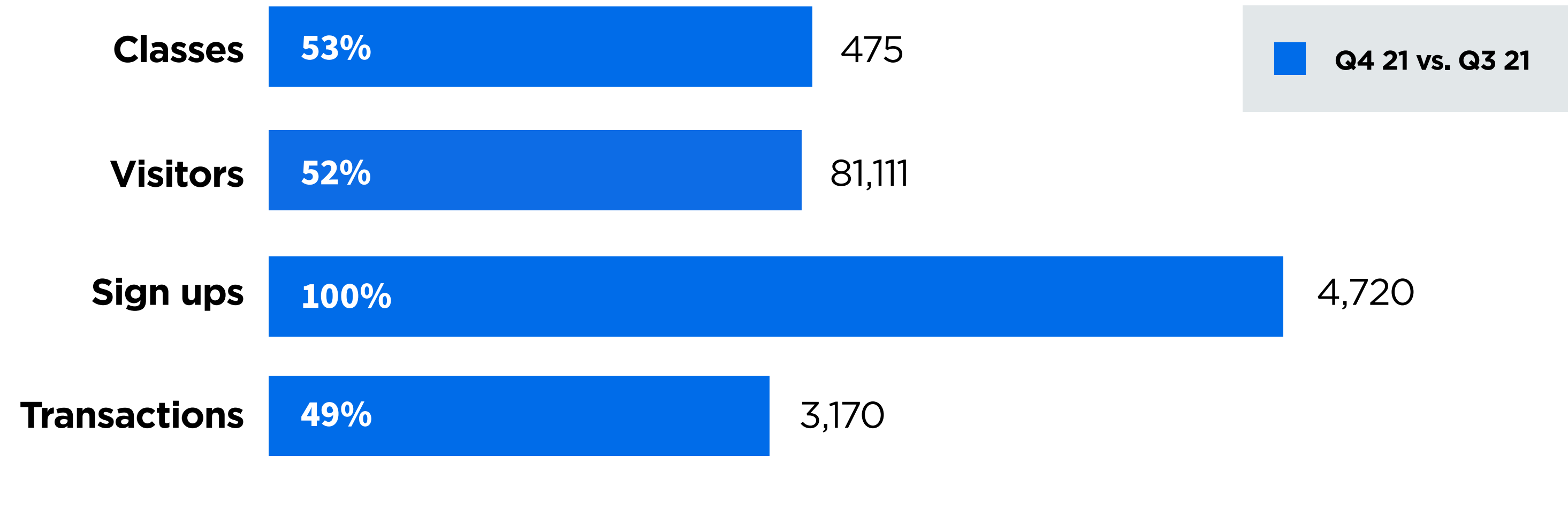
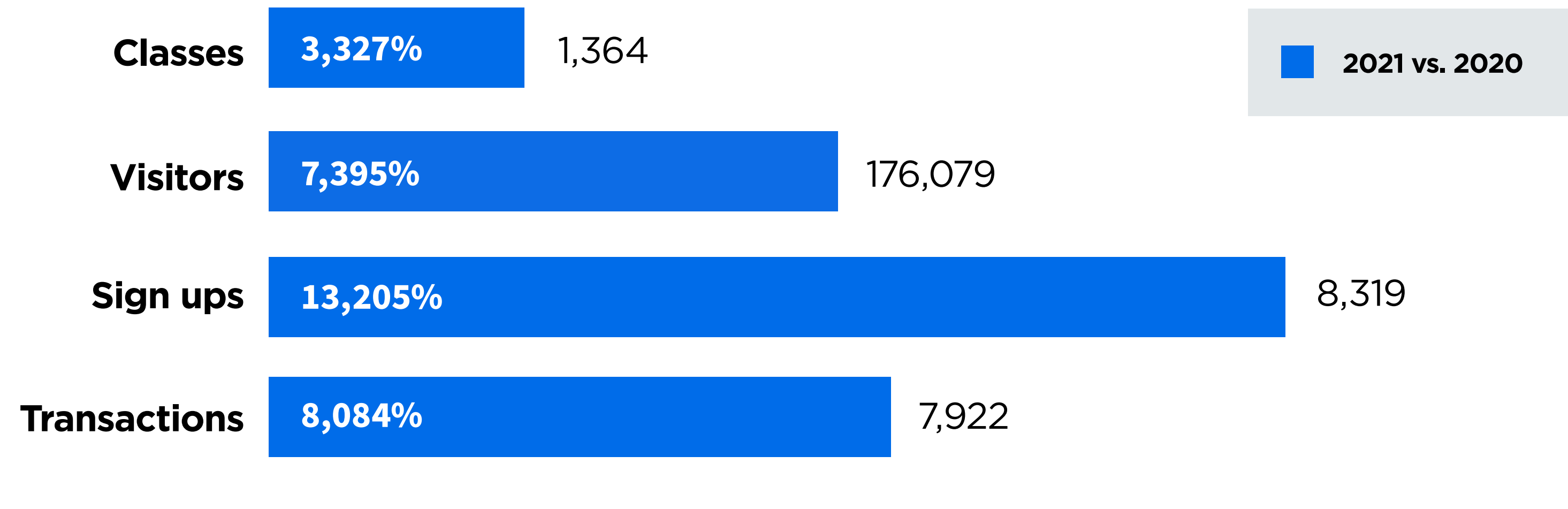


2021 Strategic initiatives



AMPHY

Annual & quarterly growth



Stock price

\$2.7

Share price
Feb, 2021

\$152M

Market cap
Feb, 2021

\$0.51

Current share price
Feb, 2022

\$32M

Current market cap
Feb, 2022

Tech stock price drop last 12 months

Wix	-75.49%
Shopify	-65.76%
Fiverr	-69.67%
AcuityAds	-82.59%
Adcore	-69.67%
Average	-72.64%
Facebook, Netflix	~ -50%

2022 Roadmap

American year

- Open a physical office in the US (H2)
- Nasdaq listing (2022-2023)

Quality growth

- Higher gross margins
- Increase indirect revenue stream
- Expand our tech offering

M&A

- Tactical M&As to support GEO expansion and talent growth
- Strategic M&As expanding AMC and Amphy offering

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CFO Financial Highlights



Comprehensive Income

Full Year
(2021)
revenues
growth by
57% YoY

Full Year
(2021)
Gross profit
growth by
17% YoY

CAD in million	Year ended December 31, 2021	Year ended December 31, 2020	YoY
Revenues	35.7	22.8	57%
Cost of revenues	24.9	13.6	83%
Gross profit	10.8	9.2	17%

The company switched clients to “do it yourself” mode rather than act as a principal.

Comprehensive Income

Q4 Gross profit growth by 7% YoY

Q4 Operating profit increased by 356% YoY

Q4 Comprehensive profit increased by 800% YoY

CAD in million	Three months ended December 31, 2021	Three months ended December 31, 2020	YoY
Revenues	9.7	13.4	-28%
Cost of revenues	6.5	10.4	-38%
Gross profit	3.2	3	7%
Research and development expenses	0.7	0.4	75%
Selling, general and administrative expenses	1.8	2.4	-25%
Operating profit	0.7	0.2	356%
Finance expenses	0.9	0.8	
Finance income	-0.7	-	
Profit (Loss) before taxes on income	0.5	-0.6	
Tax expenses (income)	-0.2	-0.5	
Total comprehensive Profit (Loss) for the period	0.70	-0.10	800%

The company switched clients to “do it yourself” mode rather than act as a principal.

Financial Position - Assets

**Working
Capital
13M vs.
7.8M**

**An increase
of 5.2M
(67%↑)**

CAD in million	31.12.2021	31.12.2020
CURRENT ASSETS		
Cash and cash equivalents	14.1	11.7
Trade accounts receivable, net	3.7	2.4
Other accounts receivable	0.8	0.1
Total current assets	<u>18.6</u>	<u>14.2</u>
NON-CURRENT ASSETS		
Long term deposit	-	0.1
Property, plant and equipment, net	0.9	0.5
Intangible assets, net	2.5	2.2
Total non-current assets	<u>3.4</u>	<u>2.8</u>
TOTAL ASSETS	22	17

Financial Position - Liabilities

Zero Debt

CAD in million	31.12.2021	31.12.2020
CURRENT LIABILITIES		
Trade accounts payable	4.5	3.8
Other accounts payable	0.9	1
Deferred Revenues	-	1.4
Lease liability	0.3	0.1
Total current liabilities	<u>5.7</u>	<u>6.3</u>
NON-CURRENT LIABILITIES		
Deferred tax liability, net	0.3	0.1
Derivative liability - warrants	0.3	0.9
Lease liability	0.3	0.2
Long term loan	-	0.3
Total Non-current liabilities	<u>0.9</u>	<u>1.5</u>
Total Equity	15.4	9.2
TOTAL LIABILITIES & EQUITY	22	17

Revenue Breakdown

An increase
of 858%
in indirect
revenues
YoY

CAD in thousands		Q4 2021	Q4 2020	diff	%
Direct	APAC	4,677	12,040	(7,363)	-61%
	EMEA	2,505	1,042	1,463	140%
	North America	213	102	111	107%
Direct Total		7,395	13,184	(5,790)	-44%
Indirect	APAC	1,582	137	1,445	1,053%
	EMEA	124	13	112	870%
	North America	576	88	488	554%
Indirect Total		2,282	238	2,044	858%
Grand Total		9,677	13,422	(3,746)	-28%

Indirect clients revenues with higher profit margins and lower overhead.

Adjusted comprehensive income

Operating profit grew by 95% YoY from 1.7M to 3.3M

Net profit grew by 127% YoY from 0.8M to 1.8M

Year ended - December 31, 2021	Total Adcore	Amphy Edtech	Fundraising	Adcore MarTech 2021	Adcore MarTech 2020	%
Revenues	35.7	0.01		35.69	22.80	57%
Cost of revenues	24.9	-		24.90	13.60	83%
Gross profit	10.8	0.01	-	10.79	9.20	17%
Research and development expenses	1.8	0.45		1.35	1.20	12%
Selling, general and administrative expenses	7.9	0.77	1	6.13	6.30	-3%
Operating profit	1.1	(1.21)	(1.00)	3.31	1.70	95%
Finance expenses	1.9			1.90	1.00	90%
Finance income	-0.9			(0.90)	-	
Profit (Loss) before taxes on income	0.1	(1.21)	(1.00)	2.31	0.70	230%
Tax expenses (income)	0.5			0.50	(0.10)	-600%
Total comprehensive Profit (Loss) for the period	-0.40	(1.21)	(1.00)	1.81	0.80	127%

EBITDA

YoY
MarTech
EBITDA
Growth
80%

CAD in thousands	Three months ended December 31, 2021	Three months ended December 31, 2020	MarTech only Three months ended December 31, 2021	MarTech only Three months ended December 31, 2020
Operating (loss) profit	739	161	1,384	161
Depreciation and amortization	248	180	248	180
Share-based payments	158	367	158	367
Offering, listing & global expansion	-	45	-	45
Other non-recurring items	-	243	-	243
Total Adjustments	406	835	406	835
Adjusted EBITDA	1,145 (17%↑)	996	1,790 (80%↑)	996

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Q&A



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Thank You.

For more information visit adcore.com/investors

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