

TSX:ADCO | OTCQX:ADCOF

Adcore's Q3 Earnings call



November,
2023

ADCORE

Hosts



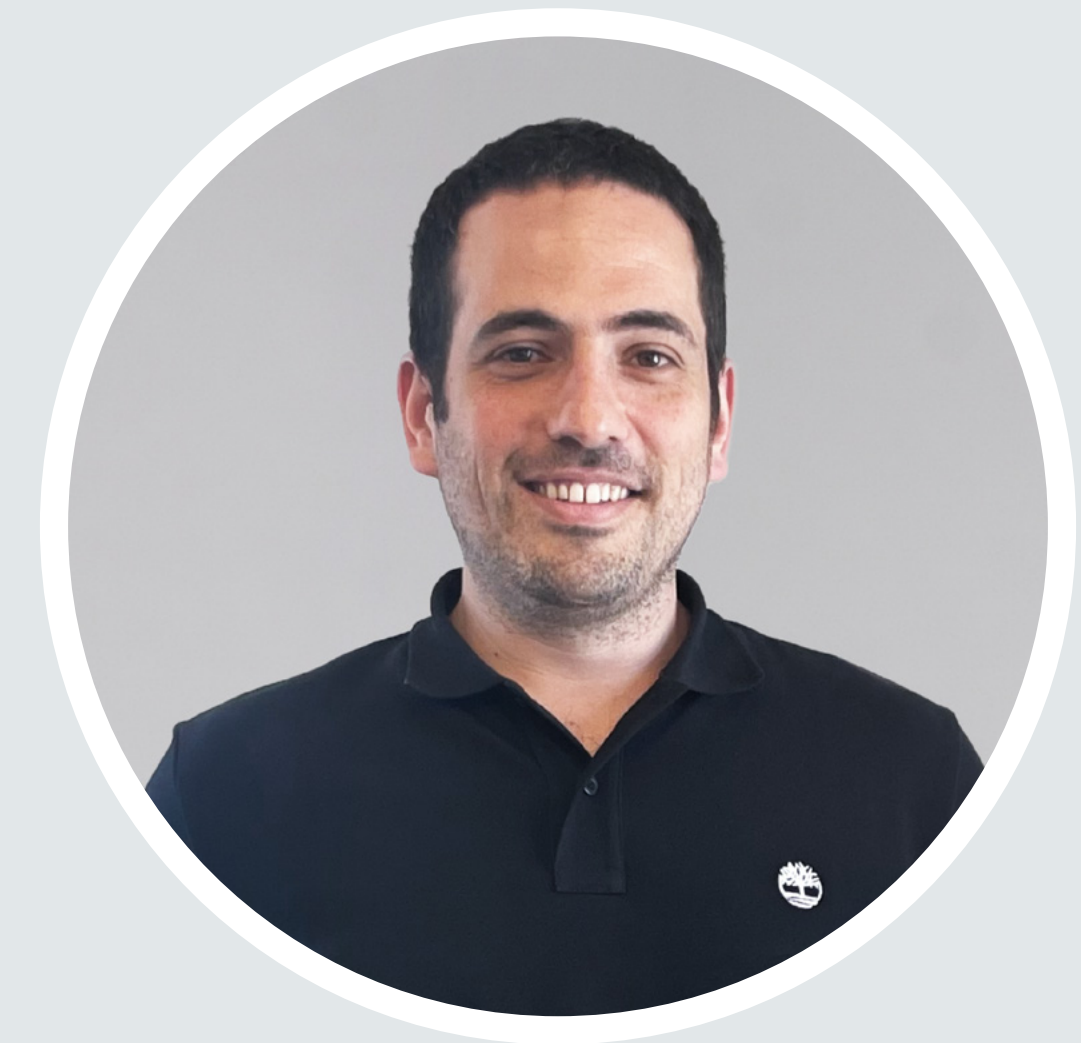
Yatir Sadot

CFO



Omri Brill

CEO



Amit Konforty

Director of Finance

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



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7.10



Adcore Step Up



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Q3 2023 Report Highlights

CEO Remarks



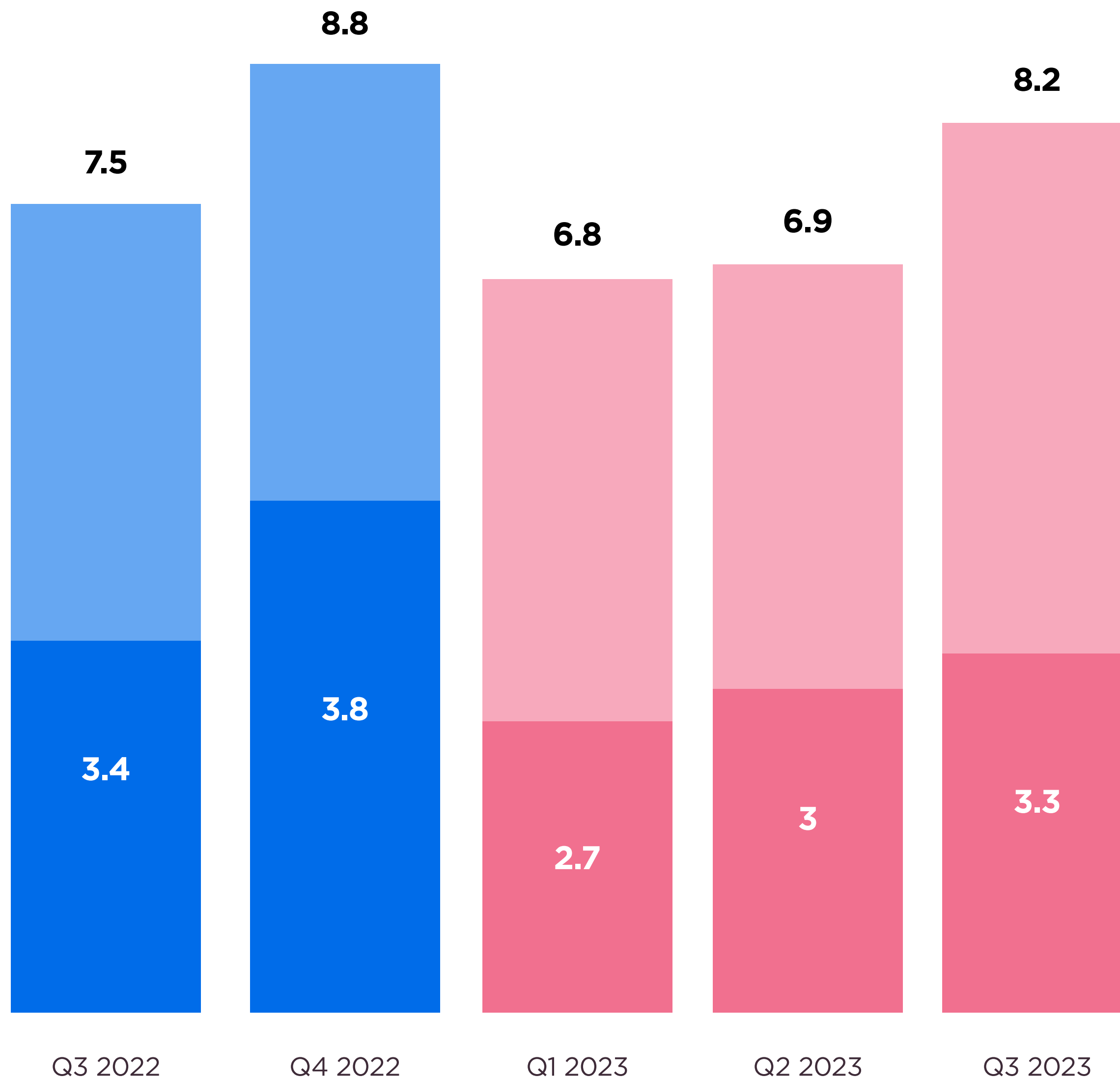
Q3 2023 Performance:

Q3 2023 was a **very strong quarter** for us, marked by significant achievements and positive growth.

Quarterly Revenue

CAD in million

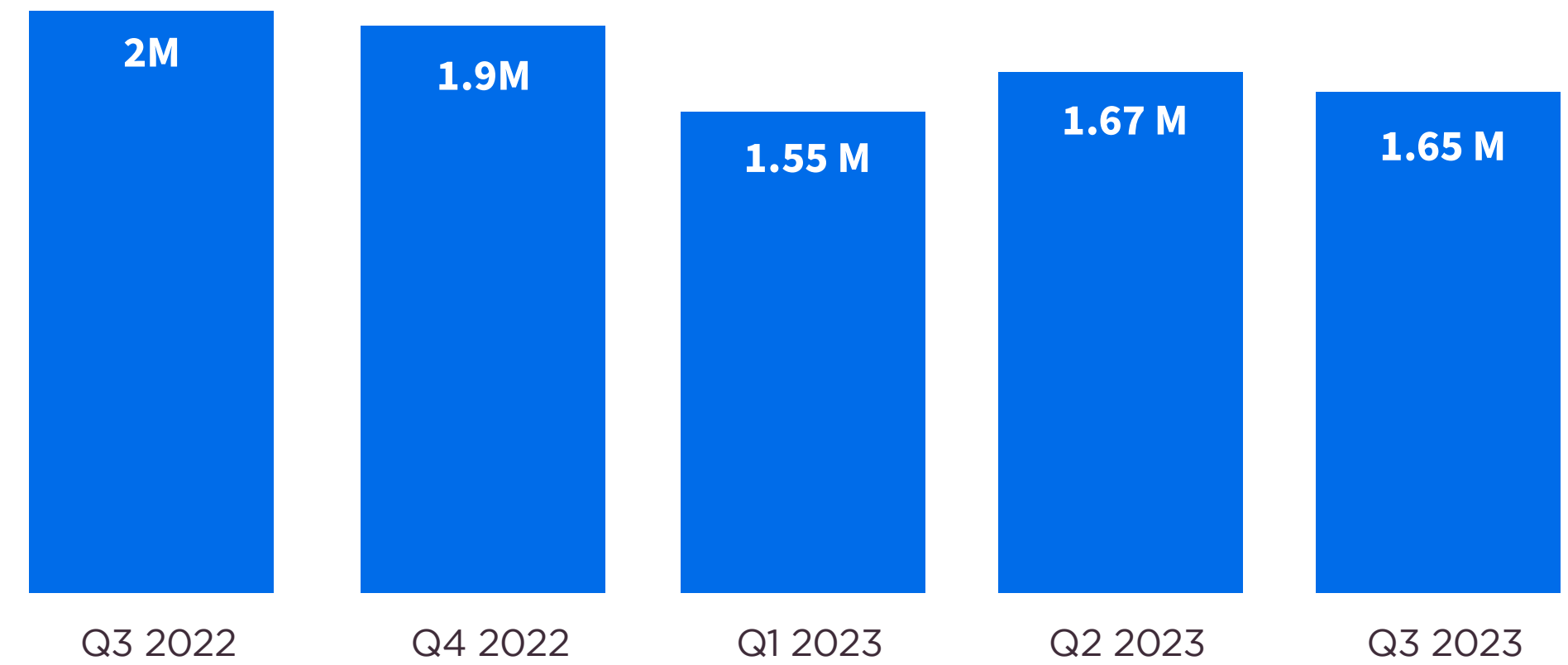
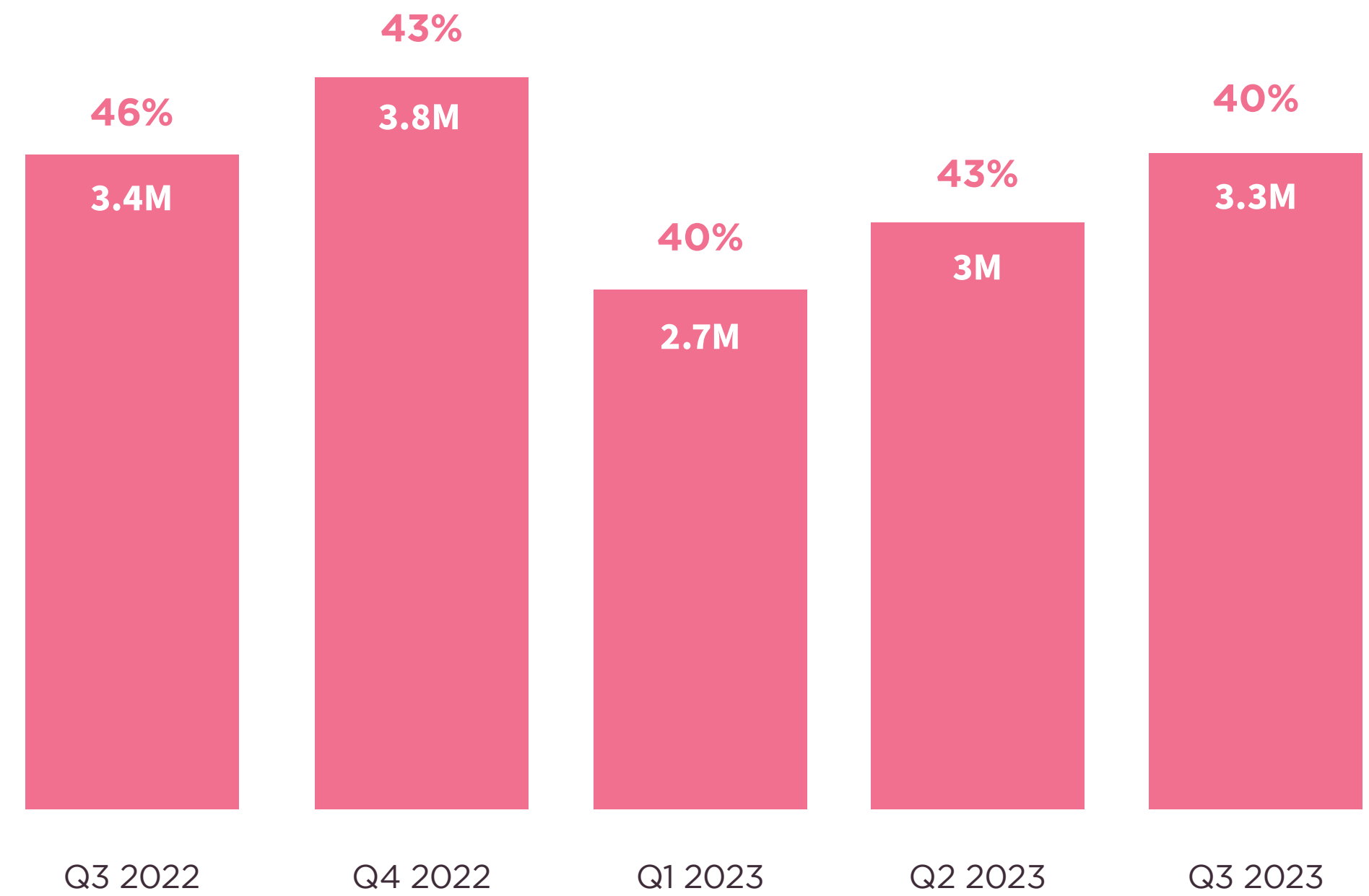
■ Quarterly Revenue (**↑10% YoY**)
■ 9 Months Revenue (**↑28% YoY**)



Quality Growth KPIs

CAD in millions

- Gross margin
- North America revenue

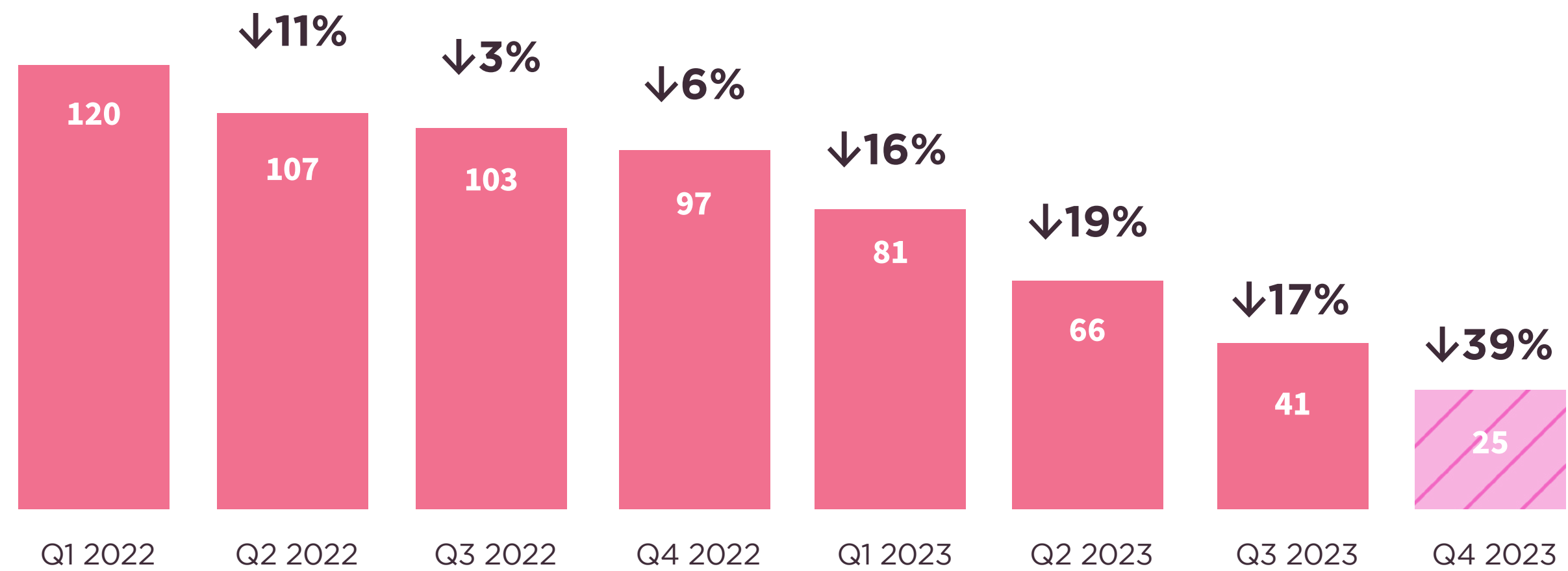


AMPHY Highlights

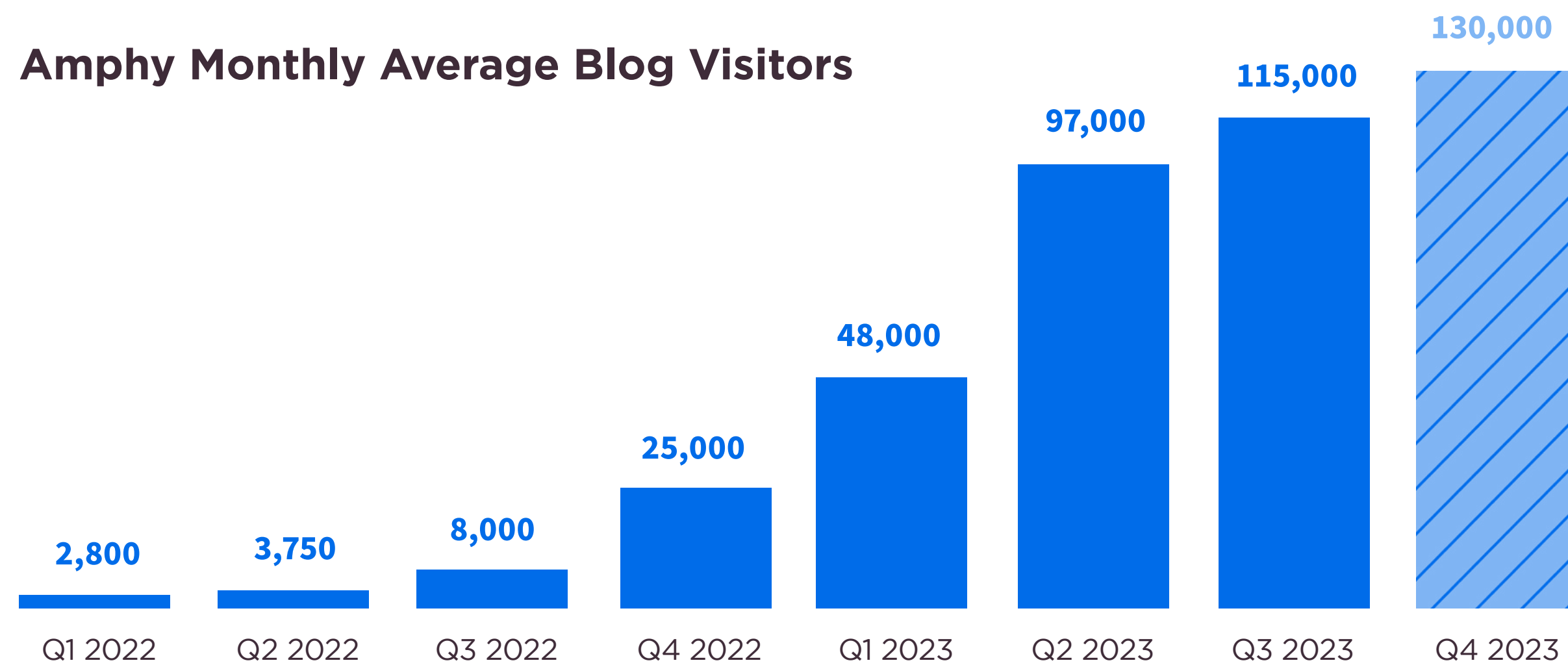
USD in thousands



Monthly Average Burn Rate Q3



Amphy Monthly Average Blog Visitors



Report Highlights

Quarterly

- Revenue grew **10%** YoY
- EMEA revenue grew **20%** YoY
- APAC revenue grew **19%** YoY
- Cash and cash equivalents grew **21%** QoQ

Comparable Companies

Significant share price upside opportunity as Adcore rises to peers:

\$0.18

Current share price
November 8th, 2023

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)
Q3/23 Company NCIB purchase	88,500	0.21	\$ 18,665
	Quantity	Share Price	Value (CAD)
Total accumulated NCIB purchases Including 10/23	1,782,000	0.27	\$ 480,466
Shares purchased from former executive officer	2,171,400	0.2	\$ 434,280
TOTAL PURCHASES	3,953,400		\$ 914,746

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.

Introduction to our new CFO

- Current role and transition
- Professional experience
- Continuity and Growth
- Starting date: November 11th



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CFO Financial Highlights



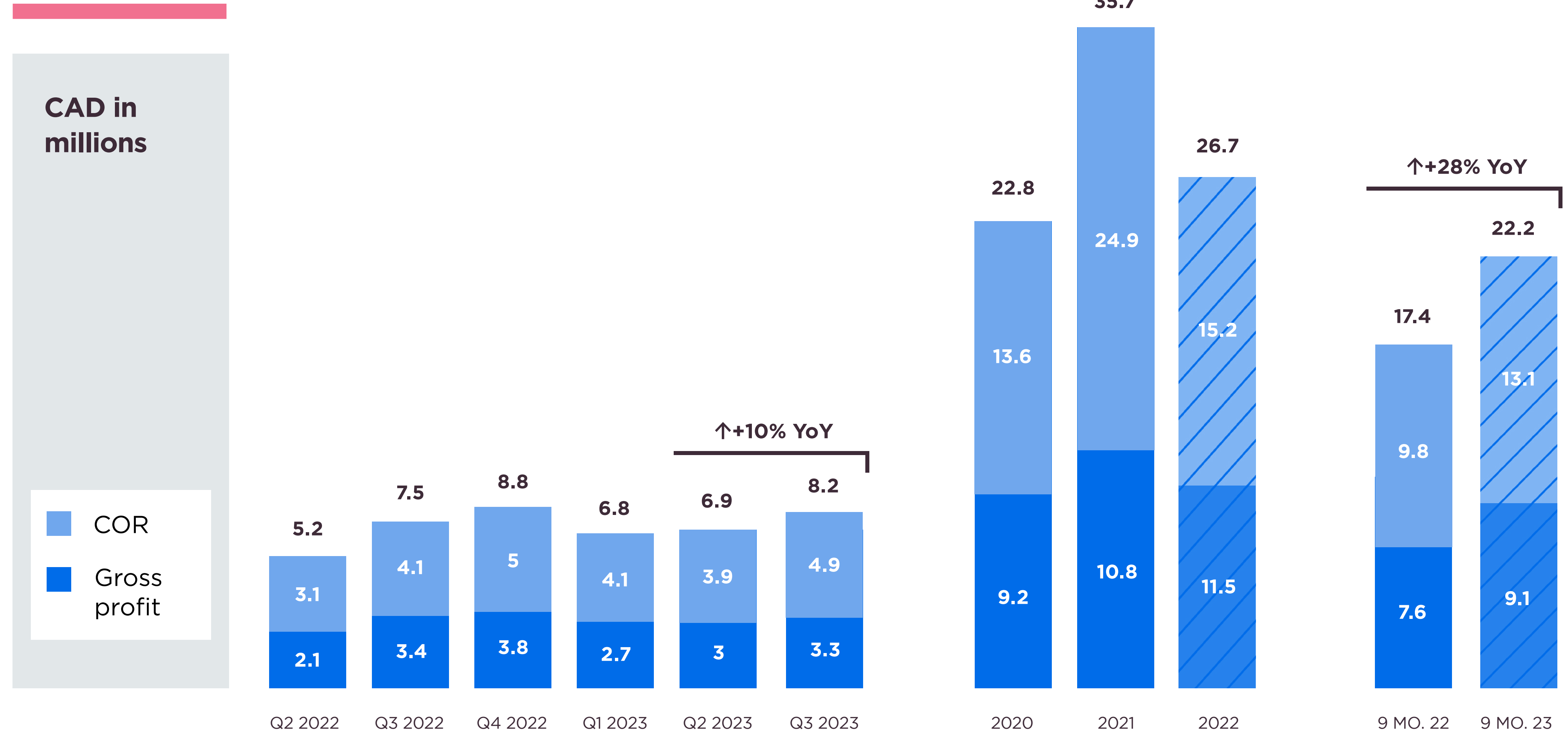
Comprehensive Income

10% growth in
Q3-23 vs. Q3-22
Revenues

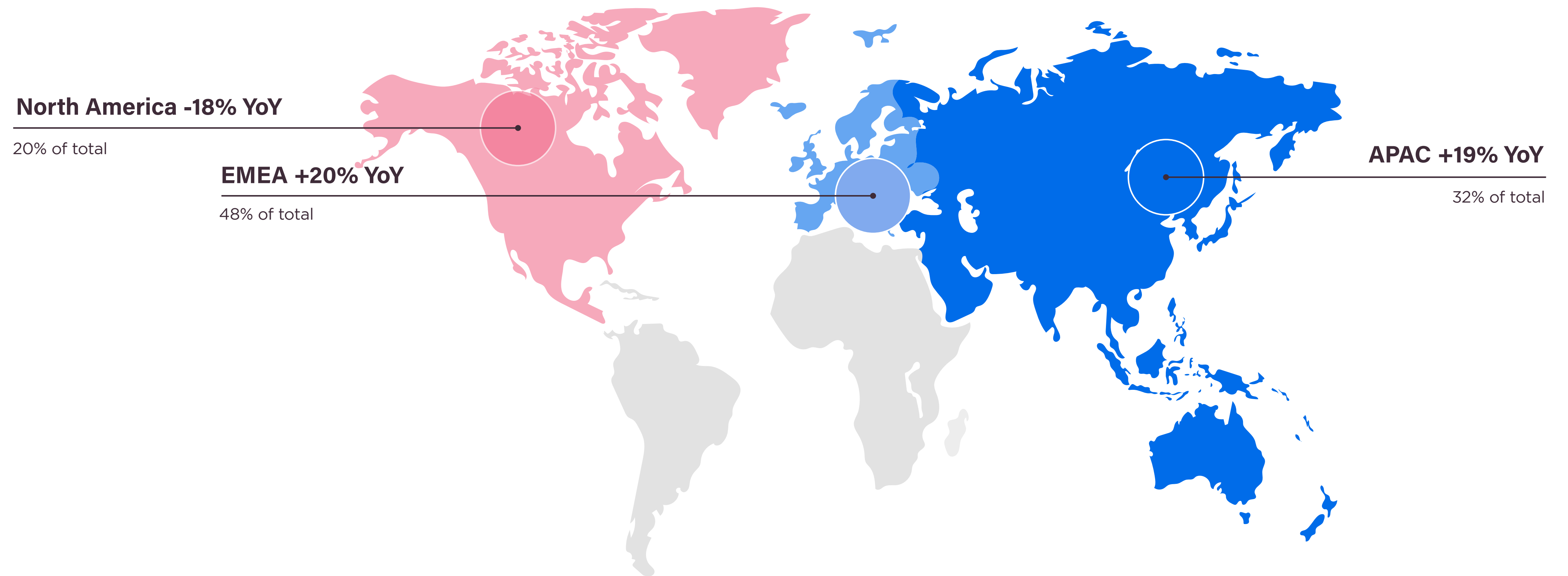
5% decrease in
Q3-23 vs. Q3-22
Gross profit

CAD in million	Three months ended September 30, 2023	Three months ended September 30, 2022	YoY
Revenues	8.2	7.5	+10%
Cost of revenues	4.9	4.1	
Gross profit	3.3	3.4	-5%
RnD	0.3	0.5	
SG&A	3	2.5	
Operating profit (loss)	-	0.4	
Finance expenses	0.2	0.7	
Finance income	-	-	
Profit (loss) before taxes on income	(0.2)	(0.3)	
Tax expenses	-	-	
Total Comprehensive Profit (Loss) for the period	(0.2)	(0.3)	

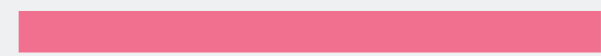
Total Revenues



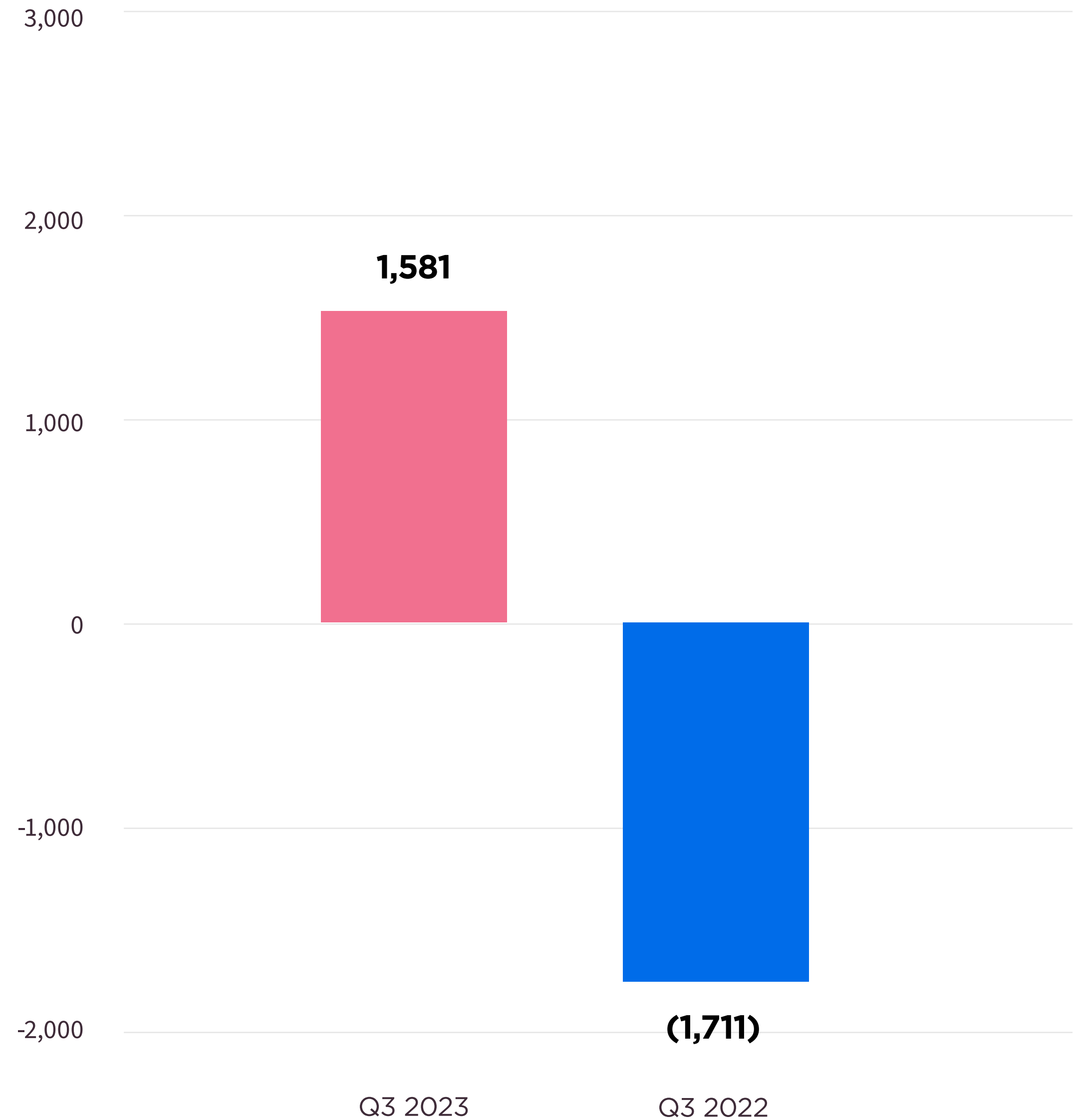
Revenue breakdown



Net cash from (used in) operation activities



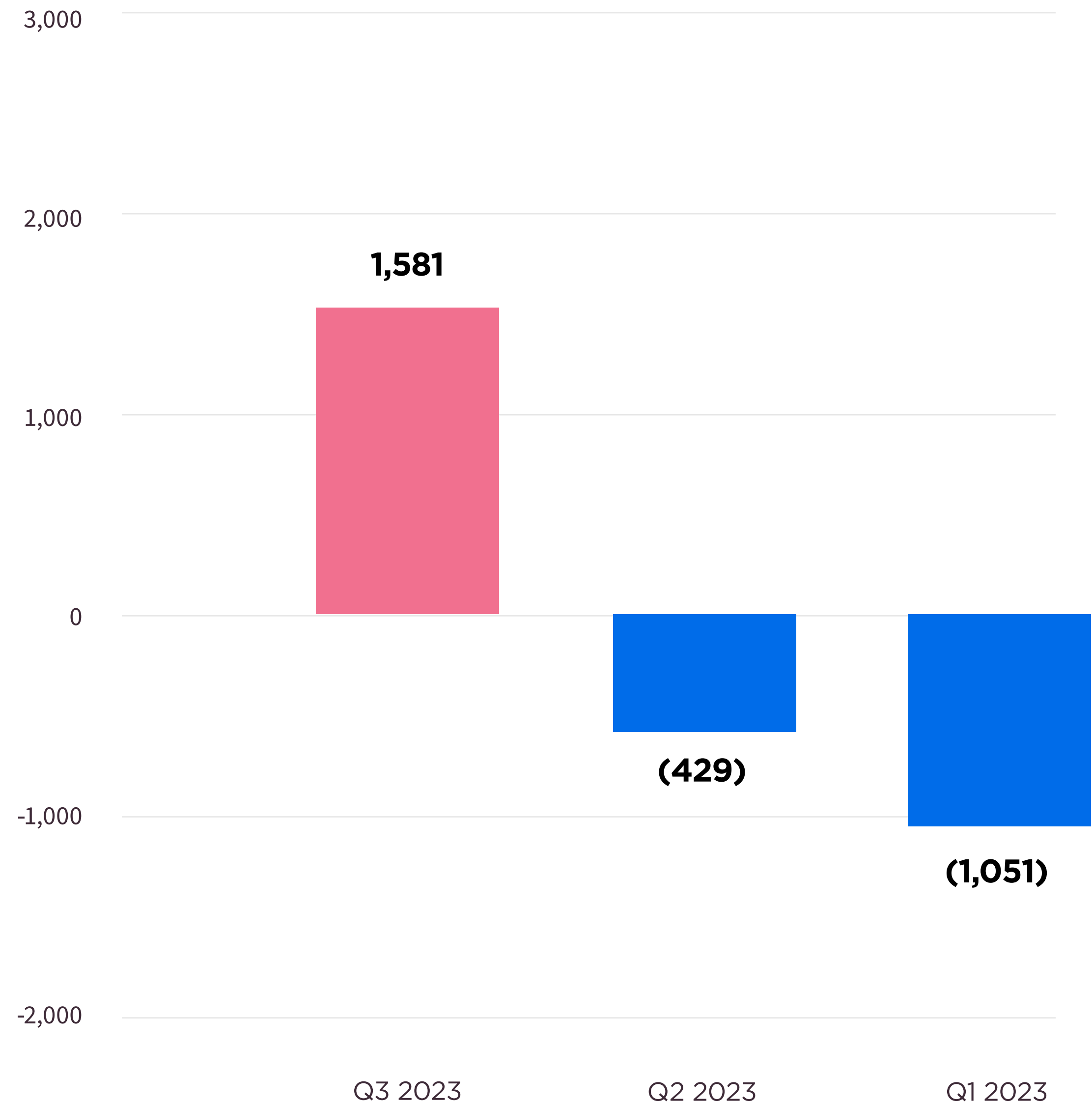
CAD in thousands



Net cash from (used in) operation activities



CAD in thousands



Financial Position - Assets

Adtech total capitalization in the 3 months ended September 30,2023 was 0.19

Edtech total capitalization in the 3 months ended September 30,2023 was 0.14

CAD in million	30.09.2023	31.12.2022
CURRENT ASSETS		
Cash and cash equivalents	7.6	8.8
Trade accounts receivable, net	5.1	6.3
Other accounts receivable	0.5	0.4
Total current assets	13.2	15.5
NON-CURRENT ASSETS		
Property, plant and equipment, net	0.3	0.6
Intangible assets, net	4.3	3.6
Total non-current assets	4.6	4.2
TOTAL ASSETS	17.8	19.7

Financial Position - Liabilities

Debt free

CAD in million

30.09.2023

31.12.2022

CURRENT LIABILITIES	30.09.2023	31.12.2022
Trade accounts payable	4.2	4.8
Other accounts payable	1.2	1.2
Lease liability	0.1	0.3
Total current liabilities	<u>5.5</u>	<u>6.3</u>
NON-CURRENT LIABILITIES	30.09.2023	31.12.2022
Deferred tax liability, net	0.3	0.2
Derivative liability - warrants	0.0	0.0
Total Non-current liabilities	<u>0.3</u>	<u>0.2</u>
Total Equity	12.0	13.2
TOTAL LIABILITIES & EQUITY	17.8	19.7

Adjusted EBITDA

CAD in thousands	Three months ended September 30, 2023	Three months ended September 30, 2022
Operating profit (loss)	-	428
Depreciation and amortization	208	230
Share-based payments	32	76
Total Adjustments	240	306
Adjusted EBITDA	240	734

AdTech activity Adjusted EBITDA was \$350 thousands for the three months ended Septmeber 30, 2023

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Q&A



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Thank You.

For more information visit adcore.com/investors

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