



EQ Inc. Reports Fourth Quarter and Year ended December 31, 2020 Financial Results

Data revenue increases 143% compared to the same period a year ago

TORONTO, ON (April 15, 2021) - EQ Inc. (TSXV: EQ) (“EQ Works” or the “Company”), a leader in geospatial data and artificial intelligence driven software, announced its financial results today for the full year and fourth quarter ended December 31, 2020.

Revenue for the year increased to \$10.4 million, an improvement of 16% from the \$9.0 million recorded in the previous year. Revenue for the fourth quarter of 2020 was \$3.6 million, an increase of 27% from the same period a year ago and an increase of 28% over the third quarter of 2020. Data revenue also increased by 95% annually to \$2.5 million, and by 143% compared to the same period a year ago, as the number and size of data engagements increased over the course of the year. The adjusted EBITDA loss for the quarter was approximately \$0.1 million, consistent with the third quarter of 2020 and the previous year, as the Company continued to invest in infrastructure, unique data assets and its proprietary geospatial platforms.

“We are very pleased with our results for 2020 and especially with the resilience of our data business during what was a very difficult year” said Geoffrey Rotstein, President and CEO of EQ Works. “Our platforms are designed to help businesses understand consumer behavior and make better strategic decisions. As we have seen over the last 12 months, data is becoming an essential component of every business decision and our ability to provide unique solutions continues to gain momentum.”

Highlights for the Fourth Quarter and Year ended December 31, 2020

- Increased annual revenue by 16% year over year;
- Increased quarterly revenue by 27% compared to the fourth quarter of 2019;
- Increased data revenue by 143% compared to the same period last year and by 95% for the fiscal year 2020;
- 7th consecutive quarter of growth in data revenue;
- Acquired Juice Mobile to further strengthen EQ’s data assets and marketing relationships;
- Cash balance at the end of the year was \$3.2 million with positive net working capital of \$2.6 million;
- Increased its operating line of credit with one of Canada’s major banks to \$1.6 million; and
- Subsequent to the end of the year, the Company completed an equity financing for an additional \$11.5 million.



The Company continued to show growth from its data division. A continued focus on driving business results from data, analytics, artificial intelligence, predictive modelling and machine learning has continued to generate interest and demand for the Company's products.

Non-IFRS Financial Measures

EQ Works measures the success of the Company's strategies and performance based on Adjusted EBITDA, which is outlined and reconciled with net income (loss) in the section entitled "Reconciliation of Net Loss for the period to Adjusted EBITDA" in the MD&A. The Company defines Adjusted EBITDA as net income (loss) from operations before: (a) depreciation of property and equipment and amortization of intangible assets, (b) share-based payments, (c) finance income and costs, net, and (d) depreciation of right-of-use assets (e) additional contingent consideration (f) transaction costs of acquisition (g) impairment of goodwill and intangible assets. Management uses Adjusted EBITDA as a measure of the Company's operating performance because it provides information on the Company's ability to provide operating cash flows for working capital requirements, capital expenditures, and potential acquisitions. The Company also believes that analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies in its industry.

The non-IFRS financial measure is used in addition to, and in conjunction with, results presented in the Company's consolidated financial statements prepared in accordance with IFRS and should not be relied upon to the exclusion of IFRS financial measures. Management strongly encourages investors to review the Company's consolidated financial statements in their entirety and to not rely on any single financial measure. Because non-IFRS financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-IFRS financial measures having the same or similar names. In addition, the Company expects to continue to incur expenses similar to the non-IFRS adjustments described above, and exclusion of these items from the Company's non-IFRS measures should not be construed as an inference that these costs are unusual, infrequent, or non-recurring.

The table below reconciles net loss from operations and Adjusted EBITDA for the periods presented:

Adjusted EBITDA for three and twelve months ended December 31, 2020 and 2019

(In thousands of Canadian dollars)	Three months ended December 31,		Twelve months ended December 31,	
	2020	2019	2020	2019
Net loss	(1,199)	(760)	(3,427)	(1,914)
Add:				
Finance costs, net	114	218	496	532
Depreciation of property and equipment	18	14	71	54
Depreciation of right-of-use asset	18	(51)	70	76
Amortization of intangible asset	75	11	228	44
Transaction costs of acquisition	9	-	32	-
Share-based payments	268	68	678	155
Impairment of goodwill and intangible assets	655	-	655	-
Additional contingent consideration	(85)	406	(85)	406
Adjusted EBITDA	(127)	(94)	(1,282)	(647)

About EQ Works

EQ Works (www.eqworks.com) enables businesses to understand, predict, and influence customer behaviour. Using unique data sets, advanced analytics, machine learning and artificial intelligence, EQ Works creates actionable intelligence for businesses to attract, retain, and grow the customers that matter most. The Company's proprietary SaaS platform mines insights from movement and geospatial data, enabling businesses to close the loop between digital and real-world consumer actions.

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Neither the TSX-V nor its Regulation Services Provider (as that term is defined in policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

Certain statements contained in this press release constitute “forward-looking statements”. All statements other than statements of historical fact contained in this press release, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “plan”, “continue”, “will”, “may”, “would”, “anticipate”, “estimate”, “forecast”, “predict”, “project”, “seek”, “should” or similar expressions, or the negative thereof, are forward-looking statements. These statements are not historical facts but instead



represent only the Company's expectations, estimates, and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks, and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied, or forecasted in such forward-looking statements. Additional factors that could cause actual results, performance, or achievements to differ materially include, but are not limited to, the risk factors discussed in the Company's MD&A for the year ended December 31, 2020. Management provides forward-looking statements because it believes they provide useful information to investors when considering their investment objectives but cautions investors not to place undue reliance on forward-looking information. Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and any other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligation to update or revise them to reflect subsequent information, events, or circumstances or otherwise, except as required by law.

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