



EQ Inc. Reports Second Quarter Financial Results

Revenue increases 71% for the quarter and 74% year over year

TORONTO, ON (August 19, 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 second quarter ended June 30, 2021.

Revenue for the second quarter of over \$3.0 million, was an increase of 71% from the previous quarter, an increase of 74% when compared to the second quarter of 2020, and the second-best quarter in the last eight years. This revenue growth was the result of new data engagements, as well as the Company's continued focus on key verticals, including financial services, insurance, automotive and retail. Data revenue for the quarter increased by 85% compared to the same period a year ago and 66% sequentially, as demand continued to increase for proprietary data solutions.

The Company experienced growth in both its data and advertising divisions as demand for data and analytics, artificial intelligence, machine learning and customer acquisition continued to increase. The Company continued to invest in technology development and recruiting top data science talent which resulted in an adjusted EBITDA loss for the quarter of approximately \$0.5 million, which was an improvement of 22% from the previous quarter.

Highlights for the Second Quarter ended June 30, 2021

- Revenue for the second quarter of over \$3.0 million, was an increase of 71% from the previous quarter and an increase of 74% compared to the second quarter of 2020.
- Data revenue increased by 85% compared to the same period a year ago and 66% sequentially.
- Cash balance at the end of the quarter was \$12.7 million and net working capital was \$13.4 million.
- Subsequent to quarter end, the Company acquired Integrated Rewards Inc. and their branded Paymi application ("Paymi"). Paymi adds a new consumer line of business to the Company that will generate incremental revenue and provide a new proprietary and powerful first-party data set to the LOCUS platform.

"I am very pleased with our progress this quarter and excited about our continued momentum as we push into the second half of the year" said Geoffrey Rotstein, President and CEO of EQ Works. "The acquisition of Paymi is also an important step forward for EQ and our data strategy. Our focus on zero-party data and providing our clients with



unique and impactful insights into their business is enhanced significantly with this acquisition. As companies continue to understand the importance of data and the results we can generate, our proprietary platforms continue to be in demand and the market continues to grow.”

Subsequent to quarter-end, the Company granted 192,500 stock options to employees and consultants of the Company. These stock options are exercisable at CDN \$1.40 per stock option and will expire on August 19, 2026. These stock options vest over a period of thirty-six months following the grant date and are governed by the terms and conditions of the Company's stock options plan. Following this grant of stock options, the Company has a total of 3,942,667 stock options outstanding representing approximately 5.8% of the outstanding common shares of the Company.

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, (d) depreciation of right-of-use assets, and (e) transaction costs of acquisition. 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

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 ability to adjust to customer needs in light of COVID-19, the delivery of acceleration notices to the holders



of Warrants and the exercise of the Warrants by holders, 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 three and six months ended June 30, 2021. 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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