AcuityAds Reports 2016 Year End and Fourth Quarter Financial Results

2016 Revenue Increases 91% to $39.6M and Adjusted EBITDA Improves to $3.0M

TORONTO and NEW YORK – March 7, 2017 – AcuityAds Holdings Inc. (TSXV:AT, OTCQB:ACUIF) ("AcuityAds" or "Company"), a technology leader that enables advertisers to connect intelligently with audiences across video, mobile, social and online display advertising campaigns, today announced its audited financial results for the fourth quarter and full year ended December 31, 2016.

"2016 was an extraordinary year for AcuityAds where we delivered on every significant milestone that we outlined at the beginning of the year," stated Tal Hayek, CEO of AcuityAds. "The Company achieved record revenues of $39.6 million, and delivered $3.0 million in Adjusted EBITDA, which represented a $4.4 million improvement from the previous year. In addition to the launch of our European operations, we successfully completed our first acquisition in September 2016 of 140 Proof, Inc., and have substantially completed the integration of this entity into our existing operations."

"We remain optimistic regarding 2017 as we continue with our aggressive organic growth strategy with particular emphasis on our SaaS-based Self-Serve offering," Mr. Hayek commented. "Lastly, we remain focused on our active pursuit of synergistic acquisitions that strategically fit our vision and that will continue to foster our long-term growth in both revenue and profitability."

Fourth Quarter Financial Highlights

- Historically, the fourth quarter has been seasonally strong for the Company. Revenue for Q4 2016 increased 144% to $18,521,250, compared to $7,591,957 in Q4 2015.
- AcuityAds grew its Self-Serve partner base by adding 36 new platform partners in Q4 2016. Total Partners of the Company's SaaS-based Self-Serve programmatic platform now stands at 161 compared to 64 at the end of Q4 2015.
- SaaS-based Self-Serve revenue for Q4 2016 increased 153% to $9,267,824, compared to $3,658,461 in Q4 2015 and represented 50% of overall revenue compared to 48% in the same period last year.
- US revenue for Q4 2016 increased by 198% to $8,389,406 compared to $2,811,258 in Q4 2015.
- Revenue less media costs (gross margin) remained strong at 50% for Q4 2016 compared to 46% in Q4, 2015.
- The Company posted Adjusted EBITDA of $2,315,835 in Q4 2016 compared to an Adjusted EBITDA of $261,506 in Q4 2015, an increase of 786%.
- Comprehensive income for Q4 2016 was $558,045 compared to a loss of ($784,733) in Q4 2015.

2016 Financial Highlights

- Total revenue for the twelve months ended December 31, 2016 was $39,601,724 compared to $20,693,644 for the same period in 2015, representing growth of 91% year over year.
- SaaS-based Self-Serve revenue for the twelve months ended December 31, 2016 was $18,659,941 compared to $7,200,177 for the same period in 2015, representing growth of 159%.
- For the twelve months ended December 31, 2016, US revenue totalled $15,926,375 compared to $6,845,413 for the same period in 2015, representing growth of 132%.
- Revenue from Europe, Middle East and Africa clients for the year ending December 31, 2016 totalled $12,532,762 compared to $2,997,268, representing a 318% increase.
- Revenue less media costs (gross margin) remained strong at 50% for the year compared to 49% for 2015.
- Total Selling, General and R&D Expenses for the twelve months ended December 31, 2016 were $17,142,739 compared to $11,662,175 for 2015, a 47% increase.
- Adjusted EBITDA for the twelve months ended December 31, 2016 increased to $2,989,371 compared to an Adjusted EBITDA loss of ($1,442,669) for the same period in 2015.
- Comprehensive (loss) for the twelve months ended December 31, 2016 was ($869,516) compared to ($3,912,642) for the same period in 2015.
- As at December 31, 2016, the Company's cash and restricted cash balance was $7,396,408 compared to $2,478,067 at the end of Q3 2016.

Awards and Recognition

- In Q4, the Company was recognized for the 3rd year in a row as one of the fastest growing technology companies in North America in the Deloitte Fast 50™ and Deloitte Fast 500™ programs for 2016.
- In Q4, The Canadian Innovation Exchange (CIX), a program designed to showcase Canada's hottest and most innovative public technologies, ranked AcuityAds in the top 20 public Canadian technology companies.

About AcuityAds:

AcuityAds is a technology company that enables marketers to connect intelligently with their most meaningful audiences through digital media. A Self-Serve programmatic marketing platform, powered by proprietary machine learning technology, is at the core of its business, accompanied by a patented solution for mobile targeting that leverages social data. AcuityAds empowers marketers by offering transparency on costs and brand safety, and real-time reporting and analytics, bringing accountability to programmatic advertising to deliver business results.

AcuityAds is headquartered in Toronto, Canada with sales offices in New York City, Boston, Chicago, Los Angeles, San Francisco, San Diego, Vancouver, Calgary and Montreal and London. For more information, visit AcuityAds.com.

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Certain statements included herein constitute “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Investors are cautioned not to put undue reliance on forward-looking statements. Except as required by law, AcuityAds does not intend, and undertakes no obligation, to update any forward-looking statements to reflect, in particular, new information or future events.*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*