



AcuityAds Reports First Quarter 2017 Financial Results

Revenue Increased 122% to \$11.5M with Positive Adjusted EBITDA

TORONTO and NEW YORK – May 9, 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 financial results for the first quarter of 2017.

“We are delighted with both the revenue increase and positive EBITDA we were able to deliver in what is typically the weakest period of the year for the advertising industry,” stated Tal Hayek, CEO of AcuityAds. “Q1 was extremely busy for the Company as we announced the closing of the acquisition of Visible Measures, the concurrent \$11.7M bought deal financing and securing a revised \$10.0M USD debt facility from Silicon Valley Bank. Also during the quarter, considerable effort was spent developing our strategies on the Visible Measures acquisition including the identification and execution of cost and revenue synergies which have been substantially completed as we entered Q2.”

First Quarter Financial Highlights:

- Total revenue for Q1 2017 increased 122% to \$11,526,767, compared to \$5,202,647 in Q1 2016. The acquisition of Visible Measures closed on March 31, 2017 and therefore, no revenue from this acquisition has been recorded in the period.
- AcuityAds grew its Self-Serve partner base by adding 32 new platform partners in Q1 2017. Total Partners of the Company’s SaaS-based Self-Serve programmatic platform now stands at 193 compared to 78 at the end of Q1 2016.
- Self-Serve revenue for Q1 2017 increased 137% to \$6,307,752, compared to \$2,660,481 in Q1 2016 and represented 55% of overall revenue compared to 51% in the same period last year.
- US revenue for Q1 2017 increased 276% to \$4,749,485 compared to \$1,264,826 in Q1 2016.
- EMEA revenue for Q1 2017 increased 235% to \$4,554,531 compared to \$1,358,085 in Q1 2016.
- Revenue less media costs (gross margin) remained strong at 49% for Q1 2017 compared to 50% for the three months ended March 31, 2016.
- Total Selling, General and R&D Expenses for Q1 2017 were \$5,496,514 compared to \$2,746,307 for Q1 2016, a 100% increase due to the growth of the Company’s operations and the additional expenses relating to 140 Proof operations and expansion into Europe.
- The Company posted Adjusted EBITDA of \$187,049 in Q1 2017 compared to an Adjusted EBITDA loss of \$81,178 in Q1 2016.
- Comprehensive income (loss) for Q1 2017 was (\$1,245,636) compared to a comprehensive income (loss) of (\$500,991) in Q1 2016. Of the Q1 2017 comprehensive income (loss), \$457,301 was related to the costs of the acquisition of Visible Measures Corp., \$320,615 was related to the depreciation of property and equipment and \$169,247 (nil in Q1 2016) was related to the amortization of Intangible Assets of the acquisition costs of Visible Measures Corp.
- As at March 31, 2017, the Company’s cash and restricted cash balance was \$6,429,246 compared to \$7,396,408 at the end of March 31, 2016. The lower cash balance reflects payments made with respect to the 140 Proof, Inc. earn-out and the recent acquisition of Visible Measures Corp.



Awards, Recognition & Key Events:

- In the Quarter, AcuityAds was named a Top 10 Technology Company on the 2017 TSX Venture 50™ for the 2nd consecutive year.
- In the Quarter, AcuityAds was recognized as the TSXV Tech Stock of the Year at the Cantech Investment Conference 2017.
- In January 2017, AcuityAds released its new ultra-intuitive Self-Serve programmatic marketing platform. The highly anticipated launch of the new platform was conceived with input from a number of AcuityAds' partners to ensure it delivered on their requirements for ease-of-use, transparency, speed and scalability.
- In February 2017, AcuityAds opened its first sales office in the European region based in London, England to focus primarily on establishing new partner relationships for its industry leading Self-Serve programmatic marketing platform with agencies and brands directly.

Other Matters:

- The Company granted an aggregate amount of 292,500 stock options to employees in accordance with the provisions of the Company's Stock Option Plan, subject to approval of the TSX Venture Exchange. Each option entitles the holder to purchase one common share of the Company at an exercise price of \$4.12. The stock options granted are vested annually over 3 years.
- The Company granted 100,000 stock options to Ov2 Securities Inc. who acts as AcuityAds' buy-side M&A advisory firm. A Director of AcuityAds is also a principal of Ov2 Securities Inc. Each option entitles the holder to purchase one common share of the Company at an exercise price of \$4.12. The stock options granted are vested annually over 3 years.
- The Company also issued an aggregate of 10,500 Deferred Share Units ("DSUs") pursuant to the Company's Deferred Share Unit Plan to the Independent Directors of the Company, in lieu of quarterly cash compensation. In addition, an aggregate of 21,275 DSUs were issued to officers and executives of the Company, in lieu of quarterly bonus compensation and for long term incentive compensation.

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 patented solutions for analytics-led video and mobile targeting that leverages social data. AcuityAds empowers marketers by offering transparency on costs and brand safety with 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, Montreal and London, England. For more information, visit AcuityAds.com.

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Disclaimer in regards to Forward-looking Statements

This press release contains “forward looking statements” that reflect the Company’s current expectations, focus on areas of growth, and projections about its future results, which include statements regarding the integration of Visible Measures’ technology into the Company’s media platform and the expected benefits of the Acquisition to the Company including the enhancement of the Company’s value proposition and the ability of the Company to meet the needs of global digital marketers. When used in this press release, forward looking statements can be identified by the use of words such as “may”, or by such words as “will”, “intend”, “believe”, “estimate”, “consider”, “expect”, “anticipate”, and “objective” and similar expressions or variations of such words. Forward looking statements are, by their nature, not guarantees of the Company’s future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward looking statements. No representation or warranty is intended with respect to anticipated future results, or that estimates or projections will be sustained.

In developing the forward-looking statements in the press release, the Company has applied several material assumptions, including the availability of financing on reasonable terms, the Company’s ability and general business and economic conditions. Many risks, uncertainties and other factors could cause the actual results of the Company to differ materially from the results, performance, achievements or developments expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to the following: overall economic conditions, rapid technological changes, use of cookies, demand for the company’s product, the introduction of competing technologies, competitive pressures, network restrictions, fluctuations in foreign currency exchange rates, and other similar factors that may cause the actual results, performance or achievements to differ materially from those expressed or implied in these forward-looking statements.

Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date of the press release or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties elsewhere in this press release, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements contained in the press release are expressly qualified in their entirety by this cautionary statement.

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.