AcuityAds Reports 2017 Year End and Fourth Quarter Financial Results

2017 Revenue Increased 48% to $58.5M

TORONTO and NEW YORK – March 6, 2018 – AcuityAds Holdings Inc. (TSXV:AT) ("AcuityAds" or "Company"), a technology leader that provides targeted digital media solutions by leveraging its proprietary AI technology to enable advertisers to connect intelligently with audiences across video, mobile, social and online display advertising campaigns, today announced its audited financial results for the full year and fourth quarter ended December 31, 2017.

"Overall, 2017 was another growth year for AcuityAds where we achieved revenue growth of 48% to $58.5 million," stated Tal Hayek, CEO of AcuityAds. "Despite the revenue challenges we experienced in EMEA, we are pleased with the strong growth from our US business units."

2017 Financial Highlights

- Total revenue for the twelve months ended December 31, 2017 was $58,459,481 compared to $39,601,724 for the same period in 2016, representing growth of 48% year over year.
- US revenue for the twelve months ended December 31, 2017 increased by 122% to $35,312,302 compared to $15,926,375 in fiscal year 2016.
- Self-Serve revenue from North America for the twelve months ended December 31, 2017 increased 32% to $6,697,981 compared to $5,069,014 for the same period in 2016.
- The Company posted Adjusted EBITDA of $3,502,936 for the twelve months ended December 31, 2017 compared to Adjusted EBITDA of $2,989,371 in the prior year. Adjusted EBITDA was positively affected by a one-time, non-recurring gain on earn out liability relating to the acquisition of 140 Proof in Q3 2017 of $3,316,080.
- Net and comprehensive loss for the twelve months ended December 31, 2017 was $5,728,829 primarily due to $6,633,066 of non-cash items such as depreciation and amortization, share-based compensation and impairment loss on intangible assets.

Fourth Quarter Financial Highlights

- Q4 2017 revenue was down $3,377,988 to $15,143,262 from $18,521,250 in Q4 2016. The decline in revenue was primarily attributed to a $6,284,728 decline in the Company's Self-Serve revenue from its EMEA region, which was in turn partially offset by a $2,761,649 revenue increase from its US business units. This is in line with the Company's second half reduced revenue guidance provided in September, when it announced the removal of certain EMEA partners from its ecosystem.
- AcuityAds grew its Self-Serve partner base by adding 18 new platform partners in Q4 2017.
- The number of Self-Serve partners that spent greater than $5,000 in the quarter totaled 30 compared to 28 in Q4 2016. The increase is a very positive sign despite the removal of certain Self-Serve partners in Q3 2017 as previously announced.
- Revenue less media costs (gross margin) was 51% for Q4 2017 compared to 50% for the three months ended December 31, 2016.

- The Company posted Adjusted EBITDA of $650,099 in Q4 2017. Net and comprehensive loss for Q4 2017 was $1,728,628.
- As at December 31, 2017, the Company's cash and restricted cash balance was $4,942,880.

Other Items

- In Q4, the Company was recognized for the 4th year in a row as one of the fastest growing technology companies in North America in the Deloitte Fast 500™ program for 2017.

- The Company issued an aggregate of 57,450 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 17,200 DSUs were issued to officers and executives of the Company for long term incentive compensation.

- The Company announced that it had retained Crescendo Communications, LLC ("Crescendo") to develop and implement a strategic corporate communications program to increase the Company's exposure among industry stakeholders and investors across the United States. In connection with the engagement (the "Agreement"), Crescendo has been awarded a consulting contract for a monthly fee of USD $5,000. In addition, Crescendo will be granted 2,500 stock options per month, subject to approval by the Company's Board of Directors. The Company has the option to terminate the agreement at any time subject to providing a 30-day notice.

Q4 2017 Conference Call Details

Date: Wednesday, March 7th, 2018
Time: 9:00 AM Eastern Time
Participant Dial-in Numbers:
Local: (+1) 416-764-8609
Toll Free: (+1) 888-390-0605
Conference ID: 36973076

Recording Playback Numbers:
Local: (+1) 416-764-8677
Toll Free: (+1) 888-390-0541
Passcode: 973076 #
Expiry Date: Wednesday, March 14th, 2018 11:59 PM

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 offices across North America including New York City, Boston, Chicago, Las Vegas, Los Angeles, San Francisco, Vancouver, Calgary and Montreal. For more information, visit www.AcuityAds.com.

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Disclaimer in regards to Forward-looking Statements

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 the 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.