



AcuityAds Reports Record Second Quarter 2019 Results

- **Generated \$25.8 million in Revenue and \$1.1 million in Adjusted EBITDA; Achieves Major Milestone of Surpassing \$100 million in TTM Revenue**

TORONTO and NEW YORK – August 14th, 2019 – AcuityAds Holdings Inc. (TSX:AT) (“AcuityAds” or “Company”), a technology leader that provides targeted digital media solutions enabling advertisers to connect intelligently with audiences across digital advertising campaigns, today announced its financial results for the second quarter ended June 30, 2019.

“We are extremely pleased with our financial results for the quarter and are excited for what we expect to be a very strong second half of the year,” said Tal Hayek, Chief Executive Officer of AcuityAds. “I am also proud to announce that the Company has achieved a major milestone of surpassing \$100 million in revenue on a trailing twelve-month basis. I believe that achieving this milestone places AcuityAds in a very select and elite group of Canadian software companies. Furthermore, as we have now achieved this scale, management is turning significant attention to improving profitability as well continued growth going forward.”

Mr. Hayek continued, “The investments we continue to make in our technology and new product innovation are realizing significant returns for the company and our customers. As previously reported, the newest version of our AI technology continues to achieve better results, resulting in higher margins as it is released into a greater number of our overall client campaigns. In addition, we are very excited with the new offerings that our Product Innovation Team has in the works that we believe will significantly enhance Acuity’s market position in the growing digital advertising industry.”

Second Quarter 2019 Highlights

- Total revenue for the three months ended June 30, 2019 was \$25.8 million compared to \$12.0 million for the same period in 2018, an increase of 116%. Total revenue for the six months ended June 30, 2019 was \$53.7m compared to \$20.0 million for the same period in 2018, an increase of 169%. Total trailing twelve-month revenues are \$103.9 million for the period ending June 30, 2019.
- Revenue less media costs margin was 48% for Q2 2019 compared to 53% for Q2 2018 and up sequentially from 45% in Q1 2019.
- Total Self-Serve revenue for the three months ended June 30, 2019 increased 94% to \$7.1 million, compared to \$3.6 million for the same period in 2018. Total Self-Serve revenue for the six months ended June 30, 2019 increased 115% to \$13.4 million compared to \$6.2 million for the same period in 2018.
- The Company’s Adjusted EBITDA was \$1.1 million for the three months ended June 30, 2019 compared to an Adjusted EBITDA of \$0.4 million for the same period in 2018. Adjusted EBITDA for the six months ended June 30, 2019 was \$2.1 million compared to an Adjusted EBITDA loss of \$1.6 million for the same period in 2018.



- Net loss for the three months ended June 30, 2019 was \$3.5 million compared to a net loss of \$2.0 million for the same period in 2018. The 2019 and 2018 net loss includes \$2.8 million and \$1.2 million respectively in non-cash items including depreciation and amortization, share-based compensation and foreign exchange loss.
- Net loss for the six months ended June 30, 2019 was \$6.2 million compared to \$5.4 million for the same period in 2018. The 2019 and 2018 net loss includes \$5.1 million and \$2.2 million respectively in non-cash items as described above.
- As at June 30, 2019 the Company's cash and restricted cash balance was \$5.2 million. In addition, the Company significantly improved its overall working capital position since the end of Q1 2019.
- During the three months ended June 30, 2019, the Company paid its earn-out obligation associated with the Magnetic Media acquisition of \$3 million and reduced long-term and international debt by approximately \$1 million.

The following table presents a reconciliation of Net (Loss) to Adjusted EBITDA for the periods ended:

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Net income (loss) for the period	\$(3,461,394)	\$(2,034,140)	\$(6,242,245)	\$(5,405,073)
Adjustments:				
Finance costs	766,564	516,308	1,375,573	844,252
Foreign exchange (gain) loss	380,291	49,785	590,205	(257,412)
Depreciation and amortization	1,840,345	916,346	3,648,143	1,767,220
Income taxes	52,433	7,148	121,974	18,701
Share-based compensation	578,386	256,163	836,783	675,790
Acquisition integration costs	481,477	513,454	1,289,920	513,454
Other non-recurring expenses	195,862	-	195,862	-
Severance expenses	238,362	192,771	272,735	275,496
Total adjustments	4,533,720	2,451,975	8,331,195	3,837,501
Adjusted EBITDA	\$ 1,072,326	\$ 417,835	\$ 2,088,550	\$(1,567,572)

Conference Call Details:

The Company will be holding a conference call to discuss the second quarter 2019 financial results on Thursday August 15, 2019 at 9 am Eastern.

Date: Thursday August 15, 2019

Time: 9:00 AM Eastern Time

Participant Dial-in Numbers:

Local – (+1) 416 764 8609

Toll Free – (+1) 888 390 0605

Conference ID: 31773512

**Recording Playback Numbers:**

Local – (+1) 416 764 8677

Toll Free – (+1) 888 390 0541

Passcode: 773512

Expiry Date: Thursday, August 22, 2019

Non-IFRS Measures

This press release makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including "revenue less media costs margin" and "Adjusted EBITDA" (as well as other measures discussed elsewhere in this press release).

The term "revenue less media costs margin" refers to the amount that "revenue less media costs" represents as a percentage of total revenue for a given period, while the term "revenue less media costs" refers to the net amount of revenue after deducting direct media costs. Revenue less media costs is used for internal management purposes as an indicator of the performance of the Company's solution in balancing the goals of delivering excellent results to advertisers while meeting the Company's margin objectives and, accordingly the Company believes it is useful supplemental information to include in this MD&A.

"Adjusted EBITDA" refers to net income (loss) after adjusting for finance costs, income taxes, foreign exchange gain (loss), depreciation and amortization, share-based compensation, acquisition and related integration costs, severance expenses and adjustments to the carrying value of investment tax credits receivable and earnout liabilities. The Company believes that Adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities before taking into consideration how those activities are financed and taxed and also prior to taking into consideration depreciation of property and equipment and certain other items listed above. It is a key measure used by the Company's management and board of directors to understand and evaluate the Company's operating performance, to prepare annual budgets and to help develop operating plans.

These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our business that may not otherwise be apparent when relying solely on IFRS measures. We believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers, and that these non-IFRS measures in particular are relevant to their analysis of the Company.

**About AcuityAds:**

AcuityAds is a leading technology company that provides marketers a powerful and holistic solution for digital advertising across all ad formats and screens to amplify reach and Share of Attention® throughout the customer journey. Via its unique, data-driven insights, real-time analytics and industry-leading activation platform based on proprietary Artificial Intelligence technology, AcuityAds leverages an integrated ecosystem of partners for data, inventory, brand safety and fraud prevention, offering unparalleled, trusted solutions that the most demanding marketers require to be successful in the digital era.

AcuityAds is headquartered in Toronto with offices throughout the U.S., Europe and Latin America. For more information, visit AcuityAds.com.

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.

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