

ADCORE

ADCORE REPORTS RECORD FIRST QUARTER 2019 RESULTS; HIGHLIGHTED BY 288% YOY GROWTH IN ADJUSTED EBITDA

Generated \$3.3 million in Revenue and \$1.3 million in Adjusted EBITDA

TORONTO, ONTARIO – June 4, 2019 – Adcore Inc. (the “**Corporation**”) (TSXV:ADCO) the parent company of Podium Advertising Technologies Ltd. d/b/a ADCORE (“**ADCORE**”), a leading provider of machine-learning powered advertising technologies used by digital advertisers to enhance and maximize their Search Engine Marketing (“**SEM**”), today announced the results of ADCORE’s three month period ended March 31, 2019.

First Quarter 2019 Highlights

- Total revenue was \$3.3 million compared to \$2.4 million for the same period in 2018, an increase of **34%**
- Revenue less media costs (gross margin) was 64% compared to 45% for the same period in 2018, an increase of **42%**
- Adjusted EBITDA (see “**Non-IFRS Measures**”) was \$1.3 million compared to Adjusted EBITDA of \$0.33 million for the same period in 2018, an increase of **288%**
- ADCORE continued to invest in its global sales and marketing team and its industry-leading technology, including the launch of the brand new “Click-to-fix” feature of the SEMDOC² platform
- Total working capital was \$416,000 compared to (\$166,000) for the previous period, an increase of **\$582,000**
- As at March 31, 2019, the Corporation's cash and cash equivalents was **\$1.66** million

"We couldn't have asked for a stronger start to 2019," said Omri Brill, Chief Executive Officer. "The first quarter of 2019 was another record quarter for ADCORE," continued Mr. Brill. "We managed to exceed our projections and deliver strong growth in both top line and bottom line. The first quarter's results have affirmed the Corporation's bullish outlook for 2019."

Subsequent Event

On May 27, 2019, the Corporation announced that it had completed its previously announced acquisition of all of the issued and outstanding securities of ADCORE as County Capital's "Qualifying Transaction" (the "**Transaction**").

Concurrently with the closing of the Transaction, ADCORE also closed its previously announced brokered private placement of subscription receipts at CAD \$0.50 per subscription receipt for gross proceeds of \$2,558,500 (the "**Financing**").

On May 29, 2019, the Corporation began trading on the TSX Venture Exchange (“TSXV”) under the symbol: **ADCO**.

USE OF NON-IFRS MEASURES

Adjusted EBITDA

Management uses Adjusted earnings before interest, income taxes, depreciation and amortization (“**Adjusted EBITDA**”) as a key financial metric to evaluate ADCORE’s operating performance and for

planning and forecasting future business operations. Adjusted EBITDA excludes significant items which are non-operating in nature in order to evaluate ADCORE's core operating performance against prior periods. Adjusted EBITDA is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for net earnings, overall change in cash or liquidity of the business as a whole. Management believes the use of Adjusted EBITDA allows investors and analysts to understand the results of the continuing operations of the Corporation and its subsidiary, by excluding certain items that have a disproportionate impact on ADCORE's results for a particular period. Management's method of determining non-GAAP financial measures are evaluated periodically and may differ from other companies' methods and therefore may not be comparable to those used by other companies.

The following table presents the adjusted EBITDA for the periods ended:

	Three Months ended March 31, 2019	Three Months ended March 31, 2018
	CAD \$ in thousands	
Operating profit for the year	1,152	274
Adjustments:		
Depreciation and Amortization	134	57
Total Adjustments	<u>134</u>	<u>57</u>
Adjusted EBITDA	<u>1,287</u>	<u>331</u>

ADCORE's first quarter 2019 financial statements are available on the Corporation's Sedar profile at www.sedar.com. All amounts are in USD and are based on ADCORE's condensed interim financial statements for the quarter ending March 31, 2019 and related notes prepared in accordance with International Financial Reporting Standards (IFRS), unless otherwise noted.

Amounts in this press release are in CAD based on the following USD to CAD exchange rates: Q1 2018 - 1.26483, Q4 2018 - 1.32140, Q1 2019 - 1.32917 (source: Bank of Canada).

ABOUT ADCORE

ADCORE is a leading provider of machine-learning powered advertising technologies. ADCORE's suite of solutions empowers digital advertisers with automated solutions to enhance and maximize their Search Engine Marketing ("SEM"). ADCORE's technologies are designed for in-house marketing professionals, freelancers and advertising agencies to scale their SEM activity and maximize their ROI.

By combining extensive industry knowledge and experience with its proprietary artificial intelligence ("AI") engine, ADCORE offers a unique SEM platform. In addition to being named numerous times on Deloitte's Fast 50 Technology list, ADCORE is a certified Google Premier Partner.

ADCORE serves hundreds of clients worldwide including: Digital Marketing Agencies, e-Commerce Businesses, Travel, Financial Technology and Gaming Companies and its strength as an agile and leading player in the industry has led to winning the largest online tender to date in Israel, a \$27 million contract with the Israel Government Advertising Agency.

Established in 2006 and majority-owned by its founder and CEO, Mr. Omri Brill, ADCORE employs over thirty people in its headquarters in Tel Aviv, Israel and satellite offices in Melbourne, Australia and Winnipeg, Manitoba.

For more information about ADCORE, please visit www.adcore.com

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements, including statements about the Corporation. Wherever possible, words such as “may”, “will”, “should”, “could”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “predict” or “potential” or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management’s current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Corporation cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

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