ADCORE

Adcore Reports Record Gross Profit For First Quarter 2024

Robust Gross Profit Increase 13% YoY & Organic Growth Continues Globally

TORONTO, ONTARIO – May 15, 2024 – Adcore Inc. (the “Company” or “Adcore”) (TSX:ADCO) (OTCQX:ADCOF) (FSE:ADQ), a leading e-commerce advertising management and automation platform to leverage digital marketing in an effortless and accessible way (“Effortless Marketing”), today announced its financial results for the three months ended March 31, 2024.

Omri Brill, Adcore Founder and CEO, commented "We are pleased to report a strong performance in the first quarter of 2024, where our focus on operational efficiency and strategic growth has clearly borne fruit. Notably, our gross profit surged by 13% to CAD$3.1 million, and our gross margin improved significantly from 40% to 45%, reflecting our commitment to enhancing profitability and delivering value. Furthermore, our Adjusted EBITDA saw an exceptional increase of 196%, demonstrating our ability to translate operational gains into substantial financial outcomes. These achievements are testament to the hard work of our team and our continued dedication to excellence in serving our customers across all markets.” Mr. Brill continued “We see the first quarter as a leading indicator for the remainder of the year, we expect continued strength in our global expansion and further enhancements in operating efficiencies.”

Mr. Brill continued “In addition, we are pleased to announce that we have increased our sales staff globally since the start of the year. Our enhanced operational efficiency and health of our balance sheet has put us in a strong position to rapidly grow the business internally.”

First Quarter Highlights

- Revenue for the three months ended March 31, 2024, was CAD$6.9 million compared to CAD$6.8 million for the three months ended March 31, 2023, a 1% increase.

- Gross profit for the three months ended March 31, 2024, was CAD$3.1 million compared to CAD$2.7 million for the three months ended March 31, 2023, a 13% increase.

- Gross margin for the three months ended March 31, 2024, was 45% compared to 40% for the three months ended March 31, 2023, a 13% increase.

- Adjusted EBITDA for the three months ended March 31, 2024, was CAD$201,000 compared to CAD$68,000, for the three months ended March 31, 2023, a 196% increase.

- North America revenue for the three months ended March 31, 2024, was CAD$2.0 million compared to CAD$1.5 million for the three months ended March 31, 2023, a 30% increase.

- EMEA revenue for the three months ended March 31, 2024, was CAD$2.7 million compared to CAD$3.3 million for the three months ended March 31, 2023, a 18% decrease.

- APAC revenue for the three months ended March 31, 2024, was CAD$2.1 million compared to CAD$1.94 million for the three months ended March 31, 2023, a 8% increase.

- Net cash flow from operating activities for the three months ended March 31, 2024, amounted to CAD$13 thousands, compared to CAD$1,051 thousands used for operating activities for the three months ended March 31, 2023.

- Total accumulated NCIB purchases the company made until 30/04/2024 was 1,969,500 shares at average price of CAD$0.26, totaling CAD$520 thousand, a reduction of 3.1% shares outstanding.

- Working Capital for the three months ended March 31, 2024, was CAD$7.5 million compared to CAD$7.6 million as of December 31, 2023

CONFERENCE CALL AND WEBCAST INFORMATION

The Company will host a conference call and webcast to discuss these results on May 15th at 10AM ET.

To register for the conference call/webcast please click here or visit: https://click.adcore.com/q1-conference-call

The conference call will include a brief statement by management and will focus on answering questions about Adcore's results. Questions regarding results can be sent in advance to invest@adcore.com.

USE OF NON-IFRS MEASURES

The following table reconciles the non-IFRS measure to the most comparable IFRS measure for the three months ended March 31, 2024. This measure does not have any standardized meaning under IFRS and is not a measure of financial performance under IFRS, and therefore, may not be comparable to similar measures presented by other companies.

ADCORE INC.
ADJUSTED EBITDA
(Expressed in CAD thousands)

	Three months ended	
	March 31, 2024 $	March 31, 2023 $
Operating profit	**(168)**	**(245)**
Depreciation and amortization	344	229
Share-based payments	25	84
Other non-recurring items	-	-
Total Adjustments	**369**	**313**
Adjusted EBITDA	**201**	**68**

ADCORE INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in CAD thousands)

	Three months ended	
	March 31, 2024	March 31, 2023
	$	$
Revenues	6,866	6,822
Cost of revenues	3,760	4,079
Gross profit	3,106	2,743
Research and development expenses	612	419
Selling, general and administrative expenses	2,662	2,569
Operating profit (loss)	(168)	(245)
Finance expenses	230	375
Finance income	(30)	(25)
Loss before taxes on income	**(368)**	**(595)**
Tax Expenses	31	14
Net Profit (Loss)	**(399)**	**(609)**
Basic profit per share attributable to shareholders	(0.005)	(0.009)
Diluted profit per share attributable to shareholders	(0.005)	(0.009)

ADCORE INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in CAD thousands)

	March 31, 2024	December 31, 2023
CURRENT ASSETS:		
Cash and cash equivalents	8,009	8,061
Trade accounts receivable, net	4,464	6,094
Other accounts receivable	560	548
Total current assets	**13,033**	**14,703**
NON-CURRENT ASSETS:		
Property, plant and equipment, net	253	264
Intangible assets, net	4,113	4,081
Total non-current assets	**4,366**	**4,345**
Total assets	**17,399**	**19,048**
CURRENT LIABILITIES:		
Trade accounts payable	4,137	4,980
Other accounts payable	1,403	2,152
Lease liability	-	-
Total current liabilities	**5,540**	**7,132**
NON-CURRENT LIABILITIES:		
Accrued severance pay, net	11	11
Deferred tax liability, net	226	190
Derivative liability – warrants	-	-
Total non-current liabilities	**237**	**201**
SHAREHOLDERS’ EQUITY:		
Share capital	11,058	10,782
Additional paid in capital	3,732	3,615
Treasury stocks	(967)	(925)
Actuarial reserve	(97)	(95)
Retained earnings	(2,104)	(1,662)
Total Equity	**11,622**	**11,715**
TOTAL LIABILITIES AND EQUITY	**17,399**	**19,048**

ABOUT ADCORE

Adcore is a leading AI-powered marketing technology company.

By combining extensive industry knowledge and experience with its proprietary artificial intelligence (AI) powered technology, Adcore offers a unique digital marketing solution that empowers entrepreneurs and advertisers by managing and automating their e-commerce store advertising and monitoring and analyzing the performance of their advertising budget to ensure maximum Return on Investment. Adcore is a certified Google Premier Partner, Elite Tier Microsoft Partner, Facebook Partner, Verified Amazon Partner, and TikTok Partner.

Established in 2006, the Company employs over fifty people in its headquarters in Tel Aviv, Israel and satellite offices in Toronto, Canada, Melbourne, Australia, Hong Kong and Shanghai, China.

For more information about Adcore, please visit https://www.adcore.com/investors/, https://www.adcore.com/blog or follow us on LinkedIn.

FORWARD-LOOKING STATEMENTS

This press release contains or may contain certain forward-looking statements, including statements about the Company. 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 Company 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 Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

For further information please contact:

ADCORE INC.

https://www.adcore.com/investors/

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