ADCORE

Adcore Reports Third Quarter 2024 Financial Results

Continued Gross Margin Improvement, Double Digit Growth in Both North America & APAC

TORONTO, ONTARIO – November 14th, 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 September 30, 2024.

Omri Brill, Adcore Founder and CEO, commented "We are thrilled to report another strong quarter of growth and momentum across Adcore's global markets. Our 27% revenue growth in North America and 26% in APAC underscore the effectiveness of our strategic focus on expanding into key regions. We are particularly proud of the significant improvement in our gross profit, which reached CAD$3.7 million, up 12% from last year and the increase in gross margins to 47%, a clear reflection of our commitment to operational efficiency and sustainable growth."

Mr. Brill continued, "Our adjusted EBITDA also saw a positive increase, rising to CAD$282 thousand for Q3 2024, showcasing our disciplined approach to profitability and financial stability. Looking ahead, we remain committed to our four strategic pillars-leveraging Technology & AI, embracing Low Touch DIY solutions, creating Synergies, and expanding into Enterprise & Aggregators. These focus areas will continue to drive long-term value for our clients, stakeholders, and the broader Adcore community as we work to set new standards in digital advertising."

Third Quarter Highlights

- Revenue for the three months ended September 30, 2024, was CAD$7.8 million compared to CAD$8.2 million for the three months ended September 30, 2023, a 5% decrease.

- Gross profit for the three months ended September 30, 2024, was CAD$3.7 million compared to CAD$3.3 million for the three months ended September 30, 2023, a 12% increase.

- Gross margin for the three months ended September 30, 2024, was 47% compared to 40% for the three months ended September 30, 2023.

- Adjusted EBITDA for the three months ended September 30, 2024, was CAD$282,000 compared to CAD$240,000, for the three months ended September 30, 2023.

- North America revenue for the three months ended September 30, 2024, was CAD$2.1 million compared to $1.65 million for the three months ended September 30, 2023, a 27% increase.

- EMEA revenue for the three months ended September 30, 2024, was CAD$2.4 million compared to CAD$3.91 million for the three months ended September 30, 2023, a 39% decrease.

- APAC revenue for the three months ended September 30, 2024, was CAD$3.35 million compared to $2.66 million for the three months ended September 30, 2023, a 26% increase.

- Net cash flow used in operating activities for the three months ended September 30, 2024, amounted to CAD$488 thousands, compared to cash generated from operating activities in the amount of CAD$90 thousands for the three months ended September 30, 2023.

- Working Capital for the three months ended September 30, 2024, was CAD$6.2 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 November 14th at 10AM ET.

To register for the conference call/webcast please click here or visit: https://investors.adcore.com/Q3-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 September 30, 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	
		September 30, 2024	**September 30, 2023**
Operating (loss) profit		(122)	-
Depreciation and amortization		388	208
Share-based payments		14	32
Other non-recurring items		2	-
Total Adjustments		404	240
Adjusted EBITDA		282	240

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

	Three Months Ended	
	September 30, 2024	**September 30, 2023**
Revenues	7,844	8,229
Cost of revenues	4,189	4,971
Gross profit	3,655	3,258
Research and development expenses	545	313
Selling, general and administrative expenses	3,232	2,945
Operating profit (loss)	(122)	-
Finance expenses	81	169
Finance income	(29)	(5)
Loss before taxes on income	**(174)**	**(169)**
Tax Expenses (income)	(2)	26
Net Profit (Loss)	**(172)**	**(189)**
Basic profit per share attributable to shareholders	(0.003)	(0.003)
Diluted profit per share attributable to shareholders	**(0.003)**	**(0.003)**

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

	September 30, 2024	**December 31, 2023**
	CAD$ in thousands	
CURRENT ASSETS:		
Cash and cash equivalents	6,713	8,061
Trade accounts receivable, net	5,576	6,094
Other accounts receivable	444	548
Total current assets	**12,733**	**14,703**
NON-CURRENT ASSETS:		
Property, plant and equipment, net	1,279	264
Intangible assets, net	3,949	4,081
Total non-current assets	**5,228**	**4,345**
Total assets	**17,961**	**19,048**
CURRENT LIABILITIES:		
Trade accounts payable	3,722	4,980
Other accounts payable	2,619	2,152
Lease liability	172	-
Total current liabilities	**6,513**	**7,132**
NON-CURRENT LIABILITIES:		
Accrued severance pay, net	11	11
Deferred tax liability, net	-	190
Lease liability	677	-

Total non-current liabilities	**688**	**201**
SHAREHOLDERS' EQUITY:		
Share capital	11,029	10,782
Additional paid in capital	3,751	3,615
Treasury stocks	(978)	(925)
Actuarial reserve	(97)	(95)
Retained earnings	(2,945)	(1,662)
Total Equity	**10,760**	**11,715**
TOTAL LIABILITIES AND EQUITY	**17,961**	**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/

Nick Campbell, CFA	Martijn van den Bemd
Investor Relations	Chief Partnerships Officer
Telephone: 905-630-0148	Telephone: 647-497-5337
Email: nickc@adcore.com	Email: martijn@adcore.com