ADCORE INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

UNAUDITED

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ADCORE INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at March 31, 2025	As at December 31, 2024
		US $ in thousands	
CURRENT ASSETS:			
Cash and cash equivalents	3	7,390	7,502
Trade accounts receivable, net		2,793	4,556
Other accounts receivable		376	434
Total current assets		10,559	12,492
NON-CURRENT ASSETS:			
Property, plant and equipment, net		874	907
Intangible assets, net		2,865	2,873
Total non-current assets		3,739	3,780
TOTAL ASSETS		14,298	16,272
CURRENT LIABILITIES:			
Trade accounts payable		3,977	5,665
Other accounts payable		1,511	1,634
Lease liability		136	139
Total current liabilities		5,624	7,438
NON-CURRENT LIABILITIES:			
Accrued severance pay, net		7	7
Deferred tax liability, net		-	-
Lease liability		443	465
Total non-current liabilities		450	472
SHAREHOLDERS' EQUITY:	4		
Share capital		*	*
Additional paid in capital		10,960	10,957
Treasury shares		(724)	(724)
Actuarial reserve		(71)	(71)
Retained earnings (loss)		(1,941)	(1,800)
Total Equity		8,224	8,362
TOTAL LIABILITIES AND EQUITY		14,298	16,272

* Represents an amount lower than $ 1 thousand.

"Omri Brill"	"Roy Nevo"	May 14, 2025
Omri Brill Director	Roy Nevo Director	Date of approval of the financial statements

ADCORE INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Three months period ended March 31, 2025	Three months period ended March 31, 2024
		US $ in thousands (except for per share amounts)	
Revenues	5	4,886	5,071
Cost of revenues		2,737	2,777
Gross profit		**2,149**	**2,294**
Research and development expenses		396	452
Selling, general and administrative expenses		1,930	1,966
Operating loss		**(177)**	**(124)**
Finance expenses		81	170
Finance income		(118)	(22)
Loss before taxes on income		**(140)**	**(272)**
Tax expenses		1	23
Total comprehensive loss for the period		**(141)**	**(295)**
Basic and diluted loss per share attributable to shareholders		(0.002)	(0.005)
Weighted average number of shares outstanding		60,524,317	60,324,211

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the three months period ended March 31, 2025:

	Number of Shares	Share capital	Additional paid in capital	Treasury shares	Actuarial reserve	Retained earnings	Total Shareholders' equity
		$ In thousands					
Balance at January 1, 2025	60,498,119	*	10,957	(724)	(71)	(1,800)	8,362
Changes during the period:							
Share-based compensation	-	-	1	-	-	-	1
Exercise of Options	10,000	-	2	-	-	-	2
Exercise of RSUs	25,000	-	-	-	-	-	-
Total Comprehensive loss for the period	-	-	-	-	-	(141)	(141)
Balance at March 31, 2025	60,533,119	*	10,960	(724)	(71)	(1,941)	8,224

For the three months period ended March 31, 2024:

	Number of Shares	Share capital	Additional paid in capital	Treasury shares	Actuarial reserve	Retained earnings	Total Shareholders' equity
		$ In thousands					
Balance at January 1, 2024	60,176,710	*	10,905	(701)	(72)	(1,259)	8,873
Changes during the period:							
Share-based compensation	-	-	18	-	-	-	18
Exercise of RSUs	161,959	-	-	-	-	-	-
Repurchase of shares	(79,500)	-	-	(13)	-	-	(13)
Total Comprehensive loss for the period	-	-	-	-	-	(295)	(295)
Balance at March 31, 2024	60,259,169	*	10,923	(714)	(72)	(1,554)	8,583

* Represents an amount lower than $ 1 thousand.

ADCORE INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months period ended March 31, 2025	Three months period ended March 31, 2024
	US $ In thousands	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the period	(141)	(295)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	311	254
Share based compensation	3	18
Decrease in trade accounts receivable	1,763	1,319
Decrease in other accounts receivable	58	2
Increase in deferred tax liability, net	-	23
Decrease in trade accounts payable	(1,698)	(717)
Decrease in other accounts payable	(123)	(594)
Net cash provided by operating activities	**173**	**10**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(2)
Capitalized development cost	(270)	(186)
Net cash used in investing activities	**(270)**	**(188)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury shares	-	(13)
Payments and interest of lease liabilities	(25)	-
Net cash used in financing activities	**(25)**	**(13)**
Exchange rate differences on cash and cash equivalents	10	-
Decrease in cash and cash equivalents	**(112)**	**(191)**
Cash and cash equivalents at beginning of the period	**7,502**	**6,106**
Cash and cash equivalents at the end of the period	**7,390**	**5,915**

NOTE 1 - GENERAL:

Adcore Inc. (the "Company" or "**Adcore**"), a reporting issuer listed on the TSX Venture Exchange trading under the symbol ADCO.TO, The Company's registered address and principal place of business is 100 King Street West, Suite 1600, Toronto, ON M5X 1G5, Canada. Adcore is the parent company of Podium Advertising Technologies Ltd., ("**Podium**") which her registered address and principal place of business is 105 Allenby St, Tel Aviv-Yafo, 52536, Israel, Adcore Australia Pty., ("**Adcore AU**") which her registered address and principal place of business is 101 Moray St, South Melbourne VIC 3205, Australia, Adcore US Inc. ("**Adcore US**") which her registered address and principal place of business is 691 S. Milpitas Blvd, Ste 212, Milpitas, CA 95035, Amphy EdTech Ltd., ("**Amphy**") which her registered address and principal place of business is 105 Allenby St, Tel Aviv-Yafo, 52536, Israel, and Adcore East Limited ("**Adcore East**") 50 Bonham Strand, Sheung Wan, Hong Kong 3806 Central Plaza, 18 Harbour Rd, Wanchai, Hong Kong, which holds Adcore China ("**Adcore CH**"), which her registered address and principal place of business is 22/F Tomson Commercial Building, 710 Dongfang Road, Shanghai, PRC, 200122. Podium was established and commenced its operations in July 2006, and is a leading provider of machine-learning powered advertising technologies used by digital advertisers to enhance and maximize their Search Engine Marketing ("SEM").

On October 7, 2023, an attack was launched against Israel by Hamas (a terror organization) which thrust Israel into a state of war (hereinafter: "The state of war") in Israel and in Gaza strip. The Corporate is continuing with its operations both in Israel and globally, as the state of war had no substantial impact on its operations or business results. The Corporate continues to assess the effects of the state of war on its financial statements and business.

NOTE 2 - MATERIAL ACCOUNTING POLICIES:

The material accounting policies followed in the preparation of the condensed interim financial statements, on a consistent basis, are:

Basis of preparation

These unaudited interim condensed consolidated financial statements of the Corporate are for the three months ended March 31, 2025 are presented in US dollar, which is the presentation and functional currency of the corporate. These unaudited interim condensed consolidated financial statements have been prepared in accordance with the requirements of International Accounting Standard IAS 34 "Interim Financial Reporting". They do not include all the information required in annual financial statements in accordance with IFRS Accounting Standards, and should be read in conjunction with the financial statements of the Corporate for the year ended December 31, 2024.

NOTE 2 - MATERIAL ACCOUNTING POLICIES (CONT.):

These unaudited interim condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the last annual financial statements of the Corporate for the year ended December 31, 2024.

Basis of consolidation

The Financial results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intercompany balances and transactions and any unrealized income and expenses arising from such transactions are eliminated upon consolidation.

Estimates and assumptions

The preparation of the condensed interim financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenues and expenses. These estimates and underlying assumptions are reviewed regularly. Changes in accounting estimates are reported in the period of the change in estimate.

The key assumptions made in the condensed interim financial statements concerning uncertainties at the end of the reporting period and the critical estimates used by the Corporate that may result in a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Future IFRS standards and interpretations issued but not yet effective

The corporate prepares its unaudited interim condensed consolidated financial statements in accordance with IFRS accounting standards. At this time, new standards, interpretations or amendments to existing accounting standards are either not applicable or not expected to have a significant impact on the Corporation’s consolidated financial statements in the current year.

The International Accounting Standards Board (IASB) has issued IFRS 18, which introduces new requirements related to presentation and disclosure for financial statements. The corporate will be assessing the impact of this new standard on its financial reporting.

(US $ in thousands)

NOTE 3 – CASH AND CASH EQUIVALENTS:

The following tables presents cash and cash equivalents by region as of 31.03.2025 and 31.12.2024:

Cash and cash equivalents as of 31.03.2025

	APAC	EMEA	North America	**Total**
Cash	2,882	1,482	376	**4,740**
Deposits	-	1,479	1,171	**2,650**
Total	2,882	2,961	1,547	**7,390**

Cash and cash equivalents as of 31.12.2024

	APAC	EMEA	North America	**Total**
Cash	2,604	1,838	434	**4,876**
Deposits	-	1,461	1,165	**2,626**
Total	2,604	3,299	1,599	**7,502**

(*) APAC – Asia pacific

(**) EMEA – Europe, the Middle East and Africa

NOTE 4 – SHAREHOLDERS' EQUITY:

A. On May 17, 2023, Adcore Inc. announced that the Toronto Stock Exchange has accepted its notice of intention to proceed with the Normal-Course Issuer Bid (the "NCIB"). Pursuant to the notice, Adcore may purchase up to 3,024,452 of its common shares ("Shares"), representing approximately 5% of its issued and outstanding Shares of 60,489,043. The NCIB will be conducted during the twelve month period commencing May 19, 2023 and ending May 18, 2024. Under the NCIB, other than purchases made under block purchase exemptions, Adcore may purchase up to 2,160 Shares on the TSX during any trading day, which represents approximately 25% of 8,640, which represents the average daily trading volume on the TSX for the most recently completed six calendar months prior to the TSX's acceptance of the notice of the NCIB. Any Shares purchased under the normal course issuer bid will be cancelled.

On May 12, 2022, Adcore Inc. announced that the Toronto Stock Exchange has accepted its notice of intention to proceed with the Normal-Course Issuer Bid (the "NCIB"). Pursuant to the notice, Adcore may purchase up to 3,188,475 of its common shares ("Shares"), representing approximately 5% of its issued and outstanding Shares of 63,769,494. The NCIB will be conducted during the twelve month period commencing May 18, 2022 and ending May 17, 2023. Under the NCIB, other than purchases made under block purchase exemptions, Adcore may purchase up to 13,593 Shares on the TSX during any trading day. During the Three months ended 31 March 2025, the Corporation did not purchase any shares under the NCIB program.

(US $ in thousands)

NOTE 4 – SHAREHOLDERS' EQUITY (Cont.):

B. Share based compensation:

Options

During the three-month period, ended March 31, 2024, the Corporate granted 610,473 options with a CAD$0.185 exercise price per share to its directors, officers, employees and consultants. the options will vest between 0 and 24 months and will expire within 4 years from the issuance. The Corporate has applied a Black-Scholes option-pricing model to determine the fair value of options. Under the following inputs: Risk free rate: 3.6%-3.9%, expected volatility: 45.1%-47.6%, expected term: 4 years, expected dividend yield: 0%.

The following table reflects the activity with respect to options of the Corporate for the three months ended March 31, 2025, compared to the three months ended March 31, 2024:

	Three months ended March 31, 2025		Three months ended March 31, 2024	
	Number of options	Weighted average Exercise price	Number of options	Weighted average Exercise price
Outstanding at beginning of year	7,261,221	CAD 0.32	6,910,081	CAD 0.32
Granted	-	-	610,473	CAD 0.185
Exercised	(10,000)	CAD 0.27	-	-
Forfeited and cancelled	(60,000)	CAD 0.48	(70,000)	CAD 0.55
Outstanding at end of period	7,191,221	CAD 0.26	7,450,554	CAD 0.31
Exercisable options	6,017,954	CAD 0.23	6,779,954	CAD 0.30

During the three months ended March 31, 2025, and 2024, the Corporate recorded expenses in the amount of $1 and $13, respectively.

(US $ in thousands)

NOTE 4 – SHAREHOLDERS' EQUITY (Cont.):

B. Share based compensation (Cont.):

Restricted Share Units

During the three-month period, ended March 31, 2024, the Corporate approved an aggregate grant of 309,459 Restricted Share Units ("RSUs") to its directors, employees and senior officers. The RSUs will vest between 0 and 24 months. Each vested RSU entitles the holder to receive one common share of the Corporate for period of 4 years.

The following table reflects the activity with respect to RSUs of the Corporate for the three months ended March 31, 2025, compared to the three months ended March 31, 2024:

	Three months ended March 31, 2025	Three months ended March 31, 2024
	Number of RSUs	Number of RSUs
Outstanding at beginning of year	156,250	489,922
Granted	-	309,459
Exercised	(25,000)	(161,959)
Forfeited and cancelled	-	(182,222)
Outstanding at end of period	131,250	455,200
Exercisable RSUs	123,438	370,000

During the three months ended March 31, 2025, and 2024, the Corporate recorded expenses in the amount of nil and $5, respectively.

(US $ in thousands)

NOTE 5 - REVENUES:

A. Geographic Areas Information:

The following present the total revenues for the three months ended March 31, 2025, and 2024:

	For the three months period ended March 31,	
	2025	**2024**
APAC	2,718	1,554
EMEA	1,115	2,026
North America	1,053	1,491
	4,886	**5,071**

B. Major customers (as percentage of total revenues):

	For the three months period ended March 31,	
	2025	**2024**
Customer A	18%	19%
Customer B	17%	15%
Customer C	13%	7%
Customer D	11%	8%

NOTE 6 - RELATED PARTIES AND SHAREHOLDERS:

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party. The Corporate has transactions with key management personal.

The following transactions arose with related parties:

	For the three months period ended March 31,	
Transaction	**2025**	**2024**
Management fee to CEO and controlling shareholder	126	128
Share Based Compensation to CEO and controlling shareholder	-	1

Liabilities to related parties:

Transaction	**As of March 31, 2025**	**As of March 31, 2024**
Controlling shareholder	42	134