ZOMD | TSX

Market: $2.15

Rating: Outperform

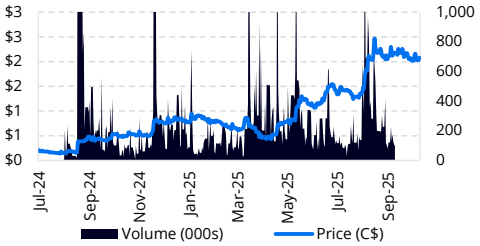
One Year Target: C$4.00

Total Return: 86%

October 20, 2025

Financial Metrics (US$)				
52-week High / Low (C$):				$2.48 / $0.37
Average daily volume (000s)				261.7
Shares Outstsanding (mm)				99.2
Diluted Shares (mm)				108.1
Market Capitalization (C$mm)				224.8
Market Capitalization (US$mm)				159.5
Cash Balance ($mm)				$16.5
Total Debt ($mm)				$1.4
Enterprise Value (US$mm)				$144.4
(FYE Dec 31)	**2023**	**2024**	**2025e**	**2026e**
Revenue ($mm)	$32.1	$54.5	$77.3	$95.2
Adj. EBITDA ($mm)	$1.8	$11.3	$19.4	$21.8
EPS	($0.04)	$0.09	$0.26	$0.31
Revenue ($mm)	**Q1**	**Q2**	**Q3**	**Q4**
2024	$8.7	$14.0	$16.7	$15.1
2025e	$18.2	$19.6	*$19.3e*	*$20.3e*
2026e	*$21.2e*	*$23.7e*	*$24.7e*	*$25.6e*
Adj. EBITDA ($mm)	**Q1**	**Q2**	**Q3**	**Q4**
2024	$1.2	$3.0	$3.9	$3.2
2025e	$5.2	$5.6	*$4.2e*	*$4.5e*
2026e	*$4.9e*	*$5.4e*	*$5.6e*	*$5.9e*
Valuation	**2023**	**2024**	**2025e**	**2026e**
P/E	*nmf*	*16.4x*	*5.6x*	*4.8x*
EV/EBITDA	*80.2x*	*12.7x*	*7.4x*	*6.6x*

Zoomd Technologies Inc.



All figures in US$ unless otherwise specified

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Zoomd Technologies Ltd.

Zooming to $100mm in Revenue

Initiating Coverage of Zoomd Technologies Ltd. with an Outperform Rating and C$4.00 Target Price

Open Internet: Despite the pervasiveness of "walled garden" social media, the Open Internet remains a growing source of marketing and advertising spend. ZOMD's platform identifies the most valuable inventory for pay-for-performance advertising and delivers high-return users to its clients.

There is an App for That: In-app consumer spending is ~$200bn annually, and acquiring new users is the lifeblood of these business. New users for entertainment, e-commerce, and online gambling are high-value. These clients are willing to pay attractive rates per user.

Performance Delivery Platform: ZOMD is a source agnostic platform for mobile user acquisition on the Open Internet. Clients pay for new user acquisition and other high value KPIs. This results in high ROI, alongside advertising/marketing performance that is directly tied to client revenue and has identifiable return.

All-Star Team: ZOMD has a growing list of high-profile brands with vast marketing budgets in attractive verticals with strong unit economics, that are willing to pay for new users. Entertainment, e-commerce, gaming, crypto and fintech are ZOMD's key verticals, with the Company having impressive logos like Shein (Private, NR) and the NBA.

Attractive Small Cap Value to Growth: Like many small cap growth stories, ZOMD is still relatively unknown by the investor community, and we think the valuation reflects this. ZOMD trades at ~7.6x NTM EV/EBITDA, while the run rate of growth is ~50%. Comparable companies in AdTech suggest that consistent growth in the 20%-30% level should be rewarded with a higher valuation.

What Changed: The Company's results have been transformed over the last three years, with a revenue CAGR of ~50% since Q2/23. The key to fundamental momentum is consistently delivering strong results against client KPIs and clients observing the lifetime value of those results aging well. As the evidence mounts, clients increase spend with ZOMD.

Skin in the Game: We believe ZOMD has a strong team, capable of taking the Company to the next level. Insider ownership is 27%, meaning management has ample "skin in the game".

Risks: ZOMD is in cyclical industry, and the Company's current strategy to focus on a single product. ZOMD has a short track record with a large degree of customer concentration. These are all risks for shareholders, in our opinion.

Initiating Coverage with an Outperform Rating and Price Target of $4.00: Our price target is based on a DCF. Our discounted cash flow (DCF), using a weighted average cost of capital (WACC) of 17.0% and a terminal growth rate of 3.0%. Our DCF model implies a terminal EV/EBITDA multiple of 4.9x in 2033. Our discounted terminal value of $151.4mm represents 55% of our total estimated EV of $276mm. Our valuation implies an EV/2026 EBITDA of 12.5x.

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Operational & Financial Highlights

Income Statement ($mm)	2023	2024	2025e	2026e
Revenue	32.1	54.5	77.3	95.2
Cost of Sales	20.1	33.0	57.1	57.1
Gross Profit	12.0	21.5	32.2	38.1
Gross Margin %	***37%***	***39%***	***42%***	***40%***
Operating Expenses	13.3	12.3	13.8	17.1
Operating Income (loss)	25.3	33.8	46.0	55.2
Operating Margin %	*79%*	*62%*	*60%*	*58%*
Adj. EBITDA	1.8	11.3	19.4	21.8
Adj. EBITDA Margin %	***5.6%***	***20.8%***	***25.1%***	***22.9%***
Finance, Non-op & Taxes	(6.5)	(2.4)	6.7	7.3
Net Income (Loss)	(4.7)	8.9	26.1	29.1
EPS	**(0.0)**	**0.1**	**0.3**	**0.3**
Balance Sheet ($mm)	**2023**	**2024**	**2025e**	**2026e**
Cash and Cash Equivalents	2.6	9.2	30.6	58.0
Accounts Receivable	4.7	10.4	11.1	14.0
Other ST Assets	0.6	0.2	0.3	0.4
Property, Plant, and Equipment	2.7	1.7	1.5	1.5
Other	8.0	7.1	7.1	7.1
Total Assets	**18.6**	**28.7**	**50.5**	**81.0**
Short-term Liabilities	7.8	9.5	5.3	6.6
Long-term Liabilities	2.2	1.5	1.4	1.4
Total Liabilities	**10.0**	**11.0**	**6.6**	**8.0**
Shareholders' Equity	**8.7**	**17.7**	**43.8**	**72.9**
Total Liabilities and Equity	**18.6**	**28.7**	**50.5**	**80.9**

Cash Flow ($mm)	2023	2024	2025e	2026e
Operating CF (Excl. Δ NWC)	1.0	11.2	25.9	30.0
Changes in NWC	(0.5)	(3.5)	(2.7)	(1.7)
Operating Cash Flow	0.4	7.7	23.2	28.3
Investing Cash Flow	(1.1)	(0.6)	(0.7)	(1.0)
Financing Cash Flow	(0.5)	(0.5)	(2.2)	0.0
Change in Cash	**(1.2)**	**6.6**	**20.4**	**27.4**

Growth	2023	2024	2025e	2026e
Revenue	*(39%)*	*70%*	*42%*	*23%*
Gross Profit	*(28%)*	*79%*	*50%*	*18%*
Operating Income	*nmf*	*(836%)*	*99%*	*14%*
Adj. EBITDA	*(22%)*	*530%*	*71%*	*12%*

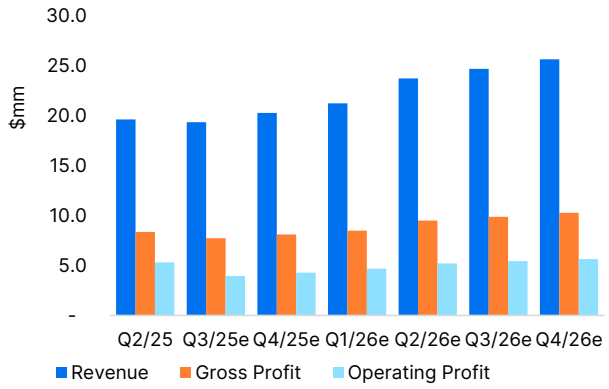
Credit Metrics	2023	2024	2025e	2026e
Net Cash / (Debt)	0.3	7.2	29.1	56.6
Net Cash to EBITDA	*0.2x*	*0.6x*	*1.5x*	*2.6x*

Shares Outstanding (mm)	2023	2024	2025e	2026e
Basic	98.3	98.7	99.2	99.2

Free Cash Flow ($mm)	2023	2024	2025e	2026e
Operating CF (Incl. Δ NWC)	0.4	7.7	23.2	28.3
Less: CapEx	(0.0)	(0.1)	(0.4)	(1.0)
Free Cash Flow	**0.4**	**7.6**	**22.8**	**27.4**

WACC Calculation	
Risk Free Rate	4%
Market Risk Premium	6.5%
Beta	2.0
Cost of Equity (%)	17%
After-tax Cost of Debt (%)	8%
Proportion of Debt in Target Capital Structure (%)	0%
Proportion of Debt in Target Capital Structure (%)	**17%**

Quarterly Financial Outlook



Annual Financial Outlook

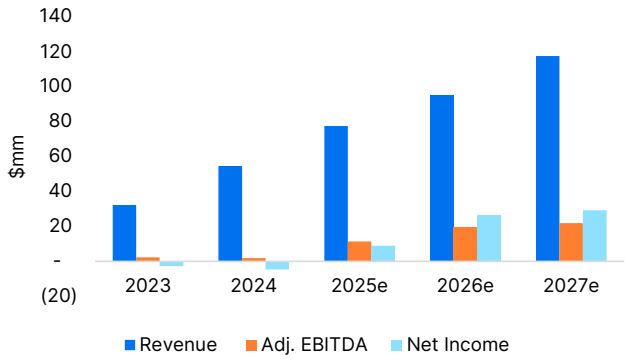


Figure 1 – Operating & Financial Highlights
Source: Company reports, ATB Capital Markets

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Company Description

Zoomd Technologies Ltd. is a performance-based online advertising and marketing company that offers and utilises a unified platform to provide proprietary, performance-based advertising and marketing results to clients. The AI-powered tools are focused on performance metrics with visible ROI like user acquisition (UA) and application downloads. Zoomd acts as a "one-stop control centre" that helps companies and brands efficiently acquire high-quality, valuable users and drive profitable revenue growth across fragmented digital channels.

Investment Thesis

Positioned to Benefit from Growth of In-App Economy and the Importance of the Open Internet: It has been a while since Apple launched the "there is an app for that" advertising campaign. In-App, consumer spending is now ~$200bn according to Sensor Tower, growing at 6%-7% y/y. Media, e-commerce, online gambling, crypto exchanges and other Brands will spend 10%-25% of that revenue on demand creation. This is similar to companies like Nike Inc. (NKE-O, NR), which spends 10% of its revenue on marketing and advertising. Every 1% of marketing spending by the In-App economy is worth $200mm to $500mm annually. In a broad context, digital advertising is a $600bn market, and still growing, ZOMD needs only grab a tiny share of these markets in order to grow into a $100mm+ revenue Company, and potentially much larger.

Global In-App Consumer Spend Forecast

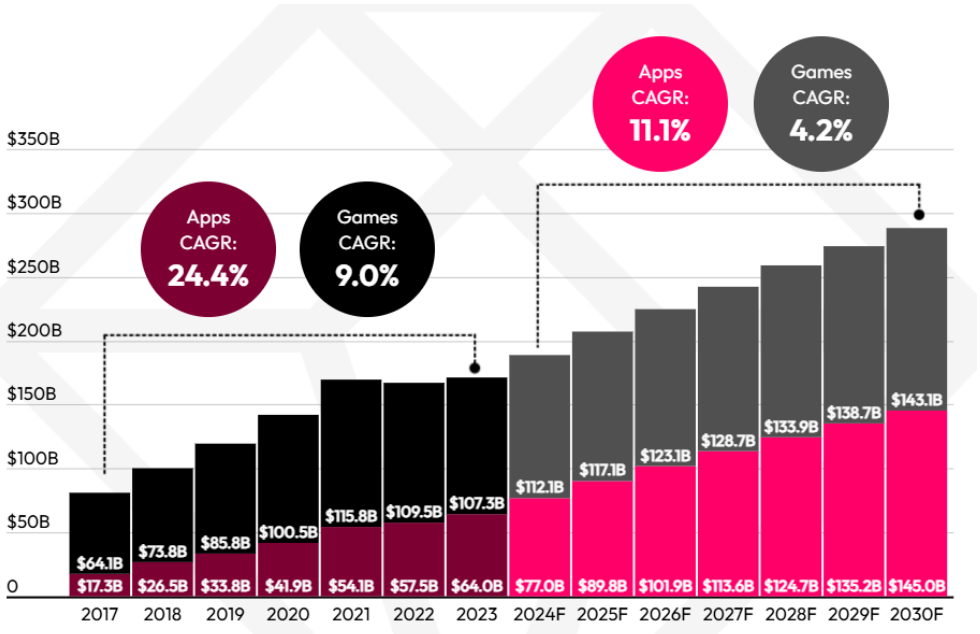

Figure 2 – Global In-App Consumer Spend Forecast
Source: Sensor Tower, ATB Capital Markets

Strategic Importance of the Open Internet: Social media dominates online advertising with a handful of companies controlling over 50% share of digital advertising. The remaining ~50% of traffic, inventory and value is on the "open internet" where ZOMD's solution excels. The open internet remains a diverse and growing source of demand creation for consumer spending. Because of its disparate, decentralized nature, advertisers need help finding high-value advertising. It is in this environment that several valuable platform companies like AppLovin (APP-O, NR) and theTradeDesk (TTD-O, NR) have emerged. They used tech to navigate the open internet for clients and grew through scalable, automate platforms. The companies have added components to become more vertically integrated, less reliant on partners and created a moat that investors have rewarded with a high multiple. Zoomd is in the early stages of its journey, and they are delivering high value

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performance-based results to clients and being rewarded with more volume and impressive revenue growth. We believe multiple expansion will come, should results prove repeatable and durable. M&A could materially add value, especially if ZOMD is able to strategically use M&A to create a moat around what is perceived as a low-barrier business.

Walled Gardens and Open Internet

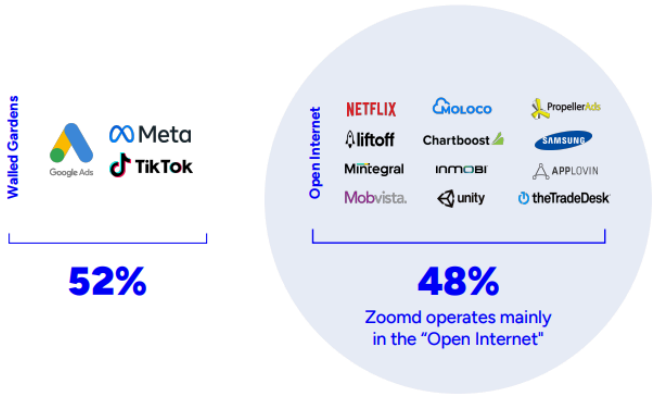

Figure 3 – Walled Gardens and Open Internet
Source: Company Reports, ATB Capital Markets

Performance, Results and Tangible Returns: ZOMD has built a roster of clients that have been with them for years. Low churn for its largest customers indicates that ZOMD has built something proprietary, that is not easily replicated. The Company acts as a growth partner, managing campaigns for its clients using a tech platform to deliver high-value key performance indicators (KPI)s. These KPIs are directly related to key outcomes for ZOMD's clients. Users are the lifeblood of most in-app spending-driven mobile businesses, like subscription-based entertainment, gaming companies or personal financial platforms or crypto exchanges. ZOMD brings users to these clients and is rewarded with pre-negotiated rates based on the number of users or performance metrics directly tied to revenue and profits, like new subscriptions. To show the depth of some of ZOMD's relationships, in some cases they are paid based on the lifetime value (LTV) of a customer. These outcomes are highly measurable, and well suited to the growing in-app economy and will likely be more durable than impression-based brand advertising in difficult economic times. ZOMD effectively acts as an agency for its clients, but combines this capability with proprietary tech and a deep roster of data sources, creating a platform solution.

Cost Saving Automation: Managing hundreds of "Open Internet" sources is infeasible, even for the internal team of large advertisers like the NBA or Amazon Music. Expanding to a new geography could take as little as a day with ZOMD, with zero upfront spending versus long lead times and costly overhead to expand to new geographies with an internal team. Clients can move fast, with ZOMD to take advantage of changing market conditions. Given broad geographic reach (80 countries), ZOMD is a one-stop shopping for user acquisition when an advertiser wants to expand to certain parts of the world.

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ZOMD Industry Verticals



Figure 4 – ZOMD Industry Verticals
Source: Company Reports, ATB Capital Markets

All-Star Roster, Not a Deep Bench: ZOMD has a number of high-profile brands with vast marketing budgets like Amazon Music, the NBA and Shein (Private, NR). While these names are impressive, we believe ZOMD only has ~30 customers of notable size, and ~80% of revenue comes from five customers. We acknowledge the risk that high customer concentration represents, but also identify it as a source of multiple expansion, as ZOMD wins new customers and diversifies its customer base. Concentration is coming down, however this process has been slowed by rapid expansion at Zoomd's largest customers. The length of time ZOMD has maintained its largest clients (seven+ years in the case of client #1), and the diversification of these clients across multiple countries (20+ in some cases), somewhat mitigates this concern, in our view.

Client Retention is Strong

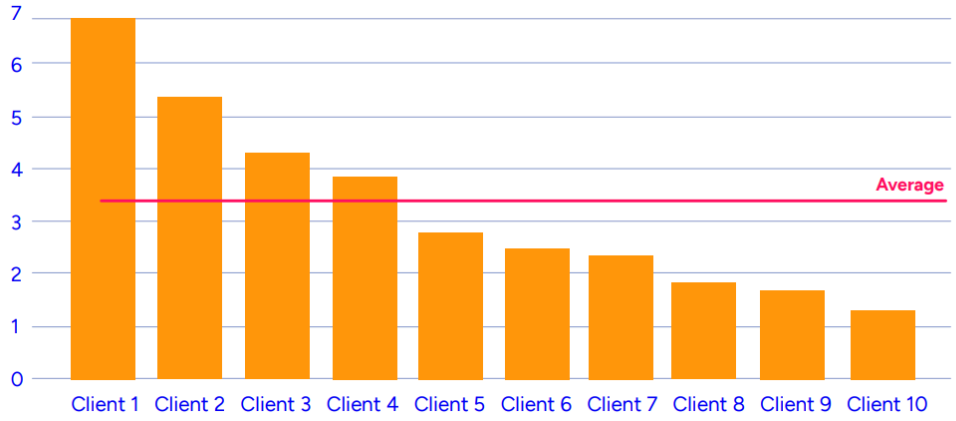

Figure 5 – ZOMD Client Retention is Strong
Source: Company Reports, ATB Capital Markets

Growing in Uncertain Times: It is great to grow in boom times, but it is truly impressive if a solution can excel and grow during difficult times, especially if it is in a highly cyclical business, such as advertising. Thus far in 2025, when the US (ZOMD's largest market), threatened damaging tariffs, and created uncommon levels of uncertainty, ZOMD grew revenue ~75% in H1/26. E-commerce companies that import goods from Asia were under significant pressure, and Shein, one of ZOMD's largest customers and a poster child for companies most affected by tariffs, actually invested through the crisis. Shein used Zoomd (and other tactics) in order to capitalize on competitive retrenchment. We believe while ZOMD is cyclical, and exposed to retail sales, the Company is well positioned to grow with existing customers like Shein over the economic cycle.

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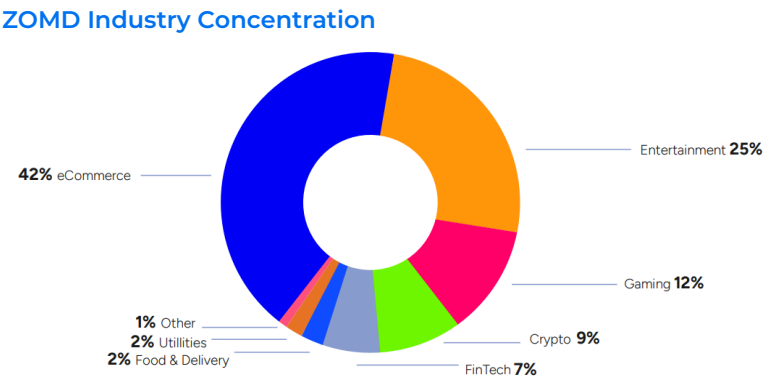

Figure 6 – ZOMD Industry Concentration
Source: Company Reports, ATB Capital Markets

Skin in the Game: We believe ZOMD has a strong team, capable of taking the Company to the next level, with more and larger customers, a diversified revenue base and consistent growth. Insider ownership is 27%, meaning management has ample "skin in the game".

Partnerships and M&A to Accelerate Growth: The Company has to-date produced impressive growth with a small team, and minimal investment in sales and marketing. Partnerships with other client-facing marketing companies, advertising agencies or other parts of the value chain that lack ZOMD's mobile UA capabilities could meaningfully scale the company's revenue. M&A is another possibility and has been a common and effective page in AdTech company playbooks. Adding other parts of the value chain, to create a moat or cross-sell opportunities, could create value, especially given the dispersion of multiples across the industry.

What Changed, What is the Next Catalyst? The Company's results have been transformed in the last three years. The revenue CAGR is ~50% since Q2/23. According to the Company, the key to fundamental momentum, while not dramatic, is further comfort for clients, from evidence of the platform's efficacy, driven by the lifetime value of the new customers ZOMD delivers. There is a natural land and expand that occurs with clients as they continue to have success on larger volumes and in new geographies or categories. Ultimately, the most powerful catalyst might be continued expansion with existing clients, adding large new clients and introducing new geographies and verticals.

Company Overview

Zoomd Technologies (ZOMD-V) is a global marketing technology company. The Company's main solution is a mobile user acquisition (UA) and engagement platform. The platform integrates with various digital media outlets, and optimizes client spend on traffic, engagement and user acquisition to achieve specific goals (number of app downloads or user sign-ups) and deliver against quantifiable objectives, agreed upon before a campaign. The firm operates outside of the walled gardens of advertising where tech giants like Meta (META-O, NR) and Google (GOOGL-O, NR) dominate. ZOMD's platform presents a unified view of various media sources to serve as a UA control centre for clients and streamlines campaign management through a single point of contact, saving time and operating expense for clients. ZOMD's corporate head office is in Vancouver, British Columbia, Canada, with its primary operational subsidiary, Zoomd Ltd., based in Tel Aviv, Israel. The Company serves clients across more than 80 countries in regions including North America, Latin America, Europe, and Asia.

Founded in 2012 by Chairman and Co-Founder Mr. Amit Bohensky, ZOMD's core offering is a patented, performance-based advertising platform that unifies over 600 media sources, mostly from the open internet but including TikTok, Snapchat, Google, Meta, and programmatic networks—into a single, user-friendly dashboard. This acts as a comprehensive control centre for user acquisition (UA) and engagement campaigns, enabling real-time optimization, advanced analytics, and seamless

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integration to achieve key performance indicators (KPIs) like cost-per-install (CPI), return on ad spend (ROAS), retail sales and lifetime value (LTV). The platform emphasizes automation, AI-powered decision-making (via tools like Albert.ai), and multi-channel strategies, including demand-side platform (DSP) capabilities for programmatic advertising, creator-generated content (CGC) via influencers, and managed/self-serve options. By consolidating various data sources, ZOMD reduces operational complexity and enhances insights for customers.

In late 2022 and early 2023, the Company underwent a significant leadership transition and subsequent strategic overhaul, in response to market challenges at the time, which marked a turning point toward profitability and streamlined growth. On December 8, 2022, ZOMD announced the appointment of Mr. Ido Almany as its new Chief Executive Officer (CEO), effective March 2023. Under Almany's guidance starting in Q1/23, ZOMD executed a deliberate "refocus" strategy, which emphasized cost discipline, operational efficiency, and a return to high-ROI user acquisition services. These changes turned a fragmented and breakeven business into a business growing at triple digital y/y growth rates, generating positive cash flows and profitability. ZOMD has since posted five quarters of net profitability, with eight consecutive quarters of operating leverage improvement.

ZOMD serves a diverse roster of advertisers and publishers worldwide, with a strong emphasis on mobile app developers and digital brands. The Company operates on a performance-based revenue model, primarily earning revenues based on achieving customer KPI's. According to the Company, common KPI's include: cost per install (CPI), cost per event (CPE), cost per click (CPC) or cost per mile (CPM). The Company's key verticals are e-commerce, entertainment, gaming, crypto and fintech.

Product Overview

Mobile User Acquisition (UA): ZOMD's flagship offering is a centralized, intuitive dashboard that serves as a one-stop hub for digital marketing activities. It simplifies campaign management at scale by aggregating data from multiple channels, automating optimizations, and providing real-time insights. Unlike fragmented tools from competitors, it eliminates the need for juggling multiple vendors or interfaces. ZOMD, through the platform, gives clients access to ~600 sources, and enables high volumes of performance-based results at costs that the client is willing to pay, because it offers a high return for the client. The alternative for clients is an expensive, in-house team, that even large customers, like Shein do not see value in. This drives ZOMD's ability to generate attractive gross margins. The platform combines ZOMD's proprietary technology with real-time behavioural and intent-based data, alongside access to over 90% of global mobile traffic, including Google, Meta, TikTok, mobile OEMs, and SDK networks. It is easy to buy in the walled gardens, but it is very hard to buy on the open internet on more than a few sources, which is why ZOMD finds the most valuable results on the open internet. Key features include:

- **Multi-Channel Integration:** Connects to 600+ media sources for cross-platform campaigns (e.g., social media, search, programmatic, and connected TV). ZOMD leverages ad networks at scale.
- **Unified campaign management:** ZOMD's demand side platform (DSP) takes a centralized approach, consolidating media buying across mobile apps and the mobile web into a single, intuitive interface. This streamlines operations and ensures consistent messaging across digital touchpoints.
- **Flexible Pricing:** ZOMD enables clients to tailor campaign objectives to preferred performance metrics, such as CPM, CPC, CPI, etc.
- **Real-Time Analytics and Reporting:** Customizable dashboards with KPIs like installs, ROAS, LTV (Lifetime Value), and ARPU (Average Revenue Per User); supports A/B testing (scenario analysis) and cohort analysis. Transparency per campaign, helps customers be comfortable with spend management.

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- **Automation and Optimization:** AI-driven bidding, budgeting, and creative rotation to maximize performance and minimize waste. The unified dashboard that integrates multiple channels, reducing the need for brands to juggle disparate vendors.
- **Fraud Detection and Brand Safety:** Built-in tools to ensure high-quality, fraud-free traffic with compliance for iOS ATT (App Tracking Transparency) and Google Privacy Sandbox.
- **Scalability Options:** Self-serve mode for agile teams or managed service for full execution by ZOMD's experts.
- **The Knowledge Tree:** ZOMD has accumulated knowledge on what has worked and does work in different markets and verticals that helps existing, repeat and new clients.
- **Category Expertise:** ZOMD is developing expertise in the seven categories where most of its clients compete.

Mobile Demand Side Platform (DSP): ZOMD's DSP is an advanced, transparent programmatic advertising engine that automates ad buying across ad exchanges, networks, and supply-side platforms (SSPs). It processes millions of bid opportunities per day, focusing on efficient, real-time media purchases to reach high-intent mobile users. This tool is embedded within the Unified Platform but can be used standalone for programmatic-focused campaigns. Key features include.

- **Real-Time Bidding (RTB):** Algorithmic decisions for ad placement, pricing, and targeting based on user behaviour, demographics, and device data.
- **Audience Targeting:** Advanced segments for lookalikes, retargeting, and contextual matching; integrates with first-party data for privacy-compliant personalization.
- **Creative Management:** Dynamic ad formats (e.g., video, banners, interactive) with automated testing and optimization.
- **Global Reach:** Coverage in 70+ markets, with geo-fencing for region-specific scaling.
- **Performance Tracking:** End-to-end attribution from impression to conversion, with API integrations for CRM/ERP systems

Albert.ai: Acquired by ZOMD in 2022, Albert.ai is an AI-powered optimization engine that acts as part of the "brain" of the platform. It's a machine learning-based tool designed for autonomous campaign management, continuously learning from data to refine strategies without manual intervention. Fully integrated into the Unified Platform, it enhances all other products by automating complex decisions.

Creator-Generated Content (CGC) & Influencer Marketing: ZOMD's performance-based influencer and creator marketing service leverages micro- and macro-influencers to produce authentic, user-generated-style content (UGC) for ads and promotions. It combines creative production with distribution across social and programmatic channels, focusing on organic-feeling campaigns that drive engagement and conversions.

Industry Overview

The digital advertising ecosystem, which is now more than 20 years old, is a tale of two markets: The "Walled Gardens" (Meta, Google Search/YouTube, Amazon, and TikTok) and the "Open Internet". The Walled Gardens have gained significant share and are now more than 50% of digital advertising, dominated by a small number of "social media" companies. Efficiency, scale and data are all driving advertisers to the walled gardens who can offer a large amount of inventory to advertisers, while being easy for advertisers to manage. **However, the industry has an interest in diversity of suppliers and the open internet continues to grow, as does its strategic importance to advertisers.**

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The Open Internet, which according to The Trade Desk Inc. (TTD-O, NR) is a growing $935bn market, is a very fragmented and decentralized network of mobile, online properties, and connected TV (CTV) assets. ZOMD operates in the open internet, focusing on the mobile and application (app) segments, which are rapidly growing alternatives for performance-based User Acquisition (UA).

Get With the Program: Programmatic advertising is the automated buying and selling of digital advertising space using software, algorithms, and data. It replaces the slow, manual process of negotiation with a real-time, data-driven auction that happens in milliseconds. The goal is to deliver the right ad, to the right person, at the right time, at the most efficient price. Along with improved targeting for online and mobile digital advertising inventory, it has made the industry dramatically more efficient, and has placed considerable stress on old models of buying ads. Programmatic advertising has washed over the digital advertising landscape and now determines 70%-80% of spending and 80%-90% of display (impression based) advertising. Programmatic advertising and new media are driving growth in the Open Internet. The Open Internet is powered by programmatic advertising. Global programmatic advertising spend is estimated to be ~$661bn in 2025, and growing 10%+, according to eMarketer (includes the Walled Gardens).

IOS In-App Spending by Geography



Figure 7 – IOS In-App Spending by Geography
Source: Sensor Tower, data.ai

App-Install Spend and In-App Spending: Consumers are comfortable paying for subscriptions, features and conducting various other types of commerce in mobile apps. E-commerce, media, dating and health & fitness are examples. Consumer spending in apps (excluding games) is expected to climb to $145bn in 2030, a CAGR of 11.1%, according to Sensor Tower. The mobile app install ad market is forecast to reach $26.0bn in 2024 and the number of downloads is expected to reach 300bn by 2027, growing at mid-single digits pace. For gambling, media and other valuable app categories, the open internet offers a source of new users beyond the dominant "triopoly" (Apple, Google, Meta).

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In-App Spending by Major Category

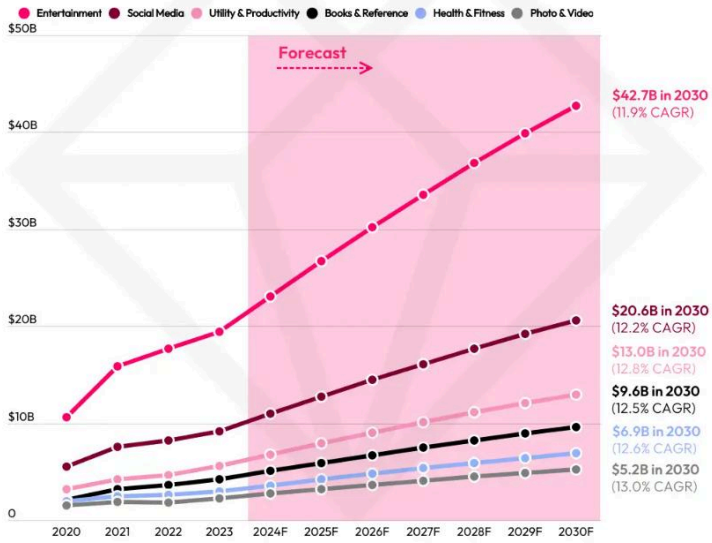

Figure 8 – In-App Spending by Major Category
Source: Sensor Tower, App.iq

Agentic AI is Coming: AI is an emerging field of play in e-commerce and digital adverting. Given how AI chatbots like ChatGPT are complementing (or replacing) search engines, AI chatbots are a natural place for commerce and demand creation for commerce. For example, on September 29, Shopify and OpenAI announced a partnership to allow consumers to shop directly within a ChatGPT conversation. Rather than recommending products and requiring the user to click an external link, the integration allows for tailored product placement and "Instant Checkout" that leverages Shopify's infrastructure. This new sales channel for Shopify's millions of e-commerce merchants offers the promise of highly effective advertising spend. Connecting millions of Shopify merchants and billions of products directly to ChatGPT's ~600mm user base threatens and promises to collapse the traditional path from discovery to purchase into an efficient and closed flow. Arguably, AI chatbots are another walled garden.

OpenAI and Shopify

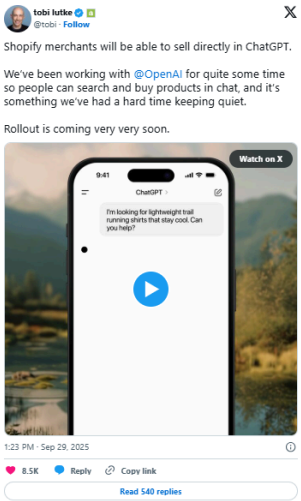

Figure 9 – OpenAI and Shopify
Source: X, OpenAI, ATB Capital Markets

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The Value Chain

The Digital Advertising Value Chain

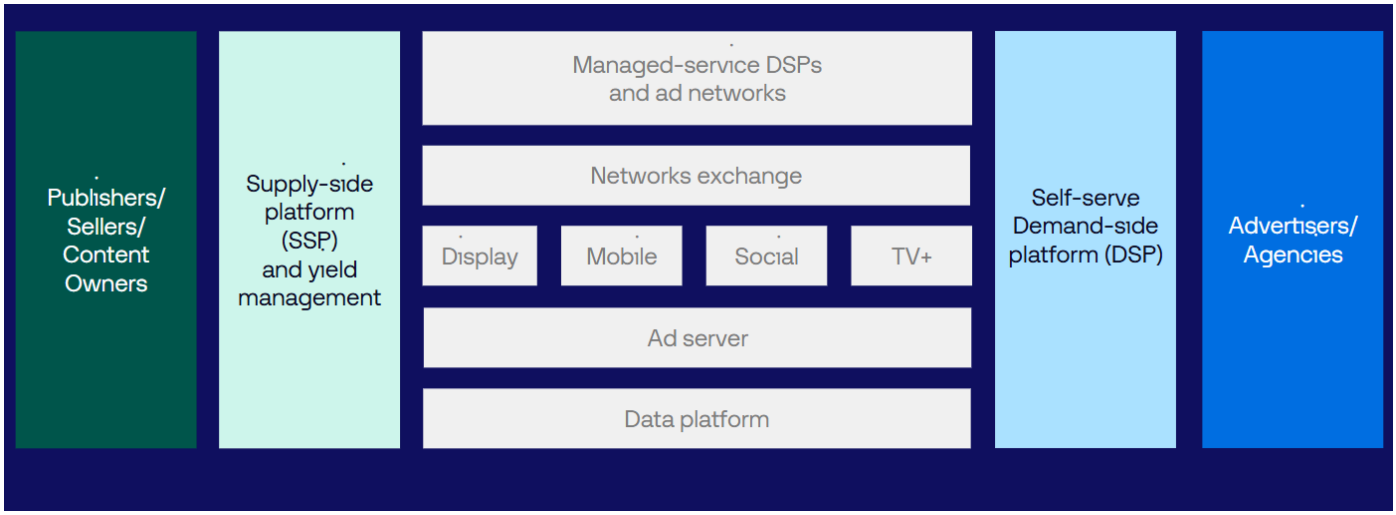

Figure 10 – The Digital Advertising Value Chain
Source: The Trade Desk, ATB Capital Markets

Brands: Both online and omni-channel brands look to digital advertising to drive customer traffic to their offerings and drive revenue. The type of digital advertising and tactics are dependent on the nature of the offering. Mass market brands will employ a larger variety of adverting types and tactics than brands with more niche customer basis. All brands look to isolate their target market in order to make advertising spend as efficient as possible. Converting spend into measurable and profitable revenue is a goal of all brands.

Advertising Agencies: Advertising agencies, once an attractive oligopoly that were a consolidator of innovation, are now struggling to retain their position and profitability. Agencies are retooling their operations to blend creativity with data smarts, emphasizing speed, personalization, and measurable ROI. Merging brand-building with performance marketing via integrated martech-adtech stacks (e.g., CDPs for unified data). This counters the natural fragmentation in the industry—agencies juggle six to seven tools on average—by enabling processes from awareness (CTV) to conversion (retail media). Traditional agencies are embracing programmatic advertising which "enables advertisers to target smaller local audiences or even an audience of one". Agencies are becoming more niche, but large agencies still have considerable reach. Major holding companies like Omnicom (OMC-O, NR) and Publicis (PUB-FR, NR) continue to dominate, managing $200B+ in annual billings. Collectively, agencies facilitate trillions of ad impressions annually and reach billions of consumers.

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Key Players Across the Digital Advertising Value Chain

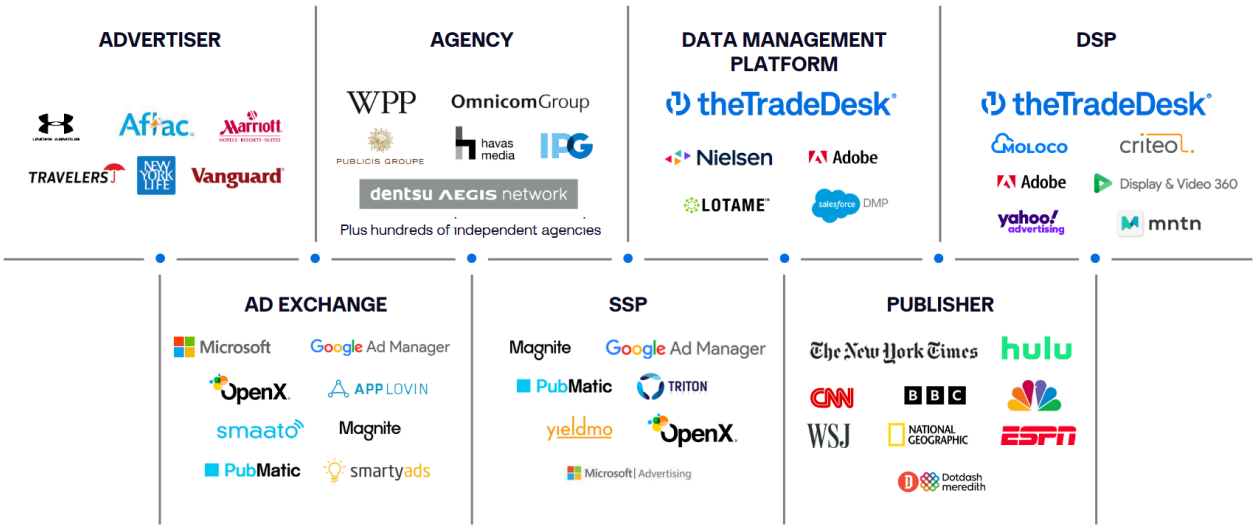

Figure 11 – Key Players Across the Digital Advertising Value Chain
Source: theTradeDesk, ATB Capital Markets

Demand-Side Platform (DSP): Refers to software used by advertisers and agencies (the Demand) to buy ad inventory efficiently. It aggregates ad inventory from multiple Ad Exchanges and Supply Side Platforms (SSP)s. DSPs use algorithms to analyze user data, device, and context instantly and automatically bid on advertising inventory based on budget, target audience, and performance metrics, like cost-per-install (CPI) or return on ad spend (ROAS). The Trade Desk (TTD), Google's DSP, Amazon DSP, PubMatic and Adobe Advertising Cloud are the largest players. The DSP space is fairly consolidated but there are 15-20 main players, including Taboola, Criteo, Roku and MediaMath. ZOMD has aspects to its solution that serve the function of a DSP, specifically focused on certain performance metrics like User Acquisition. ZOMD will use a variety of DSPs as some of its 600+ sources.

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Demand-Side Platform Companies

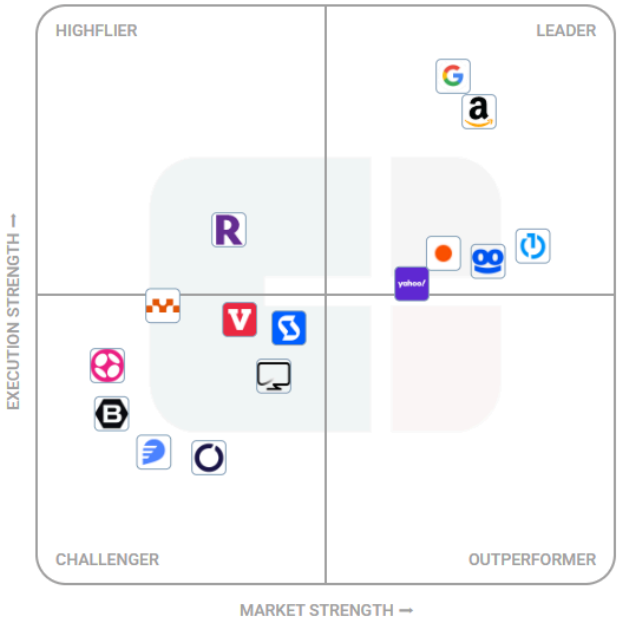

Figure 12 – Demand-Side Platform Companies
Source: CB Insights, ATB Capital Markets

Supply-Side Platform (SSP): Refers to software used by publishers and advertising inventory owners to sell and manage inventory in order to maximize revenue. When a user visits a website or opens an app, the SSP collects information and sends a bid request to ad exchanges and DSPs. It selects the winning bid (an ad), based on maximizing revenue and displays the ad. SSPs can bypass traditional Ad Exchanges to increase efficiency and maximize economics. Google Ad Manager, PubMatic, Magnite and OpenX are the largest players. The space is also fairly concentrated but has 20-30 main players, including Index Exchange, Teads (video/outstream), Geniee SSP (Asia-focused), and TripleLift (native ads).

Ad Exchanges: A digital marketplace or exchange, where ad inventory is bought and sold in real-time, often through auction. It facilitates communication between SSPs and DSPs and creates a market for them to compete in, to create a fair or efficient price. The auction process, and ad delivery, can happen in milliseconds. AppNexus (Xandr), Rubicon (Magnite). The ad exchange market is highly concentrated. Google DoubleClick (now part of Google Ad Manager) holds 89% market share, processing billions of impressions daily through its ecosystem integration.

Ad-Serving Platforms: Ad-serving platforms like Pubmatic (PUBM-O, NR) and Taboola (TBLA-O, NR), manage, serve, and track digital ads across channels, providing tools for inventory management, ad delivery, and performance measurement. They include white-label ad-serving infrastructure and specialized solutions for various formats including display, video, and native advertising. Platforms offer campaign analytics to help publishers and advertisers track performance, target audiences effectively, and optimize ad revenue. The market serves businesses ranging from independent publishers to large media companies seeking to maximize their digital advertising potential.

In-App Monetization Platforms: In-app monetization platforms enable mobile app developers to maximize advertising revenue. These platforms offer ad mediation technology that aggregates multiple ad networks, bidding systems, and real-time optimization to increase efficiency and value. The platforms serve mobile game developers, app publishers, and media companies. IronSource (bought by Unity {U-O, NR}), Verve, Taboola and InMobi are leading platforms.

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Inventory Supply: Websites, consumer apps (example gaming apps like Clash of Clans), or connected television providers, like Roku, offering ad inventory. They monetize through impressions, clicks, or actions.

Supporting Layers: Marketing attribution companies like Branch, Amplitude, AppsFlyer, Kochava, Measured and HockeyStack, determine which marketing channels are performing by analyzing the customer journey across multiple touchpoints and across platforms and enable data-driven decision making. Many providers also offer fraud prevention, and real-time campaign optimization. Data Management Platforms (DMPs) collect and analyze audience data for targeting. Ad Servers deliver and track ads post-purchase, ensuring ad quality, performance auditing and fraud detection (Integral Ad Science).

Marketing Attribution Companies

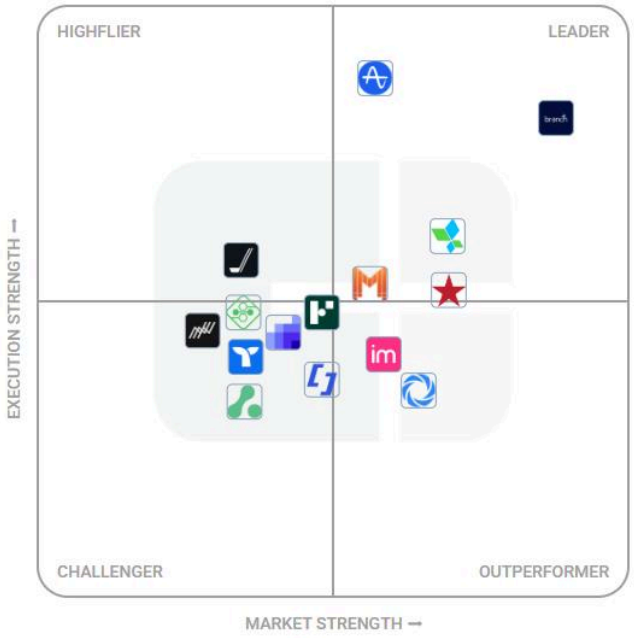

Figure 13 – Marketing Attribution Companies
Source: CB Insights, ATB Capital Markets

Comparables, Competitors and Frenemies: Given the need to work together to source inventory and find best prices and results for clients, there are a lot of "frenemies" in the digital advertising industry, who are partners, suppliers and competitors.

AppLovin Corporation (APP-O, NR): A mobile UA and ad tech company with a DSP-like platform for app monetization and user acquisition. The company's core offering is AppDiscovery which helps brands acquire users through and MAX, an in-app bidding solution that runs real-time ad auctions to maximize the revenue developers earn from their users. The company historically owned and operated its own portfolio of games to feed first-party data back into its AI engine, however recently sold the assets. AppLovin's current strategy is heavily focused on offering software and analytics solutions to the broader mobile app ecosystem. Given AppLovin's vertically integrated approach, it has many competitors in the space, including IronSource, AppsFLyer, and Google AdMob. AppLovin has also purchased a number of competitors and partners, like MoPub (for $1bn in 2010 from Twitter), a SSP and ad exchange. AppLovin's proprietary datasets from 2 billion+ daily users, IP and ecosystem lock-in widen its moat. AppLovin is vertically across the value chain for mobile apps. AppDiscovery is a DSP, MAX is an exchange, and MoPub is a SSP. Adjust and Sparklabs are measurement tools and AXON is an engagement and creative optimization engine, developed for the emerging landscape of Generative AI.

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Digital Turbine (APPS-O, NR): Digital Turbine has partnerships with telecom carriers worldwide. These relationships typically involve integrating Digital Turbine's technology into Android devices distributed by carriers. This enables seamless app discovery, pre-installation, and promotion during device setup and during ongoing use.

IronSource (bought by Unity): IronSource is focused on mobile UA and performance ads. Pre-acquisition (2022) revenue: ~$550M; Scaled to unicorn status through programmatic tools. Post-merger, Unity's ad segment generates billions—example of UA consolidation.

Liftoff (Vungle): Mobile UA platform with AI bidding and programmatic focus. Revenue: ~$500M+; Acquired by Blackstone (2021) for $750M. Demonstrates growth via open internet expansion and data-driven UA.

Moloco: AI-powered performance marketing/UA platform. Revenue: ~$300M (est.); Valued at $2B+ in funding rounds. Grew by targeting open internet programmatic ads, similar to Zoomd's Albert.ai.

Other notables: Moburst (UA agency, revenue ~$100M est.), AppSamurai (self-serve UA, smaller scale). These firms illustrate paths to $500M+ revenue and $1B+ valuations through global reach, AI, and M&A in the $90B+ mobile UA market.

Company Financial Overview

In Q2/23, the Company underwent a restructuring process to enhance efficiency and profitability. The restructuring included a 40% cut of ZOMD's workforce and the discontinuation of unprofitable business lines, which generated ~$4mm in annual cost savings. These changes turned a fragmented and breakeven business into 100%+ y/y growth, and positive cash flows. ZOMD has since posted six quarters of sequential growth, six consecutive quarters of net profitability, eight consecutive quarters of operating leverage improvement and a 2-year revenue CAGR of ~50%.

Financial Overview

	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25
Revenue	16.2	9.8	10.8	8.6	8.8	7.1	7.5	8.7	14.0	16.7	15.1	18.2	19.6	19.3
Y/y Growth	-	-	-	*(47%)*	*(46%)*	*(27%)*	*(30%)*	*1%*	*58%*	*135%*	*100%*	*108%*	*40%*	*16%*
Gross Profit	4.7	3.1	4.1	3.4	3.2	2.8	2.6	3.4	5.3	6.6	6.2	8.0	8.4	7.7
Gross Margin	*29%*	*31%*	*38%*	*40%*	*36%*	*40%*	*34%*	*39%*	*38%*	*39%*	*41%*	*44%*	*43%*	*40%*
Operating Income	0.7	(1.5)	(2.5)	(0.5)	(0.5)	(0.1)	(0.2)	0.6	2.4	3.2	3.0	4.9	5.3	3.9
Operating Margin	*4%*	*(15%)*	*(23%)*	*(6%)*	*(6%)*	*(1%)*	*(2%)*	*7%*	*17%*	*19%*	*20%*	*27%*	*27%*	*20%*
Net Income	0.0	(1.7)	(2.0)	(3.6)	(0.8)	(0.3)	(0.0)	0.5	2.2	3.2	3.1	4.8	6.1	6.8
Adj. EBITDA	-	0.4	-	1.9	0.2	0.4	0.6	0.6	1.2	3.0	3.9	3.2	5.2	5.6
Adj. EBITDA Margin	-	*4%*	-	*22%*	*2%*	*6%*	*8%*	*7%*	*9%*	*18%*	*26%*	*18%*	*27%*	*29%*

Figure 14 – Financial Overview
Source: Company Reports, ATB Capital Markets

Revenue: On a TTM basis, ZOMD's revenue are up 86% y/y, with revenue growth of 40% seen in the most recent quarter. Revenues had been on a decline throughout 2023, prior to the Company's strategic pivots taking effect, driving a sharp turnaround in revenue growth beginning in Q2/24. Since then, growth has accelerated sharply, averaging 88% y/y over the past five quarters. Revenue growth has been driven by new logo wins with high-value clients, the shift towards higher-value verticals, strategic geographic expansion and the addition of platform integrations (now with 600+ media sources).

Revenue is only recognized when a user or other result is successfully delivered to the client. The simple process eliminates judgement-based revenue recognition problems. Recognising when a user is confirmed by the client protects ZOMD from fraud, an industry-wide problem (approximately 1 in ten results is fake). The current revenue base is fairly small and concentrated in a small number of clients and campaigns. As a result, revenue is lumpy, and may decline sequentially in any one quarter.

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Despite a ~50% CAGR over the last two years, revenue did decline q/q in Q2/24 (driven by the occurrence of the World Cup). We believe investors should focus primarily on y/y growth.

Over time as the number of customers grow with revenue the quarterly volatility should decline. Typical retail seasonality will likely persist, somewhat (entertainment and other verticals are less cyclical), with Q4 being the largest quarter. Large events occur more frequently in the summer. Given the size of event-specific campaigns, Q2 will also likely be larger than Q1 and Q3. The expectation is that revenue trends will become more linear over time as revenue grows and the customer base diversifies.

Five clients account for ~80% of total revenue; however, risk is mitigated by the long duration of the relationships (largest are seven+ years) and the number of countries served with each client (20+ geographies per customer). The company's revenue benefits from event-driven revenue, which can add $1mm to $3mm in non-recurring revenue to a quarter during periodic events like elections, or large sports events. Finally, unlike platforms such as theTradeDesk or Unity, the company does not own assets, which leads to lower margins but lowers risk and ensures agility, as it can easily shift platforms when efficiency changes occur without disruptive asset costs.

Revenue, Gross Profit and Adj. EBITDA

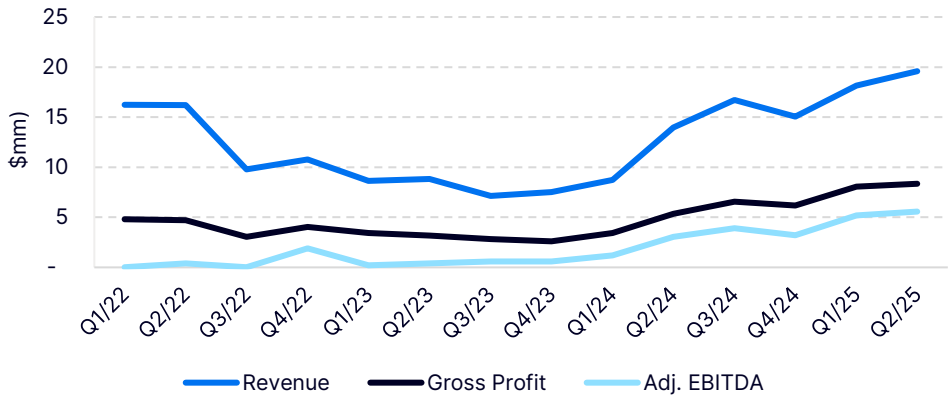

Figure 15 – ZOMD Revenue, Gross Profit and Adj. EBITDA
Source: Company Reports, ATB Capital Markets

Cost of Sales & Gross Margins: For ZOMD, cost of revenues mostly consists of costs paid to the publisher or traffic source in a given campaign. Gross margins have expanded since early 2024, driven by strategic shifts and operational efficiencies that began taking shape via the restructuring. Gross margins have improved from ~34% in Q4/23 to a high of ~44% in Q1/25, with gross margins printing ~43% last quarter. As part of the 2023 restructuring, ZOMD discontinued unprofitable, low-margin operations, particularly in cryptocurrency and certain fintech verticals. The Company instead shifted focus to higher-margin sectors like gaming, e-commerce, and entertainment, helping drive recent expansion. In addition, investments in AI-powered tools and integrations with 600+ media sources improved campaign performance and client ROAS, while the shift towards higher-margin verticals has also provided a tailwind for margin expansion.

Gross margins vary within a range, based on how efficiently the Company is able to deliver KPIs with a high ROI. The more efficiently ZOMD is able to deliver results for customers, the easier higher gross margins will be.

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ZOMD Margins

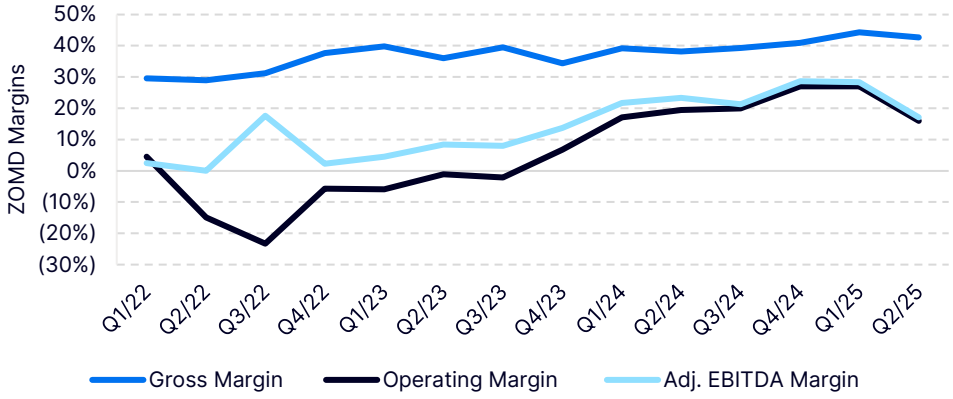

Figure 16 – ZOMD Margins
Source: Company Reports, ATB Capital Markets

ZOMD Operating Leverage

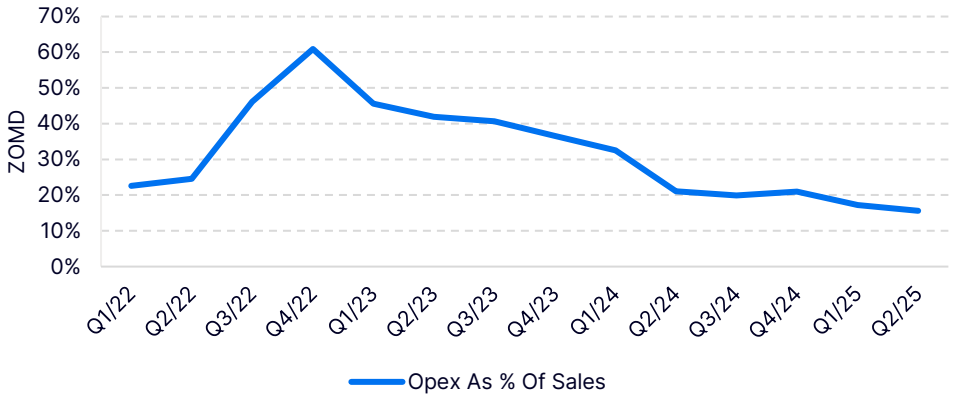

Figure 17 – ZOMD Operating Leverage
Source: Company Reports, ATB Capital Markets

Operating Expenses & EBITDA: ZOMD's operating expenses are classified into two broad categories: research and development expenses and selling, general and administrative expenses. Operating costs also include amortization of intangible assets and amortization of capitalized software development costs. The Company's operating cost base has shown signs of improving operating leverage, with operating expenses as a % of sales falling to ~16% in Q2/25, from ~42% in Q2/23. The improvement in ZOMD's cost base is a reflection of the overhead cost reduction as part of the 2023 restructuring, which involved streamlining headcount, marketing, and administrative expenses. In addition, a strong uptick in revenue growth has led ZOMD to realize economies of scale across its cost base.

As a result of gross margin and operating leverage improvements, adj. EBITDA margins have seen consistent expansion over the past two years, from ~5% in Q2/23 to ~28% in the most recent quarter.

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Net Income & Shares Outstanding: Given accelerating growth, margin expansion and operating leverage, GAAP net income has been positive for six consecutive quarters, with Q2/25 seeing a record $6.1mm net income print. As of Q2 end, ZOMD had ~103.0mm basic shares outstanding, and ~108.0 fully diluted shares outstanding, relatively unchanged from the prior year period.

Balance Sheet: As of Q2/25 end, ZOMD had $16.5mm of cash and cash equivalents on its balance sheet, with $1.4mm in total debt (of which $0.2mm is considered short-term debt). In Q2/25, ZOMD posted $5.2mm in free cash flow (cash from ops. less capex), with $14mm in FCF generated over the LTM.

ZOMD FCF

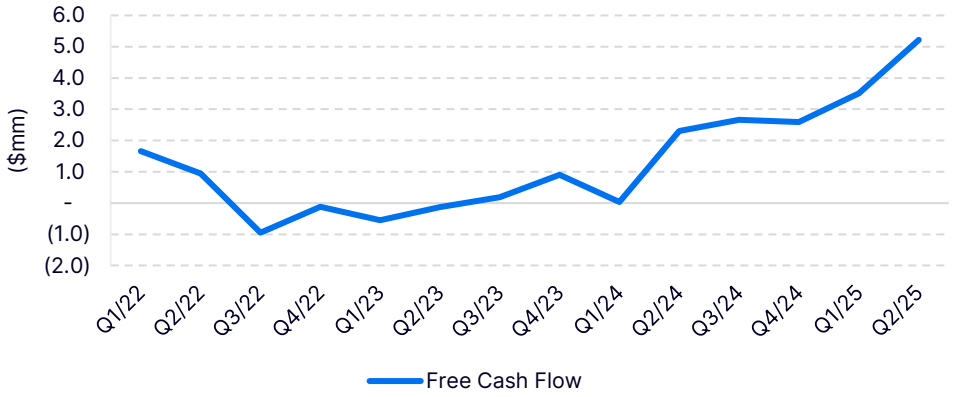

Figure 18 – ZOMD FCF
Source: Company Reports, ATB Capital Markets

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Financial Outlook

Revenue: We forecast 42% y/y revenue growth for 2025e (averaging 25% in H2/25) and 23% y/y growth for 2026e, driven by incremental customer wins and gradual price increases for large customers. Quarter-to-quarter, we account for some seasonality and lumpiness driven by events and other non-recurring campaigns, and changes in efficiency across ZOMD's sources. Longer-term, we forecast a ~21% growth CAGR from 2025e to 2033e, as ZOMD expands its customer base and gains pricing power over time, particularly with large customers. We believe our assumptions present a conservative view, with upside potential from large customer wins. We think investors should focus primarily on y/y growth and we are hesitant to extrapolate the $1mm-$2mm sequential increases in recent quarters.

Gross Margins: We forecast gross margins remaining in the low-40% for the remainder of 2025e and 2026e, and conservatively estimate 41% in the 2030's and the terminal value calculation. While this is conservative, it still represents ZOMD being fairly compensated for delivering value to clients, and if revenues and volumes growth are healthy, it represents a quality business model, in our view. The relatively high gross margins on performance-based results, which require third-party advertising inventory, reflect the value of ZOMD's platform to clients. Gross margins will likely continue to vary within a small range (we do not expect margins below the mid-low 40%s), based on the company's ability to deliver high value results (users, app downloads, purchases) efficiently. The more ZOMD pursues higher volumes, the higher cost of goods sold and the lower gross margins will be.

Over time, we believe that ZOMD's platform will get better over time in its targeting, potentially presenting some limited upside for gross margins. At the same time, we would expect that ZOMD will balance "re-investing" efficiency into lower pricing for clients, as management remains focus on preserving margins over volume expansion.

Operating Margin & Adj. EBITDA: We forecast average operating margins of ~22% for the remainder of 2025e and 2026e, with operating margins gradually expanding to the high-teens (as we expect opex spend to remain relatively flat, creating operating leverage). Long-term, we expect more efficient sales cycles, driving additional operating leverage and terminal operating margin assumption of 24%. We forecast adj. EBITDA margins to expand at a similar pace, averaging 25% and 23% for 2025e and 2026e, respectively, with a terminal adj. EBITDA margin assumption of 26%.

Net Income, EPS and Cash From Operations: We expect net income to remain positive moving forward, forecasting $26.1mm and $29.1mm in net income for 2025e and 2026e. We forecast EPS of $0.26 and $0.31 for 2025e and 2026e, respectively. Net income profitability will translate to positive cash from operations, in our view, given the light working capital nature of the business. We estimate the business requires almost no capital expenditures over the long term.

ATB Forecast for Revenue, Gross Profit and Operating Income

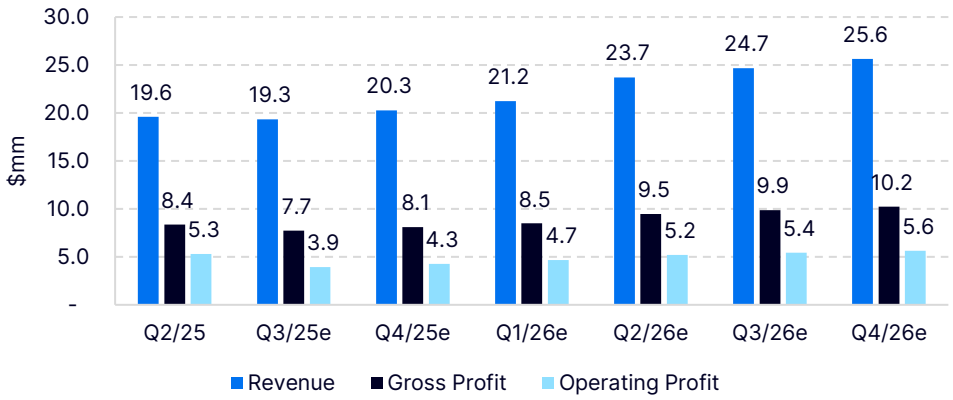

Figure 19 – ATB Forecast for Revenue, Gross Profit and Operating Income
Source: ATB Capital Markets

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ATB Forecast for Gross Margin and Adj. EBITDA Margin

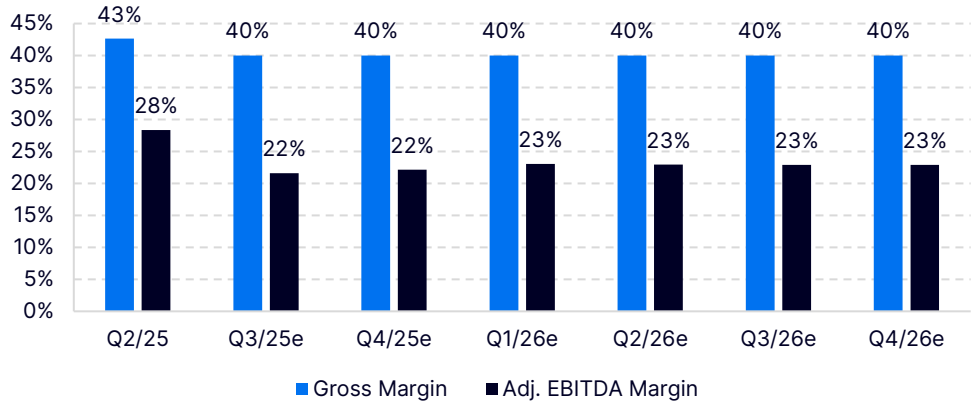

Figure 20 – ATB Forecast for Gross Margin and Adj. EBITDA Margin
Source: ATB Capital Markets

ATB Forecast for Revenue Growth and Operating Margin

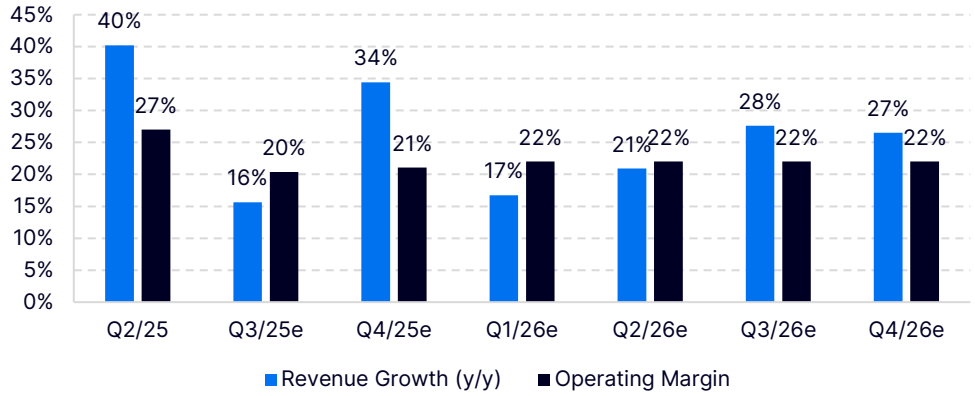

Figure 21 – ATB Forecast for Revenue Growth and Operating Margin
Source: ATB Capital Markets

ATB Forecast for Cash From Ops.

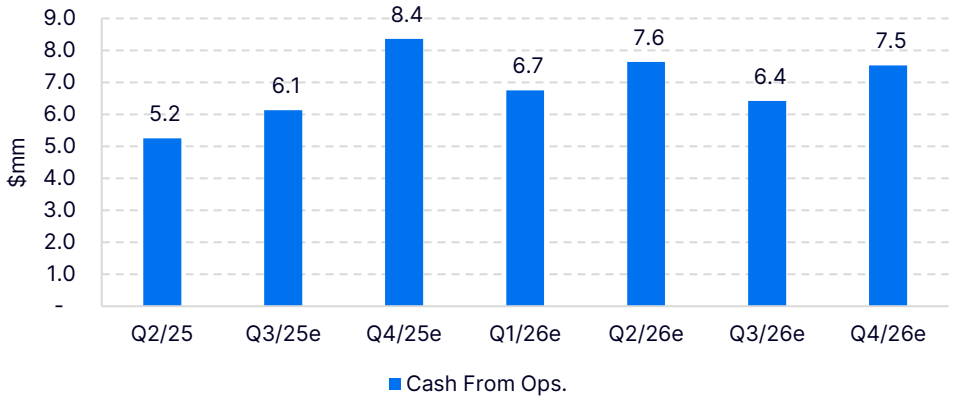

Figure 22 – ATB Forecast for Cash From Ops.
Source: ATB Capital Markets

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ATB Long-Term Forecasts

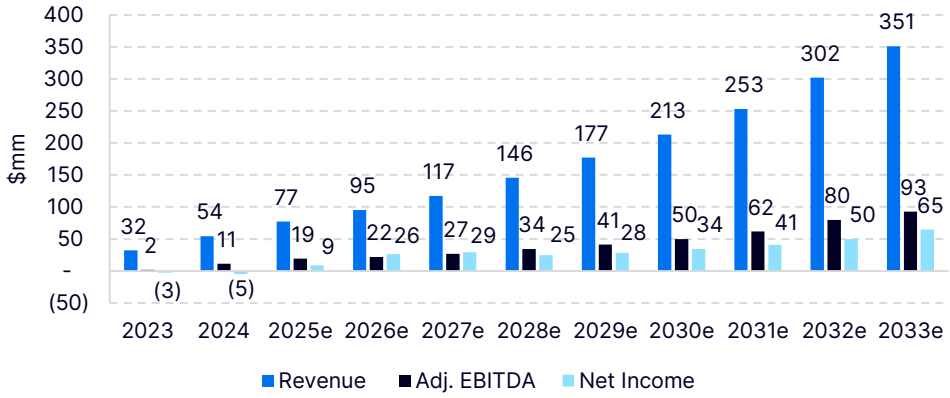

Figure 23 – ATB Long-Term Forecasts
Source: ATB Capital Markets

Balance Sheet | ATB Estimates

Balance Sheet	2022	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e
ASSETS												
Cash, Cash Equivalents & STI	3.8	2.6	9.2	30.6	58.0	79.9	110.0	146.2	189.5	243.0	306.4	383.8
Accounts & Notes Receiv	5.8	4.7	10.4	11.1	14.0	16.1	20.0	24.2	29.2	34.7	45.5	52.9
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Other ST Assets	0.8	0.6	0.2	0.3	0.4	1.6	2.0	2.4	2.9	3.5	4.1	4.8
Current assets	10.4	7.9	19.8	41.9	72.4	97.6	131.9	172.9	221.6	281.2	356.0	441.6
Property, Plant & Equip, Net	3.2	2.7	1.7	1.5	1.5	1.2	1.2	1.4	1.6	1.9	2.3	2.7
LT Investments & Receivables	0.2	0.2	0.1	-	-	-	-	-	-	-	-	-
Other LT Assets	11.2	7.9	7.0	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Total assets	**25.0**	**18.6**	**28.7**	**50.5**	**81.0**	**105.8**	**140.2**	**181.3**	**230.3**	**290.1**	**365.3**	**451.3**
LIABILITIES												
Payables & Accruals	6.6	5.2	7.3	5.1	6.5	6.4	8.0	9.7	11.7	13.9	15.3	15.8
ST Debt	2.0	2.0	2.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other ST Liabilities	0.5	0.6	0.2	-	-	-	-	-	-	-	-	-
Current liabilities	**9.1**	**7.8**	**9.5**	**5.3**	**6.6**	**6.6**	**8.2**	**9.9**	**11.9**	**14.0**	**15.4**	**15.9**
Long-term liabilities	2.8	2.2	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Total Liabilities	**11.9**	**10.0**	**11.0**	**6.6**	**8.0**	**8.0**	**9.5**	**11.2**	**13.2**	**15.4**	**16.8**	**17.3**
SHAREHOLDERS' EQUITY												
Share Capital & APIC	39.5	39.5	39.5	39.5	39.5	39.6	45.1	52.4	61.9	72.5	84.6	98.2
Retained Earnings	(32.0)	(36.7)	(27.8)	(1.7)	27.4	52.3	79.7	111.7	149.2	196.2	257.9	329.8
Other Equity	5.6	5.9	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Total shareholders' equity	**13.1**	**8.7**	**17.7**	**43.8**	**72.9**	**97.9**	**130.7**	**170.1**	**217.1**	**274.7**	**348.6**	**434.0**
Total liabilities and equity	**25.0**	**18.6**	**28.7**	**50.5**	**80.9**	**105.8**	**140.3**	**181.3**	**230.4**	**290.1**	**365.4**	**451.3**

Figure 24 – Balance Sheet | ATB Estimates
Source: Company Reports, ATB Capital Markets

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Income Statement | ATB Estimates

Income Statement ($mm)	2022	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e
Revenue	**53.0**	**32.1**	**54.5**	**77.3**	**95.2**	**117.4**	**145.7**	**177.0**	**213.2**	**253.0**	**302.0**	**351.1**
Cost of goods sold	36.4	20.1	33.0	57.1	57.1	70.4	87.4	106.2	127.9	151.8	178.2	207.2
Gross profit	**16.6**	**12.0**	**21.5**	**32.2**	**38.1**	**46.9**	**58.3**	**70.8**	**85.3**	**101.2**	**123.8**	**144.0**
Gross margin %	*31.3%*	*37.4%*	*39.5%*	*41.7%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*41.0%*	*41.0%*
Operating expenses	18.7	13.3	12.3	13.8	17.1	21.1	29.1	35.4	42.6	48.1	54.4	63.2
Operating Income	**(2.1)**	**(1.3)**	**9.2**	**18.4**	**20.9**	**25.8**	**29.1**	**35.4**	**42.6**	**53.1**	**69.5**	**80.8**
Other income (expense)	0.5	0.5	0.6	(2.3)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Pre-tax earnings	(2.6)	(4.6)	8.9	26.1	30.6	28.2	31.5	37.8	45.0	55.6	71.9	83.2
Income tax expense	0.4	0.0	0.0	0.1	1.4	3.4	3.2	3.8	4.5	5.6	7.2	8.3
Net income (loss)	**(2.9)**	**(4.7)**	**8.9**	**26.1**	**29.1**	**24.8**	**28.4**	**34.0**	**40.5**	**50.0**	**64.7**	**74.9**
Shares Outstanding:												
Basic	102.6	105.5	103.0	103.0	103.0	103.0	103.0	103.0	103.0	103.0	103.0	103.0
EPS ($)	*$ (0.03)*	*$ (0.04)*	*$ 0.09*	*$ 0.26*	*$ 0.31*	*$ 0.24*	*$ 0.28*	*$ 0.33*	*$ 0.39*	*$ 0.49*	*$ 0.63*	*$ 0.73*

Figure 25 – Income Statement | ATB Estimates
Source: Company Reports, ATB Capital Markets

Cash Flow Statement | ATB Estimates

Statement of Cash Flows	2022	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e
OPERATING												
Net Income	(3)	(5)	9	26	29	25	28	34	41	50	65	75
Depreciation & Amortization	4	2	2	1	1	1	1	1	1	1	1	1
Stock-Based Comp	0	0	0	0	-	-	4	5	6	8	9	11
Other Non-Cash Adj	(0)	3	0	(1)	-	-	0	0	0	0	0	0
Chg in Non-Cash Work Cap	1	(1)	(3)	(3)	(2)	(3)	(3)	(3)	(3)	(4)	(10)	(8)
Operating cash flow	**2**	**0**	**8**	**23**	**28**	**22**	**31**	**37**	**44**	**55**	**65**	**79**
FINANCING												
Cash From (Repayment) Debt	-	-	-	-	-	-	-	-	-	-	-	-
Cash (Repurchase) of Equity	-	-	-	-	-	-	-	-	-	-	-	-
Other	(1)	(1)	(0)	(2)	0	0	0	0	0	0	0	0
Financing cash flow	**(1)**	**(1)**	**(0)**	**(2)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
INVESTING												
Capital expenditures	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)
Other	(2)	(1)	(0)	(0)	-	-	-	-	-	-	-	-
Investing Cash Flow	**(3)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(2)**	**(2)**
Change in cash	(1)	(1)	7	21	27	22	30	36	43	54	63	77

Figure 26 – Cash Flow Statement | ATB Estimates
Source: Company Reports, ATB Capital Markets

Valuation & Recommendation

We initiate ZOMD with an Outperform rating and $4.00 PT. ZOMD operates in a fast-growing segment of a growing market. Digital advertising is growing mid-single digits and faster than GDP or global retail. Mobile user acquisition (UA) is growing faster than digital advertising, and has a strong growth outlook, likely greater than 10% annually for at least the next several years. In-app consumer spending is nearly $300bn according to Sensor Tower. ZOMD needs only capture a small incremental portion of Mobile UA spend to become a larger company and grow EBITDA at an attractive CAGR over the next three years. In our view, with consistent results, ZOMD has the potential to earn higher multiple on much higher EBITDA estimates.

ZOMD current revenue run-rate of ~$80mm remains a very small percentage of the advertising & marketing spend to support the large in-app economy. Given this attractive growth rate and l)

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ZOMD's recent success in growing with existing customers, II) gaining new customers and III) outgrowing the market, we believe that ZOMD has a strong growth outlook.

Adtech has a reputation for volatility because companies or solutions that offer a single asset can be impacted by changes in the market that suddenly reduce effectiveness. We call this the "better mouse trap problem". ZOMD has built its solution to change with the market and capture value from 600+ sources, the majority of the open internet, and be durable amid a changing environment. We believe the Company will see multiple expansion as this thesis proves itself out, which when combined with profitability growth, can generate attractive returns for investors.

ZOMD remains a small company with considerable customer concentration in a cyclical and changing industry, with relatively limited history. We believe that a number of factors mitigate these risks, and prove the resilience of ZOMD's business and customer relationships. While we estimate that ZOMD's five largest customers represent ~80% of revenue, the largest customer has been with ZOMD for seven years each. To account for these risks, we use a 17% WACC in our DCF. As concentration gets lower and the company demonstrates low customer churn, a lower discount rate could be a source of shareholder value creation.

ZOMD Fundamentals Compare Well to High Quality Adtech Companies

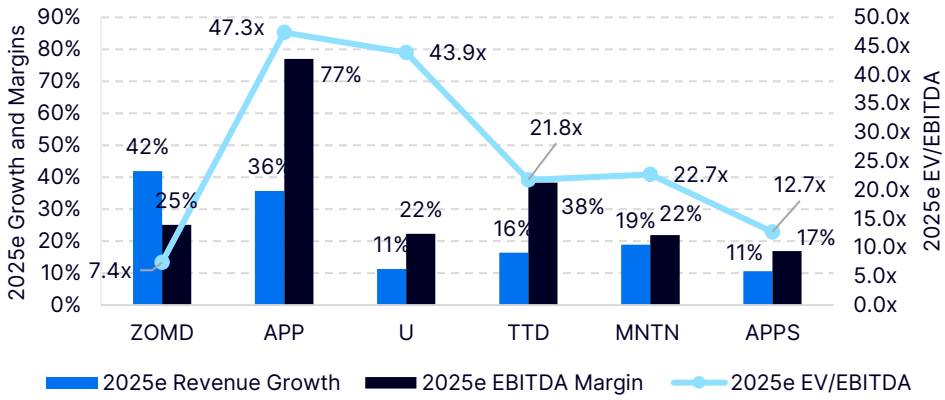

Figure 27 – ZOMD Fundamentals Compare Well to High Quality Adtech Companies
Source: ATB Capital Markets

Peer Comparables: The adtech landscape has a number of companies with high valuations, margins and growth. We believe the key to achieving high multiples is a strong position in a growing market, where investors feel the companies will capture share and have a competitive moat. APP, for example, is valued at ~30.0x NTM P/S and NTM EV/EBITDA of ~40x. The company recognises revenue on a net basis, hence EBITDA margins are ~80%. Obviously, there is little room for expansion from such a high EBITDA margins. On gross ad spend of $11bn, EBITDA margins would be more similar to ZOMD, in our view. Unity Software Inc. (U-O, NR) and Roblox Inc. (RBLX-O, NR), while they are more representative of asset owners as opposed to agency-based platforms, also trade at 40x EV/EBITDA, despite choppy growth histories (Unity's revenue declined in 2024).

There are a number of AdTech names of size with strong margin profiles, but with weaker positions in the value chain (for example, a point solution like PUBM), with less attractive growth stories. These companies tend to trade at multiples that imply a weaker market position, and less confidence in the durability of their growth stories. Taboola (TBLA-O, NR), Pubmatic (PUBM-O, NR), Digital Turbine (APPS-O, NR), Magnite (MGNI-O, NR) and MNTN Inc. (MNTN-O, NR) trade at an average 2025e EV/EBITDA multiple of ~9.9x and a range (14.0x and 4.5x). The Trade Desk has an excellent history of profitable growth, and enjoys a dominant position in the value chain. While the company's growth has slowed (NTMe revenue growth is 16.5%, compared to the five-year CAGR of 29%), and the stock has sold off on a recent controversy, it continues to retain a relatively high multiple.

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Comparable Companies

	Ticker	Rating & Target	Trading Currency	Local Price	Market Cap ($mm)	Net Debt	EV ($mm)	P/S 2024	P/S 2025	EV/EBITDA 2026e	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBITDA 2026e	P/B	LTM Gross Margin%	2025e EBITDA Margin%	NTMe Rev Growth %
Zoomd Technologies Ltd.	**ZOMD-CA**	**OP; PT $4.00**	**CAD**	**C$2.15**	**$166**	**(15.0)**	**150.6**	**3.0x**	**2.1x**	**1.7x**	**13.3x**	**7.8x**	**6.9x**	**5.5x**	**39.1%**	**25.1%**	**22.9%**
AppLovin Corp. Class A	APP-US	NR	USD	$565.39	$206,207	2,318.4	208,524.9	43.8x	36.6x	27.1x	76.7x	48.1x	34.0x	164.4x	80.7%	77.0%	35.1%
Trade Desk, Inc. Class A	TTD-US	NR	USD	$53.07	$25,144	(1,343.7)	23,457.2	10.3x	8.8x	7.5x	23.2x	21.4x	17.6x	9.5x	79.4%	38.3%	16.5%
MNTN, Inc Class A	MNTN-US	NR	USD	$15.21	$1,515	(175.2)	1,339.4	nmf	5.2x	4.4x	NM	21.2x	13.9x	4.6x	72.8%	21.9%	18.9%
VerticalScope Holdings, Inc.	FORA-CA	NR	CAD	C$3.61	$61	51.9	97.3	0.1x	0.1x	0.1x	0.5x	0.4x	0.4x	0.7x	9.1%	33.0%	11.4%
Magnite, Inc.	MGNI-US	NR	USD	$18.86	$2,819	193.2	2,949.8	4.6x	4.2x	3.8x	15.0x	13.0x	11.5x	3.5x	61.0%	33.9%	11.4%
Criteo SA Sponsored ADR Repr 1 Sh	CRTO-US	NR	USD	$20.63	$1,072	(92.9)	891.8	1.0x	0.9x	0.9x	2.3x	2.3x	2.3x	1.0x	52.8%	33.8%	1.6%
Integral Ad Science Holding Corp	IAS-US	NR	USD	$10.21	$1,873	(63.4)	1,795.6	3.5x	3.1x	2.8x	9.4x	8.5x	7.5x	1.6x	66.3%	35.1%	11.3%
DoubleVerify Holdings, Inc.	DV-US	NR	USD	$11.27	$1,914	(113.2)	1,697.5	2.9x	2.5x	2.3x	7.8x	7.0x	6.2x	1.6x	75.0%	32.1%	11.8%
Zeta Global Holdings Corp. Class A	ZETA-US	NR	USD	$18.73	$4,642	(168.6)	4,473.6	4.6x	3.7x	3.1x	23.2x	16.9x	13.8x	6.4x	55.3%	20.9%	17.3%
Taboola.com Ltd.	TBLA-US	NR	USD	$3.15	$1,006	60.0	978.8	0.6x	0.5x	0.5x	4.9x	4.6x	4.5x	1.0x	27.8%	11.2%	5.4%
Nexxen International Ltd.	NEXN-US	NR	USD	$8.76	$589	(99.8)	457.6	1.7x	1.6x	1.4x	4.0x	3.7x	3.2x	1.1x	69.7%	33.2%	8.9%
PubMatic, Inc. Class A	PUBM-US	NR	USD	$8.38	$399	(71.9)	281.9	1.4x	1.5x	1.4x	3.1x	5.5x	5.2x	1.5x	64.9%	18.8%	1.9%
Digital Turbine, Inc.	APPS-US	NR	USD	$6.37	$745	375.6	1,110.9	1.5x	1.4x	1.3x	14.3x	12.6x	9.7x	nmf	28.4%	16.9%	10.6%
Unity Software, Inc.	U-US	NR	USD	$35.41	$16,235	650.0	17,023.4	9.0x	9.0x	8.0x	43.7x	42.3x	32.7x	4.6x	74.4%	22.3%	11.5%
Roku, Inc. Class A	ROKU-US	NR	USD	$96.72	$14,556	(1,686.1)	12,303.2	3.5x	3.1x	2.8x	47.3x	32.7x	22.7x	5.4x	45.1%	8.1%	11.9%
illumin Holdings Inc.	ILLM-CA	NR	CAD	$1.27	$71	(43.0)	15.1	0.5x	0.5x	0.4x	2.4x	3.6x	1.7x	0.9x	41.7%	2.8%	9.9%
Average								**5.8x**	**5.0x**	**4.1x**	**18.2x**	**14.8x**	**11.4x**	**13.3x**	**55.5%**	**27.3%**	**12.8%**

Figure 28 – Comparable Companies
Source: ATB Capital Markets

There is an APP for That Comparison: AppLovin's stock has taken off, and it has scaled far faster than investors imagined. Very strong and improving fundamentals haven been driven by a flywheel of the Company's AI engine using data to drive higher value outcomes for clients, in turn leading to more data. The Company is effectively making a spread over what the advertising inventory is worth to the advertisers and what it costs, and sharing the benefit with its clients.

While ZOMD is in a very different position, and is far too small to make a direct comparison, an analogy can be made to the results that ZOMD delivers to its clients and the growth that ZOMD is enjoying. While we are not suggesting ZOMD deserves an APP-like EV/EBITDA multiple, we would point out the current market is discovering and rewarding small cap growth stories that may lack extensive track records.

DCF Valuation Snapshot

DCF ($mm)	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e
Revenue	77	95	117	146	177	213	253	302	351
Gross Profit	32	38	47	58	71	85	101	124	144
EBITDA	19	22	27	34	41	50	62	80	93
EBIT	18	21	26	29	35	43	53	69	81
Less: Taxes	0	1	3	3	4	5	6	7	8
Capital Expenditures	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)
Depreciation	1	1	1	1	1	1	1	1	1
Working Capital Changes	(3)	(2)	(3)	(3)	(3)	(3)	(4)	(10)	(8)
FCFF	**14**	**16**	**18**	**22**	**27**	**33**	**42**	**49**	**62**
TV									**454.3**
PV of FCFF	**14.3**	**16.0**	**15.0**	**15.9**	**16.9**	**17.5**	**18.9**	**19.3**	**20.6**
PV of Terminal Value									**151.4**

Figure 29 – DCF Valuation Snapshot
Source: ATB Capital Markets

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DCF WACC Calculation

WACC Calculation	
Risk Free Rate	4%
Market Risk Premium	6.5%
Beta	2.0
Cost of Equity (%)	17%
After-tax Cost of Debt (%)	8%
Proportion of Debt in Target Capital Structure (%)	0%
Proportion of Debt in Target Capital Structure (%)	**17%**

Figure 30 – DCF WACC Calculation
Source: ATB Capital Markets

DCF Sensitivity

Terminal Growth Rate	WACC				
	12.0%	13.0%	14.0%	15.0%	16.0%
2.0%	4.66	4.19	3.79	3.46	3.18
2.5%	4.83	4.32	3.90	3.55	3.25
3.0%	5.02	4.46	**4.01**	3.64	3.32
3.5%	5.23	4.62	4.13	3.73	3.40
4.0%	5.46	4.80	4.27	3.84	3.49

Figure 31 – DCF Sensitivity
Source: ATB Capital Markets

Price Target Calculation

Initiating Coverage with an Outperform Rating and Price Target of $4.00: Our price target is based on a DCF. Our discounted cash flow (DCF), using a weighted average cost of capital (WACC) of 17.0% and a terminal growth rate of 3.0%. Our DCF model implies a terminal EV/EBITDA multiple of 4.9x in 2033. Our discounted terminal value of $151.4mm represents 55% of our total estimated EV of $276mm. Our valuation implies an EV/2026 EBITDA of 12.5x.

Key Risks to Price Target

Customer Concentration and Trade Receivables: We believe Zoomd's five largest customers represent over 80% of revenue and according to its 2024 annual financial statements, the Company's top 10 customers represent 91% of revenue. Trade receivables are $12.0mm or 8% of the company's EV.

Advertising Inventory Efficiency: Zoomd relies on its platform's ability to source advertising placements which yield action-based results that Zoomd can charge a margin for. If prices for that advertising increase, or other changes to inventory, the sources Zoomd uses or the marketplace negatively impact Zoomd's ability to find high-value actions at a reasonable price, Zoomd's ability to achieve attractive gross margins could be at risk.

Macro-Economic and Tariff Risk: Advertising is cyclical. Macro-economic risks pose a threat to Zoomd's revenues and gross profits. Advertisers typically prioritize cost-cutting over discretionary ad spend during periods of economic uncertainty. Geopolitical tensions or supply chain disruptions could further amplify volatility in global ad markets. Some of Zoomd's customers are ecommerce companies that import goods into the US and other countries. If the US or other countries impose higher tariffs on consumer goods, Zoomd's revenues and gross profits are at risk.

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Currency Risk: Zoomd operates in 80 countries and multiple currencies, with ~30% of revenue coming from outside the US. The Company reports in USD and depreciation in other currencies could negatively impact revenues and gross profits.

Event Risk: Some of Zoomd's revenues come from non-recurring or periodic events (like the Olympics). Revenue from these events may not recure in the following year, which can create a tough sequential and year over year comparable.

Appendix A: Management & Board of Directors

Amit Bohensky (Chairman & Co-Founder): Mr. Bohensky is serial entrepreneur, and founded Zoomd in 2012, envisioning the revolution of digital advertising, user targeting and internal search arena. Mr. Bohensky has had several successful exits, including: Unicoders (sold to Matrix), FocalInfo (sold to Verint Systems), and Develop Soft (sold to Code Value). Mr. Bohensky is also a Partner at Moonbow.vc.

Ido Almany (CEO): Mr Almany has extensive experience in leadership positions across the fintech industry. He spent five years acting as the former CEO of American Express' Licensee in Israel. Mr. Almany also served as a management team member of The Isracard Group, supporting its IPO in 2019. He has also previously led digital products at Discount Bank and was a strategic consultant at TASC.

Omri Argaman (CMO, CGO & Co-Founder): Mr. Argaman is a mobile and digital specialist, with extensive experience in the marketing and advertising fields. A respected global mobile marketing leader, Mr. Argaman has more than 20 years of extensive experience in the digital marketing field, holding a range of positions in Microsoft over seven years. Mr. Argaman was a co-founder of mobile marketing company Moblin in 2007, taking an active role in the growth of the company as VP of Business Development. Following the merger with Moblin, Omri now acts as Zoomd's CMO and business development manager.

Niv Sharoni (CTO & Co-Founder): Mr. Sharoni has over 25 years of experience in the software industry, and co-founded Moblin, where he served as VP R&D from 2007.

Tsvika Adler (CFO): Mr. Adler has over 15 years of experience in the financial industry, and previously held the position of CFO in a leading Advertising Group (under WPP). Mr. Adler has significant experience in the industry as a financial director and financial accounting (CPA).

Yair Yaskerovitch (COO): Mr. Yaskerovitch brings over 25 years of experience in Business Development & Sales in several positions and industries to global enterprises, including Ralph Lauren and Sony Entertainment. Has been with Zoomd since 2010.

Management & Ownership

Ownership	Shares ('000s)	% Ownership
Institutional Shareholders		
Andbank Wealth Management	277	0.3%
DNB Asset Management AS	123	0.1%
Insiders		
Amit Bohensky, Chairman & Co-Founder	8,877	9.0%
Amnon Argaman, Director	5,932	6.0%
Ofer Eitan, Former CEO	5,442	5.5%
Omri Argaman, CMO, CGO & Co-Founder	4,047	4.1%
Niv Sharoni, CTO & Co-Founder	2,407	2.4%

Figure 32 – ZOMD Ownership
Source: FactSet, ATB Capital Markets
Note: Based on most recently available FactSet data

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Zoomd Technologies Ltd.

ZOMD	**$2.15**
Rating:	**Outperform**
12 Month Target:	**$4.00**

Disclosure Requirements

1	Does the analyst, a member of the analyst's household, associate or employee who prepared this research report hold or are short on any of the issuer's securities directly or through derivatives?	N
2	Is ATB Securities Inc. making a market in an equity or equity-related security of the issuer?	N
3	Does ATB Securities Inc. and its affiliates collectively, beneficially own more than 1% of any class of the issuer's equity securities?	N
4	Does any director, officer, employee of ATB Securities Inc. or members of their household, or any director or officer of ATB Securities Inc.'s affiliates serve as a director or officer or in an advisory capacity to the issuer? If yes, state name:	N
5	Has ATB Securities Inc. or its affiliates provided the issuer or its predecessor with non-investment banking securities-related services or non-securities services in the past 12 months?	N
6	Has ATB Securities Inc. or its affiliates received compensation for products and services provided other than investment banking securities-related services in the past 12 months?	N
7	Has ATB Securities Inc. or its affiliates managed, co-managed or participated in an offering of securities by the issuer or its predecessor in the past 12 months?	N
8	Has ATB Securities Inc. or its affiliates received compensation for investment banking and related services from the issuer or its predecessor in the past 12 months?	Y
9	Has an analyst conducted a site visit within the past 12 months?	N
10	Did the analyst receive any payment or reimbursement of travel expenses by the issuer?	N

	Ranking Distribution	% IB Clients
Outperform	66%	73%
Sector Perform	22%	81%
Underperform	3%	25%
Speculative Buy	3%	67%
Restricted	1%	100%
Not Rated	0%	0%
Tender	2%	50%
Under Review	3%	100%
Total	100%	74%



ATB Securities Inc. rating system reflects our outlook for expected performance of an issuer's equity securities relative to its peer group over the next 12 months.

Outperform - A security is expected to provide a return greater than the peer group.

Sector Perform - A security is expected to provide a return in line with the peer group.

Underperform - A security is expected to provide a return less than the peer group.

Speculative Buy - A security expected to provide a return greater than the peer group, but the risk of a significant loss is material.

Not Rated - A security where a rating has not been assigned.

Tender - A security where a surrender to a takeover bid or other offer is believed to be fair, which is likely shorter than a 12-month period.

Under Review - The analyst is considering the implications on new information on a short-term basis.

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