



MANAGEMENT'S DISCUSSION AND ANALYSIS OF ZOOMD TECHNOLOGIES LTD.

Basis of Presentation

The following management's discussion and analysis ("MD&A") relates to the operating results, financial position, cash flows, and outlook guidance of Zoomd Technologies Ltd. (the "Company"), its wholly-owned subsidiary Zoomd Ltd. ("Zoomd") and Zoomd's wholly owned subsidiary Moblin Asia Pte. Ltd. ("Moblin") prepared for the three and nine month period ended September 30, 2021 and should be read in conjunction with the Company's consolidated interim financial statements for the three and nine month period ended September 30, 2021 and related notes attached thereto (the "Financial Statements"). For the avoidance of doubt, any reference to the Company in this MD&A fully incorporates and includes Zoomd and Moblin.

The Financial Statements consolidate the accounts of the Company and its subsidiaries. All inter-company balances and transactions have been eliminated on consolidation.

The Financial Statements, and extracts of those financial statements included in this MD&A are presented in accordance with International Financial Reporting Standards ("IFRS").

The effective date of this MD&A is November 22, 2021.

Unless otherwise stated herein, all amounts expressed in this MD&A are presented in thousands of United States dollars, denominated by "\$" or "USD" or "US\$", the functional currency of the Company.

FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements that are based on current expectations, which involve risks and uncertainties associated with the business and the environment in which the Company operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not facts but reflect management's current expectations regarding future results or events. In developing the forward-looking statements in this MD&A, the Company has applied several material assumptions, including the availability of financing on reasonable terms, the Company's ability and general business and economic conditions. These forward-looking statements are subject to several risks and uncertainties that could cause actual results or events to differ materially from current expectations, including, but not limited to, risks and uncertainties related to:

1. the performance of the Company's business and operations;
2. the intention to grow the business and operations of the Company;
3. the ability of the Company to implement and execute its product development roadmap
4. the ability of the Company to grow through mergers and acquisitions;
5. future liquidity, financial capacity and availability of future financing opportunities;
6. the ongoing effect of the ongoing coronavirus pandemic ("COVID-19"), including its macroeconomic effects, on our business, operations, and financial results;

7. general economic conditions, including risks associated with foreign currency fluctuations;
8. demand for the Company's products;
9. introduction of competing products;
10. the Company's ability to respond to rapid technological changes with new products and services;
11. the return on investment from research & development investments made by the Company;
12. the Company's ability to protect and enforce its intellectual property, and risks of potential claims of intellectual property infringement by third parties;
13. failure to manage the Company's product and service lifecycles;
14. failure to manage open-source software adoption and compliance risks;
15. concentrated customer base, as four of the Company's customers comprise 60% of its revenues for the period ended September 30, 2021
16. the success of the Company's launched products;
17. the ability of the Company to achieve its revenue outlook for fiscal 2021, including the risk that it is unable to grow its revenue organically or grow revenue through acquisitions;
18. the ability of the Company's products to operate effectively within the systems of the Company's customers; and
19. general industry and regulation trends which may change from time to time and could adversely impact the Company's business, including Apple's announcements about the implementation of an "opt-in" regime in iOS 14 for certain data collection, impacting the direct identifiers within the ecosystem as part of a continuing industry trend of protecting the privacy of users.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about the Company's revenue outlook for the year ended December 31, 2021. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. Zoomd's actual results, performance, or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits the Company will derive therefrom. The Company has included the FOFI in order to provide readers with a more complete perspective on the Company's future operations and such information may not be appropriate for other purposes.

With respect to the forward-looking statements contained herein, although the Company believes that the expectations and assumptions are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. There can be no assurance that the anticipated results or developments will actually be realized, and actual results can be expected to vary from the results projected and such variances may be material and adverse. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

Non-IFRS Financial Measures

This MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. The Company's definitions of non-IFRS measures used in this MD&A may not be the same as the definitions for such measures used by other companies in their reporting. Non-IFRS measures have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS financial measures to provide investors with supplemental measures of its operating performance and to eliminate items that have less bearing on operating performance or operating conditions and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Specifically, the Company believes that Adjusted EBITDA, when viewed with the Company's results under IFRS and the accompanying reconciliations, provides useful information about the Company's business without regard to potential distortions. By eliminating potential differences in results of operations between periods caused by factors such as depreciation and amortization methods and share-based compensation, the Company believes that Adjusted EBITDA can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. The Company believes that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. The Company's management also uses non-IFRS financial measures in order to facilitate operating performance comparisons from period to period.

"EBITDA" represents the Company's operating profit before interest, taxes, depreciation, and amortization.

"Adjusted EBITDA" represents the EBITDA adjusted for the exclusion of share-based compensation.

See "Reconciliation of Non-IFRS Measures" for a reconciliation of each non-IFRS measure to its most directly comparable IFRS measure.

COMPANY OVERVIEW

Zoomd, the Company's wholly-owned operating subsidiary located in Israel, was incorporated on November 29, 2012 and began operating in 2013 in the area of search and analytics. In 2017, Zoomd acquired the mobile marketing company "Moblin". In September 2019, through a qualifying transaction (the "**Qualifying Transaction**") undertaken pursuant to the rules of the TSX Venture Exchange ("**TSXV**"), Zoomd became a wholly-owned subsidiary of the Company and a reporting issuer in Alberta and British Columbia, whose common shares are traded on the TSXV. The Company has developed proprietary patented technology and targets the needs of many segments of the digital marketing industry. It is focused on efficient mobile user acquisition for companies and advertisers. The Company leverages unique tools for publishers, based on onsite search providing increased monetization and engagement for publishers as well as more efficient management of digital advertising budgets for media agencies and advertisers, targeted mostly on mobile app user acquisition. The Company offers its services globally through its subsidiary in Singapore and its agents and other business partners all over the globe. As such, the Company operates in collaboration with hundreds of publishers and global advertisers and has experienced significant adoption rates of its on-site search and app distribution technology by major companies worldwide.

The Company endeavors to permanently generate clear added value to its customers in a transparent manner. The Company's current and future product development roadmap includes self-serve products integrated within various digital media sources, thereby enabling its customers to reach the best "value for money" ad targeting for each media source in any screen, or platform integrated to Zoomd. The Company continuously monitors new distribution media channels to add additional options to its customers. In Q3 2021, Zoomd signed a marketing partner agreement with Snapchat, certifying Zoomd as a formal platform integrated marketing partner of Snapchat. During Q1 2021, Zoomd obtained the "TikTok Marketing Partner Certification", allowing its customers an integrated solution to manage user-acquisition campaigns on the TikTok Platform, in full viewability and side by side of other media channels. Additionally, once the milestones of the product roadmap are completed, one of the Company's self served products will also be offered in a full production license based SaaS model. The product, which in Q3 2021 has completed the design partner milestone, will be offered during Q4 2021 to customers that prefer self managing all their premium and social media sources rather than a managed service by third parties.

The Company is focusing its efforts, which are based on long term trends within the online advertising industry, in line with its basic strategy of:

- Providing customers a robust marketing platform, focusing on user acquisition first.
- Contributing effectively, and in a measurable manner, to improve its customer's user acquisition campaign results and ongoing ROI.
- Enabling customers to manage their user acquisition campaign budgets on all digital channels, screens and platforms including social networks, ad networks, exchanges, content discovery platforms, influencers, connected TV(CTV), audio networks, and AR/VR marketplaces, all using data driven KPI based technology.
- Managing all key information in campaigns under a single screen, including the cost of media, cost of acquisition, Lifetime Value (LTV), ROAS (Return On Ad Spend) and other key metrics, while working towards integrating full automation, AI and ML-based prediction algorithms into the platform.
- Being the only platform an advertiser will need for acquiring new users via digital media.

- Offering extra tools and features as part of its product offering in an attempt to simplify campaign management tasks. Such extra tools and features include creative studio editing capabilities for quick ad adjustments, extra layers of user data from app stores and unique optimization abilities for saving time and resources on campaign management tasks.

Overview of the industry and the Company's Competitive Advantage:

Many companies operate in the Company's industry. Digital marketing and advertising is a large market, with the mobile segment expected to continue to grow at an accelerated rate and be subject to intense competition and innovation. The Company offers tools for improving the efficiency of digital marketing budgets focused on mobile app user acquisition at this stage.

The Company offers two main products, with different target audiences:

- For publishers: an internal site search engine, supplying the Company's clients that are publishers with the ability to implement search in their website.
- For advertisers: a complete unified mobile user acquisition platform for managing all their user acquisition activity, under one unified command and control screen.

The Company competes both with companies that provide internal site search solutions, and companies that provide mobile and general digital media buying services and solutions, focused on mobile apps and user acquisition. Management is not aware of any other company that offers both an internal site search solution while also providing mobile and general digital media buying solution.

Management believes that the Company's platform already has a competitive advantages over similar products and services offered by competitors. The Company's belief is based on the following:

- For publishers, the Company offers a fully customised search tool for free, using a revenue-share model with the publisher (as a partner). Most of the Company's competitors in this segment typically offer a software-based license for a fee. The free solutions that are offered by other companies are not customisable or self-controlled, and management believes these solutions offered by other companies provide less analytical data that is insightful to publishers, when compared to the Company's product. Targeting publisher's inventory and providing monetisation tools within the ecosystem is one of the Company's strategic goals.
- For advertisers, the Company is focused on mobile app user acquisition, integrating all digital media sources on its platform. This saves campaign managers time and permits advertisers to scale their campaigns by adding new media sources, without having handle new dashboards or platforms to manage such media sources. Management believes that the Company's advantage over its competitors in this segment, once the product is finalized and launched, is expected to stem from the disruptive approach which uses the integration of planned traffic sources, an AI-based automated user acquisition approach, and the combination of audience-specific data insights that are unique to the Company's platform.

The Company's competitive advantage can be summarized as follows:

- The only company in the industry offering a "search"-based solution to publishers for better user targeting for advertisers. The Company's search data is unique and helps target audiences in ways that others may not be able to.

- The only platform that combines a single product that can be used by both advertisers and publishers.
- The platform does not require an SDK (Software Development Kit) to be implemented.
- The Company's advertising solution is built as a software layer on the ecosystem. It is integrated into more than 600 media channels, consolidating all data and streaming it into a centralized dashboard, giving the advertiser the ability to view, analyse and optimise their campaign on hundreds of channels in a single platform, thereby saving the advertiser resources and maximising their advertising budget. There is no dependency on any specific supplier or traffic channel.
- It is the view of management that, as a layer on the ecosystem, the Company is well positioned within the industry. Its platform has a very low to no impact with respect of privacy, tracking and measurement changes while the industry is going through various privacy-centered initiatives, including iOS 14 and 15 identifier, Google cookie sunset and Google 3rd party cookie tracking. The advertisers allocated budgets with Zoomd are also growing because of the new privacy limitations as advertisers are finding it harder to succeed on the common media sources. Zoomd's platform gives the ability to scale with confidence and by achieving KPI targets.
- The Company's platform is integrated into each media source and measurement solution based on the relevant API the source offers. As media sources and measurement companies build their solutions to adapt to the ongoing changes, the Company's platform API is adjustable and integrates with each offered API. As such, the platform will work with all offered integration-based solutions.
- The Company is not reliant on the Google/Facebook "duopoly". The Company's platform is integrated on a wide variety of media sources, offering its customers numerous acquisition channels, including social channels, global publishers, ad networks, SDK networks, media exchanges/ DSP's, incentivise networks, affiliate networks, mobile operators and device manufactures.
- For the self-serve premium media SaaS version of the platform, the Company will use a monthly subscription-based license that is not tied to the monthly media budget of the advertiser.
- The platform works in some cases transparently with the advertisers' ad accounts.
- As the industry is rapidly changing, the Company invests resources on market analysis, customer management and research and development to maintain its competitive advantage and refine its product to further differentiate itself from the competitors in order to build a healthy base for future growth.

Fiscal 2021 Revenue Outlook

Management has updated its revenues projection for 2021 and now expects revenue to increase by at least 80% YOY for the year ending December 31, 2021. This outlook reflects the following assumptions:

- Growth from new customers, acquired primarily during the second half of 2020 through to the beginning of 2021, which are increasing their marketing budgets as they become more familiar

with the platform, the services and the results. The growth of these customers has been above our expectations.

- Growing with existing customers. Zoomd has been seeing increased allocation of advertising budgets from our existing customers. Our portion of the total budget has become larger, mainly at the expense of media that has been suffering from lower budgets, due to iOS 14 and Apple's privacy changes.
- Growth in new regions such as Latin America, Asia, India and Eastern Europe.
- Growth in emerging industry categories including fintech, ecommerce, and gaming.
- A successful acquisition of Performance Revenues in February 2021 which was integrated faster than expected.

Financial Operations Overview

Financial Period ended September 30, 2021.

Revenue

The Company generates revenue primarily from two different models:

- (a) Revenue from advertisers that is derived from the Company-installed search engine on a publisher's site. When an end-customer is using the Company's engine, the Company generates revenue from the advertisers, with whom it has a contracted budget that is based on the number of views / impressions and shares the revenues with the publishers. The portion of the revenue collected using this model, which is passed through to the publisher, is 60% to 70%. Revenues are recognized on a gross basis, and the amount paid to publishers is shown as cost of sales.
- (b) Revenues from advertisers are derived from actual key performance indicators (KPIs) achieved. The KPIs used most frequently are cost per install (CPI), cost per event (CPE), cost per click (CPC) or cost per mille (CPM). Alternatively, the Company may use an agreement whereby the revenue is based on a fixed percentage, by using traffic sources as publishers, ad networks and demand side platforms (DSPs). At the end of each month, the revenues from these advertisers are calculated and recognized, taking into consideration any contractual cap with such advertisers. This revenue stream depends on several factors, including the Company's ability to access user data collected by third party sources. Such access may be impeded by certain privacy initiatives undertaken in the industry, including Apple's announcement about implementing an "opt-in" regime for certain data collection in iOS 14.

Cost of Sales

Cost of sales is comprised primarily from costs paid to the publisher or traffic source, for delivering the acquired results (KPI, CPI, CPE, CPC, CPM) given by the advertisers, or with whom the Company shares the revenues it collects from the advertisers.

Operating Cost and Expenses

The Company's operating costs and expenses are classified into two categories: research and development expenses and all others (e.g., selling, general and administrative expenses). For each category, the largest component is typically personnel costs, which consists of salaries, employee benefits and share-based compensation. Operating costs and expenses also include allocated overhead costs for depreciation of equipment. Operating costs and expenses are generally recognized as incurred. Operating costs also include

amortization of intangible assets acquired in the business combination that have affected the operating margins.

Research and Development Expenses

Research and development activities are central to the Company's business. The Company expects to continue its research and development investments in order to reach its planned milestones of the development product roadmap for 2021. The Company's research and development expenses consist primarily of personnel costs, payment to subcontractors, cloud infrastructure, depreciation and amortization expenses and share-based compensation. The Company capitalizes certain internal and external software development costs, consisting primarily of direct labor associated with creating the internally developed software.

Research and development expenses are expected to decrease during 2021 due to the capitalization of software development costs.

Selling, General and Administrative Expenses

The Company's selling, general and administrative expenses consist primarily of personnel expenses for the Company's sales, marketing, executive, finance, legal, human resources and administrative personnel. It also includes professional service fees and other general corporate expenses, such as communication, depreciation and amortization, public relations, travel expenses and other office expenses.

The Company expects that its selling, general and administrative expenses will increase in the future. The Company targets global expansion with partners and establishing local operations in a number of specific regions. It also anticipates additional general and administrative costs associated with being a public company. These public company-related expense increases are anticipated to include the costs of additional subsidiaries in various countries, legal fees, accounting and audit fees, directors' and officers' liability insurance premiums and costs related to investor relations.

Finance Income and Finance Expenses

Foreign currency transactions are translated into United States dollars using the exchange rates prevailing as at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive loss to "**finance expenses**" and "**finance income**".

Overview of Operating Results

Nine and three months ended September 30, 2021 compared to nine and three months ended September 30, 2020

Revenues

For the nine months ended September 30, 2021, revenues amounted to \$33,894, as compared to \$18,814 for the nine months ended September 30, 2020, an increase of approximately 80% year over year. The increase in revenues is primarily due to increases in gross spend by existing customers as well as expanded distribution with new customers in emerging industry categories including fintech, ecommerce, and gaming, and the deployment and expansion of new services and features and through acquisition. The Company's management updated its expectation for yearly revenue growth to be by 80%, as mentioned above.

For the three months ended September 30, 2021, revenues amounted to \$15,961, as compared to \$6,625 for the three months ended September 30, 2020, an increase of approximately 141% year over year and a 143% quarter over quarter growth, which was a record for the Company. The increase in revenues is primarily the result of onboarding new clients, primarily in the beginning of the year. These clients are increasing their marketing budgets as they become more familiar with the platform, growing existing accounts and the Company's expansion into growth geographies such as Latin America and Asia India and Eastern Europe. In addition, deployment of new services and features, combined with the integration of our latest acquisition, scaled rapidly and generated a significant revenue stream during the period.

Cost of Sales

For the nine months ended September 30, 2021, cost of sales amounted to \$23,245, or 69% of revenues, as compared to \$13,060, with the same percentage of revenues for the nine months ended September 30, 2020. Gross profit was 31% for the nine months ended September 31, 2021 and September 31, 2020.

For the three months ended September 30, 2021, cost of sales amounted to \$11,347, or 71% of revenues, as compared to \$4,589, or 69% of revenues, for the three months ended September 30, 2020, an increase of \$6,758. The increase is primarily attributed to the increase in revenues. Gross profit was 29% for the three months ended September 31, 2021 compared to 31% for the same period in 2020.

Operating Costs and Expenses

The following table summarizes operating expenses for the nine and three ended September 30, 2021 and 2020:

	Nine months ended September 30,		Three months ended September 30,	
	2021	2020	2021	2020
R&D Salaries and Related Expenses	737	1,540	338	535
R&D Subcontractors and services	1,156	1,996	397	699
Share-Based Payments	28	35	-	12
Depreciation and Amortization	1,330	1,193	459	398
Total R&D expenses ⁽¹⁾	3,251	4,764	1,194	1,644
S&M Salaries and Related Expenses ⁽²⁾	2,875	1,943	1,215	659
G&A Salaries and Related Expenses	1,267	1,160	497	389
Advertising Expenses ⁽³⁾	444	360	138	134
Share-Based Payments	95	105	21	13
Depreciation and Amortization	632	652	207	215
Other G&A and S&M Expenses	1,141	1,212	381	470
Total SG&A expenses	6,454	5,432	2,459	1,880
Total operating expenses	9,705	10,196	3,653	3,524

Notes:

1. The decrease in R&D expenses is primarily attributed to the capitalization of R&D costs. As of Q4, 2020 the Company reached its technical feasibility from the development of its self served SaaS platform and such related expenses were capitalized and recorded as an intangible asset. During the nine months and the three months periods ended on September 30, 2021, the Company capitalized related expenses in the amount of \$1,312 and \$437 respectively.
2. The S&M salary expenses increase is due to new employees joining the Company after the acquisition of Performance Revenues Ltd. and increases in sales department bonuses as part of the significant growth in revenues.
3. As part of the Company's expansion plans, the Company increased its marketing and advertising expenses in 2021. Media costs were increased to enhance branding, brand awareness, and for ongoing growing lead generation. In addition, the Company has been promoting to potential clients its newly released self-serve products, including its new distribution channels. The Company has also upgraded its website to include its new product offering, including its self-serve products (Performance, SaaS).

Operating Income/ Loss

Operating income for the nine months ended September 30, 2021 was \$944 as compared with operating loss of \$(4,442) for the nine months ended September 30, 2020, an improvement of \$5,386. The improvement is primarily attributed to the increase in revenues.

Operating income for the three months ended September 30, 2021, was \$961 as compared with operating loss of \$(1,488) for the three months ended September 30, 2020, an improvement of \$2,449. The

improvement in operating income carried the Company to a record operating profit. The improvement is primarily attributed to the increase in revenues.

Adjusted EBITDA for the nine months ended September 30, 2021 was \$3,029 as compared with Adjusted EBITDA of \$(2,457) for the nine months ended September 30, 2020, an increase of \$5,486. The improvement in the Adjusted EBITDA is primarily attributed to the sequential increase in revenue over four consecutive quarters, which carried the Company to a new record high Adjusted EBITDA.

Adjusted EBITDA for the three months ended September 30, 2021 was \$1,647 as compared with Adjusted EBITDA loss of \$(850) for the three months ended September 30, 2020 an increase of \$2,497. The improvement in the Adjusted EBITDA is primarily attributed to the increase in revenue, which carried the Company to the highest Adjusted EBITDA during any single quarter since it became listed on the TSXV.

Reconciliation of Non-IFRS Measures

The following table presents a reconciliation of Adjusted EBITDA to Operating gain/Loss for the nine and three months ended September 30, 2021 and 2020:

	Nine months ended		Three months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Operating gain/(loss)	944	(4,442)	961	(1,488)
Adjustments:				
Depreciation and amortization	1,962	1,845	665	613
Cost of share-based payments	123	140	21	25
Total adjustments	2,085	1,985	686	638
Adjusted (negative) EBITDA	3,029	(2,457)	1,647	(850)

Finance Expenses, Net

For the nine months ended September 30, 2021, finance expenses increased by \$154 compared to the nine months ended September 30, 2020. The change is primarily attributed as a result of the adjustment of the contingent earnout liability recognized in connection with the Performance Revenues Ltd Acquisition.

Finance expenses for the three months ended September 30, 2021, was \$364 as compared with finance expenses of \$35 for the three months ended September 30, 2020. The change is mainly attributed adjustment in fair value of the contingent earnout liability recognized in connection with the Performance Revenues Ltd Acquisition.

Net Income/ loss

Net income for the nine months ended September 30, 2021 was \$470 as compared with a net loss of \$(4,762) for the nine months ended September 30, 2020, an improvement of \$5,232. The improvement is mainly attributed to the increase in revenues and the decrease in our operating loss as discussed above.

Net income for the three months ended September 30, 2021 was \$597 as compared with a net loss of (\$1,523) for the three months ended September 30, 2020, an improvement of \$2,120. The change is mainly attributed to the significant increase in revenue and the decrease in our operating loss as discussed above.

Summary of Quarterly Results

The following table below sets out certain financial data for the Company:

	<u>Q3</u> <u>2021</u>	<u>Q2</u> <u>2021</u>	<u>Q1</u> <u>2021</u>	<u>Q4</u> <u>2020</u>	<u>Q3</u> <u>2020</u>	<u>Q2</u> <u>2020</u>	<u>Q1</u> <u>2020</u>	<u>Q4</u> <u>2019</u>
Revenue	15,961	11,157	6,776	6,609	6,625	5,676	6,513	7,544
Operating Gain/ (Loss)	961	621	(638)	(806)	(1,488)	(1,440)	(1,514)	(1,131)
<i>Adjustments:</i>								
<i>Depreciation and amortization</i>	665	653	643	627	613	613	619	574
<i>Cost of share-based payments</i>	21	44	58	35	25	67	48	53
Adjusted EBITDA	1,647	1,318	63	(144)	(850)	(760)	(847)	(504)
Basic Income (loss) per share	0.01	0.01	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)
Diluted Income (loss) per share	0.01	0.01	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)

Liquidity & Capital Resources

As of September 30, 2021, the Company held cash in the amount of \$3,217, trade receivables in the amount of \$10,689, other current assets in the amount of \$303, trades payables in the amount of \$6,323, current liabilities in the amount of \$4,548, accrued earnout liability of \$222 and a short term bank loan of \$2,003.

The significant and consistent increase in revenues led the company for the first time since it became public to generate sufficient cash from its operating activities. To date, our primary sources of liquidity are cash from operations and debt. The Credit Line Agreement allows the Company to withdraw, at its own discretion up to \$2,000, and is classified as short-term debt on our condensed consolidated balance sheet as of September 30, 2021. We believe our recurring revenues in addition to our existing cash and cash equivalents and cash flow from operations will be sufficient to meet our working capital requirements and future growth plans.

Further, see “Liquidity and fair value risk” below for additional information on the general liquidity risks facing the Company.

Consolidated Cash Flow Activity

The following summarizes the Company’s statement of cash flow for the nine and three ended September 30, 2021 and 2020.

Operating Activities

Net cash generated from operating activities for the nine months period ended September 30 2021, was \$1,070 as compared to Net cash used in from operating activities of \$(2,217) for the nine months period ended September 30, 2020 a positive change of \$3,287. The increase in operating activities is primarily attributed to the Company's increase in revenues during the period.

Net cash generated from operating activities for the three months period ended September 30, 2021 was \$1,653 as compared to Net cash used in from operating activities of \$(991) for the three months period

ended September 30, 2020 a positive change of \$2,644. The increase in cash used in operating activities is primarily attributed to the increase in revenues over the comparative periods.

Investing Activities

Net cash used in investing activities for the nine months period ended September 30, 2021 was \$1,922 as compared to net cash used in investing activities of \$35 for the nine months period ended September 30, 2020. The change in net cash used in investing activities was primarily due to investment in capitalized software during the period, consideration paid related to the acquisition of Performance Revenue on February 9, 2021 (as described below) and a bank deposit security for short term bank credit.

Net cash used in investing activities for the three months period ended September 30, 2021 was \$441 as compared to net cash generated from investing activities of \$10 for the three months period ended September 30, 2020. The change in net cash used in investing activities was primarily due to investment in capitalized software during the period and a bank deposit security for short term bank credit.

Financing Activities

Net cash generated from financing activities for nine months period ended September 30, 2021 was \$1,498 as compared to net cash used in of \$(495) for the nine months period ended September 30, 2020. The increase was primarily related to proceeds from short term bank credit line.

Net cash used in financing activities for three months period ended September 30, 2021 was \$(188) as compared to net cash used in of \$(193) for the three months period ended September 30, 2020. The change is not material.

Outstanding Share Data

The Company has authorized share capital of an unlimited number of common voting shares. The Company's outstanding securities are comprised of:

	September 30, 2021
Common shares	95,146,474
Options	7,920,446

As of the date of the MD&A, 95,154,808 common shares were issued and outstanding. In addition, as of the date of the MD&A, 7,912,112 stock options were outstanding with exercise prices ranging from CA\$0 to CA\$1 per share.

On December 29, 2020, the Company granted 1,220,000 stock options to certain officers and employees of the Company pursuant to the Company's incentive stock option plan. The options granted will vest over 36 months. Each option granted has an exercise price of CA\$0.18 per share and an expiry date of December 29, 2025.

On February 9, 2021 the Company acquired all of Performance Revenues Ltd.'s tangible and intangible assets, in consideration for US\$350 in cash and an earn-out that is based on the annual results of Performance Revenues for 2021, worth a maximum of US1,023, payable in Zoomd's shares, using a price per share that is the higher of (i) the fair market value on the day of payment and (ii) US\$0.75(CA\$0.96) based on CAD: USD rate per share.

Management reassessed the fair value of the contingent consideration liability as of September 30, 2021 using the updated expectations and probability of the payment and recorded an increase in the fair value of the accrued earnout liability by \$222 with changes in the fair value included in finance expenses.

The acquisition opens direct access for Zoomd to additional top-tier global advertisers and a strong entry into the Japanese market. The acquisition is expected to enable Zoomd to offer its existing and new clients new distribution channels, high profile influencer-based marketing and novel video creation services for better advertising campaigns and conversion rates

Off-Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

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 and operational decisions, or if both parties are controlled by the same third party. The Company engaged in the following related party transactions with Amit Bohensky, the Chairman of the Company, or companies controlled by him.

As of 2013, the Company received business management and development services from Amit Bohensky Consulting and Investments Ltd., ("**Bohensky Consulting**"), an Israeli company controlled by Amit Bohensky. Such services are provided personally by Amit Bohensky. The Company may terminate the consulting agreement between the parties upon written notice of not less than 90 days. Since the fourth

quarter of 2019, the Company also receives director services from Amit Bohensky. For the period ended September 30, 2021, the Company paid Bohensky Consulting and Investments Ltd. a total amount of \$191.

As of 2014, the Company received software development services from Develop Soft Ltd., (“**Develop Soft**”) a Bulgarian software company controlled by Amit Bohensky. The Company may terminate the service agreement between the parties upon written notice of not less than 60 days. For the period ended September 30, 2021, Develop Soft provided the software development services through its employees, who are assigned to the Company’s research and development team. For the period ended September 30, 2021, the Company paid Develop Soft a total amount of \$337.

Outstanding balances with related parties as of September 30, 2021, (including amounts payable to such parties), consist of \$52.

Financial Instruments and Risk Factors

The Company operates in a competitive industry and its results of operations, business prospects and financial condition are subject to a number of risks and uncertainties and are affected by a number of factors outside the control of the management of the Company. The risks and uncertainties include those disclosed in the Company’s filing statement dated June 30, 2019 and filed on SEDAR as well as the following risks and uncertainties.

Foreign currency risk

The Company’s functional currency is the United States dollar. The Company’s exposure to the fluctuations occurring in the rates of exchange between the United States dollar, Canadian dollar and the NIS result primarily from salaries and related expenses that are stated in NIS. During the period, no change took place in the exposure to currency risk or in the manner in which the Company manages and measures the risk.

To date, the Company is using options to hedge its foreign currency exposure with respect to the NIS appreciating relative to the US\$.

Management of credit risk

Before receiving a new customer, the Company conducts research on the financial strength of the customer and requests that the customer provides credit references from other suppliers with whom the customer maintains business relations. In addition, the Company purchased a credit insurance policy for some of its customers. Moreover, the Company holds cash and cash equivalents in various financial institutions. Pursuant to the Company’s policies, evaluations of the relative financial stability of the different financial institutions are performed on an ongoing basis.

Liquidity and fair value risk

Careful management of liquidity risk requires a sufficient cash balance to support operating activities. Management constantly analyzes cash balances, which are comprised of cash and cash equivalents and assets at fair value through profit and loss. This analysis is based on forecasted cash flows, in accordance with the policies and restrictions set by the Company. The Company keeps a sufficient level of cash and cash equivalents, by taking into account the cash required for its operating activities, in order to reduce the liquidity risk that the Company is exposed to.

Critical Accounting Estimates

Significant Accounting Judgements and Key Sources of Estimation are summarized in note 3 to the Company's annual audited financial statements for the period ended December 31, 2020, and have not changed during the following interim period.

Statement of Compliance with IFRS

The Company's financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

Public Health Crisis

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic, which continues to spread around the world. COVID-19 and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates.

The management of the Company is closely evaluating the impact of COVID-19 on the Company's business. The Company took several steps during 2020 and 2021 to mitigate the impact of the pandemic on its operations, including decreasing all employees' salaries and reducing some of its service providers' expenses. As of May 2021, all reductions are terminated for all employees and service providers due to the significant improvement in the Company's results and positive EBITDA.

The Company increased penetration into verticals that have benefitted from the COVID-19 pandemic, such as e-commerce and FinTech, has helped offset some of the spending weakness by the Company's sports-related customers that have recently started to normalize their advertising budgets.

APPROVAL

The Directors of Zoomd have approved the disclosures contained in this MD&A.

ADDITIONAL INFORMATION

Additional information relating to the Company is posted on SEDAR at www.sedar.com.