

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 months and year ended December 31, 2022 and should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2022 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 April 28, 2023.

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;
6. the war between Russia and Ukraine, including its macroeconomic effects on our business, operations, and financial results;

7. general economic conditions, including but not limited to risks associated with the weakening of global economic activity and recession, foreign currency fluctuations, increased interest rates, and inflation;
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 and 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. the Company's concentrated customer base, as ten of the Company's customers comprise 76% of its revenues for the twelve month period ended December 31, 2022;
16. the success of the Company's launched products;
17. the ability of the Company's products to operate effectively within the systems of the Company's customers; and
18. general industry and privacy regulation trends which may change from time to time and could adversely impact the Company's business, including privacy changes made in the past by Apple and Google as well as future privacy changes.

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 refers to certain non-IFRS measures. These measures are not recognised 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 and one-time non-operating expenses.

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 web search and user behavior-based 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, a reporting issuer in Alberta and British Columbia whose common shares are traded on the TSXV. The Company has developed and acquired proprietary patented technology and targets the needs of various 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 a mobile user acquisition platform and managed services to advertisers. The Company offers its services globally through its agents and other business partners all over the globe. As such, the Company operates in collaboration with hundreds of publishers and global advertisers.

The Company endeavors to permanently generate clear added value to its customers. The Company's current and future product development roadmap includes self-serve products integrated to various digital media sources, consolidating them. Enabling its customers to reach the best “value for money” targeting user acquisition and retention focused needs, for each media source in any screen, or platform integrated to Zoomd. The Company continuously monitors and considers adding new distribution media channels to its platform for updated customer needs.

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

- Providing customers digital, mobile focused advertising technologies, products and services for improving their media buying effectiveness, cost and measurement. Lowering and maximising their user acquisition and retention costs.

- Enabling customers to manage their user acquisition campaign budgets on multiple digital channels, screens and platforms including social networks, ad networks, exchanges, content discovery platforms, influencers, connected TV(CTV), all using data driven KPI-based technology.
- Managing all campaign related key information parameters, based on each advertiser's measurement KPI's, under a single system including, if requested: 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.
- 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.

Competitive Advantages

Two main products and services are offered by the Company, with different target audiences:

- For advertisers: a unified mobile user acquisition platform for managing user acquisition activity, under one control center. Platform includes various products and services for supplying the customer's needs.
- For publishers: an internal site search engine, supplying the publisher with the ability to implement search and monetization tools for their site.

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

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

- For advertisers: the Company is focused mainly but not only on mobile user acquisition, integrating a wide range of media sources to its platform under various products. This saves campaign managers time and permits advertisers to scale their campaigns by adding new media sources, without having to handle new dashboards or platforms to manage such media sources.
- For publishers: the Company offers a fully customised search tool for free, using a revenue-share model with the publisher (as a partner).

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

- The Company's advertising solution is built as a software layer on the ecosystem. It is integrated into hundreds of media channels, consolidating data and streaming it into a centralized platform, giving the advertiser the ability to analyse and optimise campaigns on hundreds of channels, thereby saving the advertiser resources and maximising their advertising budget. There is no dependency on any specific supplier or traffic channel.

- Saving time and resources for advertisers, giving them better clarity and more consolidated insights
- The platform and its products do not require an SDK (Software Development Kit) to be implemented.
- It is the view of management that, as a layer on the ecosystem, the Company is well positioned within the industry. While the Company's platform and products have a low impact with respect of privacy, tracking and measurement changes, the industry is going through various privacy-centered initiatives, including iOS 14, forward identifier blocking and Google's third party cookie tracking restrictions that are expected to be implemented in the near future. The privacy changes are affecting advertisers' budget allocations, hurting mainly the social media channels. Advertisers' acquisition costs in these channels rose rapidly and advertisers are finding it harder to succeed and scale as in the past. Zoomd's platform offers advertisers a wide range and various types of media channels, from social to programmatic, OEM's, SDK networks and more. Their KPI's are achieved in all channels together, or as a mix. With low dependency on one or two media channels, With Zoomd, advertisers can try a lot more channels under one place without engaging and managing campaigns separately in each media channel.
- The Company is not reliant on the Google/Facebook "duopoly". They are a part of the Company's offering, but if not performing well, will not be allocated a portion of the media budgets. The Company's platform offers numerous acquisition channels including social, global publishers, SDK ad networks, DSP's, mobile operators, device manufactures and more. KPIs can be achieved, in scale, with less dependency on the "duopoly".
- In Q1 2022, the Company acquired Albert Technologies Ltd. ("**Albert**"), a U.S.-based artificial intelligence SaaS marketing platform for advertisers which primarily uses the Google and Facebook platforms. Albert integrates to the advertisers existing ad accounts and the AI engines manage all campaign-related tasks automatically, with no manual intervention required. With the acquisition of Albert, the Company can now offer its existing and new customers a SaaS-based solution for managing full funnel marketing campaigns.
- Following the acquisition of Performance Revenues Ltd. in the beginning of 2021, the Company has structured a dedicated department focused on influencer and creators marketing. Aimed to utilize and supply the demand for the growing channel of influencer marketing, Zoomd is offering its clients more ways to generate new users and more channels to run their user acquisition campaigns and distribute their digital assets.
- 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.
- Self-serve products – the Company's strategy includes the expansion of self-managed products offered to advertisers and publishers, all based on the Company's main platform. The self-managed products are and will be offered to various types of customers and will expand the company's total addressable market (TAM). The self serve products are offered in two main business models, depending on the product:
 - SaaS – generating ARR and long time relationships.
 - Media usage - based on managed media budgets.

Selected Financial Information for the three months ended December 31, 2022 and 2021 and year ended December 31, 2022, 2021 and 2020.

The following financial information has been derived from the Company's Financial Statements. For further information see "Overview of Operating Results" below.

	Twelve months ended December 31,			Three months ended December 31,	
	2022	2021	2020	2022	2021
Revenues	53,023	52,585	25,423	10,766	18,691
Cost of Sales and Services	36,415	36,294	17,503	6,716	13,049
Research and Development, Net	6,713	4,221	5,916	2,492	970
Selling, General and Administrative Expenses	12,009	9,066	7,252	3,226	2,612
Operating Income (Loss)	(2,114)	3,004	(5,248)	(1,668)	2,060
Finance Income	(108)	(6)	(8)	(109)	(6)
Finance expenses	560	512	465	314	38
Taxes on income	287	-	-	76	-
Net Income (Loss)	(2,853)	2,498	(5,705)	(1,949)	2,028
Income (Loss) Per Share	(0.03)	0.02	(0.06)	(0.02)	0.02
Income (Loss) Per Share (diluted)	(0.03)	0.02	(0.06)	(0.02)	0.02
Adjusted EBITDA*	3,690	5,767	(2,601)	163	2,739
Distributions or cash dividends Per Share		-	-	-	-
Total Assets	24,954	26,575	19,438	24,954	26,575
Total Non-Current Liabilities	2,791	567	1,168	2,791	567

* Non-IFRS measure

For the year ended December 31, 2022, the Company reported no discontinued operations, and did not declare any cash dividends.

Financial Operations Overview

Our results have been characterized by a rapid growth in the first half of the year, offset by slowdown in the second half. The offset was in such magnitude as to offset the growth in the first half, and to resulted in an apparent flat revenue when comparing 2022 with 2021.

To support our rapid growth, experienced in the first half of 2022, we increased our headcount, including the acquisition of Albert, which has increased our level of operating expenses and our burn rate. In the 2nd half, even with the significant decrease in growth explained above, we have maintained the same level of operating expenses in anticipation of return to growth.

Financial Period Ended December 31, 2022.

Revenue

The Company generates revenue primarily from two different models:

- (a) 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 recognised, taking into consideration any contractual cap with such advertisers.
- (b) 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.

Cost of Sales

Cost of sales is comprised primarily from costs paid to the publisher or traffic source, for delivering the acquired results (KPI's, 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). Operating costs also include amortization of intangible assets acquired in the business combination, and amortization of capitalized software development costs. Both have affected the operating margins. For each category, the largest component is typically personnel costs, which consists of salaries, employee benefits, retention costs for Albert employees who joined the Company after the acquisition, and share-based compensation. Operating costs and expenses also include allocated overhead costs for depreciation of equipment. Operating costs and expenses are generally recognised as incurred.

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. The Company's research and development expenses consist primarily of personnel costs, payment to subcontractors, cloud infrastructure, retention payments, 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.

Selling, General and Administrative Expenses

The Company's selling, general and administrative expenses consist primarily of personnel expenses for the Company's sales, marketing, retention payments, 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 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 recognised in the Consolidated Statement of Net Income (Loss) to "**finance expenses**" and "**finance income**".

Overview of Operating Results

Twelve and three months ended December 31, 2022, compared to twelve and three months ended December 31, 2021

Revenues

For the year ended December 31, 2022, revenues amounted to \$53,023, as compared to \$52,585 for the year ended December 31, 2021, an increase of approximately \$438 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, and the deployment and expansion of new services and features. The described annual increase was offset mainly in the second half of the year, by the decrease in the Fintech and Cryptocurrency sectors that cut ad budgets and affected most ad tech and media based companies globally, including META and Google.

Due to the fluctuating budgets of the Fintech and Cryptocurrency sectors, we continue to diversify our business by increasing our exposure to sectors such as E-commerce, iGaming and CPG companies.

For the three months ended December 31, 2022, revenues amounted to \$10,766, as compared to \$18,691 for the three months ended December 31, 2021, a decrease of approximately 42% year over year. The decrease in revenues is primarily as a result of global macroeconomic conditions that impact client advertising budgets in general and especially in areas of Fintech and in particular Cryptocurrency.

Cost of Sales

For the year ended December 31, 2022, cost of sales amounted to \$36,415, or 69% of revenues, as compared to \$36,294, with the same percentage of revenues for the year ended December 31, 2021. There is no change in the gross profit between the periods.

For the three months ended December 31, 2022, cost of sales amounted to \$6,716, as compared to \$13,049 for the three months ended December 31, 2021, a decrease of \$6,333 or 49% year over year. The decrease is primarily attributed to the decrease in revenues.

Operating Costs and Expenses

The following table summarizes operating expenses for the three and twelve months ended December 31, 2022 and 2021:

	Twelve months ended December 31,		Three months ended December 31,	
	2022	2021	2022	2021
R&D Salaries and Related Expenses ⁽¹⁾	1,550	793	623	56
R&D Subcontractors and services ⁽¹⁾	2,396	1,616	725	460
Depreciation, Amortization and Share-Based Payments ⁽²⁾	2,767	1,812	1,144	454
Total R&D expenses	6,713	4,221	2,492	970
S&M Salaries and Related Expenses ⁽³⁾	6,618	4,314	1,691	1,454
G&A Salaries and Related Expenses	1,763	1,650	597	368
S&M Advertising expenses	806	715	256	298
G&A Professional fees	765	809	113	152
Share-Based Payments	277	110	68	15
Depreciation and Amortization	905	841	171	209
Other G&A and S&M Expenses ⁽⁴⁾	875	627	330	175
Total SG&A expenses	12,009	9,066	3,226	2,612
Total operating expenses	18,722	13,287	5,718	3,582

Notes:

1. The increase in the R&D salaries and related expenses, subcontractors and services expenses are attributed primarily to the salary payments to the new employees who joined the Company and salaries and retention payments of \$1,225 to new R&D employees who were previously employed by Albert and joined Zoomd after the acquisition. The change in the fourth quarter is relatively higher than the yearly average, since during the fourth quarter the Company ceased to capitalize software development costs for its internally developed self-serve product, due to the decrease in growth in the 2nd half, the expected recovery of the costs capitalized may be lower than anticipated and may come, partially, from synergies with the IP acquired from Albert.
2. The increase in Depreciation and Amortization expenses is mainly due to the amortization of costs which were capitalized during 2021 and 2022. Additionally, during Q4, the company accelerated amortization in the amount of \$434 which the management believes reflects the useful life and expected recovery amount of the costs capitalized balance.
3. The S&M salaries and related expenses mainly increased due to salaries and retention payments to new S&M employees who joined the Company after the acquisition of Albert and new employees who joined the Company as a direct result of the Company's growth at the first half of 2022 and to support future growth.
4. The increase in other G&A and S&M expenses is mainly due to one-time expenses associated with moving the Company to new offices. Additionally, the costs of professional liability insurance, and directors' and officers' insurance were increased

Operating Income

Operating loss for the twelve months ended December 31, 2022 was \$2,114 as compared to operating income of \$3,004 for the twelve months ended December 31, 2021, a decrease of \$5,118. The decrease in operating income is primarily attributable to new employees joining the Company to support growth, together with salaries and retention payments for Albert employees who joined Zoomd after the acquisition.

Operating loss for the three months ended December 31, 2022 was \$1,668 as compared to operating income of \$2,060 for the three months ended December 31, 2021, a decrease of \$3,728. The decrease in operating income is primarily attributable to the decrease in revenues, in addition, During the fourth quarter, the company increased the depreciation expenses and ceased to capitalize software development costs, as explained in note 1 and note 2 above.

Adjusted EBITDA

Adjusted EBITDA for the twelve months ended December 31, 2022 was \$3,690 as compared with Adjusted EBITDA of \$5,767 for the twelve months ended December 31, 2021, a decrease of \$2,077. The decrease in Adjusted EBITDA is primarily attributable to increase in the headcount for new employees joining the Company to support growth including Albert employees who joined Zoomd after the acquisition. In addition, during the fourth quarter the Company ceased capitalization of software development costs as explained further in Note 1 above.

Adjusted EBITDA for the three months ended December 31, 2022 was \$163 as compared with Adjusted EBITDA of \$2,739 for the three months ended December 31, 2021 a decrease of \$2,902. The decrease in operating income and Adjusted EBITDA is primarily attributable to the decrease in revenues. In addition, during the fourth quarter the Company ceased capitalization of software development costs as explained further in Note 1 above, as compared with the corresponding quarter.

Reconciliation of Non-IFRS Measures

The following table presents a reconciliation of Adjusted EBITDA to Operating gain/loss for the twelve and three months ended December 31, 2022 and 2021:

	Year ended		Three months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Operating income/(loss)	(2,114)	3,004	(1,668)	2,060
Adjustments:				
Depreciation and amortization	3,617	2,643	1,306	682
Cost of share-based payments.....	332	120	77	(3)
Non-recurring compensation payments in connection with business combination ⁽¹⁾	1,855	-	449	-
Total adjustments	5,804	2,763	1,831	679
Adjusted EBITDA.....	3,690	5,767	163	2,739

Notes:

1. Retention costs during the first 12 months following Albert’s acquisition. Albert’s employees who have joined Zoomd and Albert’s shareholders are entitled to retention payments upon the achievement of certain performance metrics.

Finance Expenses, Net, Taxes and Net Income/ Loss

The change in financial expenses for the twelve and three months ended December 31, 2022, is immaterial.

For the twelve and three months ended December 31, 2022 the Company recognized taxes on income for the amounts of \$287 and \$76, respectively. This is due to the Company’s writing off its downpayments for taxes of surplus expenses as a result of uncertainty of taxable income in the foreseeable future.

Net loss for the twelve months ended December 31, 2022 was \$2,853 as compared with a net income of \$2,498 for the twelve months ended December 31, 2021, a decrease in net income of \$5,351.

Net loss for the three months ended December 31, 2022 was \$1,949 as compared with net income of \$2,028 for the three months ended December 31, 2021, a decrease of \$3,977. Please refer to “Operating Income/ Loss and Adjusted EBITDA” for additional information.

Summary of Quarterly Results

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

	<u>Q4</u> <u>2022</u>	<u>Q3</u> <u>2022</u>	<u>Q2</u> <u>2022</u>	<u>Q1</u> <u>2022</u>	<u>Q4</u> <u>2021</u>	<u>Q3</u> <u>2021</u>	<u>Q2</u> <u>2021</u>	<u>Q1</u> <u>2021</u>
Revenue	10,766	9,790	16,217	16,250	18,691	15,961	11,157	6,776
Operating Gain/ (Loss)	(1,668)	(1,458)	80	932	2,060	961	621	(638)
<i>Adjustments:</i>								
<i>Depreciation and amortization</i>	1,305	831	744	737	682	665	653	643
<i>Cost of share-based payments</i>	77	73	112	70	(3)	21	44	58
<i>Non-recurring compensation payments in connection with business combination</i>	449	569	644	193	-	-	-	-
Adjusted EBITDA	163	15	1,580	1,932	2,739	1,647	1,318	63
Basic Income (loss) per share	(0.02)	(0.01)	0.00	0.01	0.02	0.01	0.01	(0.01)
Diluted Income (loss) per share	(0.02)	(0.01)	0.00	0.01	0.02	0.01	0.01	(0.01)

Liquidity & Capital Resources

As of December 31, 2022, the Company held cash in the amount of \$3,776, trade receivables in the amount of \$5,818, other current assets in the amount of \$796, trades payables in the amount of \$3,422, current liabilities in the amount of \$3,653 and a short term bank loan of \$2,001.

To date, the Company’s primary sources of liquidity are cash from operations and debt. A Credit Line Agreement with a lender allows the Company to withdraw, at its own discretion, up to \$2,000, which amount is classified as short-term debt on the Financial Statements. Management believes that Zoomd’s recurring revenues, in addition to its existing cash and cash equivalents and cash flow from operations will be sufficient to meet the Company’s working capital requirements and future growth plans.

On February 9, 2021 the Company acquired all of Performance Revenues Ltd.’s tangible and intangible assets, in consideration for \$350 in cash and an earn-out that is based on the annual results of Performance

Revenues Ltd. for 2021, capped at maximum of \$1,023, payable in Zoomd shares, using a price per share that is the higher of (i) the fair market value on the day of payment and (ii) \$0.75 per share. In June 2022, the Company issued 231,719 shares to Optimistico Ltd. (formerly Performance Revenues Ltd.) in full satisfaction of the earn-out.

On March 27, 2022, the Company acquired all the tangible and intangible assets of Albert Technologies Ltd. and Albert Technologies Inc. in consideration of up to \$1 million, comprising of, (i) at closing, a one-time payment of \$125 in cash and \$375 in shares (using a price per share of \$1); and (ii) a second payment of up to \$125 in cash and \$375 in shares (using a price per share that is the higher of (A) the fair market value on the day of payment and (B) \$1 per share, which payment shall be made based on certain performance metrics. In June 2022, the Company issued 375,000 shares to Albert Technologies Ltd. as part of the first payment.

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 twelve and three months ended December 31, 2022 and 2021.

Operating Activities

Net cash generated in operating activities for the twelve month period ended December 31, 2022 was \$1,843 as compared to net cash generated in operating activities of \$3,825 for the twelve months period ended December 31, 2021, a decrease of \$1,982. The decrease is attributed to the increase in net loss from operations which was offset by trade receivables decrease.

Net cash used in operating activities for the three month period ended December 31, 2022 was \$83 as compared to net cash generated from operating activities of \$2,754 for the three months period ended December 31, 2021, a decrease of net cash generated from operating activities of \$2,837. The decrease in cash generated from operating activities is primarily attributable to the decrease in revenues.

Investing Activities

Net cash used in investing activities for the twelve months period ended December 31, 2022 was \$2,663 as compared to net cash used in investing activities of \$2,477 for the twelve months period ended December 31, 2021. The change in net cash used in investing activities is immaterial.

Net cash used in investing activities for the three months period ended December 31, 2022 was \$417 as compared to net cash used from investing activities of \$555 for the three months period ended December 31, 2021. The change in net cash used in investing activities is immaterial.

Financing Activities

Net cash used in financing activities for twelve months period ended December 31, 2022 was \$642 as compared to net cash generated of \$1,319 for the twelve months period ended December 31, 2021. The change in cash used in financing activities is primarily due to the amount the Company withdrew from its credit line in 2021.

Net cash generated from financing activities for three months period ended December 31, 2022 was \$858 as compared to net cash used in financing activities of \$179 for the three months period ended December 31, 2021. The change in cash used in financing activities is primarily due to the amount the company withdrew from its credit line.

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:

	December 31, 2022
Common shares	97,250,914
Options	11,363,018

As of the date of the MD&A, 97,250,914 common shares were issued and outstanding. In addition, as of the date of the MD&A, 11,363,018 stock options were outstanding with exercise prices ranging from CA\$0 to CA\$1 per share.

In February, 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 US\$1,023, 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) \$0.75 per share. In June 2022, the Company issued 231,719 shares to Optimistico Ltd. (formerly Performance Revenues Ltd.) in full satisfaction of its earn-out obligations.

In December 2021, the Company granted 1,385,000 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 \$0.388 per share and an expiry date of December 30, 2026.

In March 2022, the Company acquired all of Albert Technologies' Ltd and Albert Technologies' Inc tangible and intangible assets, in consideration of up to \$1 million, comprising of, (i) at closing, a one-time payment of \$125 in cash and \$375 in shares (using a price per share of \$1); and (ii) a second payment of up to \$125 in cash and \$375 in shares (using a price per share that is the higher of (A) the fair market value on the day of payment and (B) \$1 per share, which payment shall be made based on certain performance metrics. In June 2022, the Company issued 375,000 shares to Albert Technologies Ltd as part of the first payment. In October 2022, the Company issued 375,000 shares to Albert Technologies Ltd as part of the second payment.

Additionally, Albert's employees and independent contractors which have joined Zoomd will be entitled to retention bonus payments of up to \$2,000, \$1,800 in cash and \$200 in shares, using a price per share that is the fair market value on the day of issuance. The retention payments are only payable if the employees remain employed, and the independent contractors continue to provide services to Zoomd during a specified period while reaching certain performance metrics. In September 2022, the Company issued 333,863 shares to Albert's former employees as part of the retention payment.

In March 2022, the Company granted 44,413 stock options to certain employees of the Company pursuant to the Company's incentive stock option plan. The options granted will vest over 18 months. Each option granted has an exercise price of \$0.43 per share and an expiry date of March 27, 2027.

In December 2022, the Company's new CEO, Mr. Almany was granted 3,164,071 stock options pursuant to the Company's stock option plan approved by the Company's shareholders on August 5, 2020. The options have an exercise price of C\$0.13 per share (being the closing price of the Company's shares on the day prior to the grant date, adjusted to reflect the maximum permitted discount), and will expire five years from their grant date. 1,318,363 options are subject to performance vesting conditions, with the remaining options being subject to time vesting conditions over a three year period from Mr. Almany's start date.

Off-Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements for the twelve month periods ended December 31, 2022 and 2021.

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, the Company's Chairman. 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 twelve month period ended December 31, 2022, the Company paid Bohensky Consulting and Investments Ltd. a total amount of \$249.

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 twelve month period ended December 31, 2022, Develop Soft provided the software development services through its employees, who are assigned to the Company's research and development team. For the twelve month period ended December 31, 2022, the Company paid Develop Soft a total amount of \$390.

Outstanding balances with related parties as of December 31, 2022, (including amounts payable to such parties) consists of \$51.

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 from our use of financial and other instruments.

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.

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. 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

As of the date of the MD&A, Significant Accounting Judgements and Key Sources of Estimation are summarized in note 3 to the Company's annual audited financial statements for the twelve month period ended December 31, 2022.

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").

ADDITIONAL INFORMATION

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