



Ackroo releases Q2 2020 Financial Results reporting 26% YoY revenue growth

Ackroo achieves 31% year-to-date YoY revenue and 102% year-to-date YoY EBITDA growth over 2019

HAMILTON, Ontario, July 30, 2020 -- [Ackroo Inc.](#) (TSX-V: AKR; OTC: AKRFF) (the "Company" or "Ackroo"), a loyalty marketing, gift card and payments technology and services provider, has filed its financial results for the period ended June 30, 2020. The results for the period ended June 30, 2020 reflect 26% year over year revenue growth from Q2 2019 and include a 49% increase in EBITDA over the same period in 2019. The Company also completed its ninth acquisition further expanding into payment services, made several product enhancements and efficiently managed through the challenging Covid-19 business climate with an even stronger balance sheet and business going into Q3.

"Q2 was a challenging quarter personally and professionally for all businesses," said Steve Lively, CEO at Ackroo. "Moving to a remote work environment and having staff personally affected by the pandemic made this one of the more challenging quarters we have had. Layer in our customers, many of whom saw significant drops in their business and whose needs from Ackroo actually grew during the period created an interesting stress test on our people and our business. Our team worked harder than ever during the period providing even more digital marketing support as clients wanted to further engage and communicate with their customers. We began providing free access to our digital gifting product for those that weren't already utilizing the tool to support remote purchasing. We continued to develop our platform by completing key pieces like adding our own Data Warehouse for BI and many new integrations to point of sale systems, and advancing our rules engine and merchant console interfaces to support our growing merchant needs. We had approximately 10% of our customers ask for our help with payment deferrals so lots of work between our finance team and our clients to support their strained cash flow demands. We also continued our strategic acquisition efforts closing our ninth acquisition with the purchase of BNA Smart Payments adding our first payment services portfolio. We managed to add over 70 new clients to our platform through our organic sales efforts and closed deals with our bank and our key lending partner to increase our cash position and access to cash in the event we needed it. We accomplished all of this and despite many customers spending less on one-time revenue items we saw only a 3% drop in revenues over Q1 and actually increased our earnings by 18% over Q1 in the process. Delivering these results coupled with the business momentum we saw at the end of June give us great confidence in the strength of our business and for what lies ahead."

The complete financial results for Ackroo are available at www.sedar.com. Highlights include:

- Total revenue of \$1,440,625 for the three-month period ended June 30, 2020 as compared to \$1,146,079 for the three-month period ended June 30, 2019 (26% growth);
- Total revenue of \$2,926,496 for the six-month period ended June 30, 2020 as compared to \$2,234,861 for the six-month period ended June 30, 2019 (31% growth);
- Subscription and Service revenue was \$1,220,994 for the three-month period ended June 30, 2020 as compared to \$842,920 for the three-month period ended June 30, 2019 (45% growth);
- Positive adjusted EBITDA of \$292,631 for the three-month period ended June 30, 2020, as compared to positive adjusted EBITDA of \$196,395 for the three-month period ended June 30, 2019 (49% increase);
- Positive adjusted EBITDA of \$541,605 for the six-month period ended June 30, 2020, as compared to positive adjusted EBITDA of \$267,891 for the three-month period ended June 30, 2019 (102% increase);
- Positive adjusted EBITDA as a percentage of total revenue increased to 19% for the six-month period ended June 30, 2020 as compared to 12% for the six-month period ended June 30, 2019 (7% increase);
- Gross margins of \$2,581,875 (88%) for the six-month period ended June 30, 2020, as compared to \$1,869,811 (84%) for the six-month period ended June 30, 2019 (4% increase).

About Ackroo

Ackroo provides merchants of all sizes a robust, cloud based multi-currency marketing platform to help attract, engage and grow their customers while increasing their revenues and margins. Through a SaaS based business model Ackroo provides an in-store and online automated solution to help merchants process loyalty, gift card and promotional transactions at the point of sale, provide key administrative and marketing data, and to allow customers to access and manage their loyalty and gift card accounts. Ackroo also provides important marketing, data and payment services to assist their merchants with utilizing Ackroo's technology solution, to better understand and steer their customers behaviours, and to provide a single point of contact for all of their primary merchant currencies. Ackroo is headquartered in Hamilton, Ontario, Canada. For more information, visit: www.ackroo.com.

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Forward Looking Statements

This release contains forecasts and forward-looking statements that are not guarantees of future performance and activities and are subject to risks and uncertainties. The Company has based these forward-looking statements on assumptions and assessments made by its management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Important factors that could cause actual results, developments and business decisions to differ materially from those anticipated in these forward-looking statements include, but are not limited to: the company's ability to raise enough capital to support the company's go forward plans; the overall global economic environment; the impact of competition and new technologies; general market, political and economic conditions in the countries in which the company operates; projected capital expenditures and liquidity; changes in the company's strategy; government regulations and approvals; changes in customers' budgeting priorities; plus other factors that may arise. Any forward-looking statements in this press release are made as of the date hereof, and the company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.