



Ackroo releases Q1 2020 Financial Results reporting 36% YoY revenue growth

Ackroo achieves ninth consecutive positive EBITDA quarter with 248% YoY EBITDA growth over Q1 2019

HAMILTON, Ontario, May 13, 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 March 31, 2020. The results for the period ended March 31, 2020 reflect 36% year over year revenue growth from Q1 2020 and include a 248% increase in EBITDA over the same period in 2019. The Company also completed its eighth acquisition during the period while completing the operational normalization of the past acquisition of iQ7/24 from Mobi724 Global Solutions Inc.

"Despite the Covid-19 restrictions beginning in March we delivered yet another strong quarter of growth and advancement," said Steve Lively, CEO at Ackroo. "We managed to complete the operational normalization of iQ7/24 which will add additional earnings in Q2 2020 onwards. We continued our technical normalization of iQ7/24 as well which included the start of client migration to the Ackroo platform. We also added more product features and integrations to our core platform to better support our organic business. This work gave us the comfort to move forward with the acquisition of WinWin Marketing from Resulto where we gained not only revenues and customers but also integrations and product features we will leverage for further growth. As the quarter came to a close we felt the impact of Covid-19 and the shut downs in client verticals like hospitality and retail. We saw just under 5% of our revenues get impacted as some clients who had ordered various products and services elected to delay deployment of those items until business activity normalizes. As we entered into April and now May we have had just under 10% of our clients request payment deferrals and another 1% of our clients choose to wind down programs altogether as they look to close down their businesses indefinitely. We have responded by not only supporting these client request but also by offering our digital offerings to our clients who have not tried them before at no charge for the next 90 days. Solutions like our e-gift digital gift card product and our email marketing solutions became an obvious extra we could offer to help our growing client list and an area we expect to see further growth from in the years ahead. Covid-19 also accelerated many of the strategic acquisition discussions we were having and led to our ninth acquisition in early April of BNA Smart Payments allowing us to continue to drive growth and strengthen our balance sheet even during these challenging times. We are proud of the results we achieved in Q1 and the work we have done to start Q2 to help both our merchants and Ackroo and we are confident we will all find opportunity in the midst of challenge and emerge from this crisis much stronger."

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

- Revenue of \$1,485,871 for the three-month period ended March 31, 2020 as compared to \$1,088,783 for the three-month period ended March 31, 2019 (36% growth);
- Subscription and Service revenue was \$1,157,661 for the three-month period ended March 31, 2020 as compared to \$833,656 for the three-month period ended March 31, 2019 (39% growth);
- Positive adjusted EBITDA of \$248,974 for the three-month period ended March 31, 2020, as compared to positive adjusted EBITDA of \$71,497 for the three-month period ended March 31, 2019 (248% increase);
- Positive adjusted EBITDA as a percentage of total revenue increased to 17% for the three-month period ended March 31, 2020, as compared to 7% of total revenue for the three-month period ended March 31, 2019 (10% increase);
- Gross profit of \$1,273,265 (86%) for the three-month period ended March 31, 2020, as compared to \$913,422 (84%) for the three-month period ended March 31, 2019 (2% 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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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.