

Reclaim Announces Q3-2021 Financial Results and Provides Corporate Update

Continued Momentum with Sales up 1496%, Brands Purchasing Data up 127%, and New Features and Functionality Expected to Drive Further Growth in 2022

New York, New York--(Newsfile Corp. - November 30, 2021) - [Reclaim](#), (OTCQB: MYIDF) (TSXV: MYID) ("Reclaim"), the destination for consumers to access and reclaim their data, announces the filing of Q3-2021 financial results for the three months ending September 30, 2021.

Full financial results, reported in CAD dollars, and Management's Discussion and Analysis are posted to SEDAR (www.sedar.com) as well as on the Company's investor relations website: investors.reclaimyours.com.

Q3-2021 Financial Highlights

- YTD Revenue increased **1,496%** to \$558,342 from \$34,973 in Q3-2020;
- Quarterly revenue increase of **70%** from Q2-2021 to Q3-2021;
- YTD Sales and Marketing expenditures of \$2,337,633 versus \$581,045 during the nine months ended Sept 30, 2020, representing Reclaim's continued investment in building a strong North American sales presence;
- Cash and cash equivalents as of June 30, 2021 of \$2,031,753 compared to \$1,519,500 at the year ended December 31, 2020.

Q3-2021 Operational Highlights

- Increased B2B data customers **15%** from Q2-2021 to 75 as of the end of Q3-2021;
- Increased B2B data customers by **127%** since the beginning of the year;
- Increased data distribution platforms by **1** in Q3-2021 vs. Q2-2021, bringing the total number of integrations to **15**;
- Reclaim has approximately +320 million user data profiles versus approximately 10,000 in Q2-2020;

Corporate Update

Reclaim continues to successfully execute its business-to-business (B2B) strategy of selling unique segmented consumer data to a large and growing list of clients. In Q3-2021, the Company sold its data to 75 companies, up from 65 in the prior quarter. As the Company extracts increasingly unique insights from its 320 million user data profiles, the amount of data sold to existing clients should increase. The Company believes that the addition of more data is not required to continue to expand on its revenue strategy aggressively and that the Company is only capitalizing on a small percentage of its total market share potential. The Company's strategy of first scaling its data set, followed by platform distribution, has provided a foundation for it to continue to drive exponential revenue growth.

To accelerate its data monetization in the coming quarters, the Company plans to double the size of its existing sales team while continuing to focus on high-margin recurring data clients. The Company intends to add additional shopping modules to pay Reclaim users for purchases made with their linked

credit cards and add a new SaaS-based Privacy tier for users interested in protecting their data versus selling it. Both modules will be net-new revenue verticals added to the current data compensation model.

"Reklaim continues to execute its strategy of providing every consumer in the world access to their data," commented [Neil Sweeney](#), CEO and Founder of Reklaim. "We have stated for some time that the key to scaling revenue is based on scaling data and distribution. We have done that and are beginning to see the quarter-over-quarter growth we have always expected. The focus for the Company is growth. We believe the uniqueness of our data set and sales momentum will enable Reklaim to capitalize on the massive changes taking place in the data market. The combination of regulatory changes and moves by Big Tech, namely, Apple and Google, will accelerate this in 2022, and we stand to benefit from companies looking for a new compliant data supplier."

Business-to-Business Revenue Streams

Reklaim has three current revenue streams via its business-to-business model:

- **Platforms:** Platforms can be considered "transmission lines" for companies to purchase Reklaim's user-consented data. The majority of the Fortune 500 use these global platforms to buy data. With more distribution comes increased revenue opportunities for Reklaim. **As of the end of Q3-2021, Reklaim has integrated with 15 global platforms, up from 14 the quarter prior.** This includes MediaMath, PubMatic, Liveramp, Lotame, Xandr (an AT&T company), TransUnion, and other platforms.

- **Brands & Agencies:** **The Company has successfully expanded the number of brands it sells data to from 33 as of the end of 2020 to over 75 at the end of Q3-2021 (+127%).** To date, Reklaim's direct sales team has had excellent success attracting brands both directly and through agencies. The Company has signed several new significant brands to use its data and inform their media buying.

- **Data:** Data firms span a wide range of businesses, including buying platforms and analytical firms. Reklaim is finding early success selling its data to companies looking to offset their exposure to the reduction in the supply of Apple and Google's identifiers; the mobile ID and the third-party cookie.

"At the onset of a new sales relationship, our clients take on a portion of our segmented data that spans 320 million accounts. This initial deal drives a small but recurring revenue stream," continued Mr. Sweeney. "As our data segmenting broadens and our clients realize benefits from access to this data, our relationships and revenue continue to grow. Given that many of these clients are new, we anticipate expanding our market share of their total spend over time, and we are already seeing this dynamic transpire within our business."

Looking ahead

Mr. Sweeney added, "Over the past year, we targeted our efforts on scaling our user profiles and distribution partners. Now, we are focused on monetizing our 320 million high-fidelity, user-consented consumer profiles by expanding our current Brand, Agency, Platform, and Data relationships while adding more."

"The \$245 billion U.S. data market is transitioning from one of no compliance or inclusion to one that legally requires it. Reklaim has spent the past year building the scale to take advantage of this migration. The Company stands to benefit from our scale as brands, agencies, and platforms are cut off from their previous supply and are forced to look to new companies that can provide data at a scale that is both compliant and in their preferred distribution outlets. As much of the industry collapses, Reklaim is positioned to lead."

Industry Trends

Consumer data is a US\$245 billion industry that is the oxygen for online marketing. However, two

industry trends significantly impair the accumulation, selling, and use of non-consented consumer data - trends that are highly beneficial to Reclaim.

- **Big technology firms are currently driving consumer data privacy policies:**

- **Catalyst:** Apple allows iOS users to opt-out of ad tracking by installed applications. 96% of Apple consumers in the USA opted out of tracking after Apple released iOS 14.5 in April 2021. Globally, about 88% of Apple users opted out.
- **Impact:** Platforms and advertisers dependent upon mobile tracking are revising growth estimates downwards due to a lack of data. Facebook's CFO most recently stated growth would 'significantly' slow due to the loss of Apple tracking.
- **Catalyst:** Google announced that it would ban third-party cookies, the core online tracker in its Chrome browser. This followed Firefox's third-party cookie blocking by default and Safari browser's default cookie blocking.
- **Impact:** Chrome has approximately 69%^[1] market share of the online browser market. All publications have a dependency on the cookie to run their advertising businesses as it allows them to target users. There are about 1.8 billion websites in operation today worldwide that depend on this cookie for revenue.
- **Catalyst:** Under Android 12, Google allowed Android users to opt-out of advertisement tracking.
- **Impact:** Android maintains approximately 71%^[2] market share of the global operating system market. Removing Android tracking will drastically reduce the supply of data companies can use to target and generate revenue.

Summary: *There is an acceleration of privacy initiatives led by large technology firms that drastically reduce the amount of data supply available to independent firms in the global market. All companies that depend on this data will be required to find an alternative or potentially go out of business.*

- **In the absence of U.S. Federal laws, states continue proposing personal data privacy Bills:**

- **Catalyst:** California, Colorado, and Virginia have passed privacy laws, and another 31 states have proposed Bills.
- **Catalyst:** Federally, the *Information Privacy and Data Transparency Act* was reintroduced to create data privacy standards and force companies to provide explicit privacy policies.
- **Impact:** The opaque collection and use of consumer data has caught the attention of regulators around the world. First introduced in the EU in 2020, these rules have manifested in the changes outlined in the Apple and Google ecosystems above and are accelerating. Due to a lack of user interface, data brokers are exposed. There are over 4,000 data brokers today, generating approximately \$200 billion in revenue. This revenue will migrate towards closed and complaint data companies such as Reclaim.

- **Data breaches continue, including:**

- GoDaddy suffered a data breach that impacts some 1.2 million of its current and former managed hosting customers;
- Robinhood experienced a data breach that affected over 7 million customers, with varying amounts of data leaked;
- U.S. Department of Health and Human Services reported 827 reported health care breaches in the U.S. in 2019, 2020, and the first seven months of 2021, and the medical records of over 52 million Americans were compromised, and;
- A Twitch data breach led to the unauthorized release of 10,000 streamers' payouts in the last year and documents from Twitch's source code repository.

- **Summary:** *Reclaim, through its 'My Footprint' service, allows its user base direct access to review what information was exposed as part of the data breaches.*

With most U.S. states and the U.S. federal government proposing data privacy laws, logistical and legal issues make it challenging to remain compliant across state lines. A recent survey of 1,000 business professionals revealed that 62.4% did not think their companies were "completely compliant" with applicable data regulations.^[3]

Summarizing their progress to date and views on the industry, CEO Neil Sweeney concluded: "We are at a critical crossroads for the consumer data industry. The majority of consumers would prefer not to have their privacy infringed upon daily when consuming the internet. However, the industry has not properly re-positioned itself for these shifting tides, presenting an opportunity for the smaller, more agile Reclaim to emerge victoriously. We believe we are only at the start of what will prove to be a potent long-term secular shift. We are beginning to see the benefits of our focus on high fidelity, compliant consumer data through our B2B sales focus and expect this momentum to continue."

About Reclaim Ltd.

[Reclaim](#) is driven by consumer data and the evolution of privacy. Offering compliant, first-party data to Fortune 500 brands, platforms, and data companies, Reclaim allows consumers to visit the platform, confirm their identity, and unveil data that has been collected and sold without the consumer's explicit consent for years. Reclaim enables consumers to take back control of this data by setting up a Reclaim account where, should they choose to, they can be compensated for their data. To view more information about Reclaim, visit <https://investors.reclaimyours.com>

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[1] <https://netmarketshare.com/browser-market-share.aspx>

[2] <https://gs.statcounter.com/os-market-share/mobile/worldwide>

[3] <https://www.cpomagazine.com/data-protection/north-american-organizations-struggle-to-comply-with-privacy-laws/>



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