



wishpond

Wishpond Announces Acquisition of Winback - a Provider of Automated SMS Marketing Solutions for eCommerce

- The acquisition of WinBack provides Wishpond with an intuitive and user-friendly automated SMS marketing product and cart abandonment tool for Shopify merchants that can be sold to Wishpond's existing e-commerce clients and create a stickier offering.
- Winback is Wishpond's fourth acquisition this year and is expected to be an immediately accretive acquisition to the Company, generating recurring revenue with healthy gross margins and positive cashflows.

VANCOUVER, BC, Dec. 13, 2021 /CNW/ - **Wishpond Technologies Ltd.** (TSXV: WISH), (OTCQX: WPNDF) (the "**Company**" or "**Wishpond**"), a provider of marketing-focused online business solutions, is pleased to announce that it has entered into an asset purchase agreement (the "**APA**") pursuant to which a wholly owned subsidiary of the Company will acquire (the "**Acquisition**") certain assets and specific liabilities relating to the Winback.chat ("**Winback**") product of AtlasMind Inc. ("**AtlasMind**") for total consideration of US\$700,000 paid entirely from cash on hand. Based out of New York, Winback is a SMS marketing solutions platform including a cart abandonment tool for use with Shopify.

"We're very pleased to announce our fourth acquisition this year," said Ali Tajsikandar, Chairman and CEO of Wishpond. "The synergistic attributes of this tuck-in acquisition are apparent and can be leveraged immediately with Wishpond's existing customer base to drive sales and customer retention. The ability to sell and add this product to Wishpond's existing packages will create a higher value product to our customers, resulting in higher MRR (Monthly Recurring Revenue) and increased retention and long-term value."

Winback offers a SMS platform for small-medium sized businesses with a focus on providing cart abandonment solutions. Winback is currently an exclusive app to Shopify whose product installs with one click. Winback's technology is triggered when a shopper browses but doesn't add anything to their cart. Winback's customers can achieve 35x return on their investment. The product is extremely intuitive and user-friendly making it a great fit with Wishpond's target customer base.

WinBack is a healthy company with growing recurring revenue, generating strong EBITDA margins of over 20%, and positive cash flows. Winback's current revenue run-rate is over US\$450,000, from a diversified customer base of over 350 monthly paying customers, most of whom are based in the United States. WinBack will continue to maintain its own brand and will maintain existing client relationships, while Wishpond will provide operational support. WinBack's offerings are expected to enhance Wishpond's current product offerings and increase customer lifetime value

Wishpond previously acquired certain other assets and specific liabilities from AtlasMind related to its Brax.io business. Please refer to the press release of the Company dated September 1, 2021 related thereto for additional information.

The Acquisition is expected to close in early January 2022 and is subject to the approval of the TSX Venture Exchange.

Grant of Stock Options

Wishpond also advises that the Company's Board of Directors has authorized, pursuant to its Stock Option Plan, the grant of incentive stock options ("**Options**") to certain employees and an officer to purchase an aggregate of up to 310,000 common shares in the capital of the Company at an exercise price of \$1.26 per Share. The Options are exercisable for a 10-year term from December 10, 2021.

WISHPOND TECHNOLOGIES LTD.

Per: "Ali Tajsikandar"

Ali Tajsikandar, Chairman and Chief Executive Officer

About Wishpond Technologies Ltd.

Based out of Vancouver, British Columbia, Wishpond is a provider of marketing-focused online business solutions. Wishpond's vision is to become the leading provider of digital marketing solutions that empower entrepreneurs to achieve success online. The Company offers an "all-in-one" marketing suite that provides companies with marketing, promotion, lead generation, and sales conversion capabilities from one integrated platform. Wishpond replaces entire marketing functions in an easy-to-use product, for a fraction of the cost. Wishpond serves over 3,000 customers who are primarily small-to-medium size businesses (SMBs) in a wide variety of industries. The Company has developed cutting-edge marketing technology solutions and continues to add new features and applications with great velocity. The Company employs a Software-as-a-Service (SaaS) business model where substantially all the Company's revenue is subscription-based recurring revenue which provides excellent revenue predictability and cash flow visibility. Wishpond is listed on the TSX Venture Exchange under the ticker "WISH", and on the OTCQX Best Market under the ticker "WPNDF". For further information, visit: www.wishpond.com.

Cautionary Disclaimers

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction. Any securities referred to herein have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to a U.S. Person absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.

Notice Regarding Forward Looking Statements

Certain statements in this news release related to the Company are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as "may", "should", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Forward looking statements in this news release include statements with respect to the closing of the transactions contemplated in the APA, that: the total purchase price is anticipated to be approximately US\$700,000; Wishpond's intention to pursue a strategy to grow inorganically through tuck-in acquisitions of innovative and complementary technology companies, as well as statements regarding anticipated financial results. There are numerous risks and uncertainties that could cause actual results and Wishpond's plans and objectives to differ materially from those expressed in the forward-looking information, including: (i) COVID-19 risks; (ii) difficulties and delays associated with integrating and growing the Winback business; (iii) other factors beyond the control of the Company; (iv) results from due diligence investigations conducted in connection with the transactions contemplated by the APA; and (v) risks outlined in Wishpond's publicly filed documents available on SEDAR. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.

Non-GAAP Financial Measures

In this news release, the term "EBITDA" (the "**Non-GAAP Financial Measure**"), which is a financial measure that is not defined by International Financial

Reporting Standards ("IFRS") is used by Wishpond to evaluate the performance of Winback and its business. The Non-GAAP Financial Measure may also be used by financial institutions and credit rating agencies to assess Winback's performance and ability to service debt. The Non-GAAP Financial Measure does not have standardized meanings prescribed by generally accepted accounting principles ("GAAP") and is therefore unlikely to be comparable to similar measures presented by other companies. The intent of the Non-GAAP Financial Measure is to provide additional useful information to the Company; however, the measure does not have any standardized meaning under IFRS. The measure should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate the Non-GAAP Financial Measure differently.

The Company defines "EBITDA" as earnings before interest, tax, depreciation and amortization excluding items such as other non-operating income or expenses, financial income or expenses, hedging operations, exploration expenses, impairment of assets and foreign currency exchange differences. EBITDA should not be construed as an alternative for Operating Income but reconciled to Net Income as determined in accordance with IFRS. The Entities believe EBITDA is a meaningful indicator of operating profit, shown as a percentage of its revenue, and provides a measure of consistency over time and is an indicator management uses internally to measure performance.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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CNW 07:00e 13-DEC-21