January 2022 – CEO Letter
Wishpond Technologies Ltd.

Our Pursuit

There are a lot of great small businesses, run by highly dedicated leaders, providing a variety of amazing products and services around the world. In fact, there’s an increasing number of such businesses being created every day. These entrepreneurs and their teams are great at their craft and take enormous pride in what they do and how they serve their customers.

However, most of these small businesses need help getting the word out to new customers. They are not professional marketers and honestly they don’t have the time or expertise to fully focus on marketing and setting up their businesses online, nor do they have the resources to hire their own world-class marketing, sales, and technology teams to be able to present themselves in the best possible light and cost effectively grow their businesses.

I believe we can be the solution for these businesses: a complete & fully integrated online marketing and sales platform built to be easy to use and affordable, supported by the best experts one could find anywhere, executing proven blueprints to grow their businesses.

And not only is this a worthy pursuit, but it’s also a financially rewarding opportunity. There are millions of small businesses in North America and around the world that we can serve. And, we have a scalable and profitable way of reaching and onboarding them to our platform. Those supporting this pursuit are likely to greatly benefit from it as well.

What We Achieved in 2021

As I reflect on the year 2021, I have to admit, I’m incredibly pleased with our progress and everything we accomplished. 2021 was the first full year for Wishpond as a public company and looking back, I cannot imagine it having gone any better:

- We haven’t reported our Q4 financials yet, but according to the three analysts covering Wishpond, we’re expected to hit $14.5m of revenue for the full year, growing by more than 80% from $7.9m in 2020. Approximately half of this came from organic sales and marketing growth, and the other half came from acquisitions.
- We made four acquisitions, all great profitable businesses with recurring revenues and highly complementary technology platforms to Wishpond and valuable to our clients. They are all highly accretive investments, which increase long-term shareholder value.
- We grew the sales team to double the size it was a year ago, leading to the Company achieving substantial organic growth over the past year.
- We grew our R&D teams and launched several new products and features, improving the platform for our current clients and increasing its attractiveness to future clients.
- We set up shared service teams, providing operational support in technology development, support, marketing, sales, account management, HR, and finance to all of
our newly acquired business units. Having access to these shared services, our newly acquired business units are able to quickly cover more grounds and grow faster.

- After our significant investment in our sales and R&D functions in the first half of the year, we returned to Adjusted EBITDA profitable in Q3, and expect to remain that way in the foreseeable future.
- We commenced trading in the United States on the OTCQX market, enhancing the visibility and availability of the Company’s shares to US investors.

What to Expect in the Year Ahead

It’s hard to predict how the world will change in 2022; however, we can already see risks and uncertainties related to Covid, inflation, supply chain disruptions, shifts in investor appetite, and volatility in the public markets.

I believe we are, for the most part, sheltered from many of these potentially negative trends by virtue of being a fully digital business, having a great degree of flexibility with our offerings and pricing, and having a large and diverse customer base.

In order to further protect the company and not find ourselves in a vulnerable position, it’s important for us to continue to prioritize profitable growth. This means a few things:

- Continuing to grow aggressively
- Optimizing our operations to generate more positive cash flows
- Only acquiring solid and profitable businesses
- Maintaining sufficient cash on our balance sheet
- Being disciplined capital allocators

By remaining financially responsible and disciplined, we will be well positioned to weather any major storms and be in a strong position to take advantage of major opportunities when they present themselves.

Our goals for this year will be as follows:

- Increase our Monthly Recurring Revenue (MRR): I expect our MRR to continue to grow in the coming quarters through both organic (sales and marketing) and inorganic (acquisitions) means.
- Increase our sales capacity: We plan to once again double the size of the sales team from what it was in 2021. This expansion in our sales team is expected to help us achieve our organic growth goals.
- Remain Adjusted EBITDA profitable: As I mentioned earlier, balancing aggressive growth with increased positive cash flow from operations will be an important priority for us.
● Follow a disciplined acquisition and capital allocation plan: We have a strong pipeline of additional acquisition opportunities. We plan to continue to execute on the desirable acquisition opportunities in front of us.

● Invest in research and development: Our R&D and product teams will continue to launch exciting new products and services aimed at increasing long-term value for our clients.

● Continue to integrate our acquisitions: We plan to create deeper integrations between the technology platforms we have already acquired and any future acquisitions.

Conclusion

I am extremely grateful to our dedicated and talented team members at Wishpond who have worked tirelessly for years and especially over the past year making our accomplishments possible. I’m also very thankful to our clients for trusting their businesses with us and allowing us to be part of their entrepreneurial journeys. And I truly appreciate the support of our investors and shareholders.

I take the trust and support of our team members, clients, and shareholders very seriously and intend to do everything in my power to serve them the best way I can.

I expect the year 2022 to be another busy and fruitful year for Wishpond!

Ali Tajskandar
Founder, Chairman and CEO,
Wishpond Technologies Ltd.