

January 2023 – CEO Annual Letter

Wishpond Technologies Ltd. (TSXV: WISH, OTCQX: WPNDF)

I clearly remember when Wishpond was publicly listed on the TSX Venture Exchange slightly more than two years ago. I hardly got any sleep the night before our first day of trading. I was anxious to see how the market would receive Wishpond, how the first day of trading would go, and how our plans as a public company would go compared to our days as a private company. It went beyond my wildest imaginations! The initial listing price was \$0.75 and the stock price rose for 11 consecutive trading days to reach a high of \$2.53 on December 29, 2022. A short while after that, when the stock price had pulled back below \$2, we were presented with the opportunity to raise \$8 million at \$1.75, which we took. This raise allowed us to accelerate our growth, especially through acquisitions. Our senior management team as well as many of my closest friends and family members also invested as part of this round. There was a lot of excitement with the stock performance at that point.

Now, looking back at the past year, there's a stark contrast with the stock performance and activity level compared to the "frothiness" in the markets when we first went public. For much of the past year, despite continued growth by the company, the stock price and trading volume kept declining. Of course, this has not been pleasant for anyone, including myself and those I know and love who have believed in and invested in the company alongside us. The past year, 2022, was challenging for the public markets, and unfortunately, Wishpond's stock was no exception. Recessionary concerns combined with geopolitical risk, supply chain disruptions, inflationary pressures and increasing interest rates dominated the financial markets in 2022.

What is interesting to note, however, is that despite the contrasting stock performance over the past year versus when we first went public, I strongly believe Wishpond has never been in a better position than it is today. And that's one of the most exciting aspects of my experience as the CEO of a public company: there will be times when the stock performance and the performance of the company are disconnected from one another and even go in opposite directions. Wishpond today is in a very enviable position with a growing customer base, increasing revenue, broadened product offerings, clean balance sheet and positive cash flows from operations. I am extremely proud of what we have accomplished and I am excited to share our future plans.

I am pleased to report that we have achieved significant milestones over the past two years, including the following:

- We have grown our customer base from 1,700 to more than 4,000 paying customers.
- Our revenue has grown from \$7.9 million in 2020 to our current annualized revenue run-rate greater than \$22 million.
- We made five acquisitions over the past two years, which we have successfully integrated into a comprehensive product suite that is significantly more powerful than it was two years ago and much better positioned to help our target market.

- We regained positive cash flows from operations and continue to operate with a mandate of profitable, aggressive growth.

Our Market Opportunity:

Wishpond's mission is to empower entrepreneurs and businesses to achieve success online through the use of innovative and cost-effective digital marketing solutions. Small businesses need digital marketing but they lack the necessary resources and expertise to do it effectively. Our addressable market includes millions of such small businesses and entrepreneurs across North America and around the world. Wishpond's competitive advantage is that we provide an all-in-one marketing platform with expert service at affordable prices. We have a profitable, scalable and cost effective way of reaching and onboarding customers onto our platform.

We strongly believe Wishpond has the most complete and comprehensive integrated marketing platform available for small-medium sized businesses. Our customers benefit from the range of online marketing options that we provide under one roof. We have a unique, integrated, and cost-effective solution that is even more appealing to small businesses as customers tighten their belts. Small-medium sized businesses would rather use one solution from Wishpond instead of subscribing to anywhere between three to six different marketing related point solutions.

What to Expect in the Year Ahead:

Looking forward to the year ahead, it is impossible to predict the future, but we are prepared for market-driven difficulties such as a potential recession and continued tightening of capital markets. We will continue to operate responsibly, keeping our costs under control, and continuing to grow the business with cash flow from our operations; alleviating our need to raise additional debt or equity capital. Wishpond is a recession resilient company. We serve customers from a diversified set of industries, have a strong customer base, and have a focus on cost control. We believe that these factors, along with our commitment to continued innovation and a strong balance sheet, position us well to weather any potential economic downturn.

One future trend that will be key in the technology space, and a big focus for us, is Artificial Intelligence (AI). From time to time, one witnesses a new technology that truly has the potential to disrupt much of the way people and businesses operate, and I believe the latest advancements in AI and specifically generative AI (such as OpenAI's ChatGPT) are one such instance. I am personally often suspicious of new buzzwords and hyped trends as I have witnessed many of them come and go and do not live up to their expectations, but I firmly believe many AI applications are here to stay and will transform the way businesses operate and have the potential to revolutionize the marketing industry. At Wishpond, we are in a very fortunate position to be able to lead the charge in applying AI to marketing applications and to provide our clients with powerful tools that will help them grow their businesses more efficiently and profitably than was possible in the past. There are numerous use cases of AI in marketing that we will

seek to actively work on and include in our products. For instance, AI can be used to generate content for emails, newsletters, web pages, images and videos, and respond to customers over email or SMS.

Wishpond is committed to providing small businesses with innovative marketing solutions that will give them a competitive advantage, especially given the limited resources small businesses generally have. We believe that AI will be a key driver of our growth in the coming years and will help us to stay ahead of the curve in the marketing industry.

Our Goals for 2023:

Wishpond's outlook for Q4-2022 and heading into 2023 remains strong and resilient. The business has felt no major impact due to recession, inflation, supply chain, or other macroeconomic effects. Instead, the company's performance continues to be better than ever and extremely positive across all its businesses with robust demand for its products. We are very optimistic about the company's outlook for 2023, and are pleased to share the following key goals for the company:

- **Increase Monthly Recurring Revenue (MRR):** We plan to continue to grow our MRR through both organic and inorganic means.
- **Increase Sales Capacity:** We expect to significantly grow the size of our sales team to help achieve our organic growth goals.
- **Remain Adjusted EBITDA Profitable:** We will endeavour to balance aggressive growth with positive cash flow from operations.
- **Invest in Research and Development:** Our R&D and product teams will continue to work on and launch new products and services to increase long-term value for our clients.
- **Leverage our Fully Integrated Product Suite:** We will leverage the deeper integrations between technology platforms we have acquired to further accelerate our growth and increase the stickiness of our products.

Conclusion:

There are many reasons to be hopeful and optimistic in 2023, as Wishpond is well positioned for growth and profitability this year, inflation rates have started to decline, the economy as a whole has so far been resilient and we expect interest rate increases to cease this year. All of which we believe are positive contributors that could lead to a rebound in Wishpond's share price.

Finally, I would like to take this opportunity to thank our shareholders, employees, and clients for their continued support. Without your dedication, commitment, and support, we would not be where we are today. I am excited about the future of Wishpond and look forward to continuing to share our success with you.

Sincerely,

Ali Tajslander
Chairman, Founder and Chief Executive Officer
Wishpond Technologies Ltd.

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 on one integrated platform. Wishpond replaces disparate marketing solutions with an easy-to-use product, for a fraction of the cost. Wishpond serves over 4,000 customers who are primarily small and medium-sized 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.

Forward-Looking Statements

This release may contain certain forward-looking information and statements ("forward-looking information") within the meaning of applicable Canadian and United States securities legislation, that are not based on historical fact, including, without limitation, statements with respect to the performance, business and operations of Wishpond Technologies Ltd. and its subsidiaries (together, the "Company"), the achievement of goals set out for the Company, the results of any plans, new products or other actions taken by the Company, the growth of the Company's business, staff and the expected results from the same, the financial results that may be achieved by the Company, the ability of the Company to integrate its product offerings and cross-market its products, the Company's ability to develop and deploy new products, the Company's expectations for its business and the market(s) in which it operates including statements related to the adoption of AI in the marketing industry, the continued growth of the Company and future acquisitions as well as statements containing the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "continue", "estimate", "forecasts" and other similar expressions. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. The Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Company, its securities, or financial or operating results (as applicable). Although the Company believes that the expectations reflected in forward-looking information in this release are reasonable, such forward-looking information has been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including, but not limited to, risks related to the performance, adoption and market acceptance of the Company's products and services, the success of the Company's cross-selling efforts and efforts to expand its product and sales capabilities in a fiscally responsible manner, information technology security risks, risks related to competition including from new and emerging players as well as established competitors which may have significantly more resources or offer newer products than the Company, regulatory risks, privacy risks including risks related to the loss of customer data due to data breaches, inflationary and general economic risks including risks related to decreased spending on the products offered by the Company by clients and potential clients, general market conditions, as well as the risk factors discussed in the public disclosure documents of the Company which such risk factors are incorporated herein by reference and are available through SEDAR at www.sedar.com.

The forward-looking information contained in this release are expressly qualified by this cautionary statement and are made as of the date hereof. The Company disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

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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