



AMPD VENTURES INC.

News Release

AMPD Announces FY 2021 Annual Financial and Operational Performance Highlights

Vancouver, British Columbia – Wednesday, October 6, 2021 – AMPD Ventures Inc. (“AMPD” or the “Company”, CSE: AMPD; OTCQB: AMPDF; FRA: 2Q0), a next generation digital infrastructure provider, is pleased to announce the filing of the Company’s audited consolidated financial statements for the fiscal year ended May 31, 2021 (“FY 2021”), closing the books on a year that featured strong execution in the face of significant challenges, the successful establishment of new scalable strategies and gains in topline results, EBITDA and net cash, which have helped to drive current shareholder value.

AMPD specializes in providing high-performance computing and cloud solutions for next-generation applications, including cutting-edge digital content creation, big data analysis and visualization, artificial intelligence, and high-level academic research. As the world charges forward towards the realization of ‘the Metaverse’ and other spatial computing initiatives, AMPD is representative of a next generation of independent, sector-focused service providers offering underlying infrastructure solutions to cope with the low latency, high-performance demands of these applications, while offering the convenience of cloud computing business models.

“Recent increased investment in productizing our software stack and the acquisition of Cloud-A Computing Inc. have significantly increased our go-to-market velocity and accelerated the development of our AMPD Virtual Studio offering,” said Anthony Brown, CEO at AMPD. “Interest in our high-performance private cloud solutions has never been more active, not only in North America, but wherever there are clusters of digital content creators. I am very pleased with our performance during FY 2021 and look forward to exceeding that performance in FY 2022. We believe the future of computing relies on a fundamental shift from distributed cloud computing to high-performance computing at the edge. As more and more applications require the type of computing that AMPD provides, we continue to see growth in our infrastructure, customer base, and demand for our services,” added Mr. Brown.

All amounts stated herein are in Canadian dollars unless otherwise indicated.

FY 2021 Financial Highlights

- Consolidated revenues for the year ended May 31, 2021, increased by \$0.4 million to \$1.54 million, compared to the year ended May 31, 2020 (“FY 2020”).
- The Company almost doubled its monthly-recurring revenue (MRR) to \$1.1 million in FY 2021, as compared with \$0.6 million in FY 2020. Although the rate of increase was somewhat below expectations, due to a general economic slowdown as a result of COVID-19, combined with a global shortage of computing components and long cycles for MRR platform sales, market sentiment based on customer feedback suggests a return to greater economic activity in the sector in the coming period.
- Gross profit doubled to \$1.0M in FY 2021, from \$0.5 million in FY 2020. This change continues to validate the Company’s strategy to focus on higher margin MRR rather than one-time hardware sales.

- The Company began the fiscal year with \$0.9 million of cash, raised \$2.6 million, spent \$1.6 million on operations and \$0.1 million on assets, closing the fiscal year with \$1.6 million of cash.
- The Company expects a sales increase in FY 2022, which would make the Company EBITDA positive.

FY 2021 Operating Highlights

- The Company continued to strengthen technology infrastructure collaborations with leading companies such as NVIDIA Corporation (“**NVIDIA**”), Intel Corporation (“**Intel**”), Dell (“**Dell**”) and Advanced Micro Devices, Inc. (“**AMD**”). The Company was also selected as the first Cloud Service Provider partner for Lightbits Labs Inc. (“**Lightbits**”). AMPD and Lightbits, in conjunction with Intel, are in the process of developing a new high-performance storage system for digital content creators. Utilizing Intel® Optane™ technology, the system is designed to be one of the fastest ever built to cater to digital media production-specific workloads.
- The Company released an independent case study conducted by AMD for its AMPD Render solution based on compute nodes with second generation AMD EPYC™ processors, comparing the Company’s solution against its customer, Bardel Entertainment’s previous render solution. The results of the case study highlighted that the AMD EPYC processor-powered compute nodes that comprise the AMPD Render platform have up to twice the processing power compared with the previous render solution, saving weeks of rendering time.
- In March 2021, ThreeD Capital Inc., a Canadian-based venture capital firm led by renowned Canadian investor, Sheldon Inwentash, made a significant investment in the Company. Mr. Inwentash has been described as one of the greatest investors in Canadian history. The Company is excited that Mr. Inwentash has recognized the potential of AMPD’s High-Performance-Edge approach and is pleased to add Mr. Inwentash to its roster of advisors.
- In June 2021, the Company acquired Cloud-A Computing Inc. (“**Cloud-A**”), an established self-service cloud computing infrastructure company, with points of presence in Ontario, Nova Scotia, and British Columbia. The Acquisition is expected to expand AMPD’s footprint across Canada, add over 250 customers to AMPD’s roster, and accelerate AMPD’s technology development roadmap. Cloud-A’s senior management and technology team have continued to work with AMPD after the acquisition. Cloud-A’s custom software, built on OpenStack, allows AMPD to give customers flexibility and performance when decoupling themselves from other services. Hosted across multiple data centres, the Cloud-A system is PIPEDA compliant, resident on Canadian soil and a compliment to AMPD’s HPC infrastructure.
- The Company partnered with Equinix, Inc., the world’s largest data centre and colocation infrastructure provider, for the establishment of its European data centre presence in Amsterdam, as well as in other key markets around the world. AMPD expects to roll out its base high-performance compute deployments, known as ‘AMPD Pods’, in Amsterdam, Los Angeles, and Vancouver before the end of calendar 2021, with additional locations expected to come online during the first half of 2022.
- The Company announced the formal establishment of its European subsidiary, located in Dublin, Ireland, in July 2021.
- The Company formally launched its AMPD Virtual Studio Suite (“**AMPD Virtual Studio**”), the result of its team’s decades of experience working with digital content creators. AMPD Virtual

Studio is an integrated suite of private cloud-based solutions designed to create the ultimate 'infrastructure-less' studio and is comprised of three key components: AMPD Virtual Workstations; AMPD Render; and AMPD Storage. By moving the bulk of a studio's compute requirements offsite into secure, enterprise-grade AMPD hosting environments, studios gain the advantage of a fully composable, flexible compute environment with the convenience of the cloud's right-scaled business model.

- The Company began trading on the OTCQB Venture Market on July 1, 2021 under the symbol "AMPDF".
- The Company continued to develop products and services to address the rapidly burgeoning real-time and virtual production sector. This included an agreement with Canadian-based LED Supplier, LIGHTVU Inc. to bolster its virtual production offering and an agreement with IO Industries Inc. ("IOI") through which AMPD will become an official global reseller of IOI's range of cutting-edge digital camera and video solutions to the virtual production sector.

"While the overall global cloud computing market is forecast to grow from around US \$370B in 2020 to over US \$830B by 2025, representing a healthy CAGR of 17.5%¹, growth in spatial computing is predicted to be much faster. The digital twin market, for example, is expected to grow from US \$3.2B in 2020 to over US \$48B in 2025, representing a CAGR of 58%²," said James Hursthouse, Chief Strategy Officer at AMPD. "Digital twinning is only one example of the type of spatial computing for which the AMPD high-performance-computing-at-the-edge platform has been developed."

The Company's audited consolidated FY 2021 financial statements and related management's discussion and analysis can be found on the AMPD website at <https://ampd.tech/investors/reports-and-filings/> and on SEDAR at www.SEDAR.com

About AMPD Ventures Inc.

AMPD Ventures Inc., through its operating subsidiary, AMPD Holdings Corp. (dba AMPD Technologies), specializes in providing high-performance cloud and computing solutions for low-latency applications, including video games and eSports, digital animation and visual effects and big data collection, analysis and visualization.

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ON BEHALF OF THE BOARD OF DIRECTORS

/s/ "Anthony Brown"

Anthony Brown

CEO & Director

¹ <https://www.marketsandmarkets.com/Market-Reports/cloud-computing-market-234.html>

² <https://www.marketsandmarkets.com/Market-Reports/digital-twin-market-225269522.html>

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The CSE does not accept responsibility for the adequacy or accuracy of this release.

Cautionary Statement

Certain information in this news release constitutes forward-looking information under Canadian securities laws. Often but not always forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "is positioned", "estimates", "intends", "assumes", "anticipates", or "believes", or variations or negatives of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved".

Forward-looking information by its nature is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Our management have made certain assumptions about the forward-looking information. Although our management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements or information will prove to be accurate. Furthermore, should one or more of the risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. These risks, uncertainties and other factors include: the possibility that our relationship with customers, prospective customers, partners and vendors may not be as successful as we anticipate; the possibility that competitors will develop more compelling and successful solutions and products than ours; the possibility that our recently completed acquisitions will not result in anticipated benefits; the possibility that the Company is not able to execute on its operational goals; lower or slower or both demand for high performance cloud and compute solutions; lower and/or slower growth than anticipated in the sectors that the Company addresses; and those factors discussed in the section entitled "Business Risk Factors" in our most recent Management Discussion and Analysis filed on SEDAR.

There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, you should not place undue reliance on the forward-looking statements or information contained herein. Except as required by law, we do not expect to update forward-looking statements and information continually as conditions change and you are referred to the full discussion of the Company's business contained in the Company's reports filed with the securities regulatory authorities in Canada and elsewhere.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about the Company's prospective results of operations and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraph. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about the Company's future business operations. The Company disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein.

Use of MRR as a Non-IFRS Financial Measure

*The Company uses non-IFRS financial measures in evaluating its business. For example, the Company uses non-IFRS Monthly Recurring Revenue (“**MRR**”) to review and assess its financial and operating performance and the health and trajectory of our business. MRR equals the monthly value of recurring subscription contracts. MRR does not include non-recurring revenue such as one-time tech sales or installation fees. The presentation of these non-IFRS financial measures is not intended to be considered in isolation, or as a substitute for the financial information prepared and presented in accordance with IFRS.*