Datable Technology Announces Financial Results for Q1 2021 and Update for Year-to-Date 2021

written by Raj Shah | May 27, 2021

May 26, 2021 (Source) – Datable Technology Corp. (TSXV: DAC) (OTCQB: TTMZF) (the "Company" or "Datable" or "DTC"), a software company that provides a marketing automation platform called ***PLATFORM³*** to global consumer brands, is pleased to announce its financial results for the quarter ended March 31, 2021 ("Q1 2021").

For the three months ended March 31, 2021, the Company achieved the following milestones:

- Signed 9 agreements to provide ***PLATFORM³*** to leading consumer packaged goods (CPG) companies, which increased the total contracted revenue for 2021 and future periods to over $3.6 million, compared to 12 agreements and approximately $2.1 million in same period in 2020. Total contracted revenue includes agreements signed in the year and multi-year agreements carried forward from prior years.
- Revenue increased by 45% to $674,557 compared to $465,643 in the same period in 2020 due to increases in average contract value, project deliveries and transactional revenue from both new and returning customers.
- Deferred revenue increased by 18% to $1,852,111 compared

to $1,568,508 in the same period in 2020. Deferred revenue accounts for services that have been contracted and paid for by customers that will be delivered and recognized as revenues in subsequent periods.

- Continued development of ***flexxi* Rewards Network** – a web portal that enables opt-in consumers to earn rewards completing activities such as purchasing consumer products, viewing valuable content posted by consumer brands, sharing content on social media and referring friends. Leading consumer goods companies will pay Datable for access to the consumers. The ***flexxi* Rewards Network** is built using Datable's ***PLATFORM***^{3} technology.

The Company is also pleased to provide the following 2021 updates:

- Datable now has approximately $4.64 million in contracted revenue for 2021 and future periods, of which over $4 million is expected to be recognized as revenue in 2021.
- The expected recognized revenue of $4 million in 2021 is already equal to revenue growth of over 100% compared with 2020 with seven months left in 2021 to further increase revenue. Datable expects gross margin to be approximately 55 per cent in 2021. As recently announced (see press release dated April 26, 2021), Datable grew revenue by 26 per cent to approximately $1.97 million for the year ended Dec. 31, 2020, compared with the same period in 2019, with gross margins of 59 per cent.
- Most of Datable's large customers are leading CPG companies that provide staples including food, beverages, and household products, which are expected to remain in demand during the COVID 19 crisis. In addition, many of Datable's license agreements and marketing programs extend

into late 2021 for the summer and back-to-school promotions, and into 2022 as long-term loyalty programs.

- Raised gross proceeds of $3,417,000 pursuant to an offering of units (see press release dated March 29, 2021) and an offering of convertible debentures (see press release dated April 22, 2021) providing capital to accelerate growth.
- Uplisted from the OTC Pink Sheets to the OTCQB Venture Market debentures (see press release dated April 22, 2021) with the goal of enhancing liquidity and access to institutional and retail investors.

“2020 was a breakthrough year for Datable, as a growing number of our CPG customers up-sized the scope and scale of marketing programs hosted on PLATFORM[3] our SaaS digital marketing Platform. Our customers include multiple Fortune 500 companies that have large and growing budgets for digital marketing, and we are getting a larger share as we continue delivering measurable ROI by adding tools that enable the use of opt-in consumer data to drive incremental revenues,” said Robert Craig, Datable’s CEO. “With the recent funding we are adding senior salespeople and project managers to increase our customer base of CPG companies and to explore develop business development in other sectors such as financial services. We had a record year in 2020 despite the COVID 19 pandemic and expect growth to accelerate as the world and consumers open up later in 2021 and into 2022.”

Results of Operations:

Revenue for three months ended March 31, 2021 increased by 45% to $674,557 compared with $465,643 for the same period in 2020 due to overall increase in average contract value, project deliveries and transactional revenues compared to the same

period in 2020. The Company's ***PLATFORM***^{3} product is an integrated suite of digital marketing applications sold as SaaS for short-term promotions or on an annual subscription basis with recurring revenues. Revenue in the current year reflected recognition of revenue from previous year contracts and new sales of the ***PLATFORM***^{3} product offering.

The growth in contracted revenues in 2020 that continued in 2021 was due to larger renewals and new licenses driven by improvements in ***PLATFORM***^{3}, and an established track record of delivering ROI to customers. In late 2019, DTC launched version 4.0 of ***PLATFORM***^{3} which included new modules that extended and deepened its differentiation in the market by launching a break-through feature on ***PLATFORM***^{3} – Dynamic Messaging and Rewards (DMR). This feature empowers brands to deploy omnichannel communications, retargeting and contextual rewards to induce consumer purchases based on their previous and ongoing purchase behavior and brand engagement. DMR transforms PLATFORM^3 into a self-regulating continuous feedback loop for ongoing sales.

Gross profit for the three months ended March 31, 2021 increased by 15% to $357,111 compared to $310,529 in same period in 2020. The Company's cost of sales for the three months ended March 31, 2021 increased by over 100% to $317,446 compared to $155,114 in same period in 2020 mostly due to the increase in revenue.

Gross margin as a percentage of revenue for the three months ended March 31, 2021 was 53% compared to 67% for the same period in 2020. Gross margin depends on the product mix for the reporting period. Revenues are comprised of a combination of higher margin sales of ***PLATFORM***^{3}, the Company's proprietary Software-as-a-Service product, combined with some lower margin products and services. While Datable expects strong revenue growth of high-margin ***PLATFORM***^{3} licenses, revenues from lower-margin services and rewards products are expected to grow

faster, which will reduce consolidated gross margin to as a percentage of revenue.

Cost of sales includes an API connection to third party digital rewards platforms. This service enables DTC clients to offer digital rewards such as gift cards, movie tickets and virtual visas to incentivize purchase and purchase frequency. DTC purchases these rewards on behalf of the Company's clients and charges a transaction fee for the total amount of rewards purchased. Cost of sales also includes the cost of servers to host ***PLATFORM***[3], and project management and customer support staff.

General and administrative expense for the three months ended March 31, 2021 increased by 21% to $302,273 compared to $249,683 in the same period in 2020. The increase for the three months ended March 31, 2021 was mainly due to an increase in corporate consultancy fees and corporate finance service contracts engaged and being delivered in 2021 compared to the prior year.

Sales and marketing expense include wages and salaries, consulting fees, travel expenses, and advertising and licenses. Sales and marketing expense for the three months ended March 31, 2021 was $186,794 compared to $170,523 in the same period in 2020. The increase for the three months ended in March 31, 2021 was mainly due to increased staff resources and consultancy paid in connection with advertising, sales and marketing activities.

Research and development expenditure for the three months ended March 31, 2021 was $309,255 compared to $214,473 in the same period in 2020. The increase in research and development expenses for the three months ended March 31, 2021 was related to enhancement to ***PLATFORM***[3] and developing

platform ***flexxi*** **Rewards Network**. Research and development expenses may continue to increase in the future as the Company seeks to evolve and improve ***PLATFORM***^{3} and ***flexxi***, as well as to invest in creating new technology and products that will enhance the Company's value proposition to customers and provide additional revenues. Research and development expenses include wages and salaries and consulting fees.

Net and comprehensive loss for the three months ended March 31, 2021 was $905,017 compared to $520,376 in the same period in 2020. This increase in net loss for the three months ended March 31, 2021 was mainly due to the increase of share-based compensation, cost of sales and research and development expenses, net of the growth in revenue.

About Datable Technology Corporation

Datable has developed a proprietary, mobile-based consumer marketing platform – ***PLATFORM***^{3} – that is sold to global Consumer Packaged Goods (CPG) companies and consumer brands. ***PLATFORM***^{3} is delivered as a subscription service (Software as a Service model) and used by CPG companies to engage consumers, reward purchases and collect valuable consumer data. ***PLATFORM***^{3} incorporates proprietary technology to monetize the consumer data, including demographics and purchasing behaviour, by sending consumers targeted offers by email and text messages. For more information, visit datablecorp.com.

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