Datable Technology Announces Financial Results for Q2 2021 and Update for Year-to-Date 2021

written by Raj Shah | August 26, 2021

August 25, 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 June 30, 2021 ("Q2 2021").

For the periods three and six months ended June 30, 2021, the Company achieved the following milestones:

- Revenue increased by increased by 89% to $645,702 for the three months ended June 30, 2021 and revenue increased by 64% to $1,320,260 for the six months ended June 30, 2021 compared with the same periods in 2020 due to increases in average contract value, project deliveries and transactional orders from both new and returning customers.

- Deferred revenue increased by 90% to $2,019,805 compared to $1,062,760 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.

- As of June 30, 2021, the Company had $3,360,406 in cash. Cash on hand and growing gross profit are providing funds to expand Datable's sales team and improve its product.

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

- Datable now has approximately $4.4 million in contracted revenue for 2021 and future periods, of which about 65% (approximately $2.9 million) is expected to be recognized as revenue in 2021. Some of Datable's customers have rescheduled rewards budgets to 2022 due to COVID 19 related logistics issues, such that 35% of current contracted revenues are expected to be recognized in 2022.

- Revenue growth in 2021 is expected to significantly exceed growth in 2020. 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 (see press release dated April 26, 2021). Revenue growth in 2021 is trending significantly higher in 2021 based on the growth in the first six months and contracted revenues year-to-date. Datable expects gross margin to be approximately 55 per cent in 2021.

- 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.

- Datable is seeking partnerships with companies that offer complementary solutions to expand the scope and scale of its product and accelerate the launch of the ***flexxi*** **Rewards Network.** Datable's customers have large and growing budget for targeted digital marketing where ROI can be measured.

"Our record growth and revenues for the first half of 2021 is a validation of that ***PLATFORM***[3] is driving incremental sales and enhanced consumer engagement. Our customers are allocating a larger budget to our solution due to our tools that enable the use of opt-in consumer data to target consumers with relevant offers and rewards," said Robert Craig, Datable's CEO. "We had a significant growth in the first half of 2021 despite logistics challenges due to the COVID 19 pandemic and expect growth to accelerate as we add senior sales people to our team, and the world and consumers open up later in 2021 and into 2022."

Results of Operations:

Revenue for three months ended June 30, 2021 increased by 89% to $645,702 and revenue for the six months ended June 30, 2021 increased by 64% to $1,320,260, compared with the same periods in 2020 due to overall increase in average contract value, project deliveries and transactional orders 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 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 and six months ended June 30, 2021 increased by 38% to $318,828 and 25% to $675,939 respectively, compared to the same periods in 2020. The Company's cost of sales for the three months and six months ended June 30, 2021 increased by 98% to $326,874 and 43% to $644,321 respectively, compared to the same periods in 2020 due to change in product mix and increase in delivery resources during the period.

Gross margin as a percentage of revenue for the three and six months ended June 30, 2021 was 49% and 51% respectively, compared to 68% and 67% for the three and six months ended June 30, 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 expenses for the three and six months ended June 30, 2021 were increased to $527,454 and $829,727 respectively, compared to $368,057 and $617,740 for the three and six months ended June 30, 2020. The increase for the six months ended June 30, 2021 was mainly due to an increase in corporate consultancy fees, professional fees, and consultancy fees of human resources.

Sales and marketing expenses include wages and salaries, consulting fees, travel expenses, and advertising and licenses. Sales and marketing expenses for the three and six months ended June 30, 2021 was $315,940 and $502,734 respectively compared to $169,474 and $339,997 for the three and six months ended June 30, 2020. The increase for the six months ended in June 30, 2021 was mainly due to increased staff resources and consultancy paid in connection with advertising, sales and marketing activities.

Research and development expenditures for the three and six months ended June 30, 2020 was $416,063 and $725,318 respectively compared

to $239,793 and $454,265 for the three and six months ended June 30, 2020. The increase in research and development expenses for the six months ended June 30, 2021 was related to enhancement to ***PLATFORM***^{3}, developing platform ***flexxi*** **Rewards Network** and increased staff resources. 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 and six months ended June 30, 2021 was $1,073,640 and $1,978,658 respectively, compared to $601,409 and $1,121,784 for the three and six months ended June 30, 2020. This increase in net loss for the six months ended June 30, 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.

For additional information about the company please

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