

Datable Technology Announces LOI to Acquire Dabbl

written by Raj Shah | November 24, 2021

November 23, 2021 ([Source](#)) – Datable Technology Corp. (TSXV: [DAC](#)) (OTCQB: TTMZF) (the “Company” or “Datable”), the developer of a proprietary, SaaS-based Consumer Lifecycle and Data Management Platform called **PLATFORM³**, announces that it signed a non-binding letter of intent (the “LOI”) on September 8, 2021, to acquire (the “Acquisition”) 100 percent ownership of Adjoy, Inc. (DBA Dabbl, “Dabbl”).

As previously disclosed (see press release dated October 18, 2021) Datable formed a partnership agreement with Dabbl. This agreement was designed to leverage Dabbl’s large community of consumers (encompassing over 1.3 million downloads) and first-party data relationships and to accelerate consumer participation in the marketing programs that leading consumer brands launch on **PLATFORM³**. The dual offering – a Consumer Lifecycle and Data Management Platform accessed by a large community of consumers – has been well received by Datable’s existing Fortune 500 clients and new prospective customers. In the brief duration of the partnership, Datable has closed sales of the combined product with two leading consumer goods companies (see press release dated November 3, 2021) and has a growing pipeline of customers for 2022.

The success of this partnership is being driven by the growing need for brands to access new consumer communities and engage them while collecting, analyzing, and managing their first-party data. Brands are scrambling to achieve this within today’s rapidly evolving legal and regulatory environment regarding consumer privacy and how their data is collected, stored and

shared with third parties.

We believe that the Dabbl consumer community, combined with Datable's Consumer Lifecycle and Data Management Platform, will propel Datable to becoming a market leader in delivering SaaS-based enterprise grade consumer acquisition, engagement, data collection, analytics and messaging solutions for leading consumer brands.

Benefits of the Acquisition

- ***The combination of Datable-Dabbl will be a single source for consumer brands to access new consumer communities in conjunction with strategic services and infrastructure to engage consumers, build first-party data relationships, provide data analytics and monetization strategies in an evolving and highly regulated environment.***
- ***The combined solution is expected to accelerate revenue growth.*** Datable has 25 leading consumer brands under contract now for about \$5 million in revenues expected to be recognized in 2021 and 2022. The largest customer is contracted for close to \$1 million with the smallest customers implementing trial programs of less than \$20,000. One of the keys to accelerating revenue growth is to increase the average size of Datable's agreements from \$200,000 to over \$1 million. Datable's customers include a growing number of Fortune 500 companies that have large annual marketing budgets. The integration of the Dabbl's first-party opt-in consumer community, along with Datable's track record of delivering strong and measurable return on investment (ROI) is expected to drive further increases in the scale and scope of contracts with existing customers and attract new customers.

- **Dabbl provides new revenue streams.** In addition to adding value to Databl's enterprise grade platform, the Dabbl consumer community also generates revenues from surveys generated from a wide range of sectors and short-term shopper-marketing programs run by retailers and consumer brands. These programs have a shorter sales cycle than Databl's longer term SaaS license agreements and are accessible to small and medium sized enterprises.
- **Increased scale to enhance access to capital and human resources.** The combined company is expected to have pro-forma 2021 revenues of close to \$6 million and gross margin of about 45%. The Dabbl team includes CEO and founder Susan O'Neal, with more than 20 years of experience in consumer data and marketing, including serving as Group Vice President, Strategic Partnerships & Corporate Development at Catalina Marketing. Ms. O'Neal will serve as Chief Operating Officer for Databl after the acquisition. Dabbl's shareholders have invested approximately US\$20 million since 2015. It is expected that Ross Hangebrauck, a successful entrepreneur, and venture capital investor, will join the board of Databl post acquisition, nominated by Dabbl's largest shareholder, a Silicon Valley based venture capital fund.
- **Synergies and cost savings.** Driven by strong interest from its customers, Databl has been developing the **flexxi Rewards Network (flexxi)** – 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. With the acquisition of Dabbl, Databl will own a product that is similar to flexxi with growing base of users and first

party data, increasing revenues and a team lead by Susan O'Neal. Datable will reallocate the product development resources now dedicated to flexxi to enhance and integrate Dabbl's product. Datable's sales is now introducing Dabbl to existing and new customers.

Dabbl makes it easy and rewarding for consumers to transact directly with multiple brands via the Dabbl app, for their attention, insight, and data. Dabbl's advanced online purchase validation and data capture technology allows consumers to e-link Dabbl with their accounts with the largest e-commerce companies that deliver in the U.S. and Canada. According to Dabbl, over 1.3 million consumers have downloaded the Dabbl app, which has facilitated over 200 million consumer engagements with brands, resulting in over US\$6 million in retail loyalty value delivered. Thanks to an expanding array of consumer-friendly features and a commitment to fostering trust through transparency, Dabbl is rapidly becoming consumers' preferred loyalty app. Since adding data collection to its suite of solutions earlier this year, Dabbl reports that it has rewarded more than US\$40 million of US retail sales.

Terms of the Acquisition

Under the LOI, Datable will acquire Dabbl at a base value of \$10,633,333 by paying the holders of Dabbl securities (the "Dabbl Security Holders") 70,888,887 common shares (the "Shares") of Datable at a deemed price of \$0.15 per Share. Datable will also purchase Dabbl debt of US\$400,000 for Shares at a deemed price of \$0.12 for approximately 4,200,000 additional Shares. In addition, Datable will pay the Dabbl Security Holders, 6,388,889 performance warrants (the "Performance Warrants") to purchase Shares. Each Performance Warrant entitles the holder to acquire a Share for nominal consideration subject to Dabbl achieving trailing twelve-month

revenues of at least US\$3.33 million (approximately \$4.2 million) for the twelve month period ended June 30, 2022.

If the Performance Warrants are exercised in full the purchase price of Dabbl will be approximately \$12.2 million (77,277,776 shares at deemed price of \$0.15 plus US\$400,000 in debt for an additional 4,200,000 Shares.) This values Dabbl at approximately three times US\$3.33 million (approximately \$4.2 million), the trailing twelve-month revenues that Dabbl needs to achieve to for the Performance Warrants to become exercisable.

Datable and Dabbl have been conducting mutual due diligence with a view to finalizing the definitive agreement (the “Definitive Agreement”) before the end of 2021. The Definitive Agreement is expected to include terms customary to an acquisition including, but limited to:

- A concurrent financing of \$2.5 million to fund the growth of the combined company, which is expected to include proceeds resulting from the exercise of existing warrants, with use of proceeds to be focused on investing in user acquisition for Dabbl’s opt-in consumer community;
- Voluntary escrow provisions for the holders of the Shares;
- Employment agreements, including equity incentives for five key members of the Dabbl management team; and,
- A nominee of Dabbl to be appointed to the board of directors of Datable.

The Acquisition is subject to the parties entering the Definitive Agreement, the satisfaction of waiver of the customary conditions noted above, including the receipt of all applicable regulatory approvals, including approval by the TSX Venture Exchange.

“Our confidence in the unique value of our combined solution is growing due to the initial market response to the combined

offering. In a brief period of time, we have signed our first sales to two leading global consumer brands, one an existing customer and the other a new customer. More importantly, we have received strong interest from our existing customers and target market, including global consumer brands and ad agencies. We have enjoyed working with Susan O'Neal and the Dabbl team and have been impressed by how they have established a growing opt-in consumer community and generated increasing revenues from multiple sources," said Rob Craig, CEO of Datable. "Recent changes in consumer privacy laws and new regulations regarding consumer tracking and cookies created a huge market opportunity for first-party consumer data solutions. We have been building the flexxi rewards network to address this opportunity and accommodate requests from our largest customers – with Dabbl we are able accelerate these efforts and capitalize on the evolving and increasingly regulated consumer market."

"Datable has already added new opportunities for the Dabbl consumer community to earn rewards for engaging with leading consumer brands. Integrating our solutions advances our mutual goal of using technology to bring brands and consumers closer together and creates value for everyone," said Susan O'Neal, CEO of Dabbl. "Datable has built strong relationships with some of the world's largest consumer goods companies, with a strong track record of delivering results in long-term SaaS engagements and via multiple short-term engagements. We're excited to bring more consumers and comprehensive data capture capabilities to Datable brand partners."

About Datable Technology Corporation

Datable has developed **PLATFORM³** a proprietary Consumer Lifecycle and Data Management Platform that is sold to global consumer brands. **PLATFORM³** is delivered as a subscription service (Software as a Service model) and used by some of the worlds'

most valuable consumer brands to access new consumer communities and engage them while collecting, analyzing, and managing their first-party data. **PLATFORM³** 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.

About Dabbl

The Dabbl platform provides a safe, simple, and enjoyable way for consumers and brands to spend time and create value together through shared experiences and data. Since 2017, Dabbl has facilitated more than 200 million consumer engagements and delivered more than \$6 million in loyalty value through the Dabbl app and its white-label retail solution. For more information, visit brands.getdabbl.com

Neither the TSX Venture Exchange nor its Regulation Service Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy of accuracy of this news release.

Certain information in this news release constitutes forward-looking statements and forward-looking information (collectively, "forward-looking information") within the meaning of applicable securities legislation. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations 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”. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events.

Forward-looking statements or information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Datable, Dabbl or their respective subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements or information contained in this news release. These forward-looking statements include, but are not limited to, statements relating to expectations with respect to: the timing and outcome of the Acquisition; the anticipated terms of the Definitive Agreement; the anticipated benefits of the Acquisition to the parties and their respective security holders; the impact of the Acquisition and anticipated growth of the combined entity.

Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including assumptions as to the time required to negotiate and finalize the Definitive Agreement; the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary approvals; the ability of the parties to satisfy, in a timely manner, the conditions to closing; other expectations and assumptions concerning the Acquisition; and such risks contained in Datable’s documents filed from time to time on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list of factors is not exhaustive.

In respect of the forward-looking statements and information concerning the anticipated benefits and completion of the Acquisition and the anticipated timing for completion of the Acquisition, Datable and Dabbl have provided such statements and information in reliance on certain assumptions that they believe are reasonable at this time. Although Datable and Dabble believe that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. The forward-looking information included in this news release is made as of the date of this news release and Datable and Dabbl do not undertake an obligation to publicly update such forward- looking information to reflect new information, subsequent events or otherwise unless required by applicable securities laws.

There can be no assurance that the Acquisition will occur, or that it will occur on the terms and conditions contemplated in this news release. The Acquisition could be modified, restructured or terminated. Actual results could differ materially from those currently anticipated due to a number of factors and risks.

SOURCE Datable Technology Corp. 

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