

# Privacy concerns push Datable Technology's business model to the front of the pack challenging Meta

Let's face it, inflation is going to be with us for a while, and it could get worse before it gets better. The price of virtually everything is going up and, as a result of global events, we're also seeing the availability of goods impacted as well. One of the potential consequences of this trend is the greater use of coupons, loyalty programs and any way possible to get what you want, when you want it, for the most cost-effective price. Combine all this with Apple's revised privacy controls and you have a huge opportunity for governments and businesses alike to revisit the way data can be collected, leading to a possible shift by consumer goods companies looking for better ways to reach, retain and sell to their customers.

Maybe I'm reaching a little too far, but I believe inflation and privacy could be a huge tailwind for Datable Technology Corp. (TSXV: DAC | OTCQB: TTMZF). Datable is a technology company operating in the consumer internet advertising sector and is a provider of digital and social media consumer engagement, data mining and loyalty solutions. Datable's core product is PLATFORM<sup>3</sup>, a Software as a Service (SaaS) consumer marketing platform, which enables consumer packaged goods (CPG) companies and consumer brands to build and launch promotions and special offers on the mobile phone. The platform allows consumer goods companies to access first-party data and detailed analytics, leading to enhanced customer engagement and optimized marketing strategies.

Delving a little deeper into the consumer privacy side, we see

that regulations and policies designed to protect consumers increasingly require the consumers' explicit permission to share and use first party generated data from digital interactions. This means consumer brands and advertisers are scrambling to adapt as the \$190 billion U.S. digital advertising industry loses access to most third-party data, which has powered programmatic advertising (advertising purchased and sold using software) for years. Just look at Meta Platforms, Inc. (NASDAQ: FB) (formerly Facebook) most recent quarterly results. The market definitely didn't like the guidance which was primarily a result of Apple's consumer permission policy changes. Meta's stock price dropped 26% in one day based on this information. However, Meta's misfortune could be Datable's gain.

Datable is definitely gaining momentum. On February 15<sup>th</sup> the Company announced that it expects revenues to grow by about 77% to approximately \$3.5 million for the year ended December 31, 2021, with gross margin expected to be approximately 40%. This growth is being driven by existing, as well as new customers that include the world's largest consumer brands such as Universal, Fandango, Proctor & Gamble, PEP (Procter & Gamble, Henkel, Kimberly Clark) and Toro.

Since 2014, Datable has provided marketing automation and first-party data solutions to leading consumer brands.



Source: Datable Technology Corp. Corporate Presentation

This encouraging news was followed by the announcement of an annual license agreement renewal with a leading digital media and entertainment company for an additional year to June, 2023. I'm going to guess it's Universal, based on the description – "the digital division of a leading global media and technology company, which owns and operates business units that provide cable, entertainment (major motion pictures, TV broadcasting, and theme parks) and streaming services". Another interesting tidbit from the Feb 17 press release states "Datable now has close to \$3 million in revenue under contract for 2022" and "expects gross margin to be about 50% in 2022, due to improved operational efficiency". This suggests to me that the positive momentum should continue through 2022.

The data privacy tailwind pushing CPGs and consumer brands towards first party data providers moves tiny upstart Databl from being a very challenged competitor of Meta/Facebook to the front of the pack looking at Meta in the rearview mirror, at least for now. Even more meaningful is that Databl has a market cap of only \$4.7 million which is only 1.3x 2021 revenue and potentially closer to 1x 2022 revenue. The Company has reached a threshold where any new contracts will have a substantial impact on the bottom line. If inflation further pushes consumers towards loyalty programs with coupons and rewards then things could get really exciting for Databl and its shareholders.