

# Datable Technology Announces Financial Results for Q3 2021 and Update for Year-to-Date 2021

written by Igor Makarov | November 25, 2021

November 24, 2021 ([Source](#)) – Datable Technology Corporation (TSXV: [DAC](#)) (OTCQB: TTMZF) (the “Company” or “Datable” or “DTC”), the developer of a proprietary, SaaS-based Consumer Lifecycle and Data Management Platform called **PLATFORM<sup>3</sup>**, is pleased to announce its financial results for the quarter ended September 30, 2021 (“Q3 2021”).

For the periods three and nine months ended September 30, 2021, the Company achieved the following milestones:

- Revenue for three months ended September 30, 2021, increased by 91% to \$ 827,283 and revenue for the nine months ended September 30, 2021 increased by 73% to \$ 2,147,543, compared with the same periods in 2020 due to overall increase in average contract value, project deliveries and transactional orders with higher demands in the quarter from both new and returning customers.
- Deferred revenue as at September 30, 2021 increased by 140% to \$1,979,095 compared to \$816,495 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.
  - Signed a non-binding letter of intent to acquire 100 percent ownership of Adjoy, Inc. (DBA Dabbl,

“Dabbl”). See press release dated November 23, 2021, and Subsequent Event note. The combination of Datable-Dabbl is expected to generate 2021 pro-forma revenue of close to \$6 million and result in an integrated product that is 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, and provide data analytics and monetization strategies in an evolving and highly regulated environment.

- Commenced the process of reallocating development and sales resources from the continued development of **flexxi Rewards Network** to the integration of the Dabbl consumer community with Datable’s **PLATFORM<sup>3</sup>**. Dabbl provides a similar product and business model to flexxi, a web portal that enables opt-in consumers to earn rewards for completing activities such as purchasing consumer products, viewing valuable content posted by consumer brands, sharing content on social media and referring friends. Datable and Dabbl have already collaborated on sales of the combined product to two leading consumer brands (see press release dated November 3, 2021).

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

- Datable currently has approximately \$5 million in contracted revenue for 2021 and future periods, of which about 57% (approximately \$3 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 about 43% of current contracted revenues of approximately \$2 million 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 is trending significantly higher in 2021 based on the growth in the first nine months and contracted revenues year-to-date. Datable expects gross margin to be approximately 50 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 2021, some of Datable's customers reduced or delayed budgets due to COVID related logistics issues.
- Datable is focused on completing the acquisition of Dabbl. The Company is also seeking partnerships with companies that offer complementary solutions to expand the scope and scale of its product to address the growing demand from leading consumer brands for first-party consumer data solutions that enable direct to consumer engagement.

"Our record growth and revenues for the first nine months of 2021 is a validation of that **PLATFORM<sup>3</sup>** 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 nine months of 2021 despite logistics challenges due to the COVID 19 pandemic and expect growth to accelerate as we add senior salespeople to our team, and the world and consumers open up later in 2021 and into 2022. We believe that the acquisition of Dabbl will position us

to accelerate growth with an improved product and scaled up team to serve our growing customer base of world's leading consumer brands."

### **Results of Operations:**

**Revenue** for three months ended September 30, 2021, increased by 91% to \$ 827,283 and revenue for the nine months ended September 30, 2021 increased by 73% to \$ 2,147,543, 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<sup>3</sup>** 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<sup>3</sup>** product offering.

The growth in contracted revenues continued in 2021 was due to larger renewals and new licenses driven by improvements in **PLATFORM<sup>3</sup>**, and an established track record of delivering ROI to customers. In late 2019, DTC launched version 4.0 of **PLATFORM<sup>3</sup>** which included new modules that extended and deepened its differentiation in the market by launching a breakthrough feature on **PLATFORM<sup>3</sup>** – 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<sup>3</sup>** into a self-regulating continuous feedback loop for ongoing sales. In 2020, Datable released **PLATFORM<sup>3</sup>** 5.0 which included significant upgrades to each of the modules that make up the Platform including Dynamic Intelligence (Messaging and Rewards), Rewards Portal and Security.

**Gross profit** for the three months and nine months ended September 30, 2021 increased by 26% to \$ 364,392 and 25% to \$1,040,331 respectively, compared to the same periods in 2020. The Company's cost of sales for the three months and nine months ended September 30, 2021 increased by 210% to \$462,891 and 170% to \$1,107,212 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 nine months ended September 30, 2021, was 44% and 48% respectively, compared to 67% and 67% for the three and nine months ended September 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**<sup>3</sup>, 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**<sup>3</sup> 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**<sup>3</sup>, and project management and customer support staff.

**General and administrative expenses** for the three and nine months ended September 30, 2021, decreased by 15% to \$454,138 and increased by 11% to \$1,283,865 respectively,

compared to \$535,887 and \$1,153,627 for the three and nine months ended September 30, 2020. The increase for the nine months ended September 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 nine months ended September 30, 2021, was \$488,847 and \$991,581 respectively compared to \$249,818 and \$589,815 for the three and nine months ended September 30, 2020. The increase for the nine months ended September 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 nine months ended September 30, 2021, was \$515,709 and \$1,241,027 respectively compared to \$266,978 and \$721,243 for the three and nine months ended September 30, 2020. The increase in research and development expenses for the nine months ended September 30, 2021, was related to enhancement to **PLATFORM<sup>3</sup>**, 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<sup>3</sup>** and *integrate the Dabbl product*, 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 nine months ended September 30,

2021 was \$1,346,342 and \$3,324,999 respectively, compared to \$789,251 and \$1,911,036 for the three and nine months ended September 30, 2020. This increase in net loss for the nine months ended September 30, 2021, was mainly due to the increase of sales and marketing expenses, cost of sales and research and development expenses, net of the growth in revenue.

## **About Datable Technology Corporation**

Datable has developed **PLATFORM<sup>3</sup>** a proprietary Consumer Lifecycle and Data Management Platform that is sold to global consumer brands. **PLATFORM<sup>3</sup>** 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. **PLATFORM<sup>3</sup>** 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](http://datablecorp.com). For additional information about the company please visit [www.sedar.com](http://www.sedar.com). The TSX Venture Exchange Inc. has in no way passed upon the merits of the transaction and has neither approved nor disapproved the contents of this press release. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This news release contains forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectation. Important factors – including the availability of funds and the results of financing efforts, – that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time on SEDAR (see [www.sedar.com](http://www.sedar.com)).

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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