Snipp Interactive – Conference Call Script -- June 3, 2024

Atul Sabharwal - Chief Executive Officer

Good morning, everyone. Thank you for joining us for the Snipp Interactive first quarter 2024 earnings conference call. I am Atul Sabharwal, Founder and Chief Executive Officer of Snipp Interactive. Joining me today is Jaisun Garcha, our Chief Financial Officer.

Please visit our investor relations site at Snipp.com for a copy of our earnings press release and detailed financials, which have also been filed on SEDAR. We present all financial figures in U.S. dollars unless otherwise indicated.

Before we proceed, I'd like to remind everyone that today's discussion may contain forward-looking statements. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially.

Q1 2024 Summary and Key Developments:

The first quarter of 2024 was a pivotal period for Snipp as we continued to execute our strategic plan aimed at enhancing our revenue mix and improving gross margins. As anticipated, our revenue for Q1 2024 was $4.7 million, down 29% from Q1 2023's $6.6 million. This decline was expected and tied entirely to the sunsetting of a single pilot contract inherited with the Gambit acquisition. By exiting this pilot contract, our gross margin significantly improved, rising to 54% from 26% in the same period last year.

And despite this reported revenue decline, our EBITDA loss for Q1 2024 was $0.6 million, a notable improvement from the $1.1 million loss in Q1 2023. Our bookings backlog stood at $15.4 million as of March 31, 2024, up 12% from $13.8 million on March 31, 2023. We ended the quarter with $4.2 million in cash and the company continues to be debt-free.

Strategic Focus and Achievements:

Our strategic initiatives are centered on three key areas: improving our revenue mix, expanding our high-margin core business, and driving innovation through our platforms. Here's how we've progressed in each of these areas:

1. Improving Revenue Mix: We have been focused on shedding unprofitable revenue streams while securing contracts that align with our gross margin threshold of 50%+. We have more MMR programs today than at any other time in our company history. This strategic shift is evident in our improved gross margins and the increasing proportion of revenue from our core business, which grew by 29% year-over-year. Our efforts to reposition our revenue mix are paying off, setting us on a path towards sustained profitability.

2. Expanding Core Business: Our core Snipp business continues to deepen and extend client relationships. We have strong momentum and have secured multiple large contracts, including the largest in our company's history with a leading global food and beverage company recognized in over 50 countries. This contract alone is forecasted to generate over $6 million in revenue during the third quarter. Also we were one of three companies selected earlier this year by Walmart to execute programs tied to Walmarts retail media network. The recent record win of $6MM that we mentioned in our earnings release came via this channel, one that should continue to provide new opportunities going forward as well as lock in our existing clients who want to leverage the power of Walmarts Media. Additionally, we've secured several seven-figure deals across diverse industries, bolstering our sales pipeline recently with new marquee brands in new industries. These contracts underscore the strength of our platform and our compelling value proposition. While we would love to announce all these program wins, given the strategic nature of these programs for our clients it becomes difficult to do so as it would amount to Snipp giving away our client's future plans to their competitors. These plans fundamentally tie to directly to our clients' tactics tied to their market share, pricing, new product introductions and more depending on the program type they are utilizing the Snipp platform for. As such we are limited in what we can tell investors when we win these programs.

3. Driving Innovation Through Platforms: I would now like to spend a moment touching on the innovation we're driving through our various platforms.

First, our SnippMEDIA platform has launched in partnership with Bank of America and is demonstrating strong early performance. With high engagement levels and strong conversion rates, we are excited about the prospects for Snipp Media given the early metrics that we are seeing. We have both our inside and outside Snipp sales teams working hard to evangelize this new market offering and bring CPG clients to SnippMedia. As with any innovation, clients have to first be marketed to, after which they will pilot the offering before including it in their regular spend cycles. At this stage we are very much in the marketing phase with our clients who have been very receptive to hear about yet another innovation that Snipp is bringing them as well as the initial data on performance metrics of SnippMEDIA. Over time you will see more pilot clients coming on board and this will directly be reflective of the number of offers available in the Bank of America app for those of you who would like to track the performance of SnippMEDIA.

In addition to focusing on bringing in new clients, we are also focus on expanding the audience to which our clients can place offers with. While Bank of America was our first large publisher, we are continuing our partnership conversations with other financial institutions and are on the cusp of having another large institution teed up to launch with SnippMedia by the third quarter. This will further expand SnippMEDIA's audience to potentially 60MM eyeballs. As we talked about last month on our year-end call, SnippMedia is unique because it is the only product in the market that allows CPG brands to bring specific SKU level offers to banking customers. This proprietary Snip technology also enables Snipp to disrupt the $30billion couponing industry that is predominantly still paper based.

Secondly, as an update on our progress with Gambit.

To remind everyone - Gambit is the only technology that allows players to gamble with different forms of loyalty points, rather than with cash. Recently some of you might have seen multiple news coverage about Dave & Busters, one of our early clients for gambit. As a trailblazer in this space they have attracted a lot of attention to the loyalty gaming space – including regulatory and political. We view these developments as positive from the perspective of moving the loyalty gaming industry forward. The sooner our clients get comfort with the "free to play" nature of our Sports book that is validated by regulatory bodies, the faster their adoption will be. So, entering this next phase of broader awareness among stakeholders in this industry is exciting for us. As with all disruptive innovations the path forward will not necessarily be a straight line, but we continue to believe that the loyalty gaming industry is still in its very early stages, and we are working hard to fine tune the business model to make it not only economically viable to all parties but also steer clear of any political and regulatory hurdles. Economically today Gambit is a 41% margin business in its first quarter without the legacy hangover of the contracts that came with Snipp's acquisition of Gambit. We know there are many companies and industries that are looking to bring new loyalty innovation to their members and using their loyalty points to wager is certainly an innovative and unique offering. Economically we have the model, so now we are working hard to expand this to new clients.

Looking out through the remainder of 2024, we are optimistic about leveraging our investments and expect these efforts to materialize prominently in our financials—especially in the back half of the year Our strategic initiatives and recent large contracts position us well for sustained top line growth and profitability.

The loyalty and promotions marketplace is gaining traction and valuation, driven by technological advancements. To no one's surprise, our fortune 500 customers are coming to us to help them reach their end users as the laws regarding consumer privacy are getting tougher and more strict….AND just as importantly, we are using AI within our receipt capture engine to help our customers fight promotion fraud as just one example. We expect continued industry consolidation with Snipp well-positioned to capitalize on these trends. Our robust backlog and strong pipeline of new business, combined with our focus on high-margin contracts, will drive our growth trajectory.

We anticipate continued margin improvements in the upcoming quarters, with profitability scaling in the second half of the year when promotional activity is typically stronger. The momentum from our recent contracts will carry us forward, and we are confident in our ability to achieve our financial targets for the year.

We would hope our investors leave this earnings call with the following three key takeaways:

One, Gross Margin improvement. Our revenue mix has shifted back to our historical higher margin profile. While our top line was pressured by the end of the Gambit pilot, our gross margins now exceed 50%, enabling us to sharply improve our EBITDA and strengthen our balance sheet.

Two, our robust backlog and pipeline are delivering not only in frequency of deal flow, but also in magnitude as evidenced by the large deal we disclosed in our earnings press release. Simply, our backlog and pipeline of new business are the strongest they have ever been. We are winning significant deals with major brands across diverse industries, reflecting the robustness of our platform and our strategic positioning. The changes in customer privacy laws and our increased adoption of AI around receipt and promotion fraud help put us in a unique position as we talk to our Fortune 500 customers.

And three, SnippMEDIA has marquee customers in the early stages of adoption. We are building out an ecosystem, aligning all of our partners, and finalizing all of the pieces that will allow for significant expansion in the quarters that lie ahead. This is an opportunity we are very excited about and look forward to sharing more updates on in the near future.

Jaisun Garcha – Chief Financial Officer

Financial Results

Thank you, Atul.

Revenue for Q1 2024 was $4.7 million, compared to $6.6 million for Q1 2023, a decrease of 29%. This decline was expected and tied to the sunsetting of a single pilot contract from the Gambit acquisition. Our core business saw its revenue increase a very healthy 29% year over year,

Gross margin for Q1 2024 was 54%, a significant improvement from 26% in Q1 2023.

EBITDA for Q1 2024 was a loss of $0.6 million, compared to a loss of $1.1 million in Q1 2023, an EBITDA improvement of $0.5 million.

Our bookings backlog stood at $15.4 million on March 31, 2024, an increase of 12% from March 31, 2023.

Cash at the end of Q1 was $4.2 million, and the company remains debt-free.

I will now hand the call back to Atul for some closing remarks.

Atul Sabharwal - Chief Executive Officer

Closing Remarks

Let me close by thanking all of our hard-working team members for their strong execution in helping Snipp deliver meaningful growth in our core business and margin improvement. I would also like to thank all of our investors that have followed the Company over the years. As we continue to look for ways of unlocking shareholder value, we continue to explore multiple paths to an uplisting of our shares to a more formidable exchange. We think that an uplisting will help foster investor and customer awareness, improve trading liquidity, and narrow the valuation gap between us and our US listed peers. At this time we cannot provide a timetable for when an uplisting might take place

As we move forward, our commitment to driving sustainable profitability has never been stronger. We are excited about the opportunities ahead and look forward to sharing more details in the coming quarters. Once again please be mindful of the seasonality of our business. Similar to 2023, our current backlog, which is amongst the strongest in the history of the Company, dictates that profitability should be weighted towards the back half of the year when the promotional calendar amongst our customers is typically more robust..

With marquee partners and customers from a variety of industries such as Walmart, Bank of America, Bally's and over 7 of the top 10 CPG companies in the world having already validated the effectiveness of our platform, our sales team is energized by the prospect of future big wins from household consumer names.

Let's open it up for questions.

Q&A

Daniel Rosenberg | Jun 03, 2024, 7:17:52 AM
Hi, good morning. Atul and Jason my first question Comes Around The Six Million Dollar win that you mentioned in coming in Q3. Can you just speak to kind of the timing of potential deals around that and how should we be thinking about the Cadence of you know, these wins as you're kind of scaling the media business for the next, you know, four quarters, let's say just difficult to model here. So just any insight would be

Atul Sabharwal | Jun 03, 2024, 7:18:19 AM
Yeah, so this this one this program it's not a media. It's not a snip media win. It's a standard snip buy X get y win traditional business the media they will use is the Walmart media to drive. Drive the program this program. We won this program this year from a large large competitor that's owned by a large large cable network. The program starts at the end of June and and ends at the end of septembar. So it'll be bang in the middle of Q3 the Cadence. So that was that part and I think the last part of your question was the Cadence of these winds. I hope very frequently. I can't focus that yet, but we do have other wins not yet the Six Million level but at the one or two million dollar levels that will kick in across Q4 that we know of right now.

Atul Sabharwal | Jun 03, 2024, 7:19:25 AM
Yeah, a little bit of this is you know, now that we now that we have approval to be a vendor and approved vendor of Walmart's and we have all of these other clients, you know, we can now start approaching them for some of these larger type programs.

Daniel Rosenberg | Jun 03, 2024, 7:19:43 AM

Okay, and then as it relates to the kind of Walmart program, I mean that's obviously a big chunk if we were to compare year-over-year or to any quarter. So how much of that would you say is kind of the focus in the quarter versus kind of this is just incremental gravy not gravy but incremental business, let's say just how should we be thinking about that Q3 as it lines up towards your historical

Atul Sabharwal | Jun 03, 2024, 7:20:14 AM
So I think it's an interesting question. I would say that there's definitely an element of incrementality to this program in our

Atul Sabharwal | Jun 03, 2024, 7:20:30 AM
Q3, you know historical performance if you were to compare it. Yeah, I think I think I would definitely tell him this as an incremental piece of business because even though we will even though this client has been a been a client of snips for a while. We wouldn't have been privy to this program. Did we not have the approval from Walmart? Do you see what I'm saying? So I would definitely call this an incremental to our steady state forecast.

Daniel Rosenberg | Jun 03, 2024, 7:21:02 AM
Okay, great to hear and then maybe turning to the initiatives around the bank offerings any progress there. I mean, obviously this is a focus with the core customer. But any potential on broadening the client base or is the focus just really scaling, you know, the initial traction that you have.

Atul Sabharwal | Jun 03, 2024, 7:21:29 AM
So I want to make sure I understand your question and when we can talk more, I think we're talking right after this call. So we are definitely let's talk about it in two ways. One is the publisher the Bank of America's of the world, right? Yes. We are focused on expanding the network to other financial institutions. If that was the question that you are asking me, right? That's what I mentioned earlier today. We should have another large. Financial institution come on board soon that we would launch on so that when a client comes to us, we can propagate offers across multiple banking Partners making it even more powerful for the brand to reach a very quality audience. That's not just looking for offers. So that's what I that's the that's on the publishing side on the other side, which is expanding our clients. Yes. So if you look at Snoop media, it's a you know, it's it's one of a kind just launched in the market. It's never know take a catalog or Nestle or PNG all great clients of us, you know, they have never had access to put offers in front of people who have bank accounts all of us, right basically in through a banking channel right show they can reach you in other ways, but these are banking customers using banking apps who have offers from retailers, but they've never had offers from manufact.

Atul Sabharwal | Jun 03, 2024, 7:23:07 AM
Those because a bank doesn't see what someone buys inside a store. They only know that you went to a store and swipe your card. Right? So we've solved that problem. So when you say bringing in new customers, yeah, I mean all of these customers are going to be new even though they might have been really old customers of snip. And and that's the beauty of this right we have access to these customers. But as with all cpg clients, it's not you know something that they'll just sign off on day one. They completely love the media aspect of it given its a new channel, but they will first try it they'll pilot it and then you know, like by the by the end of this year, they'll be making decisions on the head saying hey should we do and I bought a program. Should we do a slip media program? Should we do a paper coupon program and you know, because our banking because our Network and our Publishers have a higher quality audience. Remember I bought her which should be the nearest comparable here has a great audience but it's an audience of people looking for deals that is margin destruction. Right? The banking audience is not an audience is necessary only looking for deals. There's a broader audience their way broader, right? So just end this I mean, you know, if you think about bringing in new clients, right? Yeah,

I mean all of these are new clients for us in the world of media for all of the 300 programs that we do in a year up until

Atul Sabharwal | Jun 03, 2024, 7:24:34 AM
The march of this year, we never took any media budgets from our clients now, we actually have a credible mechanism to just go after those 400 programs as an example and say hey, would you like to also place your media with us versus whoever they were placing it with before.

Daniel Rosenberg | Jun 03, 2024, 7:24:52 AM
Okay, appreciate that, and then lastly for me. I just wanted to ask about the Gambit side of the business. So it's a bit of a big shift on the top line as the pilot rolls off. Just any color you can share in terms of the pipeline on that side of the business. Any visibility you have on there would be helpful. Thank you.

Atul Sabharwal | Jun 03, 2024, 7:25:14 AM
Yeah, so I let me let me give you some color there, right? We have at this stage. Spoken to a ton of different brands. If you go look at DraftKings, you know today Pepsi just did a deal with DraftKings to run a sweepstakes with DraftKings. Right? So brands are more than happy to associate with things that are core to their values. Right? So we have spoken to multiple Brands and they all have been very very receptive to the Gambit models saying, this is cool. We can associate with sports in a new engaging way instead of giving you back PayPal or giving you back, you know gift cards. This is a more exciting thing that drives user engagement participation right where it gets stuck in some ways when it gets to Legal where legal says Hey listen, let's just trade slowly. They're waiting to see other people do it before they all come and do it. Right and that's why I talked about Dave and Buster's right there. You can I don't know if you guys have been following the industry but like

Atul Sabharwal | Jun 03, 2024, 7:26:31 AM
There's a lot of chatter going on politically and you know, hey, how can they do this? You know, but it's not gambling. They're trying to now introduce different types of gambling within the stores, but it's all good because it's making people have those stuff conversations. So we do have a pipeline, right we developing it carefully, you know, and it's just I think in my mind. Matter of time before we get more companies of the ilk of the pep season the monsters and the Red Bulls who say yeah, you know what we're not going to get into trouble for environment where people can bet free tokens for more free tokens. So it's not going to be a straight line like I mentioned but the interest is really really high. So I just gonna have a little bit of patience. This is going to be I think for us a very interesting, you know, we're in the middle of the of two Banks and we're in the middle of the river right now that we should find a way to cross over and once we cross over it'll be a steady state type of tactic that our clients would use on their programs.

Daniel Rosenberg | Jun 03, 2024, 7:27:39 AM
All right. Thanks for taking my questions. I'll pass the line.

Atul Sabharwal | Jun 03, 2024, 7:27:44 AM
Thanks.

Jaisun Garcha | Jun 03, 2024, 7:27:48 AM
And the tool we have a couple questions in the chat.

Atul Sabharwal | Jun 03, 2024, 7:27:53 AM
Okay. Yeah, I see that. So thanks Ian. So Ian's first question is did you have to offer any concessions to win the last six million program against the competitor or is that to let your historical gross margin profile? Okay, great. Great question. Here's the thing. This client is already a client of us. And we didn't

have to offer any concessions. Because they were already a clan of us. They know what pricing they know all of that. We just didn't have approval. From Walmart. And once we got that it became easy to close the deal on our platform. We already just you know have all that data, etc. Etc. Right. The second part of your question is is that still at your historical gross margin profile? So for programs of this type, I'm not going to get into the type of program. This is a program where where we know past participation because they've been running the same program for a few years not with us, right. They run other programs with us for this type of program.

Atul Sabharwal | Jun 03, 2024, 7:28:59 AM
It is the same gross margin profile. It's not going to be at the same gross margin profile of our core business, but you won't be able to like again we look for 50% margin on an average across the year. So part of this 6 million is projected as I put out in the press release. That's how it's performed typically every single year. So there's no reason to believe it or perform any differently this year, but there is an element of performance in it, which we feel very, you know, confident that it will be no different than last year. So if it hits the performance metrics that it has for every single year for the last few years, I think I'll grow much in profile might not be at the 50% margin rate for this program, but on an annualized perspective when you look at it, it won't affect our margin profile, but at the single contract know to be a little March and

Atul Sabharwal | Jun 03, 2024, 7:29:58 AM
And you want to continue on this we're gonna move on to next question. Okay. Thanks. So your second question is what if any expectations do you have for Smith media Revenue ramp in 2024?

Atul Sabharwal | Jun 03, 2024, 7:30:18 AM
We we do have a model internally, you know, we've got a large client putting out their first cross-portfolio set of offers in the next few weeks. I would say that today. I don't have a concrete guidance that I could give you on what our Revenue ramp would be in 2024 for snip media. We do think in the back of this year. It'll start contributing to us. But you know our internal model if we can get to a million dollars of contribution from that business this year. We would be about our models estimates.

Atul Sabharwal | Jun 03, 2024, 7:31:04 AM
Okay. Brian you have a few questions, but there are no questions posted.

Bryan Robson | Jun 03, 2024, 7:31:12 AM
Hi, it's okay. You hear me?

Atul Sabharwal | Jun 03, 2024, 7:31:13 AM
Yeah, we can hear you.

Bryan Robson | Jun 03, 2024, 7:31:15 AM
Okay, here are my questions. So you've finished the quarter at 15.4 million of backlog and then you you know mention the Six Million Dollar Q3 deal as well as various seven-figure deals. Are you able to comment on where your backlog sits at the moment?

Atul Sabharwal | Jun 03, 2024, 7:31:37 AM
Um, as of right now we close the six million deal in this quarter so it won't show up in the 15,000 figure. And there's only been when the month of June the first quarter ended March 31st, so off that 15 million, what would have been recognized as revenue from changing from bookings backlog to revenue? We only be for the months of April and May, correct? So not only have we sold so put it this way. You can do 15 plus 6 plus whatever sales have been for these two months minus whatever Revenue we recognized that would be the range of our bookings backlog as of right now. Just you can keep me on

Bryan Robson | Jun 03, 2024, 7:32:30 AM
Okay, and is as you look at the remainder of the calendar year you've spoken about how seasonality gets much stronger in the second half and then you have the 29% growth year year over year and q1. Is it reasonable to to view a number of around 30 million?

Jaisun Garcha | Jun 03, 2024, 7:32:27 AM
That's

Atul Sabharwal | Jun 03, 2024, 7:32:40 AM
question you

Bryan Robson | Jun 03, 2024, 7:32:51 AM
For your revenue and that's you know, that's what I'll say the uncertainty of of snip media not really layering in a whole lot in that regard and then if you're all so looking to I'll say be in the you know mid to Upper 50s and margins. It's it's pretty easy to get to revenues of 30 million and EBT eBay of around 4 million dollars. Is that is there anything off in the way? I'm looking at that.

Atul Sabharwal | Jun 03, 2024, 7:33:24 AM
I think okay. So let's start with on margin first write our Focus this year is margin, right? We want to make sure we project 50% margin to start with so I would I would not guide you guys to 30 million of Revenue in our base case because when you start focusing on margin and you know, we only focus on Marquee clients who would provide us a business that can generate margin. So certain deals to Ians question earlier today on the margin profile of this 6 million deal. For example, there are certain deals strategically we would take on but the other deals we want. Why would we take on a lower margin deal? Why because it's a strategic client and because it's strategic partner, so it's worth getting deeper into the relationship with both sides of the fence. So to speak right, but if I do 10 of those deals in a year, I mean it boils down to the age-old question. Would you rather like grow 100% at 25% margin?

Atul Sabharwal | Jun 03, 2024, 7:34:33 AM
Didn't do much for a business last year did. So we change that right? So we'll grow slow. So this is here. Is that year of shift? So to simply answer your question, I would not guide to 30 million. Is it potentially doable? Absolutely specially if we find a way to Pivot our exchange from the Toronto Stock Exchange to either the national to the US markets. Basically, we also have other non-organic element. And you know that are balls in the air that we can execute on. If the currency that we have is appropriate that could easily take us to that if not above that Mark, but as a base case of our Core Business as I call it Mother Earth and some people make fun of me, but you know, I would not guide to 30.

Bryan Robson | Jun 03, 2024, 7:35:31 AM
Okay, and then can you comment on the the ebitda as

Atul Sabharwal | Jun 03, 2024, 7:35:37 AM
Is that fair? right so why we focusing on margin and not the ebitda growth profile of the company is because we are still investing. Right part of our growth has come from hiring acmo come from hiring a chief Revenue officer and Chris Cooper, you know part of it is also moving trying to move us to the US markets. It's going to cost us money. So I can't guide to an Uber profile because it's going to be expenses related to unlocking future value in the equity markets and and you know on a steady state your numbers would be fine, but we're not in a steady state, right? So it's a question of I don't want to project a number to you guys. When we know we're going to make strategic moves with that will cost us money and drain even though I could get to an adjusted EBA metric maybe down the road but like

Atul Sabharwal | Jun 03, 2024, 7:36:34 AM
yes, I would not guide to 4 million or even though

Bryan Robson | Jun 03, 2024, 7:36:38 AM
Okay, and I in in and that's completely understandable and I guess as investors, I hoping everyone appreciates that you can kind of get to those numbers absent the investment and so I think given where you've been maybe people aren't able to see as much as as what lies in the future so that I I'm really just looking to to point that out.

Atul Sabharwal | Jun 03, 2024, 7:36:40 AM
for those reasons

Bryan Robson | Jun 03, 2024, 7:37:09 AM
and

Atul Sabharwal | Jun 03, 2024, 7:37:09 AM
I appreciate.

Bryan Robson | Jun 03, 2024, 7:37:12 AM
you know and understanding you're not really looking to focus on that. I guess I would encourage you to get us close to that as you can but I want to take things a step further if you're essentially, you know in your 2024 investor deck. You've got the, you know, tripling of Revenue by 2025 and I want you to kind of build on that by taking us into 2025 without layering on with basically just speaking of Mother Earth your core business where you think that that's going and what sort of a growth rate you could see per calendar year 25 or range of growth rates and then whatever you want to layer on top of that in terms of you know, Stitch media Gambit opportunistic Acquisitions, but if you can start with just kind of what sort of growth you see for the core business.

Atul Sabharwal | Jun 03, 2024, 7:38:08 AM
You know, so I think our Core Business growth rate are always, you know, we always Baseline it at 15 to 25% a year. That's you know, but again, we say profitable growth. Look we have different levers, right so we can pull depending on what we think is the right mechanism to unlock shareholder value. Not diluting. The company is a you know, I don't want to be diluted. I'm sure none of you all do to right. So making sure we have enough dollars on the available to make the right Investments. Has to come from our own names our growth rate for our Core Business will remain in the you know, I will just say in the worst case 15% you know, 25 to 30% on the top end of that range and that's how we grow that business but that bridge but that business really is is a platform and that platform by definition allows us to spin out. You know, when I spin up spin up I should say not spin out spin up Associated businesses that allow us to capture share a wallet without clients both Gambit and snip media a fundamental risk, you know mitigation on them is it actually drives sales of alcohol business, right? You can't do gamble with our loyalty program. Hence customers were interested by a loyalty program case in point is bali's the second case in point is a large launched the building with a Maki tobacco company that literally will hit the market this week. It was sort of a while back three big Brands launch.

Atul Sabharwal | Jun 03, 2024, 7:39:49 AM
This week, but they also interested in loyalty gaming right same with media, right? The infrastructure of snip media actually allows us to get into the couponing space and provide that one tactic in the promotion space that we don't So to answer your question, I think that I think I gave you the range for a call business without any Acquisitions, but that's what you know, we plan backwards from because then we know we can create some investment dollars to put back to spin up Associated products that we can take to our clients.

Bryan Robson | Jun 03, 2024, 7:40:28 AM
It's that that is it for me. Thank you very much.

Jaisun Garcha | Jun 03, 2024, 7:40:31 AM
Atul before you get to the chat question. There's also a Florian has his hand up to ask some

Atul Sabharwal | Jun 03, 2024, 7:40:38 AM
Yeah, sure if Lauren absolutely.

Atul Sabharwal | Jun 03, 2024, 7:40:51 AM
Can't hear you.

Atul Sabharwal | Jun 03, 2024, 7:41:02 AM
Figure out your mic. I will take honors question expanding Sundries question is expanding the call business to new Industries and geographically has been a long term goal what recent developments would you highlight that make these goals more achievable and in the past I tell you the first thing that makes this more achievable is the fact that we actually have people and we have a team all starts with having a team in the markets that can cover the markets that we want. We have now painstakingly built a team in Europe that covers our clients in Europe and Middle East right? We have I think last quarter I mentioned we crossed a few million in revenue from that bookings from that market for the first time that market is as big as North America. I would I mean just

Atul Sabharwal | Jun 03, 2024, 7:41:57 AM
Our clients are Global I execution capability was not Global now. We have still have the clients that are Global but now we have the execution capability and that's the encouraging part of another upside drive for our business that we don't talk enough about actually.

Florian Buschek | Jun 03, 2024, 7:42:24 AM
Here, can you hear me now? Okay, perfect Atul. Can you remind people how much of your business is sort of recurring or quasi

Atul Sabharwal | Jun 03, 2024, 7:42:24 AM
current now we can

Atul Sabharwal | Jun 03, 2024, 7:42:38 AM
Um, yeah. So for the first time like, you know, it's not quite as it's really recurring let's stop there. Sorry, so we have right now 24th loyalty programs or slash ongoing programs in the world of rebates. For example Running at snap. And these are just long term recurring contracts which have a monthly fee that comes to us. And then whatever the transaction volume is on. The programs are some amount of variable Revenue that comes to us now we can continue to pound the pavement on that.

Atul Sabharwal | Jun 03, 2024, 7:43:20 AM
Long term recurring Revenue right now Jason. Do we have do we have a calculator number?

Jaisun Garcha | Jun 03, 2024, 7:43:27 AM
We usually have just disclosed that it's a great a certain percentage whether it's below 50% or above 50%

Atul Sabharwal | Jun 03, 2024, 7:43:35 AM
it's it's so let's go this way. I think we are in the range of 7 to 8 million of recurring Revenue just to give you guys a number. And maybe what we'll do is we'll start calculating a metric for you guys to analyze

but yeah, it's growing. The number of programs is growing clients are signing on for longer terms with us. So yeah.

Florian Buschek | Jun 03, 2024, 7:44:03 AM
That's awesome. Um, and then once again Brian already mentioned that your goal of crippling Revenue by 25, I think you mentioned at 1.0. So something like 75 million as your ambition. Can you comment a little bit more on that? Is that still realistic? What what ways do you think are they existing to get there? And maybe it's not a 25 story but more 26, but what sort of would need to happen for you to get there?

Atul Sabharwal | Jun 03, 2024, 7:44:39 AM
Yeah, so 75 by 25 is definitely something that we've said and continue to say. It is assumed that again. It was it was not a projection. So I want to start by saying that it was a it was an ambition to get there right when you look at our business today. Everyone's probably going to wonder how we gonna get there we build to. Build two upside we built to New pieces and two are into a platform in Gambit and media. So it's not. conceivable that we could get there if any of these businesses start ramping and scale it so that I'd say that right also, if we do manage to get a better currency in terms of our stock price, we can do a few more inorganic things which was part of that assumption, right so between the Kobe business

Atul Sabharwal | Jun 03, 2024, 7:45:48 AM
Say the co business is 25 million, right and say you do some matching, right? We do 400 programs a year give or take right take a hundred of those programs and say we get a Media budget of 200 to 250,000 features of them. You can start layering the media value of of you know,

Atul Sabharwal | Jun 03, 2024, 7:46:14 AM
On top of the score business of our core revenue and if you think that Gambit can actually scale, you know, we can add another 10 million there. So there are ways to get there but it always assumes that we're going to have some currency to do something inorganic because there are many opportunities to do that. It's not going to come entirely from any organic roll-up strategy and I'm not asking for a roll-up strategy. I'm just asking for currency because if we want to get to 75 by 25, which totally achievable on the back of a majority of our Core Business our core businesses. These three Earth Moon and Mars is we call it but it has to be coupled with a few strategic Acquisitions because I will get us faster Traction in the market just to buy revenue and buy clients who we can put on a platforms. So, I don't know if I'm answering your question Florian, but it's not 20 25 yet. I'm not saying we're going to get to 75 million but there's a path to get there but a few things have to fall in place for it to happen a 10 cent stock price isn't going to allow me to get there.

Florian Buschek | Jun 03, 2024, 7:47:04 AM
No, that's perfect. Yeah.

Atul Sabharwal | Jun 03, 2024, 7:47:19 AM
To to grow you need capital or a currency.

Florian Buschek | Jun 03, 2024, 7:47:23 AM
Right do you have for 2025 do we have a revenue number where you would say you are disappointed that you only got there and not higher?

Atul Sabharwal | Jun 03, 2024, 7:47:36 AM
Nice way to ask me the same question. What are we going to do in 2025 if our business is not It generating sustained ebita by 2025 I'd be disappointed. Let me just flip the conversation to the bottom line at the end of the day. That's my only luxury of making sure we can continue to innovate and grow the business and add value for a not only for our clients. But actually, you know, hopefully even shareholder

value comes out of generating ebitda right as opposed to just Revenue growth. I'm I can grow the business of 75 million and 10% margin and I'm not sure anybody would like that.

Florian Buschek | Jun 03, 2024, 7:48:22 AM
On the topic of a NASDAQ listing. Can you talk about the different ways you are considering to get there?

Atul Sabharwal | Jun 03, 2024, 7:48:34 AM
Yeah, so, you know, there's there's a He yeah, so then someone NASDAQ listing perspective. There are a couple of different Avenues to do it. One is to just do a direct listing, right the other is to find companies that that we can spin into there are clean shells that we can take over so

Atul Sabharwal | Jun 03, 2024, 7:49:02 AM
We exploring a few different options right now and we'll definitely keep you guys informed as some of these materialized. I mean the key really thing is the cost of making the move putting in the finance team infrastructure to get it done, you know, so we started to plan all of that carefully so we don't burn a hole in our you know in you know in the cash shooting on a balance sheet to to enable that right but you know, we've got different conversations going on right now and we've had multiple conversations in the past or some of you know, it's just, you know, finding the right mechanism and not doing it just for the sake of doing it but doing it in a way that's well thought out that doesn't actually distract the value of created.

Florian Buschek | Jun 03, 2024, 7:49:57 AM
Okay a last one for me. Can you talk a little bit about your relationship with Bayless?

Atul Sabharwal | Jun 03, 2024, 7:50:05 AM
He has a bali sits on our board. They are very very it's very it's a good relationship that company in itself is undergoing a tremendous amount of change as you guys might have read in the news. There's an offer to privatize them. So they're very distracted by that currently as a result of some of the changes going on within bali's their rollout plans are unclear to us. I think it's unclear to them too. But it's a very healthy relationship and you know, we can continue to work closely with them. They have four programs running with us that continue to grow very good feedback from their teams. But yeah that that's where the relationships at right now. I would say it's it's frozen in its frozen for now as they figure out their own corporate Evolution. There are opportunities for us to get deeper with them in many areas that you know, we continue to discuss

Atul Sabharwal | Jun 03, 2024, 7:51:11 AM
actually great question because part of unlocking, you know our share price in some ways to a more reasonable number would actually enable them to be more comfortable in doing more things with us since they are an equity or and can actually contribute quite significantly to driving Equity value for the company. Um, so, you know, we continue to like from an operational execution perspective. It's great from you know, shareholder strategic perspective. We could do much more with them, but for that, you know, we need to show them also that the stock prices more robust I would say

Florian Buschek | Jun 03, 2024, 7:51:55 AM
Okay, that's it for me. Thanks a lot.

Atul Sabharwal | Jun 03, 2024, 7:52:02 AM
Okay. I don't see any more questions. So if there are no more questions and yeah guys, we'll talk to you after second quarter ends. Thanks, everybody appreciate the time.