

# Cova Rewards, \$4 Million Offering, Revenues up 17%, AI Platform + Accelerated Growth: springbig holdings: NASDAQ: SBIG

*Cova Rewards Collaboration; \$4 Million Public Offering PLUS Revenues up 17%; AI Platform with Accelerated Growth; Partnered with Shopify:(NASDAQ: SBIG)*

BOCA RATON, FLORIDA, UNITED STATES , June 6, 2023

/EINPresswire.com/ -- Cova Rewards Collaboration; \$4 Million Public Offering PLUS Revenues up 17%; AI Platform with Accelerated Growth; Partnered with Shopify: springbig holdings, [inc. \(NASDAQ: SBIG\)](#)



Advanced Software Platform Providing Customer Tracking and Automation Solutions for Marketing in the U.S. and Canada.



We have continued to closely examine our operating expenses in our pursuit of reaching profitability as expediently as possible and have initiated some additional savings during the second quarter,"

*Jeffrey Harris, CEO and Chairman of SBIG*

Cova Two-Way Loyalty Program Allows Consumers to Access Rewards and Benefits at Their Convenience.

Completed Public Offering Delivers \$4.0 Million Value to the Company.

First Quarter Financial Results & Conference Call Cover \$7.2 Million Revenue, Up 16% Year-on-Year Plus Forward Financial Guidance.

Launched First AI Solution Using Consumer Data to Help Retail Clients Make Data-Driven Decisions Regarding Brands and Products.

Machine Learning Algorithms Analyze Shopping Habits and Identifies Patterns in Customer

Behavior, Preferences and Demographics.

Recognition by Deloitte Fast 500, South Florida Business Journal and More.

Successfully Partnered with COMBASE and Shopify and Other Leading Name in the Retail Industry.

springbig holdings, inc. ([NASDAQ: SBIG](#)) is a market-leading software platform providing customer loyalty and marketing automation solutions to botanical products retailers and brands in the U.S. and Canada. The SBIG platform connects consumers with retailers and brands, primarily through SMS marketing, as well as emails, customer feedback system, and loyalty programs, to support retailers' and brands' customer engagement and retention. SBIG offers marketing automation solutions that provide for consistency of customer communication, thereby driving customer retention and retail foot traffic. Additionally, the SBIG reporting and analytics offerings deliver valuable insights that clients utilize to better understand their customer base, purchasing habits and trends.

SBIG Launches Loyalty Integration with Cova

The two-way integration allows consumers to access their rewards and loyalty benefits at their convenience

On June 6th SBIG introduced a new



springbig \$SBIG



\$SBIG Team



\$SBIG #CEO

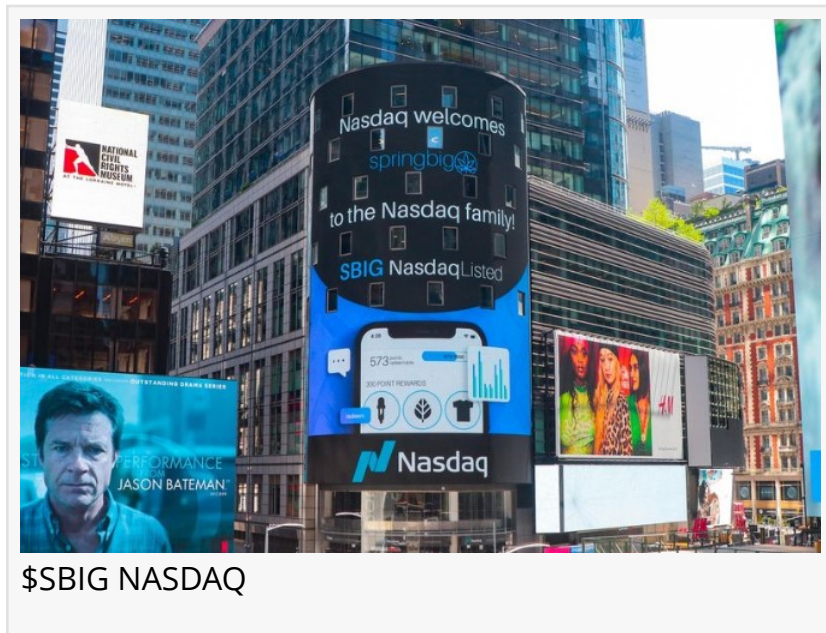
On June 6th SBIG introduced a new

integration with Cova, an award-winning botanical products retail platform, which opens SBIG up to over 2,000 dispensary locations across the U.S. and Canada.

Cova and SBIG have developed an innovative integration that allows consumers to engage with the rewards program at their convenience.

Consumers have the option to redeem offers and rewards through their smartphones or with retail staff at checkout. The integration empowers

dispensary employees to enroll customers into the loyalty program and redeem SBIG rewards at checkout. Additionally, Cova and the SBIG collaboration eliminates the possibility of fraud and eradicates the need for manual points reconciliation. Overall, the integration gamifies the loyalty program and brings it into consumers' smartphones while syncing their points and rewards with Cova's point of sale.



### Closing of \$4.0 Million Public Offering

On June 1st SBIG announced the closing of its \$4.0 million public equity offering for which Roth Capital Partners acted as sole placement agent. The offering raised gross cash proceeds, before deducting placement agent's fees and other offering expenses, of \$3.0 million, and in addition \$1.0 million of the existing SBIG Senior Secured Convertible Note was cancelled in exchange for shares in the offering at the offering price.

SBIG continues to make significant progress along its path to profitability. SBIG still expects results for the second quarter of 2023 to be inline with guidance issued previously, with revenue in the range \$7.3 million to \$7.6 million, representing 15% year-on-year growth at the mid-point, and an Adjusted EBITDA loss in the range \$(0.9) million to \$(1.2) million, representing further improvement compared with the \$(1.3) million adjusted EBITDA loss reported in Q1.

Paul Sykes, SBIG CFO stated, "We have continued to closely examine our operating expenses in our pursuit of reaching profitability as expediently as possible and have initiated some additional savings during the second quarter, including elimination of several employee positions. As we enter the third quarter of the fiscal year, we expect our annualized operating expenses to be approximately \$25 million, or \$6.25 million per quarter, representing almost a 30% reduction compared with the run-rate during the second half of 2022, and based on current expectations enabling SBIG to generate positive Adjusted EBITDA for the third quarter of 2023. Given our

revenue growth coupled with high gross margins, which were 81% in the first quarter of 2023, and operating leverage we expect adjusted EBITDA margins to expand with each quarter.”

Following completion of the public offering, and payment of \$750,000 to further reduce the outstanding principal, the amount remaining outstanding on the SBIG Senior Secured Convertible Note has now reduced to \$6.0 million, with \$0.5 million repayable during the remainder of the current year, and the balance repayable in approximately equal payment over a fifteen-month period extending to March 2025.

After the closing of the public offering, SBIG has 40.0 million shares issued. The largest SBIG shareholder is Jeffrey Harris, who has a beneficial ownership interest of approximately 15%. SBIG has 16.0 million warrants outstanding, dating from its merger, at an exercise price of \$11.50 and approximately 0.6 million warrants, held by the Senior Secured Convertible Note holder, at an exercise price of \$1.00. SBIG also has a Committed Equity Line of Credit with Cantor Fitzgerald, but following the public offering does not have any plans to utilize this in the near future.

### First Quarter 2023 Financial Results

On May 4th SBIG announced its financial results for the first quarter ended March 31, 2023.

#### First Quarter 2023 Financial Highlights:

Revenue increased to \$7.2 million, up 16% year-on-year.

Subscription revenue was up 28% year-on-year.

Net dollar retention rate was 100% for the twelve months ended March 31, 2023.

Gross profit was \$5.8 million, representing 28% year-on-year growth and a margin of 81%. Net loss was \$(2.3) million compared to a loss of \$(2.9) million in the prior year.

Adjusted EBITDA\* loss for the quarter was \$(1.3) million compared to an adjusted EBITDA loss of \$(2.5) million in the same period during the prior year.

Basic net income loss per share was \$(0.08).

Cash and cash equivalents totaled \$2.6 million as of March 31, 2023.

SBIG Introduces Brands Marketplace Artificial Intelligence Feature That Helps Retailers Make Data-Driven Decisions



On April 19th SBIG announced the launch of its Brands Marketplace Offering. The Company's first artificial intelligence-based ("AI") solution uses consumer data to help its retail clients make data-driven decisions regarding the brands and products that are offered in their place of business.

SBIG designed the Brands Marketplace to enhance the retail experience for both retailers and consumers. The SBIG data-driven solution tracks pertinent consumer trends within each of its Retail Clients including time of purchase, types of products purchased and the frequency at which customers buy particular items from said Retailer. Using advanced machine learning algorithms, the SBIG Brands Marketplace analyzes a customer's shopping habits and identifies patterns in their behavior, preferences and demographics. Retailers can utilize the trends identified by the Brands Marketplace to make better-informed decisions regarding the brands that will be offered in their stores. SBIG believes this will in turn yield the greatest return for the retailer and at the same time provide their consumers with the most appropriate product selection.

The Brands Marketplace is the latest addition to the SBIG suite of business solutions. This year, SBIG has launched its Build Your Own Audience, Compare Campaigns, Member Offers, Campaign Caddie and Email Marketing Engines features. Additionally, SBIG has introduced integrations with COMBASE, Alleaves and Flowhub. The SBIG collection of data-driven tools has garnered recognition by Deloitte Fast 500, South Florida Business Journal Miami Inno Fire Awards, and more.

### SBIG Launches into New Verticals and Successfully Partners with COMBASE and Shopify

On March 23rd SBIG announced an expansion of its partnerships with Shopify, a provider of essential internet infrastructure for commerce, and KORONA POS, the leading cloud point-of-sale ("POS") solution for small business to enterprises, from software vendor COMBASE. Both partnerships draw on the SBIG vast experience working with retailers across multiple verticals and have created new, innovative embedded loyalty solutions that help brands thrive in highly competitive industries.

In October, SBIG announced its initial partnership with Shopify to launch the first loyalty app that specifically serves botanical brands. Using its extensive experience developing advanced loyalty programs, SBIG created an embedded tool within each POS that helps retailers offer a seamless loyalty program and with a plethora of digital communication features to its customer base. Recent enhancements to the partnership allow customers to redeem rewards in addition to managing their loyalty program from the point of sale. With the potential to reach Shopify's user base of nearly three million, SBIG is positioned to be a leading loyalty marketing platform in botanicals, food and beverage, hospitality and various other industries.

SBIG has additionally partnered with KORONA POS to launch a bidirectional integration that allows merchants to apply and award loyalty offerings directly from KORONA POS at checkout. Merchants are also able to enroll new members into the loyalty program from either the POS or one of the many SBIG enrollment tools. SBIG universal technology allows businesses across all industries to build strong loyalty and customer communications programs. The response to date has been encouraging as SBIG begins to contract with KORONA customers from various verticals to leverage its Loyalty Marketing software. Following the success of these partnerships, SBIG aims to integrate with other POS systems in the near future.

KORONA POS and Shopify are two of newest SBIG partners. In the first quarter of 2023, SBIG also launched new integrations with Flowhub and Alleaves.

For more information on \$SBIG visit <https://springbig.com/>

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