

DATEABLE TECHNOLOGY PROVIDES UPDATE ON LOI TO SELL SAAS BUSINESS TO LOCAL MARKETING SOLUTIONS GROUP

VANCOUVER, BC , Feb. 20, 2024 /CNW/ - Datable Technology Corporation (TSXV: DAC) (OTC Pink: TTMZF) (the "Company" or "Datable"), the developer of a proprietary, SaaS-based Consumer Lifecycle and Data Management Platform known as **PLATFORM³**, provides an update to the Letter of Intent ("LOI") to sell its Software-as-a-Service ("SaaS") business (the "Transaction") to Local Marketing Solutions Group, Inc. ("**LMSG**") signed on June 15, 2023 (see press release dated June 16, 2023). Under the LOI, LMSG will purchase all of material assets and liabilities related to Datable's SaaS business for equity in LMSG, such that post-Transaction Datable will own 15% of LMSG.

Datable and LMSG are in discussions to restructure the proposed Transaction due to material changes in the businesses of Datable and LMSG coupled with changing market conditions. Further they have agreed to extend the deadlines for reaching a definitive agreement and for closing dates to be determined by the structure of a revised transaction.

LMSG provides marketing solutions and technology to national and international brands that drive revenue through local sales and marketing channels across the U.S. LMSG's customers include some of the largest global companies as well as small and medium sized businesses (SMBs) across the U.S. Datable and LMSG believe that a combination of the two companies will result in a company that can accelerate organic growth by better serving its customers with expanded products and services offered by a consolidated U.S. based sales team. To that end, the companies signed a cross-selling agreement (see press release dated January 30, 2023) and are working together to sell integrated products and services to the combined customer base.

Business Update

LMSG and Datable both restructured their businesses in 2023 as they prepared for the Transaction and looked for ways to further enhance the combined business.

Datable reduced cash operating expenses by close to 48% and increased gross margin as a percentage of revenue to 49% (from 40% in 2022) for the nine-month period ended September 30, 2023. Revenue decreased by 26% for the nine-month period ended September 30, 2023, but was offset by the reduced expenses and increased gross margin percentages, such that net loss decreased by 57% for the period. Datable expects similar results for the year ended December 31, 2023.

LMSG reduced its operating expenses and returned to operating profitability during 2023. It expects to report over US\$11 million of revenue in 2023 after restructuring its business due to the sale of a significant subsidiary. LMSG had grown organically and by acquisition to US\$61 million in revenue by 2021, before selling its print media business, mainly due to COVID related logistics and supply chain issues.

In 2023, LMSG restarted its growth by acquisition strategy and has signed three letters of intent to acquire U.S. based marketing companies that generated approximately US\$50 million of revenue and US\$12.6 million of EBITDA in 2023. These companies provide products and services complementary to LMSG's offering and have long-term relationships with corporate and government customers that have significant marketing budgets. In addition to the companies under letters of intent, LMSG is building a pipeline of additional acquisition targets that meet their criteria for financial metrics, cross selling opportunities and management succession, all facilitated by a fragmented

market sector that is ripe for consolidation and by their expertise in managing acquisitions.

In January of 2024 LMSG made a significant investment to be an agency partner of a natural language processor (NLP), providing autonomous, AI driven outbound and inbound telephonic agent software as a service solution. NLP agents is an explosive new capability to deliver more efficient and effective customer acquisition and customer service workflow. LMSG will leverage this capability internally and will also deliver it to its customer base as a component of LMSG's SaaS services.

The acquisition of Datable's SaaS business adds **PLATFORM³**, Datable's proprietary consumer data and marketing platform to LMSG's technology hub. **PLATFORM³** is used by Fortune 500 companies to drive incremental revenues, enhance consumer engagement and build consumer loyalty. Cross selling **PLATFORM³** to LMSG's current customers and those of its acquisitions under LOI is expected to drive the growth of high-margin recurring revenues and enhance customer retention.

Updated Letter of Intent

Due to the material changes in the businesses of LMSG and Datable, the two companies are in discussions to update the LOI signed on June 15, 2023. Datable and LMSG both believe that the economies of scale and cross-selling opportunities that can be realized by a consolidation of complementary marketing companies at accretive valuations will drive shareholder value. LMSG and Datable have agreed to combine to provide a platform that will acquire and support the growth of U.S. and Canadian based marketing companies. To provide access to capital and support the acquisitions that LMSG has under letter of intent, LMSG and Datable are considering a number of options with capital partners, including consolidating as a public company.

"We have proven that our SaaS platform provides value to some of the largest enterprises in the U.S. through the monetization of first-party consumer data," said Rob Craig, CEO of Datable. "By becoming part of the LMSG consolidation, we see a clear path to scaling. We have started the process of cross selling and lead generation with LMSG, that we expect will return us to revenue growth in 2024, particularly with access to the new customers that come with the proposed acquisitions."

"LMSG has returned to our growth-through-acquisition strategy, starting with integrating Datable's SaaS platform, team, and clientele into our operations," said Al Croke, President & CEO of LMSG. "During 2023, we looked at many marketing companies that met our criteria for acquisition and selected three targets that have complementary offerings and strong profitability. The marketing sector is large and fragmented with many founders looking for succession plans or for ways to accelerate growth. With the markets stabilizing we do see the appeal of becoming a public entity to facilitate acquisitions."

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 LMSG

Local Marketing Solutions Group (LMSG) was formed in 2012 by the executive management team of JGSullivan Interactive Inc. The purpose of LMSG, through merger and acquisition activity and organic growth, is to continue the expansion of offering the broadest and most efficient marketing solutions to national and international brands that drive revenue through local sales and marketing channels. LMSG provides marketing automation technology and a comprehensive set of supporting marketing services capabilities, allowing corporate marketing control of brand image while facilitating dissemination of product and service content and materials for local channels.

For additional information about the company please visit 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). 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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