

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 14, 2024

SPRINGBIG HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	001-40049	88-2789488
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S Employer Identification No.)

621 NW 53rd Street Ste. 500 Boca Raton, Florida (Address of principal executive offices)	33487 (zip code)
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Registrant's telephone number, including area code: **(800) 972-9172**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None		

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 14, 2024, SpringBig Holdings, Inc. announced its financial results for the quarter ended March 31, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference.

The information in Item 2.02 and in the accompanying Exhibit 99.1 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as expressly set forth by specific reference in such a filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements with Certain Officers.

As previously reported, on January 23, 2024, the Company entered into a note purchase agreement pursuant to which it issued \$6.4 million of 8% Senior Secured Convertible Promissory Notes due 2026 (the “Convertible Notes”) and \$1.6 million of 12% Senior Secured Term Promissory Notes due 2026 (the “Term Notes”) in a private placement with the purchasers party thereto (the “Purchasers”). In connection with the closing of the notes, the Company entered into a Director Nomination Agreement (“Nomination Agreement”) on the same date with Shalcor Management, Inc., an Alberta corporation (“Shalcor”), and Lightbank II, L.P., a Delaware limited partnership (“Lightbank” and, together with Shalcor, the “Investors”), each of which is a Purchaser. Shalcor and Lightbank purchased \$2,800,000 and \$2,400,000 of Convertible Notes, respectively, and \$700,000 and \$600,000 of Term Notes, respectively.

On May 10, 2024, pursuant to the Nomination Agreement, the Board appointed Mark Silver as a Class I director of the Board. Except for the Nomination Agreement, Mr. Silver was not selected pursuant to any arrangement or understanding between him and any other person. As of May 10, 2024, the Board comprised of Jeffrey Harris, Shawn Dym, Matt Sacks, Sergey Sherman and Mr. Silver.

Mr. Silver is President of Optus Capital Corporation. Mr. Silver has made significant real estate investments in both development stage and income producing properties in the residential, commercial and industrial sectors over his 36-year business career. Over the last 23 years, these investments have been made through his company, Optus Capital Corporation. Mr. Silver was a founding partner and Chief Executive Officer of Universal Energy, which was sold in 2009 to Just Energy Group Inc. He co-founded Direct Energy Marketing and grew the company to over \$1.3 billion in revenues before selling to Centrica PLC (also known as British Gas) in 2000. Mr. Silver is Chairman and Chief Executive Officer of Eddy Smart Home Solutions Ltd.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release issued by SpringBig Holdings, Inc. on May 14, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.
SPRINGBIG HOLDINGS, INC.

May 14, 2024

By: */s/ Jeffrey Harris*

Name: Jeffrey Harris

Title: Chief Executive Officer



Springbig Reports First Quarter 2024 Financial Results and Appointment of Mark Silver to its Board of Directors

- *First quarter with positive Adjusted EBITDA* and sixth consecutive improving quarter*
- *Operating expenses reduced by 34% year-on-year*
- *Stronger balance sheet, with no near-term debt maturities*
- *Mark Silver, founder of Direct Energy and Universal Energy Group, appointed to Board of Directors*

Boca Raton, Fla. – May 14, 2024 -- SpringBig Holdings, Inc. ("Springbig" or the "Company") (OTCQX: SBIG), a leading provider of SaaS-based marketing solutions, consumer mobile app experiences, and omnichannel loyalty programs, today announced its financial results for the first quarter ended March 31, 2024.

The Company also announced that Mark Silver, President of Optus Capital Corporation, has joined the board of directors with effect from May 10, 2024.

"We have continued to make good progress in a challenging macroenvironment. Our newer offerings, such as 'subscriptions by Springbig' and 'gift cards by Springbig' are gaining traction as is our objective of diversification into regulated markets beyond cannabis" said Jeffrey Harris, CEO and Chairman of Springbig who also added "I am both honored and delighted that Mark has agreed to join our board of directors. He brings invaluable experience and acumen, particularly in the area of sales and marketing, to the board at a time when the Company is nicely positioned, following the recent debt financing in which Mark participated, to accelerate our development."

Paul Sykes, Springbig's CFO, added "We are pleased to be reporting a quarter with positive Adjusted EBITDA* for the first time, and our sixth consecutive quarter of improving Adjusted EBITDA*. After completing our \$8 million debt financing in January, we have a much stronger and cleaner balance sheet. We continue to manage the optimization of our operating expenses, which have reduced by 34% year-on-year and expect a continuing positive trend in our Adjusted EBITDA* margins as the year progresses."

First Quarter 2023 Financial Highlights:

- Revenue was \$6.5 million, compared to \$7.2 million in the prior year.
 - Subscription revenue represents 83% of total revenue at \$5.4 million, compared to \$5.7 million in the prior year.
 - Gross profit was \$4.7 million, representing a gross profit margin of 72%.
 - Operating expenses reduced by 34% year-on-year to \$5.0 million.
 - Net income was \$0.4 million, including a gain of \$1.6 million on the repurchase of convertible debt, compared to a net loss of \$(2.3) million in the prior year.
 - Adjusted EBITDA* positive \$0.2 million compared to a loss of \$(1.3) million in the prior year.
 - Basic and diluted net income per share was \$0.01.
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Key Operational Highlights:

- \$8.0 million debt financing, comprising \$6.4 million 8% Convertible Notes due 2026 and a \$1.6 million 12% Term Loan due 2026, both completed in January 2024. The proceeds were utilized to repurchase entirely existing Senior Secured Convertible Notes due 2025 for a discounted amount of \$2.9 million and for general corporate purposes.
- Strong momentum in newer initiatives with clients encompassing both "*subscriptions by Springbig*", a subscription-based VIP loyalty program, and "*gift cards by Springbig*", enabling loyalty rewards and gift cards to be combined uniquely as an efficient method of in store payment within a consumer's loyalty wallet.

Financial Outlook

For the second quarter of 2024, Springbig currently expects:

- Revenue in the range of \$6.5 - \$7.0 million.
- Adjusted EBITDA* positive in the range of \$0.3 - \$0.6 million.

For the year ending December 31, 2024, Springbig's guidance is unchanged and currently expects:

- Revenue in the range of \$29 - \$32 million.
- Adjusted EBITDA* positive in the range of \$3.5 - \$5.0 million.

* Adjusted EBITDA is a non-GAAP (as defined below) financial measure. For more information, see "Use of Non-GAAP Financial Measures" below. Additionally, reconciliations of GAAP to non-GAAP financial measures have been provided in the tables included in this release.

Adjusted EBITDA is a non-GAAP financial measure provided in this "Financial Outlook" section on a forward-looking basis. The Company does not provide a reconciliation of such forward-looking measure to the most directly comparable financial measure calculated and presented in accordance with GAAP because to do so would be potentially misleading and not practical given the difficulty of projecting event-driven transactional and other non-core operating items in any future period. The magnitude of these items, however, may be significant.

Appointment of Mark Silver to the board of directors

Mark Silver is President of Optus Capital Corporation, one of the lead investors in the Company's \$8 million debt financing previously announced on January 24, 2024. Mark has made significant real estate investments in both development stage and income producing properties in the residential, commercial, and industrial sectors over his 36-year business career. He was a founding partner and Chief Executive Officer of Universal Energy which was sold in 2009 to Just Energy Group Inc and co-founded Direct Energy Marketing growing the company to over \$1.3 billion in revenues before selling to Centrica PLC (also known as British Gas) in 2000. Mark is Chairman and Chief Executive Officer of Eddy Smart Home Solutions Ltd.

The board of directors now comprises Sergey Sherman, Matt Sacks, Shawn Dym and Mark Silver along with Jeffrey Harris, Chairman and CEO. The Audit Committee remains unchanged and comprises Shawn Dym, Chairman, and Sergey Sherman.

About Springbig

Springbig is a market-leading software platform providing customer loyalty and marketing automation solutions to retailers and brands in the U.S. and Canada. Springbig's 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. Springbig offers marketing automation solutions that provide for consistency of customer communication, thereby driving customer retention and retail foot traffic. Additionally, Springbig's reporting and analytics offerings deliver valuable insights that clients utilize to better understand their customer base, purchasing habits and trends. For more information, visit <https://springbig.com/>.

Forward Looking Statements

Certain statements contained in this press release constitute "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "outlook," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would," and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are predictions, projections and other statements about future events and financial results that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. In particular, these include but are not limited to statements relating to the Company's business strategy, future offerings and programs and expected financial performance for the second quarter of 2024 and the year ending December 31, 2024. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to the fact that we have a relatively short operating history in a rapidly evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful; that if we do not successfully develop and deploy new software, platform features or services to address the needs of our clients, if we fail to retain our existing clients or acquire new clients, and/or if we fail to expand effectively into new markets, our revenue may decrease and our business may be harmed; and the other risks and uncertainties described under "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission ("SEC") on April 1, 2024. These forward-looking statements involve a number of risks and uncertainties (some of which are beyond the control of Springbig), and other assumptions, which may cause the actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company assumes no obligation and does not intend to update or revise these forward-looking statements other than as required by applicable law. The Company does not give any assurance that it will achieve its expectations.

Use of Non-GAAP Financial Measures

In addition to the results reported in accordance with accounting principles generally accepted in the United States (GAAP) included throughout this press release, we have disclosed EBITDA and Adjusted EBITDA, both of which are non-GAAP financial measures that we calculate as net income before interest, taxes, depreciation and amortization, in the case of EBITDA, and further adjustments to exclude unusual and/or

infrequent costs, in the case of Adjusted EBITDA, which are detailed in the reconciliation table that follows, in order to provide investors with additional information regarding our financial results. Below we have provided a reconciliation of net loss (the most directly comparable GAAP financial measure) to EBITDA and Adjusted EBITDA.

We present EBITDA and Adjusted EBITDA because these metrics are key measures used by our management to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of investment capacity. Accordingly, we believe that EBITDA and Adjusted EBITDA provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management. Management also believes that these measures provide improved comparability between fiscal periods.

EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are as follows:

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and neither EBITDA nor Adjusted EBITDA reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs; and
- EBITDA and Adjusted EBITDA do not reflect tax payments that may represent a reduction in cash available to us.

Because of these limitations, you should consider EBITDA and Adjusted EBITDA alongside other financial performance measures, including net income and our other GAAP results. Also, these non-GAAP financial measures, as determined and presented by the Company, may not be comparable to related or similarly titled measures reported by other companies.

Investor Relations Contact

Claire Bollettieri
VP of Investor Relations
ir@springbig.com

Springbig Holding, Inc
Condensed Consolidated Balance Sheets
(in thousands)

	March 31, 2024	December 31, 2023
	(unaudited)	(audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,668	\$ 331
Accounts receivable, net	3,211	2,948
Contract assets	255	273
Prepaid expenses and other current assets	588	893
Total current assets	5,722	4,445
Operating lease asset	3,031	340
Property and equipment, net	325	320
Total assets	\$ 9,078	\$ 5,105
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Liabilities		
Current liabilities:		
Accounts payable	\$ 2,040	\$ 2,925
Accrued expenses and other current liabilities	1,767	1,951
Short-term cash advances	1,195	1,925
Current maturities of long-term debt	-	4,360
Deferred payroll tax credits	1,751	1,751
Deferred revenue	2	-
Related party payable	-	540
Operating lease liability, current	329	99
Total current liabilities	7,084	13,551
Long-term debt, non-current	7,198	-
Operating lease liability, non-current	2,815	225
Warrant liabilities	6	3
Total liabilities	17,103	13,779
Stockholders' Deficit		
Common stock par value \$0.0001 per shares, 300,000,000 authorized at March 31, 2024; 45,594,864 issued and outstanding as of March 31, 2024; (300,000,000 authorized at December 31, 2023; 45,339,762 issued and outstanding as of December 31, 2023)	\$ 4	\$ 4
Additional paid-in-capital	28,119	27,887
Accumulated deficit	(36,148)	(36,565)
Total stockholders' deficit	(8,025)	(8,674)
Total liabilities and stockholders' deficit	\$ 9,078	\$ 5,105

Springbig Holding, Inc		
Condensed Consolidated Statement of Operations (unaudited)		
(in thousands, except share and per share data)		
	Three Months Ended March 31,	
	2024	2023
Revenues	\$ 6,474	\$ 7,157
Cost of revenues	1,794	1,350
Gross Profit	4,680	5,807
Expenses		
Selling, servicing and marketing	1,527	2,478
Technology and software development	1,666	2,300
General and administrative	1,769	2,757
Total operating expenses	4,962	7,535
Loss from operations	(282)	(1,728)
Interest income	4	10
Interest Expense	(875)	(391)
Gain on note repurchase	1,573	-
Change in fair value of warrants	(3)	(153)
Income (loss) before income taxes	\$ 417	\$ (2,262)
Income taxes expense	-	-
Net income (loss)	\$ 417	\$ (2,262)
Net income (loss) per common share:		
Basic	\$ 0.01	\$ (0.08)
Diluted	\$ 0.01	\$ (0.08)
Weighted-average common shares outstanding:		
Basic	45,432,272	26,803,839
Diluted	77,315,056	26,803,839

Springbig Holding, Inc
Statement of Cash Flows (unaudited)
(in thousands)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities		
Net income (loss)	\$ 417	\$ (2,262)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Gain on note repurchase	(1,573)	-
Non-cash interest expense	108	-
Depreciation and amortization	54	66
Discount amortization on convertible note	-	259
Amortization of debt financing costs	116	-
Stock-based compensation expense	195	162
Bad debt expense	87	169
Accrued interest on convertible notes	117	22
Amortization of operating lease right of use assets	90	123
Change in fair value of warrants	3	153
Changes in operating assets and liabilities:		
Accounts receivable	(351)	(448)
Prepaid expenses and other current assets	305	474
Contract assets	18	10
Accounts payable and other liabilities	(1,505)	363
Operating lease liabilities	39	(126)
Deferred payroll tax credits	-	1,442
Deferred revenue	2	(28)
Net cash provided by (used in) operating activities	(1,878)	379
Cash flows from investing activities		
Purchase of convertible note	-	(3)
Purchases of property and equipment	(59)	(9)
Net cash used in investing activities	(59)	(12)
Cash flows from financing activities		
Proceeds from issuance of convertible notes	6,400	-
Repayment of convertible notes	(2,895)	(1,457)
Proceeds from the issuance of term notes	1,600	-
Repayment of short-term cash advances	(730)	-
Repayment of related party payable	(540)	-
Cost of convertible and term note issuance	(561)	-
Proceeds from exercise of stock options	-	-
Proceeds from common stock	-	113
Net cash (used in) provided by financing activities	3,274	(1,344)
Net increase/(decrease) in cash and cash equivalents	1,337	(977)
Cash and cash equivalents, at beginning of the period	331	3,546
Cash and cash equivalents, at end of the period	<u>\$ 1,668</u>	<u>\$ 2,569</u>
Supplemental cash flows disclosures		
Interest paid	\$ 589	\$ 132
Common stock issued for services rendered relating to debt financing	\$ 37	\$ -
Accrued cost of debt issuance	\$ 319	\$ -
Obtaining a right-of-use asset in exchange for a lease liability	\$ 2,781	\$ -

Springbig Holding, Inc		
Reconciliation of net loss to non-GAAP EBITDA and Adjusted EBITDA		
(in thousands)		
	Three Months Ended March 31,	
	2024	2023
Net income (loss)	417	(2,262)
Interest income	(4)	(10)
Interest expense	875	391
Depreciation expense	54	66
EBITDA	<u>1,342</u>	<u>(1,815)</u>
Stock-based compensation	195	162
Bad debt expense	87	169
Gain on repurchase of convertible debt	(1,573)	-
Severance and related payments	96	-
Change in fair value of warrants	3	153
Adjusted EBITDA	<u>150</u>	<u>(1,331)</u>

