

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): March 23, 2022

CREATIVE REALITIES, INC.
(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction
of incorporation)

001-33169

(Commission File Number)

41-1967918

(IRS Employer
Identification No.)

13100 Magisterial Drive, Suite 100, Louisville, KY

(Address of principal executive offices)

40223

(Zip Code)

(502) 791-8800

(Registrant's telephone number, including area code)

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))

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.

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CREX	The Nasdaq Stock Market LLC
Warrants to purchase Common Stock	CREXW	The Nasdaq Stock Market LLC

Item 7.01 Regulation FD Disclosure

Attached as Exhibit 99.1 is a Company presentation deck dated March 23, 2022. The information under this Item 7.01, including the exhibit attached hereto, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information under this Item 7.01 shall not be incorporated by reference into any registration statement pursuant to the Securities Act of 1933.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Company Presentation Deck dated March 23, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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

CREATIVE REALITIES, INC.
(Registrant)

Date: March 23, 2022

By: /s/ Will Logan
Will Logan
Chief Financial Officer



A CONNECTED JOURNEY AND INSPIRED EXPERIENCE

March 23, 2022

CreativeRealities



Reflect

Forward Looking Statements

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, and includes, among other things, discussions of our business strategies, product releases, future operations and capital resources. Words such as "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. Forward-looking statements are not guarantees of future performance, conditions or results. They are based on the opinions, estimates and beliefs of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties, assumptions and other factors, many of which are outside of our control, that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Some of these risks are discussed in the "Risk Factors" section contained in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021 and the Company's subsequent filings with the U.S. Securities and Exchange Commission. Important factors, among others, that may affect actual results or outcomes include: our ability to effectively integrate Reflect's business operations, our strategy for customer retention, growth, product development, market position, financial results and reserves, our ability to execute on our business plan, our ability to retain key personnel, potential litigation, supply chain shortages, and general economic and market conditions impacting demand for our products and services, including those as a result of the COVID-19 pandemic. Readers should not place undue reliance upon any forward-looking statements. We assume no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Use of Non-GAAP Measures

Creative Realities, Inc. prepares its consolidated financial statements in accordance with United States generally accepted accounting principles ("GAAP"). In addition to disclosing financial results prepared in accordance with GAAP, the Company discloses information regarding "EBITDA" and "Adjusted EBITDA." CRI defines "EBITDA" as earnings before interest, income taxes, depreciation and amortization of intangibles. CRI defines "Adjusted EBITDA" as EBITDA excluding stock-based compensation, fair value adjustments and both cash and non-cash non-recurring gains and charges. EBITDA and Adjusted EBITDA are not measures of performance defined in accordance with GAAP. However, EBITDA and Adjusted EBITDA are used internally in planning and evaluating the Company's operating performance. Accordingly, management believes that disclosure of these metrics offers investors, bankers and other stakeholders an additional view of the Company's operations that, when coupled with the GAAP results, provides a more complete understanding of the Company's financial results.

EBITDA and Adjusted EBITDA should not be considered as an alternative to net income/(loss) or to net cash used in operating activities as measures of operating results or liquidity. Our calculation of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures used by other companies, and the measures exclude financial information that some may consider important in evaluating the Company's performance. A reconciliation of GAAP net income/(loss) to EBITDA and Adjusted EBITDA is included in the accompanying financial schedules.

Who We Are and What We Do

Company Information

Overview

Creative Realities, Inc. (CRI) provides digital solutions to enhance communications in a wide-ranging variety of out-of-home environments by providing innovative digital signage solutions for key market segments and use cases including:

- Retail
- Entertainment and Sports Venues
- Restaurants, including quick-serve restaurants (“QSR”)
- Convenience Stores
- Financial Services
- Automotive
- Medical and Healthcare Facilities
- Mixed Use Developments
- Corporate Communications, Employee Experience
- Digital out of Home (DOOH) Advertising Networks

Leadership Team

With decades of collective industry experience at the most senior levels, the executive team at CRI has an extensive record of successfully driving shareholder value through organic growth and strategic business combinations. The team has created a highly scalable business model and positioned the company for value creation through new customer acquisition, product set expansion, new corporate capabilities and the successful integration of acquired businesses.

Objectives

Given the market-leading companies we serve, there is a good chance that if you leave your home today to shop, work, eat or play, you will encounter one or more of our digital signage experiences. Our solutions are increasingly visible because we help our enterprise customers achieve a wide range of business objectives including:

- Increased brand awareness
- Improved customer support
- Enhanced employee productivity and satisfaction
- Increased revenue and profitability
- Improved guest experience
- Increased customer/guest engagement
- Improved patient outcomes

Sources of Revenue

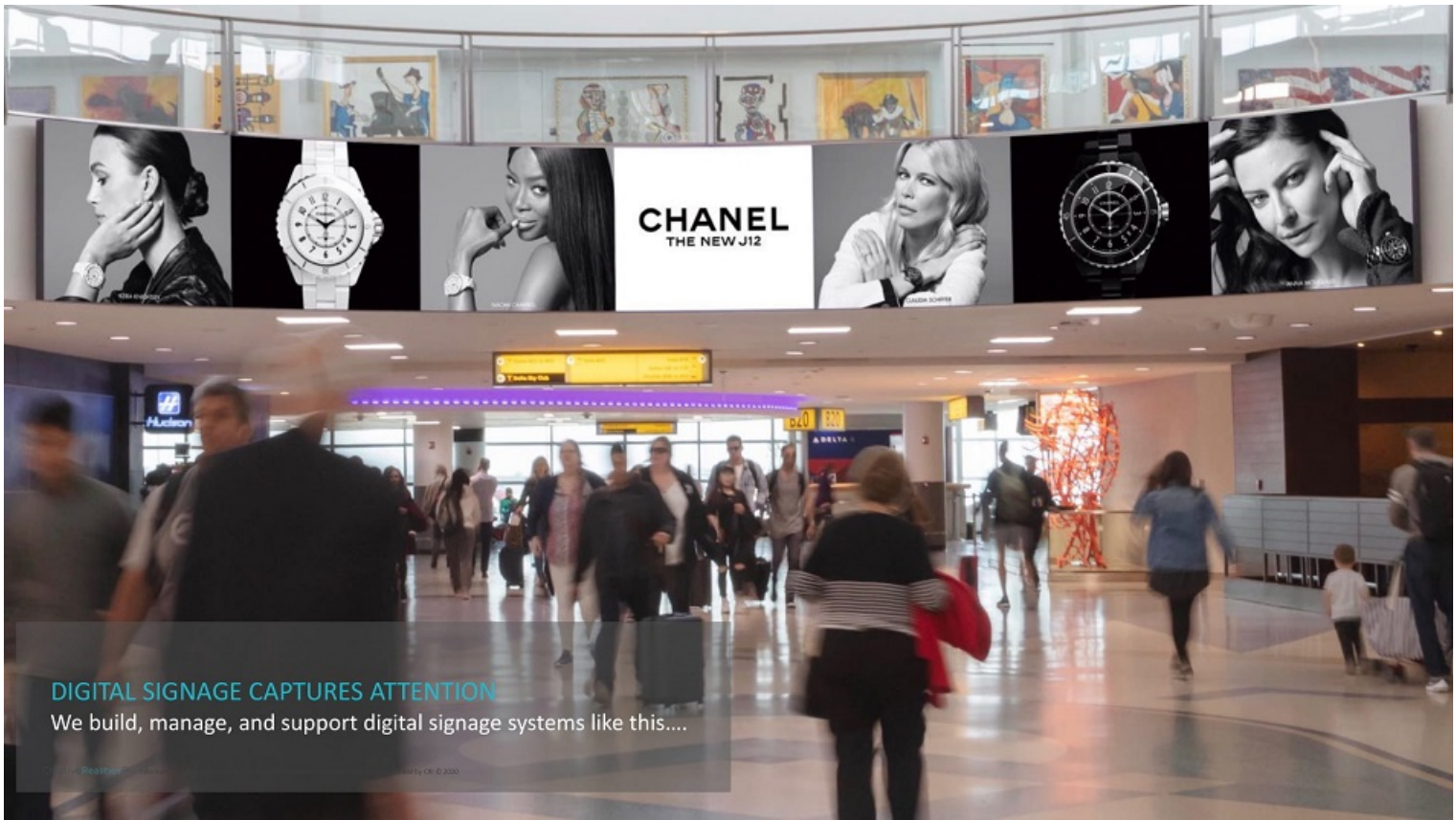
The Company generally derives revenue from four primary sources:

- **Recurring Services** – sticky, long-term contractual agreements to provide subscription licensing and/or other support services for our digital signage software platforms, which are generally sold via a SaaS model.
- **Services** – from assisting clients in the design, deployment and management of their digital signage network, including:
 - Hardware system design/engineering
 - Hardware installation
 - Content development
 - Content scheduling
 - Post-deployment network and field support
- **Media sales** – through the direct and indirect sourcing of advertising revenue for client-owned networks on their behalf
- **Hardware** – the resale of hardware from original equipment manufacturers such as Samsung and BrightSign

Value Proposition: At our core, we are a software-as-a-service (“SaaS”) company, focused on increasing the number of managed devices leveraging our subscription-based digital signage platforms and delivering ads on ad-supported networks, which ultimately results in:

Driving higher Annual Recurring Revenue (“ARR”)

Examples of our work



DIGITAL SIGNAGE CAPTURES ATTENTION

We build, manage, and support digital signage systems like this....

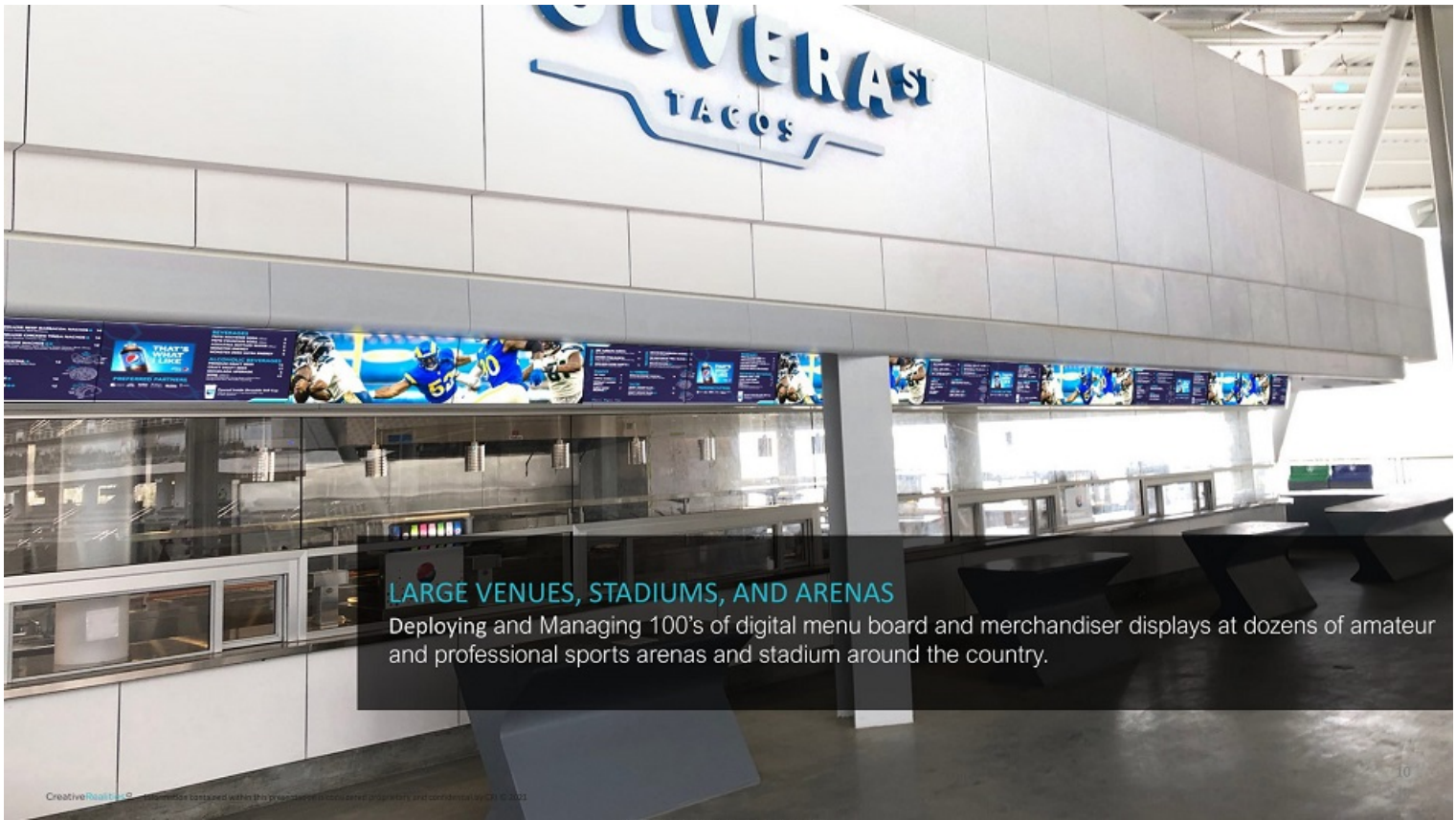
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10/15/14 © 2014



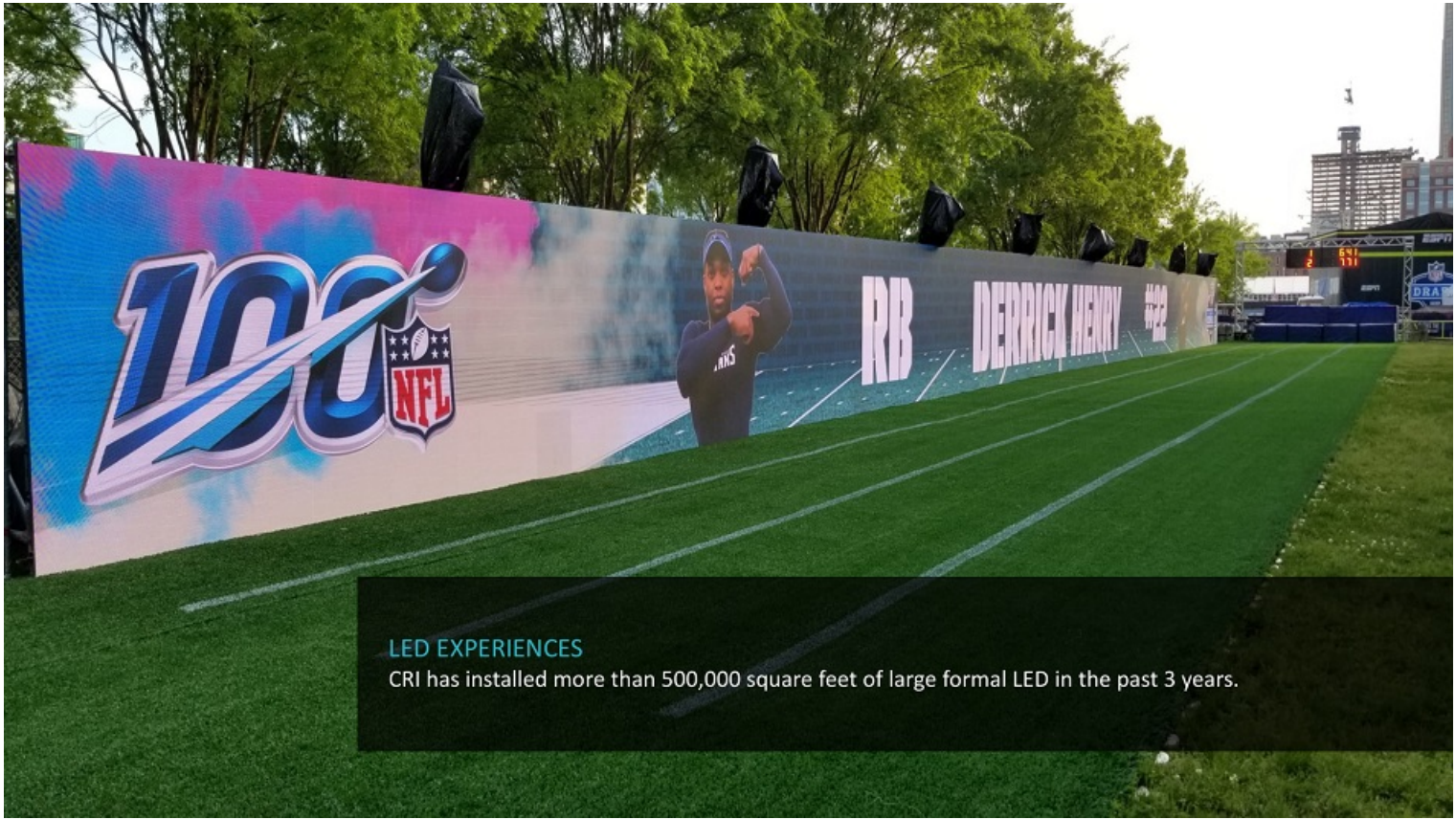
NETWORK MONETIZATION

And monetize reach and impressions like this. Providing audiences with engaging advertising and venue owners with additional revenue.



LARGE VENUES, STADIUMS, AND ARENAS

Deploying and Managing 100's of digital menu board and merchandiser displays at dozens of amateur and professional sports arenas and stadium around the country.



LED EXPERIENCES

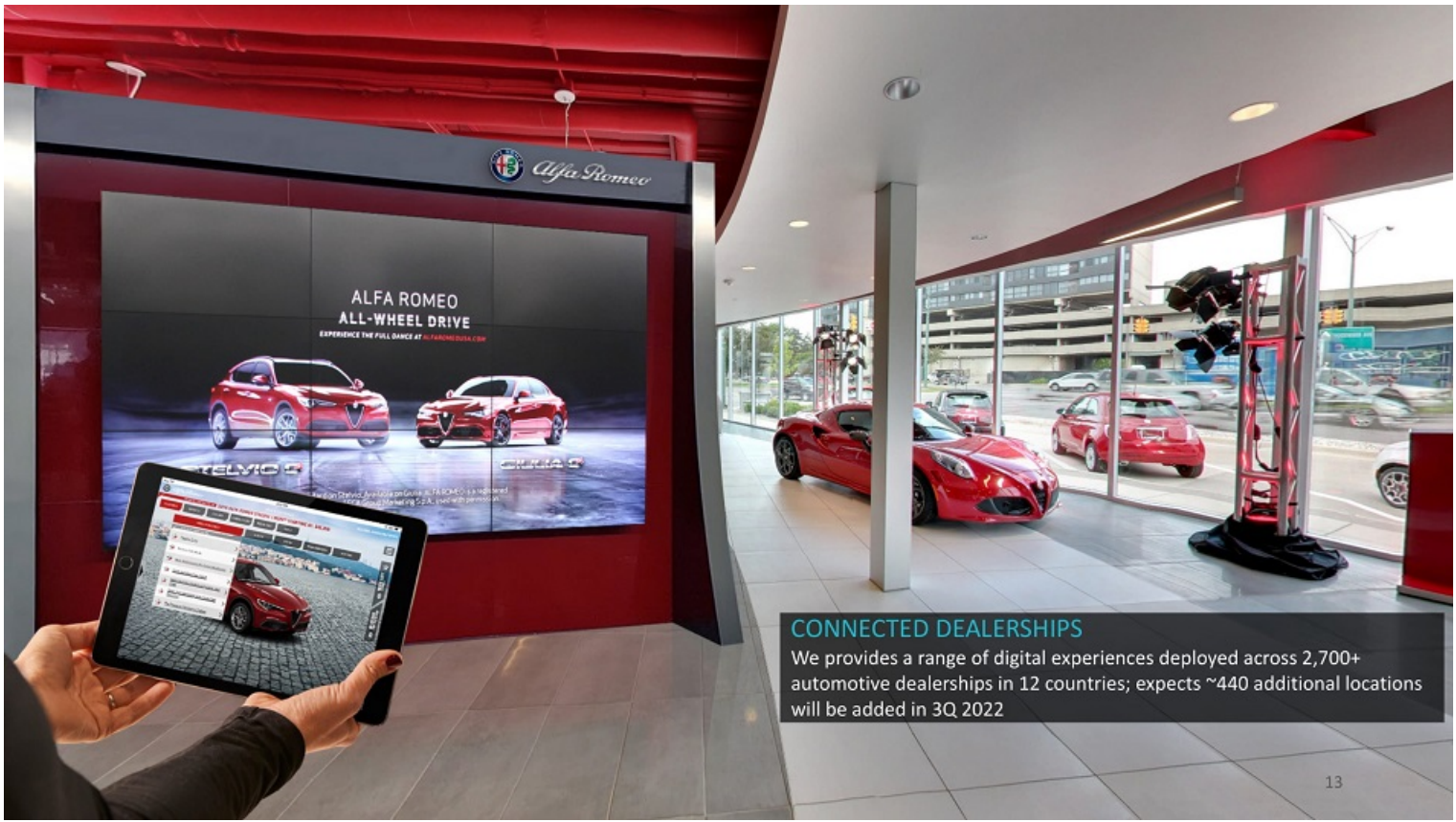
CRI has installed more than 500,000 square feet of large format LED in the past 3 years.



Verizon Wireless Voice Activated 5G Experience

The Covid-19 Pandemic created a challenge in retail. Providing a non-touch solution was the ask. The project was deployed in October 2020 and there are now approximately 1,400 experiences featuring Verizon's 5G Entertainment offering and another 100 highlighting the Verizon 5G Home offering. Best Customer Experience Deployment 2020 by ICX Association.



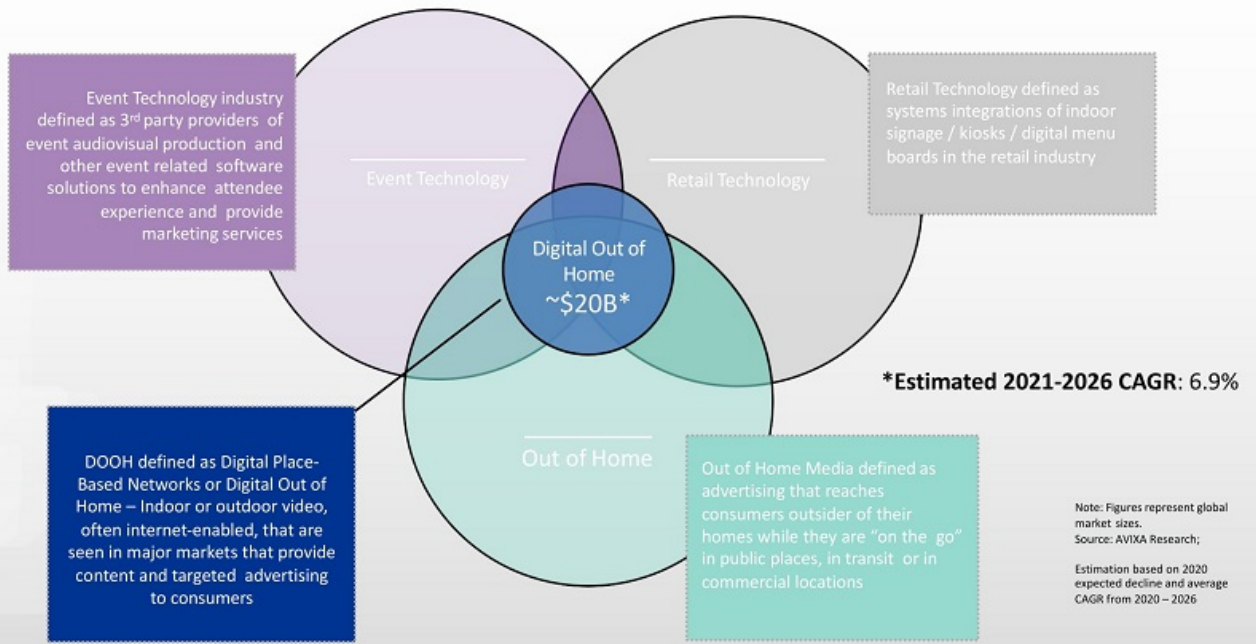


CONNECTED DEALERSHIPS

We provides a range of digital experiences deployed across 2,700+ automotive dealerships in 12 countries; expects ~440 additional locations will be added in 3Q 2022

The Addressable Market: Update and Overview

Defining the Digital Signage and Digital OOH Opportunity



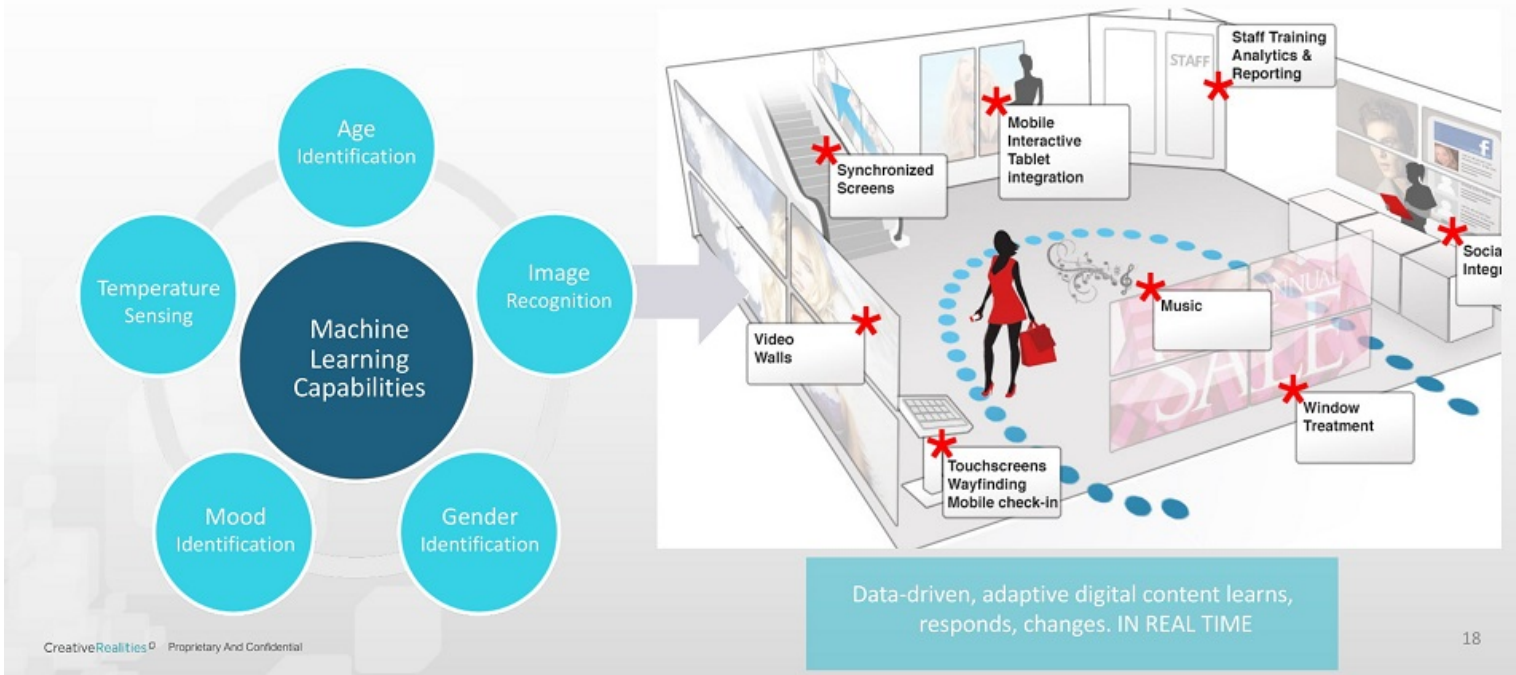
The US Digital Signage Market – Growth Drivers

- **Retail Transformation:**
 - Retail players are integrating digital signage to share relevant and profitable content at their premises to drive consumer behavior and purchase decisions.
 - Shift in focus to drive-thru, mobile, and remote ordering requires an investment in digital solutions to facilitate transaction efficiency.
 - Leveraging consumer data, analytics, and rewards programs to drive repeat transactions and increases in price per ticket.
- **Omnichannel:**
 - Fusing digital and physical shopping to create a cohesive omnichannel experience, reshaping different parameters, such as prices, contents, features, method of advertisement, etc.
- **Personalization / Contextualization:**
 - Retailers are striving to update the user-interactive screens in real-time to reflect the current trends in in-store age or gender demographics to promote specific items or remove sold-out products from the screen.
- **Consumer Engagement:**
 - Increased interactivity and convenience creates a more robust and engaging window display platform.
 - Integration of intelligent technologies assists in attracting a greater audience based on buyer persona.

The US Digital Signage Market – Growth Drivers

- **Monetization:**
 - Integration of digital ads into retail stores to leverage impressions for on-premise destination traffic and create an enhanced in-store user experience.
- **Improved Return on Investment:**
 - The declining cost of displays has increased adoption rate
 - Digital solutions are reaching price parity with static solutions, particularly for menu boards
- **Curb Appeal:**
 - Digital signage solutions enable immediate, up-to-date, and highly engaging rich-media content shared throughout facilities.
- **Improved Customer Experience:**
 - Devices help get a better view of the seating arrangement, and they assist in reducing the long queues at the ticket counters. Increasing adoption of these devices in theaters is expected to carry the market forward.
- **Corporate/Employee Communications & Wayfinding:**
 - To improve corporate, visitor, student, employee, and customer communication, institutions adopt digital signage.
 - Used for emergency notifications, way-finding, and other applications.

CRI delivers integrated, omnichannel, store-level digital ecosystems leveraging big data and analytics to drive consumer behavior



Market dynamics: Industry fragmentation supports an acquisition strategy



Solid platform
for accretive
acquisitions



We believe there are 200+ DOOH companies
with the following characteristics:

- Sales of \$3-10MM
- 18 – 30 Employees
- 1-2 large customers; ~20 smaller customers
- 8-10 years in business, with background in AV
- Focused on a few verticals
- Minimum technical depth
- Lacks strategic chops and scale

Results in the following:

- Cross sell products and services
- Expand engagements
- Digital signage software platform consolidation (CMS rationalization)
- Reduce overhead
- Drive scale
- Increase profitability - EBITDA
- Uplift in valuation

Industry Consolidation is Happening Now: Recent Transactions



- In December 2021, AVI-SPL announced the acquisition of SKC Communications (cloud voice services and UCC)
- The acquisition strengthens AVI-SPL's communication solutions portfolio, enabling the company to comprehensively empower hybrid work environments
- Enhances AVI-SPL's ability to service its growing customer base in additional geographies



- In November 2021, Creative Realities and Reflect Systems announced a digital signage and software merger
- Joint company offers comprehensive suite of solutions to address virtually any digital signage need



- In August 2021, Diversified acquired HB Communications, an AV integrator
- Offers strategic expansion of the company's footprint in the Northeast and higher education markets
- Adds ~300 employees to Diversified's global team team

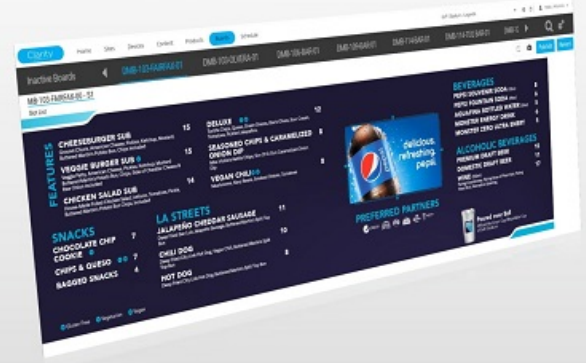
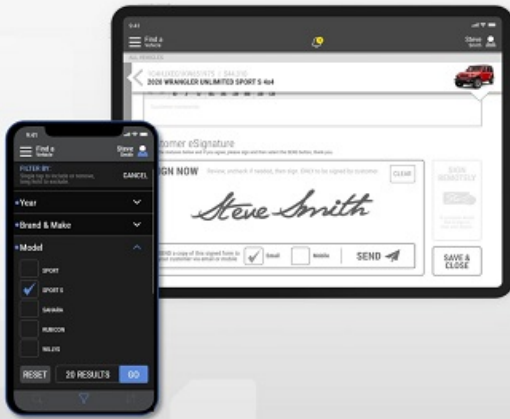
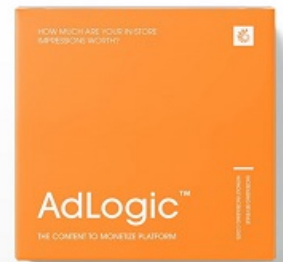


- Since the beginning of the pandemic, Spectrio, a provider of customer engagement technology, has grown aggressively through M&A, acquiring Enplug, Industry Weapon and Screenscape
- Acquisitions augment Spectrio's suite of digital communications solutions, which includes interactive kiosks, Wi-Fi marketing, and on-premise messaging

Why We Will Win

Our Technology Platforms...

- We deploy and install digital signage hardware systems on behalf of our clients.
- Post-deployment, those systems ultimately leverage our software platforms to manage the content you see on the displays.
- Each of our platforms operate on a subscription license basis, generating incremental monthly subscription revenue on each endpoint or location deployed.



...Drive Best in Class Execution & Support: Performed *In-House*



Design Engineering

CAD-Certified, skilled talent experienced in new construction, D&R, fixture integration, and environment requirements



Warehouse & Logistics

Co-located with company HQ and houses customer-owned inventory. Located 8.6 miles from UPS Air Worldwide Hub.



Project Deployment

Expertise in technically complex and high profile system installations. Nationwide network of field technicians.



Network Operations Center

24x7 NOC in Louisville, KY. Led by expert management team in systems & support who are performance-driven and accountable.

...Drive Integrated Services that *Deliver Measurable Results*



Creative Design and Content Management

Our award-winning creative team has the knowledge and experience to leverage the medium and effectively connect your brand and products to consumers.



Analytics and Content Optimization

Our unique approach to data-driven design and measurement allows us to ensure ongoing ROI by leveraging Neuromarketing principals for ongoing content optimization.



Data Integration and Development

We improve our customers operational efficiencies and create a fully integrated customer journey through our data integration and development capabilities.



Network Monetization Strategy

Patented AdTech platform to monetize the growing need for recurring revenue and offsetting network investment costs. Dedicated team of experts to provides guidance on a revenue-based network.

Our scale matches that of our clients' footprint



Competitive Advantages

When comparing Creative Realities to other digital signage competitors, our customers value the following competitive advantages:

- **Breadth of solutions** – we leverage a ‘single vendor’ approach, providing clients with a one-stop-shop for sourcing digital signage solutions from design through day two services.
- **Managed labor pool** –thousands of qualified and vetted field technicians
- **In-house creative resources** – award-winning content development, creation, and management, helping clients develop an effective content program
- **Network scalability and reliability** – our software platforms power some of the largest and most complex digital signage networks in North America
- **Ad management platform** – our customers are increasingly interested in monetizing their digital signage networks through advertising content. Efficiently scheduling advertising content into digital signage playlists to meet campaign objectives can be a challenging and labor-intensive process. Reflect AdLogic, our home-grown, agnostic platform, automates this process, allowing network owners to capture more revenue with less expense.
- **Media sales** – few, if any other digital signage companies can offer their clients media sales as a service. We have in-house media sales expertise to elevate conversations with our clients interested in better understanding network monetization
- **Logistics** – expertise in logistics improves deployment efficiency, reduces delays and problems, and saves clients time and money
- **Market sector expertise** – in-house experts in key market segments such as automotive, retail, quick-serve restaurants (QSR), convenience stores, and Digital Out of Home (DOOH) advertising. Our expertise supports meaningful business conversations and offers tailored solutions with prospects and clients to achieve their unique business objectives.
- **Technical support** – Digital signage networks present unique challenges for corporate IT departments. Creative Realities helps simplify and improve end user support by leveraging our own Network Operations Center (NOC), which resolves issues remotely and dispatches field support as required to resolve customer issues quickly and effectively
- **Integrations and Application Development** – from social media feeds, mobile integrations, corporate data stores, or Point of Sale (“POS”) systems, our proven ability to build scalable applications and integrations is a key advantage clients can leverage to deliver more compelling and engaging experiences for their customers.
- **Hardware support** – a number of digital signage providers sell a proprietary media player or align themselves with just one operating system. We utilize a range of media players including Windows, Android and BrightSign to provide clients the flexibility they need to select the appropriate hardware for any application knowing the entire network can still be served by a single digital signage platform, reducing complexity and improving the productivity of their teams

2021 Review

2021 – Quarterly Highlights

- **1Q 2021**
 - Received forgiveness for PPP Loan of \$1.5 million
 - Completed offering at \$2.50/share
 - Participated in the Maxim M-Vest Conference
 - Announced win of significant C-store customer
- **2Q 2021**
 - Finalized conversion of >7,000 displays for C-store customer to our digital signage platform; customer expansion anticipated to continue to up to 40,000 displays by end of 2025
 - Settlement outstanding note payable for \$0.1 million, generating a gain of \$1.6 million
- **3Q 2021**
 - Completed outsourced logistics and installation project on behalf of major tobacco company in >1,300 C-store locations in only 8 weeks, evidencing our ability to deliver with speed and at scale
- **4Q 2021**
 - Announced 3-year renewal of OEM automotive contract, increasing annual recurring revenue 300% vs. prior contract
 - Announced entry into Merger Agreement with Reflect Systems, Inc. (“Reflect”)
 - Reflect and CRI bid together and won large-scale digital deployment at a national retailer in conjunction with Reflect Systems, Inc.
- **Operating Highlights:**
 - Convenience Store Full Digital Menu Board Installations – 900 sites installed
 - C-Store tobacco rollout – 1,350+ locations
 - QSR Full Digital Menu Board Installations – 150+ sites installed
 - Movie Theater Digital Box Office, Menu Board, and Movie Poster installs – 10 sites
 - Major Retail Installs (LED, Promotional displays, House Audio, HVAC control) – 60 sites

Balance Sheet

2021 Highlights:

- Net working capital improved \$3.2MM
- Reduced Inventory balances by \$0.5MM
- Elimination of \$1.6MM Seller Note (debt)
- Elimination of \$1.6MM PPP Loan (debt)
- Improved D&B Supplier Risk Evaluation Ratings to “Low Risk” in all categories

	December 31, December 31, 2021 2020	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,883	\$ 1,826
Accounts receivable, net of allowance for doubtful accounts of \$620 and \$1,230, respectively	3,006	2,302
Unbilled receivables	369	41
Inventories, net	1,880	2,351
Prepays and other current assets	1,634	507
Total current assets	9,772	7,027
Operating lease right-of-use assets	654	931
Property and equipment, net	75	175
Intangibles, net	4,850	4,955
Goodwill	7,525	7,525
Other assets	5	5
TOTAL ASSETS	\$ 22,881	\$ 20,618
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term seller note payable	\$ -	\$ 1,637
Accounts payable	2,517	1,661
Accrued expenses	2,110	2,142
Deferred revenues	426	764
Customer deposits	1,525	770
Current maturities of operating leases	281	355
Current maturities of financing leases	-	4
Total current liabilities	6,859	7,333
Long-term Payroll Protection Program note payable	-	1,552
Long-term related party loans payable, net of \$143 and \$168 discount, respectively	4,624	4,436
Long-term related party convertible loans payable, at fair value	2,251	2,270
Long-term obligations under operating leases	373	584
Long-term accrued expenses	-	108
Other liabilities	45	-
TOTAL LIABILITIES	14,152	16,283
SHAREHOLDERS' EQUITY		
Common stock, \$0.01 par value, 200,000 shares authorized; 12,009 and 10,924 shares issued and outstanding, respectively	120	109
Additional paid-in capital	60,863	56,712
Accumulated deficit	(52,254)	(52,486)
Total shareholders' equity	8,729	4,335
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 22,881	\$ 20,618

Statement of Operations

2021 Highlights:

- YoY Revenue expansion:
 - +5.6% topline growth
 - +20.5% core digital signage growth
- Maintained margins despite headwinds
- Drove reductions in core operating expenses >\$1MM net of ERC credits

	For the Years Ended December 31,	
	2021	2020
Sales		
Hardware	\$ 9,450	\$ 8,991
Services and other	8,987	8,466
Total sales	18,437	17,457
Cost of sales		
Hardware	6,914	6,251
Services and other	3,166	3,085
Total cost of sales	10,080	9,336
Gross profit	8,357	8,121
Operating expenses:		
Sales and marketing	1,153	1,676
Research and development	550	1,083
General and administrative	7,598	8,465
Bad debt expense/(recovery)	(277)	828
Depreciation and amortization	1,364	1,474
Lease termination expense	-	18
Goodwill impairment	-	10,646
Loss on disposal of fixed assets	-	13
Deal and transaction costs	518	-
Total operating expenses	10,906	24,203
Operating loss	(2,549)	(16,082)
Other income/(expenses):		
Interest expense, including amortization of debt discount	(805)	(1,023)
Gain on settlement of obligations	3,449	209
Gain/(loss) on fair value of debt	166	(93)
Other income/(expense), net	(7)	(13)
Total other income/(expense)	2,803	(920)
Net income/(loss) before income taxes	254	(17,002)
Income tax benefit/(expense)	(22)	158
Net income/(loss)	232	(16,844)
Net income/(loss) per common share - basic	\$ 0.02	\$ (1.65)
Net income/(loss) per common share - diluted	\$ 0.02	\$ (1.65)
Weighted average shares outstanding - basic	11,761	10,195
Weighted average shares outstanding - diluted	11,761	10,195

2022 and Beyond

The Reflect Merger



What We Gained

- **Customers** – enterprise customers generating in excess of \$7 million in run-rate Annual Recurring Revenue (“ARR”)
- **Technology** – fills a key gap in our software service offering and prospectively expands product set (i.e., analytics)
 - ReflectView
 - ReflectXperience
 - Reflect AdLogic
 - Reflect ZeroTouch
- **Sticky revenue** – extended client tenure with low customer and revenue churn
- **Digital Media capabilities:**
 - Ad trafficking capability to deliver monetization to clients with destination traffic
 - Adtech & media sales capabilities, including potential integration to DSP and SSP platforms for ad-based networks
- **Synergies** –
 - Reduction in overall cost structure through synergies, targeted at ~\$2MM in operating expenses to be transitioned out throughout 2022
 - Allows for CMS rationalization/elimination- a key to company profitability and long-term value chain transformation
- **Enhanced revenue opportunities** – ability to cross-sell services:
 - Monetization services to established CRI customer base
 - Hardware & installation services to established Reflect customer base

What We Gained

- **Enhances the long-term value creation of the Company:**
 - Provides operating flexibility to scale down operations during down cycle events
 - Scale economies and synergy impact company cost structure and convey additional pricing flexibility for enhanced competitive positioning for future customer acquisition
 - Prevents downside realities of inaction (industry consolidation sans CRI's participation)
 - Strengthens our position and improves bargaining power with key manufacturing partners (Brightsign, Samsung) and other industry constituents
 - Enhances ability to secure meaningful strategic and commercial partnerships
 - Additional vertical penetration/entrenchment provides the appropriate customer focus which impacts switching costs
- **Marketing capabilities** – strong presence in market through deliberate and purposeful branding
- **New Market** – Dallas, TX
- **Increased talent** – ~30 new employees with SERIOUS skills
 - Increases speed to market and reduces cost of development and deployment
 - Conveys future optionality for prospective DOOH plays

The Combined Company

- Our proforma 2021 revenue was ~\$30.7 million
 - **Anticipate 2022 of at least \$43 million, representing organic growth of >\$12 million**
 - **40% Year over Year**
 - ARR proforma run rate of ~\$12 million exiting 2021
 - **Anticipate growing ARR run-rate to >\$15MM by 12/31/2022 based on current contracts**
 - **25% year over year**
 - Currently managing in excess of 120,000 endpoints and upwards of 300,000 devices.
 - Target Adj. EBITDA margin of 5% in 2022, rising to 10%+ in 2023
- Growth drivers:
 - Cross-sale of services
 - Media to Reflect customers
 - Hardware to Reflect customers
 - Logistics and installation to Reflect customers
 - Expansion of LED business
 - Increased advertising dollars allocated to digital out of home
 - Expansion of existing customer networks

Our Vision



To further establish
ourselves as
Top 3 solutions
provider in the
market

- We expect to scale to a +\$150 million global digital marketing solutions provider (organic & acquisition)
- Become the go-to 'acquirer' in the industry
- Leverage infrastructure to generate significant, profitable growth
- Expand expertise in strategic industry verticals
 - Retail, QSR, C-Store, Auto, Sports, point of care, and others
- Eclipse 1,000,000 endpoints under management, generating high margin ARR

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Rick.mills@cri.com

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www.cri.com



APPENDIX

RECONCILIATION OF NET INCOME (LOSS) TO EBITDA AND ADJUSTED EBITDA (\$000's)

This table presents a reconciliation of EBITDA and Adjusted EBITDA from net loss, CRI's most directly comparable financial measure calculated and presented in accordance with GAAP

Quarters ended	Year Ended 2021	Quarters Ended			
		December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
GAAP net income (loss)	\$ 232	\$ (1,722)	\$ (343)	\$ 1,025	\$ 1,272
Interest expense:					
Amortization of debt discount	159	29	29	29	72
Other interest, net	648	160	158	153	177
Depreciation/amortization:					
Amortization of intangible assets	1,251	302	320	317	312
Amortization of finance lease assets	4	-	-	-	4
Amortization of employee share-based awards	1,494	324	329	329	512
Depreciation of property and equipment	109	27	27	27	28
Income tax expense/(benefit)	22	13	1	7	1
EBITDA	\$ 3,919	\$ (867)	\$ 521	\$ 1,887	\$ 2,378
Adjustments					
Change in fair value of Special Loan	(166)	-	-	-	(166)
Gain on settlement of obligations	(3,449)	-	(256)	(1,628)	(1,565)
Deal and transaction costs	518	518	-	-	-
Stock-based compensation – Director grants	399	318	27	27	27
Adjusted EBITDA	\$ 1,221	\$ (31)	\$ 292	\$ 286	\$ 674

RECONCILIATION OF NET INCOME (LOSS) TO EBITDA AND ADJUSTED EBITDA (\$000's)

This table presents a reconciliation of EBITDA and Adjusted EBITDA from net loss, CRI's most directly comparable financial measure calculated and presented in accordance with GAAP

Quarters ended	Year Ended 2020	Quarters Ended			
		December 31, 2020	September 30, 2020	June 30 2020	March 31, 2020
GAAP net loss	\$ (16,844)	\$ (617)	\$ (585)	\$ (2,459)	\$ (13,183)
Interest expense:					
Amortization of debt discount	339	85	85	84	85
Other interest, net	683	186	179	176	142
Depreciation/amortization:					
Amortization of intangible assets	1,330	319	340	344	327
Amortization of finance lease assets	20	3	5	5	7
Amortization of share-based awards	617	250	248	100	19
Depreciation of property and equipment	124	29	33	30	32
Income tax expense/(benefit)	(158)	(6)	(1)	4	(155)
EBITDA	\$ (13,889)	\$ 249	\$ 304	\$ (1,716)	\$ (12,726)
Adjustments					
Change in fair value of Special Loan	93	(609)	-	551	151
Gain on settlement of obligations	(209)	(54)	(114)	(1)	(40)
Loss on disposal of assets	13	-	13	-	-
Loss on lease termination	18	18	-	-	-
Loss on goodwill impairment	10,646	-	-	-	10,646
Stock-based compensation – Director grants	102	27	25	19	31
Adjusted EBITDA	\$ (3,226)	\$ (369)	\$ 228	\$ (1,147)	\$ (1,938)