

NASDAQ: BLIN

BRIDGELINE

Investor Presentation

February 15, 2023

AIU	1.822
EJK	3.680
HPL	1.042
KEE	485
NAH	8.569
QOP	6.402
TIK	890
WAG	6.280
AHD	2.436

WWE	PLQ	EER	QRT	OPY
890	6.350	10.985	665	6.800
(-28)	(-200)	(+580)	(-15)	(-115)
MJB	RON	NFR	UGH	OMJ
2.609	7.654	6.522	1.632	3.652
(+35)	(+169)	(+122)	(-54)	(+182)
QMN	MMJ	IIT	KLM	CCX
5.211	7.100	7.150	782	1.901
(+156)	(-60)	(-150)	(+74)	(+101)
EMH	3.280			(-120)
WFF	HJM	QLC	LSD	SDH
712	3.000	421	4.207	12.420

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Given these uncertainties, you should not place undue reliance on these forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, among others, those set forth in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”), as well as any updates to those risk factors that may be filed with the SEC from time to time in our periodic and current reports on Form 8-K and 10-Q. All statements contained in this presentation are made only as of the date of the presentation, and the Company undertakes no duty to update this information unless required by law.

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Highlights

Bridgeline Digital, Inc.
NASDAQ: BLIN

Company

- SaaS Software Company
- Help Retailers Grow Online Revenue
- Organic & Inorganic Growth Strategies

Q1 FY23

- 22 License sales for over \$250K of ARR
- 10 Subscription Sales to Existing Customers
- \$750K Consulting Services Bookings
- 18% CAGR for HawkSearch Product Line
- \$115K of Adjusted EBITDA

\$14M

ARR

\$3M

Services

18%

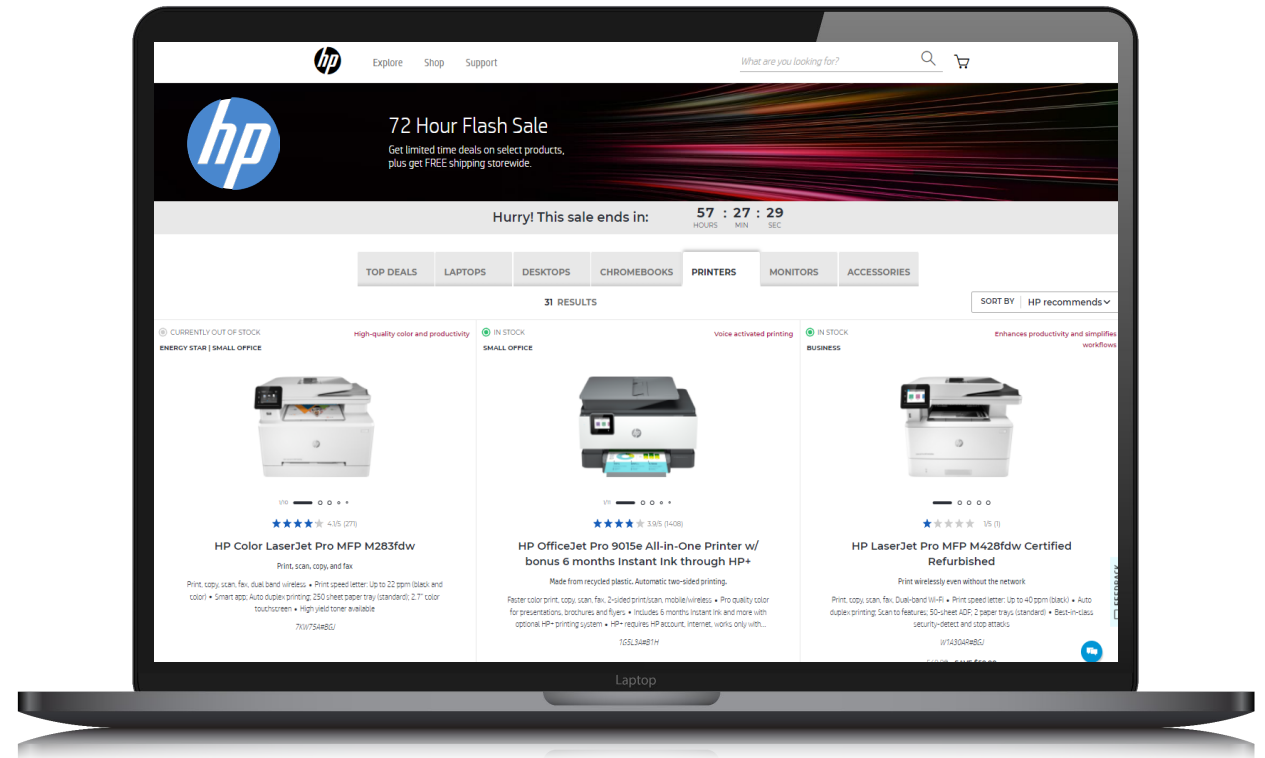
Hawk CAGR

\$2.5M

Cash

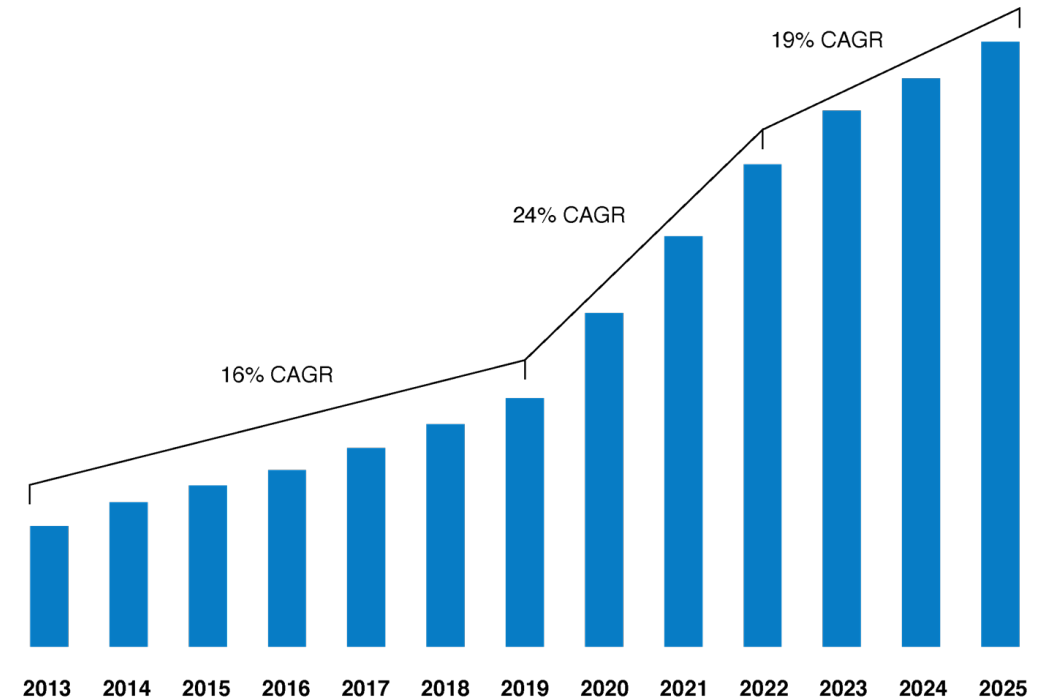
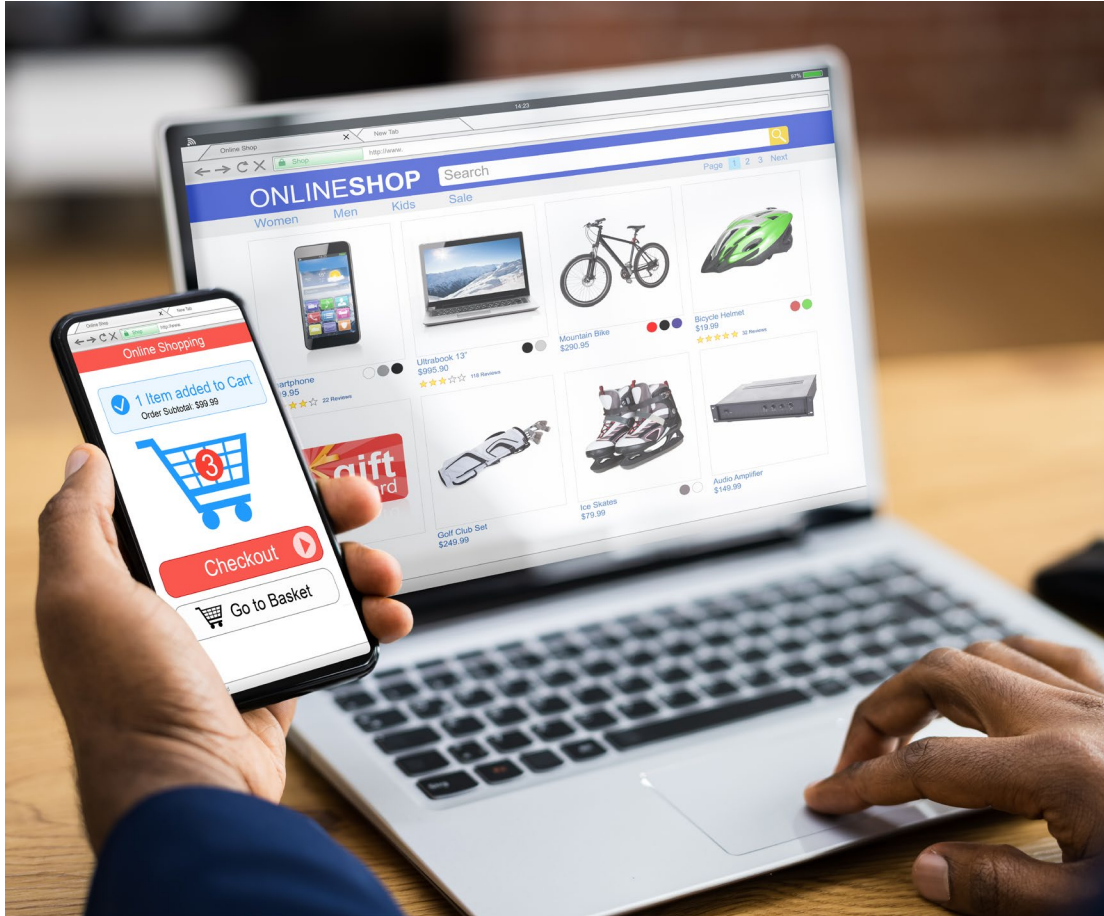
\$115K

Adj EBITDA



The MarTech Market

Marketing Technology



MarTech

- Software to Market & Sell Online
- Strong CAGR pre/during/post COVID

Platforms, Apps, and Marketplaces



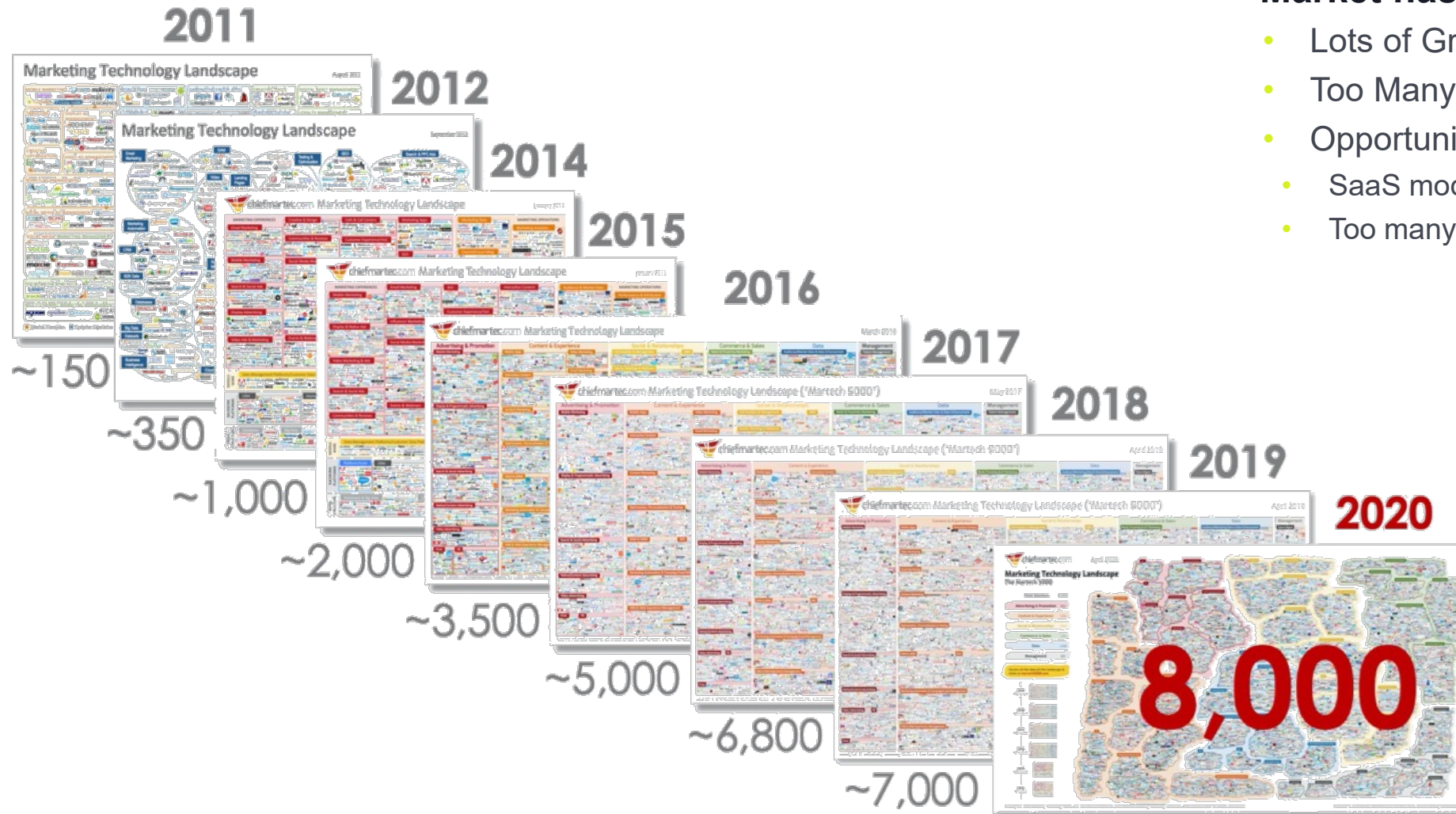
Platforms – eCommerce Foundation



Apps – Add Features to Platforms



Thousands of MarTech Apps



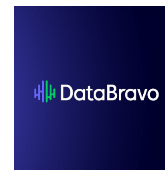
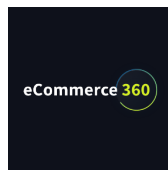
Market has Grown Exponentially

- Lots of Great Ideas
- Too Many Players
- Opportunity for Consolidation
 - SaaS model requires capital
 - Too many for VCs to fund all of them

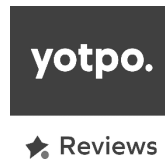
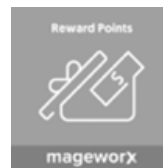
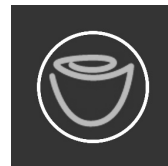
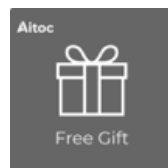
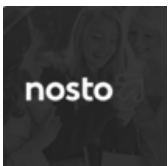
Bridgeline

Bridgeline **Drives** Online Revenue

Bridgeline



The Competition



Bridgeline is Unique

- Revenue Focused Value Proposition
- Suite of Apps – Multiple Entry Points
- Recommendation Dashboard – Cross-Sales

2,000 Customers

- Mid-Market – Enterprise

Franchise	Finance	Manufacturing	Healthcare	Retail
SportClips <small>(HAIRCUTS)</small>	Deloitte.	CATERPILLAR	AstraZeneca	Hammacher Schlemmer
7 ELEVEN	Manulife	TRIUMPH	Bristol-Myers Squibb	PNY Make Life Simple.
The UPS Store	ESL <small>Federal Credit Union</small>	deflecto	endo	sugarfina
sears	Corona direct	xylem <small>Let's Solve Water</small>	Montefiore	HELAN VERNON
CVS	AmerisourceBergen	RAM TOOL <small>CONSTRUCTION SUPPLY CO.</small>	Hartford HealthCare	co-op SUPERSTORES

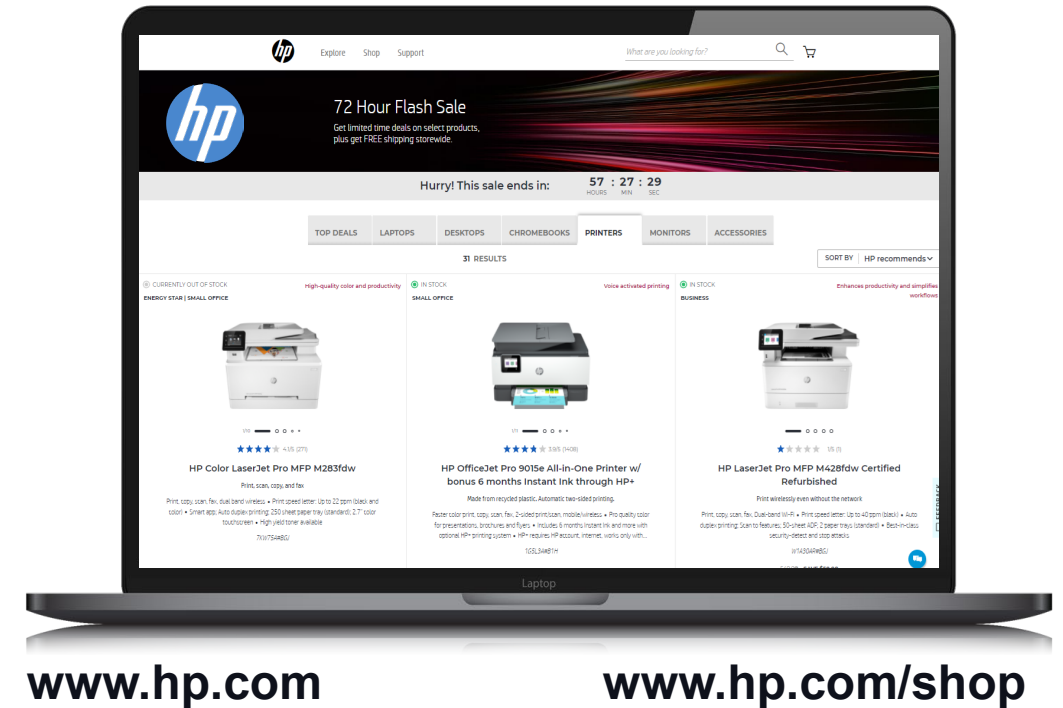
Bridgeline Powers HP Online

Challenge

- 2 computers per second
- \$7,300,000 per hour
- 1,000,000+ products
- 100 campaigns per day

Solution

- Traffic: Traffic builder drives customers to site
- Conversion: Search increases conversion of traffic to buyers
- Order Size: Recommendations increase order size



BRIDGELINE



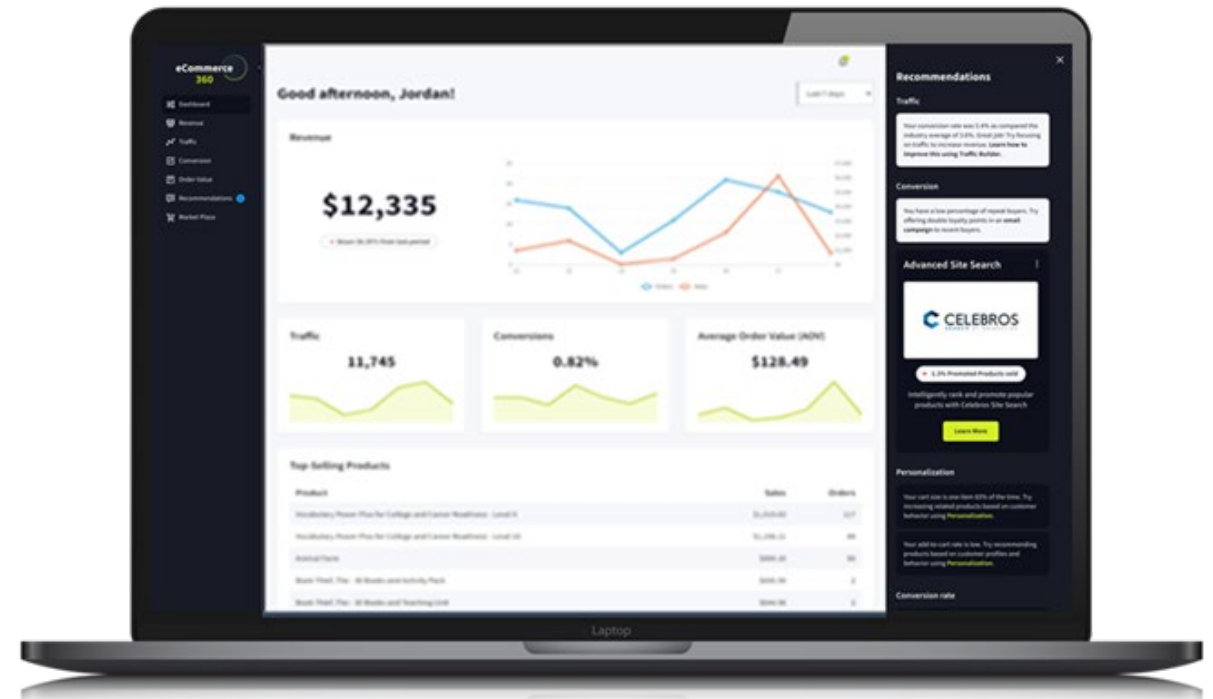
Organic Growth

$$\text{REVENUE} = \text{TRAFFIC} \times \text{CONVERSION} \times \text{AOV}$$



Reduce CAC with X-Sales

- Recommendation Dashboard
- Portfolio of Apps
- Revenue Expansion in Existing Customers



Inorganic Growth



Recent Acquisitions

Target Rich Environment

- 8,000 Apps
- \$2M - \$5M revenue
- Customer Base as Important as Technology

Easy Integration

- Dashboard is Fast Integration
- Dashboard Cross Sells

Deal Structure

- 1-2x Revenue
- 50% Earn-Out
- Accretive with Synergies



Financials

Income Statement

Income Statement	Q1 FY23	FY22	Q4 FY22	Q3 FY22	Q2 FY22	Q1 FY22
Revenue						
Services	854	3,259	767	812	811	869
Subscription & License	3,229	13,560	3,442	3,394	3,306	3,417
Revenue	4,083	16,819	4,210	4,206	4,117	4,286
Cost of Goods Sold						
Services	418	1,759	406	436	466	451
Subscription	861	3,358	826	835	868	829
Cost of Goods Sold	1,279	5,117	1,233	1,271	1,334	1,280
Gross Profit	2,804	11,702	2,978	2,935	2,783	3,006
Services GM	51%	46%	47%	46%	43%	48%
Subscription & License GM	73%	75%	76%	75%	74%	76%
Gross Margin	69%	70%	71%	70%	68%	70%
Operating Expenses						
S&M	1,209	5,232	1,353	1,382	1,267	1,231
G&A	832	3,387	927	812	775	873
R&D	747	3,217	722	771	865	859
Depr&Amort	378	1,599	387	373	416	424
Restructuring/Acquisition	-	164	-	-	66	98
Operating Expenses	3,166	13,600	3,388	3,337	3,389	3,486
Operating Income	(362)	(1,898)	(410)	(403)	(606)	(480)
Other Income/Expenses	281	4,043	(67)	806	953	2,351
Net Income	(80)	2,145	(477)	403	347	1,871
Adjusted EBITDA	115	196	99	63	(72)	106

Revenue

- 79% of Revenue from Subscription & License
- 18% CAGR for HawkSearch Product Line
- Single Customer Reduced License

Operating Expenses

- Continue to invest in S&M and R&D
- As a % of Revenue:
 - S&M - 30%
 - G&A - 20%
 - R&D - 18%

Adjusted EBITDA

- Positive

Balance Sheet

Balance Sheet	Q1 FY23	Q4 FY22
Assets		
Current Assets		
Cash and Cash Equivalents	2,508	2,856
Accounts Receivable and Unbilled Revenue	1,589	1,182
Prepays and Other Current Assets	577	242
Current Assets	4,674	4,281
Equipment, Leases, Other Assets	893	979
Intangibles	5,927	6,268
Goodwill	15,985	15,985
Total Assets	27,479	27,513
Liabilities and Stockholders' Equity		
Current Liabilities		
Debt - Short Term	443	429
Accounts Payable and Accrued Liabilities and Other	2,716	2,166
Contingent Consideration & Purchase Price Payable	-	250
Deferred Revenue	1,913	1,943
Current Liabilities	5,072	4,788
Debt - Long Term	625	588
Warrant Liability	452	749
Other Long Term Liabilities	1,026	1,036
Total Liabilities	7,175	7,161
Total Stockholders' Equity	20,304	20,352
Total Liabilities and Stockholders' Equity	27,479	27,513

Assets

- \$2.5M of cash
- \$1.2M of receivables

Liabilities

- \$1.0M debt at ~2.5% APR staggered over 5+ years
- Cash warrants are derivative liabilities, change with stock price

Cap Table

<u>Cap Table</u>	<u>Shares</u>
Common Stock	10,417,609
Series C Preferred Stock	38,889
Warrants	1,757,629
Stock Options	1,192,094
Total	13,406,221

Common Stock

Series C Preferred Stock

- No dividends or other special rights
- Converts to 38K shares of common stock

Warrants

- 926K at \$4.00 exercise price (expire Sept 2024)
- 592K at \$2.51 exercise price (expire Nov 2026)
- 180K at \$2.85 exercise price (expire May 2026)
- 60K at \$11.54 exercise price (weighted average)

Employee Stock Options

- 1,192K at \$3.41 exercise price (weighted average)

Comps

Company	Ticker	Enterprise Value	Revenue (TTM)	EV / Rev
Bango	BGO.L	\$ 167,360	\$ 21,590	8x
Big Commerce	BIGC	\$ 866,590	\$ 271,541	3x
Bsquare	BSQR	\$ (8,950)	\$ 37,610	< 1.0 x
Coveo	CVO.TO	\$ 439,665	\$ 108,401	4x
Elastic N.V.	ESTC	\$ 5,410,000	\$ 977,781	6x
Exela Tech	XELA	\$ 1,160,000	\$ 1,104,518	1x
HubSpot	HUBS	\$ 16,230,000	\$ 1,630,622	10x
Izea Worldwide	IZEA	\$ 2,220	\$ 42,637	< 1.0 x
Marin Software	MRIN	\$ (7,580)	\$ 20,721	< 1.0 x
Pubmatic	PUBM	\$ 653,160	\$ 257,640	3x
Semrush	SEMR	\$ 1,100,000	\$ 239,277	5x
Sprout Social	SPT	\$ 3,190,000	\$ 237,433	13x
Verb Tech	VERB	\$ 32,670	\$ 9,983	3x
WeCommerce	WECMF	\$ 172,630	\$ 47,421	4x
Wix	WIX	\$ 4,900,000	\$ 1,366,039	4x
Bridgeline Digital	BLIN	\$ 10,420	\$ 16,819	< 1.0 x

Source: Yahoo Finance - February 15, 2023 (in thousands).

Financial Profile

- 79% Revenue from Subscription & License
- 69% Gross Margin
- 18% CAGR for HawkSearch Product Line
- \$115K of Adjusted EBITDA for Q1
- \$2.5M Cash
- \$1.0M Debt

Value Investment

- \$1.06 Stock Price
- <1x EV/Revenue

Analyst Targets

- \$2.00 – Taglich Brothers
- \$3.85 – Ladenburg Thalmann
- \$4.00 – Joseph Gunnar