Super League Gaming, Inc.

Fourth Quarter and Full-Year 2022 Conference Call

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CORPORATE PARTICIPANTS

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CONFERENCE CALL PARTICIPANTS

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PRESENTATION

Operator

Greetings, and welcome to the Super League Gaming Fourth Quarter and Full Year 2022 Conference Call.

Please note, this conference call is being recorded.

Before we begin, I'd like to caution listeners that comments made by Management during this call may include forward-looking statements within the meaning of applicable Securities Laws. Statements involve material risks and uncertainties and actual results could differ from those projected in any forward-looking statements due to numerous factors. For a description of these risks and uncertainties, please see Super League's financial statements and MD&A for the fourth quarter and Full Year 2022 ended December 31, 2022, available on SEDAR and EDGAR. Important qualifications regarding forward-looking statements are also contained in Super League's earnings release distributed earlier this afternoon and also available on SEDAR and EDGAR.

Furthermore, the contents of this conference call contains time-sensitive information accurate only as of today, March 30, 2023. Super League undertakes no obligation to revise or otherwise update any statements to reflect events or circumstances after the date of this call.

I'd now like to turn the conference over to Ann Hand, Chief Executive Officer. Please go ahead.

Ann Hand

Thank you for joining us today.

We're very excited to share with you our Q4 and 2022 financial results. I'd like to briefly walk through some of our record financial highlights, but really today, I want to focus on how excited we are about our growth, positioning, and our perseverance in a nascent industry where many others have struggled to thrive.

First of all, I just need to emphasize our product market fit has never been stronger. This was evidenced by another record-breaking revenue quarter and strong Full Year 2022 revenue growth to approximately $20 million, an increase of 70% year-over-year, despite macro headwinds. As traditional advertising dollars shift to where audiences have moved, we expect our innovative products margins and sales force throughput to increase.

Our margin profile is on solid footing, with room for upside with new innovations ahead. We started to tackle our cost structure, starting really back in June of last year. We streamlined our operational expenses for a 30% reduction on an annualized run rate basis, while refocusing our headcount towards revenue generation.

Most importantly, we have taken steps to shore up the balance sheet. Subsequent to the end of the quarter, we have closed on over $12 million with accredited Investors in at-the-market transactions, enabling us to extinguish all debt. Again, I repeat, we've extinguished all debt. Additionally, although no assurances can be given, I'm pleased to share that we have pending commitments for another $10 million in additional at-the-market capital and anticipate making a public announcement in the very near future.

While I'm proud of our track record of delivering top line growth, our future is even brighter. The evidence is clear. Our strategy is working and we see three leverage points driving our business momentum. Number one, we have a strong pipeline, both in depth and breadth, and increasing deal sizes. We served over 100 brands in 2022, with seven customers spending in excess of $1 million through the Super League channels, and they keep coming back with a strong 70% repeat customer rate. This includes great brands. Marvel's NewVerse has been spending continuous money through our Super Studios team with a long running program.

Also last year, one of the most exciting parts of our year were very successful programs we launched with Mattel across multiple product lines. Now let's look forward a bit and why we're so confident about the business model we're in today, why we know that we're seeing that depth and breadth in the pipeline, and those larger and larger deal sizes. Of the 78 deals in the current pipeline, 56 are six figures or more. That's right, 56 out of 78. Eight of those 78 deals are seven figure deals. We're talking about the likes of Beats, Warner Brothers Games, L'Oreal, P&G and more, and just recently an exciting program with Nintendo and Fortnite.

That's an important note too. You can see that we're starting to move across the virtual world engines and moving more and more beyond just the incredible footprint that we've built in Roblox and Minecraft.

The second point of leverage is our burgeoning global sales partner network. That helps us deliver against the massive international reach as a complement to our domestic direct sales force efforts. Our newly launched global sales partner strategy accounted for $3 million of the $20 million in revenue last year. That's about 15% for a channel that was effectively launched that year. When you think about that, just the learning curve and the adoption curve that our channel partners needed to go through, I'm really thrilled that if we can get $3 million out of that channel last year, 15% of revenue, there's massive upside.

We've had some very signature successes with these partners, including a really great pop-up Visa shop activation. It was targeting Gen Zs and it delivered a 14% lift in brand preference versus other payment solutions that we gauge our exciting gaming audience around. The leading indicators look promising as well for our global sales partners, with multiple wins in the pipeline, along with solid leads from global brands like Lego, Colgate, and Nike.

Then there's a third point of leverage, this is really where the business is going. This is a piece that I think is so important that Investors get excited about. This is a move towards bigger partnerships. These are partnerships that offer recurring, long-term revenues because they look like annual or multi-year programs. This isn't really just about changing the size of our deals, but it's also about changing our business model.

What do I mean by that? It's about the fact that we are now going to be a publisher of both owned and operated worlds for ourselves and for others. In doing so, we have an opportunity to participate much more widely in the economy. What do I mean by that? Instead of being paid to create experiences in game worlds and placing media products to drive revenue around it, we have an opportunity to diversify and participate beyond media and experience publishing into the full economy. The full economy of digital revenues, digital to physical crossover revenues, and even through data.

When you talk about creating these persistent worlds, this isn't just a concept that I'm talking to you about today, this is a reality. We are doing this right now, with customers like Abu Dhabi's Yas Island. We are creating multiple persistent virtual twin worlds as a complement to the real-life Yas Island entertainment destination to both attract young visitors and their parents.

Now turning to our outlook, about where our business is heading, where we believe our business will be in the next few years. Ultimately, today, we are at the strongest position in the Company's history to execute on our vision and drive meaningful growth. Our core strategy is grounded in our efforts to further monetize the massive audience reach we've built, in an already existing virtual game world and platforms. That's been our core, right, focused on where the audience is today, and then beginning to apply this strategic vision, this technology, this capability backbone that we've built, to new virtual world engines. That extends our reach. It extends our revenue diversification as well.

We see a clear line of sight towards organically growing our annual revenues to over $100 million, with a gross margin to the low to mid-60s. Further strategic M&A is additive and something we continue to remain open and opportunistic to. This is really about what we can do organically with both the technology and the massive footprint that we have already built today.

Now there's ways we can underpin this $100 million very bold revenue target that we have in front of us over the next few years. The first thing we're going to do is apply our in-house publishing machine to deepen our owned Metaverse game worlds and IP footprint for ourselves, for a greater share of the consumer economy. We're not really done with that. We then further innovate our media and analytics suite to expand our audience reach and generate more value for both our creator community and our brand partners. That leads us to larger higher performing programs and bigger margins.

We'll continue to expand and optimize our global network of sales partnerships, those international resellers we've talked about, for continued monetization opportunities with all of that international sizable audience reach that we have. We'll continue to increase our sales force effectiveness through higher sales person throughputs. We're already seeing a big change in that, from averaging about $1.2 million to $1.5 million per sales leader last year, to targets this year that are $2 million, $3 million and more per leader.

As we continue to high-grade that talent and to really become more effective at that talent, we expect to see not only higher throughputs, but again, those higher margin profiles that we spoke about. We've taken good steps to even incent our sales team differently to be very margin and net revenue centric.

Finally, I just can't iterate enough that we're moving beyond just being an advertising model, by applying our end-to-end immersive experience and media engine to new platforms for ownable and third-party intellectual property, for greater control and share of the consumer experience, more participation in the digital and physical economies, and as I mentioned, first party data.

Our organic growth over the next few years is supported right now by identified partner programs, a very healthy robust product innovation roadmap, and operational optimization, many of the bones of which we've already put in place since June. All of that is happening right now. Make no mistake, the next big shift in advertising has already arrived. In fact, digital advertising hasn't traditionally caught up with where the audience is.

It's underperforming, as you can see in all the recent press, about the faltering of traditional successful digital advertising platforms like Facebook and the like. When I talk to global media leaders, what they say to me is, Ann, I know it's time to move my money. I need to go where that audience is, and I just need to get educated and learn about it and understand it better. The shift, as I said, make no mistake, is happening and we're well positioned to generate significant recurring high margin revenue, leading to sustainable long-term value for our Shareholders.

With that, thank you for listening to my opening remarks and for your interest. We'll now kick off the Q&A session.

Operator

Thank you, Ann.

First, we'll take some questions sent in from the Super League Reddit community. What are Super League's plans to maintain its NASDAQ listing?

Ann Hand

Yes, it's a great question. Obviously, it's very top of mind to us that our share price is sub $1. We have always been in very good standing with NASDAQ. We take that very seriously and, frankly are honored to have our NASDAQ listing and maintain it.

We have made no firm decisions at this time to do a reverse split. Obviously, we have time to remedy. We feel like our performance and delivery is really strong and powerful. As the market starts to recover, we're very hopeful that we can push our share price to sustainably back above $1 and frankly, much higher. That's our focus right now. It's just execution, execution. If needed, we can cross that bridge when we come to it, but we haven't come to it yet.

As a Board and as the Executive Team of the Company, we're really excited about the announcements that we have in the coming, really days, weeks and months, but notably around shoring up our balance sheet, very exciting partner programs and announcements, things that we think will really help all of our Shareholders in the market, create more awareness and excitement about our stock.

Operator

Thank you. In December, we were notified of a collaboration between DMA United and Super League Gaming. How has that partnership developed? What plans does Super League have within the $5 billion digital fashion industry?

Ann Hand

Yes, fashion is really an exciting vertical in itself. Keep in mind, at the intersection of pop culture is fashion, music, gaming, and so much more. Our partnership with the DMA team—if people aren't familiar with the fashion industry, this is one of the leading strategic consultancies. They're in the hallways of the C suite of the biggest brands we know, from luxury like Gucci, to streetwear and sportswear, and more. They have already been consulting with some really large big names that you know about what their future digital strategy should be.

It's not just about gaming and virtual gaming worlds. It is that bigger vision about what is the next generation of their immersive website going to look like. Why can't, with the fundamentals that have built with these virtual world engines, there's no reason your website can't be much more personalized, customized, intimate. There's no reason you can't try on makeup, like we're doing with L'Oreal and Urban Decay, or try on clothing or have a different type of relationship that’s very complementary, and it's more loyalty centric that works against the traditional brick and mortar experience.

While I don't have any specific announcements at this time, what I can tell you is that there are many conversations happening with big name fashion brands. Some of this is about us taking them into their owned and operated world. Some of it is having us bring them into ours, and really allowing Super League to own some of the IP and being a new generation of a digital fashion marketplace. Stay tuned.

Operator

Thank you. Can you provide any updates on the Yas Island Metaverse project?

Ann Hand

Yes. This is something we've been working on now for about six months. Really exciting. Again, this is a proof point about us having a capability and meta innovation engine, so to speak, that we have built for ourselves, and built tremendous success for ourselves. Now we're getting a chance to apply it on behalf of partners. In May, we will be launching two virtual worlds on behalf of Yas Island. One will be a virtual world targeting young potential visitors in Roblox, and another in Sandbox, which will be targeting a little bit of an older demographic.

In these instances, you'll be able to do all the things that you get to do if you go to the real-life Yas Island in Abu Dhabi. You can ride a Ferrari roller coaster. You can visit a SeaWorld. That's important, right? That's an important marketing strategy to then convert into people becoming physical visitors of the destination, and really works in harmony beautifully with Abu Dhabi's greater goals to really reposition themselves as more diversified beyond the energy economy. We believe this is the first international entertainment destination that's being brought to life inside these Metaverse or open world gaming platforms and it's already generated several follow-on conversations with other travel destination places, both domestically and internationally.

Just like we talked about fashion being an interesting vertical to apply all of this more immersive web or experiential interactions with their target consumers, the same can be said for the rich travel industry and several other verticals.

Operator

Thank you. I'd like to know if there any plans to apply Super League's talents to the new Fortnite creative experience in any way.

Ann Hand

One hundred percent. We are super excited about the launch of the Fortnite creative experience. Super League was founded on this notion of really empowering everyday creators. That's why a creator economy is an underpinning thread of everything we do. This is a world now where anybody can be a game maker, anybody can be a gaming experience creator. When you talk about these open world platforms like Roblox and now Fortnite, it's really putting the game design into the hands of those everyday enthusiasts.

All of the good hard work that we've done, the tech and the capability we've built to apply to one engine, we are now already applying into Fortnite and have always enjoyed a very nice strategic relationship with Epic, their owner as well. I mentioned already the work we're doing with Nintendo, bringing Super Mario into a Fortnite experience. We've already, as well, been testing some of our various ad products. Also thinking again of how else can we help that ecosystem, just like we have been there to help the Roblox creator ecosystem thrive, and that's why we have several hundred games plugged into our network.

That's how we built that massive audience reach, what are the ways we can apply all of that, to really have exciting sizeable reach in Fortnite as well. Fortnite does bring us an older demo. It also brings a different kind of fidelity and experience. We're starting right now to invest in the resources we need to really have a sizable leadership position there as we've already built in other platforms.

Operator

Thank you. The largest balance sheet asset is net intangible and other assets at approximately $20 million, heavily weighted in partnering customer relationships and develop technology. Are you currently actively working to grow this asset through internal tech development or more focused on capitalizing on the asset stack in place?

Clayton Haynes

Sure, sure. Yes, that's a good question as well.

That answer can be broken up into two primary aspects. The first aspect is the technical accounting aspect and the second aspect is the business and operational aspect. From a technical accounting standpoint, the specific intangible assets related to partner and customer relationships and developed technology, included in the $20 million intangible asset on our balance sheet, relate to specific intangible assets acquired in connection with some of our Fiscal Year 2021 acquisitions.

Basically, the technical accounting rules require us to allocate the purchase price of those acquisitions to the identifiable intangible assets that existed as of the date of acquisition. In general, the accounting rules do not provide for the opportunity to add costs to the specific intangible assets subsequent to the date of acquisition from a technical standpoint. For example, the accounting rules do not provide for the opportunity to capitalize additional costs incurred related to partner and customer relationships subsequent to the date of acquisition.

While we are developing critical partner and customer relationships on a daily basis, the accounting rules do not allow for the capitalization of those types of costs.

From a business and investment standpoint, we do have or continue to invest time and resources, into continuing to develop and advance and improve our proprietary cloud-based platform covering our advertising technology, our Metaverse game experience and tournament technology, and our fully remote broadcast and live stream technology.

From an accounting standpoint, some of these costs are captured in the internal use software development costs subcomponent of the intangible asset line on our balance sheet. The other costs incurred are required to be expensed as incurred in the income statement and are included in the engineering, technology and development cost line item in our P&L.

Operator

Thank you. You mentioned the $100 million revenue outlook as organic growth. Can you talk about M&A strategy and how the Company is thinking about possible acquisitions as well?

Ann Hand

Yes, thank you for that question. Much like our market cap is very depressed, and at times, doesn't really feel fair, I guess, the bright side of that is, we do think that we are an exciting growth stock at a very reasonable price. We're not alone. There are many companies out there, smaller than us in many cases, that are either private or public, and we get calls just about every day. What we've really tried to do is make sure that we stick to our vision. We think it's important that we told a consistent story to all of you.

With that, we try to be thoughtful and judicious when we dig in and look at some of these opportunities. We're trying to hold a pretty high bar that these things have to be accretive. Because, again, while we know that we're a growth stock, we know that top line is most important, because of the market environment we're in, your patience has truncated for breakeven like everybody’s.

We're mindful of profitability, but we are very much looking at M&A that is smart, accretive, again that really starts to support this direction we're moving in as well towards higher margins. I think that there's an important thing I want you to grab on to today. One is the fact that we're shifting from what just looks like a traditional ad model to something that, again is much more recurring and diversified in revenues as we take all this capability and we move it into persistent virtual worlds and immersive internet experiences. That's headline one.

Headline two I want you to grab a hold of, and it does drive the M&A strategies, is how do we start walking margins up, right? Forty-five percent, 50% margins, we're doing pretty well, but we have products in our portfolio that have 65%, 70% margin. We believe that with some smart M&A, we have an opportunity to bring more of that margin in-house, more of that capability and that tech, and that'll allow us to kind of fulfill that aspiration we have on a weighted basis to start moving north of 50% and into those 60s kinds of targets that we have over the horizon of the next two to three years. We think M&A can play an important role in the margin strategy as well, diversification of revenues, and then smartly bringing in-house more tech and capability that allows us to grab more of that margin for ourselves.

Operator

Thank you. Next, we're going to take some questions from Super League's covering analysts. Our first question today is coming from Scott Buck from H.C. Wainwright. Your line is now live.

Scott Buck

Hi, good afternoon, guys. Thanks for taking my questions.

Ann, could you give us a little more color on the opportunity in the reseller channel? Maybe you talked about the $3 million in 2022, but what of the pipeline you laid out is coming from that channel?

Ann Hand

Yes, when we really got kicked off this strategy, by the time we really had a fleet of partners signed on and we were really starting to test for which ones are coming up to the curve and understanding how to sell this type of very innovative ad inventory on our behalf, it's a learning curve. These are people used to selling more traditional media products. I was pleasantly surprised, as we were wrapping up the year, to see that something that was a very new sales channel was able to deliver 15% of last year's revenue.

I'm also seeing in the pipeline is their deal sizes are getting bigger. The opportunities I mentioned with brands like Lego, again, six figure deals, versus a lot of last year was small media buys. Media buys that were $10,000, $15,000, $25,000. That $3 million in revenue that we achieved last year was cobbled together by lots of little programs because what they were doing was, they were learning and growing and putting in small ways into other media packages and deals. The fact that we now are increasingly seeing six figure deals tells me that they're getting their footing. It also means that we can expect a lot more than $3 million for 2023.

I think it's conceivable that we could deliver $10 million of revenue this year of that channel or maybe more. The other exciting thing is, it becomes a very important pipeline feeder for us. If a brand like a Lego, for example, says I want to do a big media buy through your channels, they also may want packaged with it an experience, much like when we brought Barbie's Dreamhouse to life back in October. In that instance, when we're doing that experiential buy, that is a deal, that piece of that deal flows right back to our domestic sales team. It flows inside where we have that built in, in-house capability to deliver really robust virtual world experiences.

They're out there selling the bigger brand on our behalf, and that's becoming a feeder to our own internal pipeline as well.

Scott Buck

Great, that's helpful. It sounds like you guys have really done a good job in shoring up the balance sheet here in the first part of 2023. Can you talk a little bit about where that capital will be allocated? Is that investment capital to drive revenue or is it capital more just to support what's currently in the pipeline?

Ann Hand

When you look at the fact that we've stripped 30% of our costs out, we've really leaned this organization out. About 58% of our headcount right now is revenue facing. That's a pretty significant shift. I think at the same time last year, it was kind of in the low 30s. We have gotten the Company to a place that is ultra lean and we're going to continue to look at ways to further lean it out. What we aren't going to sacrifice is the investment in our sales and business development capability.

Some of this capital is to continue the push, to bring cost out, but also redirect more and more investment in our sales capability. As you know, when we've talked before, we're sitting on a massive amount of inventory that so much of it that we could further monetize through bigger and bigger programs with brands and advertisers. To me, it is investing in our organic growth strategy. It is growth capital to that respect. It's certainly to the capital that we feel we need to raise to get to profitability.

Scott Buck

Thanks. That's helpful. Last one for me, I just want to make sure I'm clear. The $100 million revenue target you laid out, that's all organic, right? That does not include any additional M&A to get you there over the next few years?

Ann Hand

Yes, that is right. Now, that doesn't mean we won't do M&A, because we aren't going to stay static. Certainly, when we look at those three leverage points, larger deals, leveraging other people's sales teams, that international sales partner strategy. I love that strategy. Think about it. We're not building up our own international sales teams. We're leveraging other people's P&Ls, and we're doing it still with strong margins.

Then, third, on top of it, and this is really where you start to get a real escalation, it's moving into both our own and third-party persistent virtual worlds. If you're running a persistent world that runs for 12, 24, 36 months, that can't possibly be a million dollar program, just in just creating and operating the world alone. That's what advertisers pay us just to run something for a month for them. If we're running things that are annual in nature, just the traditional work of building the experience and operating it, is a multi-year program.

But then on top of it, in the case where we get to participate more in the economy beyond just bringing the world to life and optimizing it, but get to participate in the direct-to-consumer revenues, that's where we see that diversification in revenue. Again, exponentially more revenue per program, just different nature.

Scott Buck

Great. That's helpful. Thanks for taking my questions. Very impressive quarter, guys. Congrats.

Ann Hand

Thank you. I do think that, to your point, look you saw a lot of the topics about advertiser pullback. We're really fortunate that in 4Q, we had a record-breaking quarter and we really did it through a fantastic sales team and sales partner team, but also the fact that we have really innovative high performing products. Again, as I mentioned earlier, I'm hearing it straight from the mouth of the global head of media at Mattel and other big-name firms, that they have to figure out where to put their dollars where the audience is gone. We are where the audience is.

I think that's why we were able to deliver a strong quarter. That doesn't mean, as we said earlier, that these market headwinds aren't still out there. They are for everybody. I think our products and our offer stand out and put us in a really good position. We are the future of digital advertising. We are not the traditional digital advertising of the past.

Operator

Thank you. Next question is coming from Jack Vander Aarde from Maxim. Your line is now live.

Jack Vander Aarde

Okay, great. Hey guys, I appreciate the update and congrats on the strong momentum to finish the year.

Ann, you kind of touched on this already, and I appreciate all your detailed commentary, prepared remarks. You finished 2022 with about $20 million revenue, gross margin on that 43%. The next few years are seeing that organic revenue growing $100 million with gross margins approaching the mid-60s. Just a couple of questions there.

First, in 2023, any specific 2023 kind of growth targets or guidance outlook there? Then on the $100 million target, how do you get there from the gross margin sense? Is that organic growth extension as well for the mid-60s to gross margin? Or is that coming from the M&A? Thanks.

Ann Hand

Yes, we like most companies right now, we feel a little more comfortable getting ourselves a little further into the year before thinking about giving any kind of top line guidance. We've had a decent start to the year. We just feel, gosh, we've all just survived the last, like, 18 months of the stock market, right? Every time we think that we've seen it all, more challenges come.

We seem to be pretty resilient. Knock on wood, we just keep hustling and keep running a smarter and more efficient business for it. That makes me feel good about what we've gone through. Really good is the perseverance, but also, again, we've never had better product market fit. We are the healthiest we've ever been as a Company. We haven't given that kind of 2023 guidance.

When I talk about how we stair step our way to being $100 million top line Company over the next few years, we see that we have, when we start looking at, again, going deeper inside the platforms we are today, is one. Diversifying across other virtual world platforms is step two. Then number three, more and more owned and operated or owned IP or third-party persistent worlds where again, we get that diversification of revenue.

It takes those three steps for us to be able to live into that kind of goal top line number that we're very motivated by. We know that's the Company that we've built and the Company that we are today. As far as the margins go, certainly M&A helps in that story. There's no doubt about it. Again, the more that we can bring in additional tech or capability to really round out this end-to-end meta innovation engine I've mentioned, it means that all of that is ours to capture. First and foremost, margin improvement comes from us selling smarter. Selling smarter means our sales people more focused on net revenue and higher margin products.

The second way is us continuing to innovate our products because we do have some products that are very high margin, very high performing, and we want to lean more into more of those products in our suite of menu and offerings and pushing brands towards those high performing, high margin products.

The third way we grow revenue is building out, as I mentioned, more of that end-to-end in-house capability, so that we can control all of that margin profile from the start to the finish of virtual world experiences and supporting media. It's about that. Some of that will happen through M&A we think.

Then the fourth way is, again, diversification of revenues. Right now, we don't talk a lot about our direct-to-consumer revenues. They're small, right? They're $2 million, $2.5 million of our total revenues for last year. The more that we start to operate persistent worlds, where we participate in the consumer economy, we believe when we look at that $100 million profile future for us in a few years, we won't just look like a temporal advertising Company anymore.

That'll be a piece of our revenue stream, those media products, but there should be a more balanced mix between the direct-to-consumer side and then, of course, the media side and then the publishing engine or experience side. We think those three legs of diversification inevitably push our margin up, because in a lot of these virtual worlds, the direct-to-consumer margin side is in the high 80s or 90%. It is very much about, more than anything, getting that good mix of revenues and our future forward-looking profile.

Jack Vander Aarde

Excellent, lot of fantastic color there. I appreciate that, Ann. Then maybe I'll just ask one more follow-up on the pipeline. You have larger deal sizes, obviously, seven customers were $1 million customers in 2022, 56 were six figures. To me just two questions there. How likely is it that those 56 six-figure customers graduate to $1 million customers in 2023 or 2024?

Then of the 100 brands you served in 2022, how do you see the total number of brands you're going to serve in 2023 and 2024 kind of tracking? Is it a linear growth? What are seeing where you stand today? Thanks.

Ann Hand

Yes, it's a really good question. First of all, we 100% see the pattern of, they dip their toe in and then they come back for more. Either the brand directly or their agency. We're watching that true progression of people trying out maybe a $50,000 buy. This is examples with like our Investor, Paramount, or Universal when they're doing new family friendly motion picture releases. Once they understand how well we performed with, say, the Bad Guys, then it's time for the Minions release, and they're coming back and saying, oh, you're now a core part of my media mix.

Every time I launch, you're a piece of it, just like you would say, historically, a piece of it might go to YouTube or Instagram or a piece of it—because we're really just a new, better in my opinion, social channel that is kind of mitigating what's not working in a lot of traditional digital channels today. We're just becoming a natural piece of the pie. Then what does happen over time is they say I want more. I don't want just a media buy, I want an experience as well.

Once you package the experience and the media, and in some cases, like what you guys know so well, that we did for Samsung with the broadcast of the virtual Charli XCX concert last year. If they want a broadcast or content component too, that's when they start to become $600,000, $800,000, $1.2 million programs. It's really, again, packaging all the aspects of what we can do holistically as a Company for these really exciting campaigns, that are not just like temporal ad campaigns, because they're kind of like product placement on steroids meets smarter kind of digital marketing, so to speak.

Your second question was about this year's pipeline and about serving 100 brands. It's a good question because it's a struggle, in a good way. If you think about it, with the trend lines of us doing—the fact that two-thirds of our pipeline are six figure deals and we've got seven plus deals that are north of a million. To deliver a $20 million a year, we don't have to serve 100 brands. But we want to, right? Because we want to serve 200 brands, 500 brands.

When you look at the fact that we're now working multiple ways across fashion, cosmetics, food categories, fashion, automotive, you name it, we're so diversified. We don't want to say no to any advertiser because there's just so much in front of us. They're just starting to understand this marketing channel that we offer for them. What should give Investors a lot of confidence is you don't have to deliver against 100 customers or 100 unique brands and deliver a $30 million, $40 million revenue this year, when your deal sizes are inevitably getting bigger and you continue to have 70% repeat.

I guess if I were in the Investors' shoes, what would give me comfort is to say, gosh, if they built the operational capacity to service 100 brands, they can, with bigger programs, deliver a huge step change in revenue growth by only servicing 25 or 50. Then now I can see whatever I thought the ceiling for this Company had, it just lifted as far as capacity goes.

We don't want to say no to anybody yet. We're not in that position. We very humbly are grateful for every exciting new brand and advertiser who wants to come and work with us. I have Investors introducing me to big global CMOs every week because they understand now our products and they want to let other brands they know, know about them. We're not in a position yet to say no, but there is probably going to become a point increasingly, where we're going to have to prioritize bigger programs or make a decision about getting that right balance right about capacity.

Look, I think with confidence, we can also start to walk customers up and say, look, we know you want to put $25,000 to work for us. Here's $100,000 media buy, this is what we think you need to do. With a lot of confidence, we can move them into that higher territory.

Jack Vander Aarde

Excellent. Sounds like there's no shortage of growth levers for you guys to pull. I appreciate the update. That's it for me. Thanks.

Ann Hand

One more thing I just want to mention because I saw a couple comments come in through chat about Mobcrush. I think it's important that we comment on that. We have integrated the Mobcrush broadcasting tech. We had our own broadcasting tech. You've heard us talk historically about something that we call Virtualis that is now called SuperView.

We have our Super Studios team that's powered by SuperView, which again is a very exciting, proprietary virtual remote production capability and monitoring capability that we've built in-house. We use it for our brand partners, we use it for ourselves. It's smart, it's extremely high quality. It's very affordable. That's exactly the type of capability that's allowed us to deliver some of those great broadcasts that I mentioned earlier. It's also the talent that's behind the work that I talked about earlier that we're doing for Marvel's NewVerse as well.

We've integrated the best pieces of the Mobcrush tech into that and really turned it into one stack of broadcasting tech. Secondly, may not have been completely obvious to everyone, but at the heart of what Mobcrush was when we acquired them was, they really understood gaming centric influencers. Most of their revenues were coming through creator influencer marketing, so to speak.

When I talk about us being an end-to-end solution for brands, and we'll just use the Barbie example, it's easy. We've built a virtual pop-up Barbie Dreamhouse experience. They also paid us for media products that we dropped in other games that really targeted that Barbie Girl consumer to drive visitation to the Barbie experience. We also packaged it with Barbie influencers, because it's one thing to get all the reach you can get inside a platform like Roblox and Minecraft, but you also want to amplify it out into the universe, right.

You want to work with the best influencers who have big followings on YouTube and other platforms, to drive additional traffic in and really to give you that 360 solution. Influencer marketing was a good chunk, about $5 million of our revenue last year. It's still core, it's a core piece. Now when we say we're doing six, seven figure deals, it's got all the elements I laid out, experiential media, there's always some kind of influence piece to it. It's that capability and talent that we bought through Mobcrush that has really brought that in-house. Then we've taken that great talent and we've turned them into people who can also sell the experience in the end game media products too. Now they can sell that holistic solution.

Operator

Thank you. We've reached the end of our question-and-answer session. I'd like to turn the floor back over to Ann for any further closing comments.

Ann Hand

Thank you so much for joining us today. Really appreciate it. Appreciate the support that we get for hanging in there with us during this kind of crazy market ride we've been through. I hope people are proud of the fact that we have delivered on really significant step change top line growth, from $2 million in 2020, to $11 million in 2021, to $20 million in 2022. Again, facing the market conditions we have, we feel good about that.

I think that coupled with the really aggressive cost reductions and leaning out that I spoke of, I hope people can see that we're building a very healthy, sustainable Company going forward and really excited to do everything we can to deliver against your Shareholder return expectations. With that, I just encourage you to please feel free to reach out and email to our IR team with any additional questions that you have. We're happy to follow-up.

Operator

Thank you. That does conclude today's teleconference and webcast. You may disconnect your lines at this time and have a wonderful day. We thank you for your participation.