

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

OR

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

For the transition period from to

Commission file number 001-40049

SPRINGBIG HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction  
of incorporation)

88-2789488

(I.R.S Employer  
Identification No.)

621 NW 53rd Street  
Ste. 260

Boca Raton, Florida

(Address of principal executive offices)

33487

(zip code)

Registrant's telephone number, including area code (800) 772-9172

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

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

Title of each class

Common stock, \$0.0001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on the OTCQB Venture Market on June 30, 2025, was \$1.4 million.

As of March 9, 2026, there were 48,584,437 shares of common stock, \$0.0001 par value issued and outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Proxy Statement for the Third Annual Meeting of Stockholders following the effectiveness of the Certificate of Incorporation are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2025.

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**SPRINGBIG HOLDINGS, INC.**  
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## Frequently Used Terms

As used in this Annual Report on Form 10-K, references to:

“amended and restated merger agreement” are to the agreement and plan of merger, dated as of April 14, 2022, by and among Tuatara, Merger Sub and Legacy SpringBig, as amended and restated by Amendment No. 1, dated as of May 4, 2022;

“amended and restated registration rights agreement” are to the Amended and Restated Registration Rights Agreement entered into, by and among Tuatara, Sponsor, Legacy SpringBig, and the other signatories thereto;

“business combination” are to the transactions contemplated by the merger agreement;

“Canadian CRTC” are to the Canadian Radio-Television and Telecommunications Commission;

“Cannabis Act” are to the Cannabis Act (Canada);

“Code” are to the Internal Revenue Code of 1986, as amended;

“Common Shares,” “Common Stock” or “Shares” are to the shares of common stock of SpringBig Holdings, Inc., par value \$0.0001 per share;

“Common Stock Purchase Agreement” are to the Common Stock Purchase Agreement, dated as of April 29, 2022, by and between Tuatara and the Holder, as amended by Amendment No. 1, dated July 20, 2022;

“Company,” “SpringBig,” “we,” “us,” “our” and similar terms are to SpringBig Holdings, Inc., a Delaware corporation, and its consolidated subsidiaries;

“COVID-19” are to SARS-Cov-2 or COVID-19, and any evolutions thereof or related or associated epidemics, pandemics or disease outbreaks;

“CSA” are to the U.S. Controlled Substances Act of 1970, as amended;

“DGCL” are to the Delaware General Corporation Law, as amended;

“effective time” are to the effective time of the certificate of merger effecting the merger contemplated by the amended and restated merger agreement;

“Exchange Act” are to the Securities Exchange Act of 1934, as amended;

“FCC” are to the United States Federal Communications Commission;

“GAAP” are to United States generally accepted accounting principles;

“Legacy SpringBig” are to SpringBig, Inc., a Delaware corporation, prior to the business combination, and a wholly-owned subsidiary of SpringBig following the business combination;

“merger” are to the merger evidenced by a certificate of merger between Merger Sub and Legacy SpringBig pursuant to which Merger Sub merged with and into Legacy SpringBig, with Legacy SpringBig continuing as the surviving entity and a subsidiary of SpringBig;

“merger agreement” are to the original merger agreement and the amended and restated merger agreement, collectively, as amended or modified from time to time, by and among Tuatara, Merger Sub and Legacy SpringBig;

“Merger Sub” are to HighJump Merger Sub, Inc., a Delaware corporation and a wholly owned direct subsidiary of Tuatara;

“Nasdaq” are to The Nasdaq Stock Market LLC;

“Notes Purchase Agreement” are to that certain securities purchase agreement, dated January 23, 2024, between the Company and Shalcor Management, Inc and other Purchasers (the “Investors”), pursuant to which the Company agreed to sell a total of \$5.4 million of 8% Senior Secured Convertible Notes due 2026 (the “Convertible Notes”), in a private placement.

“original merger agreement” are to the agreement and plan of merger, dated as of November 8, 2021, by and among Tuatara, Merger Sub and SpringBig;

“PIPE subscription financing” are to the aggregate \$13,100,000 of proceeds from the issuance of the subscription shares;

“SaaS” are to software-as-a-service;

“Securities Act” are to the Securities Act of 1933, as amended;

“Sponsor” are to TCAC Sponsor, LLC a Delaware limited liability company;

“TCPA” are to the United States Telephone Consumer Protection Act of 1991, as amended;

“transfer agent” are to Continental Stock Transfer & Trust Company, as transfer agent;

“Tuatara,” “we,” “our” or “us” are to Tuatara Capital Acquisition Corporation, an exempted company incorporated under the laws of the Cayman Islands, the predecessor entity to SpringBig; and

“\$,” “US\$” and “U.S. dollar” each refer to the United States dollar.

## **Note About Forward-Looking Statements**

This Annual Report on Form 10-K contains forward looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this Annual Report on Form 10-K are forward looking statements. Forward looking statements include our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “will,” “should,” “can have,” “likely” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future cash flows, operating or financial performance or other events. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry and Company, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, readers are cautioned that any such forward looking statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Although we believe that the expectations reflected in such forward-looking statements are reasonable as of the date made, results may prove to be materially different. Unless otherwise required by law, we disclaim any obligation to update our view of any such risks or uncertainties or to announce publicly the result of any revisions to the forward-looking statements made in this report.

A number of risks and uncertainties that could cause actual results to differ materially from the results reflected in these forward-looking statements are identified in the section entitled “Risk Factors” and in our periodic filings with the SEC. Our SEC filings are available publicly on the SEC’s website at [www.sec.gov](http://www.sec.gov).

You should read this Annual Report on Form 10-K completely and with the understanding that our actual future results, levels of activity and performance as well as other events and circumstances may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

## Risk Factor Summary

*We are providing the following summary of the risk factors contained in this Annual Report on Form 10-K to enhance the readability and accessibility of our risk factor disclosures. We encourage you to carefully review the full risk factors contained in this Annual Report on Form 10-K in their entirety for additional information regarding the material factors that make an investment in our securities speculative or risky. These risks and uncertainties include, but are not limited to, the following:*

- 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. We may not be able to generate sufficient revenue to become profitable or maintain profitability in the future.
- 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.
- We have a significant working capital deficiency and a history of losses, may need to raise additional funds to meet our obligations and sustain our operations, and may not achieve profitability in the future.
- Federal law enforcement may deem our clients to be in violation of U.S. federal law, and, in particular the CSA. A change in U.S. federal policy on cannabis enforcement and strict enforcement of federal cannabis laws against our clients would undermine our business model and materially affect our business and operations.
- Some of our clients currently and in the future may not be in compliance with licensing and related requirements under applicable laws and regulations. We further cannot ensure that our clients will conduct their business in a way that complies with all laws. Allowing unlicensed or noncompliant businesses to access our platform and services or allowing businesses to use our solutions in a noncompliant manner, may subject us to legal or regulatory enforcement and negative publicity, which could adversely impact our business, operating results, financial condition, brand and reputation.
- Our business is dependent on U.S. state laws and regulations and Canadian federal and provincial laws and regulations pertaining to the cannabis industry, its continued legalization, and the rapid changes in applicable laws and regulations may increase the risk that we will not be successful. We are subject to various standards, laws and regulations and any actual or perceived failure to comply with such obligations could harm our business.
- Our business is dependent on the market acceptance of cannabis consumers and negative trends could adversely affect our business operations.
- Our business is highly dependent upon our brand recognition and reputation, and any erosion or degradation of our brand recognition or reputation would likely adversely affect our business and operating results.
- We face competition in marketing and advertising services available to our clients, and we expect competition to further intensify as the cannabis industry continues to evolve.
- If we fail to predict and/or manage our growth effectively, our brand, business and operating results could be harmed.
- If we are unable to recruit, train, retain and motivate key personnel, we may not achieve our business objectives.
- If our current marketing model is not effective in attracting new clients, we may need to employ higher-cost sales and marketing methods to attract and retain clients, which could adversely affect our profitability.
- We may be unable to scale and adapt our existing technology and network infrastructure in a timely or effective manner to ensure that our platform is accessible, which would harm our reputation, business and operating results.
- Real or perceived errors, failures, or bugs in our platform or cyber security breaches, unauthorized access or other events could adversely affect our operating results and growth prospects and/or subject us to significant liability.

- The impact of global, regional or local economic and market conditions or events may adversely affect our business, operating results and financial condition.
- We may improve our products and solutions in ways that forego short-term gains.
- Future investments in our growth strategy, including acquisitions, could disrupt our business and adversely affect our operating results, financial condition and cash flows.
- We may need to raise additional capital, which may not be available on favorable terms, if at all, causing dilution to our stockholders, restricting our operations or adversely affecting our ability to operate our business. Further, we may be unable to obtain such financing.
- Our obligations to the holder of the Convertible Notes are secured by a security interest in substantially all of our assets, so if we default on those obligations, the noteholders could foreclose on, liquidate and/or take possession of our assets. If that were to happen, we could be forced to curtail, or even to cease, our operations. The Convertible Notes also restricts our ability obtain additional debt and equity financing, which may restrict our ability to grow and finance our operations.
- We may be subject to potential adverse tax consequences.
- Changes in accounting standards or other factors could negatively impact our future effective tax rate.
- Cannabis remains illegal under federal law, and therefore, strict enforcement of federal laws regarding cannabis would likely result in our inability to execute our business plan.
- Our business and our clients are subject to a variety of U.S. and foreign laws regarding financial transactions related to cannabis, which could subject our clients to legal claims or otherwise adversely affect our business.
- We are dependent on our banking relations, and we may have difficulty accessing or consistently maintaining banking or other financial services due to our connection with the cannabis industry.
- Due to our involvement in the cannabis industry, we may have a difficult time obtaining the various insurances that are desired to operate our business and/or in enforcing certain of our commercial contracts, which may expose us to additional risk and financial liability.
- We are reliant on a vendor for the technology platform that supports our business operations, and our failure to meet certain future contractual minimums could result in the loss of exclusivity under our vendor agreement, which could materially and adversely affect our business, financial condition, and results of operations.
- We may in the future be, subject to disputes and assertions by third parties with respect to alleged violations of intellectual property rights. These disputes could be costly to defend and could harm our business and operating results.
- Some of our solutions contain open-source software, which may pose particular risks to our proprietary software and solutions.
- The success of our business heavily depends on our ability to protect and enforce our intellectual property rights.
- We do not intend to pay cash dividends for the foreseeable future.
- We may be subject to securities litigation, which is expensive and could divert management attention.
- A significant portion of our total outstanding shares may be issued and/or sold into the market in the near future. This would result in dilution to existing shareholders and could cause the market price of our shares of common stock to drop significantly, even if our business is doing well.
- We may amend the terms of our public warrants in a manner that may be adverse to holders with the approval by the holders of at least 65% of then outstanding public warrants. As a result, the exercise price of your warrants could be increased, the exercise period could be shortened and the number of common stock purchasable upon exercise of a warrant could be decreased, all without the approval of all security holders.

## PART I

### Item 1. Business

#### Our Mission

We provide our clients with an easy-to-use loyalty, digital communications platform that drives their consumers to action. SpringBig empowers our clients to effectively communicate with, increase the loyalty of, and expand their consumer population through the provision of an integrated technology platform supported by robust analytics. Our goal is to become the leading SaaS software platform to cannabis retailers and brands, providing data-driven loyalty, marketing and consumer buying experience solutions throughout the U.S. and Canada, and ultimately expanding internationally and into other regulated markets.

#### Summary of Our Business

SpringBig is a market-leading software platform providing customer loyalty and marketing automation solutions to retailers and brands. SpringBig believes that it is a market leader in its product categories based on a number of factors, including amongst other, (i) the number of SpringBig customers and consumers enrolled on SpringBig's platform (as a percentage of known licensed cannabis retailers enrolled in SpringBig's product service); (ii) scale (SpringBig has operations and clients in all states that have legalized cannabis); (iii) the comprehensive services offered by SpringBig; (iv) the technology offered by SpringBig that, amongst other things, connects the three categories of participants in the cannabis ecosystem (customers, retailers and brands) and provides effective communications and marketing to end-consumers; (v) SpringBig's expertise in loyalty programs and marketing automation; and (vi) SpringBig's ability to provide data analytics.

Since our inception in 2016, we have leveraged our deep expertise in loyalty marketing to develop solutions that address the key challenges faced by retailers and brands, including those in the cannabis industry. Stringent, complex, and rapidly evolving regulations have resulted in restricted access to traditional marketing channels for cannabis retailers and brands, preventing them from utilizing many traditional methods for effectively accessing and engaging with consumers. In addition, the lack of industry-specific data and market intelligence solutions limit cannabis retailers' and brands' ability to efficiently market their products, thereby hindering their growth. Our platform enables our clients to increase brand awareness, engage customers, improve retention, and access actionable consumer feedback data to improve marketing. Our clients can use our loyalty marketing, digital communications, and text/email/push marketing solutions to drive new customer acquisition, customer spend and retail foot traffic. Our proven business-to-business-to-customer ("B2B2C") software platform creates powerful network effects between retailers and brands and provides an ability for both to connect directly with consumers. As retailers and brand scale, a virtuous cycle is created, ultimately expanding SpringBig's reach, strengthening our value proposition. In addition, our platform enables clients to offer consumers a paid-for premium loyalty tier and facilitates the use of prepaid gift cards within the loyalty wallet as a method of payment.

Today, we serve approximately 775 clients across approximately 2,400 distinct retail locations in North America. Our clients distributed over 600 million messages during 2025, and in the last year more than \$5.7 billion of gross merchandise value ("GMV") was accounted for by our clients utilizing our platform.

We believe SpringBig is well positioned to continue to be a leading software platform for cannabis retailers and brands by providing data-driven loyalty and marketing solutions to enhance a frictionless consumer buying experience.

## **What SpringBig Does**

We have developed and commercialized a comprehensive suite of Software-as-a-Service (“SaaS”) solutions for our customers (who we refer to as “clients” and their end-user customers as “customers” or “consumers”).

Through their subscriptions, our retail clients have access to in-depth campaign data, robust analytics, and actionable feedback and summaries to help inform their business decisions and maximize customer engagement and retention. When a client subscribes to our platform, we charge affordable initial set-up fees and the majority of our revenue is derived from a monthly recurring subscription fee. Typically, our subscription agreements extend for twelve months, and unless terminated in accordance with their terms, generally renew for subsequent and recurring twelve-month periods. Our client subscriptions cover access to our platform as well as messaging services.

Within the terms of a subscription, a client receives a pre-determined quantum of communication credits per month, and we invoice the client additional amounts if the pre-determined credit volume is exceeded in any month (though the subscription agreements do not stipulate the volume of messages the client must cause to be sent during a month). The fees for such excess use are set forth in the client’s subscription agreement. In some cases, a client has separate subscriptions relating to the use of the software platform and the communications and, in other cases, these are bundled into a single subscription.

The monthly subscription fee charged to SpringBig’s clients is set forth in such client’s subscription agreement and is based on the scope of the subscription, which is determined based on (1) the number of customers on a client’s database (e.g., use of the SpringBig platform) and/or (2) the pre-determined quantum of communication credits that such client may use per month. As noted above, if this pre-determined credit volume is exceeded in any month, SpringBig will invoice the client for such excess use by the client.

Secondly, we also generate revenue by empowering brands with direct access to consumers via our brands platform. Our brands platform allows brands to advertise and engage cannabis consumers, drive brand awareness, acquire VIP customers with high lifetime value, and access detailed reporting insights into essential campaign attribution metrics.

Thirdly, we also generate revenue when our clients utilize the paid-for premium loyalty tier in our platform through a revenue sharing arrangement with our client whereby SpringBig receives a proportion of the subscription paid by consumers; and generate revenue on prepaid gift cards, which is calculated as a proportion of the value of the gift card amount.

## **Industry Overview**

We operate within the large and expanding cannabis retail market in the United States and Canada. Cannabis is one of the fastest emerging consumer end markets in the U.S and it is expected to grow to more than \$40 billion in the near-term. As of December 31, 2025, 40 U.S. states plus the District of Columbia have legalized medical cannabis, of which 24 states plus the District of Columbia have further legalized cannabis for recreational adult-use. Further momentum from the legislative and regulatory changes is expected to drive expansion of the total addressable market as more states continue to legalize cannabis for recreational adult-use and medical use. We operate in all states that have legalized cannabis in some form (be it recreational adult-use or medical), and we plan to be a first mover in future new markets. Additional tailwinds such as a decrease in raw material costs, intensifying competition amongst cannabis retailers and brands, and increased marketing spends by clients are also expected to contribute to the expansion of our total addressable market as customer engagement and retention will become ever more critical for cannabis retailers and brands to succeed.

Current technology offerings to cannabis retailers and brands are rudimentary, and the technology landscape offers a highly fragmented environment with lots of competition within a pool of small players. We believe that SpringBig as a leading loyalty and marketing software platform of scale to the cannabis industry is nicely positioned to capture the significant uptick expected in marketing spend. There are only a few cannabis-specific companies that provide products similar to our offering, and SpringBig currently does not face competition from traditional loyalty marketing providers due to legal restrictions for cannabis at the federal level.

## **Key Challenge**

The stringent and evolving regulations, which vary state-by-state, restrict retailers' and brands' abilities to engage with customers, currently present significant challenges to their marketing efforts. In addition, these retailers and brands lack access to actionable data and analytics tools to market their products to customers efficiently.

The cannabis industry is a highly fragmented and competitive industry where price and promotions are key drivers of sales. Further, traditional marketing channels restrict cannabis marketing, preventing businesses from marketing their products and reaching consumers. Social media platforms serve as an outlet for businesses to market their products in most other industries, but they restrict cannabis companies from operating on their platforms. Some SMS providers also restrict licensed cannabis businesses from accessing networks, and these barriers currently make it challenging for cannabis retailers and brands to drive customer acquisition, retention, engagement, and loyalty. Furthermore, the continued penetration by cannabis focused e-commerce providers have increased competition and decreased customer loyalty for bricks and mortar cannabis retailers.

## **How SpringBig Addresses The Challenge**

SpringBig has developed and commercialized a comprehensive suite of SaaS solutions to address the challenges that cannabis retailers and brands face in this industry. Today's industry participants lack sufficient visibility into customer behavior and need a solution that bridges communication between consumers, retailers and brands. We believe our solutions foster valuable connections and interactions that improve clarity, trust and satisfaction between these stakeholders.

Further, while cannabis clients do not currently have access to certain traditional marketing channels, including social media platforms, we believe that our platform's products and services, in particular our data and analytics capabilities, position us well to provide significant value to cannabis retailers and brands whenever these social media platforms become available, by enabling these businesses to determine the effective targeting and focus of their marketing solutions and loyalty programs.

Although carrier-imposed restrictions limit the use of blatant cannabis content being sent directly via SMS, SpringBig has developed a proprietary solution, compliant with TCPA, FCC, and Canadian CRTC, that helps cannabis retailers and brands communicate directly with their consumers, offering a direct communication and engagement channel, using text, images and other forms of media.

We believe our platform empowers our clients to improve and analyze customer acquisition, retention, basket spend and retail foot traffic. Retailers and brands can use SpringBig's platform to connect with consumers, thus driving improvements in customer engagement and retention and increasing brand exposure. Once customers are engaged, the SpringBig platform enables businesses to amplify consumer spend through differentiated marketing solutions which target the consumer directly in an industry where doing so has been challenging in the past. While brand loyalty in the cannabis market has historically proven challenging, our offerings effectively connect the consumer with brands and drive loyalty.

We provide retailers with the analytics infrastructure to make data actionable. Our data solutions are purpose-built for the cannabis industry and enable our clients to leverage data to more effectively market their products to consumers. Through our integrations with many of the leading point of sale ("POS") providers, and with major cannabis e-commerce and data providers, our platform offers robust consumer purchasing and marketing feedback data to allow our customers to take direct marketing and promotional actions. These commercial relationships take varying forms, depending on the relationship, including licensing and referral arrangements.

Furthermore, our proprietary auto-connect module supports further automation of marketing campaigns based on data. We also offer marketing automation solutions that provide for consistency of customer communication, which retailers and brands can use to drive customer retention and retail foot traffic. Our platform offers functionality to help build brand loyalty through loyalty programs that offer various rewards and offers. Our reporting and analytics offerings deliver valuable insights that our clients utilize to better understand their customer base, purchasing habits and trends. Consumer actions become measurable, thus providing our clients with data that can be leveraged to make better informed business decisions and more targeted marketing campaigns.

Through SMS marketing, emails, customer feedback system and loyalty programs, we believe our solutions are crucial in managing customer relationships in this emerging industry.

On the consumer side, we offer a suite of elegant consumer-facing products. The enrollment process is streamlined and designed to provide for compliance and clarity. Once enrolled, consumers can develop their profile, will receive appropriate messages and offers and access their retailer's specific rewards wallet application, where multiple images, videos, and links can be added for the consumer to explore.

An important component of our platform is digital message marketing, which allows clients to send promotions to existing customers via text, email or push notifications directly into a mobile app. Our digital messaging platform offers a variety of features, including multiple customer segmentations, which automatically groups customers into segments based on their preferences and purchase behavior. Retailers also have access to the "autoconnects" feature, which allows them to easily leverage customer data and send messages directly to consumers based on certain actions and includes functionality to help clients avoid missed opportunities to send text messages. We also provide an e-signature app, designed to accommodate a proper 'double opt-in' procedure, through both implied and expressed consent, to facilitate compliance with the TCPA, FCC, and Canadian CRTC. We utilize proprietary technology to filter out fake phone numbers, burner phones, and landlines. In an environment where communication with cannabis consumers is constrained, text messaging is extremely effective in influencing purchase behavior, while also driving foot traffic and continuing to reach new customers and target markets.

The consumer application (wallet) itself can easily be customized with a distinct icon, name, layout, and color scheme, thus allowing for brand consistency and a higher-quality and frictionless customer experience. Here, customers can access and check their points, redeem rewards, and view upcoming offers. The wallet fully integrates with cannabis e-commerce providers, allowing customers to place orders directly from their wallet. The features and ease of use that comes with the SpringBig rewards wallet creates customer loyalty and establishes a relationship between the client and the consumer.

Our brand marketing platform offers a leading direct-to-consumer marketing automation platform, with the data-rich direct-to-consumer marketing engine enabling brands to target and measure the complete transaction cycle from initial engagement through point of sale.

We have created a distinct B2B2C platform supported by a wealth of data assets to effectively monetize our large and growing base of cannabis consumers. Currently, the cannabis industry falls significantly short of market intelligence and data solutions that would typically be found in other industries: retailers lack analytics infrastructure to make data actionable for marketing, and lack of feedback data poses challenges for brands to reach and establish relationships with consumers directly. Our leading messaging, loyalty, and customer experience platform recognizes powerful network effects among brands, retailers, and cannabis consumers to enable our clients to make better business decisions. We retain retailers as paying SaaS subscription customers, who then acquire consumers. Brands target retailers that successfully acquire loyal consumers, which drives increased retailer interest and recurring revenue.

The SpringBig platform is also supported by large data assets created by our fully integrated cannabis technology ecosystem. We partner with industry leading data analytics, e-commerce, and POS providers to monetize our base of over 35 million consumers and generate revenue for our clients.

We intend to continue to invest in our platform to enhance its functionality and the value of our data assets so that both we and our clients can continue to grow. We anticipate building on our existing platform infrastructure so that we are well positioned to benefit from the further emergence of the burgeoning cannabis and cannabis-tech markets.

### **Certain Regulatory Considerations and How We Adapt to Changing Regulatory Landscape**

SpringBig helps drive regulatory compliance. The Company prides itself on being ahead of the curve when it comes to changes to regulations to both SMS and to the overall cannabis landscape.

The TCPA prohibits autodialed text messages, unless made with the prior express, written consent of the receiving party, to any telephone number assigned to a cell phone. Additionally, mobile carriers act as gatekeepers between businesses and consumers. The Cellular Telecommunications Industry Association ("CTIA"), a trade organization for mobile carriers (including SpringBig's messaging distributors), periodically issues industry best practice guidance which currently includes prohibiting messaging content that contains or promotes sex, hate, alcohol, firearms, or tobacco (referred to as "SHAFT"), and interpretation of this guidance includes cannabis within the tobacco category. SpringBig's platform (including, in particular, its text message marketing) is designed to ensure compliance with TCPA, SHAFT guidelines, and other applicable CTIA guidance. SpringBig proactively monitors and, as necessary, adapts its platform and services to comply with these guidelines and standards. Further, as part of its proactive monitoring of mobile carriers' guidelines, SpringBig endeavors to maintain close relationships with our messaging distributors, and as such, have been made well aware of any carrier-implemented restrictions that may impact the way cannabis retailers communicate with their consumers via SMS. These relationships have allowed us to continue servicing our customers in a rapidly changing environment, with no disruption of service or restrictions from sending messages from major carriers.

SpringBig's customers can utilize the platform consent interface or other means to obtain the consumer's consent that is required to receive messages, and as an integral part of its services, SpringBig creates templates for its retail customers that are in compliance with SHAFT guidelines to use in promotional messaging. The approved templates do not explicitly discuss or promote cannabis, but rather provide general information about the retailer, the consumer's reward status and can also incorporate a link that directs opted-in consumers to additional promotional material created by the retail customers.

As a third-party provider of a software platform, state cannabis regulatory marketing rules generally do not apply to SpringBig. The Company's retail customers are responsible for ensuring that their marketing materials comply with state law.

Additionally, SpringBig has instituted policies and procedures to verify the licensing status of its clients and to conduct periodic screening to confirm the continuing licensing status of its clients. Further, the Company monitors proposed and pending legislative changes on a state and federal level.

## Our Competitive Strengths

We believe that we are a leading provider of customer loyalty and marketing automation solutions to cannabis retailers and brands, and our key competitive strengths are the following:

***We are a leading direct-to-consumer marketing and customer loyalty platform in the cannabis industry.*** We are one of the largest loyalty & marketing automation providers in the cannabis space with over 47 million consumers enrolled in our platform, and over 775 clients with approximately 2,400 discrete retail locations. We started serving the cannabis market in 2016 and were a pioneer in providing SMS marketing solutions to cannabis retailers. We partner with many of the leading multi-state-operators (“MSOs”), we believe that our differentiated suite of solutions and deep understanding of customer needs will enable us to expand our leadership position as we grow into existing and new markets and expand our offering.

We have a diverse geographic footprint, with operations in all states that have legalized cannabis in some form. We believe that our broader geographic footprint, scope of operations, and established position in the industry all support our efforts to be a first mover in future new markets and may make it more difficult, time-intensive and costly for competitors to replicate.

***We provide critical value to our customers.*** Loyalty and messaging are critical for cannabis retailers and brands to directly engage, connect, and retain their customer base. Our suite of solutions is designed to enable our customers to engage with their consumers in an efficient way, sustainably driving customer retention, acquisition, spend and foot-traffic. On average, our clients can recover the cost of their monthly subscription for the SpringBig platform within a few days of utilizing our offerings each month. In addition, we have successfully integrated with many of the industry’s leading POS systems, which enables us to collect and analyze consumer data and feedback, providing our clients with actionable insights for marketing purposes, and we have also completed our initial POS system integrations outside of the cannabis industry.

## Our Growth Strategies

Our goal is to become the leading SaaS software platform to cannabis retailers and brands, providing data-driven loyalty, marketing and consumer buying experience solutions throughout the U.S. and Canada and to expand into other regulated markets.

Our excellent reputation in the cannabis market and comprehensive solutions offering provide us with the opportunity to expand our footprint and grow these accounts via up-selling and cross-selling. We grow alongside our clients via a “flywheel” effect as we benefit from the growth of their businesses and expansion of their customer base, which is, in turn, enabled by their use of our platform.

We also plan to grow our business by expanding accounts with existing clients that may not have initially leveraged our platform for all their locations. Our clients realize significant returns on investment and increased customer engagement, which has historically driven the success of our land and expand strategy. In addition, we expect to further our penetration with existing clients as they enter new markets, as our platform will touch more end-customers and gather more actionable data.

We plan to leverage and expand our existing sales force and marketing strategy to acquire additional cannabis retailers as new clients. As existing markets in legalized states expand and cannabis becomes more widely used, we believe our existing presence positions us to continue to gain market share. We believe that the continued growth of the cannabis market and evolution of regulation, both in terms of legalizing recreational and medical use cannabis (as described below) as well as regarding communications and advertisements, will drive further adoption of our platform.

As an increasing number of states in the U.S. legalize medical cannabis use or transition from medical to recreational cannabis use, a significant growth opportunity presents itself as the number of retailers, the consumer base and total spend all increase. We have historically been responsive as a first mover into new medical and recreational adult-use markets as they become legal, which gives us a significant competitive advantage to grow as state-by-state legalization evolves. We believe our deep understanding of the space coupled with our experienced sales force will enable us to quickly enter and execute in new markets and capture new business, which we can sustain via our exceptional product offerings.

During 2024, we also announced the launch of our messaging capabilities into the gaming industry, offering SMS solutions to skilled gaming apps, casinos, sports betting platforms, horse tracks and betting advise sites.

We intend to continue investing in and develop our technology capabilities to offer our clients more advanced and comprehensive solutions. This will help enable us to extend our platform beyond our core offering which presents significant upsell opportunities.

Approximately \$5.7 billion of GMV is currently processed by the retailers that are on our platform. Through our entrenched position with retailers delivering mission critical messaging and loyalty solutions, we believe we are well-positioned to monetize a portion of this GMV through payments and reward points. We plan to capture a portion of this spend through the SpringBig rewards wallet solution that our current clients utilize to manage their rewards program and have recently introduced a gift card payment option. Additionally, with over 47 million consumers and integrations with many of the leading POS providers, we have access to a wealth of data that drive our proprietary insights. While these integrations assist in our ability to offer feedback to our customers, these commercial relationships do not represent a material amount of SpringBig’s revenues, constitute a material amount of shared revenue, or constitute a material distribution source for SpringBig. However, we believe there is a path to monetize this data and create new revenue opportunities.

## **Sales**

Our sales team is primarily based out of our Boca Raton, Florida headquarters with additional team members in our Canadian office in Toronto, Ontario and client services support staff at both these locations and in Seattle, Washington to assist new and existing clients. As of December 31, 2025, of the 56 people we employed, 25 individuals focused exclusively on selling and client service. Our sales force is well versed in our offerings, including consumer facing, retailer platform, and brand platform products.

As we continue to scale, we expect to continue to recognize significant efficiencies with our sales effort. Currently, our primary focus revolves around converting inbound leads, as cannabis retailers and brands look to join our platform upon beginning their operations. We also utilize state cannabis regulators' lists of licensees to internally generate client leads.

## **Marketing**

Similar to our sales efforts, we expect to continue to achieve marketing efficiency as we scale our business. We believe our platform's scale and strong customer loyalty market themselves, however we still intend to implement a variety of marketing efforts to attract additional retailers and brands not yet on our platform. Marketing efforts include multiple strategies designed to attract and retain both retail and brands subscribers.

## **Technology**

We invested significantly to create a fully integrated technology stack that connects the three categories of participants in the cannabis ecosystem, namely the customers, retailers, and brands. By partnering with other industry leaders through various data analytics, e-commerce and POS platforms, we help to enhance engagement, analytics, and create a truly omni-channel experience for our clients and their customers.

Our suite of SaaS-based solutions provides cutting-edge technologies, and we continue to be the database of record for over a thousand cannabis businesses, with customer profiles being created first through our loyalty platform, and through integration of our platform with POS systems, where we can collect crucial data points through POS transactions.

## **Revenue Concentration**

We have a diversified client base of approximately 775 clients with approximately 2,400 retail locations. No single client accounted for more than 20% of revenue for the year ended December 31, 2025, and 15% of revenue for the year ended December 31, 2024. Our top 10 clients accounted for 44% and 41% of total revenue over the same periods.

## **Research & Development**

We conduct concerted product development efforts focused on implementing new, value-add features to our platform, as well as developing new solutions that increase functionality, data-driven actionable insights and enhance ease of use throughout the customer journey. We expect our research and development expenses to remain consistent as a percentage of total revenue with increased growth continuing to support product enhancements.

## **Seasonality**

We have not experienced a significant impact on our results due to seasonality. However, our clients may experience seasonality in their businesses that, in turn, can impact the revenue generated from them. Our business may become more seasonal in the future and historical patterns in our business may not be a reliable indicator of future performance.

## **Competition**

Our direct competitors for various elements of our offerings and services include businesses both within and outside of the cannabis industry that are specifically focused on marketing and customer engagement, commerce and POS solutions or SaaS software, as well as companies focused on technology solutions focused on the cannabis industry.

We believe that the principal competitive factors in our market include, the scale of our operations in all states that have legalized cannabis in some form and the ability to be a first mover in future new markets, the ability to offer comprehensive services across customer relationship management (“CRM”) and marketing software, the ability to support client promotions and the building of loyalty with end-consumers and increase retention, the ability to collect and analyze consumer data and feedback (and providing clients with actionable insights for marketing purposes), and effective communications and marketing to end-customers. We believe we compete favorably based on these factors.

For additional information about the risks to our business related to competition, see the section captioned “Risk Factors - Risks Related to SpringBig’s Business and Industry.”

## **Intellectual Property**

Our intellectual property and proprietary rights are valuable assets that are important to our business. In our efforts to safeguard our copyrights, trade secrets, trademarks and other intellectual property rights worldwide, we rely on a combination of federal, state, common law and international rights in the jurisdictions in which we operate.

We have an ongoing trademark and service mark registration program pursuant to which we register our brand names in the United States. As of December 31, 2025, we have been issued trademark registrations in the United States, covering among other marks, “SpringBig.”

We also rely on non-disclosure agreements, invention assignment agreements, intellectual property assignment agreements, or license agreements with employees, independent contractors, consumers, software providers and other third parties, which protect and limit access to and use of our proprietary intellectual property.

Though we rely, in part, upon these legal and contractual protections, we believe that factors such as the skills and ingenuity of our employees, as well as the functionality and frequent enhancements to our platform are larger contributors to our success in the marketplace.

Circumstances outside our control could pose a threat to our intellectual property rights. For more information, see the section entitled “Risk Factors - Risks Related to SpringBig’s Intellectual Property.”

## **Employees and Human Capital Resources**

As of December 31, 2025, we had 56 full-time employees, including employees focused on engineering, client success, corporate development, brands, digital message and general and administrative and professional services. We also engage independent contractors to supplement our permanent workforce. 48 employees are located in the United States and 8 employees are located in Canada.

We consider our relations with our employees to be good. None of our employees are represented by a labor union or covered by collective bargaining agreements, and we have not experienced any work stoppages.

## Corporate Information

We were originally formed on January 24, 2020, under the name “Tuatara Capital Acquisition Corporation,” as a blank check company incorporated as a Cayman Islands exempted company, incorporated for the purpose of effecting a merger, amalgamation, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. On June 13, 2022, in anticipation of the consummation of the previously announced business combination among Tuatara, Merger Sub and Legacy SpringBig, Tuatara changed its jurisdiction of incorporation by deregistering as a Cayman Islands exempted company and continuing and domesticating as a corporation incorporated under the laws of the State of Delaware and it then changed its name to SpringBig Holdings, Inc.

Our principal executive office is located at 621 NW 53rd Street, Suite 340, Boca Raton, Florida 33487. Our telephone number is (800) 772-9172. Our website address is [www.springbig.com](http://www.springbig.com). Information contained on our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

### Item 1A. Risk Factors

*Our business involves a high degree of risk. You should carefully consider the risks described below, together with the other information contained in this Annual Report on Form 10-K, as well as the risks, uncertainties and other information set forth in the reports and other materials filed or furnished by us with the SEC. We cannot assure you that any of the events discussed in the risk factors below will not occur. These risks could have a material and adverse impact on our business, prospects, results of operations, financial condition and cash flows.*

#### Risks Related to Our Business and Industry

*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. We may not be able to generate sufficient revenue to maintain profitability in the future.*

We have a relatively short operating history in a quickly evolving industry that may not develop as we anticipate, if at all. Both our relatively short operating history and the pace of dramatic change in the cannabis industry, and the complex, multiple and sometimes conflicting regulatory regimes applicable to it, makes it difficult to assess our future prospects, and you should evaluate our business in light of the risks and difficulties we may encounter as the industry continues to evolve. While our revenue has stabilized in recent periods, this growth may not be sustainable due to a number of factors, including the maturation of our business, increased competition and the eventual decline in the number of new major geographic markets in which the sale of cannabis is permitted and to which we have not already expanded. We may not be able to generate sufficient revenue to achieve and sustain profitability.

Additionally, we may incur increased expenditures which may not result in additional revenue or the growth of our business. If we fail to continue to grow revenue or to sustain profitability, the market price of our securities could decline, and our business, operating results and financial condition could be adversely affected.

*If we do not successfully develop and deploy new software, platform features or services to address the needs of our clients, our business, financial condition, and results of operations could suffer.*

Our success has been based on our ability to design software, platform features and services that address the needs of our clients. We spend substantial amounts of time and money researching and developing new technologies and enhanced versions of existing platform features, as well as new features, to meet our clients’ rapidly evolving needs. As consumers and clients demand comprehensive data analysis from platforms such as us, in conjunction with their point-of-sale providers, our ability to integrate with a client’s POS system and other third party technology integrations may become increasingly important. If we are unable to arrange or complete new integrations, or improve our existing integrations, we may lose market share to competitors. There is no assurance that enhancements to our software, platform features or new services or capabilities will be compelling to our clients or gain market acceptance. If our research and development investments do not accurately anticipate market demand or if we fail to develop our software, platform features or services in a manner that satisfies client preferences in a timely and cost-effective manner, we may fail to retain our existing clients or increase demand for our services.

The introduction of new products and services by competitors or the development of entirely new technologies to replace existing service offerings could make our platforms obsolete or adversely affect our business, financial condition, and results of operations. We may experience difficulties with software development, design, or marketing that delay or prevent our development, introduction or implementation of new platforms, platform features or capabilities, or cause errors to arise with our existing software. We have in the past experienced delays in our internally planned release dates of new features and capabilities, and there can be no assurance that new platforms, platform features, or capabilities will be released according to schedule. Any delays or other disruptions could result in adverse publicity, loss of revenue or market acceptance, or claims by consumers or suppliers brought against us, any of which could harm our business. Moreover, the design and development of new platforms or new platform features and capabilities to our existing platform may require substantial investment, and we have no assurance that such investments will be successful. If consumers in the market do not widely adopt our new platforms, platform features, and capabilities, we may not be able to realize a return on our investment and our business, financial condition, and results of operations may be adversely affected.

***If we fail to retain our existing clients and consumers or to acquire new clients and consumers in a cost-effective manner, our revenue may decrease, and our business may be harmed.***

We compete in a dynamic, innovative, and fairly new market, which we expect will continue to evolve rapidly. We believe that our success is dependent on our ability to continue identifying and anticipating the needs of our clients and, in turn, their consumers, and retaining our existing clients and adding new clients. While we have historically been able to grow and retain our client base, we may grow more slowly than we expect or than we have grown in the past. Our ability to retain clients depends in part on our ability to create and maintain high levels of client satisfaction, which we may not always be capable of providing, including for reasons outside of our control. Any decrease in client satisfaction or other change negatively affecting our ability to retain clients could result in a rapid, concentrated impact to our results going forward. Therefore, our failure to retain existing clients, even if such losses are offset by an increase in revenue resulting from the acquisition of new clients, could have an adverse effect on our business and operating results.

***If we fail to expand effectively into new markets, our revenue and business will be adversely affected.***

While a key part of our business strategy is to add clients in our existing geographic markets, we intend to expand our operations into new markets if and as cannabis continues to be legalized in new markets. Any such expansion places us in competitive markets with which we may be unfamiliar, requires us to analyze the potential applicability of new and potentially complicated regulations regarding the usage, sale and marketing of cannabis, and involves various risks, including the need to invest significant time and resources and the possibility that returns on such investments will not be achieved for several years, if at all. As a result of such expansion, we may incur losses or otherwise fail to enter new markets successfully. In attempting to establish a presence in new markets, we expect to incur significant expenses and face various other challenges, such as expanding our compliance efforts to cover those new markets. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenues sufficiently to offset these expenses. Our current and any future expansion plans will require significant resources and management attention.

***We have a significant working capital deficiency and a history of losses, may need to raise additional funds to meet our obligations and sustain our operations and may not achieve profitability in the future.***

SpringBig is an early-stage company with a history of losses. We incurred net losses of \$3.2 million and \$1.9 million for the years ended December 31, 2025 and December 31, 2024, respectively. In addition, as of December 31, 2025 and 2024, we had a working capital deficiency of \$3.5 million and \$1.8 million, respectively, and we may need to raise additional funds to meet our obligations and sustain our operations. The note payables classified as long-term liabilities are due within the next twelve months of the issuance date. SpringBig may not achieve or maintain profitability in the future. We may incur net losses in the future, and such losses may fluctuate significantly from quarter to quarter. These conditions raise substantial doubt about the Company's ability to continue as a going concern for a period of at least twelve months from the issuance date of these consolidated financial statements.

Our efforts to grow our business may be more costly than we expect, and we may not be able to increase our revenue sufficiently to offset our higher operating expenses. We may incur significant losses, and we may not achieve or maintain future profitability, due to a number of reasons, including the risks described in this report, unforeseen expenses, difficulties, complications and delays, and other unknown events. Furthermore, if our future growth and operating performance fail to meet investor or analyst expectations, or if we have future negative cash flow or losses resulting from our investment in acquiring customers or expanding our operations, this could make it difficult for you to evaluate our current business and our future prospects and may have a material adverse effect on our business, financial condition and results of operations.

***Federal law enforcement may deem our clients to be in violation of U.S. federal law, and, in particular the CSA. A change in U.S. federal policy on cannabis enforcement and strict enforcement of federal cannabis laws against our clients would undermine our business model and materially affect our business and operations.***

U.S. federal law, and more specifically the CSA, proscribes the cultivation, processing, distribution, sale, advertisement and possession of cannabis. As a result, U.S. federal law enforcement authorities, in their attempt to regulate the illegal or unauthorized production, distribution, promotion, sale, possession, or use of cannabis, may seek to bring criminal actions against our clients under the CSA. If our clients are found to be violating U.S. federal law relating to cannabis, they may be subject not only to criminal charges and convictions, but also to forfeiture of property, significant fines and penalties, disgorgement of profits, administrative sanctions, cessation of business activities, or civil liabilities arising from proceedings initiated by either the U.S. government or private citizens. Any of these actions or consequences on our clients could have a material adverse effect on our business, operating results or financial condition, or could force us to cease operations, and as a result, our investors could lose their entire investment.

Further, to the extent any law enforcement actions require us to respond to subpoenas, or undergo search warrants, for client records, cannabis businesses could elect to cease using our products and services. Until the U.S. federal government changes the laws with respect to cannabis, described below under the caption “Cannabis remains illegal under federal law, and therefore, strict enforcement of federal laws regarding cannabis would likely result in our inability to execute our business plan,” to apply to all state cannabis programs, U.S. federal authorities could more strictly enforce current federal prohibitions and restrictions. An increase in federal enforcement against companies licensed under state cannabis laws could negatively impact the state cannabis industries and, in turn, our business, operating results, financial condition, brand and reputation.

***Some of our clients currently and in the future may not be in compliance with licensing and related requirements under applicable laws and regulations. Allowing unlicensed or noncompliant businesses to access our platform and services, or allowing businesses to use our solutions in a noncompliant manner, may subject us to legal or regulatory enforcement and negative publicity, which could adversely impact our business, operating results, financial condition, brand and reputation. In addition, allowing businesses that engage in false or deceptive advertising practices to use our solutions may subject us to negative publicity, which could have similar adverse impacts on us.***

While we have instituted policies and procedures in connection with the verification and periodic screening of the licensing status of our clients operating cannabis retail businesses (and our contracts with clients generally provide for client representations relating to compliance, termination of services in the case of client noncompliance, and client indemnification obligations), some of our clients currently and in the future may not be in compliance with licensing and related requirements under applicable state laws and regulations. There could be legal enforcement actions against unlicensed or insufficiently licensed entities selling cannabis, which could negatively impact us.

Any legal or regulatory enforcement against us based on our platform, the content provided by clients, the marketing campaigns created by clients on our platform or noncompliance by our clients with licensing and other legal requirements, could subject us to various risks, including monetary penalties, criminal or civil liability, and/or required changes to our platform or business model, and would likely cause us to experience negative publicity. Any of these developments could materially and adversely impact our business, operating results, financial condition, brand, and reputation.

***We generally do not, and cannot, ensure that our clients will conduct their business activities in a manner compliant with the complex, disparate and constantly evolving regulations and requirements affecting the legal cannabis industry. As a result, federal, state, provincial or local government authorities may seek to bring criminal, administrative or regulatory enforcement actions against our clients, which could have a material adverse effect on our business, operating results or financial conditions, or could force us to cease operations.***

While our solutions provide features to support our clients’ compliance with certain regulations and other legal requirements applicable to the cannabis industry, and we have policies and procedures regarding the verification and periodic screening of the licensing status of our clients, we generally do not, and cannot, ensure that at all times our clients will conduct their business activities in a manner compliant with such regulations and requirements, in whole or in part. Their legal noncompliance could result in regulatory and even criminal actions against them, which could lead to a material adverse impact on our business and operating results or financial condition, and as a result, our investors could lose their entire investment. For additional information, see the other risk factors in this section, including “Some of our clients currently and in the future may not be in compliance with licensing and related requirements under applicable laws and regulations. Allowing unlicensed or noncompliant businesses to access our platform and services, or allowing businesses to use our solutions in a noncompliant manner, may subject us to legal or regulatory enforcement and negative publicity, which could adversely impact our business, operating results, financial condition, brand and reputation. In addition, allowing businesses that engage in false or deceptive advertising practices to use our solutions may subject us to negative publicity, which could have similar adverse impacts on us.”

***Our business is dependent on U.S. state laws and regulations and Canadian federal and provincial laws and regulations pertaining to the cannabis industry.***

Although the federal CSA classifies cannabis as a Schedule I controlled substance, many U.S. states have legalized cannabis to varying degrees. In addition, the enactment of the Cannabis Act legalized the commercial cultivation and processing of cannabis for medical and adult-use purposes in Canada and created a federal legal framework for controlling the production, distribution, promotion, sale and possession of cannabis. The Cannabis Act also provides the provinces and territories of Canada with the authority to regulate other aspects of adult-use cannabis, such as distribution, sale, minimum age requirements (subject to the minimum set forth in the Cannabis Act), places where cannabis can be consumed, and a range of other matters. The governments of every Canadian province and territory have implemented regulatory regimes for the distribution and sale of cannabis for recreational purposes. In addition, subsection 23(1) of the Cannabis Act provides that it is prohibited to publish, broadcast or otherwise disseminate, on behalf of another person, with or without consideration, any promotion that is prohibited by a number of sections of the Cannabis Act. The Cannabis Act therefore includes provisions that could apply to certain aspects of our business, both directly to the solutions we provide and indirectly on account of any noncompliance by those who use our offerings. However, as the Cannabis Act has been recently enacted, there is a lack of available interpretation, application and enforcement of the provisions that may be relevant to digital platforms such as ours, and as a result, it is difficult to assess our potential exposure under the Cannabis Act.

Laws and regulations affecting the cannabis industry in U.S. states and Canada are continually changing. Any change or even the speed of changes could require us to incur substantial costs associated with compliance or alter our business plan, and could detrimentally affect our operations, revenue, and profitability. The commercial cannabis industry is still a young industry, and we cannot predict the impact of the compliance regime to which it may be subject. We will incur ongoing costs and obligations related to regulatory compliance, and such costs may prove to be material. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions on our operations. In addition, changes in regulations, more vigorous enforcement thereof, or other unanticipated events could require extensive changes to our operations or increased compliance costs or give rise to material liabilities, which could have a material adverse effect on us.

Given the concentration of our revenue from the sale of access to our platforms and services, any increase in the stringency of any applicable laws, including U.S. state, or Canadian federal, provincial or territorial, laws and regulations relating to cannabis, or any escalation in the enforcement of such existing laws and regulations against the current or putative cannabis industry within any jurisdiction, could negatively impact the profitability or viability of cannabis businesses in such affected jurisdictions, which in turn could materially adversely affect our business and operating results.

In addition, although we have not yet been required to obtain any cannabis license as a result of existing cannabis regulations, it is possible that cannabis regulations may be enacted in the future that will require us to obtain such a cannabis license or otherwise seek to substantially regulate our business. U.S. and Canadian federal, state, provincial, local and other non-U.S. jurisdictions' cannabis laws and regulations are broad in scope and subject to evolving interpretations, which could require us to incur substantial costs associated with compliance or alter our business plan. Our failure to adequately manage the risk associated with future regulations and adequately manage future compliance requirements may adversely affect our business, our status as a reporting company and our public listing. Further, any adverse pronouncements from political leaders or regulators about businesses related to the legal cannabis industry could adversely affect the price of our securities.

***Because our business is dependent, in part, upon continued market acceptance of cannabis by consumers, any negative trends in the market could adversely affect our business operations.***

We are dependent on public support, continued market acceptance and the proliferation of consumers in the state-level and Canadian legal cannabis markets. While we believe that the market and opportunities in the space will continue to grow, we cannot predict the future growth rate or size of the market. Any downturns in, or negative outlooks on, the cannabis industry may adversely affect our business and financial condition.

***Expansion of our business is dependent on the continued legalization of cannabis and its sale through regulated cannabis distributed channels.***

Expansion of our business is, in part, dependent upon continued legislative authorization, including by voter initiatives and referenda, of cannabis in various jurisdictions worldwide, including the legalization of recreational and medical use cannabis. Any number of factors could slow, halt, or even reverse progress in this area. Progress for the industry, while encouraging, is not assured. While there may be ample public support for legislative action in a particular jurisdiction, numerous factors could impact the legislative process, including lobbying efforts by opposing stakeholders as well as legislators' disagreements about how to legalize cannabis as well as the interpretation, implementation, and enforcement of applicable laws or regulations. Further, our clients face substantial competition from unlicensed cannabis operators selling cannabis on the illicit market, as well as the growth of psychoactive hemp products which are proliferating in response to a loophole in the 2018 Farm Bill, both of which are sold outside the regulated cannabis distribution channels utilized by our client base.

Any one of these factors could slow or halt the legalization of cannabis, or create substantial competition for the regulated cannabis industry, which would negatively impact our ability to expand our business. Additionally, the expansion of our business also depends on jurisdictions in which cannabis is currently legalized not narrowing, limiting or repealing existing laws legalizing and regulating cannabis, or altering the regulatory landscape in a way that diminishes the viability of cannabis businesses in those jurisdictions.

***Our business is highly dependent upon our brand recognition and reputation, and any erosion or degradation of our brand recognition or reputation would likely adversely affect our business and operating results.***

We believe that our business is highly dependent on the SpringBig brand identity and our reputation, which is critical to our ability to attract and retain clients and consumers. We also believe that the importance of our brand recognition and reputation will continue to increase as competition in the markets in which we operate continues to develop. Our success in this area will depend on a wide range of factors, some of which are within our control and some of which are not. The factors affecting our brand recognition and reputation that are within our control include the following:

- the efficacy of our marketing efforts;
- our ability to maintain a high-quality, innovative, and error- and bug-free platform and high quality client service;
- our ability to maintain high satisfaction among clients (and our clients' consumers);
- the quality and perceived value of our platforms and services;
- successfully implementing and developing new features and revenue streams;
- our ability to obtain, maintain and enforce trademarks and other indicia of origin that are valuable to our brand;
- our ability to successfully differentiate our platforms and services from competitors' offerings;
- our ability to continue to integrate with POS systems;
- our ability to provide our clients with accurate and actionable insights from the consumer data and feedback collected through our platform;
- our compliance with laws and regulations;
- our ability to address any environmental, social, and governance expectations of our various stakeholders;
- our ability to provide client support; and
- any actual or perceived data breach or data loss, or misuse or perceived misuse of our platforms.

In addition, our brand recognition and reputation may be affected by factors that are outside our control, such as:

- actions of competitors or other third parties;
- consumers' experiences with retailers or brands using our platform;
- public perception of cannabis and cannabis-related businesses;
- positive or negative publicity, including with respect to events or activities attributed to us, our employees, partners or others associated with any of these parties;
- interruptions, delays or attacks on our platforms; and
- litigation or regulatory developments.

Damage to our reputation and loss of brand equity from one or more of the factors listed above may reduce demand for our platform and have an adverse effect on our business, operating results and financial condition. Moreover, any attempts to rebuild our reputation and restore the value of our brand may be costly and time-consuming, and such efforts may not ultimately be successful.

***We currently face intense competition in marketing and advertising services available to our clients, and we expect competition to further intensify as the cannabis industry continues to evolve.***

The cannabis marketing and software services market is rapidly evolving and is currently characterized by intense competition, due in part to relatively low barriers to entry. We expect competition to further intensify in the future as cannabis continues to be legalized and regulated, new technologies are developed and new participants enter the cannabis CRM and marketing solutions market. Competitors for individual components of our service platforms include businesses both within and outside of the cannabis industry. These include businesses focused on marketing and customer engagement, commerce and POS solutions, and SaaS or other technology solutions for brands and retailers. In addition, if legal market for cannabis becomes more accepted and/or the regulatory regime for cannabis evolves, it may eliminate existing barriers preventing our clients from using traditional marketing and advertising channels. This could result in increased competition in our industry from both products and solutions offered by internet search engines and advertising networks, like Google, social media platforms, like Instagram and Facebook, various other newspaper, television, media companies, outdoor billboard advertising, and online merchant platforms, as well as new participants entering into the cannabis CRM and marketing services market. Such potential competitors may have substantially greater financial, technical, and other resources than existing market participants. Additionally, as consumers and cannabis industry clients demand richer data, integrations with other cannabis industry participants such as point-of-sale providers may become increasingly important. If we are unable to complete such new integrations as quickly as our competitors, or improve our existing integrations based on legacy systems, we may lose market share to such competitors. Our current and future competitors may also enjoy other competitive advantages, such as greater name recognition, more varied or more focused offerings, better market acceptance, and larger marketing budgets.

Additionally, as the legalization of cannabis continues, cannabis cultivators, product manufacturers and distributors could experience consolidation as existing cannabis businesses seek to obtain greater market share and purchasing power and new entrants seek to establish a significant market presence. Consolidation of the cannabis markets could reduce the size of our potential client base and give remaining clients greater bargaining or purchasing power. This may in turn erode the prices for access to our services and platform and result in decreased margins. Further, heightened competition between cannabis businesses could ultimately have a negative impact on the viability of individual market participants, which could reduce or eliminate their ability to purchase our services and solutions.

If we are unable to compete effectively for any of these reasons, we may be unable to maintain our operations or develop our products and solutions, and as a result our business and operating results may be adversely affected.

***If we fail to manage our growth effectively, our brand, business and operating results could be harmed.***

We have experienced rapid organic growth in our operations, which places substantial demands on management and our operational infrastructure. To manage the expected growth of our operations and personnel, we expect we will be required to improve existing, and implement new systems, procedures and controls including, among others, financial and operational systems. We will also be required to expand our finance, administrative and operations staff. We intend to continue making substantial investments in our sales, service and marketing workforce. As we continue to grow, we must effectively integrate, develop and motivate a significant number of new employees, while maintaining the beneficial aspects of our existing corporate culture, which we believe fosters innovation, teamwork and a passion for our products and clients. In addition, our revenue may not grow at the same rate as the expansion of our business. There can be no assurance that our current and planned personnel, systems, procedures and controls will be adequate to support our future operations or that management will be able to hire, train, retrain, motivate and manage required personnel. If we are unable to manage our growth effectively, the quality of our platform, efficiency of our operations, and management of our expenses could suffer, which could negatively impact our brand, business, profitability and operating results.

***The growth of our business depends on our ability to accurately predict consumer trends, successfully offer new services, improve existing services and expand into new markets.***

Our growth depends, in part, on our ability to successfully offer new platforms, products and services and improve and reposition our existing platforms and services to meet the requirements of our clients and their customers. This, in turn, depends on our ability to predict and respond to evolving consumer trends, demands and preferences. Our strategy is based on certain key trends and the projected growth of our key markets. However, historical trends may not be indicative of future trends and forecasts or estimated growth rates may not be accurate, in whole or part, or ever materialize. Further, underlying markets could decline, overall growth rates in our product categories could be slower than anticipated.

The offering of innovative new platforms, products and services and expansion into new offerings involves considerable costs. Any new platform, product or service offering may not generate sufficient consumer interest and sales to become profitable or to cover the costs of its development and promotion and, as a result, may reduce our operating income. In addition, any such unsuccessful effort may adversely affect our brand and reputation. If we are unable to anticipate, identify, develop or market new offerings, that respond to changes in consumer requirements and preferences, or if our new offerings fail to gain consumer acceptance, we may be unable to grow our business as anticipated, our sales may decline and our margins and profitability may decline or not improve. As a result, our business, financial condition, and results of operations may be materially and adversely affected.

***If we are unable to recruit, train, retain and motivate key personnel, we may not achieve our business objectives.***

Our future success depends on our ability to recruit, train, retain and motivate key personnel. Competition for qualified personnel in the technology industry is intense. Additionally, we face challenges in attracting, retaining and motivating highly qualified personnel due to our relationship to the cannabis industry, which is rapidly evolving and has varying levels of social acceptance. Any failure to attract, train, retain and motivate qualified personnel could materially harm our operating results and growth prospects.

***If our current marketing model is not effective in attracting new clients, we may need to employ higher-cost sales and marketing methods to attract and retain clients, which could adversely affect our profitability.***

We use our sales team to build relationships with our client base. Our sales team builds and maintains relationships with clients primarily through phone, email and other virtual contact, which is typically designed to allow us to cost-effectively service a large number of clients. We may need to employ more resource-intensive sales methods, such as increasing sales teams, to continue to attract and retain clients, particularly as we increase the number of our clients and our client base employs more sophisticated marketing operations, strategies and processes.

We have experienced increased spending in connection with growing our sales, service and marketing operation and we expect to incur higher sales and marketing expenses, which could adversely affect our business and operating results.

***We may be unable to scale and adapt our existing technology and network infrastructure in a timely or effective manner to ensure that our platform is accessible, which would harm our reputation, business and operating results.***

It is critical to our success that clients and consumers within our geographic markets be able to access our platform at all times. We may experience service disruptions, outages or other performance problems due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints, and distributed denial of service, or “DdoS,” fraud or security attacks. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve the availability of our platform, especially during peak usage times and as our products become more complex or dependent on integration with third parties, or as usage or traffic increases. If our platform is unavailable when our clients (or their consumers) attempt to access it or it does not load as quickly as they expect, they may seek other solutions and may seek to cancel and not renew subscriptions for our services. We expect to continue to make significant investments to maintain and improve the availability of our platform and to enable rapid releases of new features and products. To the extent that we do not effectively address capacity constraints, respond adequately to service disruptions, upgrade our systems as needed or continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and operating results would be harmed.

We expect to continue making significant investments in the functionality, performance, reliability, design, security and scalability of our platform. We may experience difficulties with the development of our platform that could delay or prevent the implementation of new solutions and enhancements. Software development involves a significant amount of time and resources for our product development team, and we may not be able to continue making those investments in the future.

To the extent we are not able to continue successfully improving and enhancing our platform, our business could be adversely affected.

***Real or perceived errors, failures, or bugs in our platform could adversely affect our operating results and growth prospects.***

We update our platform on a frequent basis. Despite efforts to test our updates, errors, failures or bugs may not be found in our platform until after it is deployed to our clients. We have discovered and expect we will continue to discover errors, failures and bugs in our platform and anticipate that certain of these errors, failures and bugs will only be discovered and remediated after deployment to clients. Real or perceived errors, failures or bugs in our platform could result in negative publicity, security incidents, such as data breaches, government inquiries, loss of or delay in market acceptance of our platform, loss of competitive position, or claims by clients for losses sustained by them. In such an event, we may be required, or may choose, for client relations or other reasons, to expend additional resources in order to help correct the problem.

We implement bug fixes and upgrades as part of our regular system maintenance, which may lead to system downtime. Even if we are able to implement the bug fixes and upgrades in a timely manner, any history of inaccuracies in the data we collect for our clients, or unauthorized access or damage to, or the loss, acquisition, or inadvertent release or exposure of confidential or other sensitive data could cause our reputation to be harmed and result in claims against us, and cannabis businesses may elect not to purchase our products or, in the case of existing clients, renew their agreements with us or we may incur increased insurance costs. The costs associated with any material defects or errors in our software or other performance problems may be substantial and could harm our operating results and growth prospects.

***A distributed denial of service attack, ransomware attack, security breach or unauthorized data access could impair or incapacitate our information technology systems and delay or interrupt service to our clients and consumers, harm our reputation, or subject us to significant liability.***

We may become subject to DdoS attacks, a technique used by hackers to take an internet service offline by overloading its servers. In addition, ransomware attacks against businesses of all sizes are becoming increasingly common. Further, we may face increased cybersecurity risks due to our reliance on internet technology and the number of our employees who are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. Our platform may be subject to DdoS, ransomware or other cybersecurity attacks in the future and we cannot guarantee that applicable recovery systems, security protocols, network protection mechanisms and other procedures are or will be adequate to prevent network and service interruption, system failure or data loss. Moreover, our platform could be breached if vulnerabilities in our platform are exploited by unauthorized third parties or others. Techniques used to obtain unauthorized access change frequently, and the size of DdoS attacks and the number and types of ransomware attacks are increasing. As a result, we may be unable to implement adequate preventative measures or stop such attacks while they are occurring. A DdoS attack, ransomware attack or security breach could delay or interrupt service to our clients and consumers and may deter the utilization of our platform.

We also use information technology and security systems to maintain the physical security of our facilities and to protect our proprietary and confidential information, including that of our clients, consumers, and employees. Accidental or willful security breaches or other unauthorized access to our facilities or information systems, or viruses, loggers, malware, ransomware, or other malfeasance code in our data or software, could compromise this information or render our systems and data unusable. Additionally, we rely on third-party “cloud-based” providers and we are therefore dependent on the security systems of these providers. Any security breaches or other unauthorized access to our service providers’ facilities or systems, or viruses, loggers, malware, ransomware or other malfeasance code in their data or software, could expose us to information loss, and misappropriation of confidential information, and other security breaches. In addition, our employees, contractors, or other third parties with whom we do business may attempt to circumvent security measures in order to misappropriate personal information, confidential information or other data, or may inadvertently release or compromise such data. Because the techniques used to obtain unauthorized access to or sabotage security systems, or to obtain unauthorized access to data we or our contractors maintain, change frequently and are often not recognized until after an attack, we and our service providers may be unable to anticipate the techniques or implement adequate preventative measures.

Any actual or perceived DDoS attack, ransomware attack, security breach or other unauthorized access could damage our reputation and brand, result in decreased utilization of our platform, expose us to fines and penalties, government investigations, and a risk of litigation and possible liability, require us to expend significant capital and other resources to alleviate any resulting problems and otherwise to remediate the incident, and require us to expend increased cybersecurity protection costs. We expect to incur significant costs in an effort to detect and prevent security breaches and other security-related incidents. Numerous state, federal and foreign laws and regulations require companies to notify individuals and/or regulatory authorities of data security breaches involving certain types of personal data. Any disclosures of security breaches, pursuant to these laws or regulations or otherwise, could lead to regulatory investigations and enforcement and negative publicity, and may cause our clients and consumers to lose confidence in the effectiveness of our data security measures.

Additionally, our discovery of any security breach or other security-related incident, or our provision of any related notice, may be delayed or be perceived to have been delayed. Any of these impacts or circumstances arising from an actual or perceived attack, breach or other unauthorized access could materially and adversely affect our business, financial condition, reputation and relationships with clients and consumers.

Furthermore, while our errors and omissions insurance policies include liability coverage for certain of these matters, if we experienced a significant security incident, we could be subject to claims or damages that exceed our insurance coverage. We also cannot be certain that our insurance coverage will be adequate for data handling or data security liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material and adverse effect on our business, including our financial condition, operating results, and reputation.

***We rely upon cloud-based technologies provided by third parties, and technology systems and electronic networks supplied and managed by third parties, to operate our business, and interruptions or performance problems with these systems, technologies and networks may adversely affect our business and operating results.***

We rely on technologies and services provided by third parties in order to host our cloud-based infrastructure that operates our business. If any of these services becomes unavailable or otherwise is unable to serve our requirements due to extended outages, interruptions, or facility closure, or because it is no longer available on commercially reasonable terms, our expenses could increase, our ability to manage finances could be interrupted and our operations otherwise could be disrupted or otherwise impacted until appropriate substitute services, if available, are identified, obtained, and implemented.

We do not control, or in some cases have limited control over, the operation of the data center facilities and infrastructure we use, and they are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures, cyberattack, terrorism and similar other events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct, to adverse events caused by operator error, and to interruptions, data loss or corruption, and other performance problems due to various factors, including introductions of new capabilities, technology errors, infrastructure changes, DDoS attacks, or other security-related incidents. Changes in law or regulations applicable to data centers in various jurisdictions could also cause a disruption in service. Despite precautions taken at these facilities, the occurrence of a natural disaster, an act of terrorism or other act of malfeasance, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in our platform operations and the loss, corruption of, unauthorized access to or acquisition of client or consumer data.

Our platform also depends on our ability to communicate through the public internet and electronic networks that are owned and operated by third parties. In addition, in order to provide our solutions on-demand and promptly, our computer equipment and network servers must be functional 24 hours per day, which requires access to telecommunications facilities managed by third parties and the availability of electricity, which we do not control. A severe disruption of one or more of these networks or facilities, including as a result of utility or third-party system interruptions, could impair our ability to process information and provide our solutions to our clients and consumers.

Any unavailability of, or failure to meet our requirements by, third-party data centers or other third-party technologies or services, or any disruption of the internet, utilities or the third-party networks or facilities that we rely upon, could impede our ability to make our platform accessible, harm our reputation, result in reduced traffic from consumers, cause us to issue refunds or credits to our clients, and subject us to potential liabilities. Any of these circumstances could adversely affect our business, reputation and operating results.

***The impact of global, regional or local economic and market conditions may adversely affect our business, operating results and financial condition.***

Our performance is subject to global economic conditions and economic conditions in one or more of our key markets, which impact spending by our clients and consumers. A majority of our clients' access to capital, liquidity and other financial resources is constrained due to the regulatory restrictions applicable to cannabis businesses. As a result, these clients may be disproportionately affected by economic downturns. Clients may choose to allocate their spending to items other than our platform, especially during economic downturns.

Economic conditions may also adversely impact retail sales of cannabis. Declining retail sales of cannabis could result in our clients going out of business or deciding, to stop using our platform to conserve financial resources or move to different marketing solutions. Negative economic conditions may also affect third parties with whom we have entered into relationships and upon whom we depend in order to grow our business.

Furthermore, economic downturns could also lead to limitations on our ability to obtain debt or equity financing on favorable terms or at all, reduced liquidity, decreases in the market price of SpringBig's securities, decreases in the fair market value of our financial or other assets, and write-downs of and increased credit and collectability risk on our trade receivables, any of which could have a material adverse effect on our business, operating results or financial condition.

Negative economic conditions may be created or exacerbated by catastrophic events or health crises, including, among others, re-occurrence of the COVID-19 pandemic or similar wide-spread public health crises.

***Catastrophic events may disrupt our business and impair our ability to provide our platform to clients and consumers, resulting in costs for remediation, client and consumer dissatisfaction, and other business or financial losses.***

Our operations depend, in part, on our ability to protect our operations against damage or interruption from natural disasters, power or telecommunications failures, criminal acts and similar events. Despite precautions taken at our facilities, the occurrence of a natural disaster, an act of terrorism, vandalism or sabotage, spikes in usage volume or other unanticipated problems could result in lengthy interruptions in the availability of our platform. Even with current and planned disaster recovery arrangements, our business could be harmed. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce revenue, subject us to liability and lead to decreased usage of our platform and decrease sales of our marketing services, any of which could harm our business.

***Fluctuations in our quarterly and annual operating results may adversely affect our business and prospects.***

You should consider our business and prospects in light of the risks and difficulties we encounter in the uncertain and rapidly evolving market for our solutions. Because the cannabis CRM, marketing services and technology markets are new and evolving, predicting their future growth rate and size is difficult. This reduces our ability to accurately evaluate our future prospects and forecast quarterly or annual performance. In addition to the other risk factors discussed in this section, factors that may contribute to the variability of our quarterly and annual results include:

- our ability to attract new clients and retain existing clients;
- our ability to accurately forecast revenue and appropriately plan our expenses;
- the effects of increased competition on our business;
- our ability to successfully expand in existing markets and successfully enter new markets;
- the impact of global, regional or economic conditions;
- the ability of licensed cannabis markets to successfully grow and outcompete illegal cannabis markets;
- our ability to protect our intellectual property;
- our ability to maintain and effectively manage an adequate rate of growth;
- our ability to maintain and increase traffic to our platform;
- costs associated with defending claims, including intellectual property infringement claims and related judgments or settlements;
- changes in governmental or other regulation affecting our business;
- interruptions in platform availability and any related impact on our business, reputation or brand;
- the attraction and retention of qualified personnel;
- the effects of natural or man-made catastrophic events and/or health crises (including COVID-19); and
- the effectiveness of our internal controls.

***We may improve our products and solutions in ways that forego short-term gains.***

We seek to provide the best experience for the clients who use our platform. Some of our changes may have the effect of reducing our short-term revenue or profitability if we believe that the benefits will ultimately improve our business and financial performance over the long term. Any short-term reductions in revenue or profitability could be greater than planned or the changes mentioned above may not produce the long-term benefits that we expect, in which case our business and operating results could be adversely affected.

We currently have clients across the United States and Canada using our platform. We anticipate growing our business, in part, by continuing to expand our foreign operations. As we continue our expansion, we may enter new foreign markets where we have limited or no experience marketing and deploying our platform. If we fail to launch or manage our foreign operations successfully, our business may suffer.

***We are subject to industry standards, governmental laws, regulations and other legal obligations, particularly related to privacy, data protection and information security, and any actual or perceived failure to comply with such obligations could harm our business.***

We are subject to regulation by various federal, state, provincial, local and foreign governmental authorities, including those responsible for monitoring and enforcing employment and labor laws, anti-bribery laws, lobbying and election laws, securities laws and tax laws. These laws and regulations are subject to change over time and thus we must continue to monitor and dedicate resources to ensure continued compliance.

In addition, our business is subject to regulation by various federal, state, provincial and foreign governmental agencies responsible for monitoring and enforcing privacy and data protection laws and regulations. Numerous foreign, federal and state laws and regulations govern collection, dissemination, use and confidentiality of personally identifiable health information, including state privacy and confidentiality laws (including state laws requiring disclosure of breaches); federal and state consumer protection and employment laws; the Health Insurance Portability and Accountability Act of 1996, or HIPAA; and European and other foreign data protection laws.

We receive, store, process, and use personal information and other user content. The regulatory framework for privacy issues worldwide, including in the United States, is rapidly evolving and is likely to remain uncertain for the foreseeable future, as many new laws and regulations regarding the collection, use and disclosure of personally identifiable information, or PII, and other data have been adopted or are under consideration and existing laws and regulations may be subject to new and changing interpretations. In the United States, the Federal Trade Commission and many state attorneys general are applying federal and state consumer protection laws to impose standards for the online collection, use and dissemination of data. The California Consumer Privacy Act of 2018, or CCPA imposes significant additional requirements with respect to the collection of personal information from California residents. The CCPA, among other things, creates new data privacy obligations for covered companies and provides new privacy rights to California residents, including the right to opt out of certain disclosures of their information. The CCPA also creates a private right of action with statutory damages for certain data breaches, thereby potentially increasing risks associated with a data breach. It remains unclear what, if any, modifications will be made to this legislation or how it will be interpreted. Additionally, a new privacy law, the California Privacy Rights Act, or CPRA, significantly modified the CCPA, which has resulted in further uncertainty and requiring us to incur additional costs and expenses. The CPRA created a new California state agency charged with enforcing state privacy laws, and there is uncertainty about potential enforcement actions that the new agency may take in the future. The effects of the CCPA and the CPRA remain far-reaching, and depending on final regulatory guidance and related developments, may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply.

We are also currently subject to a variety of, and may in the future become subject to additional U.S. federal, state and local laws and regulations on advertising that are continuously evolving and developing, including the Telephone Consumer Protection Act, or the TCPA, the Telemarketing Sales Rule, the Controlling the Assault of Non-Solicited Pornography and Marketing Act, or the CAN-SPAM Act, and, at the state level, the CCPA (as described above), the Virginia Consumer Data Protection Act of 2021, or VCDPA, and the Colorado Privacy Act, or CPA. Many states are discussing potentially adopting similar comprehensive privacy legislation and we expect many of these will be implemented over the course of the next few years. These laws and regulations directly impact our business and require ongoing compliance, monitoring and internal and external audits as they continue to evolve, and may result in ever-increasing public and regulatory scrutiny and escalating levels of enforcement and sanctions. Subsequent changes to data protection and privacy laws and regulations could also impact how we process personal information and, therefore, limit the effectiveness of our product offerings or our ability to operate or expand our business, including limiting strategic relationships that may involve the sharing of personal information.

Many foreign countries and governmental bodies, including Canada and other relevant jurisdictions where we conduct or may, in the future, conduct business, have laws and regulations concerning the collection and use of PII and other data obtained from their residents or by businesses operating within their jurisdiction. These laws and regulations often are more restrictive than those in the United States. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure and security of data that identifies or may be used to identify or locate an individual, such as names, email addresses and, in some jurisdictions, internet protocol addresses and other types of data. In Canada, the federal Personal Information Protection and Electronic Documents Act, or PIPEDA, governs the collection, use and disclosure of PII in many provinces in Canada, and though it is silent with respect to territorial reach, the Federal Court of Canada has found that PIPEDA will apply to businesses established in other jurisdictions if there is a “real and substantial connection” between the organization’s activities and Canada. Provincial privacy commissioners take a similar approach to the interpretation and application of provincial private-sector privacy laws equivalent to PIPEDA. Further, Canada has robust anti-spam legislation. Organizations sending commercial electronic messages to individuals must either have express consent from the individual in the prescribed form or the situation must qualify as an instance of implied consent or other authorization set out in Canada’s Anti-Spam Legislation, or CASL. The penalties for non-compliance under CASL are significant and the regulator, the Canadian Radio- Television and Telecommunications Commission, is active with respect to enforcement.

Although we are working to comply with those federal, state, provincial and foreign laws and regulations, industry standards, governmental standards, contractual obligations and other legal obligations that apply to us, those laws, regulations, standards and obligations are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another, other requirements or legal obligations, our practices or the features of our applications or platform. Any failure or perceived failure by us or our contractors to comply with federal, state, provincial or foreign laws or regulations, industry standards, contractual obligations or other legal obligations, or any actual or suspected security incident, whether or not resulting in loss of, unauthorized access to, or acquisition, alteration, destruction, release or transfer of PII or other data, may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity and could cause employees, clients and consumers to lose trust in us, which could have an adverse effect on our reputation and business. Any inability or perceived inability (even if unfounded) on our part to adequately address privacy, data protection, and information security concerns, or comply with applicable laws, regulations, policies, industry standards, governmental standards, contractual obligations, or other legal obligations, could result in additional cost and liability to us, damage our reputation, inhibit sales, restrict our ability to utilize collected personal information, and adversely affect our business.

We also expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the United States, Canada and other jurisdictions, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. Future laws, regulations, standards and other obligations, or amendments or changes in the interpretation of existing laws, regulations, standards and other obligations, could impair our or our clients' ability to collect, use, disclose or otherwise process information relating to employees or consumers, which could decrease demand for our applications, increase our costs and impair our ability to maintain and grow our client and consumer bases and increase revenue. Such laws and regulations may require us to implement privacy and security policies, permit users to access, correct and delete personal information stored or maintained by such companies, inform individuals of security breaches that affect their personal information, and, in some cases, obtain individuals' consent to use PII or other data for certain purposes. In addition, a foreign government could require that any data collected in a country not be transferred or disseminated outside of that country, or impose restrictions or conditions upon such dissemination, and we may face difficulty in complying with any such requirements for certain geographic regions. Indeed, many privacy laws, such as those in force in Canada, already impose these requirements. If we fail to comply with federal, state, provincial and foreign data privacy laws and regulations, our ability to successfully operate our business and pursue our business goals could be harmed. Furthermore, due to our acceptance of credit cards, we are subject to the Payment Card Industry Data Security Standard (also known as the "PCI-DSS"), which is designed to protect the information of credit card users.

In the event our determinations are challenged and found to have been incorrect, we may be subject to unfavorable publicity or claims by one or more state attorneys general, federal regulators, or private plaintiffs, any of which could damage our reputation, inhibit sales and adversely affect our business.

***Governmental regulation of the internet continues to develop, and unfavorable changes could substantially harm our business and operating results.***

We are subject to general business regulations and laws as well as federal, state, provincial and foreign laws specifically governing the internet. Existing and future laws and regulations, narrowing of any existing legal safe harbors, or previous or future court decisions may impede the growth of the internet or online products and solutions, and increase the cost of providing online products and solutions. These laws may govern, among other issues, taxation, tariffs, user privacy, data protection, pricing, content, copyrights, distribution, electronic contracts and other communications, consumer protection, broadband residential internet access and the characteristics and quality of offerings. It is not clear how existing laws governing issues such as property ownership, sales, use and other taxes, libel and personal privacy apply to the internet or online services. There is also a risk that these laws may be interpreted and applied in conflicting ways across jurisdictions, and in a manner that is not consistent with our current practices. Unfavorable resolution of these issues may limit our business activities, expose us to potential legal claims or cause us to spend significant resources on ensuring compliance, any of which could harm our business and operating results.

***We may need to raise additional capital, which may not be available on favorable terms, if at all, causing dilution to our stockholders, restricting our operations or adversely affecting our ability to operate our business.***

SpringBig may require additional financing to fund its operations or growth. The failure to secure additional financing could have a material adverse effect on the continued development or growth of SpringBig. Such additional capital may cause dilution to our stockholders. Further, the likelihood that our warrant holders will exercise their warrants, and therefore the amount of cash proceeds that we would receive, is dependent upon the trading price of our shares of common stock, which is currently below the applicable exercise price. If the trading price for our shares of common stock remains less than the applicable exercise price, we believe the warrant holders will be unlikely to exercise their warrants. If our need is due to unforeseen circumstances or material expenditures or if our operating results are worse than expected, then we cannot be certain that we will be able to obtain additional financing on favorable terms, if at all, and these additional financings could cause further dilution to our stockholders. Any funds we raise may not be sufficient to enable us to continue to implement our long-term business strategy. Further, our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions, increasing interest rates and the recent disruptions to and volatility in the credit and financial markets in the United States. Due to the current legal status of cannabis under U.S. federal law, we have experienced, and may in the future experience, difficulty attracting additional debt or equity financing. In addition, the current legal status of cannabis may increase the cost of capital now and in the future. Debt financing, if available, may involve agreements that include equity conversion rights, covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, expending capital, or declaring dividends, or that impose financial covenants on us that limit our ability to achieve our business objectives. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans, and there is no assurance that we would be able to repay such loans in such an event or prevent the foreclosure of security interests granted pursuant to such debt financing. If we need but cannot raise additional capital on acceptable terms, then we may not be able to meet our business objectives and satisfy our financial obligations, our stock price may fall, and you may lose your investment.

***Our obligations to the holders of the Convertible Notes are secured by a security interest in substantially all of our assets, so if we default on those obligations, the noteholder could foreclose on, liquidate and/or take possession of our assets. If that were to happen, we could be forced to curtail, or even to cease, our operations.***

On January 23, 2024, the Company entered into the Notes Purchase Agreement with the Investors, pursuant to which the Company issued the Convertible Notes. Simultaneously, SpringBig, Inc. entered into a guaranty agreement to guarantee the Company's obligations under the Convertible Notes and the Company and SpringBig, Inc. entered into a security agreement, pursuant to which the Investors were granted a security interest in all the assets of the Company and SpringBig, Inc. to secure repayment of amounts due under the Convertible Notes. As a result, if we default on our obligations under the Convertible Notes, the Investors could foreclose on its security interests and liquidate or take possession of some or all of the assets of the Company, SpringBig, Inc. and its subsidiaries, which would harm our business, financial condition and results of operations and could require us to curtail, or even to cease our operations. See "Subsequent Events" section in Note 23 of the notes to consolidated financial statements included in this report for more information.

***Our notes and related agreements restrict our ability to obtain additional debt and equity financing which may restrict our ability to grow and finance our operations and, further.***

The agreements related to the sale of the Convertible Notes contain a number of restrictive covenants that may impose significant operating and financial restrictions on us while Convertible Notes remain outstanding or unless the restrictions are waived by consent of each noteholder, including restrictions on our ability to incur additional indebtedness and guarantee indebtedness; incur liens or allow mortgages or other encumbrances; prepay, redeem, or repurchase certain other debt; pay dividends or make other distributions or repurchase or redeem our capital stock; sell assets or enter into or effect certain other transactions (including a reorganization, consolidation, dissolution or similar transaction or selling, leasing, licensing, transferring or otherwise disposing of assets of the Company or its subsidiaries); and adopt certain amendments to our governing documents, among other restrictions. A breach of the covenants or restrictions under the agreements governing our indebtedness could result in an event of default under these agreements. As a result of these restrictions, we may be limited in how we conduct our business, unable to raise additional debt financing to operate during general economic or business downturns and/or unable to compete effectively or to take advantage of new business opportunities.

***Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, investments and results of operations.***

We are subject to laws, regulations and rules enacted by national, regional and local governments. In particular, we are required to comply with certain SEC and other legal or regulatory requirements. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time consuming and costly. Those laws, regulations and rules and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws, regulations and rules, as interpreted and applied, could have a material adverse effect on our business and results of operations.

***We may be subject to potential adverse tax consequences both domestically and in Canada.***

We are a Delaware corporation that is treated as a C-corporation for U.S. federal and most applicable state and local income tax purposes. We are subject to taxes, such as income, payroll, sales, use, value-added, property and goods and services taxes, in both the United States and various foreign jurisdictions. Our domestic and foreign tax liabilities are subject to various jurisdictional rules regarding the timing and allocation of revenue and expenses. Additionally, the amount of income taxes paid is subject to our interpretation of applicable tax laws in the jurisdictions in which we file and to changes in tax laws. Significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. From time to time, we may be subject to income and non-income tax audits. While we believe we have complied, and will continue to comply, with all applicable income tax laws, there can be no assurance that a governing tax authority will not have a different interpretation of the law and assess us with additional taxes. Should we be assessed with additional taxes, there could be a material adverse effect on our business, results of operations, and financial condition. In addition, audits may require ongoing time and attention from our management, which could limit their ability to focus on other aspects of our business and impact our business in the future.

***The ability of SpringBig to utilize net operating loss and tax credit carryforwards is conditioned upon SpringBig attaining profitability and generating taxable income. SpringBig has incurred significant net losses since inception. Additionally, SpringBig's ability to utilize net operating loss and tax credit carryforwards to offset future taxable income may be limited.***

As of December 31, 2025, SpringBig had approximately \$29.7 million of U.S. federal net operating loss carryforwards available to reduce future taxable income, which can be carried forward indefinitely. The Tax Cuts and Jobs Act (the "Tax Act") included a reduction to the maximum deduction allowed for net operating losses generated in tax years after December 31, 2017, and the elimination of carrybacks of net operating losses. In addition, net operating loss carryforwards and certain tax credits may be subject to significant limitations under Section 382 and Section 383 of the Code, respectively, and similar provisions of state law. Under those sections of the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change attributes, such as research tax credits, to offset its post-change income or tax may be limited. In general, an "ownership change" will occur if there is a cumulative change in ownership by "5% shareholders" that exceeds 50 percentage points over a rolling three-year period. If SpringBig has experienced an ownership change at any time since its incorporation, SpringBig may already be subject to limitations on its ability to utilize its existing net operating loss carryforwards and other tax attributes to offset taxable income or tax liability. In addition, the business combination, and future changes in SpringBig's stock ownership, which may be outside of SpringBig's control, may trigger an ownership change. Similar provisions of state tax law may also apply to limit SpringBig's use of accumulated state tax attributes. As a result, even if SpringBig earns net taxable income in the future, its ability to use its pre-change net operating loss carryforwards and other tax attributes to offset such taxable income or tax liability may be subject to limitations, which could potentially result in increased future income tax liability to SpringBig.

***Changes in accounting standards or other factors could negatively impact our future effective tax rate.***

Our future effective tax rate may be affected by such factors as changing interpretation of existing laws or regulations, the impact of accounting for equity-based compensation, the impact of accounting for business combinations, changes in our international organization, and changes in overall levels of income before tax. In addition, in the ordinary course of our global business, there are many intercompany transactions and calculations where the ultimate tax determination is uncertain.

Although we believe that our tax estimates are reasonable, we cannot ensure that the final determination of tax audits or tax disputes will not be different from what is reflected in our historical income tax provisions and accruals.

***Changes in tax laws or regulations and compliance in multiple jurisdictions may have a material adverse effect on our business, cash flow, financial condition or operating results.***

We are subject to the income tax laws of the United States and Canada. New income, sales, use or other tax laws, statutes, rules, regulations, or ordinances could be enacted at any time, which could affect the tax treatment of our U.S. and foreign earnings. Any new taxes could adversely affect our domestic and foreign business operations, and our business and financial performance. In addition, existing tax laws, statutes, rules, regulations, or ordinances, such as Section 280E of the Code, discussed below, could be interpreted, changed, modified or applied adversely to us. Furthermore, changes to the taxation of undistributed foreign earnings could change our future intentions regarding reinvestment of such earnings. The foregoing items could have a material adverse effect on our business, cash flow, financial condition or operating results. Requirements as to taxation vary substantially among jurisdictions. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject us to penalties and fees in the future if we were to inadvertently fail to comply. If we were to inadvertently fail to comply with applicable tax laws, this could have a material adverse effect on our business, results of operations and financial condition.

***Certain taxing authorities may successfully assert that SpringBig should have collected or that in the future SpringBig should collect sales and use or similar taxes for certain services which could adversely affect our results of operations.***

We do not collect sales and use or similar taxes in the United States or Canada based on our determination that such taxes are not applicable to our platform. Based on the U.S. Supreme Court's ruling in *South Dakota v. Wayfair*, certain state taxing authorities may assert that SpringBig had economic nexus with their state and was required to collect sales and use or similar taxes with respect to certain past services that SpringBig has provided (or with respect to future services that SpringBig will provide), which could result in tax assessments and penalties and interest. A successful assertion that SpringBig should be collecting additional sales and use or similar taxes or remitting such sales and use or similar taxes directly to states or other jurisdictions could have an adverse effect on SpringBig and its business.

#### **Additional Risks Related to the Cannabis Industry**

***Cannabis remains illegal under federal law, and therefore, strict enforcement of federal laws regarding cannabis would likely result in our inability to execute our business plan.***

Cannabis, other than hemp (defined by the U.S. government as *Cannabis sativa* L. with a THC concentration of not more than 0.3% on a dry weight basis), is a Schedule I controlled substance under the CSA. Even in states or territories that have legalized cannabis to some extent, the cultivation, possession, and sale of cannabis all violate the CSA and are punishable by imprisonment, substantial fines and forfeiture. Moreover, individuals and entities may violate federal law if they aid and abet another in violating the CSA, or conspire with another to violate the law, and violating the CSA is a predicate for certain other crimes, including money laundering laws and the Racketeer Influenced and Corrupt Organizations Act. The U.S. Supreme Court has ruled that the federal government has the authority to regulate and criminalize the sale, possession and use of cannabis, even for individual medical purposes, regardless of whether it is legal under state law. For many years, however, the U.S. government has not prioritized the enforcement of those laws against cannabis companies complying with state law and their vendors. No reversal of that policy of prosecutorial discretion is expected under the Trump administration, although prosecutions against state-legal entities cannot be ruled out especially in light of President Trump's appointment of Pam Bondi as Attorney General and Terry Cole as acting DEA Administrator, each of whom have more traditional views regarding cannabis enforcement.

On January 4, 2018, then U.S. Attorney General Jeff Sessions issued a memorandum for all U.S. Attorneys (the “Sessions Memo”) rescinding certain past DOJ memoranda on cannabis law enforcement, including the Memorandum by former Deputy Attorney General James Michael Cole (the “Cole Memo”) issued on August 29, 2013, under the Obama administration. Describing the criminal enforcement of federal cannabis prohibitions against those complying with state cannabis regulatory systems as an inefficient use of federal investigative and prosecutorial resources, the Cole Memo gave federal prosecutors discretion not to prosecute state law compliant cannabis companies in states that were regulating cannabis, unless one or more of eight federal priorities were implicated, including use of cannabis by minors, violence, or the use of federal lands for cultivation. The Sessions Memo, which remains in effect, states that each U.S. Attorney’s Office should follow established principles that govern all federal prosecutions when deciding which cannabis activities to prosecute. As a result, federal prosecutors could and still can use their prosecutorial discretion to decide to prosecute even state-legal cannabis activities. Since the Sessions Memo was issued, however, U.S. Attorneys have generally not prioritized the targeting of state law compliant entities.

As such, we cannot assure that each U.S. Attorney’s Office in each judicial district where we operate will not choose to enforce federal laws governing cannabis sales against state-legal companies like our business clients. The basis for the federal government’s lack of recent enforcement with respect to the cannabis industry extends beyond the strong public sentiment and ongoing prosecutorial discretion. Since 2014, versions of the U.S. omnibus spending bill have included a provision prohibiting the DOJ, which includes the Drug Enforcement Administration, from using appropriated funds to prevent states from implementing their medical-use cannabis laws. In *USA vs. McIntosh*, the U.S. Court of Appeals for the Ninth Circuit held that the provision prohibits the DOJ from spending funds to prosecute individuals who engage in conduct permitted by state medical-use cannabis laws and who strictly comply with such laws. The court noted that, if the spending bill provision were not continued, prosecutors could enforce against conduct occurring during the statute of limitations even while the provision was previously in force. Other courts that have considered the issue have ruled similarly, although courts disagree about which party bears the burden of proof of showing compliance or noncompliance with state law. Certain of our clients that are retailers currently (and may in the future) sell adult-use cannabis, if permitted by such state and local laws now or in the future, and therefore may be outside any protections extended to medical-use cannabis under the spending bill provision. This could subject such retailer clients to greater and/or different federal legal and other risks as compared to businesses where cannabis is sold exclusively for medical use, which could in turn materially adversely affect our business. Furthermore, any change in the federal government’s enforcement posture with respect to state-licensed cannabis sales, including the enforcement postures of individual federal prosecutors in judicial districts where we operate, would result in our inability to execute our business plan, and we would likely suffer significant losses with respect to client base, which would adversely affect our operations, cash flow and financial condition.

On October 6, 2022, the Biden Administration issued an Executive Order which, in part, directed the Secretary of Health and Human Services to begin the administrative process of reviewing the scheduling of cannabis under the Controlled Substances Act. On December 18, 2025, President Trump signed an Executive Order directing Attorney General Pam Bondi to take all necessary steps to reschedule cannabis from Schedule I to Schedule III. However, reschedulign has not yet occurred.

On September 27, 2023, the U.S. Senate Banking Committee passed the SAFER Banking Act on a bipartisan vote of 14-9, which would shield banks from enforcement of federal anti-money laundering statutes for offering services to state-legal cannabis businesses. While various versions of the bill have passed the U.S. House of Representatives under prior leadership, the passage in the U.S. Senate Banking Committee marks the first time the U.S. Senate has acted to reform cannabis banking. However, following the Republican takeover of both chambers of Congress in January 2025, the bill’s prospects have become increasingly uncertain. GOP leadership has signaled a shift in legislative priorities, making it unclear whether the full U.S. Senate or the U.S. House of Representatives will take further action on the measure. It remains unclear whether the bill will pass the full U.S. Senate or the U.S. House of Representatives.

Industry observers have mixed opinions on the prospects of cannabis reform in the U.S. We cannot provide assurances about the content, timing or chances of executive action to reschedule cannabis or the passage of a bill legalizing cannabis or liberalizing cannabis regulations. Accordingly, we cannot predict the timing of any change in federal law or possible changes in federal enforcement. In the event that the federal government were to reverse its long-standing hands-off approach to the state legal cannabis markets and start more broadly enforcing federal law regarding cannabis, we would likely be unable to execute our business plan, and our business and financial results would be adversely affected.

In December 2025, the U.S. President issued an executive order directing the Attorney General and federal agencies to expedite the administrative rescheduling of cannabis under the federal Controlled Substances Act from Schedule I to Schedule III, reflecting a determination that cannabis has a currently accepted medical use and reorienting federal policy toward research and regulated markets. The executive order does not itself change cannabis’ legal status under federal law, and cannabis remains a Schedule I controlled substance until formal rulemaking is completed by the Department of Justice and the Drug Enforcement Administration (DEA). The rescheduling initiative builds on a proposed rule previously issued by the Department of Justice in 2024 but is subject to the administrative rulemaking process, potential litigation, and ongoing procedural requirements before becoming effective.

The potential rescheduling of cannabis could have a material impact on companies operating in federal and state regulated cannabis markets. If finalized, Schedule III status would likely result in significant changes to federal tax treatment, including the prospective elimination of Internal Revenue Code Section 280E treatment that currently disallows ordinary business deductions for activities involving Schedule I controlled substances. This change could materially improve federal taxable income calculations, effective tax rates, and cash flows for cannabis operating entities.

The timing, scope, and ultimate regulatory outcomes remain uncertain. There can be no assurance that the federal rescheduling process will be completed on a specific timetable, that challenges to the administrative process will not delay or alter the ultimate scheduling decision, or that associated regulatory relief (including tax, banking, interstate commerce, and financial institution risk treatment) will be implemented or benefit the Company's operations. Accordingly, management continues to monitor developments and assess the effects of these actions on the Company's financial results, exposures, and disclosures. No adjustment has been made to the Company's financial statements as of and for the year ended December 31, 2025 for potential impacts arising from cannabis rescheduling under federal law due to the uncertainty regarding timing and substance of any future rulemaking.

***Our business and our clients are subject to a variety of U.S. and foreign laws regarding financial transactions related to cannabis, which could subject our clients to legal claims or otherwise adversely affect our business.***

We and our clients are subject to a variety of laws and regulations in the United States regarding financial transactions. Violations of the U.S. anti-money laundering (AML) laws require proceeds from enumerated criminal activity, which includes trafficking in cannabis in violation of the CSA. Financial institutions that both we and our clients rely on are subject to the Bank Secrecy Act, as amended by Title III of the USA Patriot Act. In Canada, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder and the Criminal Code (Canada) apply. The penalties for violation of these laws include imprisonment, substantial fines and forfeiture.

In 2014, the DOJ under the Obama administration directed federal prosecutors to exercise restraint in prosecuting AML violations arising in the state legal cannabis programs and to consider the federal enforcement priorities enumerated in the Cole Memo when determining whether to charge institutions or individuals based upon cannabis-related activity. Around the same time, the Treasury Department issued guidance that clarified how financial institutions can provide services to cannabis-related businesses, consistent with financial institutions' obligations under the Bank Secrecy Act. Then-Attorney General Sessions's rescission of the DOJ's guidance on the state cannabis programs in early 2018 increased uncertainty and heightened the risk that federal law enforcement authorities could seek to pursue money laundering charges against entities, or individuals, engaged in supporting the cannabis industry. On January 31, 2018, the Treasury Department issued additional guidance that the 2014 Guidance would remain in place until further notice, despite the rescission of the DOJ's earlier guidance memoranda. As of 2025, the regulatory landscape remains uncertain. While the previous administration under President Biden took affirmative steps toward cannabis reform, the newly elected Republican-controlled Congress and Trump Administration have introduced new uncertainty to federal cannabis policy. It remains unclear whether the U.S. Department of Treasury will maintain or revise its longstanding guidance, further complicating compliance considerations for financial institutions serving the cannabis industry. As of March 2025, Treasury Secretary Scott Bessent has not publicly commented on cannabis policy. During his confirmation hearings, discussions largely focused on tax policy and financial regulations, with no direct statements regarding the Treasury Department's approach to cannabis-related banking or anti-money laundering guidance. It remains unclear whether Secretary Bessent will maintain, revise, or rescind existing Treasury guidance related to financial services for state-legal cannabis businesses.

We are subject to a variety of laws and regulations in the United States, Canada and elsewhere that prohibit money laundering, including the Proceeds of Crime and Terrorist Financing Act (Canada) and the Money Laundering Control Act (U.S.), as amended, and the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by governmental authorities in the United States, Canada or any other jurisdiction in which we have business operations or to which we export our offerings. If any of our clients' business activities, any dividends or distributions therefrom, or any profits or revenue accruing thereby are found to be in violation of money laundering statutes, our clients could be subject to criminal liability and significant penalties and fines. Any violations of these laws, or allegations of such violations, by our clients could disrupt our operations and involve significant management distraction and expenses. As a result, a significant number of our clients facing money laundering charges could materially affect our business, operations and financial condition. Additionally, proceeds from our clients' business activities, including payments we have received from those clients, could be subject to seizure or forfeiture if they are found to be illegal proceeds of a crime transmitted in violation of anti-money laundering laws, which could have a material adverse effect on our business. Finally, if any of our clients are found to be violating the above statutes, this could have a material adverse effect on their ability to access or maintain financial services, as discussed in detail below, which could, in turn, have a material adverse effect on our business.

***We are dependent on our banking relations, and we may have difficulty accessing or consistently maintaining banking or other financial services due to our connection with the cannabis industry.***

Although we do not grow or sell cannabis products, our general connection with the cannabis industry may hamper our efforts to do business or establish collaborative relationships with others that may fear disruption or increased regulatory scrutiny of their own activities.

We are dependent on the banking industry to support the financial functions of our products and solutions. Our business operating functions including payroll for our employees, real estate leases, and other expenses are handled and reliant on traditional banking. We require access to banking services for both us and our clients to receive payments in a timely manner. Lastly, to the extent we rely on any lines of credit, these could be affected by our relationships with financial institutions and could be jeopardized if we lose access to a bank account. Important components of our offerings depend on client accounts and relationships, which in turn depend on banking functions. Most federal and federally-insured state banks currently do not serve businesses that grow and sell cannabis products on the stated ground that growing and selling cannabis is illegal under federal law, even though the Treasury Department's Financial Crimes Enforcement Network, or FinCEN, issued guidelines to banks in February 2014 that clarified how financial institutions can provide services to cannabis-related businesses, consistent with financial institutions' obligations under the Bank Secrecy Act. While the federal government has generally not initiated financial crimes prosecutions against state-law compliant cannabis companies or their vendors, the government theoretically could, at least against companies in the adult-use markets. The continued uncertainty surrounding financial transactions related to cannabis activities and the subsequent risks this uncertainty presents to financial institutions may result in their discontinuing services to the cannabis industry or limit their ability to provide services to the cannabis industry or ancillary businesses providing services to the cannabis industry.

As a result of federal-level illegality and the risk that providing services to state-licensed cannabis businesses poses to banks, cannabis-related businesses face difficulties accessing banks that will provide services to them. When cannabis businesses are able to find a bank that will provide services, they face extensive client due diligence in light of complex state regulatory requirements and guidance from FinCEN, and these reviews may be time-consuming and costly, potentially creating additional barriers to financial services for, and imposing additional compliance requirements on, us and our clients. FinCEN requires a party in trade or business to file with the U.S. Internal Revenue Service, or the IRS, a Form 8300 report within 15 days of receiving a cash payment of over \$10,000. While we do not receive cash payments for the products we sell, if we fail to comply with these laws and regulations, the imposition of a substantial penalty could have a material adverse effect on our business, results of operations and financial condition. We cannot assure that our strategies and techniques for designing our products and solutions for our clients will operate effectively and efficiently and not be adversely impacted by any refusal or reluctance of banks to serve businesses that grow and sell cannabis products. A change in banking regulations or a change in the position of the banking industry that permits banks to serve businesses that grow and sell cannabis products may increase competition for us, facilitate new entrants into the industry offering platforms, products or solutions similar to those that we offer, or otherwise adversely affect our results of operations. Also, the inability of potential clients in our target market to open accounts and otherwise use the services of banks or other financial institutions may make it difficult for us to conduct business, including receiving payments in a timely manner.

We do not sell cannabis, or products that contain cannabis; accordingly, our company is not part of the cannabis industry that would be restricted from using federal and federally insured banks. However, because of the fact that our revenue is generated largely from companies licensed as operators in the cannabis industry, banks have and may continue to consider us to be part of the cannabis industry that is subject to banking restrictions. If we were to lose any of our banking relationships or fail to secure additional banking relationships in the future, we could experience difficulty and incur increased costs in the administration of our business, paying our employees, accepting payments from clients, each of which may adversely affect our reputation or results of operations. Additionally, the closure of many or one of our bank accounts due to a bank's reluctance to provide services to a business working with state legal cannabis businesses would require significant management attention from SpringBig and could materially adversely affect our business and operations. In addition to banks and financial institutions, merchant processors may take a similar view of the risks of working with SpringBig since we provide services to cannabis businesses, and loss of any of our merchant processor relationships could have similar result. In December 2021, Visa issued a compliance memorandum warning against the misuse of "cashless ATMs" by merchants, including cannabis retailers, to process transactions as ATM withdrawals rather than purchases, claiming this practice violates Visa's policies, and indicating that such transactions could lead to penalties or other enforcement actions. Moreover, in July of 2023, Mastercard directed U.S. financial institutions to prohibit the purchase of cannabis on its debt card network and Visa reportedly prohibits the use of cashless ATMs to process transactions involving cannabis on its network. In February 2025, Texas-based payments processor Switch Commerce LLC filed a lawsuit against multi-state cannabis operator Trulieve in an Arizona state court. The lawsuit alleges that Trulieve intentionally misrepresented debit card purchases as ATM withdrawals through a 'cashless ATM' system and processed these transactions on Switch's platform. Switch Commerce claims that this practice violated their agreements and exposed the company to regulatory and financial risks

***We may have difficulty using bankruptcy courts due to our involvement in the regulated cannabis industry.***

We currently have no need or plans to seek bankruptcy protection. U.S. courts have held that debtors whose income is derived from cannabis or cannabis assets in violation of the CSA cannot seek federal bankruptcy protections. Although we are not in the business of growing or processing cannabis or selling or even possessing cannabis or cannabis products, a U.S. court could determine that our revenue is derived from cannabis or cannabis assets and prevent us from obtaining bankruptcy protections if necessary.

***The conduct of third parties may jeopardize our business.***

We cannot guarantee that our systems, protocols, and practices will prevent all unauthorized or illegal activities by our clients. Our success depends in part on our clients' ability to operate consistently with the regulatory and licensing requirements of each state, local, and regional jurisdiction in which they operate. We have policies and procedures to review cannabis license information for operational cannabis retail clients to ensure validity and accuracy of such license information. We cannot ensure that the conduct of our clients, who are third parties, and their actions could expose them to legal sanctions and costs, which would in turn, adversely affect our business and operations.

***A failure to comply with laws and regulations regarding our use of telemarketing, including the TCPA, could increase our operating costs and materially and adversely impact our business, financial condition, results of operations, and prospects.***

Our technology allows dispensaries to send outbound text communications to their customers. While we believe that it is each dispensary's responsibility for compliance with state and federal laws regulating outbound communications, we recognize that SpringBig may be named in actions alleging violations of these laws or otherwise have to be involved in demands and actions stemming from alleged violations of these laws (e.g., through subpoenas). There are a number of state and federal laws regulating outbound telephonic communications, including the TCPA and Telemarketing Sales Rule. The U.S. Federal Communications Commission, or the FCC, and the FTC have responsibility for regulating various aspects of these laws. Individual states, like Washington and Florida, also separately regulate outbound telephonic communications. Among other requirements, the TCPA and other laws require the sender of the message to obtain prior express written consent for telemarketing calls and to adhere to state and national "do-not-call" registry requirements and implement various compliance procedures. These laws impact dispensary customers' ability to communicate with their customers and can impact effectiveness of our marketing programs. These laws also raise the risk that SpringBig could be named directly or involved indirectly in litigation. The TCPA and other similar laws do not distinguish between voice and data communications, and, as such, SMS/MMS messages are also "calls" for the purpose of these outbound telephonic communication statutes.

The TCPA and similar state laws provide for a private right of action under which a plaintiff may bring suit and, oftentimes, allow the recovery of statutory damages. The TCPA, by way of example, imposes statutory damages of between \$500 and \$1,500 per violation. There is no statutory cap on maximum aggregate exposure (although some courts have applied in TCPA class actions constitutional limits on excessive penalties). An action may be brought by the FCC, a state attorney general, an individual on behalf of the individual or a class of individuals. Like other companies that play an intermediary role between the sender (the dispensary) and the recipient (the dispensary customer) of telephonic communications, we have been sued under the TCPA and have received a number of subpoenas in TCPA cases brought against dispensaries. If in the future we are found to have violated the TCPA or any similar state law, particularly on a class-wide basis, the amount of damages and potential liability could be extensive and materially and adversely impact our business, financial condition, results of operations, and prospects.

***We may continue to be subject to constraints on marketing our products.***

Certain of the states in which we operate have enacted strict regulations regarding marketing and sales activities on cannabis products, which could affect our cannabis retail clients' demand for our platform and marketing services. There may be restrictions on sales and marketing activities of cannabis businesses imposed by government regulatory bodies that can hinder the development of our business and operating results because of the restrictions our clients face. If our clients are unable to effectively market our products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for our products for our clients, this could hamper demand for our products and services from licensed cannabis retailers, which could result in a loss of revenue.

***Cannabis businesses are subject to unfavorable U.S. tax treatment.***

Section 280E of the Code does not allow any deduction or credit for any amount paid or incurred during the taxable year in carrying on business, other than costs of goods sold, if the business (or the activities which comprise the trade or business) consists of trafficking in controlled substances (within the meaning of Schedules I and II of the CSA). The IRS has applied this provision to cannabis operations, prohibiting them from deducting expenses associated with cannabis businesses beyond costs of goods sold and asserting assessments and penalties for additional taxes owed. Section 280E of the Code may have a lesser impact on cannabis cultivation and manufacturing operations than on sales operations, which directly affects our suppliers, who are cannabis retailers and brands. However, Section 280E of the Code and related IRS enforcement activity have had a significant impact on the operations of all cannabis companies. While Section 280E of the Code does not directly affect SpringBig, it lowers SpringBig's clients' profitability and could result in decreased demand or higher price sensitivity for SpringBig's marketing and customer loyalty services. An otherwise profitable cannabis business may operate at a loss after taking into account its U.S. income tax expenses. This affects SpringBig because SpringBig's sales and operating results could be adversely affected if SpringBig's clients decrease their marketing budgets and are operating on lower profit margins as a result of unfavorable treatment by the Code. While President Trump's executive order to reschedule cannabis from Schedule I to Schedule III would remove the tax consequences of Section 280E, there is no guarantee that the order will be implemented, and future litigation could also slow down or halt the rescheduling process, thereby keeping Section 280E in place.

***Service providers to cannabis businesses may also be subject to unfavorable U.S. tax treatment.***

As discussed above, under Section 280E of the Code, no deduction or credit is allowed for any amount paid or incurred during the taxable year in carrying on business, other than costs of goods sold, if the business (or the activities which comprise the trade or business) consists of trafficking in controlled substances (within the meaning of Schedules I and II of the CSA). The IRS has applied this provision to cannabis operations, prohibiting them from deducting expenses associated with cannabis businesses and asserting assessments and penalties for additional taxes owed. While we do not believe that Section 280E of the Code applies to our business, and, generally, ancillary service providers who work with state-licensed cannabis businesses have not been subject to Section 280E of the Code, because they are providing services or products other than cannabis, if the IRS interprets the section to apply, it would significantly and materially affect our profitability and financial condition.

The MORE Act, which was introduced in the U.S. House of Representatives and the U.S. Senate in 2019, passed by the House in 2020 and 2021, and reintroduced again in the House on August 29, 2025, would remove marijuana from the CSA, which would effectively carve out state-legal cannabis businesses from Section 280E of the Code and allow for interstate commerce of cannabis. However, the MORE Act would impose two new taxes on cannabis businesses: an excise tax measured by the value of certain cannabis products and an occupational tax assessed on the enterprises engaging in cannabis production and sales. Although these novel tax provisions are included in the MORE Act passed by the House of Representatives, it is challenging to predict whether, when and in what form the MORE Act could be enacted into law and how any such legislation would affect the activities of SpringBig. Similarly, the recently introduced States Reform Act 2.0 would also effectively carve out state-legal cannabis businesses from Section 280E of the Code and permit interstate commerce but at the same time impose a new excise tax on cannabis businesses.

***Cannabis businesses may be subject to civil asset forfeiture.***

Any property owned by participants in the cannabis industry used in the course of conducting such business, or that represents proceeds of such business or is traceable to proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture because of the illegality of the cannabis industry under federal law. Even if the owner of the property is never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture. Forfeiture of assets of our cannabis business clients could adversely affect our revenues if it impedes their profitability or operations and our clients' ability to continue to subscribe to our services.

***Due to our involvement in the cannabis industry, we may have a difficult time obtaining the various insurances that are desired to operate our business, which may expose us to additional risk and financial liability.***

Insurance that is otherwise readily available, such as general liability and directors' and officers' insurance, is more difficult for us to find and is more expensive or contains significant exclusions because our clients are cannabis industry participants. There are no guarantees that we will be able to find such insurance coverage in the future or that the cost will be affordable to us. If we are forced to operate our business without such insurance coverage, it may prevent us from entering into certain business sectors, may inhibit our growth, and may expose us to additional risk and financial liabilities. If we experience an uninsured loss, it may result in loss of anticipated cash flow and could materially adversely affect our results of operations, financial condition, and business.

***We are reliant on a single vendor for the technology platform that supports our business operations, and our failure to meet certain future contractual minimums could result in the loss of exclusivity under our vendor agreement, which could materially and adversely affect our business, financial condition, and results of operations.***

Our business operations rely on a technology platform provided by a single third-party vendor pursuant to a contractual arrangement. The third-party vendor's platform is integral to our services, and we do not currently maintain a comparable alternative or backup platform. Any disruption, degradation, or discontinuation of access to the third-party vendor's platform, whether resulting from technical failures, cybersecurity incidents, changes in the vendor's business strategy, financial difficulties experienced by the vendor, or other factors beyond our control, could materially disrupt our operations and adversely affect our ability to serve our customers and generate revenue.

The contractual arrangement with the vendor contains certain minimum payment thresholds that we are required to satisfy in the future. In the event that we fail to meet these monthly minimums in any given period, the exclusivity provisions under the vendor arrangement may be terminated, thereby permitting the vendor to provide its platform and related services to our competitors. The loss of exclusivity could significantly erode our competitive advantage. There can be no assurance that we will be able to consistently meet the required minimums, particularly during periods of reduced demand, macroeconomic uncertainty, seasonal fluctuations, or other adverse business conditions.

Furthermore, our reliance on the vendor exposes us to risks associated with the vendor's own operational, financial, and regulatory challenges. If the vendor were to experience a material adverse event, including but not limited to bankruptcy, insolvency, a significant data breach, regulatory action, or a decision to discontinue or materially alter the platform, we may be unable to transition to an alternative solution in a timely manner or on commercially reasonable terms, if at all. The costs associated with migrating to a replacement platform, including potential downtime, retraining of personnel, integration expenses, and loss of historical data or functionality, could be substantial.

If we are unable to maintain our exclusive arrangement under the contractual arrangement with the third-party vendor, or if our relationship with the vendor is otherwise disrupted or terminated, our business, financial condition, results of operations, and competitive position could be materially and adversely affected.

***There may be difficulty enforcing certain of our commercial agreements and contracts.***

Courts will not enforce a contract deemed to involve a violation of law or public policy. Because cannabis remains illegal under U.S. federal law, certain parties to contracts involving the state-legal cannabis industry have argued that the agreement was void as federally illegal or against public policy. Some courts have accepted this argument in certain cases, usually against the company trafficking in cannabis. While courts have enforced contracts related to activities by state-legal cannabis companies, and the trend is generally to enforce contracts with state-legal cannabis companies and their vendors, there remains doubt and uncertainty that we will be able to enforce all of our commercial agreements in court for this reason. We cannot be assured that we will have a remedy for breach of contract, which would have a material adverse effect on our business.

## **Risks Related to Our Intellectual Property**

*We may in the future be, subject to disputes and assertions by third parties with respect to alleged violations of intellectual property rights. These disputes could be costly to defend and could harm our business and operating results.*

We may, from time to time in the future, face allegations that we have violated the intellectual property rights of third parties, including patent, trademark, copyright and other intellectual property rights. Even if the claims are without merit, defending these types of claims may result in substantial costs, the diversion of the attention of management, and the disruption of our operations. In particular, patent and other intellectual property litigation may be protracted and expensive, and the results are difficult to predict. We may be required to stop offering certain features, purchase licenses or modify our products and features while we develop non-infringing substitutes, or become subject to significant settlement costs. These claims also could subject us to significant liability for damages and could result in our having to stop using or hosting technology, content, branding or business methods found to be in violation of another party's rights. We do not own any patents and, therefore, may be unable to deter competitors or others from pursuing patent or other intellectual property infringement claims against us through the threat of counter-suit.

Companies in the software-as-a-service (SaaS) vertical in which we operate and other industries may own large numbers of patents, copyrights, and trademarks and may frequently request license agreements, threaten litigation or file suit against us based on allegations of infringement or other violations of intellectual property rights. Our platform features third-party brands, which may themselves infringe third party intellectual property rights and could bring us into litigation between the parties. Further, although we contractually seek indemnification protection from our clients, clients may not be solvent or financially able to indemnify us. We may be required or may opt to seek a license of intellectual property rights held by others, which may not be available on commercially reasonable terms, or at all. Even if a license is available, we could be required to pay significant royalties, which would increase our operating expenses. We may also be required to develop alternative non-infringing technology, content, branding, or business methods, which could require significant effort and expense and which we may not be able to accomplish efficiently, or at all. If we cannot use, license, or develop technology, content, branding, or business methods for any allegedly infringing aspect of our business, we may be unable to compete effectively. Further, as we face increasing competition and as our business grows, we will face an increasing likelihood of claims of infringement.

The results of litigation and claims to which we may be subject cannot be predicted with certainty. Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business, reputation and operating results.

*Some of our solutions contain open-source software, which may pose particular risks to our proprietary software and solutions.*

We use open-source software that we have obtained from third parties or is included in software packages in our solutions and will continue to use open source software in the future. Open-source software is generally freely accessible, usable and modifiable, and is made available to the general public on an "as-is" basis under the terms of a non-negotiable license. From time to time, we may face claims from third parties claiming ownership of, or demanding release of, the open source software and/or derivative works that we developed using such software (which could include our proprietary source code), or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to purchase a costly license or cease offering the implicated solutions unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources. In addition to risks related to license requirements, use of certain open-source software can lead to greater risks than use of third party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on our business and operating results.

***The success of our business heavily depends on our ability to protect and enforce our intellectual property rights.***

Our business depends on our intellectual property, the protection of which is crucial to the success of our business. We rely on a combination of trademark, trade secret and other intellectual property rights and laws and contractual restrictions to protect our intellectual property. As examples of such restrictions, we attempt to protect our intellectual property, technology and confidential information by entering into confidentiality and inventions assignment agreements and non-competition agreements with employees, contractors, consultants and business partners who develop intellectual property on our behalf, and entering into non-disclosure agreements with our business partners. These agreements may not effectively prevent unauthorized use or disclosure of our confidential information, intellectual property or technology and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, intellectual property or technology. Despite our efforts to protect our proprietary rights, unauthorized parties, as examples, may copy aspects of our website features, software and functionality or obtain and use information that we consider proprietary.

Despite our efforts to protect our intellectual property rights, including trademarks, they may not be recognized in the future, or may be invalidated, circumvented or challenged. For example, we have registered, among numerous other trademarks, “SpringBig” as a trademark in the U.S. Competitors have and may continue to adopt service names similar to ours, thereby harming our ability to build brand identity and possibly leading to consumer confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks that are similar to our trademarks. Litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the U.S. and abroad may be necessary in the future to enforce our intellectual property rights and to determine the validity and scope of the proprietary rights of others. Our efforts to enforce or protect our proprietary rights may be ineffective and could result in substantial costs and diversion of resources, which could harm our business and operating results.

Further, we may be subject, from time-to-time, to claims that former employees, collaborators or other third parties have an interest in our intellectual property as an inventor or co-inventor. We generally enter into confidentiality and intellectual property assignment agreements with our employees, consultants, and contractors. These agreements generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, those agreements may not be honored and may not effectively assign intellectual property rights to us. Moreover, there may be some circumstances, where we are unable to negotiate for such ownership rights. If we are subject to a dispute challenging our rights in or to patents or other intellectual property, such a dispute could be expensive and time consuming. If we were unsuccessful, we could lose valuable rights in intellectual property that we regard as our own, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

**Risks Related to Our Securities and Certain Tax Matters**

***Our common stock is quoted on the OTCQB Venture Market, a trading platform of OTC Markets Group, instead of a national exchange or quotation system. Accordingly, our investors may experience significant volatility in the market price of our stock and have difficulty selling their shares.***

Our common stock is currently quoted on the OTCQB Venture Market, a trading platform of OTC Markets Group, under the ticker symbol “SBIG.” The OTC Markets Group is a regulated quotation service that displays real-time quotes, last sale prices, and volume limitations in over-the-counter securities. Trading in shares quoted on an OTC Markets Group trading platform is often thin and characterized by volatility in trading prices. This volatility may be caused by a variety of factors, including the lack of readily available price quotations, the absence of consistent administrative supervision of bid and ask quotations, lower trading volume, and market conditions. As a result, there may be wide fluctuations in the market price of the shares of our Common Stock for reasons unrelated to operating performance, and this volatility, when it occurs, may have a negative effect on the market price for our securities. Moreover, the OTC Markets Group is not a national stock exchange, and trading of securities on one of its trading platforms is often more sporadic than the trading of securities listed on a national quotation system or stock exchange. Accordingly, our stockholders may not be able to realize a fair price from their securities when they determine to sell them or may have to hold them for a substantial period of time until the market for our common stock improves, and as a result of our quotation for trading on the OTCQB Venture Market, we may be negatively impacted in our ability to raise equity financing, be limited in our ability to issue additional securities or obtain additional financing in the future, and may face negative impacts on our reputation and, consequently, our business.

***If our performance does not meet market expectations, the price of our securities may decline and the market for our securities may be volatile.***

If our performance does not meet market expectations, the price of our shares of common stock may decline. In addition, even if an active market for our shares of common stock develops and continues, the trading price of our shares of common stock could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on the price of our shares of common stock.

Factors affecting the trading price of our shares of common stock may include:

- actual or anticipated fluctuations in our quarterly and annual financial results or the quarterly and annual financial results of companies perceived to be similar to us;
- changes in the market's expectations about operating results;
- operating results failing to meet market expectations in a particular period, which could impact the market price our shares of common stock;
- operating and stock price performance of other companies that investors deem comparable to us;
- changes in laws and regulations affecting our businesses;
- commencement of, or involvement in, litigation involving the Company;
- changes in our capital structure, such as future issuances of securities or the incurrence of debt;
- any significant change in our Board of Directors or management;
- sales of substantial amounts of our shares of common stock by the Company, the Investors or our directors, executive officers or significant shareholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, inflation, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may depress the market price of our shares of common stock irrespective of our operating performance. The stock market in general has experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these shares, and of our securities, may not be predictable. A loss of investor confidence in the market for companies engaging in digital payments or the shares of other companies which investors perceive to be similar to us could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our shares of common stock also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

***Because there are no current plans to pay cash dividends on our shares of common stock for the foreseeable future, you may not receive any return on investment unless you sell our shares of common stock for a price greater than that which you paid for it; furthermore, there is no guarantee that the value of the shares of common stock will increase to a price greater than that which you paid for it.***

We may retain future earnings, if any, for future operations, expansion, and debt repayment and have no current plans to pay any cash dividends for the foreseeable future. Any decision to declare and pay dividends as a public company in the future will be made at the discretion of our Board of Directors and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions, applicable law and other factors that our Board of Directors may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur. As a result, you may not receive any return on an investment in our shares of common stock unless you sell your shares of for a price greater than that which you paid for them; provided, however, that there is no guarantee that the value of the shares of common stock will increase to a price greater than the price for which such shares were purchased.

***We may be subject to securities litigation, which is expensive and could divert management attention.***

The market price of our common stock may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert management's attention from other business concerns, which could seriously harm our business.

***The issuance of our shares of common stock in connection with the Convertible Notes or that may otherwise be issued and/or sold by the Company or selling securityholders, could cause substantial dilution, which could materially affect the trading price of our shares of common stock.***

To the extent that the Convertible Notes are converted into or exercised for shares of common stock, substantial amounts of our shares of common stock will be issued. Although we cannot predict the number of our shares of common stock that will actually be issued in connection with any such conversions and/or sales, such issuances could result in substantial decreases to our stock price.

***A significant portion of our total outstanding shares may be sold into the market at any time. This could cause the market price of our shares of common stock to drop significantly, even if our business is doing well.***

Sales of a substantial number of shares of common stock in the public market could occur at any time as a result of issuances and resales of shares of common stock including shares subject to the Convertible Notes and our public and private warrants, as well as the resale of shares of common stock by other holders, and pursuant to the Company's equity incentive plan. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our shares of common stock.

***Sales of our shares of common stock, or the perception of such sales, including by selling securityholders in the public market or otherwise could cause the market price for our shares of common stock to decline the securityholders selling such securities may still receive significant proceeds.***

The sale of our shares of common stock in the public market or otherwise, or the perception that such sales could occur, could harm the prevailing market price of our shares of common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that it deems appropriate. Institutional investors and our founder that collectively beneficially own in excess of 50% of the Company's outstanding shares in the aggregate will be able to resell their shares for so long as a registration statement is available for use. Resales of our shares of common stock may cause the market price of our securities to drop significantly, regardless of the performance of our business.

We have filed registration statements relating to the resale of a large number of shares of common stock representing a large percentage of our public float pursuant to securities held by certain existing shareholders for which such securityholders have registration rights. As such, sales of a substantial number of shares of common stock in the public market could occur at any time. Given the substantial number of shares of common stock being registered for potential resale or the perception in the market that the stockholders of a large number of shares intend to sell shares, could increase the volatility of the market price of our common stock or result in a significant decline in the public trading price of our common stock. Further, certain shares of our common stock that are being registered for resale include shares that were purchased at prices that may be significantly below the trading price of our shares of common stock and the sale of which would result in such selling securityholders realizing a significant gain. Even if our trading price remains low, certain selling securityholders may still have an incentive to sell shares of our common stock because they purchased the shares at prices lower than the public investors or the current trading price of our common stock. Public holders of our shares of common stock may not experience a similar rate of return on their shares.

***If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our common stock adversely, the price and trading volume of our common stock could decline.***

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. If any of the analysts who may cover SpringBig change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, the price of our common stock would likely decline. If any analyst who may cover SpringBig were to cease their coverage or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

***We may amend the terms of our public warrants in a manner that may be adverse to holders with the approval by the holders of at least 65% of then outstanding public warrants. As a result, the exercise price of your warrants could be increased, the exercise period could be shortened and the number of common stock purchasable upon exercise of a warrant could be decreased, all without the approval of all securityholders.***

Our public warrants were issued in registered form under the warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and the Company. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder for the purpose of curing any ambiguity or curing, correcting or supplementing any defective provision or adding or changing any other provisions with respect to matters or questions arising under the warrant agreement, but requires the approval by the holders of at least 65% of then outstanding public warrants to make any change that adversely affects the interests of the registered holders. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 65% of then outstanding public warrants approve of such amendment. Examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, shorten the exercise period or decrease the number of shares of common stock purchasable upon the exercise of a warrant.

***We are an emerging growth company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.***

We are an emerging growth company within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. As a result, our shareholders may not have access to certain information they may deem important. We could remain an emerging growth company for up to five years from the date of our IPO, although circumstances could cause us to lose that status earlier, including if the market value of our shares of common stock held by non-affiliates exceeds \$700,000,000 as of any June 30 before that time, in which case we would no longer be an emerging growth company as of the following December 31. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accountant standards used.

***We have and will continue to incur increased costs as a result of operating as a public company and our management has and will continue to devote a substantial amount of time to new compliance initiatives.***

As a public company, we have and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company, and these expenses may increase even more after we are no longer an emerging growth company, as defined in Section 2(a) of the Securities Act. In addition, we expect to record incremental share-based compensation expense in connection with the consummation of the business combination.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and the Dodd-Frank Act, as well as rules adopted, and to be adopted, by the SEC. Our management and other personnel have and will continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have substantially increased our legal and financial compliance costs and made some activities more time-consuming and costly. For example, these rules and regulations have made it more difficult and more expensive for us to obtain director and officer liability insurance and forced us to accept reduced policy limits. We cannot predict or estimate the amount or timing of additional costs we have and will continue to incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors, our board committees or as executive officers.

***Our failure to timely and effectively implement controls and procedures required by Section 404(a) of the Sarbanes-Oxley Act could have a material adverse effect on our business.***

As a public company, we are required to provide management's attestation on internal controls as required under Section 404(a) of the Sarbanes-Oxley Act. The standards required for a public company under Section 404(a) of the Sarbanes-Oxley Act are significantly more stringent than those required of us as a privately-held company. If we are not successful in implementing the additional requirements of Section 404(a) in a timely manner or with adequate compliance, we may not be able to assess whether our internal controls over financial reporting are effective, which may subject us to adverse regulatory consequences and could harm investor confidence and the market price of our securities.

Failure to properly implement internal controls on a timely basis may lead to the identification of one or more additional material weaknesses or control deficiencies in the future, which may prevent us from being able to report our financial results accurately on a timely basis or help prevent fraud, and could cause our reported financial results to be materially misstated and result in the loss of investor confidence or delisting and cause the market price of our shares of common stock to decline. If we have additional material weaknesses in the future, it could affect the financial results that we report or create a perception that those financial results do not fairly state our financial position or results of operations. Either of those events could have an adverse effect on the value of our shares of common stock.

Further, even if we conclude that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our future reporting obligations.

***Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, investments and results of operations.***

We are subject to laws and regulations enacted by national, regional and local governments. In particular, we will be required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business and results of operations.

***Anti-takeover provisions in our certificate of incorporation and bylaws and under Delaware law could delay or prevent a change in control, limit the price investors may be willing to pay in the future for our shares of common stock and could entrench management.***

Our certificate of incorporation and bylaws contain provisions that could make it more difficult for a third-party to acquire us without the consent of our Board of Directors. These provisions provide for:

- a classified Board of Directors with staggered three-year terms; and
- the ability of our Board of Directors to determine the powers, preferences and rights of preference shares and to cause us to issue the preference shares without shareholder approval; and
- requiring advance notice for shareholder proposals and nominations and placing limitations on convening shareholder meetings.

These provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions could also discourage proxy contests and make it more difficult shareholders to elect directors of their choosing and cause us to take corporate actions other than those shareholders may desire, any of which could harm our share price.

***Our largest shareholders and certain members of our management own a significant percentage of our shares of common stock and are able to exert significant control over matters subject to shareholder approval.***

Our founder and certain of our largest shareholders hold a significant percentage of our shares of common stock. As a result, these holders have the ability to substantially influence us and exert significant control through this ownership position and, in the case of certain holders, service on our Board of Directors. For example, these holders may be able to control elections of directors, issuance of equity, including to our employees under equity incentive plans, amendments of our organizational documents, or approval of any merger, amalgamation, sale of assets or other major corporate transaction. These holders' interests may not always coincide with our corporate interests or the interests of other shareholders, and it may exercise its voting and other rights in a manner with which you may not agree or that may not be in the best interests of our other shareholders. So long as these holders continue to own a significant amount of our equity, they will continue to be able to strongly influence and effectively control our decisions.

***Future sales and issuances of our shares of common stock, including pursuant to our equity incentive and other compensatory plans, will result in additional dilution of the percentage ownership of our shareholders and could cause our share price to fall.***

We may need additional capital in the future to continue our planned operations. To the extent we raise additional capital by issuing equity securities, our shareholders may experience substantial dilution. We may sell shares of common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell shares of common stock, convertible securities or other equity securities in more than one transaction, investors may be materially diluted by subsequent sales. In addition, new investors could gain rights superior to our existing shareholders.

Pursuant to SpringBig Holdings, Inc. 2022 Long-Term Incentive Plan (the "Incentive Plan"), we are authorized to grant options and other share-based awards to our employees, directors and consultants. Shares subject to stock awards granted under the Incentive Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in shares, will not reduce the number of shares available for issuance under the Incentive Plan.

**Item 1B. Unresolved Staff Comments**

Not applicable.

**Item 1C. Cybersecurity**

The Company recognizes the critical importance of developing, implementing, and maintaining cybersecurity measures to safeguard our information systems and protect the confidentiality, integrity, and availability of data we produce and collect. We maintain a comprehensive process for identifying, assessing, and managing material risks from cybersecurity threats as part of our broader risk management system and processes. We obtain input, as appropriate, for our cybersecurity risk management program on the security industry and threat trends from external experts. Our executive leadership team is responsible for our overall enterprise risk management system and processes and regularly consider cybersecurity risks in the context of other material risks to the company.

We consult with outside counsel as appropriate, including on materiality analysis and disclosure matters, and our senior management makes the final materiality determinations and disclosure and other compliance decisions. Our management apprises our independent public accounting firm of matters and any relevant developments.

The Audit Committee has oversight responsibility for risks and incidents relating to cybersecurity threats, including compliance with disclosure requirements, cooperation with law enforcement, and related effects on financial and other risks, and it reports any findings and recommendations, as appropriate, to the full Board for consideration. Senior management regularly discusses cyber risks and trends and, should they arise, any material incidents with the Audit Committee.

Our business strategy, results of operations and financial condition have not been materially affected by risks from cybersecurity threats, including as a result of previously identified cybersecurity incidents, but we cannot provide assurance that they will not be materially affected in the future by such risks or any future material incidents. For more information on our cybersecurity related risks, see Item 1A Risk Factors of this Annual Report on Form 10-K.

**Item 2. Properties**

Our corporate headquarters is located in Boca Raton, Florida pursuant to a lease that expires in May 1, 2028. In addition, SpringBig leases office space in Seattle, Washington and Toronto, Ontario.

We believe that our current facilities are adequate to meet our ongoing needs.

**Item 3. Legal Proceedings**

For a description of developments to legal proceedings during the year ended December 31, 2025, see “Litigation” under Note 15, “Commitments and Contingencies” to our consolidated financial statements.

**Item 4. Mine Safety Disclosures**

None.

## PART II

### Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases Of Equity Securities

#### *Market Information*

Our common stock is quoted for trading on the OTCQB Venture Market and warrants, each exercisable for one share of our common stock at an exercise price of \$11.50 per share, are quoted for trading on OTC Pink Market, under the symbols “SBIG” and SBIGW,” respectively. As of February 5, 2026, there were 44 holders of record of our common stock, and this number was derived from our shareholder records and does not include The Depository Trust Company participants or beneficial owners holding shares through nominee names.

#### *Dividend Policy*

We have not declared or paid any dividends on our common stock to date. We anticipate that we will retain all of our future earnings, if any, for use in the operation and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the sole discretion of our Board of Directors and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our Board of Directors may deem relevant.

#### *Sales of Unregistered Securities*

None.

#### *Issuer Purchases of Equity Securities*

None.

#### *Securities Authorized for Issuance under Equity Compensation Plan*

The information required under this Item will be contained in the definitive Proxy Statement for our third annual meeting of stockholders following the effectiveness of the Certificate of Incorporation (the “Proxy Statement”), incorporated herein by reference.

### Item 6. [Reserved]

### Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

*“SpringBig,” “the Company,” “we,” “us” or “our” refer to SpringBig Holdings, Inc. and its subsidiaries, unless the context otherwise requires.*

#### **Forward Looking Statements**

*All statements other than statements of historical facts contained in this report, including statements regarding future operations, are forward-looking statements. In some cases, forward-looking statements may be identified by words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “expect,” “objective,” “plan,” “potential,” “seek,” “grow,” “target,” “if,” and similar expressions intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations, objectives, and financial needs. Our actual results could differ materially from those anticipated due to various factors discussed under “Risk Factors” in this Annual Report on Form 10-K.*

## Business Overview

SpringBig is a market-leading software platform providing customer loyalty and marketing automation solutions to retailers and brands. We have leveraged our deep expertise in loyalty marketing to develop solutions that address the key challenges faced by retailers and brands, including those in the cannabis industry. Stringent, complex, and rapidly evolving regulations have resulted in restricted access to traditional marketing and advertising channels for cannabis retailers and brands, preventing them from utilizing many traditional methods for effectively accessing and engaging with consumers. In addition, the lack of industry-specific data and market intelligence solutions limit cannabis retailers' and brands' ability to efficiently market their products, thereby hindering their growth. Our platform enables our clients to increase brand awareness, engage customers, improve retention, and access actionable consumer feedback data to improve marketing. Our clients can use our loyalty marketing, digital communications, and text/email/push marketing solutions to drive new customer acquisition, customer spend and retail foot traffic. Our proven B2B2C software platform creates powerful network effects between retailers and brands and provides an ability for both to connect directly with consumers. As retailers and brand scale, a virtuous cycle amplifies growth, ultimately expanding SpringBig's reach and strengthening our value proposition.

SpringBig serves approximately 775 brand and retailer clients across more than 2,400 distinct retail locations in North America. Our clients distribute over 600 million digital messages annually, and in the last year more than \$5.7 billion of gross merchandise value was accounted for by clients utilizing our platform.

## Key Operating and Financial Metrics

We monitor the following key financial and operational metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. The following is our analysis for the years ended December 31, 2025, and 2024, in thousands:

	Years Ended December 31,	
	2025	2024
Revenue	\$ 22,834	\$ 24,649
Net loss	(3,247)	(1,876)
Adjusted EBITDA	874	1,368
Number of retail clients	775	915
Net revenue retention	79%	88%
Number of messages (million)	624	595

For a reconciliation of net loss to Adjusted EBITDA see "EBITDA and Adjusted EBITDA," below.

### Revenue

We generate revenue from the sale of monthly subscriptions that provide retail clients with access to an integrated platform through which they can manage loyalty programs and communications with their consumers. We also generate additional revenue from these retail clients when the quantum of messages sent to consumers exceeds the amounts in the subscription package. The subscriptions generally have twelve-month terms (which typically are not subject to early termination without a cancellation fee payable by the client), are payable monthly, and automatically renew for subsequent and recurring twelve-month periods unless notice of cancellation is provided in advance.

The Company's revenue growth is generally achieved through a mix of new clients, clients upgrading their subscriptions (as new clients will frequently enter into a relatively low level of subscription, with respect to the size of such client's database and the number of their customers on such database, and/or the number of pre-determined communication credits), which frequently occurs shortly after such a client initially becomes a client, and the excess use element of revenues. "Excess use" revenues are revenues derived from amounts charged to clients for exceeding the pre-determined credit volume set forth in the applicable client's subscription agreement. Given this combination, and particularly the tendency for clients to upgrade soon after becoming a client, the Company does not actively monitor revenue split between new and existing clients, preferring to use the split between subscription and excess use in combination with net dollar retention and the number of clients as key metrics, as described below.

### *Other Key Operating Metrics*

The growth in our revenues is a key metric at this stage in our development as a Company and therefore to provide investors with additional information, we have disclosed in the table above the number of our retail clients, our net revenue retention rate and the number of standardized messages distributed through the SpringBig platform by our clients. We regularly review the key operating and financial metrics set forth above to evaluate our business, our growth, assess our performance and make decisions regarding our business. We believe these key metrics are useful to investors both because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making, and they may be helpful in evaluating the state and growth of our business.

*Number of Retail Clients.* We disclose in the table above the number of discrete SpringBig platforms used by clients of the business at the end of the relevant period. We view this number as an important metric to assess the performance of our business because an increased number of clients drives growth, increases brand awareness and helps contribute to our reach and strengthening our value proposition.

*Net Revenue Retention.* We believe that the growth in the use of our platform by our clients is an important metric in evaluating our business and growth. We monitor our dollar-based net revenue retention rate on a rolling basis to track the maintenance of revenue and revenue-increasing activity growth. “Net revenue retention rate” (also referred to as “net dollar retention rate”) does not have a standardized meaning and is therefore unlikely to be comparable to similarly titled measures presented by other companies, and further, investors should not consider it in isolation. When evaluating our retention rates and calculating our net revenue retention rate, SpringBig calculates the recurring monthly subscription revenue from retail clients, adjusted for losses, increases and decreases in monthly subscriptions during the prior twelve months divided by the recurring monthly subscription revenue at the start of the trailing twelve-month period.

The net revenue retention is calculated based on subscription revenues only and does not include the impact of excess use revenue.

*Number of Messages Sent.* We believe that the volume of messages sent is important as it indicates the frequency of use and level of engagement of our platform by our clients. Messages are distributed by text, email, and direct push notifications to mobile applications.

### *EBITDA and Adjusted EBITDA*

To provide investors with additional information regarding our financial results, we have disclosed EBITDA, which is a non-GAAP financial measure that we calculate as net income before interest, taxes, depreciation and amortization and Adjusted EBITDA, which represents EBITDA adjusted for certain unusual, infrequent items, or non-cash items (such as bad debt expense and stock-based compensation). Management believes Adjusted EBITDA remains a useful supplemental metric despite current financial challenges, as it provides additional transparency into operating performance by isolating core business results from non-cash, non-recurring, and capital structure-related items.

We present EBITDA and Adjusted EBITDA because they are key measures used by our management and board of directors 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 and board of directors, and is widely used by analysts, investors and competitors to measure a company’s operating performance.

EBITDA and Adjusted EBITDA have limitations, and you should not consider these in isolation or as a substitute for analysis of our results as reported under GAAP, including net loss, which we consider to be the most directly comparable GAAP financial measure. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated 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; and
- 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.

Because of these limitations, you should consider EBITDA and Adjusted EBITDA alongside other financial performance measures, including net loss and our other GAAP results.

A reconciliation of net loss before taxes to non-GAAP EBITDA and Adjusted EBITDA is as follows (in thousands):

**Springbig Holding, Inc**  
**Reconciliation of net loss to non-GAAP EBITDA and Adjusted EBITDA**  
**(in thousands)**

	<b>Years Ended</b>	
	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Net loss	\$ (3,247)	\$ (1,876)
Interest income	(34)	(6)
Interest expense	1,324	2,208
Income tax expense	95	3
Depreciation expense	75	180
EBITDA	<u>(1,793)</u>	<u>509</u>
Stock-based compensation	481	742
Credit loss expense	820	779
Lease termination fee	550	-
Gain on repurchase of convertible debt	-	(1,573)
Loss on debt extinguishment	-	636
Severance and related payments	808	267
Change in fair value of warrants	<u>5</u>	<u>8</u>
Adjusted EBITDA	<u>\$ 877</u>	<u>\$ 1,368</u>

**Factors Affecting Our Performance**

*Overall Economic Trends*

The overall economic environment and related changes to consumer behavior have a significant impact on our business. Overall, positive conditions in the broader economy promote consumer spending on marketplaces and our customers' products, while economic weakness, which generally results in reduced consumer spending, may have a negative impact on our customers' sales, which in turn may impact our revenue.

*Growth and Retention of Customers*

Our revenue grows primarily through acquiring and retaining customers and expanding relationships with customers over time, increasing the revenue per customer. We have historically been able to attract, retain and grow relationships with customers as a result of the Company's comprehensive product suite, differentiated loyalty programs, consistent communications with customers, and reliable customer service.

## *Regulation and Maturation of Cannabis Markets*

We believe that we will have significant opportunities for growth as more jurisdictions legalize cannabis for medical and/or recreational adult use and the regulatory environment continues to develop. We intend to explore new expansion opportunities as additional jurisdictions legalize cannabis for medical or recreational adult use and leverage our existing business model to enter new markets. We believe our understanding of the space coupled with our experienced sales force will enable us to quickly enter and execute in new markets and capture new business, which we sustain via our best-in-class product offerings. Further, a change in U.S. federal regulations could result in our ability to engage in additional outlets, including the fintech, payments and e-commerce space.

We expect competition to intensify in the future as the regulatory regime for cannabis becomes more settled and the legal market for cannabis becomes more accepted, which may encourage new participants to enter the market, including established companies with substantially greater financial, technical and other resources than existing market participants.

We believe that maintaining and enhancing our brand identity and our reputation is critical to maintaining and growing our relationships with customers and to our ability to attract new customers.

We believe our platform's scale and strong customer loyalty market themselves; however, we implement a variety of marketing efforts to attract the remaining retailers and brands not yet on our platform. Marketing efforts include multiple strategies designed to attract and retain both retail and brands subscribers.

Negative publicity, whether or not justified, relating to events or activities attributed to us, our employees, customers or others associated with any of these parties, may tarnish our reputation and reduce the value of our brand. Given our high visibility, we may be more susceptible to the risk of negative publicity. Damage to our reputation and loss of brand equity may reduce demand for our platform and have an adverse effect on our business, operating results and financial condition. Moreover, any attempts to rebuild our reputation and restore value of our brand may be costly and time consuming, and such efforts may not ultimately be successful.

We also believe that the importance of our brand recognition and reputation will continue to increase as competition in our market continues to develop. If our brand promotion activities are not successful, our operating results and growth may be adversely impacted.

## **Components of Our Results of Operations**

### *Revenue*

SpringBig provides its retail customers with access to an integrated platform that provides all the functions of the Company's proprietary software, which uses proprietary technology to send text, email, and push messages to the customer's contacts. This access is provided to customers under a contract, with revenue generated from monthly subscriptions for credits (up to pre-contracted amount) and optional purchases of additional credits.

### *Cost of Revenue*

Cost of revenue consists primarily of amounts payable to distributors of messages on behalf of the Company's customers across cellular networks and integrations.

### *Selling, Servicing and Marketing Expenses*

Selling, servicing and marketing expenses consist of salaries, benefits, travel expense and incentive compensation for our sales, servicing and marketing employees. In addition, sales, servicing and marketing expenses include business acquisition marketing, events cost, and branding and advertising costs.

### *Technology and Software Development Expenses*

Technology and software development costs consist of salaries and benefits for employees, including engineering and technical teams who are responsible for building new products, as well as maintaining and improving existing products. We capitalize certain costs associated with technology and software development in accordance with *ACS 350-40, Intangibles – Goodwill and Other – Internal Use Software*, but these are limited in quantum as we are constantly and regularly making enhancements to our technology platform and do not consider appropriate to be capitalized. Capitalized costs are generally amortized over a three-year period commencing on the date that the specific software product is placed in service. We believe that continued investment in our platform is important for our growth.

In 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*, which clarifies the accounting for costs incurred in the development and implementation of internal-use software. The Company is currently evaluating the impact of this guidance on its consolidated financial statements. The Company does not expect the adoption of this standard to have a material impact on its financial position, results of operations, or cash flows.

## General and Administrative Expenses

General and administrative expenses consist primarily of payroll and related benefits costs for our employees involved in general corporate functions including finance, human resources and investor relations, as well as costs associated with the use by these functions of software and equipment. All rent, insurance and other occupancy costs are also included in general and administrative expenses as are professional and outside services related to legal, audit and other services, and stock compensation expenses.

## Results of Operations

The following tables set forth our results of operations for the periods indicated (in thousands):

	Years Ended December 31,			
	2025	2024	Increase (decrease)	%
Revenue	\$ 22,834	\$ 24,649	\$ (1,815)	-7%
Cost of revenue	6,848	6,655	(201)	-3%
Gross profit	15,986	17,994	(2,008)	-11%
Operating expenses:				
Selling, servicing and marketing	3,877	4,726	(849)	-18%
Technology and software development	4,764	5,901	(1,137)	-19%
General and administrative	9,071	7,967	1,104	14%
Total operating expenses	17,712	18,594	(882)	-5%
Loss from operations	(1,726)	(600)	(1,129)	
Interest income	34	6	28	nm
Interest expense	(1,324)	(2,208)	884	40%
Gain on note repurchase	-	1,573	(1,573)	nm
Loss on asset disposal	(131)	-	(131)	nm
Loss on debt extinguishment	-	(636)	(636)	nm
Change in fair value of warrants	(5)	(8)	3	nm
Loss before taxes	(3,152)	(1,873)	(1,319)	-68%
Provision for income taxes	(95)	(3)	(89)	nm
Loss after taxes	\$ (3,247)	\$ (1,876)	\$ (1,371)	-73%

nm - not meaningful

**Revenues.** Revenues decreased by \$1.8 million for the year ended December 31, 2025, representing a 7% year-on-year reduction compared with the year ended December 31, 2024. Our subscription revenue was \$17.8 million for the year ended December 31, 2025, compared with \$21.1 million in for the year ended December 31, 2024, representing a 12% year-on-year decline. The excess use revenue declined by 14% year-on-year from \$2.6 million for the year ended December 31, 2024, to \$2.2 million for the year ended December 31, 2025, with this decrease being due to the challenging cannabis economy and our clients being budget-conscious in limiting their messaging activity to the volumes of their subscription. SpringBig continues to expanded its product offerings within the gaming vertical, and has seen positive momentum in that area. Our revenue from Brands clients decreased by 28% year-on-year and was \$286,000 for the year ended December 31, 2025, as compared to \$396,000 for the year ended December 31, 2024.

Our net revenue retention rate was 79% for the twelve months ended December 31, 2025, compared with 88% for the twelve months ended December 31, 2024, reflecting industry-specific challenges and financial stress affecting certain retail clients, which resulted in the suspension or termination of access to our platform.

**Gross Profit.** Gross profit decreased by \$2.0 million to \$16.0 million for the year ended December 31, 2025, from \$18.0 million for the year ended December 31, 2024, representing a 11% year-on-year reduction. The cost of revenue increased by \$0.2 million, representing a 3% increase, for the year ended December 31, 2024, due to increased messaging distribution volumes resulting from minimum monthly commitments under our new vendor agreement. Messaging distribution costs represent the primary component of our cost of revenue. The gross profit margin reduced from 73% for the year ended December 31, 2024, to 70% for the year ended December 31, 2025, due to the negotiated messaging distribution costs. Subsequent to year-end, the Company amended the agreement with its largest vendor to reduce the minimum monthly commitment, however, in the process the Company agreed to pay for additional commitments for the year end December 31, 2025. Had those expenses not been agreed to, the gross profit margin, would have been unchanged at 73% for the year ended December 31, 2025.

*Operating Expenses.* We continue to focus on right sizing the operating expenses of the business to accelerate our path to sustainable profitability in the challenging market conditions across the cannabis market and other regulated industries, and which impacts revenue in the near-term.

Our operating expenses decreased by \$882 thousand, or 5%, for the year ended December 31, 2025, compared to the year ended December 31, 2024.

Selling, servicing and marketing expenses decreased by \$849 thousand, or 18%, for the year ended December 31, 2025, compared to the year ended December 31, 2024, due to reduced compensation expense as a result of lower employee headcount.

Technology and software development expenses decreased by \$1.1 million, or 19%, for the year ended December 31, 2025, compared to the year ended December 31, 2024, with the decrease being attributable to reduced employee headcount and refined software spend.

General and administrative expenses increased by \$1.1 million, or 14%, for the year ended December 31, 2025, compared to the year ended December 31, 2024, with the increase being attributable to increased advisory fees, as well as the one-time fees associated with the prior office lease.

*Interest Expense.* Interest expense was \$1.3 million for the year ended December 31, 2025, compared with \$2.2 million for the year ended December 31, 2024. During the year ended December 31, 2025, the interest expense comprised primarily interest paid on the 2024 Secured Convertible and Term notes, which were issued in January 2024, whereas the interest expense during the year ended December 31, 2024 comprised of high interest cash advances loan payments and interest on the 6% Senior Secured Convertible Note that was repurchased in January 2024.

*Gain on note repurchase.* The gain on the repurchase of the 6% Senior Secured Note for the year ended December 31, 2024 is the difference between the cash paid to repurchase the entire obligation of \$2.9 million and the outstanding principal and accrued interest of \$5.2 million, less unamortized discounts and warrant value of \$0.7 million.

*Loss on debt extinguishment.* The loss on debt extinguishment for the year ended December 31, 2024 arises on the amendment to the 2024 Senior Convertible Notes in November 2024 and comprises \$0.6 million expensing of the difference between the carrying value of the old debt and the new debt recorded at fair value, which becomes the new carrying value of the 2024 Senior Convertible Notes.

*Loss on asset disposal.* The loss on asset disposal for the year ended December 31, 2025 relates to the relocation of the Company's headquarters office space in Boca Raton, Florida, which resulted in the disposal of certain leasehold improvements and office equipment.

*Change in fair value of warrants.* The liability relating to warrants issued by SpringBig is included on the balance sheet at the fair value prevailing at the end of the accounting period and any change in value is reported in the income statement. At December 31, 2025, the market value of the public warrants, which are quoted for trading on the OTC Pink Market, was \$0.0010 per warrant compared with \$0.0007 at December 31, 2024. The increase in value, which is recognized as an expense in our income statement for the year ended December 31, 2025, was \$5,000 compared with an increase of \$8,000 in our income statement for the year ended December 31, 2024.

## **Liquidity & Capital Resources**

We have incurred net losses since inception, however, we obtained positive cash flows from operations for the year ended December 31, 2025. Prior to the business combination in June 2022, we financed our operations and capital expenditures primarily through the private sales of equity securities and revenue. The net losses since the business combination have been financed through the capital received because of the business combination, a public equity offering in May 2023, short-term cash advances as described below, and the issuance of \$8.0 million Term Notes and Convertible Notes in January 2024. The 2024 Secured Term Notes and 2024 Secured Convertible Notes are due in January 2027, and are recorded as long-term liabilities on the Balance Sheet. Our primary uses of cash in the short-term continues to be funding our operations.

These conditions raise substantial doubt about the Company's ability to continue as a going concern for a period of at least twelve months from the issuance date of these consolidated financial statements.

The Company's ability to continue as a going concern is dependent on its ability to improve liquidity and meet its obligations as they come due. Management's plans to address these conditions include a combination of actions, which may include increasing revenue through greater customer usage and new customer acquisition, negotiating amendments or extensions of existing debt obligations, reducing operating costs, and pursuing strategic capital transactions. There can be no assurance that these plans will be successfully implemented or that they will generate sufficient liquidity on a timely basis.

On July 25, 2023, the Company entered into an agreement (the "Cash Advance") with Cedar Advance LLC ("Cedar") to sell future receivables to Cedar in exchange for an advance of \$1.0 million. On November 22, 2023, the Company extended the Cash Advance, receiving a further advance of \$0.3 million. As of December 31, 2023, the total outstanding amount payable to Cedar was \$1.1 million. The Cash Advance was fully repaid during the year ended December 31, 2024.

On October 16, 2023, the Company entered into an agreement (the “ACF Cash Advance”) with Agile Capital Funding, LLC (“ACF”) to sell future receivables to ACF in exchange for an advance of \$750,000. On December 7, 2023, the Company extended the ACF Cash Advance, receiving a further advance of \$0.5 million. As of December 31, 2023, the total outstanding amount payable to ACF was \$1.7 million. The ACF Cash Advance was fully repaid during the year ended December 31, 2024.

On January 16, 2024, the Company entered into an agreement with the note holder to repurchase the entire outstanding principal of the 6% Senior Secured Notes and cancel the associated warrants. The outstanding principal and accrued interest was \$5.2 million. SpringBig, using a portion of the proceeds from the 8% Convertible Notes, purchased the entire outstanding obligation to the note holder for \$2.9 million.

On January 23, 2024, the Company raised \$6.4 million through the issuance of 2024 Secured Convertible Notes and \$1.6 million through the issuance of 2024 Secured Term Notes. The net cash proceeds, after transaction expenses, were \$7.2 million.

The 8% Convertible Notes accrue interest which is added to the outstanding principal balance semi-annually. The Notes are convertible into common stock at a conversion price of \$0.15 per share at the holder’s option any time up to the day prior to maturity, initially in January 2026. The 2024 Secured Term Notes, initially due at issuance in January 2026, accrue interest payable in cash semi-annually. The 2024 Secured Convertible Notes and 12% Term Notes rank pari passu and are secured by substantially all the assets of the Company.

On November 11, 2024, the Company amended the terms of the 2024 Secured Term Notes and 2024 Secured Convertible Notes including extending the maturity date to January 23, 2027, amending the interest rates and adjusting the requirement for the Company to maintain a minimum cash balance of at least \$1 million with the provision now applicable only at the end of any calendar month commencing on or after February 1, 2025. The Company accounted for the amendment as a debt modification related to the term notes and as an extinguishment of the convertible notes. Refer to Footnote 9 in the accompanying financial statements for further details.

The interest rates on the 2024 Secured Term Notes and 2024 Secured Convertible Notes increase to 17% and 13%, respectively, with effect from the date of amendment, with the interest rates then reducing by 0.75% for each three-month period that the Company reports an Adjusted EBITDA exceeding \$900,000, starting with the three months ending March 31, 2025, subject to a maximum reduction to 14% and 10%, respectively. In addition, a sum of \$64,000 is payable to the holders of the 2024 Secured Term Notes in January 2025, and the principal amount of the 2024 Secured Convertible Notes was increased by \$266,000 with effect from the date of the amendment.

The Company may prepay any portion of the 2024 Secured Term Notes, without penalty, at any time after February 1, 2025.

The following table summarizes our cash, accounts receivable, and working capital at December 31, 2025 and December 31, 2024 (in thousands):

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Cash and cash equivalents	\$ 1,500	\$ 1,179
Accounts receivable, net	2,003	2,213
Working capital	(3,533)	(1,806)

To the extent existing cash and cash from operations are not sufficient to fund future activities, we may need to raise additional funds. We may seek to raise additional funds through equity, equity-linked or debt financings. If we raise additional funds by incurring indebtedness, such indebtedness may have rights that are senior to holders of our equity securities and could contain covenants that restrict operations. Any additional equity financing may be dilutive to stockholders. Further, the 2024 Secured Convertible Notes and 2024 Secured Term Notes also contain a number of restrictive covenants that may impose significant restrictions on obtaining future financings, including restrictions on SpringBig’s ability to do any of each following while the 2024 Secured Convertible Notes and 2024 Secured Term Notes remain outstanding: (i) incurring additional indebtedness and guaranteeing indebtedness; (ii) incurring liens or allowing mortgages or other encumbrances; (iii) prepaying, redeeming, or repurchasing certain other debt; (iv) paying dividends or making other distributions or repurchasing or redeeming its capital stock; (v) selling assets or entering into or effecting certain other transactions (including a reorganization, consolidation, dissolution or similar transaction or selling, leasing, licensing, transferring or otherwise disposing of assets of the Company or its subsidiaries); (vi) issuing additional equity (outside of issuances under our equity compensation plan); and (vii) adopting certain amendments to our governing documents, among other restrictions. Accordingly, we may be limited in our ability to raise additional capital on acceptable terms or at all within such limitations. Such restrictions may be waived by consent of the noteholders.

## Cash Flows

The following table summarizes our cash flows from operating, investing and financing activities for the years ended December 31, 2025, and 2024 (in thousands):

	Years Ended December 31,	
	2025	2024
<b>Total cash provided by (used in) provided by:</b>		
Operating activities	\$ 361	\$ (953)
Investing activities	(40)	(64)
Financing activities	-	1,865
	<u>\$ 321</u>	<u>\$ 848</u>

### *Operating Activities*

Cash provided by operating activities consists primarily of net loss adjusted for certain non-cash items, including depreciation and amortization, non-cash stock compensation expenses, changes in the fair value of financial instruments and the effect of changes in working capital and other activities.

For the year ended December 31, 2025, the net loss was \$3.2 million and the cash provided by operating activities was \$361 thousand. The non-cash items were approximately \$2.9 million and a \$760 thousand increase in working capital, primarily due to a \$1.9 million increase in accounts payable and other liabilities.

For the year ended December 31, 2024, the net loss was \$1.9 million, and the cash used in operating activities was \$1.0 million. The difference of \$0.9 million is due to \$2.0 million of non-cash items (comprising \$0.6 million loss on debt extinguishment, \$0.7 million credit loss expense, \$0.7 million relating to stock compensation expense, \$0.2 million relating to depreciation and amortization, \$0.4 million relating to amortization of operating lease right of use asset, \$0.4 million amortization of debt financing costs and \$0.5 million accrued interest, offset by a \$1.5 million gain on the repurchase of convertible notes) and a \$1.1 million increase in working capital, primarily provided by a \$1.6 million reduction in accounts payable and other liabilities.

### *Investing Activities*

SpringBig has low capital investment requirements, with our needs comprising primarily computer equipment and office furniture and related items. Cash used in investing activities was \$0.1 million for the years ended December 31, 2025 and 2024.

### *Financing Activities*

During the year ended December 31, 2025, the company did not have any financing activities.

During the year ended December 31, 2024, the net cash provided by financing activities was \$1.9 million, comprising \$7.2 million, net of issuance costs, from the issuance of \$6.4 million Secured Convertible Notes and \$1.6 million Secured Term Notes, offset by repayment of \$1.9 million short-term cash advances, \$2.9 million repurchase of convertible notes and \$0.5 million repayment of a related party payable.

### *Off-Balance Sheet Arrangements*

At December 31, 2025, there were no off-balance sheet arrangements between us and any other entity that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to shareholders.

### *Critical Accounting Estimates*

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Certain accounting policies involve a "critical accounting estimate" because they are particularly dependent on estimates and assumptions made by management about matters that are highly uncertain at the time the accounting estimates are made. In addition, while we have used our best estimates based on facts and circumstances available to us at the time, different acceptable assumptions would yield different results. Changes in the accounting estimates are reasonably likely to occur from period to period, which may have a material impact on the presentation of our financial condition and results of operations. We review these estimates and assumptions periodically and reflect the effects of revisions in the period that they are determined to be necessary. We believe that the assumptions and estimates associated with income taxes, equity-based compensation, and allowance for credit losses have the greatest potential impact on our consolidated financial statements. Therefore, we consider the policies related to income taxes, equity-based compensation, and allowance for credit losses to be our critical accounting estimates.

## ***Valuation of the 2024 Secured Term Notes and 2024 Secured Convertible Notes Carrying Values Regarding Debt Modification or Extinguishment***

Consistent with FASB ASC Topic 470 *Debt*, (“ASC 470”), the Company is required to perform an analysis of the change associated with the aforementioned amendments to determine whether the change is a modification or an extinguishment of debt. Under a modification, no gain or loss is recorded, and a new effective interest rate is established based on the carrying value of the debt and revised cash flow. If the debt is extinguished, the old debt is derecognized and the new debt is recorded at fair value, which becomes the new carrying value. A gain or loss is recorded for the difference between the net carrying value of the original debt and the fair value of the new debt. Interest expense is recorded based on the effective interest rate of the new debt. A debt is considered extinguished if the present value of the new cash flows under the term of the new debt is at least 10% different from the present value of the remaining cash flows under the terms of the old debt.

In connection with the aforementioned amendments, the Company determined that the change to the 2024 Secured Term Notes was a modification consistent with ASC 470. The Company determined that the change to the 2024 Secured Convertible Notes was an extinguishment consistent with ASC 470, with the old debt of \$6.3 million was derecognized and the new debt of \$6.9 million was recognized at estimated fair value. As such, a loss on extinguishment of \$0.6 million was recognized in the accompanying consolidated statement of operations for the year ended December 31, 2024.

### ***Income Taxes***

The Company records current income taxes based on our estimates of current taxable income and provide for deferred income taxes to reflect estimated future income tax payments and receipts. We are subject to federal income taxes as well as state taxes. In addition, we are subject to taxes in the foreign jurisdictions where we operate.

The Company records a deferred tax asset or liability based on the difference between financial statement and tax basis of assets and liabilities as measured by the anticipated tax rates which will be in effect when these differences reverse. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized. The Company adopted ASU 2016-17, *Balance Sheet Classification of Deferred Taxes*. The guidance requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. As a result, each jurisdiction will only have one net noncurrent deferred tax asset or liability.

The Company has evaluated its tax positions for any uncertainties based on the technical merits of the positions taken. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be upheld on examination by taxing authorities. The Company has analyzed the tax positions taken and has concluded that as of December 31, 2025, and 2024, there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements.

### ***Stock-Based Compensation***

ASC 718, *Compensation - Stock Compensation*, addresses accounting for share-based awards, including stock options, restricted stock, performance shares and warrant. Stock-based compensation for stock options to employees and non-employees is based upon the fair value of the award on the date of grant. We record forfeitures as they occur. The compensation cost is recognized over the requisite service period, which is generally the vesting period, and is included in general and administrative expenses in the consolidated statements of operations.

The Company estimates the fair value of stock options using the Black-Scholes valuation model. The expected life represents the term the options granted are expected to be outstanding. The expected volatility was determined using the historical volatility of similar publicly traded companies. The risk-free interest rate is based on the U.S. Treasury rate in effect at the time of grant.

### ***Stock-Based Compensation—Market-Based Vesting Restricted Stock Units***

In March and April 2025, the Company granted market-based restricted stock units (“RSUs”) to certain executives. The awards vest in multiple tranches upon the Company’s common stock achieving specified volume-weighted average price (“VWAP”) targets for at least twenty consecutive trading days during the ten-year contractual term, subject to continued service. If the applicable target is not achieved prior to expiration, the corresponding tranche will be forfeited.

The grant-date fair values of the awards were determined using a Monte Carlo simulation model incorporating assumptions regarding expected volatility, risk-free interest rates, and other factors. In accordance with ASC 718, the total grant-date fair value is recognized over the derived service periods for each tranche, regardless of whether the market conditions are ultimately satisfied.

### ***Allowance for Credit Losses***

The Company’s reserve methodology used to determine the appropriate level of the allowance for credit losses (“ACL”) is a critical accounting estimate. The ACL is maintained at a level believed to be appropriate to provide for the current credit losses expected to be incurred with respect to accounts receivable balances at the balance sheet date, including balances associated with known or anticipated problem customers.

Accounts receivables are charged off to the extent they are deemed to be uncollectible. Net charge-offs are included in historical data utilized for calculating the ACL. Management maintains a framework of controls over the estimation process for the ACL, including review of historical data and facts and circumstances related to specific customers, for compliance with GAAP. Management has a quarterly process to review the appropriateness of historical observation periods and loss assumptions. Management also maintains controls over the information systems, models and spreadsheets used in the quantitative components of the reserve estimate. This includes the quality and accuracy of historical data used to derive loss rates, the probability of default, loss given default, and the inputs to industry and macroeconomic forecasts.

### **Recent Accounting Pronouncements**

See the section titled “Summary of Significant Accounting Policies” in Note 2 of the notes to our audited consolidated financial statements included in this report for more information.

### **Emerging Growth Company and Smaller Reporting Company Status**

Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. Section 107 of the JOBS Act provides that any decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable. We have elected to use this extended transition period under the JOBS Act.

We are also a “smaller reporting company” as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as the market value of our voting and non-voting common stock held by non-affiliates is less than \$250 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than \$100 million during the most recently completed fiscal year and the market value of our voting and non-voting common stock held by non-affiliates is less than \$700 million measured on the last business day of our second fiscal quarter.

### **Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

We have operations within the United States and limited operations with customers located in Canada, and we are exposed to market risks in the ordinary course of our business, including the effects of interest rate changes, inflation and exchange rate changes. Information relating to quantitative and qualitative disclosures about these market risks is set forth below.

#### *Interest Rate Fluctuation Risk*

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. Because our cash and cash equivalents have a relatively short maturity, our portfolio’s fair value is relatively insensitive to interest rate changes. In future periods, we will continue to evaluate our investment policy in order to ensure that we continue to meet our overall objectives.

#### *Inflation*

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. We continue to monitor the impact of inflation in order to minimize its effects through pricing strategies, productivity improvements and cost reductions. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

#### *Exchange Rate Risk*

We have operations in Toronto, Canada and customers located in Canada. Given our reporting currency is US dollars, this results in exchange rate translation risk. The effect is minimized by matching our Canadian income and expense with our Canadian customers being invoiced in their local currency. The exchange rate risk to our financial statements is immaterial.

**Item 8. Financial Statements**

**SPRINGBIG HOLDINGS, INC.  
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of  
SpringBig Holdings, Inc.

### Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of SpringBig Holdings, Inc. and its subsidiaries (collectively, the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of operations, changes in stockholders’ deficit and cash flows for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

### Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has an accumulated deficit at December 31, 2025 and, since inception, has suffered significant operating losses. The working capital deficit and note payable maturity raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provides a reasonable basis for our opinion.

/s/ WithumSmith+Brown, PC

We have served as the Company’s auditor since 2024.

New York, New York  
March 26, 2026

PCAOB ID Number 100

**Springbig Holding, Inc**  
**Consolidated Balance Sheets**  
(in thousands, except share data)

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,500	\$ 1,179
Accounts receivable, net of allowance of \$300 and \$426, respectively	2,003	2,213
Contract assets	167	188
Prepaid expenses and other current assets	507	284
<b>Total current assets</b>	<u>4,177</u>	<u>3,864</u>
Right of use asset	365	2,757
Goodwill	17	-
Property and equipment, net	70	204
<b>Total assets</b>	<u><u>\$ 4,629</u></u>	<u><u>\$ 6,825</u></u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 1,665	\$ 924
Accrued expenses and other current liabilities	3,851	2,630
Deferred payroll tax credits	1,979	1,751
Operating lease liability, current	215	365
<b>Total current liabilities</b>	<u>7,710</u>	<u>5,670</u>
Long-term debt, non-current	9,237	8,364
Operating lease liability, non-current	154	2,551
Warrant liabilities	16	11
<b>Total liabilities</b>	<u>17,117</u>	<u>16,596</u>
Stockholders' deficit		
Common stock par value \$0.0001 per shares, 300,000,000 authorized at December 31, 2025; 48,548,772 issued and outstanding as of December 31, 2025; 300,000,000 authorized at December 31, 2024; 46,348,351 issued and outstanding as of December 31, 2024	\$ 4	\$ 4
Additional paid-in-capital	29,196	28,666
Accumulated deficit	(41,688)	(38,441)
<b>Total stockholders' deficit</b>	<u>(12,488)</u>	<u>(9,771)</u>
<b>Total liabilities and stockholders' deficit</b>	<u><u>\$ 4,629</u></u>	<u><u>\$ 6,825</u></u>

See accompanying notes to consolidated financial statements

**Springbig Holding, Inc**  
**Consolidated Statements of Operations**  
(in thousands, except share and per share data)

	<b>Years Ended</b>	
	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Net revenues	\$ 22,834	\$ 24,649
Cost of revenues	6,848	6,655
Gross profit	<u>15,986</u>	<u>17,994</u>
Expenses		
Selling, servicing and marketing	3,877	4,726
Technology and software development	4,764	5,901
General and administrative	9,071	7,967
Total operating expenses	<u>17,712</u>	<u>18,594</u>
Loss from operations	(1,726)	(600)
Other income (expenses)		
Interest income	34	6
Interest expense	(1,324)	(2,208)
Gain on note repurchase	-	1,573
Loss on asset disposal	(131)	-
Loss on debt extinguishment	-	(636)
Change in fair value of warrants	(5)	(8)
	<u>(1,426)</u>	<u>(1,273)</u>
Loss before income taxes	\$ (3,152)	\$ (1,873)
Income taxes expense	95	3
Net loss	<u>\$ (3,247)</u>	<u>\$ (1,876)</u>
Net loss per common share:		
Basic and diluted	<u>\$ (0.07)</u>	<u>\$ (0.04)</u>
Weighted-average common shares outstanding:		
Basic and diluted	<u>47,395,669</u>	<u>45,945,530</u>

See accompanying notes to consolidated financial statements

**Springbig Holding, Inc**  
**Consolidated Statements of Changes in Stockholders' Deficit**  
(in thousands, except share and per share data)

	<u>Common Stock Shares</u>	<u>Amount</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
<b>Balance at December 31, 2023</b>	45,339,762	\$ 4	\$ 27,887	\$ (36,565)	\$ (8,674)
Stock-based compensation	-	-	742	-	742
Issue of common stock (1)	255,102	-	37	-	37
Restricted stock units vesting	753,487	-	-	-	-
Net loss	-	-	-	(1,876)	(1,876)
<b>Balance at December 31, 2024</b>	<b>46,348,351</b>	<b>\$ 4</b>	<b>\$ 28,666</b>	<b>\$ (38,441)</b>	<b>\$ (9,771)</b>
Stock-based compensation	-	-	481	-	481
Issue of common stock (2)	1,191,563	-	49	-	49
Restricted stock units vesting	1,008,858	-	-	-	-
Net loss	-	-	-	(3,247)	(3,247)
<b>Balance at December 31, 2025</b>	<b>48,548,772</b>	<b>\$ 4</b>	<b>\$ 29,196</b>	<b>\$ (41,688)</b>	<b>\$ (12,488)</b>

(1) Common shares issued in exchange for services rendered – see Note 18

(2) Common shares issued in connection with the ViceCRM acquisition

See accompanying notes to consolidated financial statements

**Springbig Holding, Inc**  
**Consolidated Statements of Cash Flows**  
(in thousands)

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>		
Net loss	\$ (3,247)	\$ (1,876)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Gain on note repurchase	-	(1,573)
Loss on asset disposal	131	-
Non-cash interest expense	968	108
Loss on debt extinguishment	-	636
Depreciation and amortization	75	180
Amortization of debt financing costs	72	359
Stock-based compensation expense	481	742
Credit loss expense	820	779
Amortization of operating lease right of use assets	288	364
Change in fair value of warrants	5	8
Changes in operating assets and liabilities:		
Accounts receivable	(610)	(44)
Prepaid expenses and other current assets	(223)	609
Contract assets	21	85
Accounts payable and other liabilities	2,021	(1,146)
Operating lease liabilities	(443)	(189)
Deferred payroll tax credits	-	-
Deferred revenue	2	5
<b>Net cash provided by (used in) operating activities</b>	<b>361</b>	<b>(953)</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(40)	(64)
<b>Net cash used in investing activities</b>	<b>(40)</b>	<b>(64)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of convertible notes	-	6,400
Repayment of convertible notes	-	(2,895)
Proceeds from the issuance of term notes	-	1,600
Repayment of short-term cash advances	-	(1,925)
Repayment of related party payable	-	(540)
Cost of convertible and term note issuance	-	(775)
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>1,865</b>
Net increase in cash and cash equivalents	321	848
Cash and cash equivalents, at beginning of the period	1,179	331
Cash and cash equivalents, at end of the period	<u>\$ 1,500</u>	<u>\$ 1,179</u>
<b>Supplemental cash flows disclosures</b>		
Income taxes paid	\$ -	\$ 4
Interest paid	\$ 306	\$ 1,061
<b>Non-cash investing and financing activities</b>		
Common stock issued for services rendered relating to debt financing	\$ -	\$ 37
Amount added to principal for non-cash interest on and non-cash amendment to Convertible Notes	\$ 802	\$ 510
Obtaining a right-of-use asset in exchange for a lease liability	\$ 310	\$ 2,781
Common stock issued in connection with the acquisition of ViceCRM	\$ 49	\$ -
Right-of-use asset derecognized in connection with early lease termination	\$ 2,413	\$ -

See accompanying notes to consolidated financial statements

**SPRINGBIG HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 – DESCRIPTION OF BUSINESS**

SpringBig Holdings, Inc. and its wholly owned subsidiaries (the “Company,” “we,” “us,” “our”, or “SpringBig”) developed a software platform that provides marketing and customer engagement services to cannabis dispensaries and brands throughout the United States and Canada. The Company allows merchants to provide loyalty plans and rewards directly to consumers through an internet portal and mobile applications. Our operational headquarters are in Boca Raton, Florida, with additional offices located in the United States and Canada.

The Company has one direct wholly owned subsidiary, SpringBig, Inc.

On June 14, 2022 (the “Closing Date”), SpringBig Holdings, Inc. (formerly known as Tuatara Capital Acquisition Corporation (“Tuatara” or “TCAC”)), consummated the business combination of SpringBig, Inc. (“Legacy SpringBig”) and HighJump Merger Sub, Inc., the wholly-owned subsidiary of Tuatara, pursuant to the Amended and Restated Agreement of Plan Merger, dated as of April 14, 2022, as amended, by and among Tuatara, HighJump Merger Sub, Inc. and Legacy SpringBig. Prior to the closing of the business combination (the “Closing”), Tuatara changed its jurisdiction of incorporation by deregistering as a Cayman Islands exempted company and continuing and domesticating as a corporation incorporated under the laws of the State of Delaware. In connection with the Closing, the registrant changed its name from Tuatara Capital Acquisition Corporation to “SpringBig Holdings, Inc.” SpringBig will continue the existing business operations of Legacy SpringBig as a publicly traded company.

Beginning June 15, 2022, the ticker symbols for the Company’s common stock and publicly traded warrants were changed to “SBIG” and “SBIGW,” respectively, and commenced trading on The Nasdaq Capital Market.

On September 1, 2023, the Board of Directors of SpringBig Holdings, Inc. determined that it would not be in the best interest of the Company or its shareholders to meet the continued listing requirements of the Nasdaq Capital Market, and the Company notified the Nasdaq Stock Market LLC (“Nasdaq”) that it was withdrawing its appeal of the Nasdaq Listings Qualification staff’s delist determination dated March 7, 2023, for the Company’s failure to meet the market value of listed securities requirement in the Nasdaq Listing Rules.

The Company’s common stock is now quoted for trading on the OTCQB Venture Market and its public warrants are now quoted for trading on the OTC Pink Market under their current trading symbols “SBIG” and “SBIGW,” respectively. The Company’s common stock started trading on the OTCQB Venture Market on September 6, 2023. The Company remains a reporting company under the Securities Exchange Act of 1934, as amended.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation and Basis of Presentation**

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

### **Going Concern, Liquidity and Management's Plans**

The Company has incurred recurring losses since inception, resulting in an accumulated deficit of approximately \$41.7 million as of December 31, 2025. Cash flows provided by operating activities were \$361 thousand for the year ended December 31, 2025. As of December 31, 2025, the Company had a working capital deficit of approximately \$3.5 million, which includes \$1.5 million of cash and cash equivalents.

The working capital deficit and note payable maturity raise substantial doubt about the Company's ability to continue as a going concern for a period of at least twelve months from the issuance date of these consolidated financial statements.

The Company's ability to continue as a going concern is dependent on its ability to improve liquidity and meet its obligations as they come due. Management's plans to address these conditions include a combination of actions, which may include increasing revenue through greater customer usage and new customer acquisition, negotiating amendments or extensions of existing debt obligations, reducing operating costs, and pursuing strategic capital transactions. There can be no assurance that these plans will be successfully implemented or that they will generate sufficient liquidity on a timely basis.

The accompanying consolidated financial statements have been prepared on a going concern basis and do not include any adjustments that might result from the outcome of this uncertainty.

### **Foreign Currency**

The Company translates the consolidated financial statements of its foreign subsidiaries, which have a functional currency in the respective country's local currency, to U.S. dollars using month-end exchange rates for assets and liabilities and actual exchange rates for revenue, costs and expenses on the date of the transaction. Exchange differences are included in interest expense in the consolidated statement of operations.

### **Use of Estimates**

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Certain accounting policies involve a "critical accounting estimate" because they are particularly dependent on estimates and assumptions made by management about matters that are highly uncertain at the time the accounting estimates are made. In addition, while the Company has used best estimates based on facts and circumstances available to it at the time, different acceptable assumptions would yield different results. Changes in the accounting estimates are reasonably likely to occur from period to period, which may have a material impact on the presentation of the financial condition and results of operations. The Company reviews these estimates and assumptions periodically and reflects on the effects of revisions in the period that are determined to be necessary. The Company believes that the assumptions and estimates associated with income taxes, equity-based compensation (including issuance of common stock for services rendered), warrants, imputed interest on operating lease liabilities, using the U.S. treasuries rate for a similar term prevailing at the lease commencement date as the benchmark rate and adding an appropriate risk margin, valuation of the 2024 Secured Term Notes and 2024 Secured Convertible Notes carrying values regarding debt modification or extinguishment, and allowance for credit losses have the greatest potential impact on our consolidated financial statements. Therefore, the Company consider the policies related to these financial areas to be critical accounting policies.

Future events and their effects cannot be predicted with certainty; accordingly, accounting estimates require the exercise of judgment. Accounting estimates used in the preparation of these financial statements change as new events occur, as more experience is acquired, as additional information is obtained, and as the operating environment changes. Actual results may differ materially from these estimates.

### **Segments**

The Company manages its business as a single operating segment. The chief operating decision maker ("CODM") reviews financial information presented for the purposes of allocating resources and evaluating financial performance at an entity level. The Company's Chief Executive Officer ("CEO") is the CODM, and the Company has no segment managers who are held accountable by the CODM for operations and operating results. The products and services across the Company are similar in nature, distributed in a comparable manner and have customers with common characteristics. The Company determined that it has one operating and reportable segment in accordance with Accounting Standards Codification ("ASC") 280, *Segment Reporting*.

### **Fair Value of Financial Instruments**

The Company's financial assets, which include cash equivalents, current financial assets and current financial liabilities have fair values that approximate their carrying value due to their short-term maturities.

### **Concentrations of Credit Risk**

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company deposits its cash and cash equivalents with high credit-quality financial institutions. Such deposits may be in excess of federally insured limits. To date, the Company has not experienced any losses on our cash and cash equivalents. The Company performs periodic evaluations of the relative credit standing of the financial institutions.

The Company performs ongoing credit evaluations of its customers' financial condition and require no collateral from its customers. The Company maintains a credit loss reserve for expected credit losses based upon the expected collectability of accounts receivable balances.

The Company had one customer representing 17% of total revenues for the year ended December 31, 2025, and the same customer represented more than 15% of total revenues for the year ended December 31, 2024.

At December 31, 2025, the Company had one customer representing 32% of accounts receivable and two customers represented 40% of accounts receivable at December 31, 2024.

The Company had one vendor representing 92% of cost of goods sold for the year ended December 31, 2025, and the same vendor represented 95% of cost of goods sold for the year ended December 31, 2024.

The Company had two vendors representing 74% of accounts payable as of December 31, 2025. At December 31, 2024, two vendors represented 59% of accounts payable.

### **Deferred Financing Costs**

On January 23, 2024, the Company issued \$6.4 million aggregate principal amount of 2024 Secured Convertible Notes and \$1.6 million aggregate principal amount of 2024 Secured Term Notes. See Note 9. The expenses directly related to issuance of this debt, including investment bank advisory fees, legal fees and other advisory fees, have been deferred and will be expensed over the three-year term of the debt up to January 2027.

### **Cash and Cash Equivalents**

The Company considers all highly liquid investments with a maturity of three months or less, when acquired, to be cash equivalents. There are no cash equivalents at the years ended December 31, 2024 and 2025.

As of December 31, 2025, the Company exceeded the federally insured limits of \$250,000 for interest and non-interest-bearing deposits. The Company had cash balances with a single financial institution in excess of the FDIC insured limits by amounts of \$1.3 million as of December 31, 2025. The Company monitors the financial condition of such institution and have not experienced any losses associated with these accounts.

### **Property and Equipment**

Property and equipment are carried at cost less accumulated depreciation. Major additions and improvements which extend the life of the assets are capitalized whereas maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed as incurred. When property or equipment is sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of their estimated useful lives or the terms of the leases.

### **Accounts Receivable, Net & Allowance for Credit Losses**

Accounts receivable include billed and unbilled receivables, net of allowance for credit losses. Accounts receivable are recorded at invoiced amounts and do not bear interest. Unbilled receivables relate to revenue earned in advance of invoicing per contractual terms with customers. The allowance for credit losses is based on the Company's assessment of the collectability of accounts receivable considering various factors, including the age of each outstanding invoice, the collection history of each customer, historical write-off experience, current economic conditions, and reasonable and supportable forecasts of future economic conditions over the life of the receivable. The Company assesses collectability by reviewing accounts receivable on an aggregate basis when similar characteristics exist and on an individual basis when specific customers with collectability issues are identified. Accounts receivable deemed uncollectible are charged against the allowance for credit losses when identified.

### **Contract Assets (Deferred Commission)**

The Company recognized a contract asset for the incremental costs (i.e., sales commissions) of obtaining a contract because the Company expects to recover those costs through future fees for the services to be provided. The Company amortizes the asset over the course of three years, which is the estimated number of years a customer is retained.

### **Capitalized Software Development Costs**

Internal and external costs associated with the development stage of computer applications, as well as for upgrades and enhancements that result in additional functionality of the applications, are capitalized in accordance with Accounting Standards Codification (“ASC”) 350-40, *Internal-Use Software Accounting and Capitalization*. Internal and external training and maintenance costs are charged to expense as incurred or over the related service period. When a software application is placed in service, the Company begins amortizing the related capitalized software costs using the straight-line method based on its estimated useful life, which is generally three years.

### **Impairment of Long-Lived Assets**

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors. The Company recognized a disposal loss on furniture and fixture costs of approximately \$131,000 as a result of a new lease agreement and the move to a new office space in the year ended December 31, 2025. There were no impairment losses recognized in the year ended December 31, 2024.

### **Intangible Assets**

The Company accounts for intangible assets under ASC 350, *Goodwill and Other*. Intangible assets represent software acquired in the acquisition of Beaches Development Group in 2021. The amount is recorded at fair value on the date of the acquisition and amortized over its useful life of 3 years, using the straight-line method. The amount for intangible assets is included in property and equipment on the balance sheets – see Note 5.

### **Goodwill**

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations. Goodwill is not amortized, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. The Company recorded approximately \$17,000 of Goodwill in relation to the ViceCRM acquisition during the three months ended September 30, 2025. No impairment was recognized during the year ended December 31, 2025.

### **Deferred Payroll Tax Credits**

The Company may be eligible to receive certain payroll tax credits as a result of governmental legislation. Due to the complexities in calculating and qualifying for payroll tax credits, any benefits we may receive are uncertain and may significantly differ from our current estimates. Accordingly, we record any benefits related to these types of credits upon both the receipt of the benefit and the resolution of the uncertainties, including, but not limited to, the completion of any potential audit or examination, or the expiration of the related statute of limitations.

### **Revenue Recognition**

The Company follows the provisions of FASB Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers*, which provides guidance on the recognition, presentation, and disclosure of revenue in financial statements. ASC 606 outlines the basic criteria that must be met to recognize revenue and provides guidance for disclosure related to revenue recognition policies. The Company recognizes revenue upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services. The Company reports revenue net of sales and other taxes collected from customers to be remitted to government authorities.

For a standard contract, the Company works with a customer to provide access to an integrated platform that provides all the functions of its proprietary software, which utilizes proprietary technology to send text, push or email messages to the customer's contacts based on a credit system. Through this software, the Company allows merchants to provide loyalty plans and rewards directly to consumers through an internet portal and mobile applications. The functions of the software themselves do not have individual value to the customer. Each customer is buying the license to the platform to receive all the benefits of the platform. Therefore, the Company's single performance obligation is to provide customers the ability to use its proprietary software application that provides marketing and customer engagement services to cannabis dispensaries throughout the United States and Canada.

*Nature of Promises to Transfer* - The services provided by the Company's software are subscription based with the Company providing its customer access to the software for an initial contract term that is generally one year, with automatic annual renewals. Revenue is earned monthly, which consists of the contracted monthly fixed fee for software access and a specified volume of messaging credits plus, if any, optional purchases for additional credits.

*Timing of Satisfaction* - Control of services is transferred during a subscription period. Services provided by the Company are performed over time on a monthly basis and over a designated contract term generally for up to twelve months.

*Allocating the Transaction Price* - The transaction price of a subscription is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer.

To determine the transaction price of a contract, the Company considers its customary business practices as well as the terms of the contract. For the purpose of determining transaction prices, the Company assumes that the services will be transferred to the customer as promised in accordance with existing contracts and that the contracts will not be cancelled, renewed, or modified.

The Company's contracts with customers have fixed transaction prices, and a variable component based on the volume of messages, that are denominated in U.S. and Canadian dollars. Consideration paid for services that customers purchase from the Company is nonrefundable. Therefore, at the time revenue is recognized, the Company does not estimate expected refunds for services. Customer discounts are netted against revenue and are recognized as incurred.

There is only one performance obligation for the Company's standard contract. As such, the transaction price is allocated entirely to that obligation.

Beginning in 2024, the Company also facilitates its customers, through the platform, being able to offer VIP loyalty programs and establish gift cards on their mobile app. Although facilitated by the SpringBig platform, the VIP loyalty and gift card transactions occur directly between the customers and their end-user consumers. The Company receives a proportion of the transaction value. The Company accounts for this revenue on a net basis given it is an agent not principal in the transactions.

*Practical Expedients* - The Company has adopted certain practical expedients. The Company has elected to apply the portfolio approach practical expedient to evaluate contracts with customers that share the same revenue recognition patterns as the result of evaluating them as a group will have substantially the same result as evaluating them individually.

### **Cost of Revenues**

Cost of revenues principally consists of amounts payable to distributors of messages on behalf of customers across cellular networks and the cost of third-party data and integrations.

### **Selling, Servicing and Marketing Expenses**

Selling, servicing and marketing expenses consist primarily of personnel and related costs, including salaries, benefits, bonuses, commissions and travel for our sales team, client success and marketing team. Other costs included in this expense are marketing and promotional events. Advertising costs are charged to marketing expense as incurred.

### **Technology and Software Development**

Technology and software development expense consist primarily of personnel and related costs, including salaries, benefits, bonuses and cost of server usage by our developers, and hosting fees relating to the Company's cloud-based platform.

### **General and Administrative Expenses**

General and administrative expenses consist primarily of personnel and related costs for our executive, finance, legal, human resources, and administrative personnel, including salaries, benefits, bonuses, and stock-based compensation, legal, accounting, other professional service fees and other corporate expenses.

### **Stock-Based Compensation**

ASC 718, *Compensation - Stock Compensation*, addresses accounting for share-based awards, including stock options, restricted stock, performance shares and warrants. Stock-based compensation for stock options to employees and non-employees is based upon the fair value of the award on the date of grant. We record forfeitures as they occur. The compensation cost is recognized over the requisite service period, which is generally the vesting period, and is included in general and administrative expenses in the consolidated statements of operations. Stock-based compensation for restricted stock is based on the fair value at the date of grant and recognized over the vesting period.

The Company estimates the fair value of stock options using the Black-Scholes valuation model. The expected life represents the term the options granted are expected to be outstanding. The expected volatility was determined using the historical volatility of similar publicly traded companies. The risk-free interest rate is based on the U.S. Treasury rate in effect at the time of grant.

### **Earnings Per Share**

The Company computes net income per share in accordance with ASC 260, *Earnings Per Share*. Under the provisions of ASC 260, basic net income per share is computed by dividing the net income available to common shareholders by the weighted average common shares outstanding during the period. Diluted net income per share adjusts basic net income per share for the effects of stock options, warrants, convertible notes and restricted stock awards only in periods, or for such awards in which the effect is dilutive. ASC 260 also requires the Company to present basic and diluted earnings per share information separately for each class of equity instruments that participate in any income distribution with primary equity instruments.

## Income Taxes

We record current income taxes based on our estimates of current taxable income and provide for deferred income taxes to reflect estimated future income tax payments and receipts. We are subject to federal income taxes as well as state taxes. In addition, we are subject to taxes in the foreign jurisdictions where we operate.

The Company records a deferred tax asset or liability based on the difference between financial statement and tax basis of assets and liabilities as measured by the anticipated tax rates which will be in effect when these differences reverse. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized. The Company adopted ASU 2016-17, *Balance Sheet Classification of Deferred Taxes*. The guidance requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. As a result, each jurisdiction will only have one net noncurrent deferred tax asset or liability.

The Company has evaluated its tax positions for any uncertainties based on the technical merits of the positions taken. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be upheld on examination by taxing authorities. The Company has analyzed the tax positions taken and has concluded that as of December 31, 2025, and 2024, there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements.

## Recent Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09 (Topic 740), *Improvements to Income Tax Disclosures*. The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as an expansion of other income tax disclosures. The Company adopted ASU No. 2023-09, *Improvements to Income Tax Disclosures (Topic 740)*, effective January 1, 2025. The ASU modifies certain income tax disclosure requirements and did not have an impact on the Company's financial position, results of operations, or cash flows, other than expanded disclosures.

## Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures* (Subtopic 220-40). The ASU requires incremental disclosures about specific expense categories, including but not limited to, purchases of inventory, employee compensation, depreciation, amortization, and selling expenses. The amendments are effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted, and the amendments may be applied either prospectively or retrospectively. The Company is currently evaluating this ASU to determine its impact on the Company's disclosures.

In July 2025, the FASB issued ASU No. 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU amends certain aspects of the current expected credit loss ("CECL") model as it applies to trade receivables and contract assets, including clarifications related to measurement methodologies and disclosure requirements. The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim periods therein. Early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*, which clarifies the accounting for costs incurred in the development and implementation of internal-use software. The Company is currently evaluating the impact of this guidance on its consolidated financial statements. The Company does not expect the adoption of this standard to have a material impact on its financial position, results of operations, or cash flows.

## **NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable, net consisted of the following (in thousands):

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Accounts receivable	\$ 1,583	\$ 1,945
Unbilled receivables	720	694
Total receivables	2,303	2,639
Less allowance for credit loss	(300)	(426)
Accounts receivable, net	<u>\$ 2,003</u>	<u>\$ 2,213</u>

Credit loss expense was \$0.8 million and \$0.7 million for the years ended December 31, 2025 and 2024, respectively. The accounts receivable, net balance as of December 31, 2023 was \$2.2 million.

The following table details the activity related to the Company's allowance for credit losses for the year ended December 31, 2025 (in thousands).

	<b>Allowance for credit losses</b>
Outstanding balance, December 31, 2024	\$ 426
Current-period provision for expected credit losses	820
Write-offs charged against the allowance, net of recoveries and other	(946)
Outstanding balance, December 31, 2025	<u>\$ 300</u>

#### NOTE 4 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following (in thousands):

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Prepaid insurance	\$ 56	\$ 30
Other prepaid expense	139	165
Deposits	312	89
	<u>\$ 507</u>	<u>\$ 284</u>

#### NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following (in thousands):

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Computer equipment	\$ 405	\$ 452
Furniture and fixtures	15	178
Data warehouse	286	286
Software	229	196
Total cost	935	1,112
Less accumulated depreciation and amortization	(865)	(908)
Property and equipment, net	<u>\$ 70</u>	<u>\$ 204</u>

The useful life of computer equipment, furniture and fixtures, software and the data warehouse is 3 years. Intangible assets include data warehouse and software.

Depreciation and amortization expenses for the years ended December 31, 2025, and 2024 were \$75,000 and \$180,000, respectively. The amounts are included in general and administrative expenses in the consolidated statements of operations.

For the year ended December 31, 2025 the Company disposed of furniture and computer equipment associated with the office space that the Company vacated. The result of the disposal was a loss of \$131,000 and is recorded in the Other Income and Expenses section of the condensed consolidated statement of operations.

#### NOTE 6 – GOODWILL

On July 31, 2025, the Company completed the acquisition of VICE CRM, an AI-enabled performance marketing platform designed to optimize return on investment for consumer marketing campaigns in highly regulated industries. The acquisition followed the Company's announcement on March 17, 2025 of its intent to acquire VICE CRM and appoint its founder, Jaret Christopher, as Chief Executive Officer effective April 1, 2025.

The transaction was accounted for as a business combination in accordance with ASC 805, Business Combinations. As consideration for the acquisition, the Company issued approximately \$49,000 of its common stock (1,191,563 shares).

The purchase price was allocated to the identifiable assets acquired based on their estimated fair values as of the acquisition date as follows:

<b>Asset Acquired:</b>	<b>Amount</b>
Software (recorded within property and equipment, net)	\$ 32
Goodwill	17
Total consideration transferred	<u>\$ 49</u>

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired and primarily reflects expected synergies from integrating the VICE CRM technology platform with the Company's existing services.

The transaction also included a second issuance of Company stock that vests in July 2026 upon Jaret Christopher completing twelve months of service as Chief Executive Officer following the closing of the acquisition. As the vesting of these shares is contingent upon continued employment, the award is accounted for as stock-based compensation and is recognized as expense over the requisite service period within general and administrative expenses in the consolidated statements of operations.

## NOTE 7 – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Accrued wages, commission and bonus	\$ 797	\$ 254
Accrued professional fees	89	110
Accrued interest on 2024 Secured Convertible and Term Notes	592	460
Sales tax payable	659	504
Deferred financial advisory fees	1,000	1,000
Accrued severance	468	-
Other liabilities	246	302
	<u>\$ 3,851</u>	<u>\$ 2,630</u>

## NOTE 8 – RELATED PARTY TRANSACTIONS

During 2023, SpringBig's former CEO, Jeffrey Harris, advanced and paid certain expenses on behalf of the Company, and there was a \$540,000 related party payable on December 31, 2023, which was repaid in January 2024, following completion of the issuance of \$6.4 million aggregate principal amount of 2024 Secured Convertible Notes and \$1.6 million aggregate principal amount of 2024 Secured Term Notes.

Jeffrey Harris, former CEO, and Paul Sykes, former CFO, both participated in the debt financing transaction completed on January 23, 2024. Jeffrey Harris purchased \$320,000 2024 Secured Convertible Notes, and \$80,000 2024 Secured Term Notes. Paul Sykes purchased \$25,000 2024 Secured Convertible Notes, and \$6,250 2024 Secured Term Notes. Refer to Note 9. In January 2025 another investor in the debt financing agreement purchased \$160,000 of the 2024 Secured Convertible Notes, and \$40,000 of the 2024 Secured Term Notes from Jeffrey Harris. That same investor purchased the \$25,000 of 2024 Secured Convertible Notes and \$6,250 2024 Secured Term Notes from Paul Sykes in May 2025.

There are two members of the board of directors at December 31, 2025, who are related parties to investors in the debt financing transaction completed on January 23, 2024. In aggregate these investors purchased \$5.2 million 2024 Secured Convertible Notes and \$1.3 million 2024 Secured Term Notes. One of the investors was the party that purchased the notes from Jeffrey Harris and Paul Sykes. Refer to Note 9.

On March 31, 2025, Mr. Harris stepped down as the Company's CEO. Pursuant to agreements entered into between Mr. Harris and the Company, the Company is required to grant to Mr. Harris 250,000 restricted stock units pursuant to its 2022 Long-Term Incentive Plan subject to vesting on the earlier of the occurrence of a change of control and March 31, 2026. Furthermore, the Company is required to pay Mr. Harris 3% and 2% of all revenue from gaming customers for years ending December 31, 2025, and 2026 respectively. In addition, the Company and Mr. Harris entered into a consulting agreement, whereby Mr. Harris will provide services to the Company for a twelve-month period commencing on April 1, 2025, including being available to the Board and management to help with questions that may arise and to assist the Company with strategic planning. As consideration for his services, Mr. Harris will receive a consulting fee of \$450,000 payable in eighteen equal monthly instalments. As of December 31, 2025, the Company has not paid Mr. Harris' for any services, nor has the Company issued the restricted stock units. The Company and Mr. Harris are currently engaged in litigation brought forth by Mr. Harris. The Company has accrued a settlement with Mr. Harris within the accrued expenses and other current liabilities section.

On May 7, 2025 (the "Amendment Date") the first amendment to the separation agreement with Mr. Sykes was executed, which revised the terms of the original agreement with Mr. Sykes. Per the amendment, the separation date for Mr. Sykes was accelerated to the Amendment Date, and Mr. Sykes is entitled to a revised bonus of \$120,000, payable in twelve equal semimonthly installments. The Company will no longer accelerate the unvested restricted stock units previously granted to Mr. Sykes pursuant to its 2022 Long-Term Incentive Plan. All other terms of the original agreement will remain in effect.

## NOTE 9 – LONG-TERM DEBT

The table below presents the components of outstanding debt (in thousands):

	December 31, 2025	December 31, 2024
2024 Secured Term Notes – related parties	\$ 1,386	\$ 1,386
2024 Secured Term Notes	214	214
2024 Secured Convertible Notes – related parties	6,682	5,987
2024 Secured Convertible Notes	1,030	923
	<u>9,312</u>	<u>8,510</u>
Less deferred financing fees, net	(75)	(146)
	<u>\$ 9,237</u>	<u>\$ 8,364</u>

The amounts outstanding on December 31, 2025, include \$802,000 non-cash interest added to the outstanding principal of the 2024 Secured Convertible Notes since issuance. Refer to Note 8 for details on related parties.

On January 23, 2024, the Company issued \$1.6 million aggregate principal amount of 2024 Secured Term Notes and \$6.4 million aggregate principal of 2024 Secured Convertible Notes to a group of investors.

The 2024 Secured Term Notes were initially due in January 2026 and accrued interest payable in cash semi-annually at a rate of 12% per annum. The 2024 Secured Convertible Notes were initially due in January 2026 and accrued interest which is added to the outstanding principal balance semi-annually at a rate of 8% per annum.

On November 11, 2024, the Company amended the terms of the 2024 Secured Term Notes and 2024 Secured Convertible Notes including extending the maturity date to January 23, 2027, amending the interest rates and adjusting the requirement for the Company to maintain a minimum cash balance of at least \$1 million with the provision now applicable only at the end of any calendar month commencing on or after February 1, 2025. The Company was in compliance with all covenants as of December 31, 2025.

The interest rates on the 2024 Secured Term Notes and 2024 Secured Convertible Notes increase to 17% and 13%, respectively, with effect from the date of amendment, with the interest rates then reducing by 0.75% for each three-month period that the Company reports an Adjusted EBITDA exceeding \$900,000, starting with the three months ending March 31, 2025, subject to a maximum reduction to 14% and 10%, respectively. In addition, a sum of \$64,000 is payable to the holders of the 2024 Secured Term Notes in January 2025, and the principal amount of the 2024 Secured Convertible Notes was increased by \$266,000 with effect from the date of the amendment.

The Company may prepay any portion of the 2024 Secured Term Notes, without penalty, at any time after February 1, 2025.

The 2024 Secured Convertible Notes are convertible into common stock at a conversion price of \$0.15 per share at the holder's option any time up to the day prior to maturity in January 2027.

The 2024 Secured Term Notes and 2024 Secured Convertible Notes rank pari passu and are secured on substantially all the assets of the Company.

The 2024 Secured Term Notes and 2024 Secured Convertible Notes include restrictive covenants that, among other things, limit the ability of the Company to incur additional indebtedness and guarantee indebtedness; incur liens or allow mortgages or other encumbrances; prepay, redeem, or repurchase certain other debt; pay dividends or make other distributions or repurchase or redeem our capital stock; sell assets or enter into or effect certain other transactions (including a reorganization, consolidation, dissolution or similar transaction or selling, leasing, licensing, transferring or otherwise disposing of assets of the Company or its subsidiaries) and also contain customary events of default.

Consistent with FASB ASC Topic 470 *Debt*, ("ASC 470"), the Company is required to perform an analysis of the change associated with the aforementioned amendments to determine whether the change is a modification or an extinguishment of debt. Under a modification, no gain or loss is recorded, and a new effective interest rate is established based on the carrying value of the debt and revised cash flow. If the debt is extinguished, the old debt is derecognized and the new debt is recorded at fair value, which becomes the new carrying value. A gain or loss is recorded for the difference between the net carrying value of the original debt and the fair value of the new debt. Interest expense is recorded based on the effective interest rate of the new debt. A debt is considered extinguished if the present value of the new cash flows under the term of the new debt is at least 10% different from the present value of the remaining cash flows under the terms of the old debt.

In connection with the aforementioned amendments, the Company determined that the change to the 2024 Secured Term Notes was a modification consistent with ASC 470. The Company determined that the change to the 2024 Secured Convertible Notes was an extinguishment consistent with ASC 470, with the old debt of \$6.3 million was derecognized and the new debt of \$6.9 million was recognized at estimated fair value. As such, a loss on extinguishment of \$0.6 million was recognized in the accompanying consolidated statement of operations for the year ended December 31, 2024.

The Company recorded interest expense for the years ended December 31, 2025 and 2024, of \$1.3 million and \$1.1 million, respectively in connection with the 2024 Secured Term Notes and 2024 Secured Convertible Notes.

#### **NOTE 10 – 6% SENIOR SECURED CONVERTIBLE NOTES**

In connection with the business combination, on June 14, 2022, the Company issued \$11.0 million in aggregate principal amount of Senior Secured Original Issue Discount Convertible Note, due June 14, 2024 (the "Secured Convertible Notes"), issued at a discount of \$1.0 million, with proceeds of \$10.0 million received on the Closing Date.

A warrant representing 586,890 shares of common stock of the Company (the "Convertible Warrant") with a fair value of \$839,000 as at the date of the business combination was also issued in a private placement with the purchaser party thereto. To determine the fair value of the Convertible Warrant, the Company performed a Black-Scholes calculation as of June 14, 2022, using a stock price of \$4.28, a strike price of \$12.00, a risk-free rate of 3.61%, annualized volatility of 65%, and a time to maturity of five years.

On January 16, 2024, the Company and the noteholder executed an agreement for the Company to repurchase the outstanding note and associated warrants, and on January 23, 2024, the note and associated warrants were repurchased for \$2.9 million. As such, the outstanding principal on the Secured Convertible Notes at December 31, 2025 and 2024 was \$0. The Company recorded a \$1.6 million gain on repurchase of the note for the year ended December 31, 2024.

The Company recorded \$-0- and \$14,000 of interest expense in connection with the Senior Secured Convertible Notes for the years ended December 31, 2025 and 2024, respectively.

#### NOTE 11 – WARRANT LIABILITIES

Prior to the business combination, at the time of their initial public offering, TCAC issued warrants to purchase 10,000,000 Class A ordinary shares at a price of \$11.50 per share, for aggregate consideration of \$10.0 million as part of the units offered by the prospectus and, simultaneously with the closing of their initial public offering, issued in a private placement an aggregate of 6,000,000 private placement warrants for aggregate consideration of \$6.0 million, each exercisable to purchase one Class A ordinary share at a price of \$11.50 per share.

The Company accounts for the warrants in accordance with the guidance contained in ASC 815 *Derivatives and Hedging*, under which the warrants do not meet the criteria for equity treatment and hence are recorded as liabilities. Accordingly, we classify the warrants as liabilities at their fair value and adjust the warrants to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in our statement of operations.

At December 31, 2025, and 2024, the estimated fair value of the warrants was \$16,000 and \$11,200, respectively.

The Company recorded a change in fair value gain of approximately \$5,000 and \$8,000 for the years ended December 31, 2025 and 2024, respectively. These amounts are included in the statements of operations for the year ended December 31, 2025, and 2024.

The fair value is determined in accordance with ASC 820, *Fair Value Measurement*. See Note 17, Fair Value Measurements, to the accompanying consolidated financial statements for further information.

#### NOTE 12 – REVENUE RECOGNITION

The Company recognizes revenue from both retail clients, who operate retail dispensaries, and brand clients, who sell their products on a wholesale basis to retail dispensaries.

The following table represents our revenues disaggregated by type (in thousands):

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
<b>Revenue</b>		
Brand revenue	\$ 286	\$ 396
Retail revenue	22,548	24,253
	<u>\$ 22,834</u>	<u>\$ 24,649</u>

#### Geographic Information

Revenue by geographical region consist of the following (in thousands):

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
<b>Brand revenue</b>		
United States	\$ 286	\$ 396
Canada	-	-
<b>Retail revenue</b>		
United States	21,864	23,481
Canada	684	772
	<u>\$ 22,834</u>	<u>\$ 24,649</u>

Revenues by geography are generally based on the country of the Company's contracting entity. Total United States revenue was approximately 97% of total revenue for the years ended December 31, 2025 and 2024.

The Company has corrected the accounting for VIP subscriptions and wallet payments such that revenue on these products is now included on a net revenue basis. The impact of the revision was not considered material to the consolidated financial statements. Below is a summary of the impact of the revision for the three quarters ended March 31, June 30, and September 30, 2024, respectively.

	QUARTER ENDED			YEAR TO DATE		
	March 31, 2024		March 31, 2024	March 31, 2024		March 31, 2024
	As reported	Adjustment	Revised	As reported	Adjustment	Revised
Revenues	\$ 6,474	\$ (78)	\$ 6,396	\$ 6,474	\$ (78)	\$ 6,396
Cost of revenues	(1,794)	78	(1,716)	(1,794)	78	(1,716)
Gross profit	\$ 4,680	\$ -	\$ 4,680	\$ 4,680	\$ -	\$ 4,680

	QUARTER ENDED			YEAR TO DATE		
	June 30, 2024		June 30, 2024	June 30, 2024		June 30, 2024
	As reported	Adjustment	Revised	As reported	Adjustment	Revised
Revenues	\$ 6,612	\$ (190)	\$ 6,422	\$ 13,086	\$ (268)	\$ 12,818
Cost of revenues	(1,915)	190	(1,725)	(3,709)	268	(3,441)
Gross profit	\$ 4,697	\$ -	\$ 4,697	\$ 9,377	\$ -	\$ 9,377

	QUARTER ENDED			YEAR TO DATE		
	September 30, 2024		September 30, 2024	September 30, 2024		September 30, 2024
	As reported	Adjustment	Revised	As reported	Adjustment	Revised
Revenues	\$ 6,425	\$ (281)	\$ 6,144	\$ 19,511	\$ (549)	\$ 18,962
Cost of revenues	(1,990)	281	(1,709)	(5,699)	549	(5,150)
Gross profit	\$ 4,435	\$ -	\$ 4,435	\$ 13,812	\$ -	\$ 13,812

#### NOTE 13 – CONTRACT ASSETS

Contract assets consisted of the following as of (in thousands):

	December 31, 2025	December 31, 2024
Deferred sales commissions	\$ 167	\$ 188

The movement in the contract assets during the years ended December 31, 2025, and 2024 comprised the following (in thousands):

	December 31, 2025	December 31, 2024
Contract assets at start of the period	\$ 188	\$ 273
Expense deferred during the period	115	105
<b>(Less) amounts expensed during the period</b>	<b>(136)</b>	<b>(190)</b>
Contract assets at end of the period	\$ 167	\$ 188

#### NOTE 14 – STOCK BASED COMPENSATION

In connection with the business combination, the Tuatara shareholders approved the SpringBig Holdings, Inc. 2022 Long-Term Incentive Plan (the “2022 Incentive Plan”), which became effective upon the Closing.

The number of shares of our common stock initially reserved for issuance under the 2022 Incentive Plan was 1,525,175, which equaled the amount of shares of our common stock equal to 5% of the sum of (i) the number of shares of our common stock outstanding as of the Closing and (ii) the number of shares of our common stock underlying stock options issued under the SpringBig, Inc. 2017 Equity Incentive Plan (as amended and restated) (the “Legacy Incentive Plan”) that were outstanding as of the Closing. Shares subject to stock awards granted under the 2022 Incentive Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in shares, will not reduce the number of shares available for issuance under the 2022 Incentive Plan.

At the annual shareholder meeting on June 13, 2022, the Company shareholders approved an amendment to the 2022 Incentive Plan to add an automatic annual increase in the number of shares authorized for issuance of up to 5% of the number of the Company's common stock issued and outstanding on December 31 of the immediately preceding calendar year, beginning with the fiscal year ending December 31, 2023; provided that the annual increase with respect to the fiscal year ending December 31, 2023, which is 1,332,986 shares of common stock, took effect on the first business day following the annual shareholder meeting.

The number of shares automatically added to the number of shares authorized for issuance on January 1, 2025 and 2024, was 2,317,417 and 2,266,988, respectively, being 5% of the number of the Company's common stock issued and outstanding on December 31, 2023 and 2024. The total number of shares of common stock authorized for issuance under the 2022 Incentive Plan is 7,442,566 as of December 31, 2025.

Prior to the closing of the merger, Legacy SpringBig maintained an equity incentive plan (the "Legacy Incentive Plan"), which was originally established effective December 1, 2017. SpringBig has not granted any additional awards under the Legacy Incentive Plan following the business combination.

The following table summarizes information on stock options outstanding as of December 31, 2025, and 2024 under the Legacy Incentive Plan:

	Options outstanding		Options Vested and Exercisable		
	Number of Options	Weighted Average Exercise Price (per share)	Number of Options	Average Remaining Contractual Life (years)	Weighted Average Exercise Price (per share)
<b>Outstanding Balance, January 1, 2024</b>	<b>2,271,894</b>	<b>\$ 0.57</b>	<b>2,244,102</b>	<b>4.76</b>	<b>\$ 0.56</b>
Options granted	-	-	-	-	-
Options exercised	-	-	-	-	-
Options forfeited and cancelled	(14,821)	\$ 0.96	-	-	-
<b>Outstanding Balance, December 31, 2024</b>	<b>2,257,073</b>	<b>\$ 0.57</b>	<b>2,257,073</b>	<b>3.81</b>	<b>\$ 0.57</b>
Options granted	-	-	-	-	-
Options exercised	-	-	-	-	-
Options forfeited and cancelled	(926,039)	\$ 0.69	-	-	-
<b>Outstanding Balance, December 31, 2025</b>	<b>1,331,034</b>	<b>\$ 0.48</b>	<b>1,331,034</b>	<b>2.66</b>	<b>\$ 0.48</b>

No options were exercised during the year ended December 31, 2025 and 2024.

As of December 31, 2025, the intrinsic value of the 1,331,034 options outstanding and exercisable was \$0. As of December 31, 2025, all options are vested and exercisable and the total compensation cost related to non-vested awards not yet recognized was \$0.

During the years ended December 31, 2025, and 2024, compensation expense recorded in connection with the Legacy Incentive Plan was \$-0- and \$35,000, respectively. These charges are recorded within general and administrative expenses on the Company's consolidated statements of operations.

The following table summarizes information on Restricted Stock Units outstanding as of December 31, 2025, under the 2022 Incentive Plan:

	Restricted Stock Units Outstanding		
	Number of RSU's	Weighted Average Fair Value (per share)	Weighted Average Vesting (years)
<b>Outstanding Balance, January 1, 2024</b>	<b>2,211,509</b>	<b>\$ 0.80</b>	<b>2.2</b>
RSU's granted	1,382,500	\$ 0.14	-
RSU's forfeited and cancelled	(174,670)	\$ 0.68	-
RSU's vested and common stock issued	(753,487)	\$ 0.87	-
<b>Outstanding Balance, December 31, 2024</b>	<b>2,665,852</b>	<b>\$ 0.45</b>	<b>1.7</b>
RSU's granted	15,992,103	\$ 0.06	-
RSU's forfeited and cancelled	(2,331,250)	\$ 0.38	-
RSU's vested and common stock issued	(1,008,892)	\$ 0.30	-
<b>Outstanding Balance, December 31, 2025</b>	<b>15,317,813</b>	<b>\$ 0.06</b>	<b>4.7</b>

During the years ended December 31, 2025, and 2024, compensation expense recorded in connection with the 2022 Incentive Plan was \$481,000 and \$707,000, respectively. These charges are recorded within general and administrative expenses on the Company's consolidated statements of operations.

The remaining expense of approximately \$785,000 will be recognized in future periods through April 2032. The Restricted Stock Units vest one-third on each of the first, second and third anniversary after issuance.

During 2025, the Company granted PSUs subject to market-based vesting conditions. The grant-date fair value was determined using a Monte Carlo simulation model and is recognized over the requisite service period, regardless of whether the market condition is achieved. Key assumptions included expected volatility, risk-free rate, and expected term consistent with the award structure. Total grant-date fair value was \$429 thousand, with \$379 thousand of unrecognized compensation expense remaining as of December 31, 2025, to be recognized over a weighted-average period of 6 years.

#### **NOTE 15 – COMMITMENTS AND CONTINGENCIES**

##### Litigation

The Company evaluates the possible resolution of any legal and other contingencies when losses are possible in accordance with *ASC 450, Contingencies* ("*ASC 450*"). Significant judgment is required in both the determination of the probability of an outcome as well as the determination of an estimate of the amount of any potential loss.

The Company received a civil investigative demand from the United States Attorney's Office with regard to its Paycheck Protection Program Loan ("PPP Loan") originally received in 2020 and forgiven in 2021. The investigation is based on whether the Company was eligible for a PPP Loan if its software products are in fact used to support the use, growth, enhancement or development of marijuana. The amount of the PPP Loan was approximately \$790,000. This creates the potential for a contingent loss of up to \$1.6 million. The Company believes a loss is reasonably possible, but not probable, and can be reasonably estimated, therefore pursuant to *ASC 450* the potential loss has been disclosed but not recorded.

The Company is from time to time involved in litigation incidental to the conduct of its business. In accordance with applicable accounting guidance, the Company records a provision for a liability when it is both probable that a liability has been incurred and the amount can be reasonably estimated. Management believes that the outcome of such legal proceedings, legal actions and claims will not have a significant adverse effect on the Company's financial position, results of operations or cash flows.

The Company and Mr. Harris are currently engaged in litigation brought forth by Mr. Harris, former CEO and former Board Member. The litigation stems from the separation agreement as described in Note 7. The Company has accrued a settlement with Mr. Harris within the accrued expenses and other current liabilities section.

During the year ended December 31, 2023, the Company settled a dispute concerning the granting in 2017 of a non-exclusive, perpetual license to install and use certain of the Company's software and derivative works, subject to certain limitations. As a result of the settlement, the Company recorded a liability of approximately \$0.8 million. As of December 31, 2024, the Company has settled a portion of this liability through cash payments of \$0.2 million and an equity issuance of \$0.3 million. The remaining \$0.3 million was paid in equal installments of \$40,000 on the last day of each month until the balance was settled in full by July 2024.

##### Employee Retention Payroll Tax Credits

In March 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to provide economic and other relief as a result of the COVID-19 pandemic. The CARES Act includes, among other items, provisions relating to refundable employee retention payroll tax credits. Due to the complex nature of the employee retention credit computations, any benefits we may receive are uncertain and may significantly differ from our current estimates. We plan to record any benefit related to these credits upon both the receipt of the benefit and the resolution of the uncertainties, including, but not limited to, the completion of any potential audit or examination, or the expiration of the related statute of limitations. During the year ended December 31, 2023, we received \$2.0 million related to these credits, recognized \$0.6 million as an offset related to operating expenses through accounts payable. During the year ended December 31, 2025 the Company received an additional \$0.2 million in the form of a payroll tax refund. We have deferred recognition of remaining \$2.0 million, which is recorded in current liabilities on the accompanying consolidated balance sheets.

##### Vendor Commitment

In May 2025, the Company entered into an agreement with their largest vendor. As part of the agreement the Company has committed to spending a specified minimum monthly spend with the vendor for the next 34 Months, with additional 1 year renewals. The minimum monthly spend is reflected in each month reported, based on the activity for each month. Subsequent to year-end, the Company and the vendor amended the agreement to adjust the minimum monthly spend and in the process finalized all minimum monthly payment requirements relating to 2025. Those costs have all been recorded through the cost of revenues in the consolidated statements of operations.

**NOTE 16 – LEASES**

The Company leases office facilities in Boca Raton, Florida, Seattle, Washington and Toronto, Ontario, Canada under non-cancelable operating lease agreements. The leases require monthly payments ranging from \$4,000 to \$10,000 and expire on various dates through April 2028. In addition to minimum rent, the Company is required to pay a proportionate share of operating expenses under these leases.

In June 2022, the Company entered into a lease, for the Boca Raton office facilities, which became effective on January 1, 2024, after completion of leasehold improvements. The lease term was for 98 months, and monthly rental payments range from \$38,000 to \$48,000 over the life of the lease. In June 2025, the Company was able to terminate the existing lease. The Company is treating the transaction as a lease extinguishment. The lease included a termination penalty of \$550,000, payable in two installments of \$275,000, paid June 10, 2025, and the second paid on August 31, 2025. The Company subsequently entered a new lease for new office space, which became effective on May 1, 2025. The new lease term is for 36 months, and monthly rental payments of approximately \$10,000 over the life of the lease.

As of December 31, 2025, and 2024, the following amounts were presented on the Company's consolidated balance sheets in accordance with ASC 842 - Lease Accounting (in thousands):

<b>Balance Sheet</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Assets:</b>		
Right of use asset - operating lease	\$ 365	\$ 2,757
<b>Liabilities:</b>		
Current	\$ 215	\$ 365
Non-current	154	2,551
Total operating lease liability	<u>\$ 369</u>	<u>\$ 2,916</u>

For the years ended December 31, 2025, and 2024, the Company's operating lease cost was \$426,000 and \$641,000, respectively. Other information pertaining to capitalized assets and liabilities under the leasing standard is as follows (in thousands):

<b>Other information</b>	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Operating lease cost	\$ 426	\$ 641
Operating cash flows paid to operating leases	\$ 401	\$ 465
Right-of-use assets in exchange for new operating lease liabilities	\$ 310	\$ 2,781
Weighted-average remaining lease term - operating leases (months)	23	82
Weighted-average discount rate - operating leases	11%	9%

As of December 31, 2025, the Company's lease liabilities mature as follows:

<b>Fiscal Year:</b>	<b>Operating Leases</b>
2026	\$ 232
2027	133
2028	46
Total lease payments	411
Less imputed interest	(42)
Present value of lease liabilities	<u>\$ 369</u>

#### NOTE 17 – FAIR VALUE MEASUREMENTS

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities).

The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

*Level 1:* Valuation is based on unadjusted quoted prices in active markets for identical assets and liabilities that are accessible at the reporting date. Because valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

*Level 2:* Valuation is determined from pricing inputs that are other than quoted prices in active markets that are either directly or indirectly observable as of the reporting date. Observable inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and interest rates and yield curves that are observable at commonly quoted intervals.

*Level 3:* Valuation is based on inputs that are both significant to the fair value measurement and unobservable. Level 3 inputs include situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value generally require significant management judgment or estimation.

##### *Liabilities measured at fair value on a recurring basis*

The balances of the Company's liabilities measured at fair value on a recurring basis as of December 31, 2025, are as follows (in thousands):

##### At December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Liabilities:				
Public warrants	-	16	-	16
	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 16</u>

Given the limited trading volumes for the public warrants, there were certain transfers of financial liabilities between Level 1 and Level 2 during the year ended December 31, 2024. There were no transfers between Level 1, Level 2, or Level 3 assets or liabilities reported at fair value on a recurring basis during the year ended December 31, 2025.

The balances of the Company's liabilities measured at fair value on a recurring basis as of December 31, 2024, are as follows (in thousands):

##### At December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Liabilities:				
Public warrants	-	11	-	11
	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 11</u>

The following is a description of the methodologies used to estimate the fair values of liabilities measured at fair value on a recurring basis and within the fair value hierarchy.

Warrant liabilities

Prior to the business combination, TCAC issued warrants to purchase 10,000,000 Class A ordinary shares at a price of \$11.50 per whole share, as part of the units offered by the prospectus for their initial public offering and, simultaneously with the closing of their initial public offering, issued in a private placement an aggregate of 6,000,000 private placement warrants, each exercisable to purchase one Class A ordinary share at a price of \$11.50 per share.

The Company utilizes a fair value approach to account for its warrants based on the quoted price at December 31, 2025, and the calculation is consistent with ASC 820, Fair Value Measurement, with changes in fair value recorded in current earnings.

At December 31, 2025, the value of the public and private warrants was approximately \$16,000 using a closing price of \$0.0010. At December 31, 2024, the value of the public and private warrants was approximately \$11,200 using a closing price of \$0.0007.

Changes in Fair Value

The following tables provides a roll-forward in the changes in fair value for the years ended December 31, 2025, and 2024, for all liabilities for which the Company determines fair value on a recurring basis (in thousands):

Balance, January 1, 2024	\$	3
Change in fair value		8
Balance, December 31, 2024	\$	<u>11</u>
Change in fair value included in earnings for the period relating to liabilities held at December 31, 2024	\$	<u>8</u>
Balance, January 1, 2025	\$	11
Change in fair value		5
Balance, December 31, 2025	\$	<u>16</u>
Change in fair value included in earnings for the period relating to liabilities held at December 31, 2025	\$	<u>5</u>

*Other Fair Value Considerations* – Carrying value of accounts receivables, contract assets, prepaid expenses and other assets, accounts payable and accrued expenses approximate fair value due to their short-term maturities and/or low credit risk.

## NOTE 18 – STOCKHOLDERS’ DEFICIT

During the year ended December 31, 2024, the Company issued 255,102 shares as consideration for services rendered by advisors to the Company.

### Sponsor Escrow Agreement

At the time of the Closing, TCAC Sponsor, LLC, a Delaware limited liability company (“Sponsor”), Tuatara and certain independent members of Tuatara’s board of directors entered into an escrow agreement (“Sponsor Escrow Agreement”), providing that (i) immediately following the Closing, Sponsor and certain of Tuatara’s board of directors’ independent directors deposited an aggregate of 1,000,000 shares of our Common Stock (such deposited shares, the “Sponsor Earnout Shares”) into escrow, (ii) the Sponsor Earnout Shares shall be released to the Sponsor if the closing price of our Common Stock equals or exceeds \$12.00 per share (as adjusted for share splits, share dividends, reorganizations, and recapitalizations) on any twenty (20) trading days in a thirty (30) trading-day period ending at any time after the Closing Date and before the fifth anniversary of the Closing Date, and (iii) the Sponsor Earnout Shares will be terminated and canceled by us if such condition is not met by the fifth anniversary of the Closing Date.

### Contingent and Earnout Shares

The holders of Legacy SpringBig’s common stock and the “engaged option holders” (employees or engaged consultants of Legacy SpringBig who held Legacy SpringBig options at the effective time of the business combination and who remains employed or engaged by Legacy SpringBig at the time of such payment of contingent shares) are entitled to receive their pro rata portion of such number of shares, fully paid and free and clear of all liens other than applicable federal and state securities law restrictions, as set forth below upon satisfaction of any of the following conditions:

- a. 7,000,000 contingent shares if the closing price of the Company’s common stock equals or exceeds \$12.00 per share on any twenty (20) trading days in a thirty (30)-trading day period at any time after the Closing Date and no later than 60 months following the Closing Date;
- b. 2,250,000 contingent shares if the closing price of the Company’s common stock equals or exceeds \$15.00 per share on any twenty (20) trading days in a thirty (30)-trading day period at any time after the Closing Date and no later than 60 months following the Closing Date; and
- c. 1,250,000 contingent shares if the closing price of the Company’s common stock equals or exceeds \$18.00 per share on any twenty (20) trading days in a thirty (30)-trading day period at any time after the Closing Date and no later than 60 months following the Closing Date.

With the consummation of the business combination, the Company’s authorized capital stock is 350,000,000 shares, consisting of 300,000,000 shares of common stock and 50,000,000 shares of preferred stock, with par value of 0.0001 per share.

## NOTE 19 – NET LOSS PER SHARE

As of December 31, 2025, and 2024, there were 48,548,772 and 46,348,351 shares of common stock issued and outstanding, respectively.

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by giving effect to all potential shares of common stock. Basic and diluted net loss per share was the same for each period presented, given that there are losses during the period, the inclusion of all potential common shares outstanding would have been anti-dilutive.

The following table reconciles actual basic and diluted earnings per share for the years ended December 31, 2025, and 2024, respectively (in thousands, except share and per share data).

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Loss per share:</b>		
Numerator:		
Net loss	\$ (3,247)	\$ (1,876)
Denominator:		
Weighted-average common shares outstanding		
Basic and diluted	<u>47,395,669</u>	<u>45,945,530</u>
Net loss per common share		
Basic and diluted	<u>\$ (0.07)</u>	<u>\$ (0.04)</u>

The anti-dilutive securities excluded from the weighted-average shares used to calculate the diluted net loss per common share for the years ended December 31, 2025, and 2024 were as follows:

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Shares subject to outstanding common stock options	1,331,034	2,257,073
Shares subject to convertible notes stock conversion	51,414,020	46,069,467
Shares subject to warrants stock conversion	16,000,000	16,000,000
Shares subject to contingent earn out	10,500,000	10,500,000
Restricted stock units	15,317,813	2,665,852

#### **NOTE 20 – BENEFIT PLAN**

The Company maintains a safe harbor 401(k) retirement plan for the benefit of its employees. The plan allows participants to make contributions subject to certain limitations. Company matching contributions were \$317,000 and \$363,000 for the years ended December 31, 2025 and 2024, respectively.

## NOTE 21 – INCOME TAXES

U.S. and foreign components of loss from operations before income taxes were as follows (in thousands):

	Years Ended December 31,	
	2025	2024
U.S.	\$ (3,205)	\$ (1,927)
Foreign	53	54
	<u>\$ (3,152)</u>	<u>\$ (1,873)</u>

The provision (benefit) for income taxes consists of the following, (in thousands):

	Years Ended December 31,	
	2025	2024
Federal	\$ -	\$ -
State	2	3
International	93	-
<b>Deferred</b>	-	-
Federal	-	-
State	-	-
International	-	-
	<u>\$ 95</u>	<u>\$ 3</u>

The Company's actual provision for income taxes from operations differ from the federal expected income tax provision as follows (in thousands):

	December 31, 2025		December 31, 2024	
	Amount	Rate	Amount	Rate
U.S. federal income tax provision at statutory rate	\$ (576)	21%	\$ (393)	21%
State income taxes, net of federal income tax benefit:				
California	1	0%	1	0%
Massachusetts	1	0%	-	-%
Other	-	-%	1	0%
Foreign tax effects (Canada):				
Statutory income tax rate differential	3	0%	2	0%
Change in valuation allowance	(226)	8%	(41)	2%
Effect of income tax rate changes on deferred items	-	-%	39	(2)%
Global Intangible Low-Taxed Income (GILTI)	11	0%	9	0%
Changes in valuation allowances	384	(14)%	233	(12)%
Nontaxable or nondeductible items:				
Gain on repurchase	-	-%	(93)	5%
Other nontaxable or nondeductible items	3	0%	3	0%
Changes in unrecognized tax benefits	318	(12)%	-	-%
Other:				
Gain on repurchase	(27)	1%	(24)	1%
Stock based compensation	219	(8)%	253	(14)%
Other nontaxable or nondeductible items	(16)	1%	13	(1)%
Provision for income taxes	<u>\$ 95</u>	<u>(3)%</u>	<u>\$ 3</u>	<u>0%</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. In assessing the realizability of deferred tax assets, Management evaluates whether it is more likely than not that some portion or all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on Management's evaluation, the net deferred tax asset was offset by a full valuation allowance as of December 31, 2025, and 2024, respectively. The deferred tax asset valuation allowance will be reversed if and when the Company generates sufficient taxable income in the future to utilize the tax benefits of the related deferred tax assets.

The tax effects of temporary difference that give rise to a significant portion of deferred tax assets and tax liabilities for the years ended December 31, 2025, and 2024 are as follows (in thousands):

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Deferred tax assets:</b>		
Accrued expenses and other liabilities	\$ 162	\$ 128
Net operating loss - US Federal	6,229	5,632
Net operating loss - US State	1,415	1,060
Net operating loss – Foreign	431	670
Intangibles	91	79
Operating lease liability	93	730
Research and development	1,847	2,070
Property and equipment, net	9	-
Stock based compensation	137	247
Total gross deferred tax assets	<u>\$ 10,414</u>	<u>\$ 10,616</u>
Less: valuation allowance	(10,266)	(9,788)
Total deferred tax assets	<u>148</u>	<u>828</u>
<b>Deferred tax liabilities:</b>		
Prepaid expenses and other assets	\$ (14)	\$ (38)
Deferred commissions	(42)	(47)
Operating lease right of use asset	(92)	(690)
Property and equipment, net	-	(53)
Total deferred tax liabilities	<u>(148)</u>	<u>(828)</u>
Net deferred income tax asset (liability)	<u>\$ -</u>	<u>\$ -</u>

The Company has incurred significant losses in recent periods. As a result, we maintained valuation allowances against our domestic and foreign deferred tax assets as of December 31, 2025 and 2024, to reduce their carrying values to amounts that are realizable either through future reversals of existing taxable temporary differences or through taxable income in carryback years for the applicable jurisdictions.

At December 31, 2025, the Company has federal net operating loss available to carryforward of approximately \$29.7 million which will be carried forward indefinitely. Pursuant to IRC §382 of the Internal Revenue Code, the utilization of net operating loss carryforwards may be limited as a result of a cumulative change in stock ownership of more than 50% over a three-year period. The Company has not determined whether such a change has occurred and accordingly, the utilization of the net operating loss carryforwards may be subject to certain limitations.

The Company has state and foreign net operating losses available to carryforward of approximately \$29.7 million and \$-0- million, respectively, which begin expiring in 2033 and 2037, respectively, as of December 31, 2025.

The Company has evaluated its tax positions for any uncertainties based on the technical merits of the positions taken. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be upheld on examination by taxing authorities. The Company has analyzed the tax positions taken and has concluded that, other than uncertain tax positions related to Canada transfer pricing, there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Company recorded a liability for uncertain tax positions related to Canada transfer pricing, which impacted the 2025 net operating loss. The summary of uncertain tax positions for the years ended December 31, 2025 and 2024 are as follows:

	<b>2025</b>	<b>2024</b>
Balance as of beginning of year	\$ -	\$ -
Increase to current year tax position	-	-
Increases to prior year tax positions	226	-
Decrease in tax positions	-	-
Balance as of year end	<u>\$ 226</u>	<u>\$ -</u>

The Company accrues interest and penalties arising on the underpayment of taxes if the full benefit of a tax position is not recognized in the financial statements. In accordance with ASC 740, Accounting for Income Taxes, interest and penalties are recorded as income tax expense. The Company recorded interest and penalties related to uncertain tax positions associated with Canada transfer pricing during the year ended December 31, 2025. There were no penalties or interest paid or incurred during the twelve months ended December 31, 2024.

Management is required to analyze all open tax years, as defined by the statute of limitations, for all major jurisdictions, including federal and certain state taxing authorities. The Company has no examinations in progress and is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax liabilities will significantly change in the next twelve months. The Company's 2022 through 2024 tax years are open for examination for federal and state taxing authorities.

The Company made no income tax payments, net of refunds, during the year ended December 31, 2025. Accordingly, disaggregation of income taxes paid by federal, state, and foreign jurisdictions is not applicable for the period presented.

In 2025, the U.S. government enacted federal tax legislation that modifies certain provisions of the Internal Revenue Code, including changes to the limitation on the deductibility of business interest expense under Section 163(j), the capitalization and amortization of research and experimental expenditures under Section 174, bonus depreciation rules, and certain loss and credit utilization provisions.

The Company evaluated the impact of the legislation in accordance with ASC 740, *Income Taxes*. The effects of changes in tax law are recognized in the period of enactment. Based on the Company's analysis, the enactment of this legislation did not result in a material change to the Company's deferred tax assets or liabilities as of December 31, 2025 and did not materially impact the Company's effective tax rate for the year then ended.

The Company maintains a full valuation allowance against its U.S. federal deferred tax assets due to cumulative historical losses and uncertainty regarding the realization of such assets. As a result, changes to federal tax attributes, including those related to Section 174 capitalization, did not have a material impact on the Company's consolidated financial statements.

The Company will continue to monitor interpretive guidance and any additional regulatory developments related to this legislation.

## NOTE 22 – SEGMENT REPORTING

The Company has determined that it has a single operating segment.

The Company's CEO is the CODM. The CODM reviews financial information presented for the purposes of allocating resources and evaluating financial performance at an entity level and we have no segment managers who are held accountable by the CODM for operations and operating results. The products and services across the Company are similar in nature, distributed in a comparable manner and have customers with common characteristics. Refer to Note 2 – Summary of Significant Accounting Policies.

The following table presents selected financial information with respect to the Company's single operating segment:

	<b>Year Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Net revenue	\$ 22,834	\$ 24,649
Cost of revenue	6,848	6,655
Gross profit	15,986	17,994
Less: Employee expense	9,929	11,651
Contractor expense	966	929
Occupancy expenses	784	998
Professional services expense	1,323	703
Technology platform hosting expense	708	691
Credit loss expense	820	779
Other expenses (1)	3,182	2,843
Loss from operations	\$ (1,726)	\$ (600)
Interest income	34	6
Interest expense	(1,324)	(2,208)
Gain on note repurchase	-	1,573
Loss on debt extinguishment	-	(636)
Loss on asset disposal	(131)	-
Change in fair value of warrants	(5)	(8)
Income taxes	(95)	(3)
Net loss	\$ (3,247)	\$ (1,876)

(1) Other expenses include all other recurring operating expenses, including insurance, subscriptions for software used in the operations, stock-based compensation, depreciation and amortization, and legal settlements.

The measure of segment assets is reported on the balance sheet as consolidated assets.

## NOTE 23 – SUBSEQUENT EVENTS

On February 6, 2026, the Company notified the holders of the 2024 Secured Convertible Notes and the 2024 Secured Term Notes that the Company was not in compliance with the minimum cash covenant under the applicable note agreements for the month of January 2026. Subsequently, the Company provided to the holders a compliance certificate stating that the Company was in compliance with the minimum cash covenant under the applicable note agreements for the month of February 2026. The Company is actively engaged in discussions with the note holders regarding a potential waiver or amendment of the covenant. While these discussions are ongoing, the covenant non-compliance constitutes an event of default, which provides the note holders with certain contractual rights and remedies, including the ability to accelerate the outstanding indebtedness and exercise other rights under the agreements.

Subsequent to December 31, 2025, the Company entered into a confidential settlement agreement with a former executive, Jeffrey Harris, to resolve previously disclosed disputes. The Company believes the agreement reduces potential litigation exposure and uncertainty associated with this matter and does not expect the resolution to have a material adverse effect on its financial position, results of operations, or liquidity.

## Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

## Item 9A. Controls and Procedures

### *Evaluation of Disclosure Controls and Procedures*

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports under the Exchange Act, such as this Annual Report, is recorded, processed, summarized and reported in accordance with the rules of the Securities and Exchange Commission (“SEC”). Disclosure controls are also designed with the objective of ensuring that such information is accumulated appropriately and communicated to management, including the chief executive officer and chief financial officer, as appropriate, to allow for timely decisions regarding required disclosures.

Our management, with the participation of the Company’s Chief Executive Officer (our principal executive officer) and Chief Financial Officer (our principal financial and accounting officer), evaluated the effectiveness of our “disclosure controls and procedures” (as defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2025, providing reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the required time periods and communicated to management as appropriate to allow timely decisions regarding disclosure.

This conclusion reflects the remediation of previously identified material weaknesses in internal control over financial reporting. During 2025, the Company implemented control enhancements to its financial close and reporting processes and information technology general controls, and management determined that such material weaknesses were remediated as of December 31, 2025.

### *Management’s Report on Internal Controls Over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) for the Company. Internal control over financial reporting is a process designed under the supervision of the Company’s Chief Executive Officer and Chief Financial Officer, and effected by the Company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and including those policies and procedures that:

- I. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of this report, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the internal control over financial reporting as of December 31, 2025, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in Internal Control – Integrated Framework (2013).

As a result of that evaluation, management concluded that at December 31, 2024, the Company’s internal controls are not effective due to two material weaknesses. A “material weakness” is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is more than a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis.

We concluded that we did not have accounting personnel with adequate expertise in GAAP to ensure that material and/or non-routine transactions are properly reflected in our consolidated financial statements. We also noted that we did not perform adequate independent reviews and maintain effective controls related to the preparation of consolidated financial statements, related notes thereto, account analyses, account summaries and account reconciliations.

We also identified an information technology deficiency in the design and implementation of user access controls over financial IT applications that support the Company’s financial reporting processes and provide the assurance that the data produced by these systems is complete and accurate. The access issues relate to appropriate segregation of duties that would adequately restrict user and privileged access to the financially relevant applications and underlying records to the appropriate personnel. Management has considered this IT deficiency to be a material weakness in internal controls over financial reporting as of December 31, 2024.

Management has concluded that all material weaknesses have been remediated and the Company does not have any material weaknesses as of December 31, 2025.

#### *Attestation Report of the Registered Public Accounting Firm*

This Annual Report on Form 10-K does not include an attestation report of our registered public accounting firm due to an exemption provided by the JOBS Act for “emerging growth companies.”

#### **Item 9B. Other Information**

During the year ended December 31, 2025, none of our officers or directors adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” (each as defined in Item 408 of Regulation S-K).

#### **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

### **PART III**

**Item 10. Directors, Executive Officers and Corporate Governance.**

The information required under this Item will be contained in the definitive Proxy Statement, incorporated herein by reference.

**Item 11. Executive Compensation.**

The information required under this Item will be contained in the definitive Proxy Statement, incorporated herein by reference.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The information required under this Item will be contained in the definitive Proxy Statement, incorporated herein by reference.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information required under this Item will be contained in the definitive Proxy Statement, incorporated herein by reference.

**Item 14. Principal Accountant Fees and Services.**

The information required under this Item will be contained in the definitive Proxy Statement, incorporated herein by reference.

## Item 15. Exhibits and Financial Statement Schedules

The following exhibits are filed as part of, or incorporated by reference into, this Annual Report on Form 10-K.

Exhibit Number	Exhibit Description	Form	Exhibit	Filing Date	SEC File #
2.1	<a href="#">Amended and Restated Merger Agreement with Amendment No. 1.</a>	Proxy Statement / Prospectus	Annex A	May 17, 2022	333-262628
3.1	<a href="#">Certificate of Incorporation of SpringBig Holdings, Inc.</a>	10-K	3.1	March 28, 2023	001-40049
3.2	<a href="#">By-Laws of SpringBig Holdings, Inc.</a>	10-K	3.2	March 28, 2023	001-40049
4.1	<a href="#">Senior Secured Original Issue Discount Convertible Promissory Note dated June 14, 2022 between SpringBig Holdings, Inc. and the holder party thereto.</a>	8-K	4.1	June 21, 2022	001-40049
4.2	<a href="#">Common Stock Purchase Warrant SpringBig Holdings Inc.</a>	8-K	4.2	June 21, 2022	001-40049
4.3	<a href="#">Amendment to Secured Original Issue Discount Convertible Promissory Note dated December 1, 2022 between SpringBig Holdings, Inc. and the holder party thereto.</a>	8-K/A	10.1	December 01, 2022	001-40049
4.4	<a href="#">Description of Securities of SpringBig Holdings Inc.</a>	10-K	4.4	March 28, 2023	001-40049
4.5	<a href="#">Warrant Agreement, dated as of February 11, 2021, by and between Tuatara Capital Acquisition Corporation and Continental Stock Transfer &amp; Trust Company, as warrant agent.</a>	8-K	4.1	February 17, 2021	001-40049
4.6	<a href="#">Senior Secured Convertible Promissory Note of SpringBig Holdings, Inc., dated as of January 23, 2024.</a>	8-K	4.1	January 24, 2024	001-40049
4.7	<a href="#">Senior Secured Term Promissory Note of SpringBig Holdings, Inc., dated as of January 23, 2024.</a>	8-K	4.2	January 24, 2024	001-40049
4.8	<a href="#">First Amendment to SpringBig Holdings, Inc. Senior Secured Term Promissory Note</a>	10-Q	4.1	November 13, 2024	001-40049
4.9	<a href="#">First Amendment to SpringBig Holdings, Inc. Senior Secured Convertible Promissory Note</a>	10-Q	4.2	November 13, 2024	001-40049
10.1	<a href="#">Form of Sponsor Escrow Agreement.</a>	8-K	10.1	June 21, 2022	001-40049
10.2	<a href="#">Amended and Restated Registration Rights Agreement, dated June 14, 2022, by and among New SpringBig, the Sponsor and other holders party thereto.</a>	8-K	10.2	June 21, 2022	001-40049
10.3	<a href="#">Form of Subscription Agreement.</a>	8-K	10.2	November 09, 2021	001-40049
10.4	<a href="#">Securities Purchase Agreement, dated April 29, 2022, among Tuatara Capital Acquisition Corporation, and L1 Capital Global Opportunities Master Fund.</a>	8-K	10.1	May 02, 2022	001-40049
10.5	<a href="#">Registration Rights Agreement, dated June 14, 2022, among SpringBig Holdings, Inc. and the investors party thereto.</a>	8-K	10.5	June 21, 2022	001-40049
10.6#	<a href="#">SpringBig Holdings, Inc. 2022 Long-Term Incentive Plan.</a>	8-K	10.6	June 21, 2022	001-40049
10.7#	<a href="#">Executive Employment Agreement, dated November 8, 2021 by and between SpringBig and Jeffrey Harris.</a>	8-K	10.7	June 21, 2022	001-40049

10.8#	<a href="#">Executive Employment Agreement, dated November 8, 2021 by and between SpringBig and Paul Sykes.</a>	8-K	10.8	June 21, 2022	001-40049
10.9†	<a href="#">Purchase Agreement, dated April 29, 2022, between Tuatara Capital Acquisition Corporation and CF Principal Investments LLC.</a>	8-K	10.2	May 02, 2022	001-40049
10.10	<a href="#">Registration Rights Agreement, dated April 29, 2022, between Tuatara Capital Acquisition Corporation and CF Principal Investments LLC.</a>	8-K	10.3	May 02, 2022	001-40049
10.11†	<a href="#">Amendment No. 1 to Purchase Agreement, dated July 20, 2022, by and between SpringBig Holdings, Inc. and CF Principal Investments LLC.</a>	S-1	10.11	July 22, 2022	333-266293
10.12	<a href="#">Amendment to Purchase Agreement, dated December 1, 2022, by and between SpringBig Holdings, Inc. and L1 Capital Global Opportunities Master Fund.</a>	8-K/A	10.1	December 01, 2022	001-40049
10.13	<a href="#">Amendment No. 2 to Purchase Agreement, dated December 28, 2022, by and between SpringBig Holdings, Inc. and L1 Capital Global Opportunities Master Fund.</a>	8-K	10.1	December 29, 2022	001-40049
10.14	<a href="#">Settlement Agreement, dated September 7, 2023, by and between Yuzz Buzz, LLC, Jason Wright, and Michael Gross, on the one hand, and SpringBig, Inc., Medici Holdings V, Inc. (f/k/a SpringBig, Inc.), SpringBig Holdings, Inc. and Jeffrey Harris, on the other hand.</a>	8-K	10.1	September 13, 2023	001-40049
10.15	<a href="#">Standard Merchant Cash Advance Agreement, dated as of July 25, 2023, by and between SpringBig Holdings, Inc. and Cedar Advance LLC.</a>	10-Q	10.2	November 13, 2023	001-40049
10.16	<a href="#">Agreement for the Purchase and Sale of Future Receipts, dated as of October 13, 2023, by and between SpringBig, Inc. and Agile Capital Funding LLC.</a>	10-Q	10.3	November 13, 2023	001-40049
10.17	<a href="#">Debt Settlement Agreement, dated as of January 16, 2024, by and among SpringBig Holdings, Inc., SpringBig, Inc. and L1 Capital Global Opportunities Master Fund.</a>	8-K	10.1	January 24, 2024	001-40049
10.18	<a href="#">Note Purchase Agreement, dated January 23, 2024, by and among SpringBig Holdings, Inc. and the purchasers party thereto.</a>	8-K	10.2	January 24, 2024	001-40049
10.19	<a href="#">Registration Rights Agreement, dated January 23, 2024, by and among SpringBig Holdings, Inc. and the investors party thereto.</a>	8-K	10.3	January 24, 2024	001-40049
10.20	<a href="#">Director Nomination Agreement, dated January 23, 2024, by and among SpringBig Holdings, Inc., Shalcor Management, Inc. and Lightbank II, L.P.</a>	8-K	10.1	January 29, 2024	001-40049
10.21#	<a href="#">Separation and Release of Claims Agreement, dated as of January 15, 2025, by and between SpringBig, Inc., SpringBig Holdings, Inc. and Jeffrey Harris</a>	8-K	10.1	January 22, 2025	001-40049

10.22#	<a href="#">Separation and Release of Claims Agreement, dated as of January 15, 2025, by and between SpringBig, Inc., SpringBig Holdings, Inc. and Paul Sykes</a>	8-K	10.2	January 22, 2025	001-40049
10.23#	<a href="#">Offer Letter between SpringBig Holdings, Inc. and Jaret Christopher</a>	8-K	10.1	March 21, 2025	001-40049
10.24#	<a href="#">Offer Letter between SpringBig Holdings, Inc. and James Cabral</a>	8-K	10.1	May 13, 2025	001-40049
10.25#	<a href="#">Offer Letter between SpringBig Holdings, Inc. and Jason Moos</a>	8-K	10.2	May 13, 2025	001-40049
10.26	<a href="#">Equity Purchase Agreement, dated as of July 31, 2025, by and among SpringBig Holdings, Inc., VICE CRM, LLC, Jaret Christopher, David Schachter, and Luis Aristides Diaz Madrid</a>	8-K	10.1	August 6, 2025	001-40049
10.27#	<a href="#">First Amendment to the Separation Agreement, dated as of May 7, 2025, by and between SpringBig Holdings, Inc. and Paul Sykes</a>	10-Q	10.4	August 14, 2025	001-40049
16.1	<a href="#">Letter from Marcum LLP, dated April 10, 2024, to the Securities and Exchange Commission</a>	8-K	16.1	April 11, 2024	001-40049
19.1	<a href="#">Insider Trading Policy</a>	10-K	19.1	March 28, 2025	001-40049
21.1*	<a href="#">Subsidiaries of SpringBig Holdings, Inc.</a>				
23.1*	<a href="#">Consent of WithumSmith+Brown, PC Independent Registered Public Accounting Firm of SpringBig Holdings, Inc.</a>				
24.1*	<a href="#">Power of Attorney (incorporated by reference to the signature page of this Annual Report on Form 10-K).</a>				
31.1*	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				
31.2*	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				
32.1**	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>				
32.2**	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>				
99.1	<a href="#">SpringBig Holdings, Inc. 2022 Amended and Restated Long-Term Incentive Plan (incorporated by reference to Appendix B to the Registrant's Definitive Proxy Statement on Schedule 14A, filed with the Commission on April 28, 2023).</a>	DEF 14A	Appendix B	April 28, 2023	001-40049
99.2	<a href="#">Form of Restricted Stock Unit Agreement.</a>	S-8	99.2	August 22, 2022	333-267011
99.3	<a href="#">Form of Restricted Stock Agreement</a>	S-8	99.3	August 29, 2025	333-289956
101.INS*	Inline XBRL Instance Document				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

\* Filed herewith.

\*\* Furnished herewith.

# Indicates a management or compensatory plan.

† Schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Registration S-K. The Registrant hereby agrees to furnish a copy of any omitted schedules to the Commission upon request.

#### Item 16. Form 10-K Summary

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### SpringBig Holdings, Inc.

By: /s/ Jaret Christopher  
Name: Jaret Christopher  
Title: Chief Executive Officer  
(Principal Executive Officer)

Date: March 26, 2026

## POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jaret Christopher and Jason Moos, jointly and severally, his or her attorney-in-fact, with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jaret Christopher</u> Jaret Christopher	Chief Executive Officer and Director (principal executive officer)	March 26, 2026
<u>/s/ Jason Moos</u> Jason Moos	Chief Financial Officer (principal financial officer and principal accounting officer)	March 26, 2026
<u>/s/ Larry Ellis</u> Larry Ellis	Director	March 26, 2026

## Subsidiaries of SpringBig Holdings, Inc.

<b>Legal Name</b>	<b>Jurisdiction of Incorporation</b>
SpringBig, Inc.	Delaware, United States
Medici Canada, LLC	Delaware, United States
Vice CRM, LLC	Delaware, United States
SpringBig Canada Inc.	Quebec, Canada
Beaches Development Group LTD	Ontario, Canada

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-1 (No. 333-289975) and Form S-8 (Nos. 333-267011, 333-272845 and 333-289956) of SpringBig Holdings, Inc. of our report dated March 26, 2026, which includes an explanatory paragraph regarding SpringBig Holdings, Inc.'s ability to continue as a going concern, relating to the consolidated financial statements of SpringBig Holdings, Inc. as of and for the years ended December 31, 2025 and 2024, which appears in this Form 10-K.

/s/ WithumSmith+Brown, PC

New York, New York  
March 26, 2026

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jaret Christopher, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2025 of SpringBig Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined by Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: March 26, 2026

By: /s/ Jaret Christopher

\_\_\_\_\_  
Jaret Christopher  
Chief Executive Officer

**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jason Moos, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2025 of SpringBig Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined by Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: March 26, 2026

/s/ Jason Moos

\_\_\_\_\_  
Jason Moos

Chief Financial Officer

**Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350,  
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, I, Jaret Christopher, hereby certify that, to the best of my knowledge, SpringBig Holdings, Inc's Annual Report on Form 10-K for the year ended December 31, 2025 (the Report), as filed with the Securities and Exchange Commission on March 26, 2026, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of SpringBig Holdings, Inc.

By: /s/ Jaret Christopher

\_\_\_\_\_  
Jaret Christopher  
Chief Executive Officer

March 26, 2026

**Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350,  
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, I, Jason Moos, hereby certify that, to the best of my knowledge, SpringBig Holdings, Inc's Annual Report on Form 10-K for the year ended December 31, 2025 (the Report), as filed with the Securities and Exchange Commission on March 26, 2026, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of SpringBig Holdings, Inc.

/s/ Jason Moos

Jason Moos

*Chief Financial Officer*

March 26, 2026