Banzai Announces Strategic Business Initiatives to Improve Net Income by up to $13.5 Million Annually

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Plan Substantially Extends Cash Runway while Maintaining Growth Plan with Continued Investment in Software Platform and Marketing

SEATTLE, Oct. 09, 2024 (GLOBE NEWSWIRE) -- Banzai International, Inc. (NASDAQ: BNZI) ("Banzai" or the "Company"), a leading marketing technology company that provides essential marketing and sales solutions, today announced a comprehensive initiative designed to significantly improve its Net Income while maintaining its growth outlook. The Company plans to accomplish this through a reduction of its annual operational expenses by up to $9.9 million by March 31, 2025, along with a reduction in other expenses by up to $3.6 million.

Overall improvement in Net Income is expected to be approximately $13.5 million annually when fully implemented.

The strategic initiative includes a broad range of measures including strategic workforce adjustments, operational consolidation, and various other cost-saving actions. These measures are aimed at increasing efficiency and improving scalability while continuing to build Banzai's leadership position in the marketing technology industry. Specifically, Banzai expects to:

Implement Workforce Adjustments

Banzai has undertaken a strategic adjustment to reduce its staffing and independent contractor expenses by 27%, which will preserve the company's agility and innovation capacity. Affected employees will be supported with comprehensive severance packages and resources for career transition. The Company anticipates that the total cost to implement this plan will be $0.1 million.

Reduce Interest Expense

Banzai has restructured its long-term debt with Columbia Pacific Advisors ("CP BF") such that the long-term debt maturity is extended until February 19, 2027 from February 19, 2025, and 100% of interest expense is now Payable-in-Kind ("PIK") instead of payable in cash. This substantially reduces the Company's cash expenses. If fully converted to equity under the restructured note, the entire $1.9m annual expense would be eliminated.

Realize Vendor Cost-Savings

Banzai has begun implementing, and will continue to implement, a series of additional measures to further reduce expenses. These will include curtailing discretionary spending, cost-reduction measures for certain legal and accounting expenses, reduction of real-estate expenses, and leveraging automation and digital technologies to enhance operational efficiency.

"Alongside the $5m private placement transaction and debt restructuring transactions the company has executed in the last two weeks, we believe that implementing this strategic initiative, if fully achieved, will enable us to substantially extend our cash runway and invest in growth," said Joe Davy, CEO of Banzai. "We are dedicated to managing costs efficiently while still advancing innovative products and maintaining the exceptional service our customers rely on, all without sacrificing growth. We will continue to invest in our software platform, sales and marketing and product development. We are confident that this strategic realignment will strengthen our competitive position and contribute to our long-term success."

About Banzai

Banzai is a marketing technology company that provides essential marketing and sales solutions for businesses of all sizes. On a mission to help their customers achieve their mission, Banzai enables companies of all sizes to target, engage, and measure both new and existing customers more effectively. Banzai customers include Square, Hewlett Packard Enterprise, Thermo Fisher Scientific, Thinkific, Doodle and ActiveCampaign, among thousands of others. Learn more at www.banzai.io. For investors, please visit https://ir.banzai.io.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often use words such as "believe," "may," "will," "estimate," "target," "continue," "anticipate," "intend," "expect," "should," "would," "propose," "plan," "project," "forecast," "predict," "potential," "seek," "future," "outlook," and similar variations and expressions. Forward-looking statements are those that do not relate strictly to historical or current facts. Examples of forward-looking statements may include, among others, statements regarding Banzai International, Inc.'s (the "Company's"): future financial, business and operating performance and goals; annualized recurring revenue and customer retention; ongoing, future or ability to maintain or improve its financial position, cash flows, and liquidity and its expected financial needs; potential financing and ability to obtain financing; acquisition strategy and proposed acquisitions and, if completed, their potential success and financial contributions; strategy and strategic goals, including being able to capitalize on opportunities; expectations relating to the Company's industry, outlook and market trends; total addressable market and serviceable addressable market and related projections; plans, strategies and expectations for retaining existing or acquiring new customers, increasing revenue and executing growth initiatives; and product areas of focus and additional products that may be sold in the future. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Forward-looking statements are not guarantees of future performance, and our actual results of operations, financial condition and liquidity and development of the industry in which the Company operates may differ materially from those made in or suggested by the forward-looking statements. Therefore, investors should not rely on any of these forward-looking statements. Factors that may cause actual results to differ materially include changes in the markets in which the Company operates, customer demand, the financial markets, economic, business and regulatory and other factors, such as the Company's ability to execute on its strategy. More detailed information about risk factors can be found in the Company's Annual Report on Form 10-K and the Company's Quarterly Reports on Form 10-Q under the heading "Risk Factors," and in other reports filed by the Company, including reports on Form 8-K. The Company does not undertake any duty to update forward-looking statements after the date of this press release.

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