

A thumbs up for advertising democracy

29 March 2023

Word of mouth marketing for the digital age

Thumzup Media Corporation (TZUP) is arguably well placed through the Thumzup® platform to deliver on its promise to democratize social media advertising. With an app that delivers social media satisfaction to businesses and their customers alike the company is already witnessing substantial growth in its Los Angeles home base. There is no reason why this should not be replicated across the United States for now and later overseas. If our assessment is correct, Thumzup® could enjoy substantial growth potential.

Thumzup's already demonstrates impressive proof of concept. The Thumzup app drive platform enables smaller retailers to engage with their customers via social media and act as influencers on Instagram. As a result, their business profiles rise both exponentially and affordably in a fashion not delivered by print media. Customers who have the app not only become instant social media influencers but also earn money. Moreover, Thumzup enjoys significant first mover advantage.

Thumzup's potential retail outlet business customer base is massive. Moreover, there is near unlimited potential to add more social media influencers to the platform's network of enthusiastic social media influencers, currently on Instagram. On 21st March 2023 TZUP announced [an impressive 100% increase](#) in users on its platform since its 10th January 2023 launch date.

Existential qualities for Thumzup Media Corporation are strong. The company boasts a copyright on its use of the blue circle "thumbs up" sign for all branding purposes, which arguably could allow it to become a household name similar to Facebook and Twitter. Moreover, the simplicity of the company's software and the app's user friendliness enhance the benefits of the company having a clear first mover advantage in the democratizing social media advertising space.

The company's leadership team boasts substantial years of experience in software development. Furthermore, this team continues to grow incrementally both in terms of headcount numbers and human resource quality. Spearheaded by founder and CEO Robert Steele the company benefits from the experience of Danny Lupinelli as its lead developer and the engagement of Robert Haag at board level. More recently TZUP announced the appointment of senior media and communications executive Joanna Massey to its newly formed advisory board.

Thumzup Media Corporation is in the early stages of its revenue generation process. As a result, any financial forecasts and valuations based on either near term revenue, profits or free cash flow would arguably be meaningless. Rather, in our view investors should focus on the sizable market capitalisations of companies such as Airbnb and Uber who have expanded successfully through the implementation of app. based technology and implicit democratization of their core areas of competence. The valuation implications of TZUP achieving similar status by connecting smaller retailers with early-stage social media influencers should be apparent.

Reg A offering

TZUP announced on 7th March 2023 that it is excited to announce the opportunity for the general public to invest in the Company through a Regulation A+ ("Reg A+") offering. This Reg A+ offering has been qualified by the SEC and the Company is now accepting investments at \$4.50 per share up to a total offering of \$9 million with investor perks for larger subscription amounts which are detailed in the final section of this report)

Ticker	TZUP
Share price	US\$8.50
Market cap	US\$66.0m

About Thumzup®

Thumzup Media Corporation (Thumzup) is democratizing the multi-billion dollar social media branding and marketing industry. Its flagship product, the Thumzup platform, utilizes a robust programmatic advertiser dashboard coupled with a consumer-facing App to enable individuals to be paid cash for posting about participating advertisers on major social media outlets through the Thumzup App. The easy-to-use dashboard allows advertisers programmatically to customize their campaigns. Cash payments are made to App users/creators through PayPal and other digital payment systems.

Thumzup is a publicly traded company with the OTCQB stock ticker: TZUP.

The Thumzup Media Corporation website is www.thumzupmedia.com



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A thumbs up for advertising democracy

This report initiates Evergreen by Swiss Growth Forum' research coverage of Thumzup Media Corporation. The purpose of the report is to highlight not only the simplicity of the company's business model and how its internally developed apps serve both their commercial customers and influencer communities on a user friendly basis but also the sizable growth potential for the business.

To date, TZUP's growth has been focused on the western Los Angeles market, where it has seen significant growth in uptake and usage in such key areas as Santa Monica and Venice Beach. However, given the success of their initial roll-out in this relatively small, but densely populated area of the United States, we believe that the company's plan's for a broader US roll-out should meet with approval from both their targeted advertiser and the demographics of non-professional influencers. Further ahead, TZUP should have sizable growth opportunities outside the United States, notably in Western Europe.

This report is based on a 5-pillar approach, which focuses on the company's Proof of Concept, Addressable Market, Due Diligence on the Business, Leadership Team and early doors Financials and Valuation. In addition, we highlight scope for the company – based on observations of other successful companies in the democratization space – for TZUP to be valued at a much higher level at some stage in the future.

Figure 1 – Thumzup® corporate logo



Source: Company

Proof of concept – how Thumzup® works

Thumzup in a nutshell

A major benefit of the Thumzup business model is its simplicity. Participating retail businesses and brands (stores, restaurants, real estate brokers, etc) join the Thumzup platform and then dedicate an advertising budget so that their Thumzup participating customers can be paid to post about their business on the posters social media feeds (right now Thumzup is just using Instagram, but has plans for other social media platforms as the company grows).

These customers or those interested in advertisers on the Thumzup platform can get paid by Thumzup by taking photographs on their smartphone of products which they have either purchased or shown interest in in the case of goods retailers, or are about to eat at or like, in the case of restaurants. They can then add a comment in relation to the item or experience, and make the post on the Thumzup app which automatically posts it to their social media account, at this time, just Instagram. After approval by either the advertiser or Thumzup from Thumzup Media Corporation itself, the poster gets paid.

One unique feature of the Thumzup platform is that it allows advertisers programmatically to select frequency to pay posters (only once, daily, weekly, or yearly) and also protect the advertiser by showing

prospective posters if there is any advertising budget or not, so that a post cannot be made if there is no advertising budget.

Thumzup subsequently monitors responses to these Instagram uploads in order to measure their implicit efficacy and compliance with applicable laws and the advertisers wishes.

The process in more detail – retailer

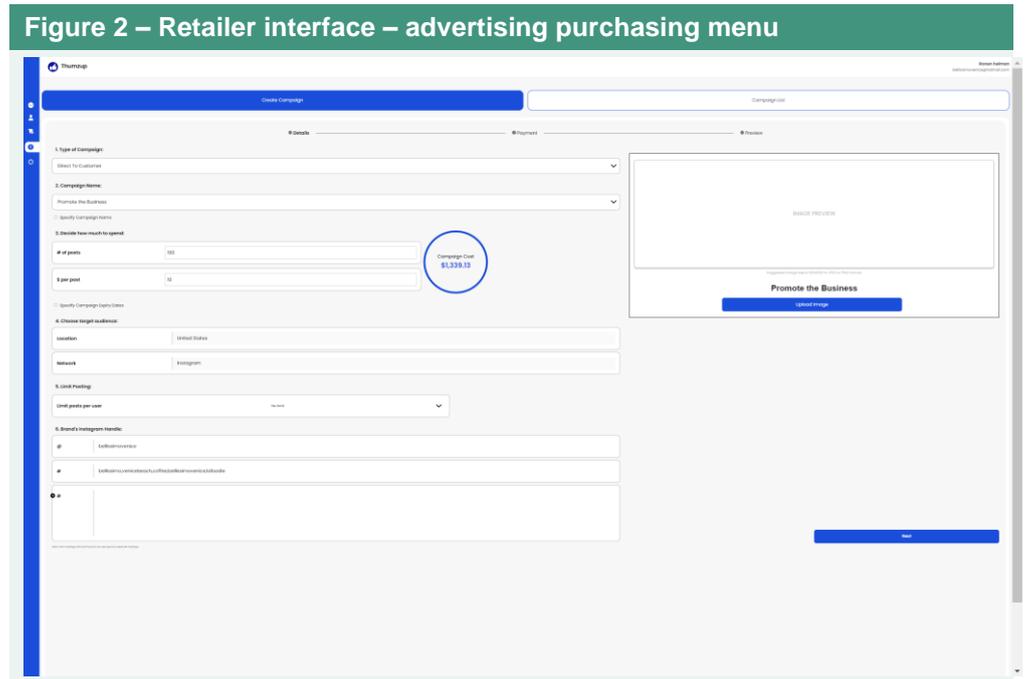
Retailers who sign up to the Thumzup process have access to a designated web page on which they predetermine how much to pay for each review and the permitted frequency payments. Once they have made this decision they can easily place an advertising budget with Thumzup, which then in turn will pay posters according to the advertisers criteria and also Thumzup’s terms of service.

For example, if a retailer would like to receive 100 dedicated social media posts for \$10 each about their business, or brand, they would enter 100 into the system and pay Thumzup \$1,000 to compensate the influencers. Thumzup subsequently adds a 30% to this amount and a handling fee which generates a total cost to the retailer of \$1,339.

This is arguably an efficient form of advertising and business promotion. Most of the current Thumzup users on Instagram have around 1000 followers which implies potential reach of 100,000 for a \$1,339 spend, thus probably more responsive, eyeballs. Each potential eyeball can be deemed to have had a cost of only 1.3 cents to hit. Thus this could be considered digital word of mouth.

More importantly, the retailer receives a report of all social media posts made through Thumzup – currently Instagram. As a result, the retailer has a significant real time understanding of what products, or services are receiving positive responses from both influencer and influencers’ communities alike.

This contrasts markedly with traditional print and media advertising where the colloquial adage is that half of expenditure is wasted but nobody knows which half. The current retailer interface is shown in Figure 2 with the approval process shown in Figure 3.



Source: Company

Figure 3 – Advertiser (retailer) dashboard including approval process

ID	User	Post Content	Post Caption	Brand Campaign	Amt.	Date Posted	Status
#1	+1-305905593 @thebellissimo		lesser known cde & del gem #ad #thumzup @bellissimovenice #bellissimo #venicebeach #coffee #bellissimovenice #foodie	Bellissimo Bellissimo	\$5.00	2022/09/23 03:58 PM	Approved
#2	+1-562203333 @sara2386		New York Turkey Reuben !! Bomb AF! #ad #thumzup @bellissimovenice #bellissimo #venicebeach #coffee #bellissimovenice #foodie	Bellissimo Bellissimo	\$5.00	2022/07/19 01:03 PM	Approved
#3	+1-302278885 @suzanna		#ad #thumzup @bellissimovenice #bellissimo #venicebeach #coffee #bellissimovenice #foodie	Bellissimo Bellissimo	\$5.00	2022/06/20 02:34 PM	Approved
#4	+1-305251442 @suzanna		#ad #thumzup @bellissimovenice #bellissimo #venicebeach #coffee #bellissimovenice #foodie	Bellissimo Bellissimo	\$5.00	2022/06/10 06:09 PM	Approved
#5	+1-305251442 @suzanna		#ad #thumzup @bellissimovenice #bellissimo #venicebeach #coffee #bellissimovenice #foodie	Bellissimo Bellissimo	\$5.00	2022/06/10 03:55 PM	Approved

Source: Company

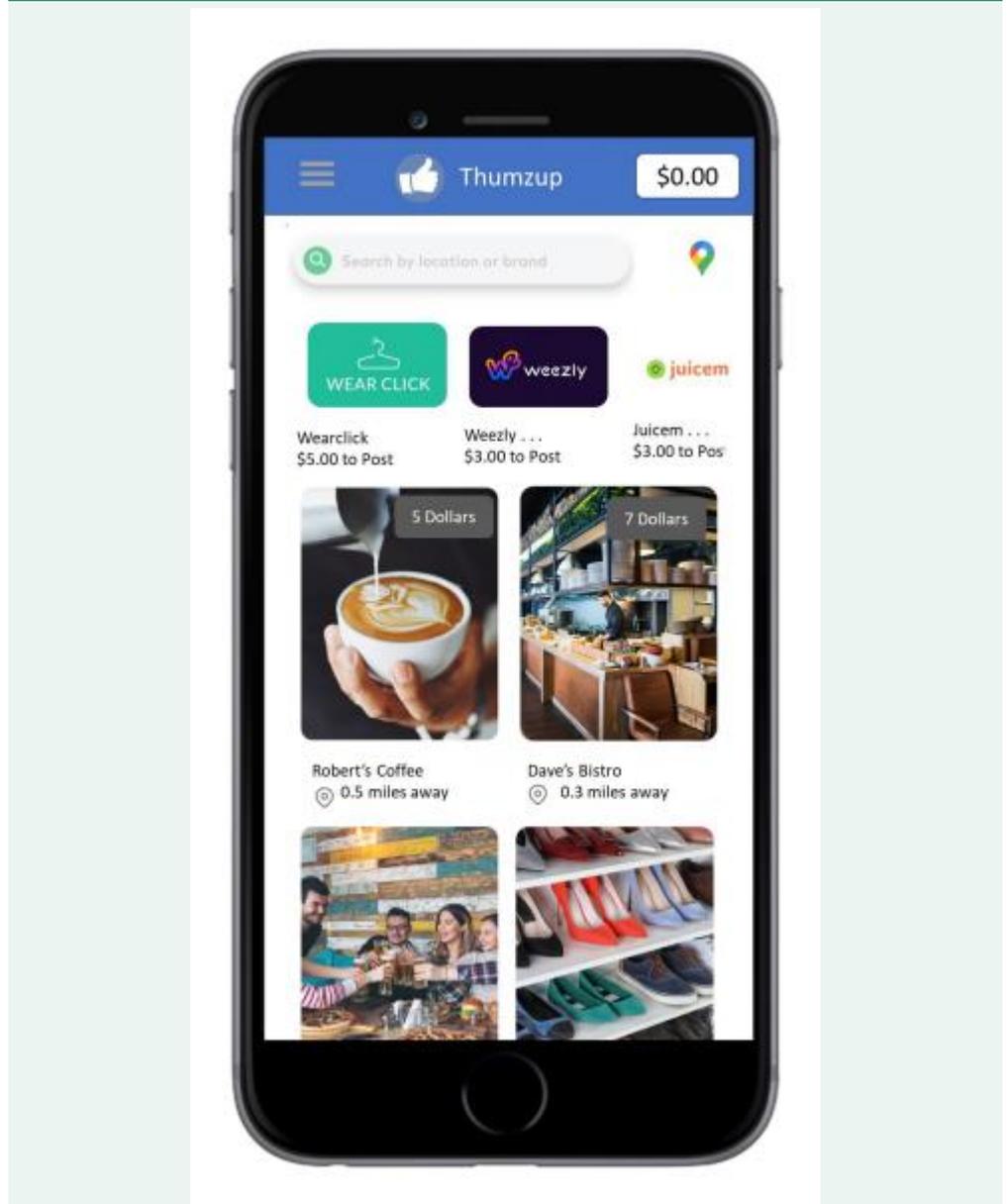
The process in more detail – the nano-influencer

Influencers who have posted on the Thumzup platform receive the amount specified by the advertiser into their PayPal or Venmo account for every approved social media post that they make. Currently, the review process is handled by Thumzup Media Corporation itself to ensure that the influencers, or review creators, meet their quality and other requirements. The app for influencers is shown in Figure 4.

As the Company grows, Thumzup envisions a future application of AI and Machine Learning to evaluate its user generated content. Clearly, a preponderance of deliberately unfavourable reviews would contrast with the retailers' objectives in working with TZUP as an operating partner.

Influencers sign up to Thumzup via an app which is currently available at the Apple App Store and the Google Play Store. Typically, they do this in response to QR codes displayed at the retailers' venues and a limited amount of billboard advertising on display in the company's pilot Western Los Angeles area. Retailers can also promote Thumzup through the use of promotional cards which might be either inserted into shopping bags or placed on display.

Figure 4 – Thumzup® app for influencers



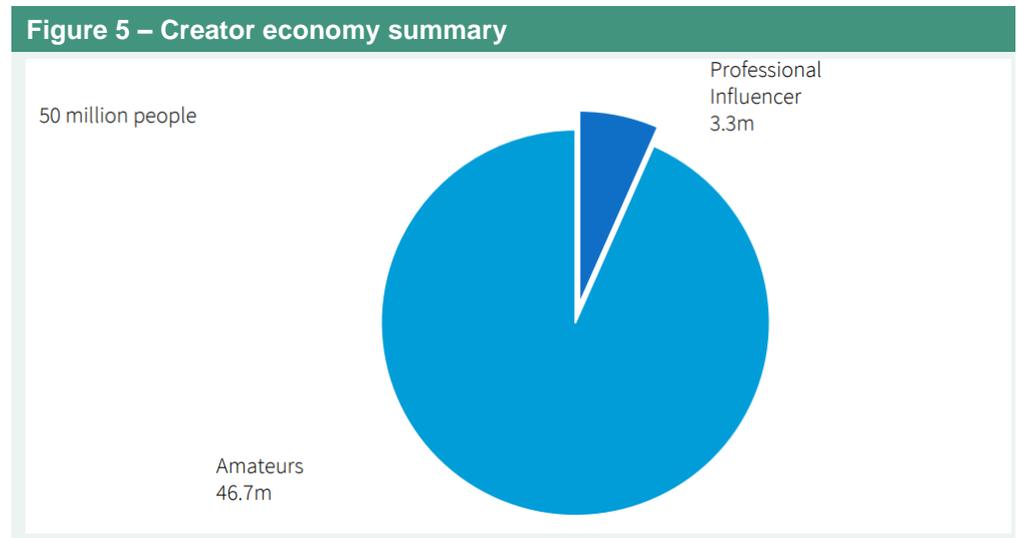
Source: Company

Thumzup - not one sizable addressable market but two!

Thumzup's primary total addressable market (TAM) is the retailers who participate in its online promotional system. At present, it is estimated that there are around 31m small businesses in the US of which around 14m purchase digital advertisements. Thumzup itself bases its revenue potential based on TAM assumptions on its potential to capture around 10% of this market – i.e., enrol of the order of 1.4m retailers across the United States. Refer to Figure 6 in our Financials and Valuation section.

However, the retailers are only half of the story. Thumzup also has sizable potential to recruit new providers of creative content – i.e., amateur influencers. According to www.signalfire.com data the creative economy currently comprises around 50 million influencers of which close to 47 million are amateurs, which implies a massive population which might enrol into the system by downloading the app.

Investors should bear in mind that there are minimal incremental costs associated with taking on board either new retailers or recruiting new influencers, which is part of the beauty of the Thumzup business model. We summarise the influencer population using Signal Fire data in Figure 5.



Source: <https://signalfire.com/blog/creator-economy/>

A start up with established business qualities

Thumzup Media Corporation’s decision to focus its initial rollout, on one section of the largest city in the US’s largest state – i.e., its target area within Los Angeles, California, is a proven strategy that other successful companies like Uber have deployed . The company has quickly established its business model, the functionality of that model and how to communicate about its business and grow it.

The path to growth from Thumzup’s current location is to replicate the current business model in more parts of Los Angeles, a wider area of California and to move swiftly into other states. But as actress Julia Roberts might put it “that’s just geography.”

The initial success the Thumzup model seems likely to lead to contagion in other parts of the US on a simple “when are we going to get it?” basis. There is a strong argument that publicity surrounding what the company is currently doing – and the benefit of receiving added publicity through being publicly quoted – will develop a considerable amount of interest on a word-of-mouth only.

Early growth staggering

But any conjecture should be validated by hard numbers in our view. Hence, that Thumzup already announced in press releases that can be viewed on its website www.thumzupmedia.com made on February 28th, 2023 a 1,000 % growth in advertisers in the 3 months prior and then on on March, 21st they announced an impressive 100% increase in users on its platform since its 10th January 2023 launch date should be seen as an important piece of due diligence on the business in our view.

Furthermore, investors should be reassured by the likelihood that Thumzup will continue to keep them updated with customer and user developments on a timely basis. Put simply, the company is a media company and one which knows how to communicate.

The blue circle logo – a premium and valuable trademark

Thumzup’s copyrighted logo, which is a registered trademark (shown in Figure 1) is an extremely valuable asset. The company developed and copyrighted the intellectual property despite initial resistance from one of the larger social media companies, which later approved its use as long as it was not used as a reaction.

While the logo displaying a “thumb up” cannot be used as part of its approval signalling process (a reactions), Thumzup owns wholly and outright the right to use a white thumb on blue circle image as its corporate logo.

In addition to being a uniquely and wholly-owned property the raised thumb logo establishes the identity of Thumzup as a social media company albeit one focused on democratizing the online advertising process. The logo provides Thumzup with instant recognition for both retailers and influencers alike, which will prove extremely important as the company looks to spread more broadly geographically.

Know-how in place of patents

Thumzup is not an owner of multiple software and technology patents. We concur with the company’s view that this is not a problem. First, while the technology is reasonably simple similar arguments could be placed about other social media channels. Second, the company has already established successful working practices which are attributable in part to its cleverly designed logo and associated simplicity of its working practices.

Leadership team – the right experience in the right place

Thumzup Media Corporation is run by its founders and largest shareholders who benefit from robust, relevant experience in the company's core area of competence – i.e., user friendly technology driven social media advertising. These skills are complemented within the team by demonstrably strong track records in capital markets and finance. In addition, there is significant international experience which should prove useful as the company looks to expand internationally.

Spearheaded by founder and CEO Robert Steele the company benefits from the experience of Danny Lupinelli as lead developer and the engagement of Robert Haag at board level. More recently TZUP announced the appointment of senior media and communications executive Joanna Massey to its newly formed advisory board. We summarise the leadership team in Figure 6 as well as giving full biographical details in subsequent paragraphs.

Figure 6- Thumzup Media Corporation leadership team

Officer	Role	Biographical highlights
Robert Steele - 56yo	CEO/Chairman Founder	20+ years' experience in finance and technology. Past clients: GMAC, AOL, ABB, FedEx, Warner Bros., BMG, Amgen, Sony/ATV
Danny Lupinelli – 47yo	Lead developer/co-founder	15+ years software development experience with a focus on Adtech. Previously software engineering manager at Honey, Hulu and Magnite (Rubicon Project)
Robert Haag	Director	IRTH Communications LLC, KMVI (family office), Utopia Optics, over 20 years of financial markets experience
Joanna Massey	Advisor	Condé Nast Entertainment, Lions Gate Entertainment, The Hub Network, CBS Corporation, Viacom Inc.

Source: Company data

Robert Steele – CEO

Robert Steele is the Founder, Chief Executive Officer and Chairman. A technologist at heart, Robert learned to program a computer at 8 years old and by the time he was 12 years old, he purchased an Apple II and began his first technology company which game controllers for the brand-new Apple II computers, which were sold through local computer stores.

After graduating with a Bachelor's degree in Electronic Engineering and Computer Science from George Mason University, Robert and his co-founders created one of the first PC-based GIS systems (Graphical Information Systems) for the Fairfax County cable television system. This system was one of the first times that utility maps for an entire county could be edited and maintained on PC-based technology.

In 1999, Robert foresaw that in the future everyone would have a computer in their pocket in the form of a smartphone and founded iBrite, which designed ground-breaking mobile software. The patent application that Robert filed for iBrite has been cited more than 30 times and the iBrite software was used by Mapquest to put maps on a mobile device for the first time that we know of and was also used to put Microsoft Powerpoint on a Palm mobile device (which he believes was the first time this was done).

Robert has since been CEO and President of two publicly traded companies in the Business Process Outsourcing and Intellectual Property Software spaces and has done business with many Fortune 500 clients like Amgen, FedEx, GMAC and Ecolab, Warner Bros. and Sony. Prior to forming Thumzup, Robert

worked for five years with a strategic consulting company providing services to its many Nasdaq and NYSE clients.

Robert Haag - Director

Robert Haag is the Managing Member and sole owner of Westside Strategic Partners LLC, which is an investor in Thumzup Media Corporation. Since 2012, Mr. Haag has been a Managing Director of IRTH Communications, LLC, which provides financial communications services, and strategic consulting to its clients. He was previously employed in the brokerage, investment banking industries from about 1993 – 2001 and formerly held the Series 7, 24 and 63 licenses.

Based in Asia from 2008-2012, he held senior positions with an investment fund and also an investment bank based in Saigon, Vietnam in 2008. From 2009-2012 he served as Managing Director of Asia for IRTH Communications, LLC and was based out of Shanghai, China.

From approximately 2002 -2007 he was Director of Speculative Investments at KMVI, a family office / holding company which invested in restaurants, oil, private equity, publicly traded companies, real estate and a wide array of other industries. While at KMVI, he was also President and CEO of Utopia Optics (majority owned by KMVI), an eyewear and apparel company focused on consumers in the action sports markets. Mr. Haag graduated from Hamilton College with a Bachelor of Arts in History in 1988.

Danny Lupinelli- Lead Developer

Danny Lupinelli boasts substantial relevant experience across a range of industries which include advertising, government and defense, banking and insurance and commercial, medical and aerospace. He has also had notable success within the start up business community.

Advertising roles include positions at Zefr Venice, USA and The Rubicon Project, Playa Vista, USA. Government/Defense roles include Department of Education Training, Brisbane Australia, Commonwealth Scientific Industrial Research Organization, Canberra, Australia and Tenix Defense. Adelaide Australia.

Banking/Insurance experience covers work at WCIRB (Workers Compensation Insurance Regulatory Board), San Francisco, USA, IAG-CGU, Brisbane, Australia and SunCorp Metway (Bank), Brisbane, Australia. Commercial/Medical/Aerospace includes roles at Hulu, Santa Monica, USA, Hulu, San Diego, USA, Lender Processing Services, Irvine, CA USA, Synergy Technologies Group, San Diego, CA USA, Boeing Australia, Brisbane Australia and BAE Systems, Adelaide Australia.

Startup experience refers to Danny's position at Maginatics (Python, Ruby, Java). Mountain View, CA, USA.

Joanna Massey PhD – Advisory Board member

Dr. Massey has extensive experience advising executive teams at Fortune 500 companies, startups, and non-profit organizations. As a seasoned C-level communications executive and consultant, she has over 25 years' experience in the media and digital technology industries strategizing on global brand reputation management as Head of Communications at Condé Nast Entertainment and Senior Vice President of Corporate Communications at Lions Gate Entertainment and at The Hub Network, a joint venture between Discovery, Inc. and Hasbro, Inc. She also held Senior Vice President positions in communications and media relations at CBS Corporation and Viacom, Inc., now Paramount Global. Dr. Massey currently serves as a public company Board Director and management consultant, as well as a managing director at Golden Seeds, an early-stage investment firm with over \$175 million in investment in nearly 250 female-run businesses.

Dr. Massey received an MBA from the University of Southern California and a Ph.D. in psychology from Sofia University. She is a member of the National Association of Corporate Directors, the Exceptional

Women Alliance, Women Corporate Directors, and Madam Chair, a group of 200+ female Chairs and Lead Directors of publicly traded companies.

Valuation and financials

Keeping good company

Thumzup Media Corporation (TZUP) is in the early stages of its revenue generation process. As a result, any financial forecasts and valuations based on either near term revenue, profits or free cash flow would arguably be meaningless. However, the company does provide an illustration of how its revenue might build up based on what appear reasonable assumptions.

Figure 7 includes an estimate of the total number of small business in the US of which around 45% probably purchase digital advertising and of whom 10% might be expected to become Thumzup clients. If their average monthly digital spend is \$534 and Thumzup captures \$107 of this the potential annual advertising volume could be of the order of \$1.8bn. Based on a 30% commission, Thumzup's annual potential revenue would be around \$0.5bn. The revenue potential is clearly sizable.

Figure 7 - Massive market potential

Total number of small businesses	31,000,000
45% of these purchase digital advertising	13,950,000
Assume 10% become Thumzup clients	1,395,000
Average monthly digital advertising spend	\$534
Thumzup portion of average monthly spend at 20%	\$107
Monthly potential advertising volume	\$148,986,000
Annual potential advertising volume	\$1,787,832,000
Annual potential Thumzup revenue at 30% agency fee	\$536,349,600

Source: Company data

In our view investors should focus on the sizable market capitalizations of companies such as Airbnb and Uber who have expanded successfully through the implementation of app-based technology and implicit democratization of their core areas of competence.

The valuation implications of TZUP achieving similar status by connecting smaller retailers with early-stage social media influencers should be apparent. With the right level of contagion and potentially rapid retailer and influencer uptake, the company arguably has the potential to move into the >\$1bn market cap space simply by emulating a similar growth model to its salient peer group as shown in Figure 8.

Figure 8 - Relative valuation

All figures in US dollars	Share price	Shares	Mkt cap	Net debt	EV	Sales	EV/sales
	(local)	(m)	(m)	(m)	(m)	2023	(x)
Airbnb (NASDAQ: ABNB)	119.52	631.3	75,456	-9,944	65,512	9,557	6.9
Thumzup (OTCMKTS: TZUP)	8.50	7.1	61		61		
Uber (NYSE: UBER)	31.01	2,009.9	62,327	3,160	65,487	36,939	1.8
Average							4.3

Forecasts are as at 24 March 2023

Source: www.marketscreener.com

Socially responsible social media

Thumzup Media Corporation's valuation may benefit significantly from suitability for socially responsible investing – i.e. its SRI credentials.

Thumzup addresses an important social need in relation to its ability to help rejuvenate bricks & mortar based retailing in urban areas. Within the United States there have been a number of significant programmes initiated by authorities of the larger cities specifically designed to promote and arrest the decay of smaller businesses in the retail space.

Rather than have them rely on public – i.e., local taxpayers' – money to forge a retail rejuvenation programme, TZUP is in a strong position to assist local administrations with their inner urban regeneration problems. The company's software can be seen not only to champion the cause of smaller retailers and venue owners but also to re-connect people with those venues in the form of loyal customers.

In the hyperlinks below we include recent articles from larger US cities which seek to instigate a revival of local retailers as part of their urban regeneration programmes.

[Chicago](#)

[Los Angeles](#)

[Miami](#)

[New York](#)

[San Francisco](#)

Reg A raise

TZUP announced on 7th March 2023 that it is excited to announce the opportunity for the general public to invest in the Company through a Regulation A+ ("Reg A+") offering. This Reg A+ offering has been qualified by the SEC and the Company is now accepting investments at \$4.50 per share up to a total offering of \$9 million, with bonus shares of up to 20% for larger amounts invested. The shares in connection with the Reg A+ offering are deemed to be freely tradable and registered under an SEC qualified Registration Statement. Thumzup's goal is to democratize the \$208 billion dollar advertising industry, inspired by how Uber® and Airbnb® disrupted the transportation and hotel industries, respectively.

Full details of the offering circular are available from the following [hyperlink](#)

The perks available to investors that subscribe in the amounts set forth below are as follows*:

Subscribers of \$10,000 - \$49,999.99 will receive 5% more Shares of Common Stock for their subscription.

Subscribers of \$50,000 - \$99,999.99 will receive 10% more Shares of Common Stock for their subscription.

Subscribers of \$100,000 – 249,999.99 will receive 15% more Shares of Common Stock for their subscription.

Subscribers of \$250,000 or more will receive 20% more Shares of Common Stock for their subscription.

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