

BigCommerce Holdings, Inc. - Sharon Gee, Senior Vice President of Sales and Strategic Partnerships at Feedonomics, a subsidiary of BigCommerce

Interview conducted on April 06, 2023

Tegus and BigCommerce have partnered to share a deep dive on Feedonomics, a subsidiary of BigCommerce. The conversation is moderated by Daniel Lentz, Senior Vice President of Finance and Investor Relations at BigCommerce, and all questions are answered by Sharon Gee, Senior Vice President of Sales and Strategic Partnerships at Feedonomics.

This call is a one-on-one conversation with a company's management team, facilitated as part of Tegus' corporate access program.

Forward-Looking Statements

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "estimate," "expect," "intend," "outlook," "may," "might," "plan," "project," "will," "would," "should," "could," "can," "predict," "potential," "strategy," "target," "explore," "continue," or the negative of these terms, and similar expressions intended to identify forward-looking statements. By their nature, these statements are subject to numerous uncertainties and risks, including factors beyond our control, that could cause actual results, performance or achievement to differ materially and adversely from those anticipated or implied in the forward-looking statements. Many of the risks and uncertainties that could cause actual outcomes and results to differ materially from those contemplated by the forward-looking statements are included under the caption "Risk Factors" and elsewhere in our filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the year ended December 31, 2022. Forward-looking statements speak only as of the date the statements are made and are based on information available to BigCommerce at the time those statements are made and/or management's good faith belief as of that time with respect to future events. BigCommerce assumes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made, except as required by law.

Daniel Lentz, Senior Vice President of Finance and Investor Relations at BigCommerce

So to start with, my name is Daniel Lentz, and I'm responsible for finance and investor relations at BigCommerce. And with me today is my colleague and friend, Sharon Gee. Sharon, do you mind introducing yourself to all of our readers and investors as well, please.

Sharon Gee, Senior Vice President of Sales and Strategic Partnerships at Feedonomics

Yes. Thanks, Daniel. My name is Sharon Gee. I'm the senior vice president of sales and strategic partnerships at Feedonomics, which is a company that was acquired by BigCommerce. And I'm also the general manager of omnichannel strategy and partnerships for BigCommerce.

Daniel Lentz, Senior Vice President of Finance and Investor Relations at BigCommerce

Outstanding. So to start with Sharon, I'm going to go through a series of questions with you. I may jump in on a few of these as well as we go. But can you start with a quick overview of what Feedonomics is for folks who may not be as familiar? And as a part of that, if you wouldn't mind, give a little bit of the history of the partnership between BigCommerce and Feedonomics and how it evolved to where it is today?

Sharon Gee, Senior Vice President of Sales and Strategic Partnerships at Feedonomics

Sure. Feedonomics is the leading feed management solution for enterprise merchants. So what we do is we take data from systems of record, we aggregate that data, we marry it up with data that enhances it and optimizes it for performance, and then we send it to the channels it needs to go to.

So we syndicate it to channels like Google, Meta, TikTok, Amazon, all of the channels that are advertisers and/or affiliate marketplaces in order to be able to help merchants and agencies get better return on their advertising spend and list their products on channels of growth, whether it's advertising that's driving traffic back to an owned experience or whether it's a third-party marketplace channel where the conversion actually happens on the channel.

And we do that for 30% of the Internet Retailer 1000. Feedonomics was actually a partner of BigCommerce, and it was part of the omnichannel partner ecosystem, and we found that our enterprise customers, many of them, were working with Feedonomics, taking their data from BigCommerce and syndicating it to channels of growth and then syncing their orders back into either BigCommerce or other systems of record.

We identified that in an omnichannel world where merchants are looking for ways to grow all the time whether that's getting more out of what they're already spending on advertising channels, doing more with the same or whether it's expanding to additional channels. Feedonomics was a really strategic growth partner that they were working with in order to grow their omnichannel strategy and to increase their traffic, increase their acquisition of customers on various different channels.

And so we partnered really closely with them, and as we found more collaboration in partnership with them, we realized that omnichannel isn't an option, it's an imperative for our merchants to be able to grow. And so it made sense to acquire them and partner even more closely, while also maintaining their independent approach that allows Feedonomics to continue to partner with the other ecommerce platforms they also work with.

So they certainly are part of BigCommerce, but they also continue to partner with the ecommerce platforms that they've worked with for years and years, whether that's Salesforce Commerce Cloud, Adobe/Magento, Shopify, WooCommerce, etc.

Daniel Lentz, Senior Vice President of Finance and Investor Relations at BigCommerce

That actually leads to my next question. Feedonomics partners closely with multiple ecommerce platforms, not just BigCommerce, yet it's obviously a part of BigCommerce. Why is Feedonomics well suited to all platforms even though it is technically owned by BigCommerce?

Sharon Gee, Senior Vice President of Sales and Strategic Partnerships at Feedonomics

Yes, enterprise merchants need optionality. The composability that is kind of very common right now as a priority for enterprise merchants to be able to work with the existing technology stacks that they have, but then find ways to grow and optimize their existing business is really critical. Feedonomics was built for that.

It's built to be flexible so that no matter what your system of record for your product catalog is, no matter where you're getting that information for catalog and inventory and order data, whether it's an ecommerce platform or a PIM or an ERP, you can take that data syndicated to the place it needs to go and then bring back the resulting orders or information on the listings.

And so by nature, it's a composable enterprise-focused technology that gives an enterprise merchant the agility required to be able to use whichever systems of record they want, for ecommerce, for ERP, etc. It's a platform-agnostic solution and it has to be, because in order to support the various different kinds of growth technology stacks that enterprise merchants need in order to meet the needs of their unique businesses, you have to have that technical agility to be able to address those use cases.

That's really where Feedonomics thrives. It's how it was built. It's a data transformation engine with middleware at its core that can integrate with systems on the left side, and then make sure that there is seamless integration to whatever systems are on the right side that you're trying to get that data to and from.

THIS DOCUMENT MAY NOT BE REPRODUCED, DISTRIBUTED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS INCLUDING RESALE OF ANY PART, UNAUTHORIZED DISTRIBUTION TO A THIRD PARTY OR OTHER METHODS, WITHOUT THE PRIOR WRITTEN PERMISSION OF TEGUS INC.

What that also means is we have an opportunity to continue to help merchants on any platform grow. That is a unique benefit that supports the open commerce philosophy that BigCommerce really holds, and it underpins our entire strategic product philosophy.

Daniel Lentz, Senior Vice President of Finance and Investor Relations at BigCommerce

Brent Bellm, our CEO, has talked about this a lot ever since the acquisition of Feedonomics on various earnings calls and he's spoken about the fact that we are very, very enthusiastic about continuing to run Feedonomics and invest in Feedonomics for it to continue to provide excellent service to merchants regardless of what platform they're on. We intend to continue doing so indefinitely.

As a part of that, though, I know there are still some special unique advantages that the combination of Feedonomics and BigCommerce offers together. Can you walk through for investors, what's the unique value prop for merchants that are running on BigCommerce and using Feedonomics? What are the synergies on the merchant side of things that the two combined offer up to merchants?

Sharon Gee, Senior Vice President of Sales and Strategic Partnerships at Feedonomics

Yes, there are three that I would outline. The first is we have a unique ability to essentially negotiate on behalf of thousands of merchants on BigCommerce and Feedonomics and any merchants that are served by our wide ecosystem of tech and agency partners.

Now that's unique because when you're going to someone like Amazon and TikTok and Google and Meta and saying, "Hey, we want to run this really unique program, or we want guaranteed SLA support or white-glove onboarding or unique ads credit benefits for our merchants." That is much more effective if you're doing that on behalf of a company with tens of thousands of merchants than if you're one of the other third-party competitors who has a dumb pipe connecting data from one place to the other. That is a unique benefit, which is that the omnichannel technology and agency partnership practice of BigCommerce is able to bring those benefits to anyone who is using Feedonomics no matter what ecommerce platform they're on.

That is unique. But those who use both BigCommerce and Feedonomics together, get the unique benefits of that because we're able to put those solutions together. You get agencies who are enabled and trained on the technologies and the partnerships that we're bringing to the table with TikTok, TikTok Shop, with Amazon, with Amazon Buy with Prime, with Meta shop's ads.

All of the new features that essentially are the levers of outsized ROI growth are these big technology releases that merchants want to take advantage of, but they don't want to have to build their own customized point-to-point one-off integrations because it's not maintainable, they can't do it at scale. And so it's unique having an ecommerce platform, partnered with a market-leading feed management solution where you can essentially bring those benefits to bear on both sides of the house.

It means that you get unprecedented time to market, right? Low total cost of ownership because we can obviously put together far more compelling benefits and deals, both with our partners as well as amongst ourselves from a pricing perspective, if you're working with both BigCommerce and Feedonomics, so there's unique pricing and value there for low total cost of ownership.

That's the second one. And then the third one is speed to market because of integration speed. We are making it a goal of ours to make it as easy as possible for BigCommerce merchants to take advantage of Feedonomics and Feedonomics merchants to take advantage of BigCommerce technology.

What that means is we are pre-integrating the solutions that you might otherwise need to do some of your own integration if you were leveraging Feedonomics with an existing technology that you might have, right? You might want to take advantage of their REST API and do an integration of orders into your own ERP.

As it turns out, we're doing a lot of that work to make that story around how we make the data for catalog, inventory and orders flow seamlessly to those growth channels, but also to the downstream systems, ERP, fulfillment partners like Amazon Buy with Prime and their warehousing. As well as to make that data flow seamlessly into data solutions that give people first-party data visibility on how their products are performing across these channels? So those are some of the benefits that I would highlight.

THIS DOCUMENT MAY NOT BE REPRODUCED, DISTRIBUTED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS INCLUDING RESALE OF ANY PART, UNAUTHORIZED DISTRIBUTION TO A THIRD PARTY OR OTHER METHODS, WITHOUT THE PRIOR WRITTEN PERMISSION OF TEGUS INC.

Daniel Lentz, Senior Vice President of Finance and Investor Relations at BigCommerce

That's great. Thank you. So when I have conversations with investors, and we get into discussions about Feedonomics, what I find very commonly is that few investors know a lot about omnichannel feed management. It's fairly nuanced. It's not something that gets a lot of publicity, but it's obviously pipes that run a lot of the omnichannel advertising and shopping that occurs over the Internet.

Again, investors are typically not very familiar with Feedonomics or the competitors for Feedonomics. So do you mind giving an overview of who are the main competitors for Feedonomics? And I would include in that, obviously, merchants' own data teams that are often attempting to do the same thing. Walk me through on behalf of investors, who are the main competitors? How is Feedonomics differentiated from them?

Sharon Gee, Senior Vice President of Sales and Strategic Partnerships at Feedonomics

Yes. So there's a few different groups that I'll mention here. One of them is feed management solutions. So anybody who is taking data from an ecommerce system of record, from an ERP and then essentially creating a pipe where they send catalog inventory and order data to a channel like Google. So anyone who's sending data to Google Merchant Center or into Meta advertising properties or is sending product listing data to Amazon or eBay or Walmart or any of those channels, those are competitors, right?

They are providing this capability to send data from one place to another place in order to list a product on that surface. So feed management companies listing solutions is kind of a technology category. Oftentimes, you actually have people doing this manually. That can be agencies who support these customers. So these agencies manage the catalog that is being sent to Google Merchant Center, because that catalog powers organic search results and then return on ad spend, right?

Because if you're essentially uploading data that allows the Google algorithm to search and merchandise and show search results, if you give it better data, you get better results. And so advertising agencies who provide feeds are actually some of our very best customers because they're working with merchants, and they leverage the Feedonomics platform in order to improve CPC and ROAS.

So that's an example of somebody who might be doing it manually and they really find a lot of value in working and partnering with Feedonomics. Another group of people is obviously internally at a merchant, you oftentimes have people who are responsible for feed management. They might sit on the technical side or the data analytics or the product side and their job is get that data out of their system of record, if it's an ERP and then create a CSV file and manually upload it to Google Merchant Center on some regular cadence in order to make sure that their catalog is refreshed appropriately. That can become very cumbersome if you have multiple brands, multiple regions, multiple currencies, multiple languages.

If you're taking that core catalog and you're sending it in English and French and German to different channels, and then you send it to Google and Meta and TikTok and Amazon, that's a nonlinear complexity problem. And so Feedonomics really helps with that problem, too, which is sometimes extremely manual work that is done on the merchant side, and we can save them on average 50 hours a month of management in many cases, and that's a very, very common use case.

Daniel Lentz, Senior Vice President of Finance and Investor Relations at BigCommerce

Let's pivot to help folks understand a bit more about the go-to-market model. How do your relationships with technology partners or systems integrators and agencies, performance marketing agencies, how do those affect the way that you go about acquiring new clients?

Sharon Gee, Senior Vice President of Sales and Strategic Partnerships at Feedonomics

We have built something called the Omnichannel Certified Partner Program. And the focus of that program is to create a virtuous triangle of value. Merchants want to be spoiled rotten with the very, very best offer that a technology company has to bring. So if you want to be able to list your products on TikTok, you want unique ads credits, you want white glove onboarding, you want dedicated support so that if your feed gets rejected, you can get access to it and know how to fix it, you want access to best practices.

THIS DOCUMENT MAY NOT BE REPRODUCED, DISTRIBUTED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS INCLUDING RESALE OF ANY PART, UNAUTHORIZED DISTRIBUTION TO A THIRD PARTY OR OTHER METHODS, WITHOUT THE PRIOR WRITTEN PERMISSION OF TEGUS INC.

You want agencies who are trained on this program to help you grow. If you're a merchant, that's what you want. So that's where we started. We built this program to deliver that. So we go to the tech partner platforms and we say, "Hey, on behalf of all of these customers that we work with, we will train them, we will educate these agencies. We will provide this value for you if you will bring something really compelling to our -- and offer something compelling and have skin in the game with us with our merchants."

Offer them dedicated onboarding, offer them unique ad credits programs that they can only get in with us and with you, offer them a dedicated technical solutions architect who can make sure that if there are technical challenges, we can answer their questions. And so we start with the technology platforms with Google, with Meta, with TikTok, with Amazon, and we say, "Hey, here's a program that we think could really benefit and help our merchants grow." They say, great, and we say, we'll go help train our agencies on that program and partnership with you.

So it's a combination of value where the tech partner gets one relationship where we're helping onboard high-value customers to them who qualify for their programs, who they know these programs will work for. We then train the agencies. The agencies get early access to the program. They get dedicated technical support between both the platform of record, which is the BigCommerce e-commerce platform or the feed management solution that is getting that data from their systems of record and the growth channel.

And so the agency likes it because there's a nice product handshake between the two platforms, where usually, if you put in a support ticket, they just disappear into the ether. So we're benefiting the merchant, we're benefiting the agency, and we benefit the tech partner because we simplify that go-to-market with them to bring them valuable customers. And it turns out it works really well if you focus on delivering value to the merchants and then the ecosystem that serves them.

Daniel Lentz, Senior Vice President of Finance and Investor Relations at BigCommerce

I appreciate the thoroughness of the answers here. So I get a lot of questions about various announcements that we make with the partnerships that we have. And we had a series of very, very exciting ones lately. We've a number that we've announced with Google, with Amazon Buy with Prime in particular, I get a lot of questions about that. Can you tell me more about some of the recent announcements? And then how do you expect those to impact merchants over the course of the next couple of years?

Sharon Gee, Senior Vice President of Sales and Strategic Partnerships at Feedonomics

These new announcements are really focused on the work that we've done to partner with these technology platforms to understand what's on their road maps and the new features they're releasing and to make it as seamless as possible for our merchants to take advantage of that. I'll give an example with Buy with Prime. Buy with Prime is a completely game-changing announcement that Amazon made, where essentially they are offering the ability for someone to put a Prime badge on a direct-to-consumer site.

They're willing to help you acquire new customers, help you nurture those customers by providing you unprecedented customer data where historically Amazon has not done that, and then allow you to keep that relationship and increase conversion with a trusted offer of next-day delivery that we have all come to know and love with Prime. That's a very unique value proposition for a merchant to evaluate what that means for their strategy.

If you are a CPG company, where historically, it's been really challenging for you to want to turn on direct-to-consumer as a channel because maybe it doesn't make sense for you to spin up a warehouse to do one- or two-day delivery. Buy with Prime offers you a really unique opportunity to do that, but only if it's easy to manage.

And so our partnerships with someone like that is to make sure that we've done the homework and the data handshake that is required to make that seamless, to manage and keep in the systems of record where you already manage your business, your catalog, your inventory and your orders that make that kind of program possible.

And it's the same with Meta. It's the same with the TikTok. We need to take the catalog data that exists within our systems and make it easy for merchants to list that on the channels they want to run product listing ads on, or where they want to be able to feature check out on Instagram or TikTok shop is generally

THIS DOCUMENT MAY NOT BE REPRODUCED, DISTRIBUTED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS INCLUDING RESALE OF ANY PART, UNAUTHORIZED DISTRIBUTION TO A THIRD PARTY OR OTHER METHODS, WITHOUT THE PRIOR WRITTEN PERMISSION OF TEGUS INC.

available in the U.K. as an example, and we know that that's an expanding program.

These are areas where we're excited to be able to support what's next that's coming from these major platforms by creating the partnerships that need to be able to support them from both a technical and a go-to-market perspective.

Daniel Lentz, Senior Vice President of Finance and Investor Relations at BigCommerce

And it's interesting because I get a lot of questions about how our partnership with Google or Amazon in particular works such that if merchants end up doing a lot of volume with Buy with Prime, how that would affect us financially and for the company. And what I tell investors all the time is that's a good thing for us. Obviously, we don't get into the details of our economic arrangements with Amazon or Google or anybody else, but we have a really synergistic relationship with them that the more of this adoption grows, it's good for merchants, it's good for Amazon or other technology partners, it's also good for us and our shareholders. So it's something obviously that we get really excited about.

How do you think omnichannel requirements are going to evolve over the course of the next couple of years? Where do you see the marketing and omnichannel ecosystem evolving over the course of the next, say, two or three years?

Sharon Gee, Senior Vice President of Sales and Strategic Partnerships at Feedonomics

We are all omnichannel shoppers, and so I think intuitively, we understand this pretty well. We shop across a range of formats and channels, and we as shoppers want seamless experience, no matter what channel we're on. Whether we are walking into a store or scrolling through social, whether we're searching for something either on Amazon or on Google or on any number of search surfaces, whether we're browsing a marketplace or just watching our favorite influencer on social.

To me, what omnichannel means is delivering the required information in order to be able to help a shopper know, "Is this the product I want? Is it available near me? How much will it cost? And when will it be delivered?" And that information is the same information you need, no matter where you're discovering it, right? Whether you're discovering that in an email that was sent to you from some sort of excellent brand loyalty program, over SMS or over chat, the channel doesn't actually matter. That's why we call them all channels. It's the data that needs to be seamlessly surfaced to those channels in order for you to be able to have confidence to make the decision to purchase. And so what we're going to see is we're going to find less and less friction in that. Every channel you're in can become a shopping channel because that catalog data can be syndicated to wherever that channel is and seamlessly surfaced in a discoverable, delightful experience.

I think we've seen that with kind of the Shoppertainment flow that TikTok has created, as well as being able to make sure that when I want to be able to log in, so those alternate payment methods that have already saved my identity, my favorite payment method, my shipping address with -- I don't even have to type anything in anymore. I can just use my thumb that's already saved on my device, then I can just say, "Yes, I want to buy that. Send it to me right away."

So we are going to see a continued decrease in the friction of being able to discover and purchase a product. And I think a lot of the areas of development are how do we make that entire experience seamless, including things like returns. Buy online, pick up in store. How do we make that experience across channels so that awareness of who is our shopper, what have they bought from us, where did they buy, how do they interact?

This is an area where the first-party data that brands are investing in, in order to be able to understand who their shoppers are and deliver them those seamless experiences, no matter what channel, is a huge area of investment and focus. And certainly, we're going to see the latest trends towards how do we involve AI in order to be able to offer better personalized experiences. We're going to see a lot more of that. And so we're certainly happy that Feedonomics has invested in this area as well, so that we can deliver that quality data that is required to power those experiences no matter what channel a shopper is looking on.

Daniel Lentz, Senior Vice President of Finance and Investor Relations at BigCommerce

THIS DOCUMENT MAY NOT BE REPRODUCED, DISTRIBUTED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS INCLUDING RESALE OF ANY PART, UNAUTHORIZED DISTRIBUTION TO A THIRD PARTY OR OTHER METHODS, WITHOUT THE PRIOR WRITTEN PERMISSION OF TEGUS INC.

That's great. And I'll throw in one last question, Sharon, We're in a tougher macroeconomic climate. I sometimes get questions about the durability of omnichannel initiatives with our merchants. How much of a focus is this now compared to where it was during the pandemic? How do you expect to be doing two years from now? How do you think about the durability of these initiatives with our merchants?

Sharon Gee, Senior Vice President of Sales and Strategic Partnerships at Feedonomics

I think it's a great question. You can't have an omnichannel strategy without an omnichannel data strategy. And the reason for that strategy with the changes with iOS and privacy and regulation, etc., data is the new oil. How can you know everything that you can know about your shoppers so that you can put that to work to inform and provide your business insights that allow you to continue to grow your business effectively.

And that is critical. So the ability to make sure that you can not only get your data to the channel so that people could discover your products but then understand how they're interacting with your products is a very high priority for our customers because it's how they can make data-driven decisions around what to invest in. So let's say, for example, you're a CPG company, and historically, you just send pallets of products to your retailers. And those retailers give you limited feedback around what the favorite flavors are or which regions perform better when you send this flavor or this size or this product to them. That data exchange is not as powerful as a first-party data visibility into somebody who clicked on it on this channel and bought it on this one and then bought six more times on direct-to-consumer where you know who your shopper is.

So omnichannel channel strategy is not only channel strategy, it's about who is your customer? Where are they? And then how do you continue to sell them products and excite them and deliver them an experience that makes them want to come back over and over, so that you can get better cost of acquisition to that lifetime value. And so it really is how do you understand your customer to be able to deliver them the lifetime value that allows you to continue to grow your business.

And that's really where the focus, I think, needs to be, as we move into this kind of regulated data privacy area that's really important to all of us. People will have to invest in the strategies that allow them to get that data that they have access to, to be able to continue to create experiences that delight their shoppers.

Daniel Lentz, Senior Vice President of Finance and Investor Relations at BigCommerce

What we've noticed and what I've talked a lot about with investors is that this is a very sticky and durable business. There's obviously cyclical aspects of this, just like there is in any business that's associated with marketing spend or sales spend just in general, but this is not something that's going to change. If anything, it's likely going to get more and more important as we go forward into the future, which I think is really exciting. And also, I like the fact that Feedonomics philosophically is very well aligned with BigCommerce philosophically that it's open, it's composable, it's merchant first.

And again, just to reiterate, there are unique advantages to Feedonomics working in tandem with BigCommerce, but this is obviously a solution that we spend a lot of time and effort to make sure it operates very, very well on even competitive e-commerce platforms as well, and we'll continue to do that in the future. So Sharon, thank you very much for setting aside the time. Appreciate it very much.

Tegus is not a registered investment advisor or broker-dealer, and is not licensed nor qualified to provide investment advice. The information published in this transcript ("Content") is for information purposes only and should not be used as the sole basis for making any investment decision. Tegus, Inc. ("Tegus") makes no representations and accepts no liability for the Content or for any errors, omissions, or inaccuracies will in no way be held liable for any potential or actual violations of United States laws, including without limitation any securities laws, based on Information sent to you by Tegus. The views of the advisor expressed in the Content are those of the advisor and they are not endorsed by, nor do they represent the opinion of, Tegus. Tegus reserves all copyright, intellectual and other property rights in the Content. The Content is protected by the Copyright Laws of the United States and may not be copied, reproduced, sold, published, modified or exploited in any way without the express written consent of Tegus.

THIS DOCUMENT MAY NOT BE REPRODUCED, DISTRIBUTED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS INCLUDING RESALE OF ANY PART, UNAUTHORIZED DISTRIBUTION TO A THIRD PARTY OR OTHER METHODS, WITHOUT THE PRIOR WRITTEN PERMISSION OF TEGUS INC.