

Thinkific Announces Second Quarter 2025 Financial Results

Revenue Increases to \$18.1 Million, up 12% Y/Y

Delivers Cash Flow from Operations of \$2.3 Million and Adjusted EBITDA of 6% of Revenue

Thinkific reports in thousands of U.S. dollars and in accordance with IFRS

VANCOUVER, BC, Aug. 6, 2025 /CNW/ - Thinkific Labs Inc. ("Thinkific" or the "Company") (TSX: THNC), a leading learning commerce platform, today announced its financial results for the quarter ended June 30, 2025.

"Q2 marked the official launch of our move upmarket and we are now well underway to executing on a strategy aligning Thinkific's differentiated learning commerce platform to support our ideal customers" said Greg Smith, CEO and Founder of Thinkific. "By leveraging our core strengths: integrating courses, communities, AI and commerce, we plan on meeting the growing demand for scalable, education-driven revenue models. We are confident that this approach, along with our continued commitment to driving customer success, will ultimately accelerate growth for Thinkific and lead to enhanced shareholder value."

Second Quarter Financial Highlights

(All comparisons are relative to the second quarter of 2024)

- Total revenue increased 12% to \$18.1 million, ahead of the guided range of \$17.7 - \$18.0 million, driven by strong Commerce adoption increasing Average Revenue per User by 9%, to \$169:
 - Commerce revenue increased 48% to \$3.2 million, with GPV⁽²⁾ processed through Thinkific Commerce growing 48% to \$65 million. Thinkific Commerce penetration rate, measured as GPV⁽²⁾ as a percent of GMV⁽²⁾, increased to 58%, up from 40%. GMV⁽²⁾ remained flat at \$111 million.
 - Subscription revenue increased 6% to \$14.9 million, with ARR⁽²⁾ increasing 6% to \$60.5 million, building on the success of ARR growth in Q1.
 - Thinkific Plus Subscription and Commerce revenue grew 25% to \$4.7 million. Self Serve Subscription and Commerce revenue grew steadily by 8% to \$13.4 million.
- Gross margin was 73%, broadly consistent with prior periods.
- Net income was \$0.4 million, decreasing by \$0.6 million.
- Adjusted EBITDA⁽¹⁾ was \$1.0 million or 6% of revenue, an improvement of \$0.2 million, or 20%.
- Cash and cash equivalents were \$52.5 million at June 30, 2025. During the second quarter of 2025, the company generated \$2.3 million of cash from operating activities, compared to \$0.2 million.

"Our Q2 financial performance highlights our ability to execute through strategic change while still delivering on our goals", said Corinne Hua, CFO of Thinkific. "We are re-allocating our spend to focus more upmarket, which we believe will deliver strong and stable long term growth for Thinkific. This transition is well underway and we remain committed to our strategy of profitable growth as we invest in our go-to-market teams and accelerate product innovations and AI into our learning commerce platform."

Second Quarter Operational Highlights

- In support of our strategic shift upmarket, Thinkific launched significant enhancements to our Commerce Capabilities, including sale and management of bulk licenses, invoicing for B2B selling, and an improved subscription management and retention tool. These updates address the more complex needs of our Plus customers by making it easier to sell and manage higher volumes.
- Throughout the quarter, Thinkific released continuous improvements to our Communities platform. These include a modernized UI with a more intuitive design to help experts deliver a more professional, polished learning experience; Private Spaces which enable private, invite-only, communities; Weekly Digest Emails to support long-term community health and re-engagement; and rich text and multi-image posts to encourage more expressive, engaging community content that drives audience interaction.
- Thinkific was honored with a 2025 Top Rated Award from TrustRadius. This recognition, based on authentic customer reviews and ratings, highlights Thinkific's continued commitment to delivering exceptional value and driving success for its customers.

Second Quarter Other Updates

- Thinkific eliminated its dual class structure by converting all multiple voting shares to single voting shares on a one-

for-one basis, and completed a secondary offering of approximately C\$15 million of Rhino Group's shares (which included an over allotment), simplifying the company's capital structure and paving the way to unlock shareholder value.

- Thinkific named Russ Mann as Board Chairman, succeeding Fraser Hall who remains a valued member of the Board. Russ' appointment as Board Chair brings a sharpened focus on our growth trajectory and dedication to maximizing long-term value for shareholders.

Outlook

For the third quarter of 2025, the Company expects revenue of \$18.1 - \$18.4 million while maintaining positive Adjusted EBITDA⁽¹⁾.

Actual results may differ materially from Thinkific's financial outlook as a result of, among other things, the factors described under "Forward-Looking Statements" below.

Quarterly Conference Call and Webcast Information

A conference call will be held at 5:00 PM ET (2:00 PM PT) on August 6, 2025 to discuss Thinkific's second quarter 2025 financial and operational results. To participate in the call, please dial 1.888.510.2154 (US/Canada toll-free) or 1.437.900.0527 (International/Toronto). For those unable to participate, a replay will be available an hour after the event by dialing 1.888.660.6345 (US/Canada toll-free) or 1.289.819.1450 (International/Toronto). The passcode is 95088#. The replay will expire at midnight ET on August 13, 2025. The conference call will also be available via webcast on the Investor Relations section of Thinkific's website at investors.thinkific.com/events-and-presentations.

Thinkific's audited consolidated financial statements and accompanying notes, and Management's Discussion and Analysis for the quarter ended June 30, 2025, are available on the Company's website at www.thinkific.com and on SEDAR+ at www.sedarplus.ca.

About Thinkific

Thinkific (TSX:THNC) is an award-winning learning commerce platform where courses and community come together to power business growth. Thinkific gives academies, experts, and businesses everything they need to create and sell online learning experiences, build communities, and grow their revenue — all from one platform. More than 35,000 customers — including companies like GoDaddy, Nasdaq, ActiveCampaign, and Datadog — have generated billions in revenue using Thinkific, impacting more than 200 million people worldwide.

For more information, please visit www.thinkific.com.

Non-IFRS Measures

The information presented within this press release includes "Adjusted EBITDA" and certain industry metrics. The "Adjusted EBITDA" is not a recognized measure under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, does not have a standardized meaning prescribed by IFRS, and is therefore unlikely to be comparable to similar measures presented by other companies. Rather, this measure is provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, it should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We also use certain industry metrics: "Annual Recurring Revenue", "Average Revenue per User", "Gross Merchandise Volume" and "Gross Payments Volume". These industry metrics are unaudited and are not directly derived from our financial statements. The non-IFRS measure and industry metrics are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures and industry metrics in the evaluation of issuers. Our management also uses the non-IFRS measure and industry metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

"Adjusted EBITDA" is defined as Net income (loss) excluding taxes, interest, depreciation and amortization (or EBITDA), as adjusted for stock-based compensation, foreign exchange (gain) loss, finance income, and non-recurring equity transaction costs. Adjusted EBITDA does not have a standardized meaning under IFRS and is not a measure of operating income, operating performance or liquidity presented in accordance with IFRS, and is subject to important limitations.

Please refer to "Reconciliation to IFRS from Non-IFRS measures" in this press release for more information.

Key Performance Indicators

We monitor the following industry metrics to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions: "Annual Recurring Revenue" or "ARR", "Average Revenue per User" or "ARPU", "Gross Merchandise Volume" or "GMV", and "Gross Payments Volume" or "GPV". Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies.

"ARPU" is the average monthly Revenue per Paying Customer in the quarter. ARPU is calculated by taking the average Revenue for each month in the quarter and dividing this by the average number of Paying Customers for the same quarter.

"ARR" is the annual value of all current Paying Customer subscriptions at the end of the period, with the number of Paying Customers multiplied by 12 times the average monthly subscription plan fee in effect on the last day of that period.

"GMV" is the total dollar value of all transactions of course sales, membership subscriptions, or other products or services by our customers, facilitated through our platform during the period, net of refunds. GMV does not include transactions for course sales, membership subscriptions, or other products or services processed by application programming interfaces or certain apps where the Company does not record the transaction value.

"GPV" is the total dollar value of transactions processed using Thinkific Payments in the period, net of refunds and inclusive of sales taxes where applicable. GPV does not represent revenue earned by us. Penetration rate is the percentage of GMV processed through Thinkific Payments, it is calculated by dividing GPV by GMV for the respective period. We believe that growth in GPV and penetration is an indicator of success of our customers in monetizing their learning products and of our Thinkific Payments offering. It is also a positive growth driver of revenue, which is derived from payment processing fees. Revenue earned from Thinkific Payments is included in our commerce revenue.

Forward-Looking Statements

This press release includes forward-looking statements and forward-looking information within the meaning of applicable securities laws in Canada. Forward-looking statements and information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "trends", "directional indicator", "indicator", "future success", "expects", "is expected", "opportunity", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "scalability", "trajectory", "prospects", "strategy", "intends", "anticipates", "adoption", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will", "occur" or "be achieved", and similar words, or the negative of these terms and similar terminology. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Forward-looking statements in this press release include, but are not limited to statements regarding our financial position; management's ability to increase business efficiencies necessary to build and maintain a sustainable cost structure; business strategy, budgets, operations, investments, financial results, our ability to retain a profitable Adjusted EBITDA run rate, plans and objectives around growth and profitability; industry trends; growth in our industry; our growth rates and growth strategies; the expectations regarding our revenue and the revenue generation potential of Our Platform and other products including the Spotify pilot; and our competitive position in our industry.

Forward-looking statements and information are based on our opinions, estimates and assumptions that, while considered by the Company to be appropriate and reasonable as of the date of this press release, are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including, but not limited to, the Company's ability to execute on its growth strategies; the impact of changing conditions and increasing competition in the global e-learning market in which the Company operates; the Company's ability to keep pace with technological and marketplace changes including, but not limited to fluctuations in currency exchange rates and volatility in financial markets; changes in attitudes, financial condition and demand of our target market; developments and changes in applicable laws and regulations; and such other factors discussed in greater detail under the "Risk Factors" section of our 2024 Annual Information Form ("**AIF**").

Forward-looking statements and information are necessarily based upon estimates and assumptions, which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control and many of which, regarding future business decisions, are subject to change. Assumptions or factors underlying the Company's expectations regarding forward-looking statements or information contained in this press release include, among others: our ability to continue investing in infrastructure to support our

growth and brand recognition; our ability to continue maintaining, innovating, improving and enhancing our technological infrastructure and functionality, performance, reliability, design, security and scalability of our Platform (as defined in our AIF); our ability to maintain existing relationships with customers (as defined in our AIF) and to continue to expand our customers' use of our platform; our ability to acquire new customers; our ability to maintain existing material relationships on similar terms with service providers, suppliers, partners and other third parties; our ability to build our market share and enter new markets and industry verticals; the continued development, rollout, integration and success of new products, features, and services; our ability to retain key personnel; our ability to maintain and expand geographic scope; our ability to execute on our expansion and growth plans; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; and the changes in laws, rules, regulations, and global standards. The foregoing list of assumptions cannot be considered exhaustive.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information provided herein. The opinions, estimates or assumptions referred to above are described in greater detail in "Summary of Factors Affecting our Performance" and in the "Risk Factors" section of our AIF, which is available under our profile on SEDAR+ at www.sedarplus.ca, should be considered carefully by prospective investors. Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material, that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. No forward-looking statement is a guarantee of future results. Accordingly, you should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this press release represents our expectations as of the date specified herein, and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

All of the forward-looking information contained in this press release is expressly qualified by the foregoing cautionary statements. Readers are cautioned that any such forward-looking information should not be used for purposes other than for which it is disclosed.

THINKIFIC LABS INC.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

Amounts expressed in thousands of U.S. dollars

		As at June 30 2025		As at December 31 2024
Assets				
Current assets				
Cash and cash equivalents	\$	52,469	\$	49,492
Trade and other receivables		4,525		4,585
Prepaid expenses and other assets		2,188		3,288
Contract acquisition assets		678		640
Derivative asset		201		—
Total current assets		60,061		58,005
Property and equipment		505		580
Lease right-of-use assets		1,567		1,738
Contract acquisition assets		999		909
Intangible assets		196		136
Total assets	\$	63,328	\$	61,368
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued liabilities	\$	7,336	\$	7,598
Lease liabilities		336		368
Deferred revenue		11,137		9,869
Derivative liability		—		538
Total current liabilities		18,809		18,373

Lease liabilities	1,328	1,401
Total liabilities	20,137	19,774
Shareholders' equity		
Share capital	108,834	109,460
Contributed surplus	8,656	7,945
Accumulated other comprehensive income (loss)	163	(576)
Accumulated deficit	(74,462)	(75,235)
Total shareholders' equity	43,191	41,594
Total liabilities and shareholders' equity	\$ 63,328	\$ 61,368

THINKIFIC LABS INC.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) (unaudited)

Amounts expressed in thousands of U.S. dollars, except share and per share amounts

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Revenue	18,098	16,211	35,942	32,175
Cost of revenue	4,820	4,006	9,492	8,094
Gross profit	13,278	12,205	26,450	24,081
Operating expenses				
Sales and marketing	5,433	4,890	10,459	9,878
Research and development	5,346	4,335	10,244	8,979
General and administrative	3,341	3,060	6,782	6,841
Total operating expenses	14,120	12,285	27,485	25,698
Operating loss	(842)	(80)	(1,035)	(1,617)
Other income				
Finance income	712	1,106	1,313	2,010
Foreign exchange gain (loss)	502	(96)	495	(532)
Total other income	1,214	1,010	1,808	1,478
Net income (loss)	372	930	773	(139)
Other comprehensive income (loss)				
Unrealized gain (loss) on derivatives	542	(106)	739	(603)
Total comprehensive income (loss)	\$ 914	\$ 824	\$ 1,512	\$ (742)
Weighted average number of common shares outstanding - basic				
	68,104,374	79,618,425	68,141,404	80,342,751
Weighted average number of common shares outstanding - diluted				
	68,950,072	81,149,250	69,105,506	80,342,751
Earnings (loss) per share				
Basic	\$ 0.01	\$ 0.01	\$ 0.01	\$ (0.00)
Diluted	\$ 0.01	\$ 0.01	\$ 0.01	\$ (0.00)

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Condensed Interim Consolidated Statements of Cash Flows
(unaudited)

Amounts expressed in thousands of U.S. dollars

Six months ended June 30

	2025	2024
Operating activities		
Net income (loss)	\$ 773	\$ (139)
Items not affecting cash and cash equivalents:		
Depreciation and amortization	686	671
Stock-based compensation	2,019	2,060
Unrealized foreign exchange (gain) loss	(498)	528
Finance income	(1,313)	(2,010)
Interest received	389	2,369
Changes in non-cash working capital:		
Trade and other receivables	733	(972)
Prepaid expenses and other assets	1,097	(775)
Contract acquisition assets	(487)	(353)
Accounts payable and accrued liabilities	786	828
Deferred revenue	1,268	1,052
	\$ 5,453	\$ 3,259
Investing activities		
Proceeds on disposal of property and equipment	—	77
Investment in property and equipment and intangible assets	(142)	(233)
	\$ (142)	\$ (156)
Financing activities		
Operating lease payments	(222)	(220)
Exercise of stock options	45	67
Tax remittances on stock based compensation	(422)	(1,942)
Shares repurchased for cancellation and other equity-related costs, including tax remittances	(2,098)	(38,486)
	\$ (2,697)	\$ (40,581)
Effect of exchange rate fluctuations on cash and cash equivalents held	363	(568)
Increase (decrease) in cash and cash equivalents	2,977	(38,046)
Cash and cash equivalents, beginning of period	49,492	86,611
	\$ 52,469	\$ 48,565
Non-cash transactions		
Taxes accrued on share repurchases included in accounts payable and accrued liabilities	\$ 24	\$ 762

THINKIFIC LABS INC.

Reconciliation from IFRS to Non-IFRS Measures
(unaudited)

Amounts expressed in thousands of U.S. dollars

(in thousands of U.S. dollars)	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Net income (loss)	\$ 372	\$ 930	\$ 773	\$ (139)
Stock-based compensation	1,255	615	2,019	2,060
Depreciation and amortization	334	339	686	671
Foreign exchange (gain) loss	(502)	96	(495)	532
Finance income	(712)	(1,106)	(1,313)	(2,010)

Non-recurring equity transaction costs		302		—		302		—
	\$		\$					
Adjusted EBITDA		1,049		874	\$	1,972	\$	1,114

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For further information: For further information: Media Contact: Haymaker Group, thinkific@haymaker.co, press@thinkific.com; IR Contact: Joo-Hun Kim, IR@thinkific.com

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