

Thinkific Announces Third Quarter 2025 Financial Results

Revenue Increases to \$18.6 Million, up 8% Y/Y

Delivers Cash Flow from Operations of \$0.6 million and Adjusted EBITDA of \$1.1 million

AI Teaching Assistant Enters Early Access for Select Customers

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

VANCOUVER, BC, Nov. 12, 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 September 30, 2025.

"Q3 saw progress as we continue to transform Thinkific," said Greg Smith, CEO and Founder of Thinkific. "We're seeing evidence that our move upmarket is working, and we are investing in the products and capabilities that will drive revenue growth. Upside in Q3 was driven by Thinkific Commerce – a key growth vector that we continue to unlock by evolving the platform to deliver customer success at scale. We also started rolling out our AI Teaching Assistant to a select group of customers. The feedback has been strong and we are expanding access ahead of a full launch in Q1 of 2026. We believe this and the other AI features we have in our product roadmap will redefine the future of learning – creating richer, more engaging learner experiences that will empower customer success at scale and ultimately accelerate growth for Thinkific."

Third Quarter Financial Highlights

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

- Total revenue increased 8% to \$18.6 million, ahead of the guided range of \$18.1 - \$18.4 million, driven by strong Commerce performance that helped Average Revenue per User (ARPU) grow by 5%, to \$173:
 - Commerce revenue increased 23% to \$3.4 million, with GPV⁽²⁾ processed through Thinkific Commerce growing 34% to \$70 million. Thinkific Commerce penetration rate, measured as GPV⁽²⁾ as a percent of GMV⁽²⁾, increased to 61%, up from 47%. GMV⁽²⁾ saw an increase of 3% to \$115 million.
 - Subscription revenue increased 5% to \$15.1 million, with ARR⁽²⁾ also up 5% to \$60.9 million.
 - Thinkific Plus Subscription and Commerce revenue grew 17% to \$4.9 million. Self Serve Subscription and Commerce revenue increased by 5% to \$13.7 million.
- Gross margin was 73%, compared to 76% in the third quarter of 2024, reflecting a shift in our revenue mix as we continue to see strong growth in Commerce revenue.
- Net income was \$0.2 million, a decrease of \$0.4 million.
- Adjusted EBITDA⁽¹⁾ was \$1.1 million or 6% of revenue, an improvement of \$0.1 million, or 14%.
- Cash and cash equivalents were \$51.7 million as of September 30, 2025. During the third quarter of 2025, the Company generated \$0.6 million of cash from operating activities, compared to \$2.5 million in the same quarter a year ago.

"We delivered Q3 revenue that exceeded the high end of our guided range with Adjusted EBITDA⁽¹⁾ of \$1.1 million," said Corinne Hua, CFO of Thinkific. "These results underscore our financial discipline and ability to execute as we continue investing in our strategic priorities and look to drive long-term growth and sustainable value for our shareholders."

Third Quarter Operational Highlights

- Thinkific made its AI Teaching Assistant available for early access to select customers. The AI Teaching Assistant enhances learner engagement through conversational responses tailored from the educator's course material and reflecting the instructor's unique voice. The early feedback has been positive and general availability is expected in the first quarter of 2026.
- In support of our strategic shift upmarket, Thinkific launched enhancements to our Commerce Capabilities. These improvements allow customers to exercise greater flexibility around billing dates, prices, and trial periods; help with the application and removal of coupons, and improve notification capabilities around payments and subscriptions. These updates give businesses the ability to sell at scale and reflect our desire to grow the GMV of our upmarket customers.
- Thinkific continues to release enhancements to its Communities platform, building on last quarter's modernized UI and release of Private Spaces with new direct messaging and video upload capabilities.

(1) Non-IFRS measure. See "Non-IFRS Measures" and the reconciliation to the most directly comparable IFRS measure.

(2) Key Performance Indicators. See definition in "Key Performance Indicators".

Outlook

For the fourth quarter of 2025, the Company expects revenue of \$18.4 - \$18.7 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 November 12 to discuss Thinkific's third 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 12708#. The replay will expire at midnight ET on November 19, 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 unaudited consolidated financial statements and accompanying notes, and Management's Discussion and Analysis for the quarter ended September 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. "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 excluding taxes, interest, depreciation and amortization (or EBITDA), as adjusted for stock-based compensation, foreign exchange loss (gain), 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.

(1) Non-IFRS measure. See "Non-IFRS Measures" and the reconciliation to the most directly comparable IFRS measure.

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; 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 September 30 2025	As at December 31 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 51,742	\$ 49,492
Trade and other receivables	3,658	4,585
Prepaid expenses and other assets	3,204	3,288
Contract acquisition assets	685	640
Total current assets	59,289	58,005
Property and equipment	479	580
Lease right-of-use assets	1,481	1,738
Contract acquisition assets	1,002	909
Intangible assets	189	136
Total assets	\$ 62,440	\$ 61,368
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,955	\$ 7,598
Lease liabilities	328	368
Deferred revenue	11,061	9,869
Derivative liability	107	538
Total current liabilities	18,451	18,373
Lease liabilities	1,210	1,401

Total liabilities	19,661	19,774
Shareholders' equity		
Share capital	109,352	109,460
Contributed surplus	7,864	7,945
Accumulated other comprehensive loss	(145)	(576)
Accumulated deficit	(74,292)	(75,235)
Total shareholders' equity	42,779	41,594
Total liabilities and shareholders' equity	\$ 62,440	\$ 61,368

THINKIFIC LABS INC.

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

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

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Revenue	18,574	17,199	54,516	49,374
Cost of revenue	5,027	4,145	14,519	12,239
Gross profit	13,547	13,054	39,997	37,135
Operating expenses				
Sales and marketing	5,135	5,334	15,594	15,212
Research and development	5,542	4,987	15,786	13,966
General and administrative	3,099	3,132	9,881	9,973
Total operating expenses	13,776	13,453	41,261	39,151
Operating loss	(229)	(399)	(1,264)	(2,016)
Other income				
Finance income	541	897	1,854	2,907
Foreign exchange (loss) gain	(142)	81	353	(451)
Total other income	399	978	2,207	2,456
Net income	170	579	943	440
Other comprehensive (loss) income				
Unrealized (loss) gain on derivatives	(308)	39	431	(564)
Total comprehensive (loss) income	(138)	618	1,374	(124)
Weighted average number of common shares outstanding - basic	68,048,607	68,217,786	68,110,132	76,271,595
Weighted average number of common shares outstanding - diluted	68,698,731	69,340,033	68,941,424	77,805,225
Earnings per share				
Basic	\$ —	\$ 0.01	\$ 0.01	\$ 0.01
Diluted	\$ —	\$ 0.01	\$ 0.01	\$ 0.01

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Condensed Interim Consolidated Statements of Cash Flows (unaudited)

Amounts expressed in thousands of U.S. dollars

Nine months ended September 30

	2025	2024
Operating activities		
Net income	\$ 943	\$ 440
Items not affecting cash and cash equivalents:		
Depreciation and amortization	1,010	1,027
Stock-based compensation	2,981	3,033
Unrealized foreign exchange (gain) loss	(394)	442
Finance income	(1,854)	(2,907)
Interest received	2,246	3,703
Changes in non-cash working capital:		
Trade and other receivables	268	(1,122)
Prepaid expenses and other assets	83	(126)
Contract acquisition assets	(685)	(527)
Accounts payable and accrued liabilities	292	914
Deferred revenue	1,192	863
	\$ 6,082	\$ 5,740
Investing activities		
Proceeds on disposal of property and equipment	—	77
Investment in property and equipment and intangible assets	(159)	(233)
	\$ (159)	\$ (156)
Financing activities		
Operating lease payments	(325)	(328)
Exercise of stock options	46	158
Tax remittances on stock based compensation	(986)	(2,502)
Shares repurchased for cancellation and other equity-related costs, including tax remittances	(2,609)	(38,756)
	\$ (3,874)	\$ (41,428)
Effect of exchange rate fluctuations on cash and cash equivalents held	201	(419)
Increase (decrease) in cash and cash equivalents	2,250	(36,263)
Cash and cash equivalents, beginning of period	49,492	86,611
	\$ 51,742	\$ 50,348
Non-cash transactions		
Taxes accrued on share repurchases included in accounts payable and accrued liabilities	\$ 35	\$ 767

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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 September 30		Nine months ended September 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Net income	170	579	943	440
Stock-based compensation	962	973	2,981	3,033
Depreciation and amortization	323	356	1,010	1,027
Foreign exchange loss (gain)	142	(81)	(353)	451
Finance income	(541)	(897)	(1,854)	(2,907)
Non-recurring equity transaction costs	—	—	302	—
	\$ 1,056	\$ 930	\$ 3,029	\$ 2,044
Adjusted EBITDA				

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<https://investors.thinkific.com/2025-11-12-Thinkific-Announces-Third-Quarter-2025-Financial-Results>