

Thinkific Announces First Quarter 2026 Financial Results

Revenue of \$18.7 Million for Q1 2026, up 5% Y/Y

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

VANCOUVER, BC, May 4, 2026 /CNW/ - Thinkific Labs Inc. ("**Thinkific**" or the "**Company**") (TSX: THNC), a leading learning commerce platform, today announced its financial results for the quarter ended March 31, 2026.

"We delivered a solid Q1 while instrumenting significant, AI-driven changes across our R&D teams," said Greg Smith, CEO and Founder of Thinkific. "Customer response to the release of our AI Teaching Assistant, Thinker, validates both the investment and the direction of our AI Strategy. We are seeing significant productivity gains from our AI investments which gives me confidence that we can accelerate our ability to deliver value to our customers and shareholders. As we move faster and deliver more innovation, we will be delivering more effectively on our core mission: helping our customers succeed by enabling them to grow their businesses while teaching their customers. And as our customers succeed, we will see Thinkific grow alongside them."

First Quarter Financial Highlights

(All comparisons are relative to the first quarter of 2025)

- Total revenue for the first quarter of 2026 increased 5% to \$18.7 million, within the guided range of \$18.6 - \$18.9 million, driven by strong Plus performance that helped ARPU⁽²⁾ grow by 4%, to \$175 per month.
 - Thinkific Plus Subscription and Commerce revenue grew 12% to \$5.1 million. Self Serve Subscription and Commerce revenue increased 2% to \$13.6 million.
 - Subscription revenue, in total, increased 4% to \$15.2 million, with ARR⁽²⁾ also up 2% to \$61.3 million.
 - Commerce revenue, in total, increased 8% to \$3.5 million, with GPV⁽²⁾ processed through Thinkific Commerce growing 16% to \$75.7 million. Thinkific Commerce penetration rate, measured as GPV⁽²⁾ as a percent of GMV⁽²⁾, increased to 64%, up from 56%. GMV⁽²⁾ saw an increase of 1% to \$117.5 million.
- Gross margin decreased 2% to 72% in the first quarter of 2026, reflecting a shift in our revenue mix.
- Net loss was \$1.1 million, a decrease of \$1.5 million from net income of \$0.4 million.
- Adjusted EBITDA⁽¹⁾ was negative \$0.5 million, or (3)% of revenue, a decrease of \$1.4 million.
- Cash, cash equivalents and short-term investments were \$49.4 million as of March 31, 2026.

(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".

First Quarter Operational Highlights

- On February 24, Thinkific made its AI Teaching Assistant, Thinker, generally available. The AI Teaching Assistant enhances learner engagement through conversational responses tailored from the educator's course material and reflecting the instructor's unique voice, reduces repetitive support tasks, and surfaces monetizable moments inside the course experience.
- **Product Innovation.** Thinkific released continuous improvements to Our Platform in the first quarter of 2026.
 - We added features that enable customers to manage learners more easily at scale, including bulk enrollment and unenrollment, a smart importer, and new analytics dashboards for improved visibility into learner progress.
 - A beta version of a new community experience was released featuring a faster, more intuitive design that helps minimize administrative tasks.
 - Added Global Currency options enabling increased Thinkific Commerce penetration among our growing international customer base.

Subsequent to Quarter End

- On April 15, 2026, Thinkific announced the departure of its Chief Product and Technology Officer (CPTO), Ryan Donovan. Greg Smith, CEO and Founder, will take direct oversight of the company's R&D teams and will personally lead the execution of Thinkific's core technology and product strategies.

Outlook

For the second quarter of 2026, the Company expects revenue of \$18.2 - \$18.5 million. Adjusted EBITDA⁽¹⁾ is expected to be in the range of negative 2% to negative 5%.

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 May 4, 2026 to discuss Thinkific's first quarter 2026 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 99012#. The replay will expire at midnight ET on May 11, 2026. 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 condensed interim consolidated financial statements and accompanying notes, and Management's Discussion and Analysis for the quarter ended March 31, 2026, are available on the Company's website at www.thinkific.com and on SEDAR+ at www.sedarplus.ca.

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

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 (loss) income excluding taxes, interest, depreciation and amortization (or EBITDA), as adjusted for stock-based compensation, foreign exchange (gain) loss, finance income, restructuring costs, loss on disposal of property and equipment, 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 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, expectations with respect to Adjusted EBITDA, 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 2025 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 March 31 2026		As at December 31 2025
Assets				
Current assets				
Cash and cash equivalents	\$	6,583	\$	7,837
Short-term investments		42,835		42,857
Trade and other receivables		5,406		5,209
Prepaid expenses and other assets		2,909		3,030
Contract acquisition assets		752		705
Total current assets		58,485		59,638
Property and equipment		507		530
Lease right-of-use assets		1,310		1,396
Contract acquisition assets		1,142		1,034
Intangible assets		174		181
Total assets	\$	61,618	\$	62,779
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued liabilities	\$	6,727	\$	7,357
Lease liabilities		341		342
Deferred revenue		11,434		10,697
Derivative liability		231		--
Total current liabilities		18,733		18,396
Lease liabilities		1,050		1,126
Total liabilities		19,783		19,522
Shareholders' equity				

Share capital	108,867	109,352
Contributed surplus	8,295	7,825
Accumulated other comprehensive (loss) income	(269)	26
Accumulated deficit	(75,058)	(73,946)
Total shareholders' equity	41,835	43,257
Total liabilities and shareholders' equity	\$ 61,618	\$ 62,779

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

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

	Three months ended March 31	
	2026	2025
Revenue	\$ 18,691	\$ 17,844
Cost of revenue	5,291	4,672
Gross profit	13,400	13,172
Operating expenses		
Sales and marketing	4,620	5,026
Research and development	7,057	4,898
General and administrative	3,608	3,441
Total operating expenses	15,285	13,365
Operating loss	(1,885)	(193)
Other income		
Finance income	769	601
Foreign exchange gain (loss)	4	(7)
Total other income	773	594
Net (loss) income	(1,112)	401
Other comprehensive (loss) income		
Unrealized (loss) gain on derivatives	(295)	197
Total comprehensive (loss) income	\$ (1,407)	\$ 598
Weighted average number of common shares outstanding - basic	67,782,583	68,178,844
Weighted average number of common shares outstanding - diluted	67,782,583	69,176,300
(Loss) earnings per share		
Basic and diluted	\$ (0.02)	\$ 0.01

THINKIFIC LABS INC

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

Amounts expressed in thousands of U.S. dollars

	Three months ended March 31	
	2026	2025
Operating activities		
Net (loss) income	\$ (1,112)	\$ 401
Items not affecting cash and cash equivalents:		
Depreciation and amortization	338	351
Stock-based compensation	1,038	764

Unrealized foreign exchange (gain) loss	(24)	14
Finance income	(769)	(601)
Interest received	498	79
Changes in non-cash working capital:		
Trade and other receivables	(104)	995
Prepaid expenses and other assets	55	800
Contract acquisition assets	(348)	(304)
Accounts payable and accrued liabilities	(461)	(263)
Deferred revenue	737	939
Cash (used in) from operating activities	\$ (152)	\$ 3,175
Investing activities		
Investment in property and equipment and intangible assets	(28)	(82)
Cash used in investing activities	\$ (28)	\$ (82)
Financing activities		
Operating lease payments	(69)	(106)
Exercise of stock options	--	35
Tax remittances on stock based compensation	(115)	(204)
Shares repurchased for cancellation and other equity-related costs	(781)	(685)
Payment for share repurchase obligation	(98)	--
Directors compensation and DSU settlements	(24)	--
Cash used in financing activities	\$ (1,087)	\$ (960)
Effect of exchange rate fluctuations on cash and cash equivalents held	13	(252)
(Decrease) increase in cash and cash equivalents	(1,254)	1,881
Cash and cash equivalents, beginning of period	7,837	49,492
Cash and cash equivalents, end of period	\$ 6,583	\$ 51,373
Non-cash transactions		
Taxes accrued on share repurchases included in accounts payable and accrued liabilities	\$ 9	\$ 14

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Reconciliation from IFRS to Non-IFRS Measures (unaudited)

Amounts expressed in thousands of U.S. dollars

	Three months ended March 31	
(in thousands of U.S. dollars)	2026	2025
Net (loss) income	\$ (1,112)	\$ 401
Stock-based compensation	1,038	764
Depreciation and amortization	338	351
Foreign exchange (gain) loss	(4)	7
Finance income	(769)	(601)
Adjusted EBITDA	\$ (509)	\$ 922

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<https://investors.thinkific.com/2026-05-04-Thinkific-Announces-First-Quarter-2026-Financial-Results>