Snipp Interactive Q3 2025 Earnings Conference Call

Speakers: Atul Sabharwal, Founder and CEO and Malcolm Davidson, CFO

Good morning, and welcome to the Snipp Interactive third Quarter 2025 Earnings Conference Call. At this time, all participants are in listen-only mode. Following the Company's prepared remarks, we will open the call for questions. Please note that today's call is being recorded.

Before we begin, I'd like to remind everyone that today's call contains forward-looking statements within the meaning of applicable securities laws. These statements are based on our current expectations and involve risks and uncertainties that could cause actual results to differ materially. For a discussion of these risks and uncertainties, please refer to our public filings available on SEDAR+ and our investor relations website. We do not undertake any obligation to update any forward-looking statements made during this call except as required by law.

Good morning, everyone, and thank you for joining us.

The third quarter continued to reflect the trends that I had previously spoken about that we had first observed in the second quarter. Clients continue to be holding out on budgets and program launches. The state of "confusion" (as I had mentioned in my previous quarterly call) sustained into the third quarter where we continued to close business but not launch programs at the same pace affecting revenue recognition in the short term but adding to our deferred revenue which bodes well for the future. The difference, however, with this quarter is we were prepared operationally to adjust to this new operating paradigm and consequently am happy to say we delivered not just cash flow from operations but also positive EBITDA and Net Income on a reduce revenue base.

While our revenue recognition, as was the case in the second quarter, was impacted with a slower pace of launches – with revenue declining 13% from the same period last year, however we still managed to grow our revenue for nine months by 6%. Also, the upside for the future is that our Deferred Revenue continued to stay at elevated levels reaching $7.0MM. This will eventually turn into Revenue as we launch our backlog of programs. The good news is that our backlog remains healthy at approx. US$15.2MM.

Looking forward am particularly excited by the soft launch made with our retail media partner – Inmar Intelligence – you can refer to our press release dated September 16th announcing the partnership. Inmar Intelligence is a leader in data-driven media and incentive technology. Our collaboration with them marks a fintech loyalty first, with Inmar partnering with Snipp as its exclusive digital incentive partner for Snipp's Financial Media Network (FMN). Through this partnership, Inmar's retail partners can expand the reach of their loyalty programs to Snipp's Financial Media Network of over 67 million consumers and our growing list of financial institutions. As a reminder, Inmar's Digital Incentives Retailer Network, currently reaches over 200 million shoppers across North America and delivers promotions at more than 40,000 retailer locations. The partnership is slated to be fully live in Q4, launching within Snipp's existing integration into the BankAmeriDeals program. While we work towards a full roll out, the program was soft launched on November 18th across 9 regional grocers covering over 1100 locations nationwide. Over 500 offers were made available from the Inmar network to Bank of America customers via Snipp's network, and data from the first two weeks of this soft launch has been very encouraging. We look forward to sharing more with you in the coming weeks.

With that, I'd now like to turn the call over to our interim CFO, Malcolm Davidson for a more detailed look at the financials. Here is Malcolm.

Malcolm Davidson – CFO

Thank you, Atul,

Good morning everyone and thank for joining our call this morning.

As Atul noted, we continue to build on a solid financial and operational foundation that positions the Company well for future periods.

Revenue for the three months ended September 30, 2025, was $5.8 million, a slight decrease from $6.7 million in the same quarter last year — a decrease of approximately 13%.

Gross profit for the quarter was $3.7 million, resulting in a gross margin of 64%, compared to 62% in Q3 of last year. The increase in margin is a result a decrease in operating costs. During the quarter, the Company initiated several cost reduction initiatives to preserve cash until such time as new campaigns are initiated and cash is received.

Turning to EBITDA, we reported EBITDA of $0.5 million for Q3, compared to a EDITDA of $0.7 million in the prior-year period.

Moving to the balance sheet, we ended the quarter with $3.9 million in cash, up from $3.7 million at the end of Q4. Cash flow from operations for the quarter was $0.9 million, a decrease of $1.5 million. The primary reason for the ongoing investment in infrastructure for our operating platforms, campaign infrastructure, and the addition of key personnel.

Accounts receivable at September 30th were $3.0 million, compared to $3.7 million at December 31, in line with the Company's historical average. Cash and accounts receivable totaled $6.9 million, essentially unchanged from year-end. The Company continues to maintain strong receivables turnover and, based on current aging and collection trends, no provision for doubtful accounts is required at this time.

Bookings backlog was $15.3 million at September 30, 2025, compared to $15.5 million at the end of Q3 2024. The backlog, which correlates closely with deferred revenue as it reflects contracted programs not yet recognized as revenue, continues to provide solid visibility into future revenue and reflects sustained customer engagement across the Company's product suite.

Deferred revenue was $6.9 million at September 30, 2025, up from $5.3 million at December 31, 2024, reflecting a $1.7 million increase. This growth highlights strong customer commitments for upcoming programs that have not yet commenced. The Company expects to recognize the majority of deferred revenue as earned revenue over the next 12 months.

Overall, the Company remains focused on maintaining financial discipline while investing strategically in areas that support sustainable long-term growth.

With that, we will open the call up for questions.