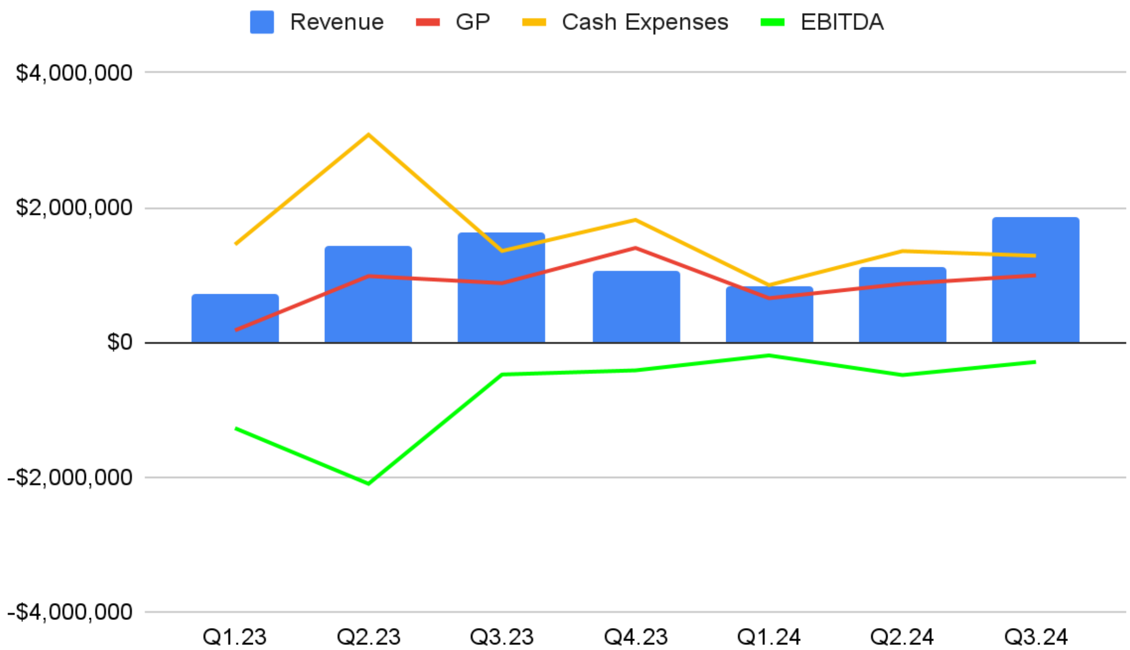
Vertiqal Studios Reports Record-Breaking Q3 with its First Ever EBIT Positive Quarter

TORONTO, ON / ACCESSWIRE / November 14, 2024 / Vertiqal Studios Corp. (TSX:VRTS)(OTCQB:VERTF)(FSE: 9PY0) ("the Company") — Vertiqal Studios, a leading digital-channel network and video-production studio, as well as the owners of North America's largest gaming and lifestyle network on social media, is pleased to announce Q3 financial results, highlighting the achievement of its first-ever EBIT positive quarter.

Below is a summary of the financial results for the three and nine months ended September 30, 2024 compared to the three and nine months ended September 30, 2023.

	Three months ended September 30, 2024	Three months ended September 30, 2023	Variance (%)	Nine months ended September 30, 2024	Nine months ended September 30, 2023	Variance (%)
Revenues	$1,863,636	$1,636,075	14%	$3,810,715	$3,779,114	1%
Gross Profit	$993,474	$878,441	13%	$2,516,465	$2,039,009	23%
Total Expenses	$555,297	$1,997,985	-72%	$3,554,477	$10,749,952	-67%
Net Loss	($52,208)	($1,069,936)	-105%	($1,478,932)	($8,329,477)	-117%
EBITDA	($290,897)	($477,463)	39%	($970,840)	($2,516,950)	138%
EBIT	$438,177	($1,119,544)	60%	($1,038,012)	($8,710,943)	112%



Financial Highlights of Q3 2024:

- **Revenue Composition and Growth:** Vertiqal Studios reported a 14% increase in revenue compared to Q3 2023, exclusively due to an increase in direct media revenue of 78%. For the nine months ended September 30, 2024, revenues increased by 1% in comparison to the nine months ended September 30, 2023, again highlighting the shift in revenue share.
- **Cost Reductions:** For the three months ended September 30, 2024, the Company saw an increase in its gross profit in comparison to the three months ended September 30, 2023 by 13%. This represents the unwavering commitment by the Company to ensure there is profitable revenue growth, through strategic reductions in personnel and more controls on campaign spend. For the nine months ending September 30, 2024, the Company saw a substantial increase in gross profit by 23% in comparison to the nine months ended September 30, 2023. This results in a gross profit margin of 66% vs 54% compared to last year. This marked improvement highlights the Company's ability to become more efficient in managing its costs relative to its revenue and significantly enhances its profitability. It also reflects strategic decisions in pricing, cost management and overall business operations.

- **EBITDA Improvement:** Additionally, Vertiqal Studios has dramatically improved its EBITDA, reporting a loss of $290k for the quarter, a significant improvement from a loss of $477k in Q3 2023. Furthermore, for the nine months ended September 30, 2024, the Company had an EBITDA loss of $970k compared to $2.5M loss in 2023. The 138% improvement in EBITDA loss reflects the combined efforts of more profitable revenues as well as a rigorous cost management policy. This is a direct metric that showcases the company's operational performance and its ability to generate cash flow.

Operational and Strategic Developments:

- **Reductions in Operating Expenses:** For the three months ended September 30, 2024, the Company saw a reduction in Professional fees, General & Administrative and Advertising expenses for a total of $327k in comparison to the three months ended September 30, 2023. For the nine months ended September 30, 2024, the Company saw a reduction of $1.5M in the categories mentioned above for the same time period in 2023. This continuous effort of tightening control over spending and increasing efficiencies to reduce costs will be an ongoing exercise in the upcoming quarters as the Company aims to reduce the EBITDA loss even further.

Overall, these achievements reflect the Company's successful efforts in streamlining operations, optimizing costs and enhancing overall financial performance, setting a positive trajectory for upcoming quarters.

Jon Dwyer, Chairman & CEO of Vertiqal Studios, commented, "Our third quarter results showcase the strength of our core offerings and our ability to adapt to changes in revenue structures. The growth in direct media revenues reinforces our focus on high-margin opportunities and operational efficiency. As we continue executing our strategy, Vertiqal Studios remains well-positioned for sustained growth and long-term profitability."

About Vertiqal Studios

Vertiqal Studios, owners of North America's largest gaming and lifestyle network on social media, is a leading digital-channel network and video-production studio. The company specializes in the creation and distribution of viral videos for brands and advertisers to create always-on digital strategies that live authentically in Gen Z and

Millennial culture. Vertiqal Studios partners with leading brands to develop strategic solutions, creative ideation, and content production, while also providing distribution and amplification through its Owned & Operated channels — all delivered with boutique, white-glove service. Its expertise lies with managing over 130 channels across TikTok, Instagram, and Snapchat, while producing over 100+ pieces of content a day for a growing audience of 52 million-plus followers. For more information and to join our email subscriber list for direct press releases and newsletters, visit https://vertiqalstudios.com/.

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Forward Looking Information

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release.

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