Vertiqal Studios Sees Long-Term Growth on Snapchat

TORONTO, ON / May 16, 2025 / 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, has announced its financial results for the three months ended March 31, 2025. With positive momentum in the Programmatic revenue stream, a partnership with CrossMedia, the largest minority-owned agency in the US, and the seasonal upswing typically seen in Direct Media advertising during the fall and winter months, the Company anticipates strong growth through the remainder of the year.

"Following Snapchat's decision to prioritize the Snapchat Discover ecosystem, within which Vertiqal is one of the largest publishers, management is increasingly optimistic about multi-year growth for our Snap channel offering," said Jon Dwyer, Chairman & CEO of Vertiqal Studios, "our strategic partnership with Cross Media, Snapchat re-prioritizing Discover, and the fact we own an audience of 52 million people across TikTok, Snapchat, and Instagram, 75% of which live in the US, solidifies Vertiqal's position in the US media market."

Key Financial Highlights (Year over Year)

Below is a summary of the financial results for the three months ended March 31, 2025, and March 31, 2024.

	Three months ended March 31, 2025	**Three months ended March 31, 2024**
Revenues	$705,845	$842,909
Gross Profit	567,186	$654,845
Total Expenses	$1,880,599	$1,250,090
Net Loss	($1,313,413)	($513,047)
EBITDA	($561,547)	($213,754)

Financial Highlights of Q1 2025:

- **Revenue Composition and Growth:** Vertiqal Studios reported a 16% decrease in revenue compared to first quarter of 2024. This decrease was witnessed as Snapchat indicated the platform was to merge the fourth and fifth tabs, Discover and Spotlight, respectively, creating a programmatic/sell-direct ecosystem. Snapchat left the platform's monetization structure unchanged; however, the market saw a significant decrease in CPM in January and February 2025. Vertiqal saw revenue increase significantly on Snapchat in March, producing 101% revenue year over year.
- **Gross Margin:** For the quarter ended March 31, 2025, the Company saw a healthy gross margin of 80%, compared to 77% for the same period in 2024. This demonstrates continued operational efficiency within the Company as it sees a shift in its revenue mix.

Despite a year-over-year decline in topline revenue, the Company remains encouraged by the stability of its gross margins and anticipates improved monetization performance in upcoming quarters as advertiser demand and direct media opportunities ramp up. The Q1 results reflect a foundational repositioning for long-term growth, focused on selling direct media inventory appropriately placed through media planning agencies like CrossMedia, and increased programmatic exposure through our ever-growing network of Snap Discover channels.

Fiscal 2025 Outlook

Snapchat growth in Q1 2025 exceeded internal forecasts for March, following the platform's reversal of its decision to merge Discover and Spotlight. The change, originally anticipated to reduce monetization potential, was announced in Q4 of 2024 and contributed to historically low CPMs in the early part of the quarter, particularly as 66% of Q1 includes January and February, typically the slowest advertising months. However, with the reversal announced in late April (https://techcrunch.com/2025/04/29/snapchat-abandons-plans-for-a-simplified-version-of-its-app/), Vertiqal Studios has seen renewed momentum in both demand and performance on Snap. The Company expects Snapchat revenue to meet or exceed the forecast for the remainder of 2025.

"We're incredibly excited about the trajectory of our Snapchat business in the coming quarters," continued Dwyer. "As advertisers return with renewed confidence and we continue to enhance our direct media capabilities, we're well-positioned for meaningful growth in the second half of 2025 and beyond."

The Company also announces that Ira Levy has been appointed as interim CFO, effective immediately, as Pooja Sharma begins her maternity leave. The Company wishes Pooja all the best as she embarks on this exciting new chapter with her family, and warmly welcomes Ira, whose experience and leadership will be instrumental during this transitional period.

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 140 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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