



Snipp Interactive – Conference Call Script – December 3, 2024

Atul Sabharwal – Founder & CEO

Good morning, everyone. Thank you for joining us for the Snipp Interactive third quarter 2024 earnings conference call. I am Atul Sabharwal, Founder and Chief Executive Officer of Snipp Interactive. Joining me today is also Richard Pistilli, who recently took over as our interim Chief Financial Officer. Jaisun Garcha will continue to support the company as we transition into next year.

Please visit our investor relations site at Snipp.com for a copy of our earnings press release and detailed financials, which have also been filed on SEDAR. We present all financial figures in U.S. dollars unless otherwise indicated.

Before we proceed, I'd like to remind everyone that today's discussion may contain forward-looking statements. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially.

Q3 Summary and Key Developments:

The third quarter of 2024 marked a pivotal moment for Snipp. We reported record EBITDA of \$708,649 for the quarter—our highest ever. This represents a significant milestone for the company, as it highlights the operational discipline and strategic focus that we've implemented over the past year. It's also worth noting that this achievement comes on the heels of a \$600,000 EBITDA loss in the first half of 2024, underscoring the pace of our turnaround.

Equally important is our margin improvement. For the third quarter, gross margin surpassed 62%, up dramatically from 32% in the same period last year. This improvement stems from our deliberate strategy to transition away from a single lower-margin legacy contract. Q3 revenue was \$6.65 million, down 22% year-over-year. This decline was again solely driven by the termination of a single low margin contract that continues to weigh on our YTD reported revenues. Our core business remains very healthy and is comprised of high margin revenue stemming from our over 90+ clients, many of whom are Fortune 1000 members. That single contract was expected to sunset, it has, and now our core growth is emerging, as we have now completed the Gambit integration into our SNIPPCare platform.

Looking at the first nine months of 2024, we achieved a positive EBITDA of \$120,866, a strong improvement compared to a \$1.94 million loss in the same period last year. Our bookings backlog also hit a near record \$15.5 million as of September 30, 2024, compared to \$14.5 million a year ago, setting the stage for sustained growth.

I'd now like to turn the call over to Richard Pistilli, interim CFO, who will discuss our financials in more detail.

Richard Pistilli – Interim CFO

Thank you, Atul.

To build on what Atul mentioned, I'd like to provide a deeper dive into our financial performance for the quarter:

- **Revenue:** Q3 revenue totaled \$6.7 million, down from \$8.6 million in Q3 2023, and \$1617 million for the first nine months of 2024, as compared to \$22.6 million for the same period last year. As we have stated in previous communications, the decline in revenue has been deliberate, as we exited a single low margin contract that was inherited in our last acquisition.
- **Margins:** Gross margins reached 62% for the quarter and have averaged 60% year-to-date, as compared to 32% and 28% in the respective periods last year.
- **EBITDA:** Q3 EBITDA of \$708,649 marked a significant increase from \$33,408 in Q3 2023, while year-to-date EBITDA of \$120,866 reflects a major turnaround from a loss of \$1.9 million in the prior year.
- **Net Income:** Q3 net income was \$295,580, as compared to a net loss of \$184,885 in the comparative period. However, year-to-date net loss remains at \$1.4 million, which includes \$1.6 million in non-cash expenses.
- **Cash Position:** As of September 30, our cash balance increased to \$4.6 million from \$2.9 million at the end of 2023. And the company remains debt free.

We believe that the strategic investments made over the past two years in our people and our product suite now firmly position the Company for sustained profitable growth. These results validate our strategic initiatives and highlight the underlying strength of our business model.

Atul Sabharwal – Strategic Outlook

Thanks, Richard.

Let's start of course with our core Snipp business which continued to have a strong quarter and healthy top line growth for the first 9 months of the year--our updated investor presentation on our website should help shed some more light on our underlying strength in our core business on both the top and bottom lines. More of our largest clients are increasing their spending on our solutions and we've had some new logo wins as well. As we stated earlier, we ended the quarter with a record bookings backlog of close to \$15.5 million.

For those following us closely on LinkedIn, they've seen us recently:

- Post the results from our proprietary Snipp 2024 Holiday Shopping Trends Survey
- Have senior Snipp leadership present at the Path to Purchase Institute..... Digital Grocery Summit in Hamburg Germany.....and the Digital Grocery Summit in Amsterdam

- Launch Holiday digital programs for Snickers, Tito's Vodka, Jim Beam, Kellogg's, Nestle Purina, Conagra, O'Reilly Auto Parts and LEGO just to name drop a few key customers.

Our core Snipp business continues to thrive. By focusing on high-margin contracts and operational excellence, we've achieved a seamless integration of Gambit into our infrastructure. With all costs related to Gambit now behind us, it is fully positioned to contribute positively to our margin profile moving forward.

Now I want to take a moment to highlight the performance and potential of SnippMEDIA, our Financial Media Network (FMN). This platform has been live with Bank of America for six months and was recently deployed on AmpliFI, a leading bank loyalty platform that serves over 250 regional banks across the U.S.

FMN is already delivering impressive results:

- The platform currently reaches over 30 million monthly active users and is growing steadily.
- In-store SKU-level grocery offers are experiencing redemption rates of between 5% and 10%.
- Active users clip six offers on average, redeeming two per shopping trip.

This performance demonstrates the scalability and effectiveness of our media platform. Looking ahead, several other financial institutions, including Triple, who we have previously announced are already integrating for targeted deployments in 2025, further helping us grow our audience of active users.

In closing, Q3 2024 represents a very successful quarter for Snipp. We have emerged from a period of operational realignment, and the results of our hard work are evident. As we have one month left in traditionally our strongest quarter, I am pleased to report that Snipp will be EBITDA positive for the full year 2024—a significant achievement compared to both 2023 and the first half of this year. This milestone reinforces our confidence as we enter 2025 with momentum.

Thank you to our team, partners, and shareholders for your continued support. We'll now open the call for questions.