



Q1 2025 Earnings Call Prepared Remarks

Tia Cudahy, COO

Thank you, and welcome to CuriosityStream's discussion of its first quarter 2025 financial results. Leading the discussion today are Clint Stinchcomb, CuriosityStream's Chief Executive Officer, and Brady Hayden, CuriosityStream's Chief Financial Officer. Following management's prepared remarks, we will be happy to take your questions. But first, I'll review the safe harbor statement.

Safe Harbor Statement

During this call, we may make statements related to our business that are forward-looking statements under the federal securities laws. These statements are not guarantees of future performance, but rather are subject to a variety of risks, uncertainties, and assumptions. Our actual results could differ materially from expectations reflected in any forward-looking statements. Please be aware that any forward-looking statements reflect management's current views only and the Company undertakes no obligation to revise or update these statements nor to make additional forward-looking statements in the future. For a discussion of the material risks and other important factors that could affect our actual results, please refer to our SEC filings available on the SEC website and on our Investor Relations website as well as the risks and other important factors discussed in today's press release. Additional information will also be set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, when filed. In addition, reference will be made to non-GAAP financial measures. A reconciliation of these non-GAAP measures to comparable GAAP measures can be found on our website at investors.curiositystream.com. Unless otherwise stated, all comparisons will be against our results for the comparable 2024 period.

Now I'll turn the call over to Clint.

Clint Stinchcomb, CEO

Thank you, Tia.

We have a lot of good news to share today. Our Q1 Revenue of \$15.1M was up 26% YOY and 7% sequentially. Our net income was positive for the first time and improved \$5.4 million YOY. Adjusted EBITDA was positive and improved \$1.1M YOY. Brady will provide more color about other positive key metrics.

Two years ago, in March 2023, we explained our determination to achieve positive cash-flow in our operations and to join the ranks of companies that have enduring business metrics. We increased our cash flow in every consecutive quarter from Q4 2022 to Q4 2024, and we have achieved positive cash flow over the past 5 quarters. In Q1 2025, our EBITDA performance caught up with our sustained positive cash flow and today we are gratified to report that we were adjusted EBITDA positive for the first time, as well as net income positive... landmark achievements for our company.

Because we believe that the volume of our cash flow and surplus cash, beyond that needed for operations, belongs to our shareholders, we implemented a dividend program in Q1 of 2024 and paid our first dividend in April of last year.

In March of this year, we announced an increase to our dividend to \$.04 per quarter or \$.16 annualized. Today, our outlook on future performance gives us the confidence to announce another increase to our quarterly dividend. We are doubling it to \$.08 or \$.32 annualized. We are gratified to give this extra return to our loyal shareholders, many of whom have been committed to our enterprise for well over 5 years. We work for the benefit and interest of our shareholders and we are proud to do so.

I mentioned last quarter that 2025 is a return to top-line growth and continued bottom line growth, both at double-digit percentages. While we aren't providing specific year-end guidance, we remain confident in hitting these marks. Third-party licensing and distribution opportunities are accessible to us - provided we execute optimally - at a scope and scale greater than at any time in company history. As such we remain focused on the five growth pillars we outlined in March which again are 1) Increased licensing of high volumes of video, audio, and other data to traditional media companies and also to tech companies building and fine tuning AI products. 2) Continued rationalization of our annual expenses, 3) Leveraging falling translation costs to accelerate global growth, 4) Launching new currencies to reduce subscription friction Internationally and 5) Selectively enhancing our talent density.

In light of this focus, we have entered into several new third-party agreements in the US and Internationally. We have added extensively to our deep and increasingly wide library of video, audio and other data. And we recently rolled out 10 new currencies.

On the content front, we continued to seek to entertain and enlighten viewers with original premieres, like the second season of *Deadly Science*, profiling the many brave men and women who paid the ultimate price in pursuit of their enormous breakthroughs;

our one-hour collaboration with the popular YouTube franchise *Economics Explained*, exploring how the U.S. became the largest and most influential economy in human history; and *Breakthrough: Asteroid Impact*, a thrilling look at cutting-edge efforts to explore one of Earth's greatest threats. We also continued to strengthen our core offerings in science, history, nature and tech, with compelling specials like *Cleopatra: The Mystery of the Mummified Hand*; *FAST: The Celestial Eye*; and *Mysteries of the Bayeux Tapestry*, a revealing look at the remarkable 224-foot "narrative embroidery" that has taught us so much about the end of the Vikings, and the beginning of the Knights and the feudal system in Europe.

To reinforce what we have said in the past, we believe our strong balance sheet - \$39M in liquidity and no debt - and our continued double-digit growth in both top-line revenue and cash flow make us stand out in the current environment. Moreover, we believe our global subscription proposition, our rising roster of technology and traditional media partners, our public currency and our ongoing rationalization of our cost structure are uniquely favorable attributes that provide us with durable, sustainable market advantages and exceptional flexibility.

I'd like to thank my colleagues and our existing shareholders, for investing the time, energy and resources critical to building Curi. And I really hope there are many potential future shareholders allocating time today, and in the days ahead, to better understand our story and trajectory.

I'll now yield to my pal and colleague, our CFO, Brady Hayden.

Brady Hayden, CFO

Thank you, Clint, and good afternoon, everyone.

Our full financial results will be presented in the 10-Q that we'll file in the next day or two. But let me quickly go through some of the first quarter results that we want to highlight.

As Clint said, we achieved another significant milestone in the first quarter, as we reported earnings of \$0.3 million or 1 cent per share, our first quarter of positive net income in the company's history, and a \$5.4 million improvement from 2024.

Likewise, we reported our first-ever positive adjusted EBITDA, which came in at \$1.1 million, an improvement of \$3.9 million from a year ago.

Adjusted Free Cash Flow came in at \$2 million, the high end of our guidance range, and an increase of \$0.8 million compared to last year. This also represented the fifth sequential quarter of positive adjusted free cash flow.

Revenue for the first quarter was \$15.1 million, compared to \$12 million a year ago. While our Direct subscription revenue at about \$9 million was down slightly, this was more than offset by our licensing revenue which grew by about \$4 million.

First quarter gross margin was 53%, an improvement from 44% a year ago, driven by continued reductions in content amortization. As expected, our cash costs of revenue increased slightly from a year ago, a result of acquiring more rights to licensed content through revenue share arrangements and associated storage costs.

Operating expenses declined in the first quarter, as combined costs for advertising and marketing plus G&A were down \$1 million or 11% compared to last year, the continued result of our ongoing cost rationalization. And excluding stock-based compensation, G&A declined 19% from a year ago.

As I mentioned earlier, adjusted EBITDA was \$1.1 million in the first quarter, compared to a loss of \$2.8 million a year ago. And Adjusted Free Cash Flow was \$2 million in the quarter, compared with \$1.2 million a year ago.

In March we paid our Q1 dividend of \$2.3 million, meaning we have now returned \$6.3 million to shareholders since announcing the dividend program just over a year ago.

We ended the quarter with total cash and securities of \$39.1 million and no outstanding debt. We believe our balance sheet remains in great shape, and that this provides us with significant operating flexibility.

For second-quarter guidance, we expect revenue in the range of \$16 to \$17 million and Adjusted Free Cash Flow in the range of \$2 million to \$3 million.

With that, we can hand it back to the operator and open the call to questions.