



# GAMESQUARE

## **GameSquare Holdings Inc. Third Quarter 2025 Results Conference Call Transcript**

**Date:** November 13<sup>th</sup>, 2025

**Time:** 5:00 PM ET

**Speakers:** **Justin Kenna**  
Chief Executive Officer

**Mike Munoz**  
Chief Financial Officer

**Operator:**

Good afternoon, and thank you for joining us for the GameSquare Holdings 2025 Third Quarter Conference Call. On the call today, we have Justin Kenna, GameSquare's CEO, Lou Schwartz, President, and Mike Munoz, CFO.

During the call, all participants are in a listen-only mode. Following the presentation, we will conduct a question-and answer session.

Before Management discusses the results, I would like to remind everyone that certain statements in this call may be forward-looking in nature. These include statements involving known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in our forward-looking statements. For information about forward-looking statements and risk factors, please refer to our 10-Q for the quarter ended September 30, 2025, which will be available on the Company's website or with the Securities and Exchange Commission.

I will now turn the call over to GameSquare's CEO, Justin Kenna. Justin, please go ahead.

**Justin Kenna:**

Thank you, and good afternoon to everyone joining us on today's call.

As we have mentioned on prior calls, 2025 is a defining year for GameSquare as we pursue a strategic transformation that we believe will mark the foundation of our next phase of long-term growth. While much of this progress has taken place behind the scenes, our third quarter financial results demonstrate that GameSquare has never been in a stronger strategic, operational or financial position.

Over the past year, we have executed a deliberate strategy to optimize our business model, rationalize our portfolio and build a differentiated end-to-end platform that is both scalable and resilient. Significant actions during the year include divesting our remaining stake in FaZe Media, winding down Frankly Media and acquiring Click Management. Taken together, these operational moves have sharpened our focus, improved efficiency and created a more powerful and unified platform that is purpose-built for scale with multiple durable revenue streams working together.

Simultaneously, we have fortified our financial foundation. With the launch of our digital asset treasury strategy in July of 2025, we successfully raised approximately \$18 million to invest in a yield-focused Ethereum model. This strategic initiative enhanced our balance sheet, unlocked scalable treasury yield and accelerated our Web3 market growth. Our digital asset treasury strategy is a critical milestone that underscores our belief in deploying innovative financial approaches to drive long-term shareholder value.

While our transformation is ongoing, we believe our third quarter results are an important inflection, showcasing the financial opportunity of GameSquare's model. I am confident we are entering the next chapter of GameSquare's growth supported by a stronger platform, sharper strategy, expanding our TAM and a fortified balance sheet. So with this introduction, I want to review our operating performance, the Click acquisition and our treasury management strategy.

Our priorities this year remain focused on achieving profitability, streamlining operations and driving higher-margin revenue opportunities across our core media technology and Esports businesses.

During the third quarter, there were several important actions we took to execute against our 2025 operating plan. First, gross margin for the third quarter expanded sequentially by 20 percentage points to 49.4% and is up even more when compared to the second quarter gross margin of 15.3% when including Frankly. This supports our efforts to improve profitability in the back half of the year, and we reported a pro forma EBITDA loss of approximately \$200,000 when including a full quarter of Click compared to a loss of \$3.5 million in the second quarter. I'm pleased to report that GameSquare reported \$5.9 million in net income from Continuing Operations in the third quarter of 2025.

Improvements to profitability reflect the second quarter divestiture of FaZe Media, the wind down of Frankly Media in the third quarter of 2025, and the recent launch of our DAT strategy. As we noted in September, we discontinued the operations of Frankly Media, a legacy programmatic advertising solutions provider. The closing of Frankly reflects our strategic shift towards optimizing our business model by exiting noncore, lower-margin operations. This decision also aligns with our goal of eliminating operating losses and cash burn while concentrating on high-growth areas such as agency, media and technology.

In addition to divesting FaZe Media and discontinuing Frankly, we also consolidated Sideqik, a technology-enabled CRM solutions provider to brands and marketers into Stream Hatchet, a business intelligence suite that offers game publishers, brands and IP holders with unparalleled insights to navigate the complexities of the emerging content form. The consolidated business provides a comprehensive offering of technology and managed services to global brands, game publishers and marketers. The consolidation is expected to reduce annual operating expenses of \$1.25 million.

During the third quarter, we acquired Click Management, a leading talent management firm founded in Australia with a growing U.S. presence, Regularly named as one of the top digital creator agencies by Business Insider and recently awarded Best Talent Management Agency by industry body AiMCO, Click closed over 545 commercial deals globally in 2024 with an annual revenue of \$12.4 million and has assembled one of the largest English-speaking gaming rosters with approximately 75 active talent. For the second half of 2025, GameSquare expects Click to contribute \$14.5 million of annualized pro forma revenue and approximately \$1.2 million of annualized pro forma EBITDA. In addition, the Company expects revenue and cost synergies to materially increase Click's EBITDA contribution for the remainder of 2025 and 2026.

Talent is at the core of today's creator economy and bringing Click into the GameSquare family accelerates our long-term strategy. Together, GameSquare and Click will expand the Company's reach into creator-led brand partnerships and activations, accelerate growth opportunities within GameSquare's media agency and experiences ecosystem and drive immediate cost and revenue synergies by integrating Click through our GameSquare's existing platform. Click is quickly contributing to our revenue growth and profitability, and I look forward to providing more updates on Click's success in future calls.

GameSquare has created a differentiated end-to-end platform with an ecosystem of assets that now includes data and analytics through Stream Hatchet, a talent network through Click, agency services through Zoned and GameSquare Experiences, and owned and operated IP through FaZe Clan Esports as well as partnerships with Paramount, Barnes & Noble College and the Boys. We believe this differentiated and end-to-end platform enables deep partnerships with top game publishers and global brands. Our reach into gaming and Gen Z audiences is unmatched, and as brands compete for share in a challenging economic environment, we are confident in our ability to grow organically, supported by recent partnerships and a robust sales pipeline.

Highlights during the third quarter include: Stream Hatchet was named the official data and insights partner for the 2025 Esports World Cup, and they signed a new managed services contract with Ubisoft. GameSquare Experiences produced the 2025 100 Thieves Summer Block Party. Zoned launched a Fortnite Got Milk? with Dairy MAX campaign. FaZe Clan Esports expanded its record sponsorship deal with Rollbit, and GameSquare was named the Agency of Record for the World of Dance and Anime Coin Foundation, as well as new partnerships with Rekt Brands and Barnes & Noble College. These wins plus many more demonstrate the growing value of our commercial relationships, audience reach and product offerings. Partnerships with Rollbit, Anime Coin and Rekt Brands also reflect the initial success of our Web3 growth strategy as crypto native partners value our audience access and our creative capabilities.

This quarter also marks the first period where our results reflect the digital asset treasury strategy launched on July 1, 2025. Our goal is straightforward — to build one of the most sophisticated yield-generating Ethereum treasuries of any public company and to do so alongside a high-performing operating platform. Unlike pure crypto plays, our model is designed to compound value while buffering against volatility. We are pursuing a three-pronged crypto-native growth strategy, which includes: one, an Ethereum-based treasury strategy through Dialectic's onchain yield platform in which we're generating above-market yields month-on-month; two, a financial art and culture strategy that looks to acquire culturally significant digital assets that we can also generate yield on; and finally, a Web3 operating strategy, leveraging GameSquare's creative agency and Esports businesses to help crypto-native organizations grow global audiences while also adding high-potential digital assets and yield opportunities to our treasury.

Our DAT strategy is focused on driving above-market yields and as the program matures, we continue to expect to reach high single-digit figures. The cash flow and appreciation from our yielding strategies are intended to fund additional repurchases, return capital to shareholders through buybacks, and reinvest in our operating business, creating a self-reinforcing cycle of growth across both pillars of our company.

We have built a dedicated onchain platform supported by best-in-class infrastructure and guided by proven leaders in the crypto and DeFi space. This includes the team at Dialectic, who bring deep expertise in structuring, managing and optimizing institutional-grade onchain portfolios.

Our strategy is also supported by seasoned advisers such as Ryan Zurrer of Dialectic, Robert Leshner of Superstate and Rhydon Lee of Goff Capital, all of whom have been instrumental refining our portfolio construction, risk management and yield generation strategies.

This platform allows us to actively manage our ETH holdings in real time, identify high conviction opportunities and move capital efficiently across strategies. Importantly, the systems we put in place are built for scale, enabling us to increase capital deployment as our treasury grows while maintaining robust oversight and compliance controls.

Although still in its early days, our onchain strategy has already begun to generate meaningful results with over \$600,000 of yield in the last two months of the quarter. At the end of the 2025 third quarter, we held 15,618 ETH with an original cost basis of \$55.5 million, almost all of which was in our onchain yield strategy with Dialectic with an unrealized gain of \$9.3 million in the third quarter. We own 8 crypto funds for a total value of \$6.9 million, which we expect to start contributing to our yield strategy here in the fourth quarter. And we own \$3.8 billion of Altcoins, primarily in Anime and Rekt coin.

Recent efforts to support our digital asset treasury strategy have also helped improve our balance sheet. At September 30, 2025, we had approximately \$82 million of cash and digital assets, no debt outstanding and shareholders' equity of \$79 million. Our balance sheet has never been stronger. We also reduced our accounts payable to \$18 million at September 30, 2025, compared to \$27 million at December 31, 2024.

We started allocating the proceeds of our yielding strategies to buying back our stock. On October 3, we announced the repurchase of 833,124 shares at an average price of approximately \$0.72. Following this transaction, we have \$4.4 million remaining under our current authorization. Given the current stock price, we intend to continue to use funds generated by our treasury strategy to opportunistically repurchase our common stock.

As you can see, GameSquare has never been in a stronger financial position. This strength provides significant flexibility to pursue strategic initiatives, invest in our operating platform and return capital to shareholders.

Before I turn the call over to Mike, I want to review the progress of our Annual Meeting and shareholder vote.

Since the July 2025 stock offerings, many of GameSquare shareholders are new and include retail and foreign holders. This has created a difficult environment to get shareholders to vote. I want to stress to shareholders listening today that your vote is important no matter how many shares you hold. In addition, it is important to note that our challenge is getting shareholders to vote. In fact, shareholders who have voted have currently voted in favor of our proposals by a wide margin. We just need more shareholders to vote in order to reach a quorum.

Our third quarter performance demonstrates that our transformation is real and is gaining momentum. Every structural upgrade, every acquisition, every divestiture is calibrated to create real shareholder value, but the continued success of our long-term strategic plan is contingent on governance that is modern, agile and ready to guide the Company. By voting for our director nominees and proposed resolutions, you are endorsing a bold future. You enable a streamlined corporate structure capable of faster decision-making, you validate the leadership team's vision, you ensure we have the flexibility to pursue capital raises, strategic partnerships and growth initiatives without encumbrances.

IFS, an industry-leading independent proxy advisory firm, has recommended that GameSquare shareholders vote for the Company for proposal. Insiders and major shareholders, including the Jones and Goff families, members of management and Board, Ryan Zurrer and Robert Leshner have all voted in favor of the Company's proposals, demonstrating their continued confidence in the Company's strategy and long-term potential.

We are entering a new chapter of GameSquare. The Click acquisition accelerates our access to top-tier talent and brand relationships. The corporate simplification and governance modernization paves the way for smarter capital allocation and greater strategic optionality. Our cash and onchain reserves gives us the strength and optionality in uncertain markets. Together, we will build a GameSquare that is nimble, profitable and positioned to dominate at the frontier of gaming, creators, media and onchain innovation.

So with this overview, I'd like to turn the call over to Mike to review our 2025 third quarter financial results. Mike?

**Mike Munoz:**

Thanks, Justin. Our reported results for the third quarter reflect the wind down of Frankly, approximately three weeks of Clicks results and the contribution of our onchain yielding strategy.

Comparing our 2025 third quarter reported results to the prior year, total revenue was \$11.3 million compared to \$9.3 million. The 22% year-over-year increase in revenue was primarily driven due to growth across our technology, agency and owned and operated IP segments.

Reported gross margin for the 2025 third quarter was \$5.6 million or 49.4% of sales compared to \$4.2 million or 45.3% of sales for the same period last year. The 4.1 percentage point improvement in gross margin reflects ongoing efforts to improve profitability and the initial contribution of our DAT strategy. In addition, reported gross margin was materially higher than the 15.3% we reported for the 2025 second quarter, which included Frankly and demonstrates the powerful adjustments we have made to our financial model.

Adjusted EBITDA loss for the 2025 third quarter was \$0.6 million compared to a loss of \$0.9 million for the same period last year and a total loss of \$3.2 million for the 2025 second quarter or \$3.5 million for the 2025 second quarter as historically reported, which included Frankly.

Higher profitability and gains from our debt produced \$5.9 million in net income from Continuing Operations compared to a net loss of \$3.9 million for the same period a year ago.

On a pro forma basis, which includes a full quarter contribution from Click Management, revenue was \$15.5 million and pro forma Adjusted EBITDA loss was \$0.2 million. We believe the pro forma improvements to sales and EBITDA demonstrate the progress we are making, getting to scale and improving profitability.

At September 30, 2025, we had cash and cash equivalents and debt assets of \$81.5 million. During the third quarter, we used our robust liquidity to eliminate all outstanding debt. We have also reduced accounts payable by \$8.9 million or 33% from December 31, 2024, primarily due to elimination of legacy payables associated with prior acquisitions.

We ended the quarter with \$78.7 million of shareholders' equity compared to \$12 million at the beginning of the year, which reflects the success of our July equity offerings.

As you can see, GameSquare has a strong financial position with excellent liquidity to pursue strategic initiatives, invest in our operating platform and return capital to shareholders.

With this overview, I'll turn the call over back to Justin.

**Justin Kenna:**

Thanks, Mike.

The progress we are making is encouraging. We've improved our margins. We streamlined our cost structure. We rationalized our platform. We reinforced our balance sheet and added a new growth engine in Click. Alongside this, our digital asset treasury strategy gives us strategic capital flexibility and a differentiated return profile. The result is a business that looks fundamentally stronger than it did just three months ago and a company that has never been better positioned to scale. Our balance sheet is healthy and our strategic priorities are fully funded. Operational momentum across media agency technology and onchain innovation continues to strengthen. We are winning new mandates, deepening publisher and brand relationships, scaling creator partnerships and executing a yield strategy that is already contributing to shareholder value.

Turning to our guidance. On a pro forma basis, we continue to expect second half revenue of \$36.8 million and Adjusted EBITDA of \$2.9 million. We are on track.

Looking into 2026, we expect to experience over 20% annual organic revenue growth while maintaining strong gross margin. With the foundation we have built and the efficiency now embedded in our operating model, we are targeting high single-digit to low double-digit adjusted annual EBITDA margins as our business scales. We are excited to enter the next phase of our corporate history as we focus on sustainable growth and operating leverage.

As you can see, 2025 is shaping up to be a transformational year, and I'm excited by the opportunities we are pursuing to create sustained value for our shareholders.

So with this overview, Lou, Mike and I are happy to take your questions.

Operator, please open the call to questions.

**Operator:**

Thank you. To join the question queue you may press star then one on your telephone keypad. You will hear a tone acknowledging your request. If you are using a speakerphone, please pick up your handset before pressing any keys. To withdraw your question, please press star, then two.

The first question comes from Greg Gibas with Northland Securities. Please go ahead.

**Greg Gibas:**

Great. Good afternoon, Justin and Lou. Thanks for taking the questions. Nice to see the share repurchases. Could you discuss your stance on how aggressive you expect to be or your proclivity to buy back shares with the stock trading below your data assets and cash?

**Justin Kenna:**

Yes. We have approval, Greg, to buy up to \$5 million worth of equity. We did our first tranche of \$600,000, so there's roughly \$4.4 million available. And certainly down at these prices, and as you mentioned, where we're trading from an mNAV standpoint, we're going to continue buying stock. So we will be aggressively pursuing that share buyback. We believe we're extremely undervalued. I know that shareholders are frustrated, and we equally share that frustration. We certainly believe with the results in Q3, the cleanup of the balance sheet, we're on the precipice here of really hitting profitability here in Q4 in a major way. We know how undervalued we are and we going to put our money where our mouth is, and we think it's a great use of yield funds.

I think if you look at it that way, Greg, that was sort of two months of yield, it was around \$600,000 of free cash flow and we've used that to buy back shares. We're now another 1.5 months along with sort of increased yield from that. So we're in a position here to be able to go about sort of buying back shares into Tranche 2. But I think about it as those yield proceeds, which is sort of still kind of profit to shareholders, we're going to be using that to buy back stock, and we will continue to do so.

**Greg Gibas:**

Great. That's helpful, Justin. I think last quarter you mentioned how tariff uncertainty impacted timing of several large deals with global gaming companies. Wondering if you could maybe characterize the environment, how it's trended into Q3 and whether you're continuing to see any macro-related pressures maybe ease or become a little bit more favourable.

**Justin Kenna:**

Yes. I think we've seen activity pick up for sure. Certainly, back part of Q3 into Q4, Q4 has been extremely busy for us, which is great. We're expecting our largest quarter, as we've indicated, and seasonality kind of reflects that within our business. But I do think that the sentiment has been pretty positive. We've seen a lot of uptick from our major sort of brand partner and publisher partner relationships.

I would say in terms of some of the comments around tariffs and some of those companies that were headquartered in China, they are ongoing, but they are not deals that have closed, so I wouldn't necessarily say that there's been improvement there. But certainly, just from an activity standpoint, I mean, our pipeline is stronger than it's ever been. We've got a huge amount of RFP flows. We're signing up clients and expanding relationships. We mentioned Rollbit, Dairy MAX, there's a number of others and certainly more news to come.

I think activity in general in our market is certainly really healthy at present.

**Greg Gibas:**

Got it. I guess if you could just maybe provide a little bit more color on the 20% organic revenue growth expectations for next year. Kind of the primary drivers there, if you could discuss those that give you confidence in the 20%?

**Justin Kenna:**

Yes, for sure. We will come out with more detailed guidance prior to year-end. We're going through planning currently and finalizing the models for next year. I would say that 20% organic growth.

I think the easiest way is a starting point, Greg, to think about it is if you look at that back half, those back half numbers, so call it, roughly \$36 million in revenue. If you annualize that, you're at \$75 million,

20% on \$75 million starts to give you an idea. I think that's pretty conservative in terms of where we're going to get to. And certainly, we expect from an EBITDA perspective, as mentioned, that our EBITDA margin of that revenue would be high single digit to low double digit. I hope that gives you a bit of an idea.

In terms of where that's going to come from, a couple of areas. So we've been working on sort of streamlining our agency business, so our creative and strategy team at Zoned with our live events team at GSX. Those guys work together incredibly well. I was talking to our staff the other day and something I'm really proud of is the fact that we don't lose clients. We've got really high retention of clients. We've got more locked-in revenue going into next year than ever before, which is really pleasing. And those contracts are expanding, right, because of—and that's really the model at work, right, which is the more that we can do with Epic Games and Paramount, Jack in the Box, they realize the additional services we have. Whether that's data, media, content, etc., we're expanding those relationships, which is really pleasing. We've got that core there.

In terms of sort of outsized growth, I think there's a number of areas we're really excited about. Creative deployment is certainly one. We talked about sort of bringing in Click. The core part of their business is managing talent. We've got sort of 75 to 80 active talent currently. But we're going to be aggressively pursuing creative deployment strategy that we think could be really lucrative, certainly building off some of the positive work that we've done within kind of the publisher managed services space this year. We sort of mentioned we brought over a couple of guys who have brought in some major game publisher creative deployment deals with Capcom and Ubisoft, and that's going to be roughly a \$6 million kind of revenue business for us this year. We are putting in some work there, and we'll come back with more details around it. But we believe that could be a \$20 million sort of revenue business for us next year.

So yes, certainly, I think our agency business, I would expect outsized growth. I would say 20% growth there would be extremely conservative. Certainly, our talent management and creative deployment areas, certainly areas we expect growth. Again, I think 20% is conservative, but there are certainly areas on top of that for outsized growth, and certainly some interesting opportunities in new markets like MENA and throughout Asia and other opportunities that we think represent significant upside.

**Greg Gibas:**

Great. That's very helpful. I'll pass it on. Thanks, guys.

**Operator:**

The next question comes from Jack Vander Aarde with Maxim Group. Please go ahead.

**Jack Vander Aarde:**

Okay. Great. Good evening. Hi Justin. Hi Lou. Thanks for the update. Covered a lot of ground. So where do I start for questions? Looking at the 2H pro forma guidance, just to help get a read-through on the fourth quarter we're in. Do I interpret this correctly if maybe I just back out the 3Q pro forma numbers from this press release and that bridges to the fourth quarter and some of those is the 2H pro forma guide? Is it as simple as that, or is there anything else to consider?

**Justin Kenna:**

Yes. So I think if you look at the numbers, Jack, from Q2 to Q3, as we sort of mentioned, there's cleanup with Frankly, we bought in Click and we've continued to get efficient. I think we've shown real discipline in getting our costs under control while we start to really grow our revenue. As we put together our model for the back half of year guidance, we're actually slightly ahead of where we wanted to be within Q3. So yes, that is what you do to get to the \$36 million. You would take off the kind of \$15.5 million to \$16 million of pro forma revenue for Q3. Obviously, you get to sort of \$21 million-ish of revenue in Q4. Then if you look at from an EBITDA perspective—and the reality is we had a \$3.5 million loss in Q2, right? So there were things that needed to be unwound and continuous improvement. It's very difficult to go from \$3.5 million loss to a \$3 million profit within one quarter, but we made that \$3 million jump, right? We were very close to breakeven. From a pro forma perspective, it's a \$200,000 loss. So from a \$3.5 million loss, that's a \$3.3 million improvement. It's not quite that, that is required for the next period, but pretty close to. We expect a lot of that to come from increased deal size, deal flow in our largest quarter of the year, which Q4 seasonally represents.

**Jack Vander Aarde:**

Got it. That's helpful. Then I'm not sure if Dialectic and the guys from there are on the line at all, but maybe you can help answer this question.

The Ethereum treasury strategy, that was obviously a huge development change, transformation of the business since you last reported. It's generating above-market yields. That's great. Now, crypto assets are obviously notoriously volatile. Does Dialectic or the whole team there, do you guys have a strategy

or a sense of what happens in a flat-to-down market? I'm just curious to know if they have a strategy there that they're deploying just in case to understand because it is a big dollar amount of assets.

**Justin Kenna:**

Yes, they do and so do we. I think that, one, just from an insurance perspective, Dialectic have a great sort of risk management strategy and one of the more buttoned up teams within the market. We are continuing—I think firstly, what I'd like to say is we're not in the Tom Lee game of just acquiring and stacking Ethereum, right? We're not in an arms race to own the most amount of Ethereum. For us, right now, it's a cash management strategy, right? And we are generating higher than market yields.

Through some of the recent volatility, the yields have actually performed really well. Ryan and his team are incredible and they are generating above-market sort of returns for us.

We are going to be opportunistic. We do have a strategy, and we do have a strategy to divest and we have been doing so. We mentioned buying back shares and cleaning up our balance sheet and using those funds in an intelligent way to grow the business, and we'll continue to do so.

I think the positive right now in terms of the current dip is the fact that we don't need to raise capital. We don't need to go and sell Ethereum. We believe longer term that Ethereum is going up in price. But for us, really, it's purely in terms of our Ethereum strategy, what we're holding, it's a cash management strategy. We're generating not only higher-than-market yields, but a much higher yield than we would be if we were holding it in cash. So we're generating return of the Ethereum. We do have a strategy around different price points and when we'll continue to derisk and how we're going to use those funds and so forth.

I think the positive for us right now is we don't need to liquidate. We can be patient. We don't need to raise money. We're certainly frustrated around our share price and so we'll absolutely use those yield proceeds to buy back the stock. But yes, we're not in the business of just stacking Ethereum. I think there's some misconceptions around that, that we're going to raise more money to buy more Ethereum and leverage the company. We don't need to do that, right? We have an operating business that's hitting profitability and it's going to be generating cash here in the near term. We have a yield strategy that's also generating cash and I think this is a really smart diversified offering that longer term is going to drive real value for shareholders.

**Jack Vander Aarde:**

Okay. Great. I appreciate the colour there. Then maybe just one more and I'll hop back in the queue. On the positive side as well was the biggest surprise to me was the gross margin result. I did a double take on that actually to make sure it was real. Over 49% in the quarter, which is just—it doesn't even—it's night and day compared to historical results.

Was I guess one of the fill in the blanks for me would be, what does Click—I got the Click revenue and kind of adjusted EBITDA target from you guys. What is Click's gross margin? Is it going to dilute that? I mean, are we expecting these 40%, 50% gross margins, or does Click kind of bring things down? Just it's such a difference in a good way, but I just want to understand.

**Justin Kenna:**

Yes. I can kick off with that, and then Mike can give a bit more colour around sort of Click's margins and moving forward.

I would say this is sort of a beautiful kind of match in terms of this quarter was the first quarter that Frankly, was pulled out and we had a higher than normal margin quarter. I wouldn't expect 50% to continue. It's the new norm in terms of our margin with a (inaudible 35:05) handle, right? I would say 40%, Jack, is probably the right way to think about our normalized margin as a business.

Obviously, that can fluctuate to your point around the mix of business moving forward. For example, I touched on the creative deployment business. That's one that we believe there is a lot of low-hanging fruit and some quick wins for us there. Profitable, scalable, but probably slightly lower margin, right? You're in your 20%, 25% type margin there with the creative deployment business, but we do expect sort of outsized growth within our agency business and there's some really healthy margins there.

The mix will fluctuate a little bit with this kind of diversified portfolio, but it was a higher margin quarter than just taking Frankly out. Certainly in the 35% to 45% range moving forward, I would expect if we're performing well, we'll have a full handle on it, and we'll certainly—if we really have outsized growth in certain areas with lower margins, we'll inform the market. But we would expect it to be on a normalized basis with Frankly coming out, which was single-digit margin, right? So it was a really low-margin business and was burning cash, and that's why we divested it. So I'd think about it as 40%.

Mike, I don't know if you want to add anything in terms of margin moving forward.

**Mike Munoz:**

Yes, I think you covered most of it. I think Click's margins generally fall around the 35% range. They're pretty similar to some of the other entities in the agency segment. Obviously, the DAT yield has 100% margin. So more DAT yield will improve our blended margin. But yes, I think the biggest change obviously from Q2 is the removal of Frankly, which there was a lot of top line there but very little margin and it brought down our blended margin substantially.

**Jack Vander Aarde:**

Okay. Great. Then just one more. I'm not sure if the 10-Q is out. I'm just kind of looking for the segment revenue breakout. Just maybe high level wise, what was the mix kind of like? In terms of Agency, Teams and SaaS in advertising? Is that how you're reporting?

**Mike Munoz:**

Yes, that's how we're reporting. You'll see an owned and operated IP segment, which is essentially Teams; Agency, SaaS and Managed Services, and Yield, which is our DAT. So you'll see those four segments. The 10-Q isn't on file yet. We're filing tomorrow post market close, but those segment tables will be there.

Of our reported results of \$11.4 million, \$3.7 million was from owned and operated IP, \$5.4 million was from Agency, \$1.7 million from SaaS and Managed Services and \$600,000 from Yield, \$600,000.

**Jack Vander Arde:**

Okay. Great. I'll look for that 10-Q and I appreciate the update, gentlemen. Have a good night.

**Operator:**

This concludes the question-and-answer session and GameSquare's 2025 Third Quarter Financial Results Conference Call. You may disconnect your lines. Thank you for participating and have a pleasant day.