



GAMESQUARE

GameSquare Holdings Inc. First Quarter 2026 Results Conference Call Transcript

Date: May 14th, 2026

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' 2026 First Quarter Conference Call.

On the call today we have Justin Kenna, GameSquare CEO, and Mike Munoz, CFO.

During the call, all participants are in 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 see our 10-K for the quarter ended March 31, 2026, 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 CEO Justin Kenna. Justin, please go ahead.

Justin Kenna:

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

GameSquare is off to a solid start in 2026. Our first quarter results were in line with our expectations during what is typically the seasonally slowest period of the year. We're excited by the momentum we're seeing across our platform.

Our performance reflects the organic contribution of the integrated business that we've built, as well as the early benefits of recent acquisitions, including Click, our creator marketing and talent business, and TubeBuddy, our AI-enabled software and workflow platform for creators and brands. We believe these acquisitions have meaningfully expanded our position in the creator economy, providing our customer with a single entry point for reaching these audiences.

Click gives us a deeper ability to identify, manage, deploy, and monetize high-value creators for brand and publisher campaigns, while TubeBuddy adds a scaled technology layer that supports creators and



digital publishers with workflow analytics, optimization, and AI-enabled tools. Together, these capabilities strengthen our ability to connect brands, creators, publishers, and audiences to a more complete and differentiated platform.

We have seen clear evidence that GameSquare's platform is resonating with larger clients and driving bigger opportunities. Within GSX and our broader agency business, average deal size is increasing, with 70% of programs now over \$200,000, and we've doubled the number of \$1 million-plus opportunities. These are larger programs and larger clients, and they are increasingly pulling in multiple parts of our ecosystem, including creators, content, media, data, experiential production, and live activations. Importantly, we believe that this validates GameSquare's strategy to serve as a gateway into the creator economy, combining proprietary data, technology, creator relationships, and gaming expertise to help brands reach digital native audiences in more authentic, measurable and scalable ways.

We are also continuing to execute a disciplined capital allocation strategy focused on driving growth, improving profitability and creating long-term shareholder value. That includes investing behind the areas of the business where we see the greatest return potential: pursuing strategic M&A, and evaluating opportunities to share repurchases when we believe that the market is not appropriately valuing our business.

We continue to expand the talent, technology, and capabilities that make GameSquare unique. The recent addition of Justin Miklat as Chief Growth Officer of Click, together with the signing of leading creators such as State and others, further strengthens our position at the center of the creator economy. Combined with Click and TubeBuddy, these additions enhance our ability to scale high-value talent, create new monetization opportunities, and deliver more integrated solutions for brand partners. We are excited by the direction that we're headed and believe that GameSquare is increasingly well positioned to deliver against our 2026 plan.

That is background. I'll use my time today to review our first quarter performance, discuss the progress that we're making across the business, and provide an update on our expectations for the year ahead.

During the first quarter we executed against several important strategic priorities and delivered strong financial results that were in line with our expectations. Reported revenue on a year-over-year basis

increased by 95%, and gross profit dollars expanded year-over-year by nearly 77%, or by \$2.4 million. The combination of revenue growth and higher gross profit continues to support the development of a more scalable financial model.

Along these lines, we also improved our first quarter Adjusted EBITDA loss year-over-year on a pro forma basis. Including the contribution from TubeBuddy, our Adjusted EBITDA loss was just \$656,000, which was consistent with our expectations for the seasonally slowest quarter of the year. Importantly, these results demonstrate the continued progress that we're making toward a full year of profitability.

As a reminder, in February of 2026, we announced the acquisition of TubeBuddy from BENlabs in an all-stock transaction. TubeBuddy provides powerful search engine optimization, workflow analytics, and productivity tools powered by proprietary AI, which are used by creators and digital publishers to grow, manage, and monetize their content. The acquisition adds a scaled creator technology layer to our technology platform, which we believe will accelerate our strategy to build an integrated ecosystem spanning content, community, data, and performance marketing. Importantly, the accretive acquisition of TubeBuddy demonstrates the evolution of our M&A strategy. As our scale increases and our capabilities expand, we are focused on pursuing compelling operating assets that we expect to be accredited to earnings.

Just this morning, we announced the appointment of Justin Miklat as Chief Growth Officer of Click, and added several major creators to Click's roster, including Stake, the second largest Roblox creator. The newly added talent is expected to generate more than \$5 million of incremental annualized revenue while enhancing GameSquare's ability to connect leading creators with global brands to its integrated platform spanning talent management, data analytics, creative services, and experience activations. These additions provide several important benefits to GameSquare.

First, Stake and other recently added creators expand our reach. Secondly, Justin brings a proven track record of scaling and monetizing leading digital talent. Thirdly, these additions create profitable creator-driven revenue streams with attractive operating leverage. And finally, they reinforce GameSquare's ability to consistently attract and retain top tier talent in an increasingly competitive market.

Adding high-impact creators materially expands our presence and enhances our ability to drive higher-value brand partnerships, increase campaign volume, and improve monetization across our platform.



These positive trends reflect the strength of our platform and our ability to consistently attract and retain top tier talent in an increasingly competitive market.

Our integrated platform is driving strong momentum as we provide valuable solutions that connect brands, creators, and consumers at scale. One of the clearest examples of this progress was the performance of our GameSquare Experiences Division, or GSX, which generated record first quarter 2026 bookings of more than \$10 million. This performance was driven by continued demand from leading video game publishers and global brands seeking to connect with Gen Z and digital-first audiences through authentic measurable campaigns. Importantly, GSX currently serves many of the largest video game publishers in the world, underscoring the relevance of our platform within the global gaming ecosystem.

GSX is a strong example of how GameSquare's integrated platform is translating into real commercial momentum. The division brings together creators, content data, media strategy, consumer products, and large-scale experiential execution to help bridge digital influence with real-world engagement. During the quarter, GSX executed a range of live events, hybrid experiences, and digital-first campaigns designed to connect online and offline communities.

Other recent customer and partnership wins further validate the growing momentum we are seeing across GameSquare's ecosystem. During the quarter, we announced the fourth annual renewal of Zoned's long-standing partnership with Dairymax, reflecting the continued value we are delivering for recurring brand partners. We also expanded our partnership with Capcom to support the global launch of Resident Evil Requiem, the newest title in the globally recognized Resident Evil franchise. In addition, we continue to see strong execution across FaZe Esports. FaZe won the sixth Invitational 2026, taking home \$1 million in prize money, which contributed to revenue in the first quarter. This marks the second consecutive year that FaZe Esports has earned the title of world champion, and we believe it is powerful validation of FaZe's position at the top of global competitive gaming.

Now on to Q2.

Positive first quarter trends recently accelerated and we're encouraged by the growing momentum we are seeing early in the second quarter and the visibility we are building to balance of the year. We believe our integrated platform is resonating with brands and publishers as they increasingly look for



measurable, creator-led solutions that combine digital reach, real-world engagement, and authentic connections with Gen Z, Gen Alpha, and millennial audiences.

Recent wins include the continued expansion of our work with several global video game publishers. We have already started multiple new programs that are expected to contribute to second quarter sales, while also building a broader pipeline of opportunities for the second half of the year. These programs reflect the increasing demand we see for GameSquare's ability to combine creators' content, live experiences, media, data, and production into integrated campaigns that engage both digital and IRL audiences.

In addition to the momentum we are seeing with individual publisher programs, we are also building a strong track record, helping leading game publishers and brands launch, promote, and extend engagement around major titles and gaming communities. This includes identifying and procuring the right creators, developing the creative strategy, and helping deploy campaigns across content, media, live experiences, and community channels.

During the first quarter of 2026, this area of the business generated approximately \$2.2 million of revenue. This includes recent programs for Capcom, Ubisoft, and other leading game publishers. We expect this to be a major contributor into Q2, and certainly in the back half of 2026.

We are also gaining strong traction in what we view as an important IP creation opportunity for brands and publishers. Programs such as Into the Zone, Epic Games, and the Roblox Creator Showdown demonstrate our ability to develop original repeatable formats that can be monetized across multiple aspects of the GameSquare ecosystem. These properties bring together creators, publishers, brands, content media, live experiences, sponsorships, production, and community engagement in a way that creates multiple high-value revenue opportunities across our platform. Importantly, these programs are a strong proof of our land and expand strategy.

Across Into the Zone and Roblox Creator Showdown, we have developed multiple pieces of IP with our clients supporting approximately 10 events globally in 2026 and generating approximately \$5.5 million of revenue to date. We have already locked in events in the U.S., Germany, and London, with an event in Brazil coming, highlighting both the global production capabilities we have built and the opportunity to expand successful programs into additional markets, formats, and commercial relationships over time.



We are also seeing strong momentum at Click. With the recent addition of several high-profile creators, Click is positioned to deliver what we expect in Q2 to be the largest quarter in its history. The timing of these additions, combined with the appointment of Justin Miklat, gives us added confidence in our ability to scale talent, improve monetization, and drive higher-value brand partnerships with a focus on the U.S. market.

A recent example of Click's growth is the expansion of Hungry Boys Hot Sauce, the viral hot sauce brand from YouTube collective The Boys, which launched in November of 2025 across HEB grocery stores and has since expanded to Spencer's and nearly 300 world market stores. This success highlights our ability to convert creative influence into scalable consumer products, retail distribution, and incremental monetization opportunities. We expect to add additional commercially relevant creators to our platform during the second quarter, further expanding a ecosystem built to drive brand partnerships, consumer products content, and experiential revenue.

Within Stream Hatcher, we recently launched Creator Communities, which is a new way of handling the entire creator marketing process in one place, from creator discovery and onboarding to activation and reporting. As campaigns become more data-driven and performance-focused, companies are looking for platforms that can manage creator discovery, drive positive campaign execution, and provide performance analytics in a single workflow. Creator Communities represents the next step in Stream Hatcher's evolution from a data analytics platform into a broader creator marketing platform. We expect this new AI-enabled platform to begin generating revenue in the back half of 2026.

Finally, we are seeing growth from brands and video game publishers across the globe. This includes meaningful opportunities across the Middle East and Asia within our agency business.

As I mentioned before, our events business is producing multiple activations globally that coincide with some of the year's biggest cultural events. In addition, GameSquare will once again be well represented at this year's Esports World Cup, which will take place from July to August and will feature a record-breaking \$75 million prize pool.

As you can see, we've believe that we are well positioned for a strong second quarter and an even bigger second half of 2026. We are attracting and retaining leading brand and publisher relationships,



scaling creator-led and experiential offerings, and converting our position in gaming and youth culture into measurable commercial opportunities.

With increasing visibility into the second quarter and the back half of the year, we remain extremely confident in our ability to execute against our full-year sales and profitability outlook.

Before I turn the call over to Mike, I want to briefly mention our upcoming annual meeting of stockholders, which will be held virtually on June 18, 2026. Stockholders of record as of April 23, 2026 are eligible to vote. Your vote is important. In addition to the routine matters being voted on, stockholders are being asked to approve a proposal that would allow us to restate our Certificate of Incorporation and make several governance and corporate structure updates. These include eliminating supermajority voting requirements to amend our Certificate of Incorporation, declassifying our Board of Directors, increasing the number of authorized shares, and making other non-material changes. I want to emphasize that we believe this proposal is important to GameSquare's continued evolution as a public company.

Importantly, we understand there may be some misconceptions around the proposal, particularly as it relates to the increase in authorized shares. Increasing authorized shares does not mean these shares are being issued, nor does it mean the Company is automatically diluting stockholders. Rather, it is intended to provide GameSquare with appropriate flexibility to support our long-term strategy, including potential strategic opportunities, growth investments, balance sheet management, and other corporate purposes that may create value over time.

We are asking shareholders to take a few minutes to review the proxy materials and vote their shares. Whether you're in a large position or a small position, your vote matters and helps ensure your shares are represented at the annual meeting.

We appreciate the continued support of our stockholders and encourage everyone eligible to vote to do so as soon as possible.

So, with this overview, I'd like to turn the call over to Mike to review our 2026 first quarter financial results. Mike.



Mike Munoz:

Thanks, Justin. Our reported results for the first quarter of 2026 reflect the successful strategies underway to drive profitable growth.

Comparing our 2026 first quarter reported results to the prior year, total revenue was \$14.5 million compared to \$7.4 million. The 95% year-over-year increase in revenue was primarily due to the acquisition of Click and TubeBuddy, as well as large growth in our marketing agency operating segment.

Reported gross margin for the 2026 first quarter was \$5.6 million, or 38.4% of sales, compared to \$3.2 million, or 42.5% of sales for the same period last year. The slight year-over-year decline in gross margin was due to change in revenue by product mix.

Adjusted EBITDA for the 2026 first quarter was \$1.1 million loss compared to \$2.6 million loss for the same period last year. The \$1.5 million improvement reflects the strategies we are pursuing to drive profitable sales.

On a pro forma basis, which includes a full quarter contribution of TubeBuddy, revenue was \$15.8 million, and pro forma Adjusted EBITDA loss was just \$0.7 million, or 4.2% of pro forma revenue. We believe pro forma sales and Adjusted EBITDA demonstrate the accretive contribution TubeBuddy will have on our financial performance.

As of March 31, 2026, we had cash and cash equivalents and digital asset treasury assets of \$35.9 million. GameSquare has a strong financial position with excellent liquidity to pursue strategic initiatives, invest in our operating platform, and return capital to shareholders.

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

Justin Kenna:

Thanks, Mike. We continue making progress, scaling our business, growing sales, and improving profitability. We also remain focused on balancing investment and growth with disciplined actions to create long-term shareholder value.



In April, we completed our largest monthly repurchase to date, buying back nearly 2.3 million shares for approximately \$1 million at an average price of approximately \$0.44 per share. Since initiating the program in October of 2025, (inaudible 20:26) for approximately \$3.5 million, an average price of approximately \$0.47 per share.

Following April's repurchase activity, we had approximately \$11.4 million remaining under our current authorization, which was expanded on April 14, 2026. We believe recent repurchases reflect both the strength of our balance sheet and our conviction that at current trading levels the current share price does not reflect the underlying value of the business that we are building. As a result, we expect to remain opportunistic and disciplined in using our authorization while continuing to invest behind the growth opportunities across our platform.

We are also transitioning our company to our next phase of accelerating growth. We are advancing our talent strategy with the addition of meaningful creator relationships that will add \$5 million of incremental annualized revenue to our business. We plan to extend our agency and platform capabilities to drive growth in the U.S. and internationally, while pursuing opportunities to expand our reach into some of the largest, most high-profile gaming markets. We believe these actions will drive new revenue streams in 2026 and beyond, and further establish GameSquare as a scaled leader in the global creator economy.

Based on the momentum we see across the platform, our confidence in the year is increasing, and we are encouraged by how the second quarter is shaping up. On a pro forma basis, which reflects our plans for the TubeBuddy business, we are reiterating our previously announced annual guidance for fiscal year 2026. We expect revenue in the range of \$85 million to \$90 million with gross margins of 35% to 40%, and Adjusted EBITDA of over \$5 million.

Our outlook reflects continued organic growth and improving year-over-year profitability. With the structural efficiencies we have implemented and the operating discipline now embedded across the organization, we believe we are well positioned to scale profitability as the business grows. We are excited about the opportunities ahead and confident in our ability to deliver sustained value for our shareholders.



With this overview, Mike and I are happy to take questions. Operator, please open the call up to questions. Thank you.

Operator:

Thank you. We will now begin the analyst question-and-answer session. 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're 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 Jack Vander Aarde with Maxim Group. Please go ahead.

Jack Vander Aarde:

Okay, great. Good evening, guys. Good to see all the moving pieces seem to be coming together and congrats on the maintained pro forma outlook.

Justin, you covered a lot of ground there. I'm trying to figure out where I want to start. In terms of the events side of the business, it sounds like there's quite a bit of things mapped out for the rest of this year and we have the World Cup coming up as well. With all these new businesses you've acquired, including your agency pipeline here, how are you looking at capitalizing and making the most of your events pipeline, including maybe World Cup and other major flagship game releases such as even GTA, knock on wood, down the road? Thanks.

Justin Kenna:

I think it's a great question, Jack. GSX was really formed in 2025. I think the growth of the GSX business has been incredibly pleasing. I think really it was borne out of an extension of Zoned, of our agency business and the two partnered together hand in hand. Post COVID, being able to mix that digital strategy with IRL has been extremely important. To be able to have multiple locked in events with Epic Games and Roblox, building new IP with them on both fronts, not only just here in the U.S. but also internationally is incredibly pleasing.

To your point around how we think about moving forward, I think we've got a lot of locked in revenue there between those two major publishers, which is exciting. It also includes some activations around the World Cup. That hasn't been announced yet, so it's more of a watch this space, but we certainly do



think something that we're doing a lot better in bolstering our commercial team is getting out and marketing really proactively around a lot of these large cultural tentpole moments.

For the gaming space, that might be things like GDC, TwitchCon, other big opportunities, but also obviously in the U.S. with the World Cup around NFL and Super Bowl, with the Olympics coming. We're being really proactive with inventory and pitching not only our current client base, but also new clients. That's starting to translate into a really healthy revenue pipeline.

So, yes, really pleased about how that's progressing, the GSX team working hand-in-hand with Zoned, and being able to build out additional strategies, but also to bring them to life with those experiential and large IRL activations, really pleasing.

I would reiterate that our numbers, we're pleased with Q1, but really, like we've said, and for those that are tracking the story, there's real seasonality in our business. A lot of that activity is picking up into Q2 in the back half of the year. So, what's really pleasing, Jack, and why we're so confident on these numbers is a lot of that revenue is locked in. We're seeing a lot of increased activity. We're getting a lot of RFPs at the moment and so we think there's real upside from there, but certainly we've got really healthy locked-in revenue, not just around game launchers and game publishers, but as we mentioned, around World Cup and some of these big, large cultural moments.

Jack Vander Aarde:

Great to hear there. Maybe if I could just shift gears to the digital assets strategy. I'm not sure if you've had a chance to digest, but there is some progress made on the Clarity Act in the news today. Can you maybe just touch on your overall digital assets strategy with Dialectic? Any thoughts on looking at digital assets to be integrated throughout your core business?

Justin Kenna:

Absolutely. There's been a few catalysts. I think that we see towards the end of last year and start of this year, the markets were hit and for anybody reviewing the financial statements, obviously that's the large majority of this so-called net loss, the unrealized losses from the fluctuation in those crypto numbers. We haven't been selling it like we talked about last time. We sold some ETH early on in the game position to pay off our long-term debt. So, again, to reiterate from a long-term debt perspective we're clear there; we have a really clean balance sheet now.



We're pretty bullish. I think there's a number of indicators on ETH moving up here, like you mentioned there, Jack, but again, I would reiterate we don't consider ourselves a DAT in the traditional sense. There's a number of entities that have acquired Bitcoin or ETH and they're holding crypto into perpetuity. For us, from a balance sheet perspective, it's a cash management strategy like we talked about, generating yield off of the ETH that we hold through Dialectic. But we have a very clear strategy in diversifying into stable coin that we can generate yield off of and into cash. We want to buy back our shares or invest in growth assets. Our priority is our operating business while remaining bullish in the digital asset space.

Again, I would reiterate that flywheel approach that I just don't think others have, which is our digital asset strategy has really benefitted the core operating business. We've yielded close to \$8 million in revenue in new deals since we launched the DAT with Rekt and Azuki and Rolbit, these Web3 companies that are trying to access Web2 audiences.

So, we remain bullish. There's a lot of opportunity for our operating business to drive revenue. We've got a great relationship with Dialectic, who return higher than market yields. But in saying that, we'll continue to be opportunistic and look at ways to drive value for our shareholders. I think we've shown that in buying back our shares through accretive M&A transactions. We remain bullish in the space, Jack, but our priority, I think, as we've shown, is our operating business and we're extremely bullish about being able to scale that.

Jack Vander Aarde:

Okay, great. Maybe if I could just ask one more. This could be for Mike as well.

Just kind of looking at, as your business scales, you're definitely a global business now and you have a lot of events, a lot of different verticals that you're involved with, especially with these acquisitions now. You touched on the Middle East and Asia. Just curious to get a sense of how material are these other regions in the world? Are we in the early innings of this kind of ramp up? Just touch on all the different things you're involved with in the Middle East and Asia, or just to highlight of a couple.

Justin Kenna:

I can kick off there. Mike can certainly add any color if you would like.



I would say that there'll be certainly news to come here in the near term. We have a strategic partnership in the Middle East where there'll be some more details to come, and I would expect revenue to flow into Q2 and certainly into the back half of the year.

I would say that our opportunities in the Middle East are more advanced than those in Asia currently. We're just more early stage, but we are actively having discussions with a number of oars on the ground in China currently, and there's certainly opportunities in multiple facets of our business. From esports and partnering with FaZe and licencing that brand into our event capability, which has really grown organically through Roblox and Epic, and a lot of the clients we work with, they want to be activating globally, so that's been really organic and really positive. F

But in terms of, I'd say, meaningful revenue flow and how advanced these discussions are, the Middle East much more so than Asia at this stage. We're in very active talks with some of the biggest automotive brands in Riyadh and in the Kingdom, and trade shows, airlines. There's a real pipeline there, active conversations, and we expect that to be upside revenue into Q2 and certainly in the back half of the year.

I think there's a lot of opportunities in Asia as well. I would expect that to realistically, Jack, be a Q4 and 2027 impact on the P&L.

Jack Vander Aarde:

Okay, great. I said that was my last question. Just one more for clarity. Going forward now, starting with this second quarter, are we now in a steady apples-to-apples basis now, given all the acquisitions that have been integrated and divestitures? Is now Q2 a clean compare for the rest of this year? Thanks.

Mike Munoz:

Q2 will have a full quarter contribution to TubeBuddy, but it's still year-over-year. Q2 of 2025, those results are going to exclude Click and TubeBuddy.

Jack Vander Aarde:

Got it. Okay. Thank you very much, guys. I appreciate the time. I'm going to hop back in the queue.





Operator:

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

Greg Gibas:

Great. Good afternoon, Justin, Mike. Thanks for taking the questions.

Justin, you spoke to the broader pipeline of opportunities you're seeing heading into the second half of the year. In terms of maybe annual revenue cadence, is a 40%, 60% split between first half, second half expectations still pretty fair? And maybe tied to that, could you speak to the overall brand campaign spend environment or outlook as we move into your seasonally stronger quarters, perhaps as it relates to demand trends you saw in 2025?

Justin Kenna:

Yes, I can touch on both. I think, Greg, high level, that's the right way to think about things is sort of 40% first half of the year, 60% second half of the year. That's historically been correct and we would expect it to be similar.

In saying that, we would expect Q2 to be materially larger than Q1 and can confidently say that we've already exceeded revenue for Q1 and Q2 with, what are we? Six weeks to go.

So we're in really good shape. I think, again, there might be a misconception that the Company's gone backwards here from a big Q4 with profitability into Q1, but as you know, and anyone following the story in this space, there is seasonality. Not just sort of first half to back half, like Q1 is historically the lowest quarter, and you'll see that by the amount of revenue growth that we've had year-on-year, we are really making progress. But the pleasing part is a lot of that revenue is sort of locked in.

In terms of activity, I'd say it's picking up really aggressively. Start of the year was a little slow. It is generally, but I think there was a bit of uncertainty and fear out in the ad and brand spend market. We've been seeing that pick up enormously over the last couple of months.

RFP inflow, just, yes, a lot more activations, a lot more campaigns going on. I'd say a lot more activity than this time last year.



Probably not just the macro factors. Also a combination of us growing our team and having more people out there and really growing and expanding our capabilities and services.

But yes, I think macro conditions right now are really quite pleasing in this space. But yes, Q2 is shaping up really well, back half of the year shaping up well, and we're certainly on track to hit our numbers.

Greg Gibas:

Hey, that's great. Nice to hear about those accelerated client wins early in Q2 here and appreciate that insight into the kind of trends and seasonality.

Kind of changing gears, your M&A outlook for the foreseeable future, is the integration of recent acquisitions and utilizing cash for share of purchases more of a priority right now? Or would you say M&A is still a key focus? Just trying to get a sense of maybe your capital allocation priorities.

Justin Kenna:

I would say the key focus is at more operating business and getting it to scale, which we're starting to. I think we're getting a lot more efficient and really proving out that profitability thesis. And I think to do that, we need to prove our profitability for the year, which we're extremely confident we will do.

In saying that certainly as we mentioned, we will look to continue to repurchase our shares. We're extremely undervalued and we want to fix that and certainly putting our money where our mouth is helps there, but obviously that first piece of proving out profitability also helps.

As it pertains to M&A, I think we're getting a huge amount of inbound. Yes, it is certainly, I would say, a buyer's market right now, especially in our space. A lot of really interesting medium-sized assets from technology to performance marketing to media assets. I'm saying there's a 10 to 40 mil rev range, 10% to 20% EBITDA that don't have access to capital, that don't have access to liquidity that could fit in really well within our ecosystem.

So we're definitely looking, Greg, always at how do we get better? How do we get to scale? But how do we do so in a way that doesn't dilute shareholders, is accretive and makes sense, right? Where we can hopefully get multiples in public markets here as markets start to give us a few green lights.



So the way we think about those, one has to be accretive. We're not looking at anything that's paid cash. But two needs to be relative value. We're not going to go and give a company what they might expect top line because our equity is undervalued. We do like to use equity as currency in those deals. We've got a strong balance sheet, so obviously there's some flexibility there.

So, yes, we'll remain to be opportunistic on the M&A front. I wouldn't say that it's a priority. I think our priority is our operating business, proving out these cash flow thesis is getting to scale, but we do have a fair bit of inbound on the M&A front. I would say again, really cognizant of dilution, really cognizant of shareholder value. Those deals really do need to be relative value and we're very clear on the upfront.

But I think there's a lot of people who see the value in what we're building, one plus one equalling five and wanting to be a part of this into the future. So yes, certainly remaining opportunistic on that front.

Greg Gibas:

Okay, that's great. Appreciate your stance there. I'll take the remaining questions offline. Thanks, guys.

Operator:

This concludes the question-and-answer session. I would like to turn the conference back over to Justin Kenna for any closing remarks. Please go ahead.

Justin Kenna:

Thank you. Yes, I just want to say thanks everyone for joining. I think that Q1 is very much in line with where we expected to be. I think Q2 activity is really, really pleasing, and if anything, we're a little ahead of where we thought we might be. So we are very, very much on track. We're making great progress and we're very excited just to catch up and give those updates to all of you. But yes, certainly making great progress and appreciate the support.

Thanks everyone for dialling in. Cheers.

Operator:

This brings to a close GameSquare's 2026 First Quarter Financial Results Conference call. You may disconnect your lines. Thank you for participating and have a pleasant day.

