

# **ANGEL**

**Angel**

**First Quarter 2026 Earnings Conference**

**Call May 1, 2026**

## **C O R P O R A T E P A R T I C I P A N T S**

**Luk Janssens**, *Head of Investor Relations*

**Neal Harmon**, *Chief Executive Officer*

**Scott Klossner**, *Chief Financial Officer*

## **C O N F E R E N C E C A L L P A R T I C I P A N T S**

**Thomas Forte**, *Maxim Group*

**Jason Helfstein**, *Oppenheimer*

**Eric Handler**, *Roth Capital*

*Partners* **Drew Crum**, *B. Riley*

*Securities*

**Eric Wold**, *Texas Capital*

**Ryan Meyers**, *Lake Street Capital Markets*

## **FORWARD-LOOKING STATEMENTS**

This transcript contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Exchange Act. Forward-looking statements include, but are not limited to, statements regarding our expected financial results, business strategy, growth outlook, market opportunity, product releases, content performance, operational plans, cash needs, future events, and any other statements that are not historical facts.

Forward-looking statements are often identified by the use of words such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “project,” “may,” “should,” “will,” “would,” “could,” “can,” “continue,” or similar expressions, whether in the negative or affirmative. These forward-looking statements are based on management’s current expectations, assumptions, and beliefs as of the date of this transcript and are subject to a number of risks, uncertainties, and factors, many of which are outside our control, that could cause actual results to differ materially from those reflected or implied in the forward-looking statements.

Important factors that could cause actual results to differ materially are described in the “Risk Factors” section of our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, the registration statements we file with the SEC, and in other documents we file from time to time with the SEC. Any forward-looking statement speaks only as of the date it is made, and we undertake no duty to update or revise any forward-looking statements to reflect events or circumstances after the date of this transcript, except as required by law. Readers are cautioned not to place undue reliance on forward-looking statements.

## **P R E S E N T A T I O N**

### **Operator**

Good morning, I would like to invite everyone to Angel's Q1 2026 Earnings Call.

At this time, all participants are in a listen-only mode. The question-and-answer session will follow the formal presentation. You may be placed in the question queue at any time by pressing star, one on your telephone keypad. If anyone should require assistance, please press star, zero. As a reminder, this conference is being recorded.

I would now like to turn the call over to Luk Janssens, Head of Investor Relations.

You may begin your conference.

### **Luk Janssens**

Hello, everyone. Welcome to Angel's first quarter 2026 earnings call.

Joining me are Angel's co-founder and CEO, Neal Harmon, and Angel's CFO, Scott Klossner.

Before we begin, I would like to remind everyone that certain statements made on today's call, including statements regarding future financial performance, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and assumptions and involve risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Information regarding these risks and uncertainties is included in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. These forward-looking statements represent our outlook only as of the date of this call, and we undertake no obligation to update any forward-looking statements except as required by applicable law.

During this call we may refer to certain non-GAAP financial measures; reconciliations of these measures to the most directly comparable GAAP measures are available in our earnings press release. These cautionary statements apply to all forward-looking statements wherever they appear in this call, including in the question-and-answer session.

Our earnings press release is available on our Investor Relations website at [angx.com](http://angx.com), where we also encourage you to sign up for our email alerts.

Neal & Scott will take approximately 20 mins for their opening remarks, before we turn the call over to questions.

Thank you all for joining us. And now I'll pass the call over to Neal.

### **Neal Harmon**

Thank you, Luk, and good morning, everyone.

It's great to be with you for Angel's first quarter 2026 earnings call. As you may have seen from our earnings release, we achieved a milestone in Q1 with positive Adjusted EBITDA of \$4.0 million on total revenues of \$115 million, both significant improvements over Q4 results. This shows the strength of Angel's recurring revenue model. We'll get into these strong results in more detail later on the call, especially when Scott discusses our financial performance.

But now, I want to focus on what sets Angel apart today and what has set us apart from the very beginning: And that is our commitment to having the audience decide, to give them the power. And to align our filmmaker partners with the audience by sharing the upside.

We intentionally set out to redefine the relationship between filmmakers and the audience by inviting Angel

Guild members to watch, screen, and vote on which films and television series are produced and distributed, both on the Angel platform and in theaters.

We have built a global community of over 2.22 million paying members in just over two years. Annualized, that membership base represents approximately \$365 million in annual recurring revenue. The Angel Guild now accounts for more than 72% of our total revenue, and filmmaker royalties have continued to grow right alongside that. In fact, filmmakers have earned \$255 million in cumulative royalties as of March 31, 2026. Our growth is driven by aligning artists and audience, and we believe the untapped total addressable market opportunity ahead is more than 35x where we stand today in the US.

How do we continue to achieve this kind of success in the TV and streaming market against multi-billion dollar competition with huge checkbooks? We remain laser-focused on our audience-centric model, which is attracting world-class talent and some of the most-watched genres to Angel.

For example, during the quarter, Angel's release of Solo Mio, starring Kevin James, crossed \$25 million at the domestic box office with a right-sized marketing spend. A large streamer offered an up-front check to buy the film, but the Solo Mio team came to Angel because they believed the film would be best experienced in theaters, that the Angel Guild would champion the release, and that they would share in the upside. And they were right. And now, Angel, without offering a big upfront check, can attract new Guild members with one of the highest-rated rom-coms in cinema history.

Investors have asked, "Why are we in the theatrical business if we intend to simply break even on our theatrical activities?" That is an incredibly important question. The theatrical business is all about growing the Guild. And the Guild is the economic engine of Angel.

Solo Mio is just one example.

We've signed ten filmmakers for theatrical releases in 2026 who made a similar bet on themselves, their projects, and on the Angel community. Most received competing up-front offers. Without committing up-front capital, our theatrical business helps us to compete effectively for premium titles and genres that likely would have been sold to competitors with multi-billion dollar checkbooks.

Additionally, each theatrical release is a community-building event designed to do three things simultaneously: retain existing Guild members, increase the caliber of filmmakers who want to build with us, and attract new audience segments to the Guild as the theatrical titles are released exclusively on our streaming platform.

As Angel films like Sound of Freedom, The King of Kings, and most recently, DAVID, are released, premium Guild members redeem complimentary tickets and have higher retention. Our Guild members say that they want to impact the film industry. Theatrical releases are cultural events that remind them of the broader impact they are having on our culture. In addition, theatrical titles are consistently ranked as the most popular on Angel's streaming platform. Theatrical improves Guild retention both in theaters and on streaming.

Our 2026 theatrical slate also reflects that world-class talent is now increasingly turning to Angel. Animal Farm, which opens tonight on roughly 2,500 screens, features one of the most unexpected voice casts of well-known stars, including Seth Rogen, Woody Harrelson, Glenn Close, Kieran Culkin, Jim Parsons, Kathleen Turner, and Gaten Matarazzo.

Angel's summer slate begins with Young Washington, an event which opens July 3rd, the day before America celebrates the 250th anniversary of the Declaration of Independence. It stars Golden Globe winners Kelsey Grammer and Mary-Louise Parker, along with Academy Award winner Ben Kingsley.

The Brink of War (starring Jeff Daniels), Runner (with Owen Wilson and Alan Ritchson), Angel And The Badman (starring Academy Award winner Tommy Lee Jones), Drummer Boy, Hershey, and Zero A.D. (with Deva Cassel, Sam Worthington, Jim Caviezel, and Ben Mendelsohn) will finish off the year.

Because of the scale and momentum of the Angel Guild, we are creating a powerful flywheel by attracting

top talent and new genres: the more premium the filmmaker or popular the genre, the stronger the library; the stronger the library, the higher the growth of the Guild; the larger the Guild royalty pool, the more attractive Angel becomes to the next filmmaker. That is a durable competitive moat.

Our third objective in theatrical is audience expansion. Each new title allows Angel to target new and wider audiences. In addition to fans of the award-winning talent previously announced, new genres spanning action, satirical allegory, historical War Epic, Cold War thriller, and Western each unlock dedicated audiences who represent entirely new segments of Angel's addressable market for a lower customer acquisition cost. The Guild model is producing real expansion in our total addressable market with this approach.

An Angel theatrical release is a brand awareness and Guild retention event, a filmmaker magnet, and a new member acquisition vehicle. It's that powerful.

And before I highlight the Angel TV series and then AI improvement, I want to share a final thought about financial discipline when it comes to the theatrical business. We built our ticketing technology and right-sized marketing budgets using our proprietary data. This year's slate of ten films will put Angel in the same release category as studios that have operated for decades and employ thousands of people. We are executing with just over 300 employees, powered by technology and an audience that has already told us what they want to see. And that discipline has delivered higher performance. From 2023 to 2025, Angel's US theatrical releases have generated the highest domestic box office for independent films in the industry, surpassing well-known distributors such as A24, Neon, Fox Searchlight, and Focus Features.

On the Angel streaming platform, our library recently surpassed 1,000 titles, and we are on track to almost double the library from 2025 by adding 500 episodes, 200 films, and 30 comedy specials, hand-picked by the Guild, by the end of 2026.

As AI collapses the cost of VFX and production, we could even see an acceleration of quality independent titles coming to market, and Angel's scalable curation model is poised to discover and capitalize on the best titles from this tsunami of storytelling.

Last year we set a goal to achieve a 10x productivity increase in key functions using artificial intelligence. In Q1 of 2026, we haven't slowed down. Our marketing team has built AI tools that are acting as a 10x multiplier across the entire organization and across a growing library - improving performance and speed simultaneously. Our customer support team is using AI to handle basic inquiries, freeing our people to focus on complex issues, and dramatically improving customer satisfaction. Our media operations team reduced content scrub time from one hour to one minute.

As we work to complete the acquisitions of the "Tuttle Twins" and "The Wingfeather Saga" franchises, we've given their production teams access to Angel's internal AI tools. Last week, "Tuttle Twins" producers showcased an AI production breakthrough to our internal filmmaker AI communication channel. The producers asked everyone to try to identify which scenes in an animated video were generated by AI versus animators. The results were so impressive that we leveraged the knowledge to accelerate series production and reduce animation costs for future episodes of multiple series. As one of the producers put it, "In the last two weeks alone, we've gone from major barriers to unlocking so many opportunities to tell the stories we've been too constrained to tell." We believe that this AI experimentation and knowledge sharing are enabled by our decision to acquire our most-watched series and will strengthen Angel's competitive position.

Our ability to provide a diverse range of unforgettable, values-driven stories across both television and film is one of the reasons why we believe that our total addressable market in the U.S. is over 35 times where we are today. Meanwhile, the global market is estimated to grow over 20 percent each year through 2034 – and we plan to accelerate Guild growth in international markets after we achieve sustainable profitability in the US.

The quarter results have validated the growing strength of Angel's recurring revenue model. Angel is not a theatrical studio. Angel is not even a streamer. But Angel has used both the theatrical business and its streaming platform to build the most engaged values-driven entertainment community in the world with

our expanding library of top talent, over 10 percent growth of Guild members in the quarter, \$115 million in revenue, and \$4 million in positive Adjusted EBITDA.

It's working.

Scott, please walk us through the financials.

**Scott Klossner**

Thanks, Neal, and good morning, everyone. I'm excited to share with you our financial performance in more detail.

As Neal stated, total revenue for Q1 of 2026 was \$115 million, up 143% from \$47m in revenue in Q1 of 2025. Similarly, our YoY improvement in adjusted EBITDA was substantial. Adjusted EBITDA for Q1 of 2026 was positive \$4m, up \$32.7m from a loss of \$28.7m in adjusted EBITDA in Q1 of 2025. Both figures were also above the ranges provided by the company in the 8K filed on 10 April 2026.

Within that total, our revenue mix continues to shift toward the Guild as designed. Guild revenue was 63% of total revenue in Q4 of 2025, and 72% for Q1 of 2026, and as we've stated before that trajectory will continue. Now, if we were to have a blockbuster theatrical release, that may skew that percentage in a future quarter. As of quarter-end, we had 2.22 million paying Guild members, adding over 220,000 members in Q1. If you do the math: 2.22 million members times an average monthly revenue of approximately \$13.69, annualized, that represents roughly \$365 million in annual recurring revenue. And as we continue to add members as planned, our operational leverage will also continue to improve.

As you can see from the significant change in Guild marketing spend as a percent of total Guild revenues (43% in Q1 2026 vs. 79% in Q4 of 2025), we're attracting members more efficiently. That's a key data point for the health of our business. While average revenue per member (ARPM) is holding up well at \$13.69, CAC is lower, which makes it cheaper for us to acquire new members. As a result of growing the library, retention gets better, Customer Lifetime Value rises, and results continue to improve.

On the theatrical side, Solo Mio drove strong results through the quarter, along with the continued run of I Was a Stranger and DAVID. We provide theatrical revenue detail in the 10-Q, the theatrical contribution was a meaningful driver of the \$115 million of revenue. But the contribution of these films to Guild growth and retention moving forward is the strategic reason for being involved in the theatrical business in the first place.

Gross margin for the quarter was 61.8%, consistent with the 60% we reported in Q4 2025. G&A expenses were \$11.2 million, up 53% year-over-year. In comparison to our revenue growth of 143% year-over-year.

Our GAAP net loss attributable to controlling interests was \$13.8 million, or a loss of \$(0.08) per share, compared to a net loss of \$37.3 million, \$(0.26) in Q1 of 2025 – an improvement of over \$23 million year-over-year.

We ended Q1 with \$38.9 million in cash and cash equivalents. And I want to highlight one number from the cash flow statement that I think deserves attention: we generated \$1.9 million in positive operating cash flow in Q1 2026. That compares to a \$9.8 million operating cash outflow in Q1 of 2025. That is a \$11.7 million swing in operating cash generation in a single year – and keep in mind it happened in the same quarter we ran a significant theatrical slate and added 220,000 plus Guild members. That is the flywheel translating into real cash economics.

On April 13th, we successfully closed a \$34.5 million underwritten registered offering of Class A common stock, inclusive of the full exercise of the overallotment option. This raise meaningfully strengthens our balance sheet for the biggest, boldest slate that we have ever brought to the Angel streaming platform for Guild members.

Investors told us that the need to raise capital to satisfy the Trinity agreement, our debt lender, was an overhang on our stock and was potentially pressuring the share price. Having now successfully raised approximately \$32m in net proceeds in this equity offering, which satisfies the requirement, we can unlock an additional \$40 million in debt capital if needed. This capital will primarily be used to strengthen our Guild growth initiatives.

We're pleased with how the team is executing across every dimension of this business. The results for Q1 speak for themselves and we believe this improvement will continue. We're hyper focused on growing the

Guild, the engine that drives the economics of Angel, and we believe we're only just scratching the surface of that total addressable market of potential Guild members. Theatrical releases will still create some lumpiness in our results, for example 7 of our 10 slated theatrical releases will be in the second half of the year. By lumpiness what I mean is the timing of costs and revenues. We told you in Q4 that the spend on DAVID occurred in Q4, and most of that benefit comes in 2026 and beyond. Similarly, in Q2 of this year we will initiate the ad spend for Young Washington, with a planned release date in July. So the revenues are anticipated to come in Q3 and beyond. The bottom line is that adjusted EBITDA on a quarterly basis is likely to remain somewhat volatile, but we believe we're on track to deliver our FY26 guidance of adjusted EBITDA loss of \$25m or less.

And now I'll turn it to the operator for questions

### **Operator**

At this time, we will be conducting a question-and-answer session. If you would like to ask a question, please press \*1 on your telephone keypad. A confirmation tone will indicate that your line is in the question queue. You may press \*2 if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the \*, please. One moment, please, while we pull for questions.

And our first question comes from Thomas Forte with Maxim Group. Please state your question.

### **Thomas Forte**

Great. Thanks. Neal and Scott, congrats. Just one question for me. So as you brought in your theatrical releases, how do you think about how they advance the mission? For example, I would appreciate how you believe Solo Mio and Animal Farm amplify light.

### **Neal Harmon**

Great question, Tom. So if we just back out for one second, Angel and everything we do is about the guild community, strengthening that community, and growing the community. We had a great recording last night of our event. It's called Amplify. That will be broadcast shortly. But we had lots of guild members there, and it was really invigorating for me to see people's faces and their gratitude. And this really is a movement. So that's what this is about.

Right now, in the 21st century, one of the hottest things out there is called IRL in real life. And that's the way that people are thinking about building brands and standing out in the AI era. And social media is becoming so noisy. The internet is becoming so noisy.

How does one stand out? And the filmmakers who are coming to Angel get to stand out by being on the silver screen. And the Angel guild members get to celebrate the work that they are doing, the funds that they are contributing to Angel's mission through their guild memberships. They get to celebrate their work alongside the filmmakers in person, in real life. And that's very powerful for the Angel brand. It's an experience that happened it's going to happen 10 times this year with all different kinds of genres, new genres that we've never done before that allow us to also grow our audience into new audiences.

So we get to help retain our existing guild members, have them be happy with what Angel is accomplishing with their membership fees. We get to attract new filmmakers who want to be on the silver screen and want to stand out and want to have an in-person, real-life community experience. And then we get to reach new audiences with new genres, new talent. So this is really important for us.

Solo Mio and Animal Farm both were opportunities to tap into new markets. Solo Mio being a rom-com, we'd never done that before, is the highest, if not tied for the highest-rated romantic comedy of all time on Rotten Tomatoes. And just a beautiful movie. Kevin James says it's his best work.

We were proud to take that to the world, and it did extremely well. Animal Farm also is not Orwell's masterpiece, allows us to well, you asked, how do these titles amplify light? Well, we fired ourselves from making that decision. The community I have the same vote as everybody else does in the guild.

And so the community voted for Solo Mio. The community voted for Animal Farm, and they felt that they both amplified light. In the case of Solo Mio, it was a joyful rom-com. They had an amazing time.

In the case of Animal Farm, it's a conversation that we believe from the comments that the guild felt like needed to be had. And so both of these are allowing us to expand the audience size for Angel, keep the guild happy, and then help filmmakers understand that Angel is a home.

It's a very broad tent and a home for all different types of genres and talent. Thank you very much, Tom, for that question.

### **Operator**

Your next question comes from Jason Helfstein with Oppenheimer and Company. Please state your question.

### **Jason Helfstein**

Hey, guys. How's everybody doing? I'll ask you two questions. So one, I guess, Neal, has the IPO given you more visibility with talent? And just maybe talk about how all that and then just kind of the success of your box office releases since the IPO, how that's impacted talent relations and the ability to kind of attract talent. And then second, Scott, how are you thinking, I guess, generally about the cadence of net adds and marketing spend for the rest of the year? And I guess, is Young Washington the biggest swing factor as we're kind of thinking about modeling the rest of the year, depending on how that does and kind of what you choose to put behind that thing?

### **Neal Harmon**

Thanks for the questions, Jason. So in terms of the box offices this year, our theatrical strategy is about creating a marketing event and an in-person experience around every single film.

I Was a Stranger brought us brand new interest in the community. Solo Mio also has, for example, we just announced a new title called Runner. That title was a direct result of Solo Mio coming to Angel. And the success of that, Runner decided also to come to Angel. And that's very exciting because that's a new genre for us as well, new actors that we'd never worked with before, Owen Wilson, Alan Ritchson, and it's action comedy. So that's very exciting.

We had a screening premiere in New York for Animal Farm, and that has a really deep, experienced cast. And the relationships that came out of that, we can't announce yet, but there have been lots of relationships come out of that opportunity.

So Jason, definitely the films themselves have been a real draw. As far as the IPO process itself, I think we've seen an increase in conversation. We've had comedians and other talent come to Angel and say that they have invested in Angel. So we know that people are tracking Angel and its mission throughout the community.

And so I think that ANGX gives people a symbol, something that they can rally behind. And quite frankly, we're performing really, really well as a company. We're growing very, very fast. And so it is a galvanizing effect on Angel's mission and on our partners, something for them to track as far as Angel's success. So thanks for that question, Jason.

### **Scott Klossner**

It also got Jason to sign up for the Guild. So that would be one impact.

As far as the cadence of the marketing, we talked after the Q4 release about how we had spent the majority of the spend on the marketing for David in Q4. A lot of that benefit, the majority of that benefit, ultimately will be in Q1 2026 and beyond. As you pointed out, Young Washington is going to be a little bit of a difficult release to project.

So luckily, because we're running our data in a very specific way, we won't overspend in terms of the marketing spend. But because the marketing spend will occur in Q2 and then the results and the benefit coming in Q3, we'll see that same sort of cadence that we did from Q4 to Q1 with David. So David gave us a nice bump in Q1. We should see a nice bump in Q3, but it will create somewhat mixed results in Q2 in terms of marketing spend for the theatrical.

On the Guild side, we're continuing to move efficiently. If you step back for a second and think about marketing spend and what we're doing overall - as the Guild grows bigger - last year, if you step back, we'd lost \$132 million in adjusted EBITDA. This year, we're targeting \$25 million or less. That's in large part because the scale of our business is growing. So an individual movie like Young Washington will have less of an effect in future quarters, but it still will have a cadence impact - a little bit of lumpiness on the earnings side.

**Jason Helfstein**

Thanks.

**Neal Harmon**

Take care.

**Operator**

Your next question comes from Eric Handler with Roth Capital. Please state your question.

**Eric Handler**

Good morning. Thanks for the question. Two questions. First, you guys talked last quarter, I believe, you introduced the Gift the Guild - the \$6 sort of add-on for families. Curious how that strategy has progressed.

**Neal Harmon**

Thanks for asking about that. That's an excellent strategy that the team has been testing where a Guild member can essentially add another Guild member to their billing information. So grandma could add grandkids if she wanted to. And it's an interesting feature.

It's been used. We don't have anything to report on the feature in terms of changing models based on the feature, but we're watching it carefully. And it's an important feature for those Guild members who use it. And it's all margin for us because we don't have to spend marketing to acquire that new Guild member.

So it's a great opportunity. And just to clarify on how the feature works, a premium Guild member or a basic Guild member can both add someone to their account for \$6 a month, and they become a basic member with ads. So that's the function of the feature. Thanks for the question.

**Eric Handler**

Thanks. And then as a follow-up, I really liked your CinemaCon presentation and the movies that you've added to the schedule. And these are great ways to sort of raise the profile of Angel among consumers. Historically, what we've seen from other streaming services is movies are great branding opportunities, but if you want to sustain or increase the lifetime value of a member, a lot of that is aided by the TV series. So I'm curious what your TV series pipeline looks like at the moment.

**Neal Harmon**

Oh, great question. As we guided previously, plenty of episodes for this year. I mean, call your average TV show season 10 episodes, be roughly, yeah, 50 seasons to be released by Angel in 2026. That's our expectation. There is an unknown, and that is some of the breakthroughs that are happening around AI could accelerate the quantity of independent content coming to the market, and that could change the trajectory for us.

So that's the sense of the scale. On our specific most-watched series, we have a new season of Homestead, new season of Tuttle Twins, new season of Wingfeather Saga, new season of Wayfinders. We just announced at our event last night that this will come out on the live stream that we're going to be broadcasting shortly - Seeking Persephone. There's a number of great shows that are coming to Angel, previous shows and brand new shows as well.

So that's an important part of our strategy for retention and for Guild member acquisition, and we will continue to lean into that strategy.

**Eric Handler**

Thanks, Neal.

**Neal Harmon**

Thank you.

**Operator**

Thanks, Eric. Your next question comes from Drew Crum with B. Riley. Please state your question.

**Drew Crum**

Good morning. So Neal, you addressed broadening your audience reach with the expanding 2026 theatrical lineup earlier. Maybe attacking this topic from a different angle, how do you see your mix of content evolving going forward? And are there genres or gaps in content that you'd like to add?

**Neal Harmon**

Oh, that's a great question, Drew. Our strategy is to listen to the Guild and the audience and what the Guild would like for us to deliver for them. But it's also a combination of scale as well. Some genres need scale to support them, right?

Superhero blockbuster movies have \$100 million budgets, and we're not doing superhero movies. But we're doing an action comedy movie that's got pretty big scale called Runner this year. We're also doing a large-scale historical thriller, Zero A.D. And we anticipate that genres will evolve as Angel increases in scale, that any genre that amplifies light will eventually be able to tap into those.

One of the big things that happened - that was a breakout year for us in 2025 - was animation. And traditionally, this is a genre that only large-scale companies can actually execute on. And Angel proved with two of the top 10 animated releases that we can execute on that level with animation. So that's very exciting for us to open up a broader family animation genre for Angel moving forward.

And that's going to be important for Angel. And our focus on serving families and serving Guild members' households is serving that part of the market, which is traditionally underserved. So thanks for that question. Hope that's helpful.

**Drew Crum**

Yeah. Super helpful. Thanks, Neal. And then, Scott, maybe one for you. You have two remaining tranches of debt under your term loan with availability subject to achieving certain conditions. Can you address your need or appetite for accessing these and ability to do so given the accompanying requirements embedded in the agreement? I think one is hitting a minimum recurring revenue figure.

**Scott Klossner**

Right. Well, we've already crossed the threshold for the next tranche along the way in terms of the requirement to draw on it should we choose to do so. And then we're not far from the fourth. But I would suggest that the way to look at it would be, what you're asking us is what does our cash flow runway look like as we go forward?

Q1, we had a positive net operating cash flow. Again, there's going to be a little ebbs and tides from quarter to quarter. But again, if you look back and sort of take a peek at where the company's going and where we're moving forward, it's all about growing the Guild. And so as long as we are continuing to execute in the way that we are, we perceive that the cash we have on hand will continue to take us through to profitability. And I think that's the way to look at it in that sense.

Opportunities may come along that may require cash in some way. But for the most part, as we operate and go forward and grow the Guild, the faster we grow the Guild, it actually utilizes cash. So as the Guild starts to grow, if we see some acceleration opportunities, we may lean into them, obviously, for the benefit of the company long term.

But at this point in time, as we look at our business and our current trajectory, we had \$38 million on the balance sheet as of the end of the quarter. Subsequent to the quarter, we raised the net \$32 million. And then we do have those tranches going forward. So we're in a really solid position in terms of where we are in terms of liquidity.

**Drew Crum**

Okay. Thanks, guys.

**Scott Klossner**

You bet.

**Neal Harmon**

Thank you.

**Operator**

Your next question comes from Eric Wold with Texas Capital. Please state your question.

**Eric Wold**

Thanks. Good morning, guys. So a couple of questions kind of on strategy. I guess with the new genres that you're bringing to theaters this year, how should we think about the marketing strategy around those genres that are new to Angel - in terms of new channels, new methodologies, if any, to kind of attract the potential Angel members that would be attracted to those genres that maybe you haven't been going after before?

**Neal Harmon**

That's a really great question, Eric. So when we pick up a new genre, like Kevin James, Jonathan Roumie, which we've had Jonathan before, and some other actors inside of Solo Mio, each of those actors has a following, and they open up a marketing opportunity for us around their fan bases.

And then additionally, rom-com in general allows us, in combination with our demographics data of our Guild members, to approach the market in a new way. And that expands an audience size for Angel around Solo Mio. And that same phenomenon is happening on every title.

And we anticipate, for example, when we release Runner in September, Owen Wilson and Alan Ritchson both have their own followings. And the action genre has a large following that does extremely well both in theatrical and in streaming. And so these are basically, just think of them as a door. And the door that you open is, "Oh, I get a brand new genre. That gives me an audience. And then I get a brand new set of recognizable faces for a large audience." And that opens up a new marketing door, which for a time drops our CAC for new Guild members around those markets as we take advantage of that opportunity.

Does that make sense, Eric?

**Eric Wold**

Yeah. You bet. And then as a follow-up, I guess on the planned doubling of the library this year, how should we think about the cadence of library additions this year? And then are there any expectations for the annual growth in the library that may be necessary in the years ahead to sustain retention?

**Neal Harmon**

Oh, it's a good question. As far as this year, we're on pace with our episodes and specials. I don't have the

numbers right in front of me. I think if we released the same number of films we did in Q1 through the rest of the year, we'd be behind pace for the 200 titles. But we're not at all concerned about that. We have some deals that are coming together and titles that are going to come in swaths, and we're completely confident in our goal. So think an acceleration of films throughout the year, and we're on track with our TV shows.

And then as far as the subsequent years, there's really a big wild card. Right now, there's 1,000 independent films produced every year without distribution, and about 17% of those are good enough to actually get distribution. And it's only a small percentage of those that are good enough to be on Angel. And Angel is well-positioned to be the first choice for independent filmmakers. And when the tsunami of AI content begins coming to the market, all the rules are going to change.

And this is really exciting. Jeffrey, my co-founder and our chief content officer, was on a podcast with Rick Rubin recently. And Rick Rubin told Jeffrey, "You know what? Slop existed before AI, and slop will exist in higher quantity after AI. Yelling at AI is like yelling at a paintbrush or a drumstick. They're just tools to make art." And we very much see this that way.

And what Angel is positioned to do is, we're better positioned to curate those titles. So if we go from 1,000 independent titles to 10,000, then we're going to be dealing with a lot more quantity, but we're going to be positioned to best curate a beloved library of titles that are values-driven for the audience. And the audience will have trust in Angel's brand. They'll have a physical association with Angel's brand because of the in-real-life experiences. And so we feel like we're positioned.

I wouldn't venture to say at this stage in the world that we need to grow because we doubled the library last year, and we're almost doubling the library this year. Is that the right cadence moving forward? I doubt it. I think that the world is changing at a rate that, content will become more niche and higher quality, and there'll be more options available. And those options will be trying to stand out. And Angel will, we believe, be their first choice to stand out. So it's going to be an exciting next few years. And if you just stand back and look where Angel has come year on year and how Angel's positioned in the marketplace for this opportunity, it's really exciting.

**Eric Wold**

Perfect. Thank you.

**Neal Harmon**

Thank you. Thanks, Eric.

**Operator**

Your next question comes from Ryan Meyers with Lake Street Capital. Please state your question.

**Ryan Meyers**

Hey, guys. Thanks for taking my question. First one for me, I'm just curious. So you guys guided to Q1 after the quarter had already closed, reported results well ahead of expectations. Just wondering what those puts and takes were and what the source of the upside on the first quarter was versus what you guys previously guided in April.

**Scott Klossner**

Sure. Ryan, let me speak to that real quick. You're absolutely correct. When we actually began the guidance, we hadn't closed the month entirely. So as we were going through the offering, the biggest sort of differences that came in is we had an unexpected TVOD contract that came to fruition right at the end that we hadn't booked yet. And the Guild growth was a little higher than expected.

So Q1, right at the end there, we had a couple of things that came in that made a bigger difference in terms of our revenue, which ultimately fell mostly to the bottom line. It changed the result in terms of the adjusted EBITDA number as well. But those were sort of the two main factors that came in right at the end that we didn't have built into our guidance that we gave before we finalized the close.

Keep in mind the way the timing of these things worked. We started giving that guidance at the beginning of April. And just by the time the month got closed, it had changed slightly.

**Ryan Meyers**

Okay. That's helpful.

**Scott Klossner**

Yeah. In a good way.

**Ryan Meyers**

Right. And then just thinking about the Guild membership base, now over 2 million members versus a million or so last year. So we have roughly 12 months of data here. Can you just give us any sort of metrics on what you've seen so far in terms of customer retention, or what you're seeing churn currently look like?

**Scott Klossner**

Well, we haven't specifically given guidance on the CAC number or the retention number. But if we step back for a second and just look at the way the company is evolving, I think it gives you some perspective on those two numbers, at least at a minimum. A year ago, we spent \$34 million in Q1 in Guild marketing, and we had \$35 million in revenue. In this Q1, we spent \$36 million in Guild marketing, and we have Guild revenues of about \$83 million.

So you can see that the dynamic is changing, at least in terms of the way the company is moving forward. Again, remember, everything's about Guild growth and about growing the Guild going forward. And so obviously, CAC and retention become very big numbers. I think we're still at a point where we're not going to give specific guidance on that. There's probably still some fluctuation that's occurring in regard to that.

As we just talked about, we're actually doubling our library, which will have an impact on retention. It'll have an impact on CAC. And it's hard to give specific guidance around that at this point in time. But it won't be too much longer. I'm sure we can talk a little bit more about that.

But I think the important thing to remember is that from an overall picture, our marketing is getting more efficient, especially as a percent of revenue. And the library continues to grow. And our Guild growth numbers - we gave the 200,000 number at the call, and we added another 20,000 in the next 17 days. And we believe that that'll continue to go forward. Neal, did you have something to add?

**Neal Harmon**

Yeah. Ryan, just put yourself in the shoes of a Guild member today versus a Guild member at the beginning of 2025. Beginning of 2025, we had nine theatrical releases. We had Sound of Freedom in our library. We had a few other titles. Now, at the beginning of 2026, we have two major animated releases. We're up to 17 theatrical titles. And we'll be adding an additional 10 titles plus this large streaming library from new genres, new actors, and traditionally more marketable genres like action.

And so as a new Guild member joining us in 2026, it's a completely different picture than it was before. It's a completely different value proposition. And that is the flywheel that is happening here at Angel and is continuing to accelerate.

And so we're very optimistic. We have seen improvements in our retention numbers year on year. And we expect, based on how we're executing, that those are going to continue to improve. And so that is the focus of our business, because with a 1% change in retention, we get huge leverage on that as a business moving forward. And that's our focus. So I'm glad that we're closing with that question because it's so important.

**Ryan Meyers**

Got it. Well, thanks for taking my questions, guys.

**Scott Klossner**

Thanks, Ryan.

**Operator**

Thank you. And ladies and gentlemen, we have reached the end of the question and answer session. I will now turn the call back over to Neal Harmon for closing remarks.

**Neal Harmon**

Thank you.

Everything at Angel is about building a community. The theatrical business and the streaming business are there to support a community and what this community would like to achieve. It's also about aligning filmmakers with the audience by sharing the upside and amplifying all of their impact.

If I were to summarize our two completed quarters as a publicly traded company, in Q4 our acquisitions positioned our most watched series, David, Homestead, Tuttle Twins, and The Wingfeather Saga, for future Guild growth, and in Q1 our scale and deeper use of AI helped transition Angel to sustainable Guild growth.

We are now a community over 2.22 million paying members strong, with an estimated \$365 million of economic power. This is exciting.

The scale and momentum of the Angel Guild is creating a powerful flywheel.

Thank you for your trust in Angel, and we'll see you next quarter.