



Rivalry Announces Record Third Quarter 2022 Results and First-Ever Profitable Month in October

**Esports Betting, Expanded Casino Offering, and Deepened Brand Footprint
Among Next Generation Consumers Drive Record Quarter and Net Profit in October**

- *Record betting handle¹ of \$70.3 million in Q3 2022, up 203% year-over-year, and 83% quarter-over-quarter.*
- *Record revenue of \$7.1 million in Q3 2022, up 93% year-over-year, and 35% quarter-over-quarter.*
- *Gross profit of \$2.1 million in Q3 2022, an increase of 263% year-over-year and consistent with Q2 2022.*
- *Momentum has continued into the fourth quarter with a single-month record betting handle of \$37.2 million and revenue of \$4.5 million in October 2022, achieving the first profitable month in the Company's history.*
- *Operating leverage and profitable customer unit economics set stage for accelerated growth as the Company scales into new verticals and markets.*
- *Strong cash position and no debt provides an important foundation for further execution.*

TORONTO, CA – November 29, 2022 – Rivalry Corp. (the “Company” or “Rivalry”) (TSXV: RVLV) (OTCQX: RVLCF) (FSE: 9VK), an internationally regulated sports betting, media, and technology company, today announced its financial results for the three and nine-month periods ended September 30, 2022. The Company also announced preliminary results for the month of October, 2022. All dollar figures are quoted in Canadian dollars.

“Our leading brand position among Millennial and Gen Z consumers was a catalyst in generating meaningful revenue from esports betting during a period of several tentpole international events, and ultimately driving record results in the third quarter,” said Steven Salz, Co-Founder and CEO of Rivalry. “Our differentiated strategy and product offering is key in connecting with a demographic that legacy operators aren’t equipped to serve. We’ve created brand equity, loyalty, and consumer engagement that continue to guide our successful player acquisition and retention strategy, enhance customer unit economics, and highlight the operating leverage within the business that increases as we scale.”

“The momentum we saw during Q3 has continued into this current quarter as we delivered record results in October, including reaching our first profitable month,” Salz continued. “Delivering a clean net profit on a normalized basis is a promising validation of our overarching strategy which prioritizes sustainable user economics and careful capital allocation. While October will likely set our high benchmark in 2022 as seasonally one of the strongest months, we believe our +20% month-over-month average growth over the past year, successful casino product expansion, and increased market share ownership of esports betting positively signals directionally as to where we are headed on underlying profitability in the future.”

¹ The Company defines “Betting Handle” or “Handle” as the total dollar value accepted in wagers, adjusted for cancellations and corrections.

Third Quarter 2022 Highlights

- Betting handle was \$70.3 million in Q3 2022, a year-over-year increase of 203% compared to \$23.2 million in Q3 2021, and up 83% sequentially from \$38.4 million in Q2 2022. Betting handle exceeded the previous record quarterly high of \$40.2 million reported by the Company in Q1 2022.
- Revenue was a record \$7.1 million in the third quarter, a year-over-year increase of 93% from \$3.7 million in Q3 2021, and represented the Company's highest-ever revenue in any quarter. Revenue was up 35% sequentially from \$5.3 million in Q2 2022.
- The Company launched its first-ever casino game during the quarter and saw immediate impact, contributing 30% of betting handle and 15% of revenue in Q3 2022 despite minimal marketing efforts.
- Gross profit was \$2.1 million in the third quarter, a year-over-year increase of \$1.5 million or 263% from \$0.6 million in Q3 2021, and up 1% sequentially from \$2.1 million in Q2 2022.
- Company maintained a market leadership position among next generation consumers with 82% of active users under the age of 30-years old and continues to highlight significant opportunities in esports betting, demonstrated by over 90% of sportsbook handle derived from esports in Q3 2022.
- The Company had \$23.0 million of cash and no debt as at September 30, 2022.²

October 2022 Preliminary Results³

- Betting handle for the month ended October 31, 2022 was \$37.2 million, a year-over-year increase of 190% compared to \$12.8 million in October 2021, representing an all-time single-month record for the Company.
- Revenue was \$4.5 million in October 2022, a year-over-year increase of 501% from \$0.7 million in October 2021, and also represented a single-month record.
- Gross profit was \$2.1 million in October 2022, a single-month record, equaling the entire reported Q3 2022 gross profit.
- October delivered the Company's first monthly net profit, on a normalized basis, representing a meaningful milestone that demonstrates the inherent operating leverage in the Company's model and path forward to future sustained profitability.

Investor Conference Call

Management will host a conference call at 10:00 a.m. EST on Tuesday, November 29, 2022 to discuss the Company's third quarter 2022 financial results.

Dial-in: 888-886-7786 (toll free) or (+1) 416-764-8658 (local or international calls)

Webcast: A live webcast can be accessed from the Events section of the Company's website at www.rivalrycorp.com or at [this link](#).

A replay of the webcast will be archived on the Company's website for one year.

² Includes cash and cash equivalents of \$19.0 million and restricted cash of \$4.0 million.

³ Preliminary and unaudited financial results are subject to customary financial statement procedures by the Company and its auditors. Actual results could be affected by subsequent events or determinations. While the Company believes there is a reasonable basis for these preliminary financial results, the results involve known and unknown risks and uncertainties that may cause actual results to differ materially. These preliminary fiscal results represent forward-looking information. See "Cautionary Note Regarding Forward-Looking Information and Statements" and "Financial Outlook".

Rivalry's financial statements and management discussion and analysis for the period ended September 30, 2022 are available on SEDAR at www.sedar.com, and on the Company's website at www.rivalrycorp.com.

About Rivalry

Rivalry Corp. wholly owns and operates Rivalry Limited, a leading sport betting and media property offering fully regulated online wagering on esports, traditional sports, and casino for the next generation of bettors. Based in Toronto, Rivalry operates a global team in more than 20 countries and growing. Rivalry Limited has held an Isle of Man license since 2018, considered one of the premier online gambling jurisdictions. Rivalry holds a sports bookmaker license in Australia, and an internet gaming registration in Ontario, and is currently in the process of obtaining additional country licenses. The Company also has a variety of originally developed products and IP, including Quest, an on-site engagement experience, and an original game called Rushlane, a proprietary casino game that marks the creation of a new category for online gaming: Massively Multiplayer Online Gambling Games (MMOGG). Rivalry intends to develop and launch more originally developed MMOGG games and continue adding new third-party casino games housed on its proprietary gaming platform, Casino.exe.

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Financial Outlook

This news release contains a financial outlook within the meaning of applicable Canadian securities laws. The financial outlook has been prepared by management of the Company to provide an outlook for the Company's forecasted revenue, gross profit and net profit for the month ended October 31, 2022 and may not be appropriate for any other purpose. The financial outlook has been prepared based on a number of assumptions including the assumptions discussed under the heading "Cautionary Note Regarding Forward-Looking Information and Statements" below. The actual results of the Company's operations for any period will likely vary from the amounts set forth in these projections and such variations may be material. The Company and its management believe that the financial outlook has been prepared on a reasonable basis. However, because this information is highly subjective and subject to numerous risks, including the risks discussed under the heading "Cautionary Note Regarding Forward-Looking Information and Statements" below, it should not be relied on as necessarily indicative of future results.

Cautionary Note Regarding Forward-Looking Information and Statements

This news release contains certain forward-looking information within the meaning of applicable Canadian securities laws ("forward-looking statements"). All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "could", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "outlook", "expect", "project" and similar words, including negatives thereof, suggesting future outcomes or that certain events or conditions "may" or "will" occur. These statements are only predictions. Forward-looking statements in this news release include, but are not limited to, statements in respect of the growth of the Company's monthly betting handle and other performance indicators.

Forward-looking statements are based on the opinions and estimates of management of the Company at the date the statements are made based on information then available to the Company. Various factors and assumptions are applied in drawing conclusions or making the forecasts or projections set out in forward-looking statements. Forward-looking statements are subject to and involve a number of known and unknown, variables, risks and uncertainties, many of which are beyond the control of the Company, which may cause the Company's actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Such factors, among other things, include regulatory or political change such as changes in applicable laws and regulations; the ability to obtain and maintain required licenses; the esports and sports betting industry being a heavily regulated industry; the complex and evolving regulatory environment for the online gaming and online gambling industry; the success of esports and other betting products are not guaranteed; changes in public perception of the esports and online gambling industry; failure to retain or add customers; the Company having a limited operating history; negative cash flow from operations; operational risks; cybersecurity risks; the impact of the COVID-19 pandemic; reliance on management; reliance on third parties and third-party networks; exchange rate risks; risks related to cryptocurrency transactions; risk of intellectual property infringement or invalid claims; the effect of capital market conditions and other factors on capital availability; competition, including from more established or better financed competitors; and general economic, market and business conditions. For additional risks, please see the Company's prospectus dated September 17, 2021 and other disclosure documents available on the Company's SEDAR profile at www.sedar.com.

No assurance can be given that the expectations reflected in forward-looking statements will prove to be correct. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

Source: Rivalry Corp.

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