Rivalry Reports Record Third Quarter 2023 Results, Reaffirms H1 2024 Profit Guidance

Company Achieves Record Q3 Against Reduced Marketing Spend and Flattened Opex, Highlighting Operating Leverage; Strongest Customer KPI's on a Year-to-date Basis in Rivalry's History; Positioned to Accelerate Growth with Recently Announced $14M Capital Infusion

- *Betting handle of $105.7 million,[1] up 50% year-over-year, while reducing marketing spend 13%.*
- *Revenue of $8.7 million, a 22% increase year-over-year.*
- *Gross profit of $4.0 million, up 90% year-over-year.*
- *Casino has grown to approximately half of the Company's betting handle in Q3, demonstrating ability to cross-sell next generation bettors and drive growth against unseasonably low viewership in select Q3 esports events.*
- *Year-to-date customer KPI's the strongest in Company history: all-time high average handle per customer, average revenue per user, and record low cost of customer acquisition.*
- *Year-to-date betting handle has increased 127%, revenue by 70%, and gross profit up 175% over the first nine months of 2022. Achieved while reducing marketing spend, highlighting the inherent operating leverage in the business.*
- *Subsequent to the quarter end, Rivalry completed a $14M capital infusion that strengthens the balance sheet and provides the Company with capital to pursue growth and profitability at the same time.*
- *Company re-affirms guidance, anticipates achieving profitability in H1 2024.*
- *Announces virtual investor day to be held January 17, 2024.*

TORONTO, Ontario – November 29, 2023 – Rivalry Corp. (the "**Company**" or "**Rivalry**") (TSXV: RVLY) (OTCQX: RVLCF) (FSE: 9VK), the leading sportsbook and iGaming operator for Millennials and Gen Z, today announced its financial results for the three- and nine-month periods ended September 30, 2023. All dollar figures are quoted in Canadian dollars.

"We are proud to have delivered a record third quarter while exercising discipline on costs amidst a challenging capital markets environment for growth companies," said Steven Salz, Co-Founder and CEO of Rivalry. "Now, with our recently announced capital infusion, we will be able to go back on the offensive, while still maintaining our path to profitability."

"Years of consistent performance, flattened opex multiple quarters in a row, demonstrated triple-digit growth year-over-year across core metrics year-to-date with all-time high average handle per customer, average revenue per user, and record low cost of customer acquisition over that same period gives me high conviction in Rivalry's future," Salz added. "It is this proven operating leverage, supported by an

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

improving sportsbook margin profile resulting in more revenue per dollar wagered, now fueled by growth capital, that is creating a significant opportunity set for Rivalry. It is that combination which gives us confidence to reaffirm our first half 2024 profitability guidance."

Third Quarter 2023 Highlights

- Betting handle for Q3 2023 was $105.7 million, an increase of $35.4 million or 50% from $70.3 million in Q3 2022.
- Revenue was $8.7 million in Q3 2023, a record result for a third quarter, representing an increase of $1.6 million or 22% from $7.1 million of revenue in Q3 2022.
- Gross profit was $4.0 million in Q3 2023, an increase of $1.9 million or 90% from $2.1 million of gross profit in Q3 2022.
- The Casino segment generated approximately half of total betting handle ($50.4 million). Recent casino product launches including a custom-branded slots category, a new original game Cash & Dash, and the release of Casino.exe on our iOS mobile app in Ontario set the stage for continued growth and increased player wallet share.
- Modest decline in operating expenses sequentially continues the trend of effective cost management while still maintaining significant year-over-year growth rates at the Company.
- Net loss was $5.6 million for Q3 2023, a 6% reduction from the net loss of $6.0 million in Q3 2022 and 12% decrease sequentially.
- Rivalry launched an industry-first same-game parlay product for esports within the quarter, supporting an improved sportsbook product mix and contributing to an enhanced margin profile.
- The Company had $7.4 million of cash and no debt as at September 30, 2023.[2]
- On November 15, 2023, Rivalry strengthened its balance sheet with the announcement of a private placement offering of $14 million principal amount senior secured convertible debentures to scale several strategic verticals across marketing, product development, and geographic expansion.

Year-to-Date 2023 Highlights

- Betting handle for the nine-month period ended September 30, 2023 was $338.1 million, an increase of $189.2 million or 127% from $148.9 million in the comparable period of 2022 while marketing spend decreased by 8%.
- Revenue was $29.2 million in the first nine months of 2023, representing an increase of $12.0 million or 70% from $17.2 million of revenue the previous year.
- Gross profit was $13.2 million in the first nine months of 2023, an increase of $8.4 million or 175% from $4.8 million of gross profit a year earlier.
- Net loss of $15.2 million in the nine-month period ended September 30, 2023, a reduction of $3.6 million compared to a net loss of $18.8 million over the same period in 2022.

Investor Day

Rivalry is pleased to announce a virtual investor day to be held at 10:00am EST on January 17th, 2024. The Company will discuss its outlook for 2024, growth initiatives, upcoming product innovations, and insights into the Gen Z consumer. More details will be revealed in the coming weeks.

[2] Includes cash and cash equivalents of $3.7 million and restricted cash of $3.6 million.

Investor Conference Call

Management will host a conference call at 10:00 a.m. EST on Wednesday, November 29, 2023 to discuss the Company's third quarter 2023 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.

Rivalry's financial statements and management discussion and analysis for the period ended September 30, 2023 are available on SEDAR+ at www.sedarplus.ca, and on the Company's website at www.rivalrycorp.com.

Stock Options

The Company also announces that it has approved a grant of stock options (the "**Stock Options**"), pursuant to the terms of the Company's equity incentive plan, to an investor relations service provider. A total of 44,444 Stock Options have been awarded to such investor relations service provider. The Stock Options will be exercisable at an exercise price equal to the closing price of the subordinate voting shares on the TSX Venture Exchange two trading days following the issuance of this press release, for a period of five years from the date of the grant. The Stock Options vest in equal quarterly instalments over a period of 12 months, commencing on the three-month anniversary of the date of the grant.

About Rivalry

Rivalry Corp. wholly owns and operates Rivalry Limited, a leading sport betting and media company offering fully regulated online wagering on esports, traditional sports, and casino for the next generation of fans. 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 also 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. Rivalry's sportsbook is built on a proprietary tech stack and features a variety of originally developed products geared for Millennial and Gen Z fans including Same Game Combos, an esports parlay product, original casino games, and an interactive casino platform, Casino.exe.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

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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 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; 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 annual information form for the year ended December 31, 2022 and other disclosure documents available on the Company's SEDAR+ profile at www.sedarplus.ca.

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.

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 ability to generate sustainable net income prior to June 30, 2024 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". 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", it should not be relied on as necessarily indicative of future results.

Source: Rivalry Corp.

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