Rivalry Reports Second Quarter 2024 Results; Rivalry Token Drives $1.7 Million in Additional Revenue, Accelerating Crypto Expansion Efforts in the Third Quarter

Successful Margin Growth Efforts Drive Jump in Net Revenue;
Company Gains Early Traction Among Crypto and High-Value Players with Rivalry Token;
Positive Early Signal from VIP Efforts, a Key Area of Strategic Focus

- *Betting handle of $87.8 million[1].*
- *Net revenue of $4.7 million was up 3% from Q1 2024 and up 22% YoY from Q2 2023.*
- *Company achieves record net revenue margin of 62.5%, highlighting the continued impact of its margin enhancement efforts, driving more net revenue per dollar wagered.*
- *Rivalry Token drives new global audience of crypto bettors and high-value players; Token customers exhibiting twice the value of average non-crypto users.*
- *Rivalry Token delivers $1.7 million in revenue subsequent to quarter-end, validating crypto strategy and product potential. Expected to remain a revenue stream for the business throughout the remainder of the third quarter and into the fourth quarter.*
- *Crypto payment and technology development supporting strategy shift toward growing VIP player base; anticipated to deliver growth while maintaining current operational expense levels, driving profitability.*

TORONTO, Ontario – August 29, 2024 – Rivalry Corp. (the "**Company**" or "**Rivalry**") (TSXV: RVLY) (OTCQX: RVLCF) (FSE: 9VK), the leading sportsbook and iGaming operator for Gen Z, today announced financial results for the three- and six-month periods ended June 30, 2024. All dollar figures are quoted in Canadian dollars.

"At Rivalry we have narrowed our focus primarily to two areas that are showing the highest potential for growth in our history: crypto expansion led by tokenization, and VIP's. Alongside these focused efforts, we are tightly managing working capital, rationalizing our teams, and cutting spend in areas that fall too far outside of these priorities," said Steven Salz, Co-Founder and CEO of Rivalry. "Our efforts to improve margin are also driving results, achieving record margin levels for two consecutive quarters."

"Last quarter marked a broader expansion into crypto with the pre-release of Rivalry Token and we have seen very motivating early results," Salz continued. "Rivalry Token is uniquely positioned to serve a number of our near and long-term goals to expand our geographic footprint and acquire and retain high-value players, which we are beginning to see signals of. In just a few months, Rivalry Token has attracted new customers who are twice as valuable as our average user and marked the most successful reactivation campaign in the Company's history. Behaviorally, we see that Rivalry Token users are more active and engaged, and we are confident in the opportunities being unlocked through this technology. We have an extensive roadmap ahead for Rivalry Token, including new social-based products and games to drive more

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

connected wallets and create engagement loops for players that will extend our momentum in the crypto gambling segment."

"Rivalry has also been shifting resources toward VIP's, which is closely aligned with our push deeper into the crypto segment. This emphasis on VIP's marks a course correction of our historical strategy which delivered exceptional outcomes for the vast majority of our player base, but under-indexed on the small percentage that drives the lion's share of revenue in an online gambling business. I have extreme conviction that the significantly above-market KPI's we have driven for that majority of players, led by our obsessive dedication to their success, when now directed toward the smaller percentage of high-value players, that within this industry drives multiple times the value, will lead to a sizeable change in Rivalry's business outcomes."

Second Quarter 2024 Highlights

- Betting handle for Q2 2024 was $87.8 million, decreasing by $6.9 million or 7% as compared to $94.7 million in Q1 2024, and by $24.4 million or 22% from $112.2 million in Q2 2023. As Rivalry prioritizes margin, it can negatively impact betting handle as players turn over their balances less.
- Gross gaming revenue ("**GGR**")[2] was $7.4 million in Q2 2024, decreasing by $0.3 million or 3% from $7.7 million in Q1 2024, and by $1.0 million or 12% from $8.5 million in Q2 2023.
- Net revenue[3] was $4.7 million in Q2 2024, increasing by $0.1 million, or 3% from $4.5 million in Q1 2024, and by $0.8 million or 22% from $3.8 million in Q2 2023. As a percentage of GGR, the Q2 2024 net revenue margin of 62.5% was the highest in Company history and compares to 58.5% in Q1 2024 and 45.0% in Q2 2023. As a percentage of betting handle, the net revenue margin of 5.3% was the highest of the past six quarters. The improvements reflect ongoing initiatives to increase margins through innovation and adjustments to the product offering.
- The Casino segment continues to be a strong contributor, generating 60% of betting handle and 24% of GGR in the quarter. Segment results reflect the ongoing expansion of Rivalry's casino product line, including the original game Cash & Dash released in the second half of 2023.
- Net loss was $5.4 million in Q2 2024. Net loss includes $0.52 million in interest expense accrued on the convertible debenture, that is not due until the end of 2025. The Company therefore considers the $4.8 million loss from operations in Q2 2024 as compared to $6.2 million in Q2 2023 a better representation of its working capital management.
- The Company had $4.6 million of cash as at June 30, 2024.[4]
- Rivalry drove strong upticks in user activity for higher margin product offerings including Pre Made Combos, which has driven over 500,000 wagers since its release in January 2024, supporting ongoing net revenue growth.
- Rivalry expects to enter a licensing agreement for its first-party casino games in the coming months, establishing a new revenue stream for its B2B vertical.
- Rivalry adjusted its onboarding experience to materially reduce friction for VIP users in global markets while remaining in compliance with regulatory requirements.
- The Company maintains its H2 2024 profitability guidance.

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[2] Please see "Non-IFRS Measures." This figure was reported as "revenue" in the comparable period last year, and has been reported as "gross gaming revenue" commencing with year-end 2023 results following consultation with the Company's auditors.

[3] This figure was reported as "gross profit" in the comparable period last year, and has been reported as "net revenue" commencing with year-end 2023 results following consultation with the Company's auditors.

[4] Includes cash and cash equivalents of $1.2 million and restricted cash of $3.3 million.

Rivalry Token

In May 2024, the Company announced Rivalry Token, a native cryptocurrency to be integrated across Rivalry's product suite to elevate the overall user experience, expected to launch in H2, subject to a number of market and product related considerations. Prior to the product's full release, customers have been able to engage with Rivalry Token by connecting their digital wallets, earning rewards through on-site activity, and more recently off-site through a mini-experience called a 'faucet,' with more to come in the near future. Since May, Rivalry Token has gained meaningful traction among Rivalry's user base, drawing a geographically diverse audience of high-value players and creating engagement loops which are driving upticks in site activity.

- Subsequent to Q2 2024, Rivalry Token has delivered $1.7 million in revenue[5], accelerating the Company's expansion into the crypto segment. This is expected to remain a revenue stream for the business throughout the remainder of the third quarter and into the fourth quarter.
- Rivalry Token is capturing higher value players, where opted-in users are twice as valuable in terms of revenue potential and deposit nearly twice as much as non-opted-in users.
- More than half of customers that opted-in to receive Rivalry Token are reactivated users while another 15% are new, marking the Company's most successful reactivation campaign.
- Rivalry Token customers are more engaged users and play consistently during all days of the week with casino driving two-thirds of betting handle.
- Rivalry released a Rivalry Token web-based complement product to its on-site pre-farming, called a 'faucet,' in mid-August to drive connected wallets and acquire new players. The Company is in the process of developing a social-based product expected to arrive in September to further expand its geographic footprint and audience capture within the crypto segment.

The Company will release more information in the coming months as Rivalry Token continues to develop.

Investor Conference Call

Management will host a conference call at 10:00 a.m. EDT on Thursday, August 29, 2024 to discuss the Company's second quarter 2024 financial results.

Dial-in:	1-800-717-1738 (toll free) or (+1) 289-514-5100 (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 June 30, 2024 (the "Q2 2024 MD&A") are available on SEDAR+ at www.sedarplus.ca, 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 company offering fully regulated online wagering on esports, traditional sports, and casino for the next generation of players. 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

[5] 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. These preliminary results represent forward-looking information. See "Cautionary Note Regarding Forward-Looking Information and Statements" and "Financial Outlook".

jurisdictions. Rivalry also holds 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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Non-IFRS Measures

Gross gaming revenue, as reported in this news release, is a non-IFRS financial measure that the Company uses to assess its operating performance. Gross gaming revenue is defined as total wagers less payouts to winning bettors. This data is furnished to provide additional information and is a non-IFRS measure and does not have any standardized meaning prescribed by IFRS. The Company uses this non-IFRS measure to provide shareholders and others with supplemental measures of its operating performance. As other companies may calculate this non-IFRS measure differently than the Company, this metric may not be comparable to similarly titled measures reported by other companies. In the Company's audited financial statements for the fourth quarter and year ended December 31, 2023, after consultation with the Company's new auditors, the Company now reports gross gaming revenue, whereas it had previously been reported as revenue. Please refer to the Q2 2024 MD&A available on the Company's profile on SEDAR+ at www.sedarplus.ca, and on the Company's website at www.rivalrycorp.com for a reconciliation of gross gaming revenue to net revenue.

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 Company reaching profitability by the end of 2024 and the launch of Rivalry Token and the potential impact thereof on the Company's business prospects.

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 Q2 2024 MD&A under the heading "Risk Factors", 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 (i) the Company's ability to generate sustainable net income prior to December 31, 2024, and (ii) revenue derived from Rivalry Token during the period commencing July 1, 2024 and up to the date of this news release, 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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