



Rivalry Reports Preliminary Fourth Quarter and Year-End 2023 Results

***Product Diversification Defines FY23 as Company Expands Into New Segments,
Reinforces Competitive Moat as Gen Z Market Leader; Record Customer KPIs Underline
Operating Leverage, Long-term Growth Potential***

- *Betting handle of \$423.2 million in FY 2023¹ increased 82% year-over-year, while reducing marketing spend 15%.*
- *Revenue of \$35.7 million in FY 2023 increased 34%.*
- *Gross profit of \$16.2 million in FY 2023, up 66% year-over-year.*
- *FY23 sets all-time records for average handle per customer, up nearly 30% year-over-year, average revenue per customer up 38% year-over-year, and record low cost of customer acquisition, down 15% year-over-year.*
- *Total player registrations eclipsed 2 million in FY23 while extending Gen Z market leadership.*
- *FY24 off to a strong start as the capital raised late Q4 is being effectively deployed – delivering strong KPIs, supported by betting margin trending toward a more than 20% increase over the average of FY23.*
- *To meet growing consumer demand the Company is adding greater support for cryptocurrency and exploring implementation of adjacent crypto-enabled technologies.*
- *Rivalry is seeing a rise in demand to license its in-house casino games, accelerating the advancement of its B2B vertical.*
- *Company re-affirms guidance, anticipates achieving profitability in H1 2024.*

TORONTO, Ontario – April 5, 2024 – Rivalry Corp. (the “**Company**” or “**Rivalry**”) (TSXV: RVLV) (OTCQX: RVLCF) (FSE: 9VK), the leading sportsbook and iGaming operator for Gen Z, today announced preliminary and unaudited financial results for the three and 12-month periods ended December 31, 2023. All dollar figures are quoted in Canadian dollars.

“Rivalry exited 2023 as an increasingly diversified company – both geographically and across our product suite,” said Steven Salz, Co-Founder and CEO of Rivalry. “Last year we gained meaningful traction in new segments such as traditional sports, casino, and fantasy, which is widening our opportunity set and positioning us for sustainable growth in the medium- to long-term. We’re happy to have finished the year with all-time high customer economics, diversified revenue streams, and a reinforced competitive moat around Gen Z betting entertainment and experiences.”

“During Q1 we have been strategically deploying capital from our fourth quarter investment in areas that are driving customer acquisition and revenue – such as amplifying proven marketing strategies, releasing higher margin products, and developing proprietary betting experiences – that we expect will begin materializing in our results throughout the first half of 2024 and beyond,” added Salz.

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

“Our operational excellence across product and brand marketing last year are seen across positive KPI trends and continued year-over-year growth. Ultimately, we are proving that we can acquire and retain a coveted Gen Z demographic through an entertainment-led product set, culturally relevant brand, and a team unafraid of pushing past a long-standing industry status quo.”

Preliminary Full-Year 2023 Highlights²

- Betting handle was \$423.2 million in the year ended December 31, 2023, an increase of \$190.4 million or 82% from \$232.8 million in 2022.
- Revenue was \$35.7 million in 2023, an increase of \$9.0 million or 34% compared to \$26.6 million in the previous year.
- Gross profit was \$16.2 million in 2023, an increase of \$6.4 million or 66% from \$9.8 million of gross profit in 2022.
- The Casino segment was a significant driver of growth in 2023, with revenues of \$6.4 million up 92% from 2022, and representing 52% of betting handle in the year.
- The Company expanded its casino offering significantly during 2023, including the release of a new original game Cash & Dash in September, entry into the slots category in October, and the launch of its iOS mobile app in Ontario, enhancing the mobile casino experience and its accessibility.
- Diversified revenue streams through new segments including traditional sports, which has grown by 60% since FY22, and fantasy, highlighting the elasticity of Rivalry's brand among Gen Z and broadening TAM.
- Total operating expenses of \$38.9 million in 2023 decreased by \$1.0 million year-over-year. The decrease was driven by a reduction in marketing expense, offsetting increases in general & administration and technology & content expense incurred to support the growth of the business.
- Net loss was \$24.3 million for 2023, a reduction of 22% or \$6.9 million from the net loss of \$31.1 million in 2022.

Fourth Quarter 2023 Highlights

- Betting handle for the three-month period ended December 31, 2023 was \$85.2 million, an increase of \$1.2 million or 1.5% from \$83.9 million in the fourth quarter of 2022 while marketing spend decreased by 32%.
- Revenue was \$6.5 million in the Q4 2023, representing a decrease of \$3.0 million or 32% from \$9.4 million of revenue in Q4 2022 due to less favorable sportsbook outcomes compared against an abnormally favorable result experienced in Q4 2022. The Company notes that revenue as a percentage of betting handle was near the average achieved throughout FY23, highlighting the abnormally favorable margin outcome in the comparable quarter, Q4 2022.
- Gross profit was \$3.0 million in Q4 2023, a decrease of \$2.0 million or 40% from \$5.0 million of gross profit in Q4 2022. The year-over-year decline follows the relative margin impact noted previously. Gross profit as a percentage of betting handle in Q4 2023 was equal to the average in

² 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. Preliminary fiscal results represent forward-looking information. See “Cautionary Note Regarding Forward-Looking Information and Statements” and “Financial Outlook”.

FY23. Rivalry is also pleased to note that its ongoing efforts to stabilize and improve margin are yielding results, with Q1 2024 trending toward a more than 20% improvement over the average in FY23.

- Net loss was \$9.0 million in Q4 2023, a reduction of \$3.3 million compared to a net loss of \$12.3 million in Q4 2022. Net loss adjusting for accruals, other non-cash items, and one-time expenses, would have been approximately \$7.0 million.
- 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.
- Released Rivalry Ultimate Fan, a free-to-play NBA fantasy app, to acquire new users and engage existing customers within the product suite.
- First-party game 'Cash & Dash' released in September demonstrated next generation appeal as it became the fifth most-played casino game on our platform and among the top ten highest-grossing by revenue with momentum carrying into Q1, creating downstream licensing opportunities for Rivalry's IP.

Outlook

"The year ahead is rife with new, innovative product releases arriving in Q2 and continuing throughout 2024," Salz added. "In addition to the strength of our core roadmap, we are in the process of unlocking what we believe to be two of the most material developments to our business model since launching Rivalry in 2018. The first is a B2B vertical to license our in-house developed games, and the second is exploration and development within the crypto ecosystem – each representing an impactful growth catalyst on our path to profitability this year."

"I have never had more confidence in our product roadmap and what Rivalry is building this year. Apart from new products, original games, and proprietary features, we have been working to dial-up the overall feel and entertainment value of our core product to provide a tech-savvy, next generation customer with a tailored experience that is well-differentiated within the larger sports betting marketplace."

Investor Conference Call

Management will host a conference call at 10:00 a.m. EDT on Friday, April 5, 2024 to discuss the Company's preliminary unaudited year-end and fourth quarter 2023 financial results.

Dial-in: 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 expects to file its audited financial statements and management discussion and analysis for the period ended December 31, 2023 by the end of April 2024. The documents will be available on SEDAR+ at www.sedarplus.ca, and on the Company's website at www.rivalrycorp.com.

Related Party Transaction

On April 17, 2022 the Company entered into a secured demand loan (the “**Loan**”) with Kevin Wimer, the Chief Operating Officer and a Director of the Company. Pursuant to the terms of the Loan, the Company loaned Mr. Wimer US\$385,000 which amount bears interest at 3.2% per annum and was repayable on demand by the Company and in any event by April 17, 2024 (the “**Maturity Date**”). The Loan was entered into to assist Mr. Wimer with the funding of certain tax obligations and is secured by a pledge of Mr. Wimer’s subordinate voting shares of the Company. The Company announces today that it has entered into an amendment to the Loan (the “**Loan Amendment**”) to extend the Maturity Date to April 17, 2026. The Loan Amendment was approved by the non-interested directors of the Company.

Mr. Wimer is a "related party" of the Company within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). As a result, the Loan Amendment is considered to be a "related party transaction" as such term is defined by MI 61-101. The Company is relying on an exemption from the minority shareholder approval requirement set out in MI 61-101 as the fair market value of the transaction does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report more than 21 days before entering into the closing of the Loan Amendment as the details of the Loan Amendment were not settled until shortly prior to the entering into thereof.

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 in this news release include, but are not limited to, statements in respect of: the Company's financial results for the three and 12-months ended December 31, 2023, the Company reaching profitability in H1 2024, the Company seeking to provide greater support for cryptocurrency and exploring implementation of adjacent crypto-enabled technologies, betting margin trending toward a more than 20% increase over the average of FY23, and opportunities in the B2B vertical to license the Company's in-house developed games.

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 preliminary unaudited financial results for the three and 12-months ended December 31, 2023 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 may 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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