

NorthStar Gaming Reports First Quarter 2025 Results

Company Continues Its Record of Solid Revenue Growth and Margin Expansion

Toronto, Ontario--(Newsfile Corp. - May 28, 2025) - NorthStar Gaming Holdings Inc. (TSXV: BET) (OTCQB: NSBBF) ("NorthStar" or the "Company") today announced its financial results for the three months ended March 31, 2025. All dollar figures are quoted in Canadian dollars.

"We are pleased to begin 2025 with another quarter of strong year-over-year growth, with revenue increasing by 32% and gross margin up 58% over Q1 2024," said Michael Moskowitz, Chair and CEO of NorthStar. "At the same time, we continue to effectively manage our major operating expense items which are decreasing as a percentage of revenue. Our results are being driven in part by ongoing product and promotional innovations that reinforce our premium positioning."

Financial Highlights for the First Quarter Ended March 31, 2025 ("Q1 2025"):

- **Revenue**¹ was \$7.8 million in Q1 2025, a 32% increase from \$5.9 million in Q1 2024. Revenue in Q1 2025 includes \$0.2 million of managed services revenue, which compares to \$0.1 million in Q1 2024.
- **Gross Margin** was \$3.0 million, a 58% increase from \$1.9 million in Q1 2024, while the Gross Margin percentage increased to 38.5%, up from 31.5% in Q1 2024.
- **Profit before marketing and other expenses**¹ was \$0.6 million in Q1 2025 compared to a loss of \$0.6 million in Q1 2024.
- **General and administrative expense** was \$2.4 million in Q1 2025, a decrease of 1% from Q1 2024, and represented 31% of revenue compared to 41% a year earlier.
- **Marketing expense** of \$4.1 million increased 11% over Q1 2024, and represented 52% of revenue compared to 62% in Q1 2024.

Recent Operating Highlights:

- NorthStar recorded the highest customer retention rate in its history in Q1 2025, driven by its delivery of a superior customer experience, innovative promotions and a focus on high-value players through the NorthStar Elite program.
- NorthStar increased the number of games offered on its Casino platform by 15% to more than 1,800 games during the first quarter.
- NorthStar Bets Blackjack VZN went live on March 19, 2025. This innovative multiplayer Blackjack game has the feel of live Blackjack, and reinforces the Company's premium positioning through NorthStar Bets branding.
- Integrated new product analytical tools to help us measure and track the player journey and accelerate product enhancements and development.
- On March 20, 2025, NorthStar unveiled the new Spring Tournament Series with premium online tournaments spanning Live Blackjack, Slots and Sports betting. The series builds on innovations developed for last fall's NorthStar Blackjack Championship event.
- On January 27, 2025, the Company announced that it entered into a credit agreement (the "Credit Agreement") in respect of a senior secured first lien term loan facility providing for loans in an aggregate principal amount of up to \$43.4 million CAD (being the approximate equivalent of \$30 million USD). The Company expects that the Credit Agreement will strengthen its balance sheet and enable it to accelerate its growth initiatives.

Outlook

"We anticipate another year of solid top line growth and margin expansion in 2025, supported by our recently strengthened balance sheet. Major expense items should continue to decline as a percentage of revenue as we realize further operating leverage through the scaling of the business," said Mr. Moskowitz. "We expect the managed services business to help drive revenue growth this year. Looking ahead, the Alberta government recently took another step forward in establishing a regulatory regime to become the second Canadian province to license online gaming as early as the end of this year, and we eagerly await further details."

Restatement of Results

The comparative results for the three months ended March 31, 2024 have been restated in the financial statements and management's discussion & analysis ("Q1 2025 MD&A") for the first quarter ended March 31, 2024 to include additional merchant fees and player bonus expenses which were not captured in the previously published financial statements (please see note 2 of the Financial Statements for the three months ended March 31, 2025).

Additional Information

For additional information, please refer to the Company's condensed consolidated interim financial statements for the three-month period ended March 31, 2025, and the corresponding management's discussion and analysis ("MD&A"). These documents are available on SEDAR+ at www.sedarplus.ca, and on the Company's corporate website at www.northstargaming.ca.

About NorthStar

NorthStar proudly owns and operates NorthStar Bets, a Canadian-born casino and sportsbook platform that delivers a premium, distinctly local gaming experience. Designed with high-stakes players in mind, NorthStar Bets Casino offers a curated selection of the most popular games, ensuring an elevated user experience. Our sportsbook stands out with its exclusive Sports Insights feature, seamlessly integrating betting guidance, stats, and scores, all tailored to meet the expectations of a premium audience.

As a Canadian company, NorthStar is uniquely positioned to cater to customers who seek a high-quality product and an exceptional level of personalized service, setting a new standard in the industry. NorthStar is committed to operating at the highest level of responsible gaming standards.

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

Non-IFRS Financial Measures

Throughout this document, management uses certain non-IFRS financial measures and supplementary financial measures to evaluate the performance of the Company. The term "Profit/(Loss) before marketing and other expenses" is a non-IFRS financial measure. This measure is not a recognized measure under International Financial Reporting Standards ("IFRS") and does not have a standardized meaning prescribed by IFRS and is, therefore, not necessarily comparable to similar measures presented by other companies. Rather, this measure is provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective and to discuss NorthStar's financial outlook. Accordingly, this measure should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. We believe that securities analysts, investors and other interested parties frequently use non-IFRS measures, including industry metrics, in the evaluation of companies in our industry. Management also uses non-IFRS measures and industry metrics in order to facilitate operating performance comparisons from period to period, the preparation of annual operating budgets and forecasts and to determine components of executive compensation.

Operating Results

Marketing expenses are a key driver of the business but are completely discretionary. Management considers "Profit/(Loss) before marketing and other expenses" to be a good indication of the extent to which the business' Gross Margin is in excess of its overhead costs, and therefore offsetting some portion of marketing expenses, reflecting improving economies of scale.

\$ Millions (unaudited)	Three months ended	
	March 31, 2025	March 31, 2024
Revenue	\$ 7,849	\$ 5,930
Cost of Revenues	4,830	4,060
Gross Margin	3,019	1,870
General and administrative expenses	2,434	2,449
Profit/(Loss) before marketing and other expenses (1)	585	(579)
Marketing	4,097	3,688
Loss before other expenses (1)	(3,512)	(4,267)
Other expenses	2,288	2,554
Net loss	\$ (5,800)	\$ (6,821)

(1) These measures are not defined by IFRS, do not have standard meanings and may not be comparable with other industries or companies.

Beginning in Q1 2025, the Company is no longer disclosing the two non-IFRS measures Total Wagers and Gross Gaming Revenue. These measures no longer reflect the full scope of the Company's business, as both are recorded only in Ontario where the Company owns and operates the licensed iGaming platform Northstarbets.ca. Managed services revenues are generated outside of Ontario through services the Company provides to the Abenaki Council of Wolinak, which owns and operates the iGaming platform Northstarbets.com. As a result of the ongoing growth in the Company's managed services revenue, management believes revenue, gross margin and profit (/loss) before marketing and other expenses are more relevant measures of the Company's progress.

Cautionary Note Regarding Forward-Looking Information and Statements

This communication contains "forward-looking information" within the meaning of applicable securities laws in Canada ("forward-looking statements"), including without limitation, statements with respect to the following: expected performance of the Company's business, the Company's growth plans being fully funded, expansion into newmarkets and future growth opportunities, and expected benefits of transactions. The foregoing are provided for the purpose of presenting information about management's current expectations and plans relating to the future and allowing investors and others to get a better understanding of the Company's anticipated financial position, results of operations, and operating environment. Often, but not always, forward- looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. This forward-looking information is based on management's opinions, estimates and assumptions that, while considered by NorthStar to be appropriate and reasonable as of the date of this press release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, levels of activity, performance, or achievements to be materially different from those expressed or implied by such forward- looking information. Such factors include, among others, the

following: risks related to the Company's business and financial position; risks associated with general economic conditions; adverse industry risks; future legislative and regulatory developments; the ability of the Company to implement its business strategies; and those factors discussed in greater detail under the "Risk Factors" section of the Company's most recent annual information form, which is available under NorthStar's profile on SEDAR+ at www.sedarplus.ca. Many of these risks are beyond the Company's control.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking statements. Although the Company has attempted to identify important risk factors that could cause actual results to differ materially from those contained in the forward-looking statements, there may be other risk factors not presently known to the Company or that the Company presently believes are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking statements. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. No forward-looking statement is a guarantee of future results. Accordingly, you should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this press release represents NorthStar's expectations as of the date specified herein, and are subject to change after such date. However, the Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

All of the forward-looking information contained in this press release is expressly qualified by the foregoing cautionary statements.

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¹ Revenue includes managed services fees, and Gross Gaming Revenue net of bonuses, promotional costs and free bets.



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