



Rivalry Announces Record Second Quarter 2022 Results

- *Betting handle of \$38.4 million, up 98% year-over-year.¹*
- *Record revenue of \$5.3 million grew 60% year-over-year and 11% sequentially, with all growth being organic.*
- *Record gross profit of \$2.1 million, an increase of 206% year-over-year and 201% sequentially.*
- *Growth underpinned by increased operating leverage that prioritizes profitable customer unit economics.*
- *Strong cash position and no debt provides an important foundation for further execution.*
- *Well positioned for a strong second half of the year with a number of catalysts to extend leadership position.*
- *Momentum has continued into the third quarter with \$23.4 million of betting handle in July 2022, an all-time single-month record, up 66% month-over-month and +162% year-over-year.*

TORONTO, Ontario – August 25, 2022 – Rivalry Corp. (the “**Company**” or “**Rivalry**”) (TSXV: RVLV) (OTCQX: RVLCF) (FSE: 9VK), an internationally regulated sports betting and entertainment company, today announced its financial results for the three and six-month periods ended June 30, 2022. All dollar figures are quoted in Canadian dollars.

“We are very encouraged by our performance in Q2, putting up significant year-over-year growth across all core metrics, and sequential growth on a number as well, despite what is a seasonally quiet quarter in the esports calendar,” said Steven Salz, Co-Founder and CEO of Rivalry. “And thus far, our momentum in the third quarter is continuing this growth trajectory, including hitting another all-time record for betting handle in a single month, delivering \$23.4 million in July. With a number of impactful product releases, marketing, and operational initiatives slated through the rest of year, we are hungry to demonstrate to the market the inherent operating leverage in our model.”

Second Quarter 2022 Highlights

- Betting handle¹ was \$38.4 million in Q2 2022, a year-over-year increase of 98% compared to \$19.4 million in Q2 2021, and down 4% sequentially from the record high of \$40.2 million in Q1 2022, as Q2 is a seasonally slower quarter.
- Revenue was a record \$5.3 million in the second quarter, a year-over-year increase of 60% from \$3.3 million in Q2 2021, and represented the Company’s highest-ever revenue in any quarter. Revenue was up 11% sequentially from \$4.8 million in Q1 2022.

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

- Gross profit was a record \$2.1 million in the second quarter, a year-over-year increase of \$1.4 million or 206% from \$0.7 million in Q2 2021, and up 201% sequentially from \$0.7 million in Q1 2022.
- The Company had \$27.8 million of cash and no debt as at June 30, 2022.²
- The Company commenced gaming operations in Ontario on April 4, 2022, the first day of regulated online gaming in the province.
- The Company announced the launch of gaming operations in Australia on May 9, 2022.

"The strength in the business in the second quarter was all achieved organically and driven by our existing core markets. Launching in our first two regulated markets was a very important milestone in Q2 that will help drive growth in the coming quarters as we establish our brand with consumers, deploying our 'crawl, walk, run' strategy that prioritizes operating with sustainable unit economics in new markets first, and scaling spend thereafter," Salz added. "We were very encouraged with our Q2 performance considering that we did not see a material contribution from either of these markets yet, and during what is already a seasonally quiet quarter. On the other side we were proud to demonstrate the profitability potential of our current betting handle, posting record gross profit during the quarter."

"Looking ahead, we are excited about the second half of the year," Salz added. "The traditionally strong third quarter is tracking well for us. Several important platform enhancements in areas like mobile app, traditional sports offering, and our casino vertical are set to be launched in the coming months."

Investor Conference Call

Management will host a conference call at 10:00 a.m. EDT on Thursday, August 25, 2022 to discuss the Company's second quarter 2022 financial results.

Dial-in: 888-396-8049 (toll free) or (+1) 416-764-8646 (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, 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, including Quest, an on-site engagement experience, and an original casino game called Rushlane, a proprietary casino game that marks the creation of a new category for online gaming: Massively Multiplayer Online Gambling Games (MMOGG).

² Includes cash and cash equivalents of \$24.1 million and restricted cash of \$3.7 million.

Investor Contact:

Oakstrom Advisors
Jeff Codispodi | investors@rivalry.com

Company Contact:

Steven Salz, Co-Founder & CEO
ss@rivalry.com

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, and expected launches in other jurisdictions.

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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