



## theScore Reports F2020 Q4 and Year-End Financial Results

TORONTO, October 28, 2020 – [Score Media and Gaming Inc.](#) (TSX: SCR) (“theScore” or “the Company”), today announced the financial results for the three and 12 months ended August 31, 2020.

“Fiscal 2020 began with the momentous launch of our gaming operations, with [theScore Bet](#) debuting in New Jersey,” said John Levy, Founder and CEO of theScore. “We were seeing great early momentum when, along with the rest of the industry, we had to adjust to the global disruption to sports brought on by the COVID-19 pandemic. Notwithstanding these challenges, we successfully navigated this period by keeping our team at full strength, preserving the vast majority of our userbase, and diligently preparing for the return of sports, culminating in the successful multi-state launch of theScore Bet into both Colorado and Indiana last month.

“With sports leagues now back in action, our media and gaming operations are thriving again in early Q1 F2021. Our unique formula of fusing media with gaming is resonating with fans, with total gaming handle on theScore Bet up more than 500% year-over-year in September with that momentum continuing into October too. We’re also excited by the early momentum in Colorado and Indiana, contributing to an extremely strong start to our new fiscal year across gaming and media.

“Media advertising sales in September set a new all-time record for a single-month, as brands clamoured to engage with fans around this extremely busy and unique sports calendar. While Q4 audience and revenue was still impacted by the mass disruption to sports, media app users and engagement are now returning to pre-pandemic levels. Furthermore, we registered another all-time quarterly record for video views on our esports platforms, with an increasing number of high-profile brands activating against our market-leading coverage of the fast-growing competitive video gaming scene.

“We are in a strong position to build on this momentum throughout F2021, further leveraging the power of media and gaming, bringing theScore Bet to more states, and exploring opportunities to add to our existing market access footprint.”

### Recent Highlights

- theScore successfully began the multi-state expansion of its mobile sportsbook, theScore Bet, launching in both [Colorado](#) and [Indiana](#) in September. As part of the launch, theScore Bet also debuted its new cutting-edge multi-state account and wallet functionality, delivering a seamless cross-state experience for sports fans as it expands across the United States via a single mobile app. The Company anticipates launching theScore Bet next in Iowa in early calendar 2021, subject to receiving the relevant licenses and regulatory approvals.
- [theScore Bet secured market access to operate an online casino in New Jersey via a multi-year agreement with Twin River Worldwide Holdings Inc.](#) The Company anticipates launching its online casino product in New Jersey in the second half of calendar 2021, subject to securing all applicable licenses and regulatory approvals from the New Jersey Division of Gaming Enforcement and the completion of Twin River’s pending acquisition of Bally’s Atlantic City Hotel & Casino in Atlantic City, New Jersey.

- [theScore graduated from the TSX Venture Exchange \(“TSXV”\) to the Toronto Stock Exchange \(“TSX”\)](#). Our Class A Subordinate Voting Shares (“Class A Shares”) commenced trading on the TSX at market open on September 15, 2020 under the existing ticker “SCR”.
- [theScore appointed sports business leader and four-time Olympian Angela Ruggiero to its Board of Directors](#). Ms. Ruggiero, CEO and Co-Founder of technology-powered market research firm Sports Innovation Lab, will support theScore as it continues to grow its sports media and gaming operations across North America.
- theScore closed a bought deal offering via short-form prospectus (the “Offering”), raising gross proceeds of \$25,649,390 for the Company. Net proceeds from the Offering will be used to fund working capital and other general corporate purposes, including the growth and expansion of our sports betting operations in the U.S. and Canada.
- Total views of theScore esports’ video content across all platforms reached a new all-time quarterly record of 292 million in Q4 F2020, year-over-year growth of 243%. During the period, theScore esports worked with major brands, including Riot Games and Mastercard, around sponsored custom content activations.

### **Audience Metrics**

Despite the continued disruption to the sports calendar caused by the COVID-19 pandemic during Q4 F2020, the Company achieved 3.0 million average monthly active users of theScore app on iOS and Android during the period, representing 83% of average monthly active users achieved in the same period the previous year.

Live sports events drive significant engagement in theScore app, and the disruption to the sports calendar led to an expected year-over-year decline in engagement in Q4 F2020. However, theScore’s continued focus on delivering innovative and interactive content, coupled with the gradual return of live sports leagues and events towards the end of the period, resulted in 70 average monthly sessions-per-user in Q4 F2020 versus 75 average monthly sessions-per-user in the same period the previous year.

Across theScore esports’ platforms, we achieved a new quarterly record of 292 million total video views in Q4 F2020, year-over-year growth of 243%. An additional 112,000 YouTube subscribers were added during the period, with total channel subscribers now exceeding 1.5 million. theScore esports’ TikTok account added approximately 641,000 new followers in Q4 F2020. Total account followers now exceed 1.0 million.

theScore’s social sports content across Twitter, Facebook, Instagram, and TikTok achieved an average monthly reach of approximately 103 million. theScore’s TikTok account added approximately 576,000 new followers in Q4 F2020. Total account followers now exceed 2.4 million.

### **Financial Results**

Total revenue for Q4 F2020 was \$2.5 million compared to \$6.4 million for the same period last year, while total revenue for the 12 months ended August 31, 2020 was \$20.7 million compared to \$31.1 million for the same period last year. This anticipated decline in revenue for the period reflects the direct impact of the disruption to the sports calendar caused by the COVID-19 pandemic.

Gaming handle<sup>1</sup> was \$14.8 million in Q4 F2020 and \$41.5 million for the 12 months ended August 31, 2020. Gross gaming revenue<sup>2</sup> was (\$0.5) million in Q4 F2020 and \$253,000 for the 12 months ended August 31, 2020. When taking into account promotional costs and fair value adjustments on unsettled bets, this

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<sup>1</sup> Handle is calculated as the total amount of money bet by customers in respect of bets that have settled in the applicable period. Handle does not include free bets or other promotional incentives, nor money bet by customers in respect of bets that are open at period end.

<sup>2</sup> Gross gaming revenue is calculated as dollar amounts bet by customers less the dollar amounts paid out to the customers in respect of such bets which have settled in the applicable period.

resulted in negative net gaming revenue<sup>3</sup> of \$1.2 million and \$1.4 million for the three and 12 months ended August 31, 2020 respectively.

EBITDA loss in Q4 F2020 was \$8.3 million versus EBITDA loss of \$4.1 million for the same period last year. EBITDA loss for the 12 months ended August 31, 2020 was \$30.5 million versus EBITDA loss of \$6.5 million in the same period last year. The increase in EBITDA loss was primarily due to the COVID-19-related impact on revenue for the period and the result of additional expenses incurred in connection with the expansion of our gaming operations compared to the prior year.

### **Financial Statements and Management's Discussion and Analysis**

Score Media and Gaming Inc. reports its financial results in Canadian dollars, unless otherwise indicated. The Company's unaudited interim consolidated financial statements, accompanying notes, and Management's Discussion and Analysis for the three and 12 months ended August 31, 2020 are prepared in accordance with International Financial Reporting Standards ("IFRS") and are available on the Company's [Investor Relations page](#).

### **Conference Call & Webcast**

theScore will host a conference call and webcast at 4:30pm ET on Wednesday, October 28:

*Conference Call Dial-In*  
Local: +1 (647) 689-5637  
Toll Free North America: +1 (877) 396-4208  
Conference ID: 9186437

The conference call will also be webcast live. Register now [here](#).

*Instant Replay*  
Local: +1 (416) 621-4642  
Toll Free North America: +1 (800) 585-8367  
Conference ID: 9186437

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### **About Score Media and Gaming Inc.**

[Score Media and Gaming Inc.](#) empowers millions of sports fans through its digital media and sports betting products. Its media app '[theScore](#)' is one of the most popular in North America, delivering fans highly-personalized live scores, news, stats, and betting information from their favorite teams, leagues, and players. The Company's sports betting app '[theScore Bet](#)' delivers an immersive and holistic mobile sports betting experience and is currently available to place wagers in New Jersey, Colorado, and Indiana. Publicly traded on the Toronto Stock Exchange (SCR), theScore also creates and distributes innovative digital content through its web, social and esports platforms.

### **Forward-looking (safe harbour) statement**

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<sup>3</sup> Net gaming revenue is calculated as gross gaming revenue, less free bets, promotional costs, bonuses and fair value adjustments on open bets.

Statements made in this news release that relate to future plans, events or performances are forward-looking statements. Any statement containing words such as “may”, “would”, “could”, “will”, “believes”, “plans”, “anticipates”, “estimates”, “expects” or “intends” and other similar statements which are not historical facts contained in this release are forward-looking, and these statements involve risks and uncertainties and are based on current expectations. Such statements reflect theScore’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward looking statements, including among other things, those which are discussed under the heading “Risk Factors” in the Company’s Annual Information Form as filed with applicable Canadian securities regulatory authorities and available on SEDAR under the Company’s profile at [www.sedar.com](http://www.sedar.com) and elsewhere in documents that theScore files from time to time with such securities regulatory authorities, including its Management’s Discussion & Analysis. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results could differ materially from the expectations expressed in these forward-looking statements. The Company does not intend, and does not assume any obligation, to update these forward-looking statements except as required by applicable law or regulatory requirements.

## Score Media and Gaming Inc.

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

August 31, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 40,116	\$ 4,035
Restricted cash related to customer deposits	1,859	11
Accounts receivable	5,455	7,956
Tax credits recoverable	1,616	-
Prepaid expenses, deposits, and other assets	2,048	1,261
	<u>51,094</u>	<u>13,263</u>
Non-current assets:		
Restricted cash related to customer deposits	-	668
Property and equipment	4,136	1,373
Intangible and other assets	23,477	21,760
Tax credits recoverable	-	1,616
	<u>27,613</u>	<u>25,417</u>
Total assets	<u>\$ 78,707</u>	<u>\$ 38,680</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 10,353	\$ 7,147
Current portion of loans and other borrowings	6,645	-
Current portion of deferred lease obligation	-	184
Current portion of lease liability	908	-
Other current financial liabilities	231	-
	<u>18,137</u>	<u>7,331</u>
Non-current liabilities:		
Loans and other borrowings	740	-
Deferred lease obligation	-	112
Lease liability	1,042	-
Convertible debenture	29,584	-
	<u>31,366</u>	<u>112</u>
Shareholders' equity	29,204	31,237
Commitments		
Subsequents event		
Total liabilities and shareholders' equity	<u>\$ 78,707</u>	<u>\$ 38,680</u>

## Score Media and Gaming Inc.

Consolidated Statements of Comprehensive Loss  
(in thousands of Canadian dollars, except per share amounts)

Years ended August 31, 2020 and 2019

	2020	2019
Revenue	20,719	31,121
Operating expenses:		
Product development and content	8,149	9,160
Sales and marketing	13,036	10,331
Technology and operations	16,241	7,717
General and administration	13,756	10,407
Depreciation and amortization	5,397	3,117
	<u>56,579</u>	<u>40,732</u>
Operating loss	(35,860)	(9,611)
Finance income (expense), net	<u>(5,177)</u>	<u>198</u>
Loss before income taxes	(41,037)	(9,413)
Deferred income tax recovery	<u>(3,107)</u>	<u>-</u>
Net loss	<u>\$ (37,930)</u>	<u>\$ (9,413)</u>
Other comprehensive income:		
Foreign currency translation differences from foreign operations	508	4
Comprehensive loss	<u>\$ (37,422)</u>	<u>\$ (9,409)</u>
Loss per share - basic and diluted	<u>\$ (0.11)</u>	<u>\$ (0.03)</u>

**Score Media and Gaming Inc.**

## Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)

Years ended August 31, 2020 and 2019

	August 31, 2020	August 31, 2019
Cash flows used in operating activities		
Net loss	\$ (37,930)	\$ (9,413)
Adjustments for:		
Depreciation and amortization	5,397	3,117
Stock based compensation	3,222	561
Interest accretion on lease liabilities	133	-
Interest accretion on loans and other borrowings	46	-
Interest accretion on convertible debenture	4,613	-
Unrealized foreign exchange loss	718	-
Deferred income tax recovery	(3,107)	-
	<u>(26,908)</u>	<u>(5,735)</u>
Change in non-cash operating assets and liabilities:		
Accounts receivable	2,500	(2,117)
Restricted cash related to customer deposits	(1,231)	(679)
Prepaid expenses, deposits, and other assets	(795)	(183)
Accounts payable and accrued liabilities	3,359	3,437
Deferred lease obligation	-	(119)
Other financial liabilities	238	-
	<u>4,071</u>	<u>339</u>
Net cash from operating activities	<u>(22,837)</u>	<u>(5,396)</u>
Cash flows from financing activities		
Exercise of stock options	431	118
Payment of lease liabilities	(993)	-
Payment of loans and other borrowings	(119)	-
Loans and other borrowings	7,487	-
Issuance of convertible debenture, net of transaction costs	37,272	-
Issuance of shares, net of transaction costs	23,070	21,685
Net cash from financing activities	<u>67,148</u>	<u>21,803</u>
Cash flows used in investing activities		
Additions to property and equipment	(1,858)	(316)
Additions to intangible and other assets, net	(6,359)	(18,407)
Net cash used in investing activities	<u>(8,217)</u>	<u>(18,723)</u>
Increase (decrease) in cash and cash equivalents	36,094	(2,316)
Net effect of exchange rate fluctuations on cash	(13)	4
Cash and cash equivalents, beginning of year	4,035	6,347
Cash and cash equivalents, end of year	<u>\$ 40,116</u>	<u>\$ 4,035</u>

	Three Months Ended		Year Ended	
	August 31, 2020	August 31, 2019	August 31, 2020	August 31, 2019
Net loss for the period	\$ (12,691)	\$ (4,845)	\$ (37,930)	\$ (9,413)
Adjustments:				
Depreciation and amortization	1,370	725	5,397	3,117
Finance (income) expense, net	3,051	(29)	5,177	(198)
Deferred income tax (recovery)	-	-	(3,107)	-
EBITDA	\$ (8,270)	\$ (4,149)	\$ (30,463)	\$ (6,494)



