



theScore Reports F2021 Q1 Financial Results

- Total gaming handle on theScore Bet up 535% year-over-year -
- New all-time quarterly record for media revenue and esports video views -
- theScore considering a listing on a U.S. stock exchange -

TORONTO, January 13, 2021 – [Score Media and Gaming Inc.](#) (TSX: SCR) (“theScore” or “the Company”), today announced the financial results for the three months ended November 30, 2020.

“Our new fiscal year is off to a stellar start, including our best-ever quarter for media revenue, exponential handle growth on theScore Bet, and yet another record period for our esports operations,” said John Levy, Founder and CEO of theScore. “We continue to deepen our market-leading media and betting integrations and achieved year-over-year handle growth of 535% on theScore Bet. While still in the early stages of this fast-growing industry, we are steadily strengthening our expanding footprint in the North American sports betting market. Now, following successful recent launches in Colorado and Indiana, we’re on track to launch in Iowa in the coming weeks, subject to regulatory approval.

“We’re also diligently preparing for the enormous opportunity in Canada ahead of the anticipated creation of a fully-legalized and regulated sports betting and iGaming market in Ontario. theScore is Canada’s most popular mobile sports brand with millions of loyal media app users across the country and we are eager to deploy our cutting-edge technology and launch our best-in-class sportsbook experience to fans in our home territory.

“theScore is uniquely positioned, both in the U.S. and Canada, as the only truly integrated mobile media and gaming company. Based on the continued development of theScore and the growth of the sports betting industry across North America, in our view it is timely to consider a listing on a U.S. stock exchange. We believe that access to the U.S. capital markets would provide compelling benefits for theScore and our shareholders.”

Recent Highlights

- Gaming handle on theScore Bet was up 535% year-over-year in Q1 F2021, reaching \$55.8 million for the period. In September, we also began our multi-state expansion of theScore Bet, launching in both Colorado and Indiana, and are set to launch in Iowa in the coming weeks, subject to regulatory approval.
- We achieved an all-time record quarter for media revenue, generating \$10.6 million in Q1 F2021, primarily driven by strong growth in direct advertising sales in both the U.S. and Canada, compared to the prior period.
- In December 2020, we closed a previously announced bought deal equity offering via short-form prospectus. Including the over-allotment option, which was exercised in full, we issued 32,857,800 Class A Subordinate Voting Shares pursuant to the offering at a price of \$1.40 for gross proceeds of \$46,000,920. The net proceeds from the offering will be used to fund working capital and other general corporate purposes, including the continued growth and expansion of theScore Bet’s operations in the United States and Canada by supporting the multi-jurisdiction deployment and operation of theScore Bet and user acquisition and retention in jurisdictions where we are, or will be, operating.

- theScore esports achieved a third-successive record-breaking quarter for video views. Total views of theScore esports' video content across all platforms reached a new all-time quarterly record of 357 million in Q1 F2021, year-over-year growth of 355%.
- We launched Bet Section, our most integrated and personalized suite of betting features ever. Bet Section is a new, dedicated home within theScore's media app, that further deepens our industry-leading media and gaming integrations.

Audience Metrics

We achieved 3.9 million average monthly active users and 458 million average monthly user sessions on theScore app on iOS and Android during the period, equalling 116 average monthly-sessions-per-user.

Across theScore esports' platforms, we achieved another new quarterly record, totaling 357 million video views in Q1 F2021, year-over-year growth of 355%. An additional 85,000 YouTube subscribers were added during the period, with total channel subscribers now exceeding 1.58 million. theScore esports' TikTok account added approximately 354,000 new followers in Q1 F2021. Total account followers now exceed 1.1 million.

theScore's social sports content across Twitter, Facebook, Instagram and TikTok achieved an average monthly reach of approximately 105 million. theScore's TikTok account added approximately 573,000 new followers in Q1 F2021. Total account followers now exceed 2.8 million.

Financial Results

Total media revenue for Q1 F2021 was \$10.6 million compared to \$9.2 million for the same period last year, a new all-time record for theScore for a single period.

Gaming handle[1] was \$55.8 million and gross gaming revenue[2] was (\$0.3) million in Q1 F2021. When taking into account promotional costs and fair value adjustments on unsettled bets, this resulted in negative net gaming revenue[3] of \$2.0 million.

EBITDA loss in Q1 F2021 was \$9.3 million versus EBITDA loss of \$4.8 million for the same period last year. The increase in EBITDA loss was primarily the result of additional expenses incurred in connection with the expansion of our gaming operations compared to the prior year.

Annual and Special Meeting; Proposed Share Consolidation in Contemplation of Potential listing on a U.S. Stock Exchange

theScore will host a virtual Annual and Special Meeting of shareholders at 11:00am EST on Wednesday, February 10, 2021 (the "Meeting").

At the Meeting, shareholders will be asked to approve a special resolution to authorize theScore's board of directors to effect a consolidation of our Class A Subordinate Voting Shares and our Special Voting Shares based on a consolidation ratio within the range of one post-consolidation share for every two to twenty pre-consolidation shares. The details of the proposed share consolidation will be included in a Management Information Circular that will be sent to our shareholders in connection with the Meeting.

Our management team has been studying the potential benefits of an additional listing of our Class A Subordinate Voting Shares on a U.S. stock exchange. Based on our stage of development, certain developments in our industry, our observations regarding the market for our peers whose securities are listed on U.S. stock exchanges, and also from discussions with both U.S.-based investment banks and other advisers, we believe that there may be potential benefits of a listing on a U.S. stock exchange, including:

- a significantly larger pool of available capital;
- a greater average daily trading volume;
- a greater number of U.S. retail and institutional investors; and
- a potential increase in market valuation.

We must satisfy a variety of requirements to be accepted for listing on certain U.S. stock exchanges, including the requirement that the listed securities maintain a minimum per-share trading price for a specific period of time. This is the primary reason for seeking approval of our shareholders at the Meeting for a share consolidation.

Financial Statements and Management's Discussion and Analysis

We report our financial results in Canadian dollars, unless otherwise indicated. Our unaudited interim consolidated financial statements, accompanying notes, and Management's Discussion & Analysis for the three months ended November 30, 2020 are prepared in accordance with International Financial Reporting Standards ("IFRS") and are available on our [Investor Relations page](#).

Conference Call & Webcast

theScore will host a conference call and webcast at 5:30pm, ET on Wednesday, January 13:

Conference Call Dial-In
Local: +1 (647) 689-5637
Toll Free North America: +1 (877) 396-4208
Conference ID: 8482477

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: 8482477

For more information:

Dan Sabreen
Director, Communications
Score Media and Gaming Inc.
Tel: 917-722-3888 ext. 706
Email: dan.sabreen@thescore.com

Alvin Lobo
Chief Financial Officer
Score Media and Gaming Inc.
Tel: 416-479-8812 ext. 2206
Email: alvin.lobo@thescore.com

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. Our 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

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 our 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, receipt of listing approval by a U.S. stock exchange, receipt of shareholder approval for a share consolidation (and the discretion granted to the board of directors to proceed with a consolidation and to fix a consolidation ratio), the enactment of enabling legislation and regulations in the Province of Ontario to facilitate iGaming and the enactment of federal legislation to permit single-event sports wagering (including the timing of such legislation and regulations being passed and proclaimed in force (if at all) and the terms and conditions imposed in such legislation and regulations on participants in the iGaming industry), the receipt by us of all relevant licences and approvals under the relevant legislation and regulations, and the rate of adoption of online gaming in Canada, and those factors which are discussed under the heading “Risk Factors” in our Annual Information Form as filed with applicable Canadian securities regulatory authorities and available on SEDAR under our profile at 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 and Management Information Circular. 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. We do not intend, and do not assume any obligation, to update these forward-looking statements except as required by applicable law or regulatory requirements.

[1] 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.

[2] 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.

[3] Net gaming revenue is calculated as gross gaming revenue, less free bets, promotional costs, bonuses and fair value adjustments on open bets.

Score Media and Gaming Inc.

Condensed Consolidated Interim Statements of Financial Position
(in thousands of Canadian dollars)
(unaudited)

	November 30, 2020	August 31, 2020
ASSETS		
Current assets:		
Cash	\$ 19,216	\$ 40,116
Restricted cash related to customer deposits	5,575	1,859
Accounts receivable	10,150	5,455
Tax credits recoverable	1,616	1,616
Prepaid expenses, deposits, and other assets	1,637	2,048
	<u>38,194</u>	<u>51,094</u>
Non-current assets:		
Property and equipment	3,785	4,136
Intangible and other assets	26,055	23,477
	<u>29,840</u>	<u>27,613</u>
Total assets	<u>\$ 68,034</u>	<u>\$ 78,707</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 16,191	\$ 10,353
Current portion of loans and other borrowings	401	6,645
Current portion of lease liability	921	908
Other current financial liabilities	84	231
	<u>17,597</u>	<u>18,137</u>
Non-current liabilities:		
Loans and other borrowings	638	740
Lease liability	807	1,042
Convertible debenture	30,948	29,584
	<u>32,393</u>	<u>31,366</u>
Shareholders' equity	18,044	29,204
Commitments		
Subsequent event		
Total liabilities and shareholders' equity	<u>\$ 68,034</u>	<u>\$ 78,707</u>

Score Media and Gaming Inc.

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

	Three months ended November 30,	
	2020	2019
Revenue	8,539	9,219
Operating expenses:		
Product development and content	2,800	2,582
Sales and marketing	4,867	5,491
Technology and operations	5,328	3,158
General and administration	4,818	2,820
Depreciation and amortization	1,384	1,213
	<u>19,197</u>	<u>15,264</u>
Operating loss	(10,658)	(6,045)
Finance expense, net	<u>(2,015)</u>	<u>(1,172)</u>
Loss before income tax expense (recovery)	(12,673)	(7,217)
Deferred income tax expense (recovery)	<u>-</u>	<u>(3,107)</u>
Net loss	<u>\$ (12,673)</u>	<u>\$ (4,110)</u>
Other comprehensive income		
Foreign currency translation differences from foreign operations	319	16
Total comprehensive loss for the period	<u>\$ (12,354)</u>	<u>\$ (4,094)</u>
Loss per share - basic and diluted	<u>\$ (0.03)</u>	<u>\$ (0.01)</u>

Score Media and Gaming Inc.

Condensed Consolidated Interim Statements of Cash Flows
(in thousands of Canadian dollars)
(unaudited)

	Three months ended	
	November 30, 2020	November 30, 2019
Cash flows from (used) in operating activities		
Net income (loss) for the period	\$ (12,673)	\$ (4,110)
Adjustments for:		
Depreciation and amortization	1,384	1,213
Stock based compensation	472	153
Interest accretion on lease liabilities	26	37
Interest accretion on loans and other borrowings	22	-
Interest accretion on convertible debenture	1,364	1,167
Unrealized foreign exchange (gain) loss	564	84
Income tax recovery	-	(3,107)
	<u>(8,841)</u>	<u>(4,563)</u>
Change in non-cash operating assets and liabilities:		
Accounts receivable	(4,694)	(1,845)
Restricted cash related to customer deposits	(3,815)	(832)
Prepaid expenses, deposits, and other assets	408	(719)
Accounts payable and accrued liabilities	5,919	70
Other financial liabilities	(147)	27
	<u>(2,329)</u>	<u>(3,299)</u>
Net cash used in operating activities	<u>(11,170)</u>	<u>(7,862)</u>
Cash flows from financing activities		
Exercise of stock options	75	49
Payment of lease liabilities	(248)	(249)
Payment of loans and other borrowings	(6,362)	-
Issuance of convertible debenture, net of transaction costs	-	37,274
Issuance of shares, net of transaction costs	571	-
Net cash from (used) in financing activities	<u>(5,964)</u>	<u>37,074</u>
Cash flows used in investing activities		
Additions to property and equipment	(73)	(166)
Additions to intangible and other assets, net	(3,674)	(1,010)
Net cash used in investing activities	<u>(3,747)</u>	<u>(1,176)</u>
Increase (decrease) in cash and cash equivalents	(20,881)	28,036
Net effect of exchange rate fluctuations on cash	(19)	16
Cash and cash equivalents, beginning of period	40,116	4,035
Cash and cash equivalents, end of period	<u>\$ 19,216</u>	<u>\$ 32,087</u>

	Three Months Ended	
	November 30, 2020	November 30, 2019
Net loss for the period	\$ (12,673)	\$ (4,110)
Adjustments:		
Depreciation and amortization	1,384	1,213
Finance (income) expense, net	2,015	1,172
Deferred income tax (recovery)	-	(3,107)
EBITDA	<u>\$ (9,274)</u>	<u>\$ (4,832)</u>