

# NorthStar Gaming Reports Year-End 2024 Results

## Annual Revenue Growth of 57%, Gross Margin up 91%

Toronto, Ontario--(Newsfile Corp. - May 14, 2025) - NorthStar Gaming Holdings Inc. (TSXV: BET) (OTCQB: NSBBF) ("NorthStar" or the "Company") today announced its financial results for the three months and year ended December 31, 2024. The Company also announced that it will discuss the results on an investor webinar to be held Thursday, May 15, 2025 at 11:00am (please see below for details). All dollar figures are quoted in Canadian dollars.

"We delivered strong financial results in 2024, highlighted by 57% growth in revenue and a 91% increase in gross margin. At the same time, we held marketing expense to a 10% increase and reduced G&A expense, demonstrating the continually improving operating leverage built into our business model," said Michael Moskowitz, Chair and CEO of NorthStar. "Equally important, our team rolled out innovations in both our sportsbook and casino that have further differentiated NorthStar Bets as a premium offering and helped drive the retention of, and engagement with, our loyal customers."

### Restatement of Results

The comparative results for the three months and twelve months ended December 31, 2023 have been restated in the financial statements and management's discussion & analysis ("FY2024 MD&A") for the year ended December 31, 2024 to include additional merchant fees and player bonus expenses which were not captured in the previously published financial statements (note 2 of the Financial Statements for the year ended December 31, 2024). The Company's payment processor deducted the additional merchant fee from the daily remittances to the Company, and the deductions were not accounted for by the Company. These additional fees were identified as part of the year-end reconciliation of the amount due from the payment processor, and the financial statements and FY2024 MD&A have been adjusted accordingly. These restatements did not impact the cash balances reported for the years ended December 31, 2022, 2023, or 2024. However, they did result in adjustments to the reported current asset balances for those periods.

### Financial Highlights for the Fourth Quarter Ended December 31, 2024 ("Q4 2024"):

- **Total Wagers**<sup>1</sup> at Northstarbets.ca were \$303.0 million in Q4 2024, a 42% increase compared to \$213.3 million in Q4 2023.
- **Gross Gaming Revenue**<sup>2</sup> at Northstarbets.ca was \$10.0 million in Q4 2024, a 31.6% increase from \$7.6 million in Q4 2023.
- **Revenue**<sup>2</sup> was \$9.5 million in Q4 2024, a 51% increase from \$6.3 million in Q4 2023. Revenue in Q4 2024 includes \$1.5 million of managed services revenue, which compares to \$0.2 million in Q4 2023.
- **Gross Margin** was \$3.6 million, a 71% increase from \$2.1 million in Q4 2023, while the Gross Margin percentage increased to 38.1%, up from 33.6% in Q4 2023.
- **Profit/(loss) before marketing and other expenses**<sup>1</sup> was \$0.6 million in Q4 2024 compared to a loss of \$2.5 million in Q4 2023, indicating that gross margin is now sufficient to cover the Company's overhead expenses.

### Financial Highlights for the Year Ended December 31, 2024 ("FY 2024"):

- **Total Wagers**<sup>2</sup> at Northstarbets.ca were \$980.0 million in FY 2024, a 51% increase compared to \$648.8 million in the year ended December 31, 2023.

- **Gross Gaming Revenue**<sup>2</sup> at Northstarbets.ca was \$34.0 million in FY 2024, a 51% increase from \$22.5 million in FY 2023.
- **Revenue**<sup>2</sup> was \$29.6 million in FY 2024, a 57% increase from \$18.8 million in FY 2023. Revenue in FY 2024 includes \$2.3 million of managed services revenue, which compares to \$0.5 million in FY 2023.<sup>3</sup>
- **Gross Margin** was \$10.5 million, marking a 91% increase from \$5.5 million in FY 2023, with the Gross Margin increasing to 35.7%, up from 29.3% in FY 2023.
- **Profit/(loss) before marketing and other expenses**<sup>1</sup> was \$0.1 million in FY 2024 compared to a loss of \$6.7 million in YTD 2023, an improvement of \$6.8 million.

"Early in 2025, we completed our most significant fund-raising to date, with a \$43.4 million debt financing. This capital gives us a long runway on which to continue our trajectory of growth in wagering, gross margins and improving operating leverage. This was a milestone event for our business," added Mr. Moskowitz.

### 2024 Operating Highlights:

- Completed the inaugural Blackjack Championship tournament, an innovative online competition that helped drive the acquisition of new high-value players and engagement for existing customers while increasing Blackjack wagering activity.
- Implemented a series of enhancements to the NorthStar Bets platform, highlighted by streamlined navigation in both the Casino and Sportsbook sections, a doubling of Casino game selection since the start of 2024, personalized prop bets and intelligent parlay suggestions.
- Introduced the "NorthStar Elite" program and branded tables to help secure the loyalty and satisfaction of our most active players and reinforcing the Company's positioning as a premium offering.
- Launched "Sports Insights 2.0," a robust suite of enhancements to our content vertical that includes a redesigned home page, comprehensive team and player statistics, injury and player news feeds, added coverage of popular sports and strengthened casino content.
- Gained significant traction outside the Ontario market with managed services revenue from Northstarbets.com site, owned by the Abenaki Council of Wolinak, increasing from \$0.5 million in FY 2023 to \$2.3 million in FY 2024.
- Outpaced the industry growth rates reported by iGaming Ontario in 2024 in both Total Wagers (51% for NorthStar vs. 33% for the industry) and Gross Gaming Revenue (51% for NorthStar vs. 31.5% for the industry).

### Outlook

"We expect our consistent pattern of year-over-year revenue increases to continue throughout 2025, based on our ongoing success in attracting and engaging high-value players," said Mr. Moskowitz. "We will maintain disciplined control over costs so that incremental gross margin falls primarily to the bottom line. As we continue to focus on operational excellence, we remain confident that we have the capital necessary to reach profitability based on our current business platform."

### FY 2024 Corporate Update Webinar

On May 15, 2025, Michael Moskowitz will present an in-depth Corporate Update, including a discussion of the Company's FY 2024 Earnings, current operations and strategic priorities. All investors and other interested parties are invited to register for the webinar at the link below.

**Date:** Thursday, May 15, 2025

**Time:** 11:00 am EDT

**Register:** [Webinar Registration](#)

Management will be available to answer your questions following the presentation on the webinar

platform. You may also submit your question(s) beforehand in the registration form linked above.

## **Extension of Strategic Marketing Agreement**

The Company also announced that its wholly owned subsidiary, NorthStar Gaming (Ontario) Inc. ("NorthStar Ontario"), has extended its strategic partnership with Playtech Software Limited ("Playtech Software") through the renewal of their previously announced strategic marketing agreement. Under the agreement, Playtech Software contributes services designed to accelerate NorthStar Ontario's player acquisition strategy in the province. The agreement was first implemented in June 2023 and has since been renewed several times. Pursuant to the latest renewal, Playtech Software will reimburse marketing expenses valued at a total of up to \$1.5 million over a 3-month period through to March 31, 2025. Playtech Software will be compensated through a share of revenue from the income generated in connection with the marketing initiatives to which it contributes. The Transaction between Playtech and NorthStar Ontario is exempted from Multilateral Instrument 61-101 *Protection of Minority Securityholders in Special Transactions*.

"We are very pleased to renew the marketing services agreement with Playtech Software," said Michael Moskowitz, Chair and CEO of NorthStar. "The agreement serves to extend our marketing budget and has contributed to our tremendous growth in Ontario. Playtech plc continues to be a valuable strategic partner and we look forward to further collaboration."

## **Continuous Disclosure**

Further to a review by the staff of the Ontario Securities Commission (the "OSC") of the Company's continuous disclosure, the FY2024 MD&A includes enhanced disclosures with respect to:

- the Company's regulatory framework, licensing regimes applicable to its business operations and the legal authorizations necessary to conduct its business operations;
- specific risk factors relating to the Company's business operations which include risks relating to operating in a heavily regulated industry, cyber security risks and risks relating to conflicts of interest with respect to directors and officers of the Company; and
- the relationship between the Abenaki Council of Wolinak and the Company as well as its subsidiary, Slapshot Media Inc.

Such amended disclosure is being included in the FY2024 MD&A to address comments received from the OSC on its management's discussion & analysis, for the period ended September 30, 2024, and to improve the Company's disclosure.

As a result of having to include such enhanced disclosure after the OSC review, the Company will be placed on the public list of Refilings and Errors in accordance with OSC Staff Notice 51-711 (Revised) - *Refilings and Corrections of Errors* for a period of three (3) years.

## **Additional Information**

For additional information, please refer to the Company's condensed consolidated financial statements for the year ended December 31, 2024, and the corresponding FY2024 MD&A. These documents are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), and on the Company's corporate website at [www.northstargaming.ca](http://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 [/ Reconciliation of Non-IFRS Measures to IFRS Measures]**

Throughout this document, management uses certain non-IFRS financial measures and supplementary financial measures to evaluate the performance of the Company. The terms "Gross Gaming Revenue" "Total Wagers" and "Profit/(Loss) before marketing and other expenses" are non-IFRS financial measures. These measures are not recognized measures under International Financial Reporting Standards ("IFRS") and do not have a standardized meaning prescribed by IFRS and are, therefore, not necessarily comparable to similar measures presented by other companies. Rather, these measures are 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, these measures 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.

### **Total Wagers**

*Total Wagers are calculated as the total amount of money bet by customers in respect of bets that have settled in the applicable period. Total Wagers does not include free bets or other promotional incentives, nor money bet by customers in respect of bets that are open at period end. Total Wagers is used to provide investors with supplemental measures of our operating performance and thus highlight trends in our business that may not otherwise be apparent when relying solely on IFRS measures.*

### **Gross Gaming Revenue**

*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.*

### **Reconciliation of Non-IFRS Measures to IFRS Measures**

In Q4 2024, the Company reported \$10.0 million of Gross Gaming Revenue (\$34.0 million in FY 2024) and has provided a reconciliation to the most comparable IFRS financial measure (Revenue) as follows: \$ Millions (unaudited)	Unaudited Three months ended		Year ended	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Gross gaming revenue from wagered games	\$10.0	\$ 7.6	\$ 34.0	\$22.5
Bonuses, promotional costs and free bets	(2.0)	(1.5)	(6.7)	(4.2)
Sub-total Gaming revenue	8.0	6.1	27.3	18.3
Other revenue from managed services	1.5	0.2	2.3	0.5
Revenue	\$ 9.5	\$ 6.3	\$ 29.6	\$ 18.8

## **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)	Unaudited Three months ended		Year ended	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Revenue	\$ 9,478	\$ 6,275	\$ 29,556	\$ 18,845
Cost of Revenues	5,868	4,167	19,013	13,317
Gross Margin	3,610	2,108	10,543	5,528
General and administrative expenses	3,033	4,452	10,453	12,277
<b>Profit/(Loss) before marketing and other expenses (1)</b>	577	(2,344)	90	(6,749)
Marketing	5,249	5,472	15,456	14,094
Loss before other expenses (1)	(4,672)	(7,816)	(15,366)	(20,843)
Other expenses	(1,070)	149	3,645	6,547
Net loss	\$ (3,602)	\$ (7,965)	\$ (19,011)	\$ (27,390)

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

### 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](http://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.*

**For further information:**

**Company Contact:**

Corey Goodman  
Chief Development Officer 647-530-2387  
[investorrelations@northstargaming.ca](mailto:investorrelations@northstargaming.ca)

**Investor Relations:**

RB Milestone Group LLC (RBMG)  
[Northstar@rbmilestone.com](mailto:Northstar@rbmilestone.com)

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<sup>1</sup> Represents a Non-IFRS financial measure. See "Non-IFRS Financial Measures" below for more information.

<sup>2</sup> Revenue includes managed services fees, and Gross Gaming Revenue net of bonuses, promotional costs and free bets.

<sup>3</sup> The comparative information for managed services revenue for FY 2023 does not include operating results prior to May 8, 2023, when the Slapshot Media Inc. business was acquired.



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