

NorthStar Gaming Reports Third Quarter 2025 Results

Operating leverage continues to improve with gross margin outpacing revenue growth and operating expenses declining

Toronto, Ontario--(Newsfile Corp. - November 27, 2025) - NorthStar Gaming Holdings Inc. (TSXV: BET) (OTCQB: NSBBF) ("NorthStar" or the "Company") today announced its financial results for the three- and nine-month periods ended September 30, 2025. All dollar figures are quoted in Canadian dollars.

"We maintained our track record of year-over-year growth in both revenue and gross margin in the third quarter," said Michael Moskowitz, Chair and CEO of NorthStar. "We continue to strengthen the fundamentals of the business with KPIs remaining solid and ongoing innovation helping to attract and retain customers. Our team has been implementing operational improvements that are improving the player experience while at the same time reducing operating expenses."

Financial Highlights for the Third Quarter Ended September 30, 2025 ("Q3 2025"):

- **Revenue**¹ was \$6.9 million in Q3 2025, a 4% increase from \$6.6 million in Q3 2024. Revenue in Q3 2025 includes \$0.8 million of managed services revenue, an increase of 167% from \$0.3 million in Q3 2024. Revenues increased despite the higher than customary player-friendly outcomes of the quarter.
- **Gross Margin** was \$2.4 million, a 14% increase from \$2.1 million in Q3 2024, while the Gross Margin percentage increased to 34.7% of revenue, up from 31.7% in Q3 2024
- **Profit before marketing and other expenses**² was \$0.2 million in Q3 2025, an improvement of \$0.7 million compared to a loss of \$0.5 million in Q3 2024. This marks the fourth consecutive quarter of positive profit before marketing and other expenses.
- **General and administrative ("G&A") expense** was \$2.2 million in Q3 2025, a decrease of 16% from \$2.6 million in Q3 2024. G&A expense represented 31.6% of revenue compared to 39.4% in Q3 2024.
- **Marketing expense** was \$2.3 million in Q3 2025, a decrease of 21% from \$2.9 million in Q3 2024, and represented 32.6% of revenue compared to 42.9% in Q3 2024. The Company continues to optimize its marketing investments to reduce costs and attract high value players.

Financial Highlights for the Nine-Month Period Ended September 30, 2025 ("YTD 2025"):

- **Revenue**¹ was \$23.3 million in YTD 2025, a 17% increase from \$20.0 million in YTD 2024. Revenue in YTD 2025 includes \$1.9 million of managed services revenue, an increase of 138% from \$0.8 million in YTD 2024.
- **Gross Margin** was \$8.9 million, a 32% increase from \$6.8 million in YTD 2024, while the Gross Margin percentage increased to 38.2% of revenue, up from 33.9% in YTD 2024.
- **Profit before marketing and other expenses**² was \$1.5 million in YTD 2025, an improvement of \$2.2 million compared to a loss of \$0.6 million in YTD 2024.
- **G&A expense** was \$7.37 million in YTD 2025, a decrease of 1% from \$7.42 million in YTD 2024, as savings realized throughout the G&A category were partially offset by \$0.3 million of one-time expenses incurred in Q2 2025 associated with the restatement of prior financial results and disclosure review. As a percentage of revenue, G&A decreased to 31.6% in YTD 2025 compared to 37.1% a year earlier. Management has taken steps during the second half of 2025 to further reduce G&A through various initiatives, the full impact of which will likely be realized in 2026.
- **Marketing expense** of \$9.4 million decreased 8% from \$10.2 million in YTD 2024 and represented 40.4% of revenue compared to 51.0% in YTD 2024.

Recent Operating Highlights:

- Launched The Boost (www.theboostbet.ca), a website which showcases NorthStar's premium sports and casino content, including news, insights and scores, and targets a wider audience to help accelerate customer acquisition in Ontario.
- The Company's fall marketing campaign extended the "Exceptionally Canadian" theme - including television ads - to maximize awareness during the seasonally busy fourth quarter.
- NorthStar was recognized at the recent Clio Sports Awards, a program honouring excellence in advertising around the world. NorthStar won a Silver Award for its "SwiftBets" campaign which encouraged Taylor Swift fans to place prop bets on her Eras Tour performances in Toronto, and a Shortlist Award for its "Debatable Billboards" campaign on the soccer versus football debate.
- Built on our lead in online tournaments with a robust slate of fall events, including the return of the 50 Grand Slots Showdown and the NorthStar Blackjack Championship, along with the free-to-play NFL-themed Beat the Spread Challenge, the Sports Showdown Tournament, and a special Holiday Slots event. Continued to invest in our VIP infrastructure through new team members, events and incentives aimed at delivering a premium experience to the players who drive an outsized proportion of our results.
- Phase One of the new Casino lobby went live, delivering a smarter, faster experience that prioritizes top-performing titles and sets the foundation for a suite of personalization phases aimed at lifting play intensity, personalizing game rails to elevate discovery, and increase engagement.
- Implemented enhancements to our onboarding process which have led to 9% faster registration times, a 28% reduction in abandon rates, and an 8% uplift in the completion rate, illustrating the ongoing improvements to the customer journey that are critical to converting and retaining players.

Outlook

"The third quarter of 2025 represented overall growth in NorthStar's revenue at a time where the Company's business is maturing and the Ontario iGaming market continues to evolve," said Mr. Moskowitz. "Looking ahead to 2026, the Company has adjusted its strategy to focus on a disciplined approach to optimize player acquisition and retention where these investments align with our financial resources and market conditions. As a result, management expects more moderate top-line growth driven by continued enhancements to the player experience and by prudent allocation of marketing and operating expenses."

The Company's unaudited condensed consolidated interim financial statements for the three- and nine-month periods ended September 30, 2025 ("Q3 2025 Financial Statements") includes a going concern statement. Continued revenue growth is dependent on the Company's ability to maintain adequate liquidity to support marketing and customer acquisition initiatives. Based on current forecasts, the Company's cash flow and liquidity position may not be sufficient to fund operating expenditures, including marketing investments, and meet certain debt-related covenants with its senior lender without further action.

Management has developed a cash flow forecast for the period to December 31, 2026 which indicates that the Company can continue to meet its obligations as they come due. However, there is a risk that the Company may breach certain debt-related covenants, and management has initiated discussions with the lender regarding these matters. A breach could require the Company to implement operational adjustments and, if necessary, seek additional debt or equity financing. Management continues to closely monitor the Company's liquidity position to ensure that operating cash flows remain sufficient to support ongoing obligations.

Additional details regarding the Company's financial outlook, liquidity and associated risks are described in the Company's management's discussion & analysis ("Q3 2025 MD&A").

Restatement of Results

The comparative results for the three- and nine-month periods ended September 30, 2024 have been

restated in the Company's financial statements and the corresponding Q3 2025 MD&A to include additional merchant fees and player bonus expenses which were not captured in the previously published financial statements. Please refer to note 2 of the Company's Q3 2025 Financial Statements.

Additional Information

For additional information, please refer to the Q3 2025 Financial Statements and the corresponding Q3 2025 MD&A. These documents are available on SEDAR+ at www.sedarplus.ca, and on the Company's 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 terms "Profit/(Loss) before marketing and other expenses" and "Loss before marketing expenses" are each a non-IFRS financial measure. These measures are not recognized measures under International Financial Reporting Standards ("IFRS") and do not have standardized meanings 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 substitutes 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" and "Loss before other expenses" to be good indicators 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		Nine months ended	
	Sept 30, 2025	Sept 30, 2024	Sept 30, 2025	Sept 30, 2024
Revenue	\$ 6,939	\$ 6,645	\$23,329	\$20,007

Cost of Revenues	4,528	4,538	14,415	13,232
Gross Margin	2,411	2,107	8,914	6,775
General and administrative expenses	2,190	2,617	7,366	7,420
Profit/(Loss) before marketing and other expenses (1)	221	(510)	1,548	(645)
Marketing	2,259	2,850	9,414	10,207
Loss before other expenses (1)	(2,038)	(3,360)	(7,866)	(10,852)
Other expenses	2,052	294	5,867	4,713
Net loss	\$(4,090)	\$(3,654)	\$(13,733)	\$(15,565)

(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, the Company's strategies in connection with player acquisition, experience and retention, future growth opportunities for NorthStar, and the Company's liquidity plan and compliance with debt-related covenants. The foregoing is 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; risks related to the Company's liquidity position; and those factors discussed in greater detail under the "Risk Factors" section of the Company's most recent annual information form and Q3 2025 MD&A, both of which are 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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