



## FansUnite Reports First Quarter Fiscal 2022 Financial Results

- Total revenue of \$9.67 million in Q1 Fiscal 2022, an increase of 804% over Q1 Fiscal 2021
- Gross margin of \$5.90 million (61%) in Q1 Fiscal 2022, as compared to \$0.54 million (51%) in Q1 Fiscal 2021
- Positive cash flow from operations of \$0.5 million in Q1 Fiscal 2022, as compared to negative cash flow of \$2.2 million in Q1 Fiscal 2021
- Company to host investor webinar on Wednesday, June 1, 2022 at 1 PM EST

Vancouver, British Columbia--(May 27, 2022) - FansUnite Entertainment Inc. (CSE: FANS) (OTCQX: FUNFF) ("FansUnite" or the "Company") announced that it has filed its consolidated interim financial statements and associated management's discussion and analysis ("MD&A") for the three months ended March 31, 2022. All amounts are stated in Canadian dollars unless otherwise indicated.

### **Investor Webinar**

FansUnite will be hosting an investor webinar on Wednesday, June 1, 2022 at 1 PM EST to discuss the Company's Q1 Fiscal 2022 financial results and growth outlook for the remainder of 2022.

Click the link below to register.

[https://us02web.zoom.us/webinar/register/WN\\_g9kswoVFQYi6GVJD71qQ0A](https://us02web.zoom.us/webinar/register/WN_g9kswoVFQYi6GVJD71qQ0A)

### **First Quarter Fiscal 2022 Financial Highlights:**

- Total revenue of \$9.67 million in Q1 Fiscal 2022, an increase of approximately 804% as compared to \$1.07 million over the same period in the last fiscal year
- Gross margin of \$5.90 million (61%) in Q1 Fiscal 2022, as compared to \$0.54 million (51%) over the same period in the last fiscal year
- Positive cash flow from operations of \$0.5 million in Q1 Fiscal 2022, as compared to negative cash flow of \$2.2 million in Q1 Fiscal 2021
- Net loss of \$9.17 million in Q1 Fiscal 2022 which includes non-cash expenses of \$10.31 million, as compared to \$2.49 million over the same period in the last fiscal year, which includes non-cash expenses of \$0.72 million
- As of March 31, 2022, the Company had net working capital of \$13.6 million compared to \$14.9 million as of December 31, 2021.

### **First Quarter Fiscal 2022 Operational Highlights:**

- On January 4, 2022, the Company appointed Dennis Williams, who previously served as a Payments Senior Specialist at the British Columbia Lottery Corporation, the only licensed provider of casinos, lottery products, and online gambling in British Columbia, as FansUnite's Payments Director

- On January 10, 2022, the Company's American Affiliate ("AmAff") division received approval to provide customer acquisition services in New York, the largest online sports betting market in the U.S.
- On January 31, 2022, Money Line Sports launched a new online sportsbook, [moneylinesportsbook.com](http://moneylinesportsbook.com) in European and overseas markets on the Company's Chameleon iGaming Platform
- On February 2, 2022, the Company's AmAff division entered Louisiana's online sports betting market
- On February 7, 2022, the Company reported that its subsidiary McBookie Ltd has demonstrated significant year-over-year growth by increasing its gross win by 54% in 2021, as well as producing outstanding results in January 2022 - a combined gross win of \$465,000 across its sportsbook and casino channels
- On February 17, 2022, the Company reported that its AmAff division set new company records during the Super Bowl LVI weekend by averaging more than one new depositing customer per minute. AmAff registered over 6500 new depositing customers for its sportsbook partners, resulting in US\$1.75 million in first-time deposits
- On March 7, 2022, the Company announced that it received a Gaming Related Supplier - Manufacturer license from the Alcohol and Gaming Commission of Ontario, allowing FansUnite to become a fully registered supplier of sports betting and internet gaming in Ontario, effective April 4, 2022
- On March 12, 2022, the Company launched the VamosGG Cup, a CS:GO esports tournament
- On March 17, 2022, the Company's AmAff division received approval to provide customer acquisition services in Maryland's sports betting market
- On March 22, 2022, the Company announced that it has been shortlisted as a finalist for the following five award categories in the 2022 EGR North America Awards:
  - FansUnite: Full-service platform provider
  - American Affiliate: Affiliate of the year
  - Betting Hero: Acquisition and retention partner, Customer onboarding partner, and Diversity & inclusion model
- On March 31, 2022, the Company reported during the first two weekends of the 2022 NCAA 'March Madness' Men's Basketball Tournament, its AmAff division generated \$1.88 million in revenue from its betting affiliate network, operating at over 30% gross margins

#### **Subsequent Events to First Quarter Fiscal 2022:**

- On April 19, 2022, the Company announced that it has signed a Memorandum of Understanding ("MOU") to enter into a long-term licensing agreement with Lovell Brothers Limited, owners of Dragon Bet, to launch a new online sports betting portal, [www.dragonbet.co.uk](http://www.dragonbet.co.uk), on the Chameleon iGaming platform

"We began this year with solid growth to our top line despite the headwinds faced in the global economy," said Scott Burton, CEO of FansUnite. "Our operations have scaled significantly over the last six months. During Q1 2022, we saw revenue reach \$9.67 million, an increase of over 800% compared to the same period last fiscal year, while achieving a cash flow positive quarter for the first time in the company's history, a significant milestone in the current market. Having substantial working capital will allow us to continue growing without needing to access additional capital."

Scott added, "Our revenue growth was supported by positive progress across all of our business units. Newly acquired American Affiliate continued to enter new U.S. betting markets and delivered outstanding results during one of the busiest quarters for North American sports while

our B2B segment continues to gain traction with the launch of MoneyLine Sports. We carried this success into Q2 of Fiscal 2022, where we recently signed an MOU with a leading Welsh bookmaker and have several ongoing discussions to support additional brands globally."

Certain information provided in this news release is extracted from the unaudited condensed consolidated interim financial statements (the "Financial Statements") and Management's Discussion & Analysis ("MD&A") of the Company for the three months ended March 31, 2022 and should be read in conjunction with them. It is only in the context of the information and disclosures contained in the Financial Statements and MD&A that an investor can properly analyze this information. The Financial Statements and MD&A can be found under the Company's profile on SEDAR.

### **About FansUnite Entertainment Inc.**

[FansUnite](#) is a global sports and entertainment company, focusing on technology related to regulated and lawful online gaming. FansUnite's one-of-a-kind iGaming platform Chameleon offers operators a full suite of gaming solutions with a sports and esports focus geared for the next generation of online bettors and casino players. Along with providing B2B technology solutions, FansUnite operates multiple B2C brands, such as Scottish sportsbook [McBookie](#) and Brazilian esportsbook [VamosGG](#), and produces casino style slot games under its Askott Games subsidiary. FansUnite is the parent company of North American-focused [American Affiliate](#), which operates leading affiliate brands such as [Betting Hero](#), [Props.com](#), [Wagers.com](#) and [BetPrep](#).

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### **DISCLAIMER REGARDING FINANCIAL INFORMATION:**

The Company has also provided unaudited financial information for first quarter of 2022, which has been prepared by management based on information currently available to the Company. Accordingly, such financial information may be subject to change based on the results of the Company's year-end audit. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation for purposes of applicable securities laws.

### **FORWARD-LOOKING INFORMATION:**

This news release contains certain statements that may constitute forward-looking information under applicable securities laws. All statements, other than those of historical fact, which address

activities, events, outcomes, results, developments, performance or achievements that FansUnite anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements formed in the future tense or indicating that certain actions, events or results “may”, “could”, “would”, “might” or “will” (or other variations of the foregoing) be taken, occur, be achieved, or come to pass. Forward-looking statements in this news release include, but are not limited to, the Company’s strategic objectives, goals, growth strategy and focus including growing revenue and free cash flow through improved operations, accretive acquisitions, internal expansion, integrating and innovating operations and revenue management; the Company continuing to target more B2B deals, both for its Chameleon iGaming platform and RNG casino games; the Company expanding its footprint in the domestic, international and US affiliate market; and the completion of the long-term licensing agreement with Lovell Brothers Limited, owners of Dragon Bet, to launch a new online sports betting portal, [www.dragonbet.co.uk](http://www.dragonbet.co.uk), on the Chameleon iGaming platform.

Forward-looking statements are based on assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, including, but not limited to, expectations and assumptions concerning: interest and foreign exchange rates; capital efficiencies, cost saving and synergies; growth and growth rates; the success in the online gambling and sports betting industry; the regulatory environment applicable to online gambling and sports betting; the technological infrastructure and support needed to host the Company’s online gambling and sports betting platforms and applications; any cryptocurrency applications to the Company’s business; and the Company’s growth plan. While FansUnite considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Readers are cautioned not to place undue reliance on forward-looking statements. In addition, forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; audit-risks; risks associated with the regulatory environments in the jurisdictions the Company operates in; technology-related risks that could adversely affect the Company’s ability to operate its online gambling and sports betting platforms and applications, risks related to the novel coronavirus (COVID-19) global pandemic and any effects it might have on the Company’s business thereto. Readers are cautioned that the foregoing list is not exhaustive. For more information on the risk, uncertainties and assumptions that could cause anticipated opportunities and actual results to differ materially, please refer to the public filings of FansUnite which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect our expectations as of the date hereof, and thus are subject to change thereafter. FansUnite disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

FansUnite Entertainment Inc.  
Condensed Consolidated Interim Statements of Financial Position  
(Unaudited – Amounts Expressed in Canadian dollars)

		March 31, 2022		December 31, 2021
<b>Assets</b>				
<b>Current</b>				
Cash and cash equivalents		\$ 8,196,812	\$	13,973,867
Restricted cash related to customer deposits		175,964		204,731
Short-term investments		853,706		918,847
Receivables	3	7,846,890		6,802,815
Due from related parties	10	704,878		77,671
Prepaid expenses and deposits		271,281		335,809
<b>Total current assets</b>		<b>18,049,531</b>		<b>22,313,740</b>
<b>Non-current</b>				
Equipment	5	87,484		59,693
Goodwill	6	84,704,033		85,795,601
Intangible assets	6	63,335,643		69,360,587
Digital currencies		83,012		107,446
Right of use assets	5	92,615		108,719
Deferred tax asset		610,642		122,042
Long-term investments		74,162		77,162
<b>Total Assets</b>		<b>\$ 167,037,122</b>	<b>\$</b>	<b>177,944,990</b>
<b>Liabilities</b>				
<b>Current</b>				
Accounts payable and accrued liabilities	4	\$ 3,743,458	\$	7,108,134
Due to related parties	10	45,634		164,981
Income taxes payable		607,218		49,258
Deferred and contingent consideration	9	19,296,614		22,157,999
Lease liability	5	59,534		71,043
<b>Total current liabilities</b>		<b>23,752,458</b>		<b>29,551,415</b>
<b>Non-current</b>				
Deferred and contingent consideration	9	66,047,306		65,068,849
Lease liability	5	33,101		39,411
<b>Total liabilities</b>		<b>89,832,865</b>		<b>94,659,675</b>
<b>Shareholders' Equity</b>				
Share capital	7	113,633,246		110,370,147
Share-based payment reserve	8	6,310,961		4,486,909
Warrant reserve		5,491,367		5,491,367
Accumulated other comprehensive (loss) income		(1,794,255)		209,448
Deficit		(46,437,062)		(37,272,556)
<b>Total Shareholders' Equity</b>		<b>77,204,257</b>		<b>83,285,315</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>\$ 167,037,122</b>	<b>\$</b>	<b>177,944,990</b>

FansUnite Entertainment Inc.  
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
(Unaudited - Amounts Expressed in Canadian dollars)

For the three months ended		March 31, 2022	March 31, 2021
Revenue	15	\$ 9,665,722	\$ 1,069,568
Cost of revenue		(3,769,190)	(525,555)
<b>Gross Margin</b>		<b>5,896,532</b>	<b>544,013</b>
<b>Expenses</b>			
Selling, general and administrative	14	11,791,462	3,055,604
<b>Loss before other items</b>		<b>(5,894,930)</b>	<b>(2,511,591)</b>
<b>Other items</b>			
Interest and other expenses (income), net	14	3,291,389	(23,390)
Income tax expense (recovery):			
Current		558,127	-
Deferred, net		(579,940)	-
<b>Net loss for the year</b>		<b>(9,164,506)</b>	<b>(2,488,201)</b>
<b>Other comprehensive income</b>			
Revaluation gain on digital currencies	6	(14,723)	-
Currency translation adjustment		(1,988,980)	41,074
<b>Total comprehensive loss</b>		<b>\$ (11,168,209)</b>	<b>\$ (2,447,127)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.04)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>			
		<b>286,438,806</b>	<b>166,180,000</b>

FansUnite Entertainment Inc.  
Condensed Consolidated Interim Statements of Cash Flows  
(Unaudited - Amounts Expressed in Canadian dollars)

<b>For the three months ended March 31,</b>	<b>2022</b>	<b>2021</b>
<b>Operating activities:</b>		
Net loss	\$ (9,164,506)	\$ (2,488,201)
Restricted cash related to customer deposits	28,767	-
<b>Adjustments for non-cash items:</b>		
Depreciation of equipment	15,394	12,694
Amortization of intangible assets	5,206,184	443,010
Accretion on liabilities	3,224,020	-
Conversion of subscription receipt liability	-	(776,865)
General & administrative expenses paid with common shares	4,000	-
Marketing expenses paid with digital currencies	9,711	-
Fair value gain on digital currencies	-	(33,650)
Unrealized fair value loss (gain) on investments	67,330	(3,000)
Share-based payments	8 1,861,796	263,141
Non-cash interest and other income	1,109	-
Deferred tax recovery	(579,940)	-
<b>Changes in non-cash working capital items:</b>		
Receivables	3 (1,044,075)	10,777
Prepaid expenses and deposits	64,528	308,029
Income taxes payable	557,960	-
Accounts payable	4 279,317	39,926
<b>Net cash flows (used in) provided by operating activities</b>	<b>531,595</b>	<b>(2,153,542)</b>
<b>Investing activities</b>		
Payment of contingent consideration	9 (641,136)	-
Foreign exchange on contingent consideration	(927,428)	-
Payment of net working capital adjustment	4 (3,877,881)	-
Intangibles	(13,121)	70,597
Proceeds from sale of investments	811	5,896
Disposal (Purchase) of equipment	(31,619)	3,533
<b>Net cash flows (used in) provided by investing</b>	<b>(5,490,374)</b>	<b>9,429</b>
<b>Financing activities</b>		
Repayment of lease liability	5 (15,974)	(22,234)
Proceeds from brokered financing	-	12,236,815
Proceeds from warrant/option exercise	2,083	1,863,045
Repayment of notes and loans payable	-	(500,350)
Payments (to) from related parties	10 (769,357)	1,950
<b>Net cash flows (used in) provided by financing activities</b>	<b>(783,248)</b>	<b>13,579,226</b>
Effect of foreign exchange	(35,028)	11,376
Change in cash	(5,777,055)	11,446,489
Cash, beginning of the period	13,973,867	4,431,139
<b>Cash, end of the period</b>	<b>\$ 8,196,812</b>	<b>\$ 15,877,628</b>