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Better Collective acquires Atemi Group for up to 44 million EUR

Sports betting media group, Better Collective, has completed the acquisition of Atemi Group, for up to 44 million EUR. Atemi Group is one of the World's largest companies specialised within lead generation for iGaming through paid media (PPC) and social media advertising. The acquisition is a major strategic move for Better Collective with significant synergistic opportunities.

About Atemi Group

Atemi Group was founded in 2015 and is a global iGaming lead generation company specialised in paid media (PPC) and Social Media advertising. Distribution channels include Google, Microsoft Bing, Facebook and Instagram among others. Historically, the focus of the company has mostly been on traffic acquisition towards iGaming (online casino, bingo etc.) but has more recently focused on building and investing in sports betting comparison platforms. Atemi Group has a global presence with its most prominent market being the UK and their main operations are placed in London. In 2019, Atemi Group generated revenues of 33 million EUR with an organic growth of 70% compared to 2018.

For 2020, Atemi Group is on course to send more than 180,000 new depositing customers (NDC's) to their partners representing iGaming operators and has set a revenue target of >40 million EUR and operational earnings of approximately 8 million EUR. The earning margins within paid media is typically lower than within organic traffic, due to direct payments to the companies providing platforms for online advertisement such as Google and Facebook. Atemi Group is mostly working on cost per acquisition (CPA)-deals, however, the company has gradually invested in sending an increased number of NDC's on revenue-share agreements, in particular within sports betting.

The Transaction

The purchase price has been agreed to 40 million GBP (approximately 44 million EUR) of which 32,5 million GBP is paid upfront at closing in a combination of 27.8 million GBP in cash and 4.7 million GBP in Better Collective shares from the treasury shares holding. The remaining 7.5 million GBP will be paid in equal quarterly deferred payments until the end of 2021.



The strategic objectives

The acquisition of Atemi Group provides Better Collective with additional channels of traffic sourcing high intent customers at a large scale. Atemi Group has built a state-of-the-art tracking and attribution platform for online paid media activities. So far the focus of the company has mainly been on the UK market, and for Better Collective, the acquisition provides the opportunity of scaling PPC activities into additional attractive markets and to further invest in the sports betting opportunity.

In summary the main strategic objectives of the acquisition are:

- Access to key traffic acquisition channels and competences within paid media across search platforms
- Access to key social media marketing platforms as an approved advertiser on popular networks Facebook and Instagram
- Opportunity to swiftly expand into new markets, i.e. the emerging US market where for instance Google has recently provided the opportunity for buying Adwords related to online betting and casino
- Significant uplift in NDC-volume for Better Collective's partners across markets
- Opportunity to harvest synergies from Better Collective's assets within organic traffic acquisition, sports betting, and paid media
- Significantly reduced risk towards organic traffic acquisition

Jesper Søgaard, CEO of Better Collective, says:

"This acquisition is a very important step for us to reach our strategic target of becoming the leading sports betting aggregator in the world. Atemi Group has been on an impressive growth journey since the company was founded in 2015, and has reached the large scale it takes to be competitive and profitable within paid media. We see many opportunities for expansion into new markets and for harvesting synergistic effects between our assets and competences. The acquisition will immediately bring Better Collective in the absolute leading position when it comes to customer acquisition for the online operators, with an estimated annual NDC level of more than 600.000, and from a financial perspective Better Collective will take a leap of having proforma annual revenue of estimated more than 120 million EUR with high operational earnings and cash flow."

Richard Skelhorn, founder of Atemi Group, says:

"We built a very successful gaming affiliate business over the past five years at Atemi. All credit goes to the amazing team and now we are thrilled to be joining Better Collective. Atemi and Better Collective are both market leaders in their respective areas, and the combination of the two companies, creates a very strong force in gaming affiliation. I am certain this will take us to the next level."

Financial targets and future reporting

Better Collective's financial targets for 2020 remain unchanged as communicated in the Q2 report. All activities relating to paid media will be consolidated into a newly formed Paid Media Division with dedicated management and organisation that will be reported as a new financial segment going forward. The Paid Media Division will be included in Better Collective's Group accounts from October 1st, 2020.

Contacts

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This information is such information as Better Collective A/S is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above on October 1, 2020 at 8.40 am CET.



About Better Collective

Better Collective is a global sports betting media group that develops digital platforms for betting tips, bookmaker information and iGaming communities. Better Collective's vision is to empower iGamers through innovative products and technologies and by creating transparency in the online betting market. Its portfolio of platforms and products include bettingexpert.com, the trusted home of tips from expert tipsters and in depth betting theory, HLTV.org, the world's leading esports media and community focusing on competitive Counter Strike: Global Offensive (CS:GO), and vegasinsider.com, a leading source for sports betting information in the US. Better Collective is headquartered in Copenhagen, Denmark, and listed on Nasdaq Stockholm (BETCO).