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## Better Collective provides extraordinary business update due to COVID-19 situation

Following the postponement of several sports events in many countries including the UEFA EURO 2020 due to the outbreak of COVID-19, the sports betting media group, Better Collective, provides an extraordinary business update with the following highlights:

- Until mid March, Better Collective's business has shown strong performance and has not been notably affected by postponements of sports events caused by the COVID-19 outbreak.
- In the last couple of days, major sports events have been postponed, leading to reduced sports betting activity to approximately half of normal levels. The esports and casino business have not been affected.
- The financial targets for 2020 remain unchanged until further, given certain assumptions.
- Better Collective's business model and strong balance sheet allows for a high degree of flexibility in this changing environment.

### Current business performance:

Better Collective's business has not been notably affected by COVID-19 until mid March 2020, despite some sports events having been played without a physical audience and some events having been cancelled.

For Better Collective, February 2020 revenue ended in line with expectations with revenue of 6,9 mEUR corresponding to a growth of 27% (of which 13% was organic growth). Revenue in January and February 2020 combined amounts to 14,1 mEUR corresponding to a growth of 37% (of which 21% was organic growth). Measured on gross gaming activity in revenue share accounts, player activity in February was all time high.

### Postponement of sports events

From mid March, almost all major sports events have been postponed. This includes the EURO 2020, as announced by The Union of European Football Associations (UEFA) today, which is postponed to 2021. In the days after the almost full halt of all major sports events globally, sports betting activity has been reduced to approximately half of normal activity, whereas activities in esports and casino remain unchanged.



Following the postponement of several major sports events, Better Collective expects that some of the revenue, which would normally materialize in the first half of 2020, will either be lost or postponed until later in 2020 or to 2021, depending on the new scheduling of events.

Based upon the current activity level, Better Collective estimates that the postponement of EURO 2020 will imply an isolated revenue postponement of 2-4 mEUR from 2020 to 2021, whereas other cancellations/postponements may have a similar negative effect, in particular in the US, where the business is mostly exposed to the major sports leagues.

**Financial targets:**

The financial targets for 2020 remain unchanged (double-digit organic growth and total growth of >30%, operating margin (EBITA) >40% and Net Interest Bearing Debt/ EBITDA <2,5) until further, given the following assumptions:

- Reduced revenue in 2020 from EURO 2020, postponed to 2021, is estimated at 2-4 mEUR.
- Reduced revenue in 2020 from other postponed sports events is estimated at 4-6 mEUR.
- Esports (HLTV) and casino business continue to perform at regular levels.
- The estimated effect of reduced sports betting of a total 6-10 mEUR is based on the assumption that all major sports events, other than EURO 2020, will be back to a normal activity level in the second half of 2020.
- Costs are maintained at current levels and thus lower than budgeted for the full year, offsetting some of the reduced revenue.

Better Collective will on an ongoing basis evaluate the development of the business and potentially take measures to protect the business and cash flow if revenue will be impacted significantly by postponed sports events.

**Flexible business model and strong balance sheet:**

Better Collective operates in an online business that allows for a high degree of flexibility as operation is highly scalable and can take place almost anywhere. This allows the company to continue operations as usual while giving priority to the health and safety of the employees. Furthermore, the historical business model has to a high degree been based upon revenue share, where the large databases of players continue to generate revenue as long as betting events take place, thereby providing recurring revenue. In past periods with low activity in the absence of major sports events, there is normally still betting activity, i.e. on lower profiled sports events, virtual games, esports, casino. Therefore it can be expected that even though major sports events are not happening, there will still be betting activity.

Better Collective has a strong balance sheet and financing position. The net cash position was almost neutral at the end of February 2020, with a net bank debt (cash minus bank debt) of **minus 13,9 mEUR** after including upfront payment of approximately 24 mEUR in connection with the acquisition of HLTV.org ApS (esports) at the end of February. Cash and un-utilised committed bank credit facilities stood at 70 mEUR end of February 2020.

**Jesper Sogaard, CEO of Better Collective, says:**

“The COVID-19 has in many instances created an unprecedented situation for societies across the world. Just as many other companies, Better Collective will expectedly also be affected by the COVID-19, especially following the postponement of major sports events such as the EURO 2020. Nothing is more important than the health and safety of people and we look forward to the return of the sports we all enjoy, including a safe and exciting EURO 2021. Though visibility is currently limited, we stay optimistic that normal sports betting activity levels will be restored why our guidance remains unchanged.”

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## About Better Collective

Better Collective's vision is to empower iGamers through transparency and technology – this is what has made them the world's leading developer of digital platforms for betting tips, bookmaker information and iGaming communities. Better Collective's portfolio includes a range of websites and products, among other [bettingexpert.com](http://bettingexpert.com), the trusted home of tips from expert tipsters and in depth betting theory. Better Collective is headquartered in Copenhagen, Denmark, and listed on Nasdaq Stockholm (BETCO).