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Better Collective reports record revenue; strong growth in US business and media partnerships

Interim report January 1 - December 31, 2021

Highlights fourth quarter 2021

- Q4 Group Revenue grew by 44% to 52.8 mEUR (Q4 2020: 36.7 mEUR). Organic revenue growth was 25%.
 - The continued large increase in NDCs sent on revenue share contracts has significantly increased future recurring revenue (in Publishing business) but also had a short term dampening effect on revenue and earnings. Combined with an exceptionally low sports win margin, we have estimated an effect of approximately 6 mEUR in the quarter compared to historical average.
- Q4 Group EBITDA before special items increased 16% to 16.3 mEUR (Q4 2020: 14.1 mEUR). The Group EBITDA-margin before special items was 31% (Publishing 40% and Paid Media 5%).
- Cash Flow from operations before special items was 13.5 mEUR (Q4 2020: 10.1 mEUR), an increase of 33%. The cash conversion was 82%. By the end of Q4, capital reserves stood at 33.5 mEUR of which cash of 30.1 mEUR and unused bank credit facilities of 3.4 mEUR.
- New Depositing Customers (NDCs) were >267,000 in the quarter (growth of 74%). NDCs sent on revenue share contracts were >190,000 (growth of 69%).
- On November 4, Better Collective completed the acquisition of the remaining 40% shares in the US based RotoGrinders Network at a total price of 33 mEUR.
- On December 8, Better Collective initiated a share buyback program to cover future payments relating to completed acquisitions and incentive programs for up to 10 mEUR.

Financial highlights full year 2021

- Revenue grew by 94% to 177.1 mEUR (FY 2020: 91.2 mEUR), with organic growth of 29%.
- EBITDA before special items increased 46% to 55.8 mEUR (FY 2020: 38.2 mEUR). The EBITDA-margin before special items was 32% (Publishing 43% and Paid Media 8%).



- Special items amounted to a cost of 16.7 mEUR (FY 2020: 0.1 mEUR). It includes an 11.5 mEUR adjustment of the contingent liability related to the 2019 acquisition of Rical LLC, treated as a P/L item under IFRS, as well as income related to an adjustment of the variable payment recorded in connection with the acquisition of Dutch assets. M&A cost of 6.0 mEUR is related to M&A activities, primarily Action Network, and 2.5 mEUR cost of Management incentive program related to Action Network.
- Cash Flow from operations before special items was 51.2 mEUR (FY 2020: 38.3 mEUR), an increase of 34%. Cash conversion rate before special items was 92%.
- On May 26, 2021, Better Collective resolved on a directed share issue of 6.9 million shares, thereby raising gross proceeds of SEK 1,500 million and significantly increasing financial flexibility.
- New Depositing Customers were >857,000 in 2021 (growth of 96%). NDCs sent on revenue share contracts were >607,000 (growth of 70%).

During 2021, Better Collective completed acquisitions of approximately 210 mEUR:

- On January 1, 2021 Better Collective increased its ownership to 90% of the shares in Mindway AI that specialises in software solutions based on artificial intelligence and neuroscience for identifying, preventing and intervening in at-risk and problem gambling.
- On March 31, 2021 Better Collective strengthened its position in the Swedish sports betting market by acquiring online sports betting media platform, Rekatochklart.com for 3.8 mEUR.
- On May 28, Better Collective acquired leading US sports betting media platform, Action Network, for 196 mEUR (240 mUSD), gaining market leadership within sports betting media in the US.
- On September 24, Better Collective acquired Soccernews.nl, a Dutch online sports betting community, in separate transactions for total upfront payments of 5.9 mEUR.

Significant events of the closure of the period

- January revenue reached >26 mEUR, more than double vs. 2020, of which 69% was organic growth. Earnings (EBITDA before special items) were >11 mEUR. Performance was boosted by the market opening in the state of New York and related CPA income.
- On January 21 2022, Better Collective entered into a media partnership with the New York Post to bring the best in commercial sports betting content to the publication's readership of more than 92 million unique users. The agreement covers the delivery of content, data, and statistics for the betting section of the New York Post. New York state opened for online sports betting on January 8, 2022. Better Collective is off to a great start across all assets, in particular Action Network.
- On January 11, 2022 the share buyback program of 10 mEUR initiated on December 8, 2021 was completed with 532,482 shares accumulated under the program.
- The board of directors have implemented a new Long Term Incentive Plan (LTI) for key employees in the Better Collective group (excluding the executive management). Grants under the new LTI will be in the form of performance share units and share options vesting over a 3-year period. The total value of the 2022 LTI grant program is 1.4 mEUR (Black-Scholes value) measured at the target level.



Jesper Søgaard, Co-founder & CEO of Better Collective, commented:

“An all-time high intake of NDCs and an overall strong performance of our business mark the ending of 2021 - a year of many new opportunities for Better Collective. We managed to deliver growth of 44% over that of last year’s Q4. Our US business delivered prime results following the start of the NFL season, and contributed almost 40% to the total quarterly Group revenue. “

Financial targets 2021

The Group financial targets for 2021 for organic growth (29% vs target of >25%) and Operational Earnings/EBITDA (55.8 mEUR vs target of >55 mEUR) were met. Total revenue ended at 177 mEUR slightly below the target of >180 mEUR. Total revenue and earnings were, as mentioned, affected negatively by an exceptionally low sports win margin in Q4 as well as a high intake of NDCs, which has a short- term dampening effect on margins.

Financial targets 2022

The Board of Directors have decided on new financial targets for the Better Collective Group for the financial year 2022. Excluding potential new M&A-trans- actions:

- Organic revenue growth of 15-25%
- Operating profit (EBITDA before special items) of approx. 75 mEUR
- Debt leverage (Net interest bearing debt/EBITDA) <3,0
- High operational cash conversion rate expected to be maintained

Conference call

A telephone conference will be held at 10.00 a.m. CET today by CEO Jesper Søgaard and CFO Flemming Pedersen. The presentation will simultaneously be webcasted, and both the telephone conference and the webcast offer an opportunity to ask questions.

Dial in details for participants

Confirmation Code: **8383938**
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Webcast link <https://edge.media-server.com/mmc/p/q8n77272>

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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 February 24, 2022 at 8.00 am CET.

About Better Collective

[Better Collective](https://www.bettercollective.com) is a global sports betting media group providing platforms that empower and enhance the betting experience for sports fans and iGamers. Aiming to make betting and gambling more entertaining, transparent and fair, Better Collective offers a range of editorial content, bookmaker information, data insights, betting tips, iGaming communities and educational tools. Its portfolio of platforms include bettingexpert.com, VegasInsider.com, HLTV.org and [Action Network](https://ActionNetwork.com). Better Collective is headquartered in Copenhagen, Denmark, and listed on Nasdaq Stockholm (BETCO). More information at bettercollective.com.