



BETTER  
COLLECTIVE

# | Q2 2018 presentation

August 28, 2018

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A close-up, slightly angled view of a laptop screen. The screen is filled with a solid green color. In the bottom right corner of the screen, the words 'BETTER' and 'COLLECTIVE' are written in a white, sans-serif font, stacked vertically. The laptop is black, and the keyboard is partially visible at the bottom. In the background, out of focus, are a blue pen, a spiral notebook, and some green sticky notes.

BETTER  
COLLECTIVE

# | Forward looking statement

This presentation contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, for example, contain wording such as “believes”, “deems”, “estimates”, “anticipates”, “aims”, “expects”, “assumes”, “forecasts”, “targets”, “intends”, “could”, “will”, “should”, “would”, “according to estimates”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “to the knowledge of” or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company’s knowledge. Forward-looking statements are inherently associated with both known and unknown risks, uncertainties, and other factors that could cause the actual results, including the Company’s cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favourable than the results expressly or implicitly assumed or described in those statements. The Company can give no assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets on which the Company operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or environmental damages and systematic delivery failures.

# | Agenda

- Better Collective at a glance
- Q2 2018 highlights
- IPO on Nasdaq Stockholm
- Market overview
- Q2 2018 financials
- Acquisitions
- Strategy and Outlook
- Q&A



**Jesper Søgaard**  
CEO & co-founder



**Flemming Pedersen**  
CFO



**Christina Bastius Thomsen**  
IR Manager

# Better Collective at a glance



## Global

- 243 employees
- 5 offices
- 12 acquisitions since 2017



## Market leader in iGaming industry (affiliate)

- 7M+ unique visits per month
- 2K+ websites
- 250+ affiliate partners



## Financial Performance

- Revenue H1 2018: 17,2 mEUR
- Revenue growth 3 yr CAGR: 54%
- 34% EBITA margin H1 2018
- Cash conversion H1 2018: 97%



## Ownership

- >60% of shares owned by founders and management

## Company background

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Founded: 2002

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Listed: 2018

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Exchange: Nasdaq Stockholm (ticker: BETCO)

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CEO: Jesper Søgaard, Founder

COO: Christian Kirk Rasmussen, Founder

CFO: Flemming Pedersen

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# | Q2 2018 highlights

## Revenue

**+93%**

**9.7 mEUR**

Q2 Revenue

## Earnings

**+90%**

**3.8 mEUR**

Q2 EBITA  
(bef. special items)

## Cash Flow

**+70%**

**3.7 mEUR**

Q2 cash flow from  
operations  
(bef. special items)

## NDC's

**+206%**

**>66,000**

NDCs in Q2

- IPO on Nasdaq Stockholm main market
- 3 acquisitions completed since April 1, 2018; - valued up to >50 mEUR
- Positive market development in US



# IPO on Nasdaq Stockholm

June 8, 2018



- Price per share in the Offering: SEK 54
- Value of the Offering : SEK 756 million
- Primary shares >90% of the Offering;  
- no divestment from founders
- "Green shoe exercised"  
Additional 15% of the Offering were issued to cover the over-allotment
- Board of Directors subscribed for ~40 mSEK in the Offering
- Current ownership structure:
  - Founders and management: >60%
  - Top 10 shareholders >75 %



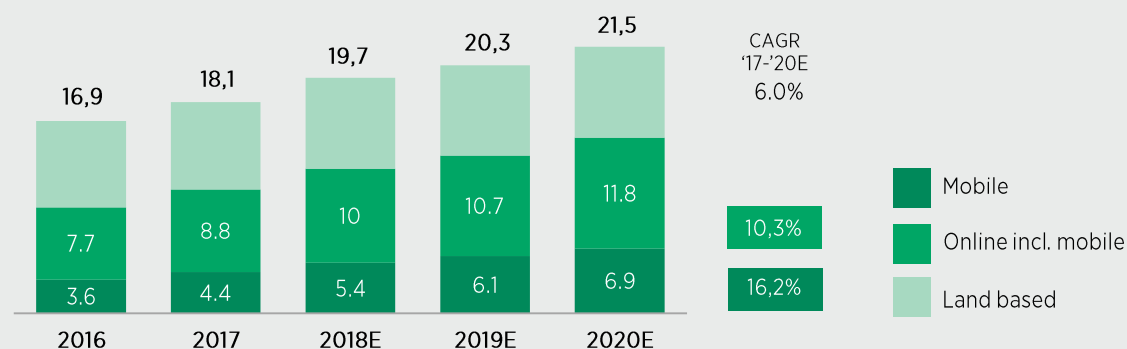
# Market overview

# Highly attractive growth market

## High growth in current markets

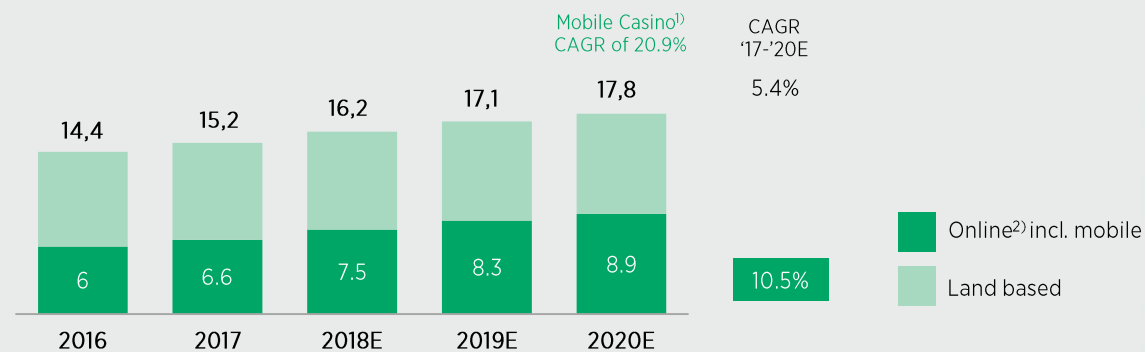
### European sports betting market development

bnEUR



### European casino market development

bnEUR



1) Including casino, poker and bingo. 2) Poker is excluded from online casino but included in land based casino. Source: Company information, H2 Gambling Capital as of August 16, 2018



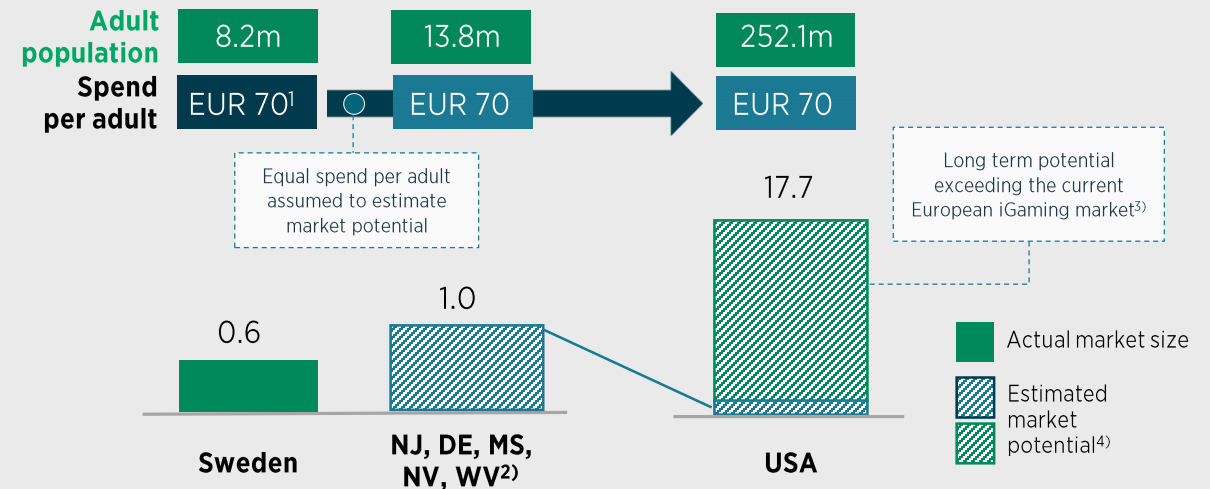


# US moving towards legalised sports betting

- US Supreme Court strikes down federal ban on sports betting
- New Jersey, as the first state, has legalised online sports betting
- Delaware, Mississippi, Nevada and West Virginia expected to follow in the short term
- The five states make up a market potential of bnEUR 1.0 within online sports betting

## Online sports betting

bnEUR

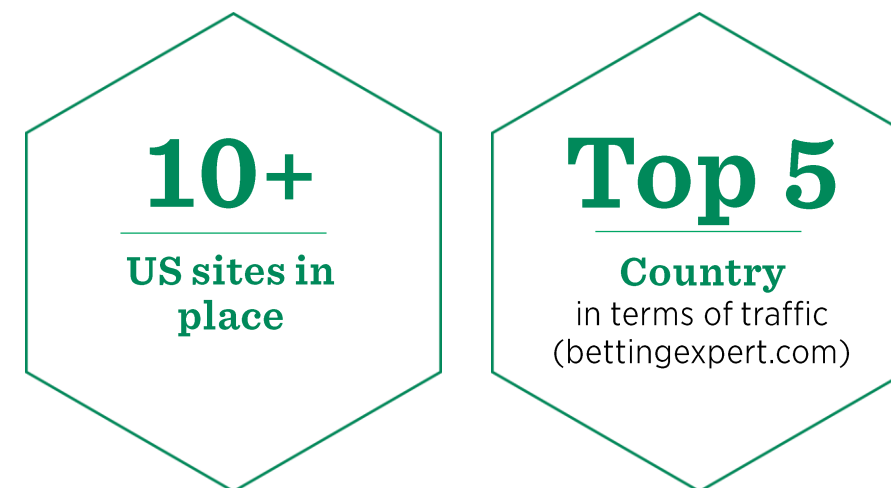


1) Average annual spend on online sports betting per adult in Sweden, 2017. 2) New Jersey, Delaware, Mississippi, Nevada, West Virginia. 3) European iGaming market amounted to EUR 15.4bn in 2017 according to H2 Gambling Capital. 4) Average annual spend on online sports betting per adult of EUR 70 applied to adult population to estimate the long term market potential in the US. Source: Company information, H2 Gambling Capital as of August 16, 2018, United States Census Bureau

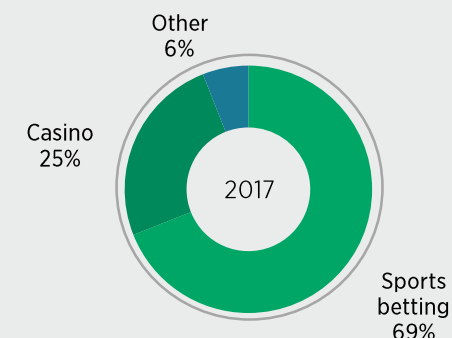
# Better Collective prepares to enter the US market

Better Collective well-positioned to capture growth in the US

- High focus on sports betting
  - BC's API's include all relevant US sports (NFL, NBA NHL, US horse racing and more)
- US already among top 5 countries in terms of traffic to bettingexpert
  - BC currently does not monetise US traffic
  - Monetisation can be 'switched on' as soon as each relevant state legalises iGaming
- us-bookies.com
  - Currently addressing the regulated online sports betting market in the States



## Better Collective focus on Sports betting



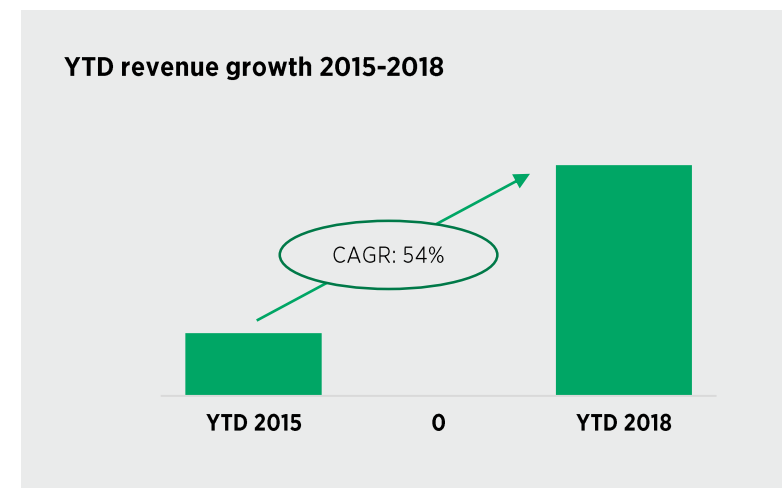
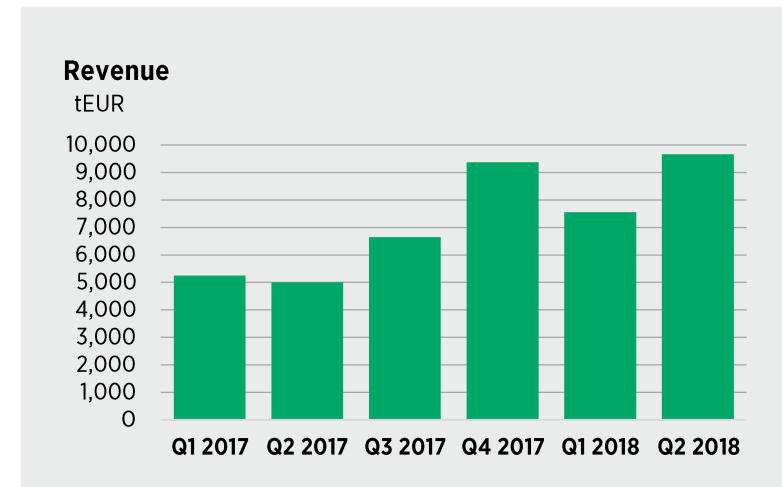


# Q2 2018 Financials



# Revenue

- Revenue growth:
  - Q2 9.7 mEUR: growth 93% of which 41% organic
  - YTD 17.2 mEUR: growth 68% of which 20% organic
- FIFA World Cup effect
  - High gross gaming activity
  - Higher fixed advertising fees
- Revenue share 80% / CPA 20%
- NDCs in Q2 at a record
  - > 66,000 in Q2
  - > 113,000 in H1

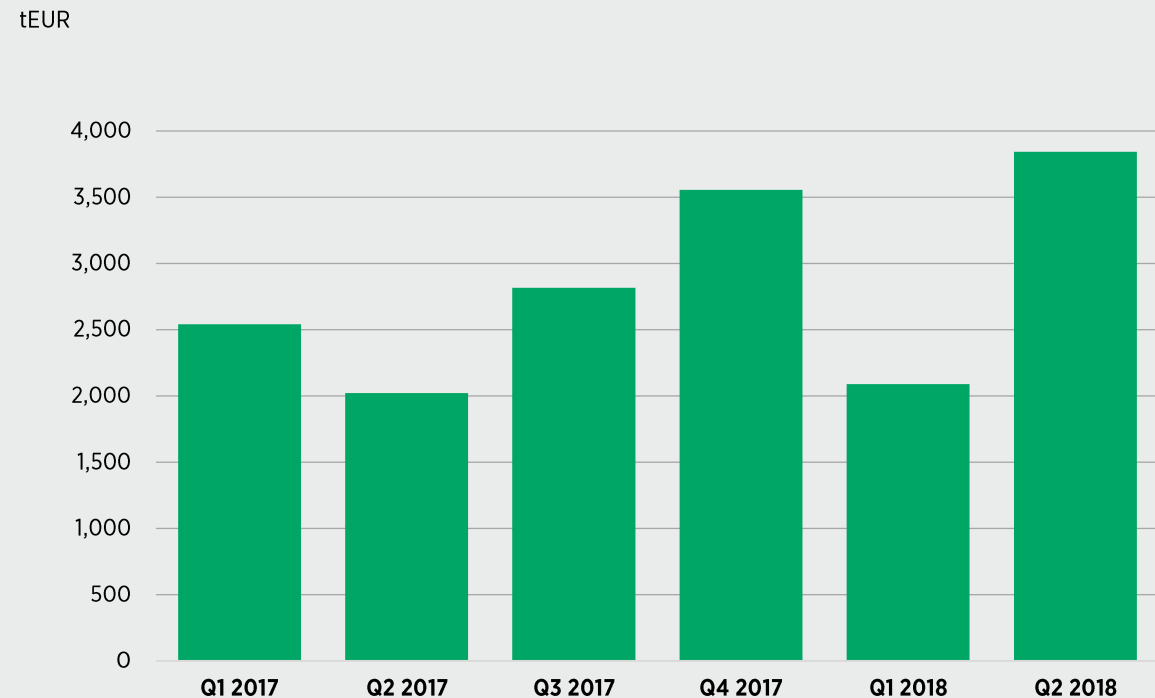




# Earnings

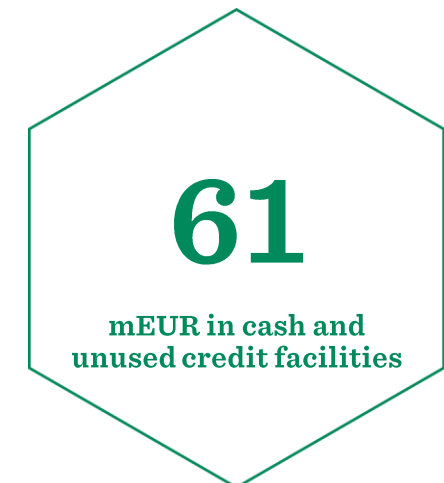
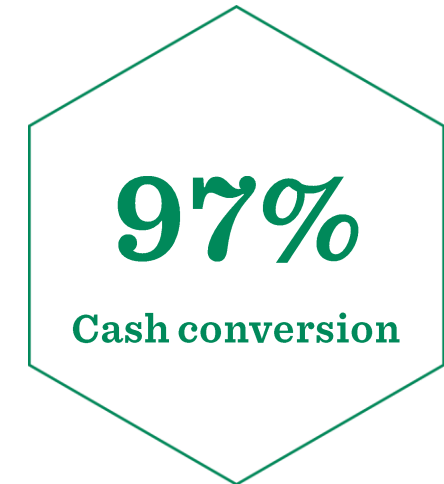
- EBITA before special items:
  - Q2 3.8 mEUR: growth 90%; margin 40%
  - H1 5.9 mEUR: growth 68%, margin 34%
- Cost base stable from end Q1  
(ex. Amortizations/depreciations)
- Special Items 3.7 mEUR in Q2
- Income tax adjusted for special items:
  - ETR Q2: 23.6%
  - ETR H1: 23.1%

## EBITA before special items



# Cash flow and balance sheet

- Operating cash flow (before special items):
  - Q2 2018: 3.7 mEUR (H1: 6,2 mEUR)
  - Q2 cash conversion: 93% (H1: 97%)
- 61 mEUR in cash and unused credit facilities
  - Net proceeds from IPO: 65 mEUR
  - Investments Q2: 37 mEUR; H1 44 mEUR
- Net debt/EBITDA: - 0.76
- Equity ratio: 63% (End 2017: 47%)





# Acquisitions



# | SpilXperten, Denmark

- April 1; 2018: Better Collective acquires all the Danish affiliate activities from Xperten Ltd and Xpert Ltd, including the flagship site; SpilXperten.com
- Better Collective becomes market leader within sports betting in Denmark

The logo for SpilXperten.com features the text "SpilXperten.com" in a bold, italicized sans-serif font. The "X" is highlighted in orange, while the rest of the text is white. The entire logo is set against a dark blue rectangular background.



# | Bola Webinformation, Austria

- 29 July, 2018: Better Collective acquires 100% of shares in Bola Webinformation GmbH incorporated in Vienna, Austria
- Better Collective becomes market leader within sports betting in German speaking markets
- Acquisition price 36,3 mEUR in two cash payments
  - Paid at closing 30,8 mEUR
  - Payable 12 months after closing 5,5 mEUR
- Proforma financial performance full year 2017
  - Revenue approx. 9 mEUR
  - Operational profit (EBITA) approx. 6,5 mEUR
  - EBITA-margin; 72%
  - Consolidation as from July 1, 2018



# | WBS P.C., Greece

- Better Collective acquires 100% of shares in WBS P.C. | Online Marketing Services incorporated in Greece and KAPA Ltd incorporated in Malta
- Better Collective becomes market leader in Greece
- Acquisition price 4 mEUR in two cash payments + potential earn-out
  - Paid at closing 3.2 mEUR
  - Payable 6 months after closing 0.8 mEUR
  - Plus a potential earn-out payment of up to 0.4 million EUR
- Proforma financial performance full year 2018 (expected)
  - Revenue of approximately 1 million EUR
  - 0.75 million EUR in operating earnings (EBITA) in 2018.
  - Consolidation as from August 1, 2018



A basketball is suspended in the air, hanging from a hoop. The background is a blurred crowd of spectators in a stadium.

# | Strategy and Outlook

# | Strategy – continuing the growth journey

No. 1 affiliate company within sports betting

## Strategic focus areas

- Organic growth
  - Best products for sports betting and casino
  - Preferred partner for operators
- Consolidate the industry through M&A's
- Geographical expansion
  - Short-medium term; dedicated focus on US





# | Outlook

The Board of Directors has decided upon the following Financial Targets for the short-medium term (for the period 2018-2020):

tEUR	Target 2018-2020	Comments	2017 A
Revenue growth p.a.(%)	30-50%	Including M&A and double-digit organic growth	51%
Operating margin (EBITA)	> 40%	Including non-recurring costs	40%
Capital structure; Net Debt/EBITDA	< 2,5	As per 31 December 2017	1,1

## Events after Q2

- Acquisition of WBS P.C. | Online Marketing Services, Greece

# | Q&A session

# | Thank you for your attention

## Upcoming events:

**23/11/2018**

Interim financial report Q3, 2018

**19/02/2019**

Interim financial report Q4, 2018

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