



BETTER
COLLECTIVE

Q2 2020 Presentation

August, 2020



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



- ◆ Introduction
- ◆ Business highlights Q2
- ◆ Financial performance Q2 and Strategy/Outlook
- ◆ General Business Update
- ◆ Q&A



Jesper Søgaard
CEO & co-founder



Flemming Pedersen
CFO

Business Highlights

Q2 2020



Financial performance Q2 2020



REVENUE

-4 %

15.3 mEUR

EBITA*

-7 %

6.3 mEUR

CASH FLOW*

+57 %

10.4 mEUR

NDCs

-36 %

71,000

*Before special items

Business highlights

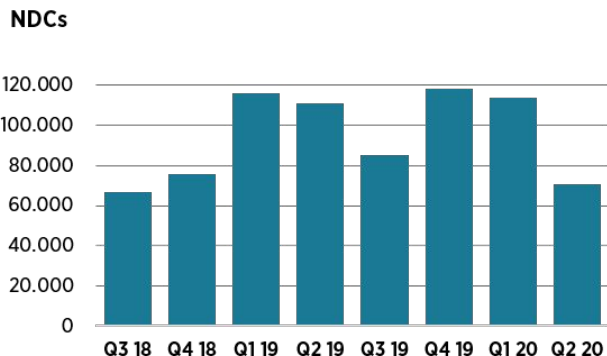
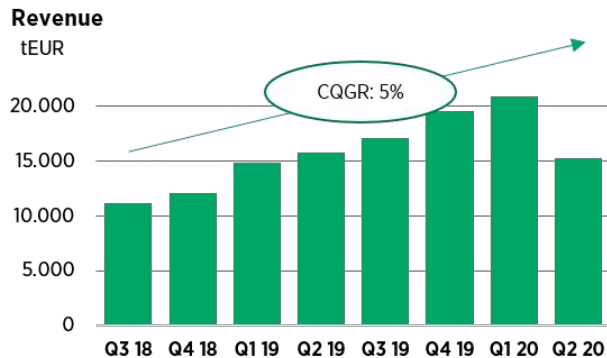
- ◆ COVID-19 caused drop in sports events
- ◆ Business model resilient also during unusually challenging times
- ◆ From June, major sports in Europe resumed with accelerated play-offs
- ◆ Momentary growth in online casino games
- ◆ Strong and continuous growth in esports, benefitting HLTV.org
- ◆ US regulatory process advances
- ◆ Share buyback program completed

Financial Performance

Q2 2020



Revenue



Revenue

- ◆ 15.3 mEUR: decline of 4% of which 24% organic
- ◆ COVID-19/halted sports impact in April and May
- ◆ Positive growth returning in June of 20%, of which 7% organic
- ◆ Strong performance in casino and esports

Revenue share 66% (76% of player-related revenue)
CPA 16%, Subscription 5%, Other 13%

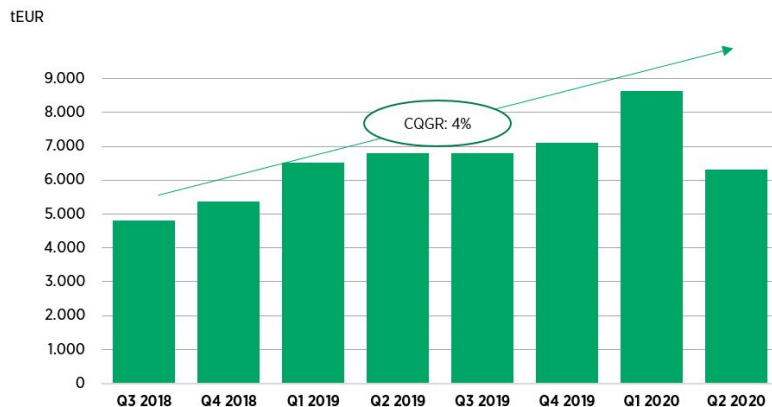
- ◆ Significant part of US revenue is subscription based

NDCs in decline

- ◆ 71,000 in Q2, an estimated loss of 90,000 NDCs
- ◆ NDC growth of 25% in July

Earnings

EBITA before special items



EBITA before special items

- ◆ 6.3 mEUR: decline of 7%
- ◆ Margin 41%

Cost base

- ◆ Cost savings program implemented April1, 2020
- ◆ Cost base in Q2 reduced by approx. 3 mEUR
- ◆ Special items 608 tEUR

Income tax adjusted for special items:

- ◆ 18.2% for Q2 (24.9% for Q2 2019)
- ◆ EPS 0.08 in Q2 (0.09 in Q2 2019)

Cash flow and balance sheet

154%

Cash conversion

65.1

mEUR in cash and
unused credit facilities

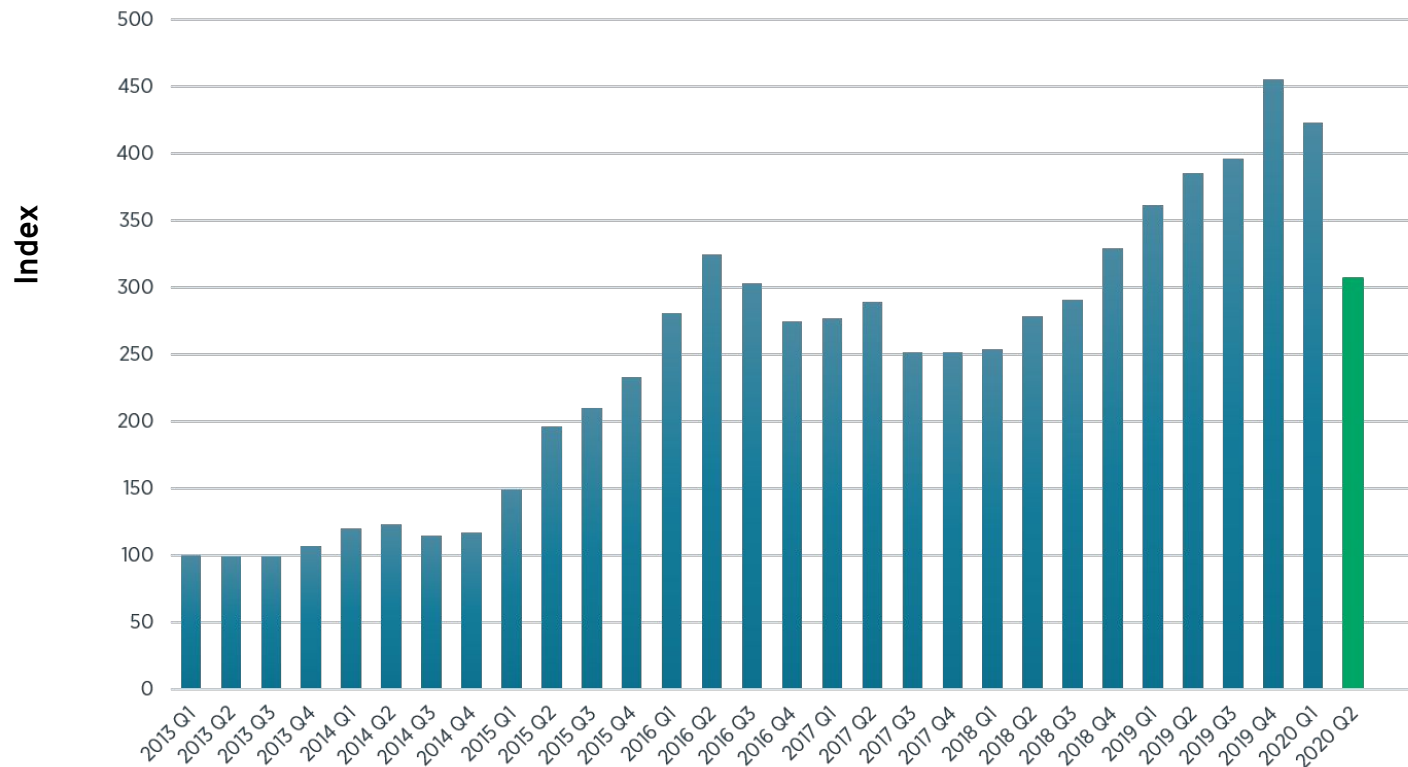
Operating cash flow (before special items):

- ◆ 10.4 mEUR
- ◆ Cash conversion 154%

65.1 mEUR in cash and unused credit facilities

- ◆ Net cash 19.5 mEUR
- ◆ Unused bank credit facilities 45.7 mEUR
- ◆ Net debt/EBITDA: 1.21 (Q2 2019: 0.95)
- ◆ Equity ratio: 56% (Q2 2019: 53%)

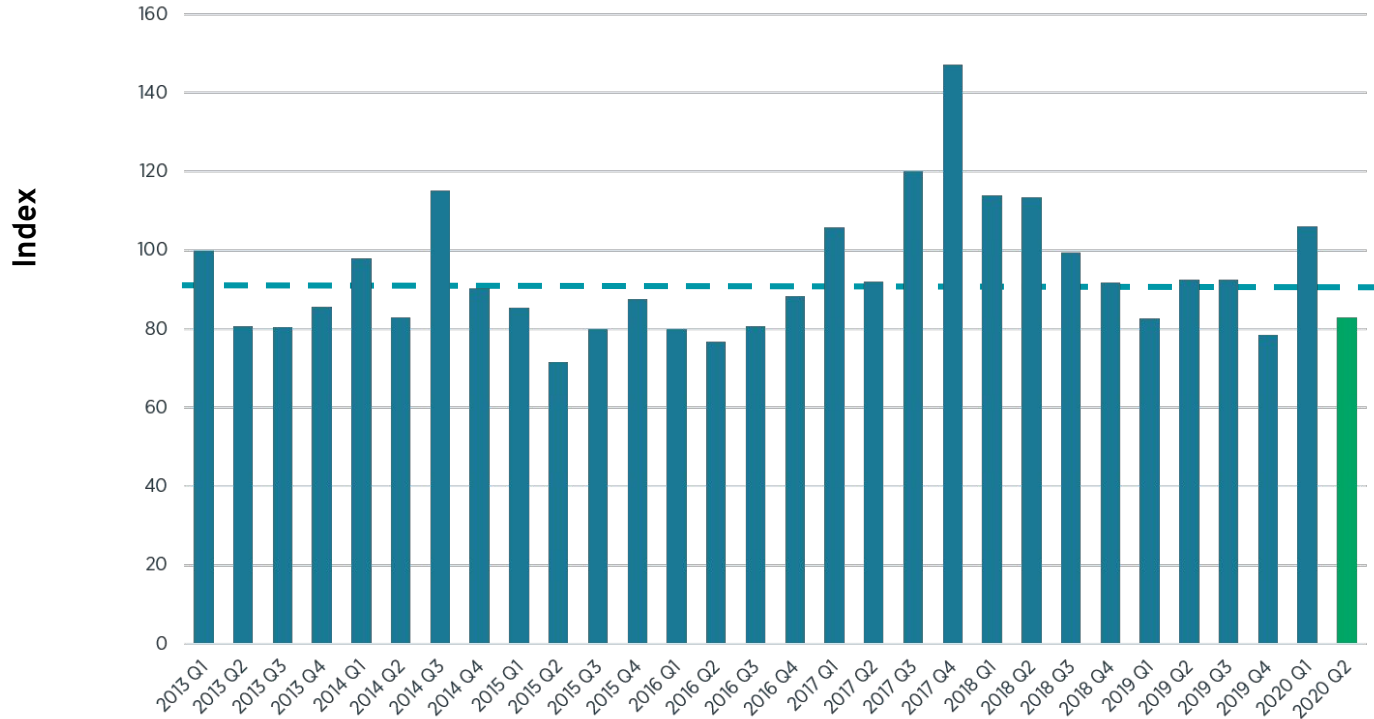
Better Collective's sports wagering



Q2 2020 index: 307

Please note that the financial analyses herein are derived from Better Collective's aggregated data sources accounting historically for 50% or more of Better Collective's annual commission earnings.

Better Collective's Sports win margins

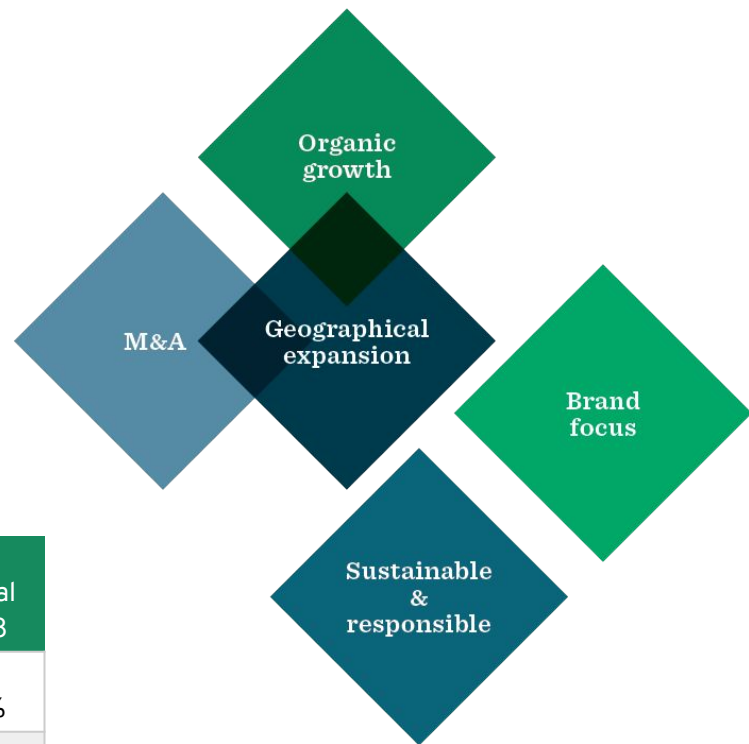


Q2 2020 index: 83
Average index in
period shown: 93.4

Please note that the financial analyses herein are derived from Better Collective's aggregated data sources accounting historically for 50% or more of Better Collective's annual commission earnings.

Strategy & Outlook

- ◆ Best products and content for sports betting
- ◆ Preferred partner for operators
- ◆ Short-medium term; dedicated focus on US
- ◆ Expanding from our strong foundation in affiliate marketing, we are transforming Better Collective towards a broad based media group



Financial Targets for the short-medium term

	Target 2018-2020	Target 2020	Actual 2019	Actual 2018
Revenue growth p.a. (incl. M&A and organic)	30-50%	>30%	67%	54%
- of which organic growth	Double-digit	>10%	26%	9%
Operating margin (EBITA)*	>40%	>40%	40%	40%
Net Interest Bearing Debt/EBITDA*	< 2.5	< 2.5	0.49	1.37

Financial targets reiterated

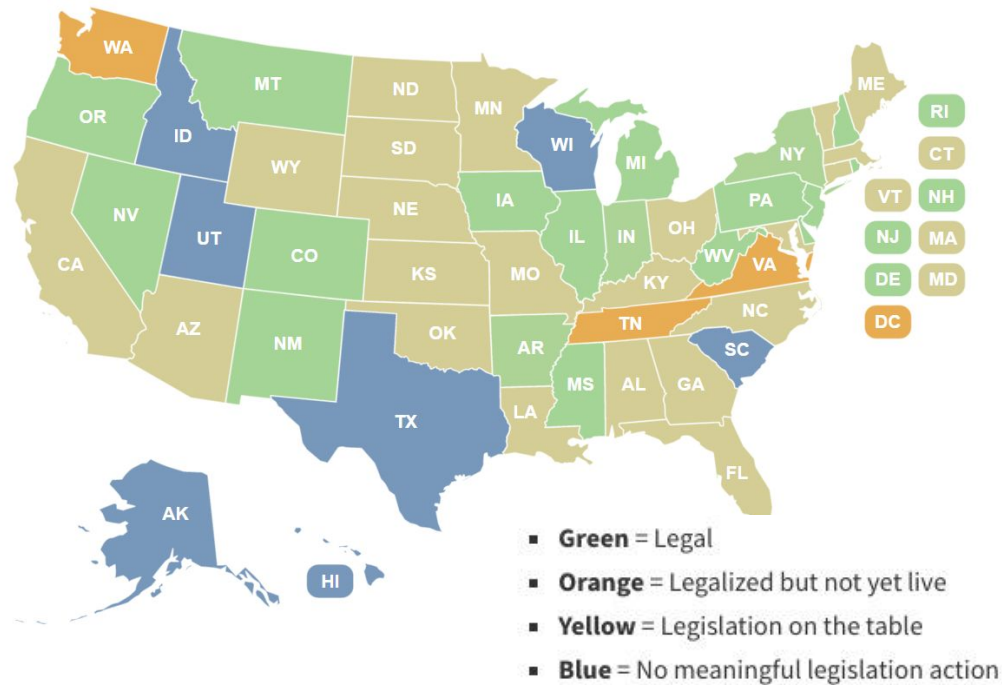
- ◆ Less visibility than before the pandemic and the cancellation/postponement of sports
- ◆ Increased uncertainty regarding revenue growth for FY 2020 compared to previous periods.
- ◆ Revenue growth for FY 2020 is expected to be 15-25% without any revenue contribution from new acquisitions.
- ◆ Better Collective expects to complete one or more acquisitions before year end, bringing the total revenue growth, incl. M&A, above the financial target of >30% for the full year.
- ◆ Earnings margin for the full year is maintained at >40% independent of any new M&As.
- ◆ For 2021 we expect a normalised situation for major sports. Financial targets for 2021 will be provided in connection with the Full Year Report for 2020.

General Business Update



US Business update

- ◆ Regulated sports betting expected to surpass 6 bnUSD in five years
- ◆ BC currently live in 8 states: CO, IL, IN, IA, NV, NJ, PA, WV
- ◆ Portfolio of leading sports betting brands
- ◆ Transformation of acquired US assets
- ◆ State-by-state regulation
- ◆ Incremental growth



Source: Sportshandle.com

M&A – signed LOI

- ◆ Possible acquisition of an iGaming company for up to approximately 45 mEUR incl. earn-out.
- ◆ Global presence, specialised within lead generation towards online gambling.
- ◆ Target company expectations for financial performance for 2020
 - revenue of >40 mEUR
 - operational earnings (EBITDA) >8 mEUR.
- ◆ Pending due diligence and final negotiations.

At-a-glance

Better Collective is the leading developer of digital platforms within the iGaming industry. Through our products, we aim to make sports betting and gambling entertaining, transparent and fair for the global network of online bettors.



LEADING SPORTS MEDIA GROUP

30M+
VISITS
PER MONTH

#1
EGR POWER
AFFILIATES LIST



FINANCIAL PERFORMANCE

67.5
mEUR
REVENUE 2019

40%
EBITDA MARGIN
2019



OWNERSHIP

2018
LISTED ON
NASDAQ STOCKHOLM

>50%
SHARES OWNED BY
FOUNDERS AND MGT



GLOBAL

>400
EMPLOYEES



STOKE-ON-TRENT

STOCKHOLM

HQ COPENHAGEN

LONDON

PARIS

LODZ

VIENNA

KRAKOW

NIŠ

THESALONIKKI

NASHVILLE

FORT LAUDERDALE

Q&A session

Thank you for your attention!

Upcoming events:

11/11/2020
Interim financial report Q3, 2020

24/02/2021
Full year report, 2020

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