

BETTER  
COLLECTIVE

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# Presentation Q4 2020

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February 24, 2021



# 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

- 01 Introduction
- 02 Business Highlights Q4/FY 2020
- 03 Financial Performance Q4/FY 2020
- 04 Financial Targets 2021
- 05 General Business Updates
- 06 Key Takeaways



**Jesper  
Søgaard**  
CEO & founder



**Flemming  
Pedersen**  
CFO

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# Segment reporting from Q4 2020



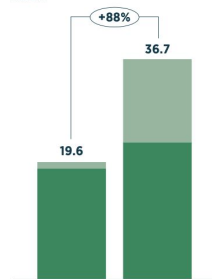
## ◇ Segment reporting from Q4 2020

- Publishing
- Paid media

tEUR	Publishing		Paid Media		Total	
	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019
<b>Revenue</b>	<b>22,849</b>	<b>18,507</b>	<b>13,865</b>	<b>1,071</b>	<b>36,714</b>	<b>19,579</b>
Cost	10,608	11,286	11,998	885	22,606	12,170
<b>Operating profit before depreciation, amortisations and special items</b>	<b>12,241</b>	<b>7,222</b>	<b>1,867</b>	<b>187</b>	<b>14,108</b>	<b>7,408</b>
EBITDA-Margin before special items	54%	39%	13%	17%	38%	38%
Depreciation	422	292	16	0	438	292
<b>Operating profit before amortisations and special items</b>	<b>11,819</b>	<b>6,930</b>	<b>1,851</b>	<b>187</b>	<b>13,670</b>	<b>7,117</b>
EBITDA-Margin before special items	52%	37%	13%	17%	37%	36%

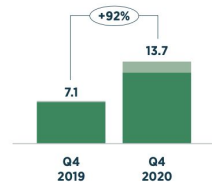
Revenue

mEUR



EBITDA before special items

mEUR



■ Publishing  
■ Paid Media





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# Business Highlights Q4 2020



# Financial highlights

## Q4 2020



Revenue

**+88%**

37 mEUR

EBITA

**+92%**

14 mEUR

Cash flow

**+35%**

10 mEUR

NDCs

**+30%**

153,000

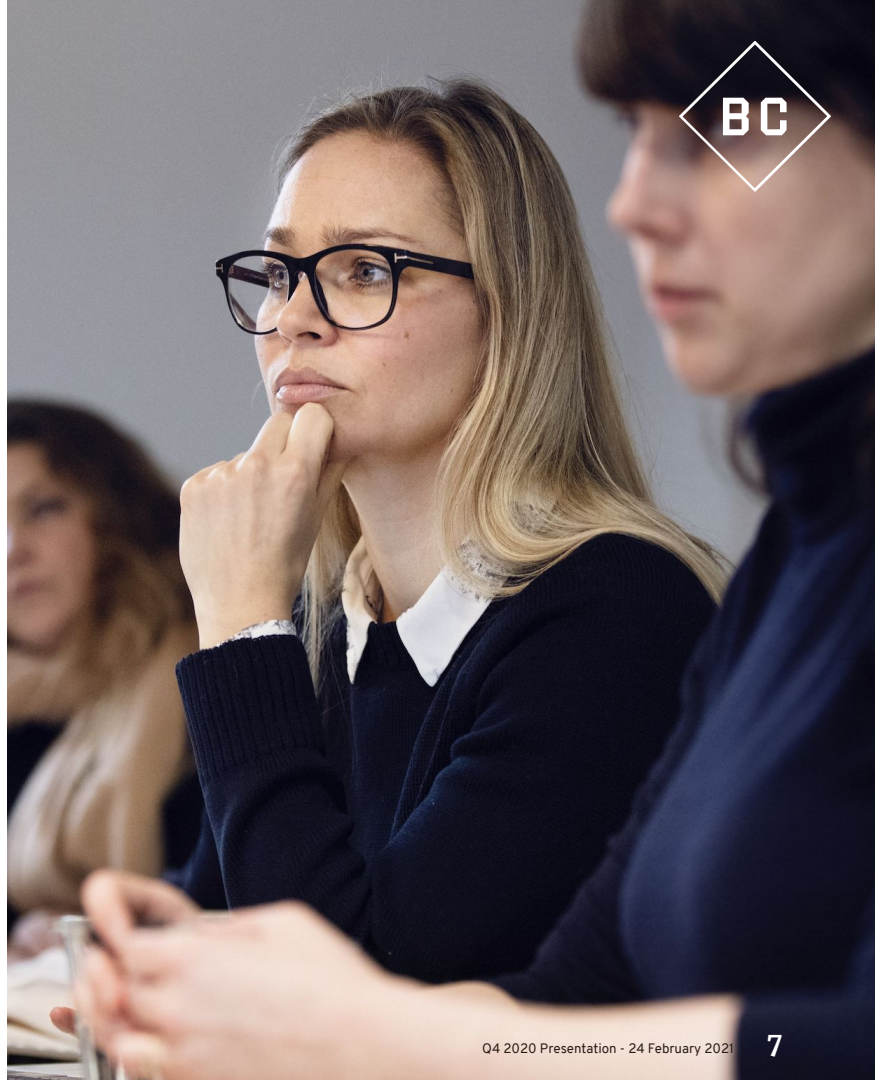
# Business highlights

## Q4 2020

- ◇ Acquisition and integration of Atemi Group - Paid Media
- ◇ “Affiliate of the Year” at the EGR North America Awards
- ◇ Responsible Gambling award at Global Regulatory Awards
- ◇ Acquisition of [Zagranie.com](https://www.zagranie.com) & [Irishracing.com](https://www.irishracing.com)

### Significant events after the closure of Q4

- ◇ Mindway AI; Acquisition of further 70% of the shares
- ◇ January revenue 13 mEUR - growth of 78% supported by strong US-performance



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# Financial Performance Q4/FY 2020



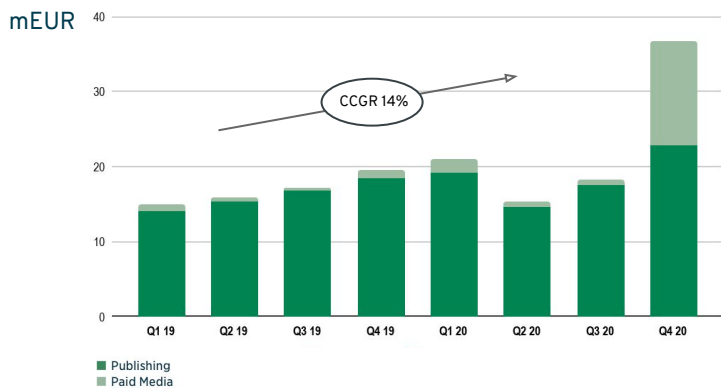
# Revenue and NDC's



## Revenue

- ◇ 37 mEUR: 88% increase, organic growth 32%
- ◇ Continuous record high sports wagering in revenue share accounts
- ◇ Sports win margin slightly above average
- ◇ Revenue share 48% (53% of player-related revenue) CPA 38%, subscription 5%, other 19%.

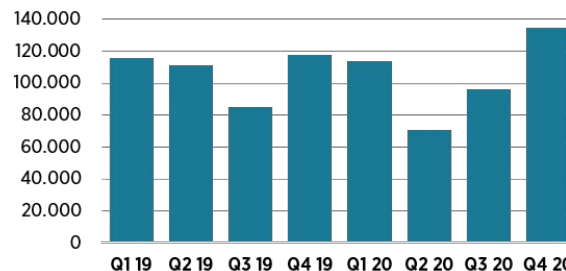
### Revenue



## New Depositing Customers (NDC's)

- ◇ 153,000 NDC's with a growth of 30%
- ◇ NDC's full year > 437,000.
- ◇ NDC FY similar to 2019 due to Covid-19

### NDCs



# Earnings



## Operations Earnings (EBITA before special items)

- ◇ 13.7 mEUR growth of 92%
- ◇ Group EBITA-margin 37%
- ◇ EBITA-margin 52% in Publishing and 13% in Paid Media.

## Cost

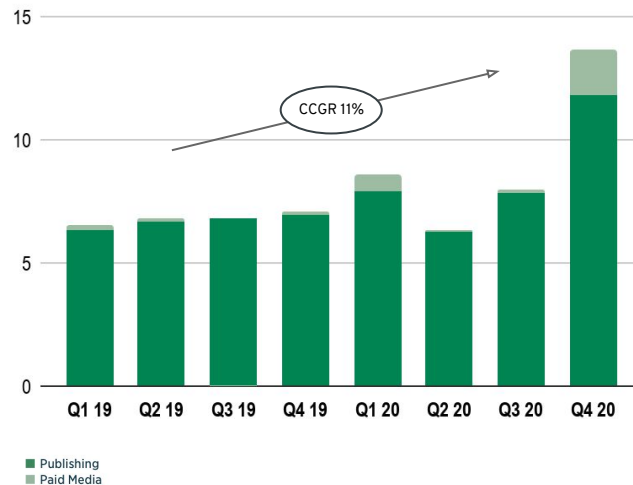
- ◇ Total cost base grew due to acquisition of the Atemi Group
- ◇ Cost expansion in Publishing of 1,2 mEUR compared to Q3 2020
- ◇ Cost saving program implemented April 1, 2020 - Q4 costs still below Q1

## Tax and Earnings per Share

- ◇ Effective Tax Rate 23.0% for Q4 (25.1% for Q4 2019)
- ◇ EPS increased by 143% to 0.18 EUR/share

### EBITA before special items

mEUR



# Cash flow & balance sheet

## Cash flow

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- ◇ Operating cash flow Q4 2020: 10 mEUR; FY 2020: 38 mEUR
- ◇ Q4 cash conversion rate 71% - FY 2020: 99%

## Balance Sheet

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- ◇ Net debt/EBITDA: 1.66 (Q4 2019: 0.49)
- ◇ End 2020: 43 mEUR in cash and unused credit facilities
- ◇ Equity ratio: 52% (Q4 2019: 60%)



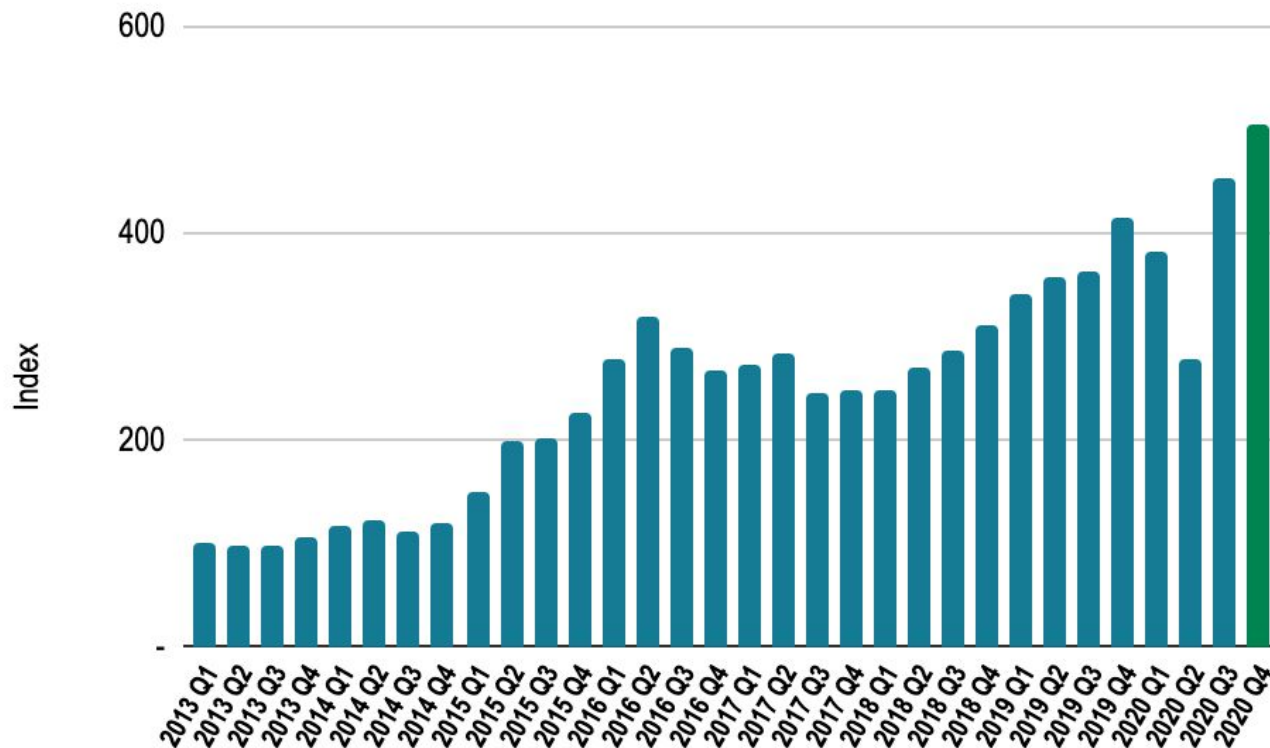
99%

Full Year  
cash conversion

43

mEUR in cash and unused  
credit facilities

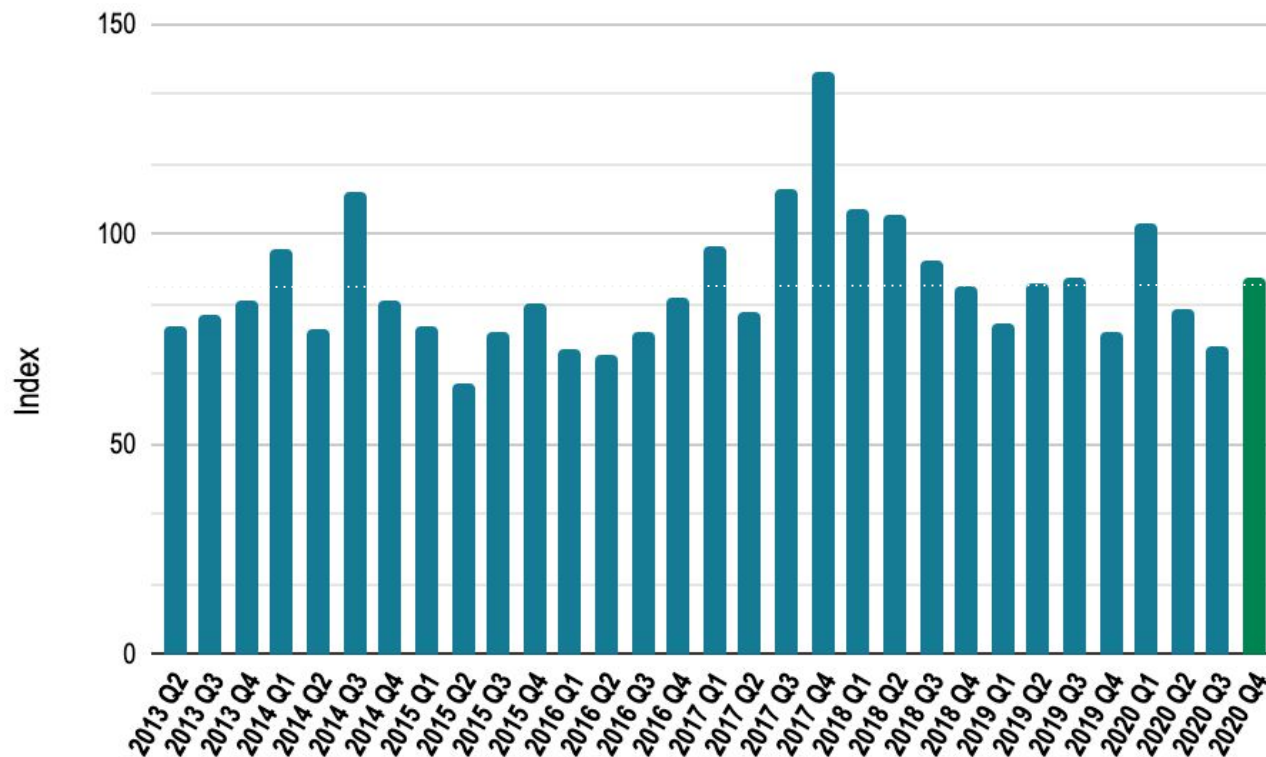
# Better Collective's sport wagering



Q4 2020 index: 506

*Please note that the financial analysis herein is derived from Better Collective's aggregated data sources accounting historically for approx. 50% of Better Collective's revenue share earnings.*

# Better Collective's Sports win margin



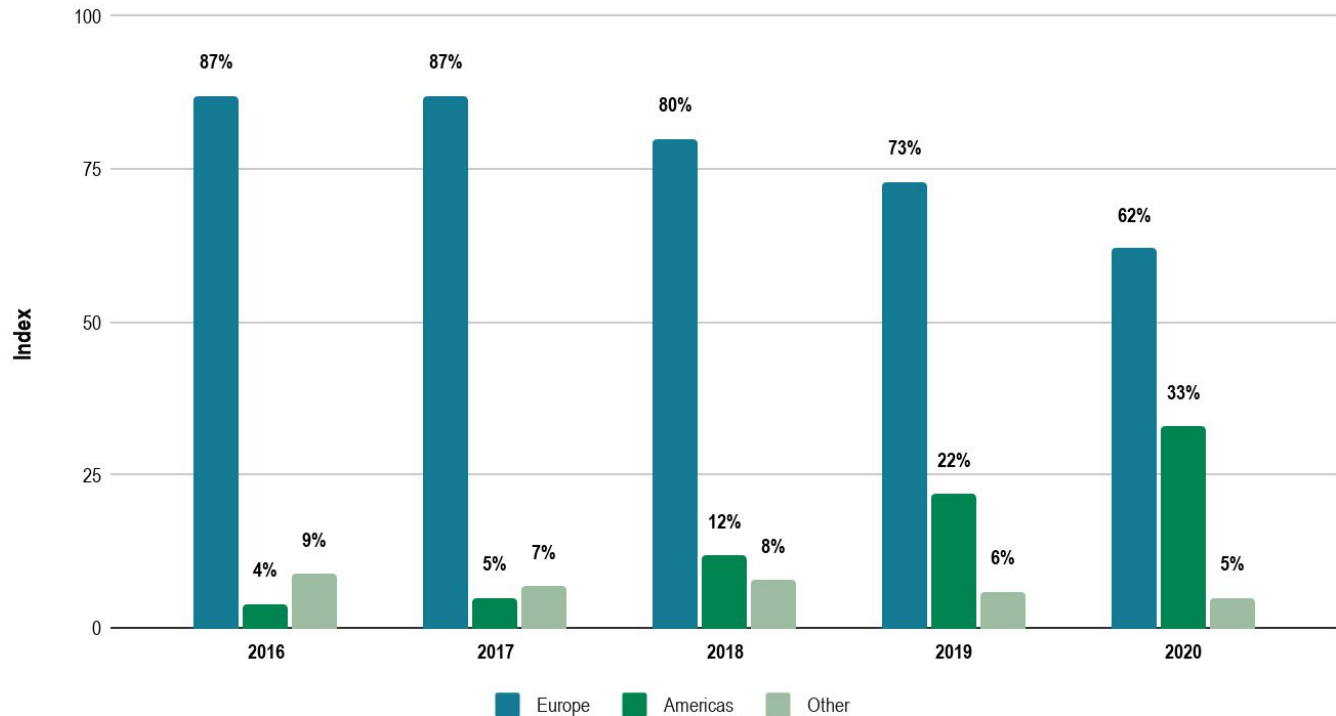
Q4 2020 index: 89.9  
Average index in period shown: 88.2

*Please note that the financial analysis herein is derived from Better Collective's aggregated data sources accounting historically for approx. 50% of Better Collective's revenue share earnings.*



# Sport wagering by regions

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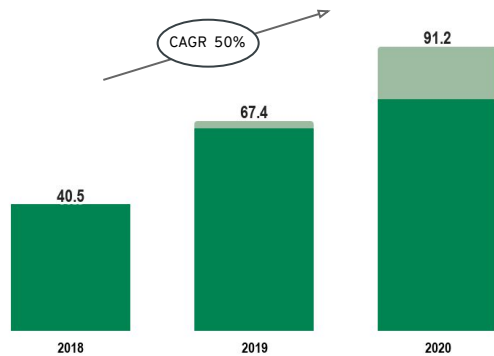


*Please note that the financial analysis herein is derived from Better Collective's aggregated data sources accounting historically for approx. 50% of Better Collective's revenue share earnings.*

# Financial performance Full Year 2020

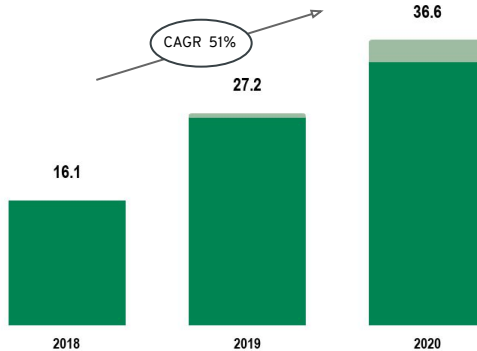
- ◇ 3 years with > 50% CAGR in Revenue, Earnings and Cash Flow
- ◇ Financial performance in line with targets

Revenue  
mEUR

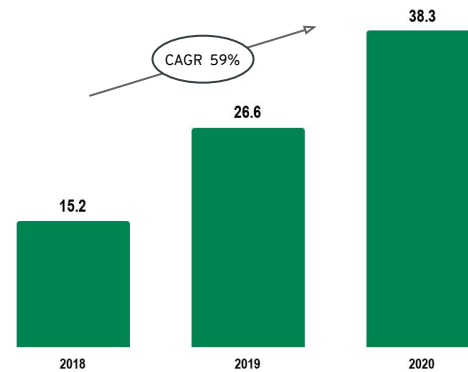


■ Publishing  
■ Paid Media

EBITA before special items  
mEUR



Operational cash flow before special items  
mEUR

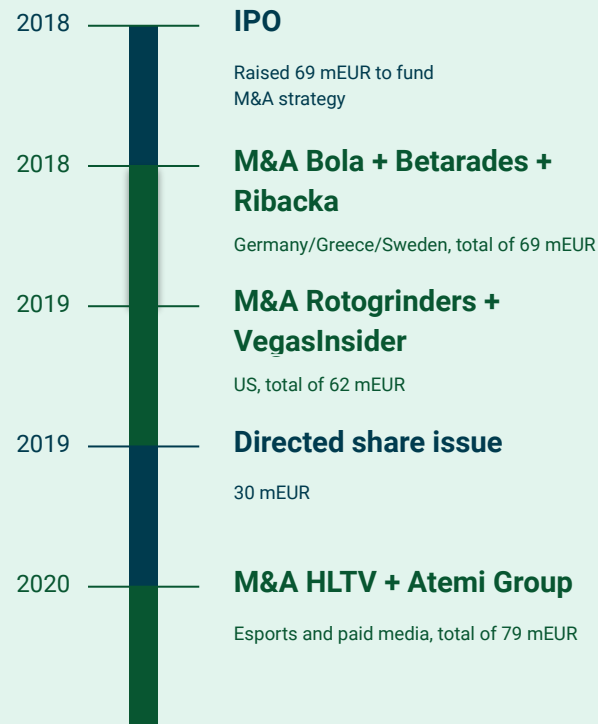


# Financial performance 2018–2020

- ◇ IPO in June 2018
- ◇ Total equity funding of 100 mEUR
- ◇ Continued expansion through M&A-activity: 250 mEUR
- ◇ 3 year operational cash flow of 80 mEUR
- ◇ Revenue growth (CAGR: 50%); EBITA growth (CAGR: 51%)

Financial targets and performance 2018-2020	Target 2018-2020	Actual 2018-2020	Target 2020	Actual 2020
Revenue growth p.a. (incl. M&A & organic) - of which organic growth	30-50% Double-digit	51% 14%	>30% >10%	35% 8%
Operating margin (EBITA)	40%	40%	>40%	>40%
Net Interest Bearing Debt/EBITDA	<2.5	1.66	<2.5	1.66

\* Before special items



Approx. amounts. M&A incl. future earn-outs



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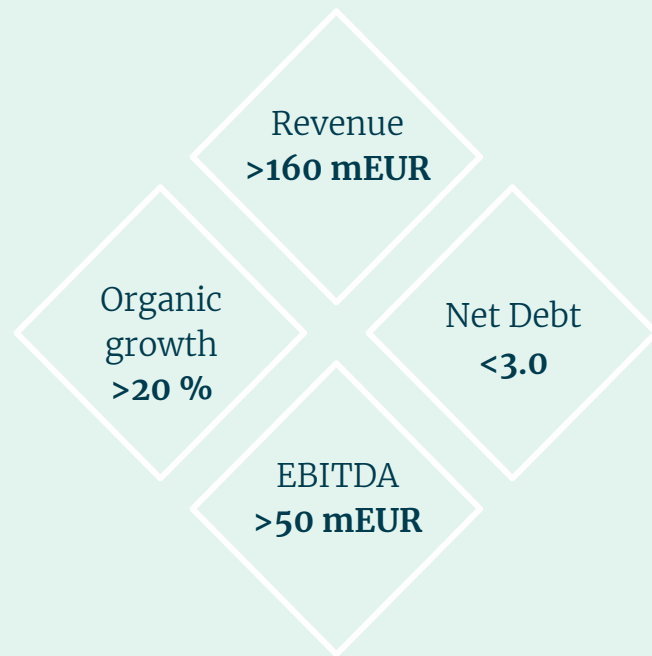
# Financial Targets 2021

# Financial Targets 2021

- ◇ Revenue targets 2021: >160 mEUR - implied growth rate >80%
- ◇ Operational Earnings > 50 mEUR
- ◇ Earnings margins:
  - Publishing at same high levels as previous
  - Paid Media >10%; investments in revenue share and new market openings
- ◇ Continued M&A focus - not included in financial targets

Financial Targets for 2021	Target total	Actual 2020	Target Publishing	Target Paid Media
Revenue/revenue growth	>160 mEUR	91 mEUR	>20%	Full year effect +organic growth
Organic growth	>20%	8%	>20%	>25%
EBITDA/EBITDA margin	>50 mEUR	38 mEUR	>40%	>10%
Net Interest Bearing Debt/EBITDA	< 3.0	1.66	-	-

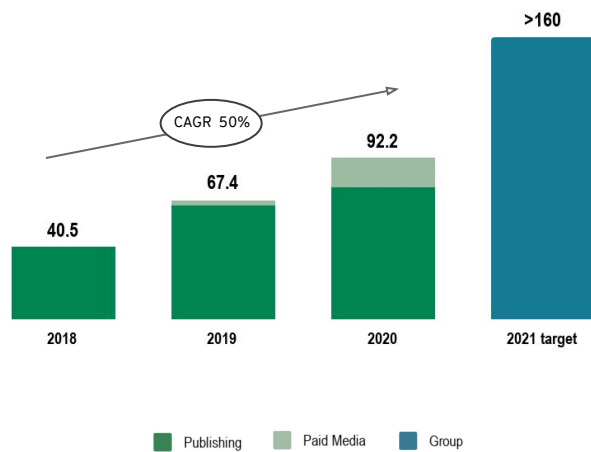
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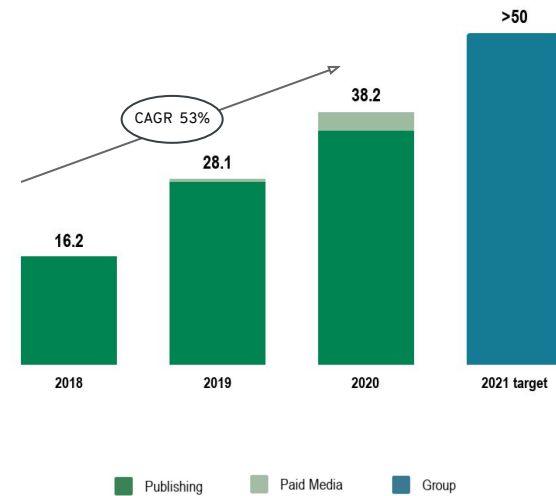


# Continued growth

Revenue  
mEUR



EBITDA before special items  
mEUR



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# General Business Updates

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# Our sports betting media brands

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## International brands



## Regional brands



# M&A expansion

## Most recent acquisitions



### HLTV.org

Leading esports platform

Acquired for 34.5 mEUR

More than 26.5 million visits per month

Newly added betting section to the site

### Atemi Group

Acquired for 44 mEUR

Specialised within lead generation for IGaming

**Paid Media:** Traffic channels and high intent customers

Introducing BetCompare to grow sports betting segment

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Completed acquisitions since 2017

Completed acquisitions in 2020 of approx.

# 80 mEUR

# The US growth opportunity

- ◇ Key brands
  - [VegasInsider](#): from user subscription and brand advertising to affiliate marketing within sports betting
  - [RotoGrinders](#): sports betting and Daily Fantasy Sports (DFS)
- ◇ Affiliate revenue January YoY >200% growth
- ◇ Possible acceleration in market potential as readiness to regulate online betting is growing
- ◇ 2021 sports calendar back on track

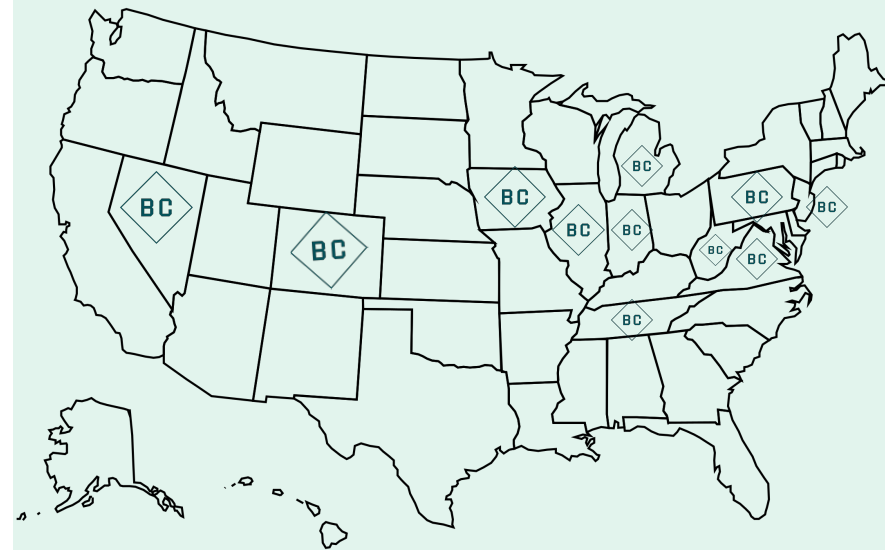
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US Growth  
>200%



# A solid platform for further US expansion

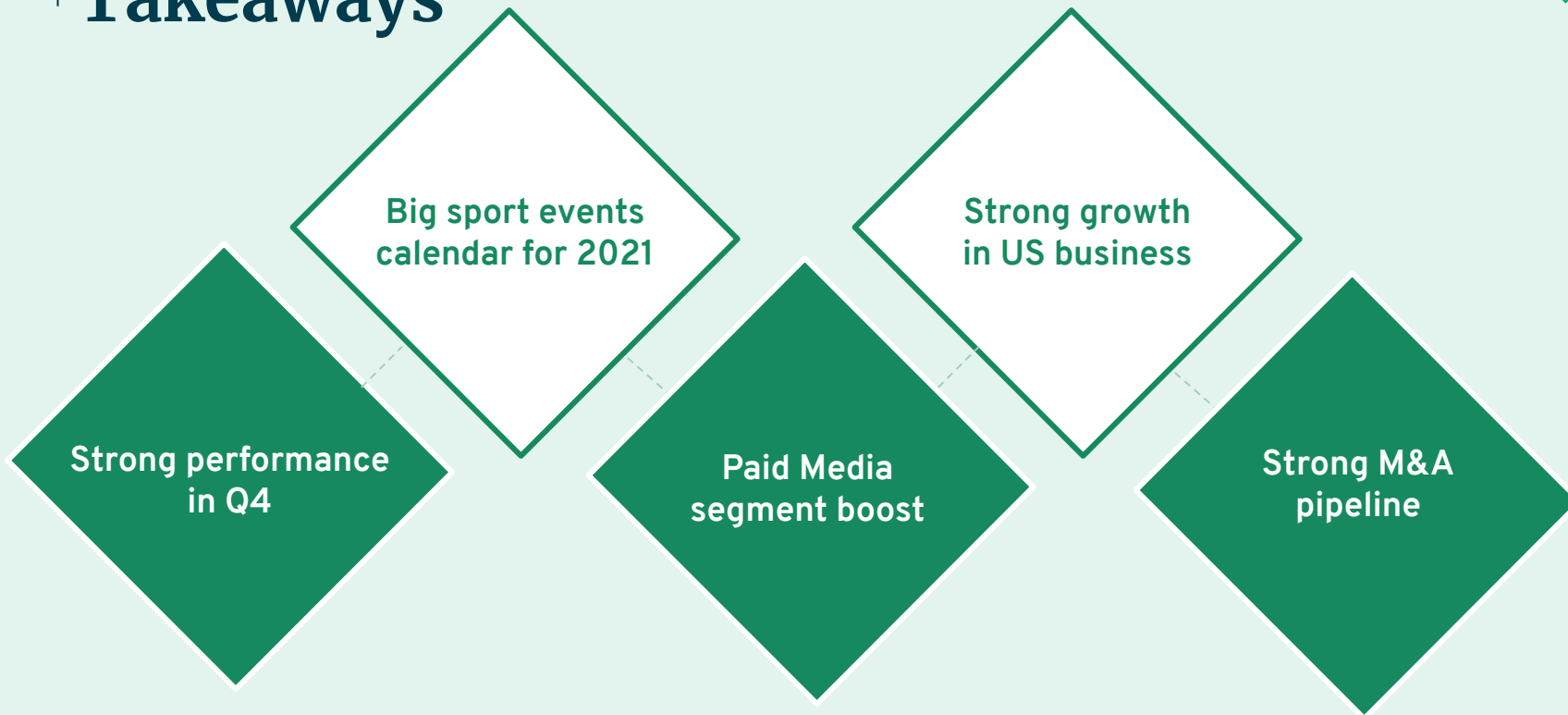
- ◆ Dedication towards emerging US market
- ◆ Strong US brands & assets
- ◆ Recent [Atemi](#) acquisition to power paid media efforts in the US
- ◆ Media partnership with New Jersey media [NJ.com](#)
- ◆ Online sports betting expected to grow 80% YoY 2021



Current states total population ..... 80 m  
Upcoming 2021 state(s) total population ..... 6 m  
Anticipated in a three year period total population ..... +50 m

# 06 | Key Takeaways

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# Thank you for your attention



## Upcoming events

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25/03/21  
Annual report 2020

26/04/2021  
Annual General Meeting

12/05/2021  
Interim financial report Q1, 2021

## Contact

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Jesper Søgaard  
CEO

Flemming Pedersen  
CFO

Christina Bastius Thomsen,  
Head of IR & CSR  
+45 2363 8844

[investor@bettercollective.com](mailto:investor@bettercollective.com)  
[www.bettercollective.com](http://www.bettercollective.com)