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Better Collective acquires leading US sports betting media platform, Action Network, for 240 mUSD

With the acquisition of Action Network, Better Collective gains clear market leadership within sports betting media and affiliation in the US and now expects to increase its revenues in the US to more than 100 mUSD by 2022.

Sports betting media group, Better Collective, today announces that it has signed an agreement to acquire 100% of the shares in Action Network, Inc. ("Action") for 240 mUSD (198 mEUR) on a cash and debt free basis. Founded in 2017 and launched in 2018, Action is uniquely positioned in the US market as the premium sports content and product destination for US sports bettors. A trusted source for sports fans, Action's media platforms provide an enhanced experience for its users through original sports news content, premium insights, deep menus of odds and proprietary betting tools and data. Action's diverse revenue model includes a rapidly-growing affiliate marketing business focused on customer acquisition for betting operators in the US as well as subscription products, anchored by Action Pro, Action Labs and Fantasy Labs.

Action continues to benefit from the expanding legal sports betting market in the US. In 2021, Action is expected to achieve revenues approaching 40 mUSD, an increase of over 100% year-on-year, while also generating positive operational earnings in 2021. As more states legalize online sports betting, the potential to further deepen and expand Action's commercial partnerships with large US-based sportsbooks such as BetMGM, DraftKings, FanDuel and PointsBet is significant. Action is headquartered in New York, and has approximately 100 employees.

The Transaction

The purchase price amounts to 240 mUSD (198 mEUR) on a cash and debt free basis and will be settled in a cash payment and a 12 mUSD issuance of new Better Collective (BETCO.ST) shares to Action's management, key employees and certain other individuals. 10 mUSD of the cash payment will be paid on a deferred basis as settlement of certain existing share options in Action. The number of Better Collective shares issued will be determined by the volume-weighted BETCO.ST share price 5 trading days prior to the date of this



announcement. Further, the issued Better Collective shares will be subject to a lock-up of between 6 and 24 months following completion of the transaction.

The cash component of the purchase price will be provided through bank financing.

The acquisition is subject to customary regulatory approvals and is expected to be completed in Q2 2021.

Better Collective in the US

While the US sports betting market has grown rapidly since the repeal of the Professional and Amateur Sports Protection Act (PASPA) removed a federal ban on online gambling, only 13 states have legalized online gambling at this point. Many more are expected to follow in the coming years, with the addressable market significantly expanding as a result. Total online sports betting revenues in the US are forecasted to reach 4 bnUSD in 2022 and amount to nearly 40 bnUSD in 2033*.

Following the execution of Better Collective's acquisition strategy and ongoing investments in the US market, Better Collective's US business has developed successfully, with high growth and a rapid increase in profitability. The acquisition of Action consolidates Better Collective's leading position in the affiliate and customer delivery verticals within online sports betting, enabled through a number of strong product platforms. In light of this, and given the continued pace of new states regulating, Better Collective expects the US market to continue growing and its US revenues to surpass 100 mUSD by 2022, with positive and increasing operational earnings.

Action will become an integral part of Better Collective US and will continue to operate as a separate business unit with its current brands, management team, and employees, led by CEO Patrick Keane who will report to Group Management through US CEO, Marc Pedersen. Action will integrate with Better Collective's current organization where relevant in order to generate efficiencies.

Jesper Søgaard, CEO of Better Collective, says:

"I am thrilled to welcome Action and its employees to Better Collective. This acquisition, which is the largest in Better Collective's history, gives us a leading position within affiliation in the US and a strong foundation for profiting from the continuous regulation of the US betting market. We add three new, very well positioned US sports media brands to our portfolio and welcome around 100 new colleagues, together representing an invaluable pool of knowledge and expertise on the US sports betting media market. By all accounts, this is a great day for Better Collective."

Patrick Keane, CEO of Action, says:

"Today marks a great achievement in the history of Action. In just a few years, our team has managed to build a leading sports betting product and media business in the US market, making us attractive to a leading international player. I am thrilled about this outcome for our employees and investors and we look forward to continuing to forge great relationships with our league, media and sportsbook partners. Under Better Collective's ownership, we become part of a company with many years of experience and all the resources necessary to further grow our position and develop our offering, to ultimately enhance the betting and entertainment experience for sports fans. We gain new colleagues, career paths and perspectives. I'm looking very much forward to the journey ahead."

Financial Targets

Better Collective will consolidate Action into the Better Collective Group from the time of closing. In connection with the acquisition, Better Collective is updating its Financial Targets for 2021:

- Total group revenue is now expected to exceed 180 mEUR (previously more than 160 mEUR); and
- Operational profit is now expected to exceed 55 mEUR (previously more than 50 mEUR).

Better Collective will share more details in connection with its Q1 2021 earnings report that will be released on May 12, 2021.



The acquisition of Action will bring Better Collective's estimated debt leverage (Net Interest Bearing Debt/EBITDA) above the company's financial target of <3.0. Due to Better Collective's strong operating cash flow, the Board of Directors has decided that for the time being, it is acceptable for the company's debt leverage to exceed the financial target of 3.0, which target remains in place for 2021. The Board will therefore decide upon any potential changes to the company's long term capital structure in due course.

Advisors

Morgan Stanley acted as sole financial advisor, Bruun & Hjejle and GreenbergTraurig acted as legal advisors, and PwC acted as accounting and tax advisor in connection with the acquisition for Better Collective. Nordea Bank will be providing financing to facilitate the closing of the transaction.

Moelis & Company LLC acted as sole financial advisor and Venable LLP acted as legal advisor to Action. Gibson, Dunn & Crutcher LLP acted as advisors to The Chernin Group, the largest shareholder of Action.

Webcast

A webcast for investors, analysts and media will be held on Tuesday May 4, 2021 at 3.00 p.m. CET and can be joined online. Presentation materials for the webcast will be available on the website one hour before the call.

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Webcast link <https://edge.media-server.com/mmc/p/2misgvvg>

* Data from Vixio and Goldman Sachs

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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 May 3, 2021 at 9.05 p.m CET.

About Better Collective

Better Collective is a global sports betting media group that develops digital platforms for betting tips, bookmaker information and iGaming communities. Better Collective's vision is to empower iGamers through innovative products and technologies and by creating transparency in the online betting market. Its portfolio of platforms and products include bettingexpert.com, the trusted home of tips from expert tipsters and in depth betting theory, HLTV.org, the world's leading esports media and community focusing on competitive Counter Strike: Global Offensive (CS:GO), and vegasinsider.com, a leading source for sports betting information in the US. Better Collective is headquartered in Copenhagen, Denmark, and listed on Nasdaq Stockholm (BETCO).