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Better Collective Annual Report 2022

2022 proved to be a very strong year for Better Collective, where our combined efforts and diversified operations showed true scale.

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Today we publish our Annual Report including the integrated sustainability report.

Becoming the Leading Digital Sports Media Group

2022 was the year we kicked off the journey towards becoming the Leading Digital Sports Media Group. Our sport communities have proved to be attractive “go-to- places” for millions of sports fans while also being strategically attractive for our business partners. With the IPO in 2018, our vision was to become the leading sports betting affiliate – and it is our humble opinion that we have fulfilled this vision. At Better Collective we always dream big, so why should it be any different when we developed the new vision for the Group? We believe we are in an attractive spot in the digital sports media market. We are experts in maximizing the value of large readerships by utilizing our unique skills and diversified business models. This skill will prove beneficial, as we continue our organic and acquisitive growth strategy within the digital sports media landscape. Expanding into the global digital sport media market, extends our addressable market significantly, but it also requires the adaptation of new traits. You can find more about these traits in our strategy section below in this report.

In connection with our new vision, we have set out new long-term financial targets. These targets showcase how we expect this new vision to be a continued high growth journey for Better Collective and its shareholders.

The long-term financial targets for the period 2023-2027 are:

- Revenue CAGR of +20%
- EBITDA margin before special items of 30-40%
- Net debt to EBITDA before special items below 3
- The long-term targets assume M&A solely financed by own cash flow and debt

Strong Group performance fueled by large sport events

During 2022, revenue and EBITDA grew significantly, fueled by the big single standing events meaning performance broke all records. In January, the state of New York launched sports betting. During the launch, the US sportsbooks competed aggressively for market share, and CPA-rates reached new highs. The high taxation in New York is still creating some issues and it seems sportsbooks are more focused on growing elsewhere for now. Moving forward we expect

a lower taxation from the regulators which can be reached by increasing the number of sportsbooks in the state. Despite of this, we have been successful in growing in the state as well as we daily have thousands of sports fans visit our sports media brands. During the year the sportsbooks shifted their focus from “growth” to “profitable growth”. This enabled us to land our first revenue sharing contracts in the US with six sportsbooks in total. In November and December, FIFA hosted the men’s soccer World Cup, which turned out to be our most successful tournament in the history of Better Collective. We sent more NDCs during this tournament than we did during the past four World Cups and four European Championships combined. Truly great performance and a strong testament to how we have scaled our operations in recent years.

Investing for the long run

Despite the impressive growth, 2022 was also a year where we continued to build for the future. During the year we sent a record 1.7 million new depositing customers (NDCs) to our partners, of which 76% was on revenue share contracts. This bodes well for our future recurring revenue and decreases seasonality. Out of the total NDCs, 580.000 were sent during Q4, where >300.000 were delivered during the World Cup. This development means that our strong performance absorbed the short-term dampening effect of sending that many NDCs on revenue share contracts.

US revenue goal was reached

We continued to invest in the US to gain the market leading position. When we acquired Action Network in 2021, we set out the goal of reaching 100 mUSD in revenue during 2022, and we are very satisfied that we managed to deliver on this. This was despite us absorbing 15 mEUR in transferring upfront payments (CPA) to recurring revenue share. We now hold a market leading position in the US, with some of the strongest sports media brands out there.

Paid Media has proven its

In 2020, we acquired the Paid Media business, Atemi Group, and established our Paid Media division. Upon acquisition, the monetization was solely based on upfront payments (CPA). During 2021, we invested a lot in transferring this to recurring revenues, also to be considered as a ‘Delayed Gratification Model’. Paid Media has now compounded a strong snowball of recurring revenue, which has paid back the full acquisition of Atemi already. We paid 44 mEUR for Atemi and have already generated 14.3 mEUR in cash flow. We estimate that the large revenue share snowball has a net present value, which when combined with the cash flow in the bank, equals significantly more than the acquisition price. Meaning, we have not only acquired a new skillset but also paid back the acquisition in less than 27 months. We are very proud of this accomplishment.

With FUTBIN we gain critical mass in esports

During April 2022, we acquired the well-established and world leading esports brand FUTBIN. We were satisfied to see the expected user engagement and organic growth continue during the year. We have a clear strategy for how to improve the operations and expand the reach of the renowned brand. The long-term opportunity within esports lies in reaching critical mass. In this way, we can partner with large global corporations in branded deals, utilizing the massive number of users that come through our esports platforms. Currently, more than 100 million monthly web visits. Such traffic flow makes Better Collective one of the leading digital esports media, which aligns perfectly with our long-term vision of becoming the Leading Digital Sports Media Group.

Thanking our colleagues

2022 was another year where we saw the company come together and deliver outstanding results. We would like to thank everyone in Better Collective for their “can-do” attitudes and

outstanding efforts. Since 2017, Better Collective has acquired 27 companies, and 2022 was a year we got to prove that we are better as a collective. We would also like to extend a thanks to our business partners, returning sport fans, shareholders, and other partners for a distinctive yet extremely prosperous year.

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About Better Collective

With a vision to become the Leading Digital Sports Media Group, **Better Collective** owns and operates international, as well as local, sports communities and media that aim to make sports entertainment sustainably engaging and fun. Via its online media, the Group provides prime quality content, data insights, betting tips and educational tools for enthusiastic sports fans of the world. Headquartered in Copenhagen, Denmark, and listed on Nasdaq Stockholm (BETCO), Better Collective's portfolio includes; **Action Network**, **VegasInsider.com**, **HLTV.org**, **FUTBIN.com**, and **bettingexpert.com**. To learn more about Better Collective please visit **bettercollective.com**