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Better Collective makes transformational acquisition of Playmaker Capital

Better Collective has entered into a definitive agreement to acquire Toronto-based Playmaker Capital (TSX-V: PMKR; OTC: PMKRF), a leading digital sports media group that owns and operates a number of strong sports media brands in the U.S., Canada and across South America. Upon closing of this transformational transaction, Better Collective is expected to become the market leader in South America with the largest audience across its sports media brands and will also strengthen its leading position in North America.

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Acquisition highlights

- Better Collective's second largest acquisition with a total price consideration of 176 mEUR
- Transformational acquisition to take market leadership in South America and enhance North American market leadership
- Acquiring strong digital sports media brands with a combined monthly audience of more than 200 million visits from across the Americas
- Experienced leadership team to stay onboard to help drive the business forward
- Clear path to synergies post integration bringing EV/EBITDA of 2026e to below 5x, implying an EBITDA margin in line with Better Collective's publishing business of +40%. Positive synergistic effects are expected to expand further in the years thereafter
- The transaction will be funded by 65% Better Collective shares (partly by the transfer of 1,387,580 treasury shares and up to 1,713,300 newly issued shares) and 35% cash, corresponding to a dilution of approximately 3.1%. Better Collective shares will be settled at 270.48 SEK/share
- Upon closing of the transaction Better Collective will revisit its long-term financial targets for the period 2023-2027

With its second largest acquisition to date, Better Collective announces that it has entered into a definitive agreement to acquire all of the issued and outstanding common shares of Playmaker Capital Inc. subject to certain customary closing conditions. Playmaker Capital is a leading digital sports media group operating a strong portfolio of sports media brands across the Americas. Following the closing of the transaction, Playmaker Capital will be a wholly owned subsidiary of Better Collective. Once integrated, Better Collective expects to significantly ramp up its media capabilities and expand its audiences across its sports media portfolio.

Jesper Søgaard, Co-founder & CEO of Better Collective, says: "Acquiring Playmaker Capital is in many ways transformational for Better Collective and will be an important milestone in our journey towards becoming the leading digital sports media group. Upon closing of the acquisition, we will significantly grow our audience and reach a larger segment of generalist sports fans. For years, Playmaker Capital has built incredibly strong sports media brands and excited sports fans across the Americas with high-quality sports content, cultivating a loyal and dedicated following. The skilled team behind Playmaker Capital brings a unique set of media competencies that will boost our organization. Saying that I am excited to welcome the new team to the Better Collective group would be an understatement."

Strong digital sports media position across the Americas

Playmaker Capital is headquartered in Toronto (PMKRF) and its shares are listed on both the TSX Venture Exchange in Canada and the OTCQX in the United States. Playmaker Capital owns and operates prominent sports media brands such as **Futbol Sites**, **Yardbarker** and **The Nation Network**. As at Q3 2023, Playmaker Capital has trailing twelve months revenue of 55 mEUR and EBITDA of 15 mEUR. That implies an EV/EBITDA multiple of 11.7x, which Better Collective expects to bring down to below 5x by 2026e.

Over the past years, Playmaker Capital has acquired and integrated popular sports media brands in order to engage sports fans through authentic sports content and provide strong results to its advertising partners across the Americas. Combined, its portfolio of digital sports media brands has attracted a monthly average of more than 200 million visits and commands a social media following of more than 180 million across Facebook, Instagram, YouTube, TikTok and X (formerly Twitter). The acquisition aligns with Better Collective's strategy of owning and operating leading national sports media brands, and strengthens the group's position as a preferred partner for businesses aiming to activate their brands in a relevant and engaging sports context.

For an extensive period of time and prior to the transaction, Better Collective has formed media partnerships with some of Playmaker Capital's premier sports media brands. Consequently, Better Collective has already established an extensive understanding of and insight into the quality of the Playmaker Capital brands. Across the Americas, Playmaker Capital's leading sports media brands include but are not limited to:

Futbol Sites: A top-ranked, South American digital sports media group with an audience of more than 180 million monthly visits from sport fans. Futbol Sites' extensive portfolio of web, social, video, and podcast properties are fan favorites for sports enthusiasts and communities across every major sports market in South America. Futbol Sites' media brands - among others - include **Bolavip**, **Cracks**, **SomosFanaticos**, and **RedGol**.

Yardbarker: A popular US sports and entertainment media, attracting more than 13 million monthly visits. Through a combination of an in-house editorial team and more than 300 content syndication partner sites, Yardbarker publishes more than 40,000 full-text articles per month. **The Morning Bark** is Yardbarker's daily email newsletter, reaching more than 400,000 subscribers.

The Nation Network (TNN): The marquee brand within TNN is **Daily Faceoff**, a hockey focused sports media with a large, loyal audience actively consuming content across all channels. TNN also caters for hockey fans on a more localized basis, with team specific sites and bespoke content in every major Canadian sports market. Alongside web properties that generate more than 6.5 million monthly visits, TNN's portfolio also includes 25+ podcasts that generate more than 1 million monthly streams.

In addition to the highlighted sports media brands, Playmaker Capital also operates Wedge, a Paid Media division with a core focus on the US market, which will be integrated into Better Collective's best-in-class Paid Media division. Wedge specializes in employing unique and proprietary user acquisition strategies and runs various web properties specifically curated to deliver audiences directly to regulated online sportsbooks.

Jordan Gnat, Co-founder & CEO of Playmaker Capital, says: "Over the past 12 months I have been talking a lot about a transformational deal for Playmaker and its shareholders that will take this company to the next level. Today's announcement does exactly that and I could not be more excited for the Playmaker family to join the Better Collective family. Their success is undeniable and their vision to become the leading digital sports media group aligns with us exactly. The cultures of our companies are very similar and I see the integration and synergies to be incredibly accretive to shareholders."

Highlighted synergies

- Mutual benefit from enhanced scale and greater levels of product, technology and marketing investments
- Better Collective can grow its audience among generalist sports fans across the Americas, and secure a market leading position in South America by having acquired the region's most visited sports media brands
- Portfolio improvement through the implementation of performance based marketing across the acquired sports media
- Significant operational synergies for rationalization and monetization enhancements

Transaction details

Under the transaction, the holders of Playmaker Capital common shares will receive consideration of 0.70 CAD/share. The consideration comprises cash and shares of Better Collective. Playmaker Capital's shareholders will be able to elect either CAD 0.70 in cash or 0.0206 shares of Better Collective per Playmaker Capital common share, subject to proration and an aggregate cap of 65% shares in Better Collective and 35% in cash. Playmaker Capital shareholders who do not elect cash or shares of Better Collective (subject to proration) will receive a default consideration of CAD 0.245 in cash (35%) and 0.0134 shares of Better Collective (65%) per Playmaker Capital common share. The 0.70 CAD/share price represents a premium of 46% to Playmaker Capital's last closing price and 44% premium to Playmaker Capital's last 10 day VWAP on the TSX Venture Exchange as of 3 November 2023. The directors, officers and certain shareholders of Playmaker Capital - collectively representing 49.8% of Playmaker Capital's outstanding common shares - have entered into voting support agreements under which they have agreed to support and vote in favor of the transaction. Following completion of the transaction, Playmaker Capital will be delisted.

The aggregate share consideration will be a total of up to 3,100,880 shares of Better Collective which will be settled partly by the transfer of 1,387,580 treasury shares and up to 1,713,300 newly issued shares, determined by the volume-weighted average price of Better Collective shares over the 10-day trading period immediately prior to signing of the definitive agreement, which equals 270.48 SEK/share (equal to 33.94 CAD/Share). Following the issue of new Better Collective shares, the total outstanding number of Better Collective shares will be up to 56,937,147. The issue of new Better Collective shares corresponds to a dilution of existing Better Collective shareholders by 3.1%. The cash consideration will be paid by existing cash on the balance sheet and already established bank credit facilities.

The two largest shareholders of Playmaker Capital, Relay Ventures and JPG Investments Inc. - a holding company owned by the CEO of Playmaker Capital, Jordan Gnat - hold a combined 24% of the total amount of outstanding Playmaker Capital common shares. JPG Investments Inc. will be rolling a portion of its Playmaker Capital common shares for Better Collective shares and as such is expected to receive consideration consisting of approximately 75% Better Collective shares and 25% cash. Both shareholders have signed lock-up agreements that prevent them from selling their consideration of Better Collective shares for a specified period of time.

The closing of the transaction is subject to approval by the shareholders of Playmaker Capital, court approval, applicable regulatory approvals and certain other closing conditions customary in transactions of this nature. The transaction is expected to close before the end of Q1 of 2024, whereafter Playmaker Capital will be consolidated into the Better Collective group.

Moelis & Company LLC are acting as exclusive financial advisor, Stikeman Elliott LLP, Bech-Bruun Law Firm P/S and Greenberg Traurig LLP are acting as legal advisors and PriceWaterhouseCoopers acted as accounting and tax advisor to Better Collective in connection with the transaction.

About Playmaker Capital

Playmaker Capital Inc. (TSX-V: PMKR; OTC: PMKRF) is a digital sports media group, specialized in acquiring and integrating premier fan-centric media brands, curated to deliver engaged sports fan audiences to tier one advertisers, online sportsbooks, as well as sports federations and leagues. Leveraging its in-house technology stack, Bench, and with a 360-degree view of sports fans, Playmaker Capital delivers authentic digital content experiences for sports fans and best-in-class results for its partners across the Americas.

Conference details

On November 7, 2023 at 3.00 pm CET / 09.00 am EDT, Co-founder & CEO, Jesper Søgaard, and CFO, Flemming Pedersen will co-host a live conference on the acquisition of Playmaker Capital. Stakeholders can join the conference via phone or webcast and both channels offer an opportunity to ask questions.

Telephonic participation

If you wish to join and/or ask questions via phone you must register with the following link:
<https://register.vevent.com/register/BI3adffbe30e024dc3873999c31032dc83>

Once registered, you will receive the dial-in details and a unique PIN via email.

Online participation:

If you wish to join and/or ask questions online you must follow the webcast link:
<https://edge.media-server.com/mmc/p/xewx5o5o>

The webcast can also be accessed from www.bettercollective.com, and registration via both channels is still be possible once the conference has started.

About Better Collective

With a vision to become the leading digital sports media group, Better Collective owns global and national sport media. We are on a mission to excite sports fans through engaging content and foster passionate communities worldwide. Headquartered in Copenhagen, Denmark, and listed on Nasdaq Stockholm (BETCO), Better Collective's portfolio includes; HLTV.org, Action Network, VegasInsider.com, Playmaker HQ, and FUTBIN.com. To learn more about Better Collective please visit bettercollective.com

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