BETTER COLLECTIVE

CVR. 27652913

20 August 2025 19:03:00 CEST

Better Collective reports Q2 2025

Interim report April 1 - June 30 2025

Regulatory release 36/2025

Flash Q2 2025 highlights:

- Revenue of 82 mEUR in line with expectations
- Recurring revenue of 52 mEUR, 64% of total revenue
- EBITDA before special items of 23 mEUR, 28% margin
- Cost efficiency program has been effectuated with 50 mEUR in annualized savings
- Full-year guidance remains unchanged
- The Board of Directors intends to initiate a new 20 mEUR share buyback program following the completion of the current program

Jesper Søgaard, Co-founder & Co-CEO of Better Collective, comments:
"I'm pleased that our Q2 results were in line with expectations. The first half of the year was a transition period mainly driven by structural changes in key markets such as Brazil. We have completed the restructuring of our business and are ready to capture the opportunities of a sports-rich second half of the year, with preparations for the FIFA World Cup 2026 already underway. I would like to extend my sincere appreciation to all colleagues for your dedication and efforts during this transition phase."

Highlights Q2, 2025:
The financial guidance for the full year 2025 remains unchanged.

Revenue decreased by 18% to 82 mEUR, with organic growth decreasing by 19%. The development was in line with expectations. The Q2 performance reflects the following factors:

1. **The Brazilian market** revenue#share income continued ahead of expectation and was 8 mEUR lower than last year. This was supported by stronger-than-anticipated player retention and wagering activity.
2. **The North American business** performed in line with expectations. Revenue declined by 8 mEUR versus Q2 2024, of which the FX impact was 2 mEUR, impacted by lower marketing spend and the North Carolina state launch last year. Revenue share income increased by 7% in the quarter, supported by the continued ramp-up of revenue share income from North American partners.

3. **Tournament comparison effect**: Last year's second quarter benefited from the UEFA European Championship and Copa América boost, resulting in a year-on-year impact of estimated 5 mEUR
4. **Growth:** During the quarter, we observed growth of 4 mEUR in our Paid Media business, alongside sustained momentum in Esports and M&A contributions from the acquisition of AceOdds.
5. The sports win margin was above expectations in Q2, similar to Q2 2024.

Recurring revenue declined by 15%, primarily driven by a 15% decrease in revenue share following the implementation of new regulation in Brazil. CPM revenue decreased by 25%, in line with broader market trends and no larger sports tournaments in play compared to last year. While several initiatives to improve advertising revenue have been launched under the AdVantage project to address this, the associated revenue uplift has yet to materialize. CPA revenue declined by 31%, reflecting lower partner activity in the US market. Sponsorship revenue was down 5% in line with expectations and significantly better than market trends. Conversely, subscription revenue increased by 8%, supported by community-based media in North America.

Group costs decreased by 12 mEUR compared to the same period last year. This represents the first quarter with a similar year-over-year comparison, and the 12 mEUR in quarterly savings, when annualized, align with the 50 mEUR target set at the launch of our cost efficiency program in October 2024. Costs even further accelerated during Q3 2024, particularly in connection with the NFL launch, before beginning to decline following the program's implementation. The majority of realized savings is attributable to the Publishing segment.

In addition to the 12 mEUR in direct cost reductions, our restructuring process earlier in 2025 identified further efficiencies, which have been reinvested into the business to support future growth. With this, Better Collective confirms the achievement of its 50 mEUR cost savings ambition and will maintain its focus on disciplined capital allocation and operational efficiency.

EBITDA before special items amounted to 23 mEUR, a 21% year#on#year decline in line with expectations, corresponding to an EBITDA margin before special items of 28%.

The free cash flow amounted to 13 mEUR in Q2 2025 and 21 mEUR in YTD 2025, in line with expectations and the free cash flow guidance to reach 55-75 mEUR for the full year.

Cash flow from operations before special items was 19 mEUR with a cash conversion of 83% in Q2 2025. The cash flow was negatively impacted by continued delayed payments from customers in Brazil due to the new regulations, including establishing new commercial and administrative frameworks. Better Collective has received the payments in Q3 2025.

Better Collective has bank credit facilities of a total of 319 mEUR. By the end of June 2025, capital reserves stood at 87 mEUR, consisting of cash of 22 mEUR and unused bank credit facilities of 65 mEUR.

Better Collective reports Esports as its own segment from Q2 2025, underscoring the uniqueness and strategic importance of the business. Anchored by flagship community platforms HLTV and FUTBIN, the segment reaches millions of highly engaged fans and generated 5 mEUR in Q2 2025 revenue, compared with 20 mEUR for the full year 2024. The split-out enhances transparency for both internal and external focus.

On 3 April 2025, Better Collective announced an expansion of its digital sports audience to have increased by more than 10% from 400 to 450 million monthly visits globally.

On 22 April 2025, Better Collective completed a buyback of 10 mEUR. Better Collective held 3.3% of the company's outstanding share capital.

On 22 April 2025, Better Collective held its Annual General Meeting, where all points were approved. Amongst other things, it was decided to cancel 1.8% of the company's outstanding share capital to enhance shareholder value. Thomas Plenborg, current Chairman of DSV A/S, was elected as a new member of the Board, as Petra Rohr decided to step down.

On 21 May 2025, Better Collective announced the initiation of a new buyback of up to 10 mEUR to be executed before 26th of August 2025, or until it is completed.

New Depositing Customers (NDCs) developed in line with expectations excluding Brazil, however Brazil continued below expectations due to the regulatory framework. The NDCs reached 300k for the quarter of which 86% were revenue share. Volumes continue to be affected by regulatory restrictions in Brazil, specifically the prohibition of welcome bonuses. For comparison, Q2 last year delivered 501k NDCs, driven by approximately 100k sign-ups related to UEFA EURO 2024 and additional inflows from Copa América and the North Carolina state launch.

Brazil has been a significant contributor to our NDC development in the past years, which is showcased in the report. Splitting out the Brazilian NDCs, the underlying NDC trend remains healthy and more stable.

Despite the decline in NDC volumes, the underlying performance of the revenue share databases remains strong. This is reflected in the sustained strength of the Value of Deposits metric, also shown in the report. This KPI measures the total value deposited by referred users across our partner platforms and serves as a clear indicator of traffic quality and player value. The development highlights Better Collective's ability to consistently drive higher-quality traffic, with referred players demonstrating increased lifetime value - even with lower NDC volumes. Hence, Better Collective focuses on and manages to send fewer, but higher-quality customers to our partners. The increase in Value of Deposits in recent years is partly attributable to the rapid expansion in Brazil, as well as the transition to revenue share in the US, where deposit values have grown but are yet to be recognized in reported revenue. Better Collective maintains its expectation of generating 10-15 mEUR in revenue share income from North America in 2025.

The decline at the beginning of 2025 reflects the Brazilian regulatory framework going live, while the increase in Q2 2025 reflects activity in Brazil increasing again.

Significant events after the close
The Board of Directors intends to initiate a new 20 mEUR share buyback program following the completion of the current program.

About Better Collective

Better Collective owns leading digital sport media, sports betting media and esports communities, with a vision to become the leading digital sports media group. We are on a mission to excite sports fans through engaging content and foster passionate communities worldwide. Better Collective's House of Brands includes; **HLTV**, **FUTBIN**, **Betarades**, **AceOdds**, **Wettbasis**, **Action Network**, **Playmaker HQ**, **VegasInsider**, **The Nation Network**, and **Bolavip**. The company is headquartered in Copenhagen, Denmark, and dual listed on Nasdaq Stockholm (BETCO) and Nasdaq Copenhagen (BETCO DKK). To learn more about Better Collective please visit **bettercollective.com**.

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This information is information that Better Collective is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2025-08-20 19:03 CEST.