

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

08 September 2022

Best of the Best plc
("Best of the Best", "BOTB", "the Company" or "the Group")

Letter of Intent with Globe Invest Limited accelerates international growth ambitions

and

Proposed stake in BOTB to be acquired by Globe Invest Limited

Best of the Best plc (LSE: BOTB), the provider of online competitions to win cars and other prizes, announces that the Company has signed a non-binding letter of intent with Globe Invest Limited, the family office of Teddy Sagi, (the "Letter of Intent" or "LOI"). Globe Invest Limited has a number of affiliated entities (together referred to as "GIL") which have an extensive international presence covering content, digital marketing and software development sectors in particular, which BOTB expects to benefit from.

This LOI sets out that BOTB and GIL will enter into a Licensing and Distribution Agreement and a Marketing and Collaboration Agreement (collectively the "Agreements"). The outline of the Agreements is summarised below and will be subject to arm's length commercial terms being agreed. A further announcement will be made in due course subject to the Agreements being entered into.

The Licensing and Distribution Agreement

Under the Licensing and Distribution Agreement BOTB will exclusively license to GIL (with a right to sub-license on a B2B basis) the BOTB business model, concept and related services, in all territories outside the UK.

The Marketing and Collaboration Agreement

The Marketing and Collaboration Agreement will allow GIL to promote BOTB content in the UK non-exclusively, based on an agreed revenue share or CPA model. The parties will also discuss and agree cross-promotional commitments in connection with each party's products and services.

Rationale for the LOI

Since the successful transformation of BOTB from a bricks and mortar operator to an online pureplay in the skill-based competition space, the Board of BOTB has been actively considering its options for international expansion and delivering its product set to a global audience. After much consideration, the Board has concluded that the most effective way to deliver and achieve this, and therefore the most efficient way to create value for shareholders, is by way of a partnership agreement with established global operators. The Board considers GIL, given its extensive international presence and proven track record of growing global B2C and B2B businesses to be the ideal fit.

Proposed strategic stake in BOTB to be acquired by GIL

Following the signing of the LOI and as an indicator of GIL's commitment to its long-term collaboration with BOTB, it today (or as soon as possible) intends to acquire a 29.9% strategic shareholding in BOTB. It is intended that these shares will be acquired from the Company's currently largest and founding shareholders – William Hindmarch (Chief Executive) and certain persons associated with William Hindmarch, as well as Rupert Garton (Commercial Director).

Currently, and prior to the intended acquisition of shares, William Hindmarch (and certain associated persons) and Rupert Garton respectively hold 32.06% and 9.06% of BOTB's total issued share capital. Following successful completion of the proposed transaction, they will continue to respectively hold 11.86% and 3.35% and remain significant and supportive shareholders.

It is intended that 2,501,740 BOTB shares will be acquired by GIL at a price of 400p, representing a c.10% discount to the closing mid-market share price of BOTB of 445p at the market close on 7 September 2022, being the last trading day ahead of the proposed transaction.

Once GIL has completed the proposed acquisition of a significant shareholding in the Company, the Board of BOTB has agreed that GIL will have the right to appoint a maximum of two non-executive directors to the Board of the Company. Both William Hindmarch and Rupert Garton will continue in their respective current roles as CEO and Commercial Director. It is anticipated that additional expertise and management will join the Company to support in the execution of the international growth plans and further announcements regarding any such appointments to the Board and senior management team will be made in due course.

When the Agreements are entered into, and by virtue of GIL being a substantial shareholder of BOTB, it will be considered a related party for the purposes of the AIM Rules and the Agreements will be deemed Related Party Transactions, requiring a further announcement.

William Hindmarch, Chief Executive of BOTB, said:

"BOTB has evolved significantly over the last five years, and that transformation, notably to becoming an online only operator, has delivered significant benefits to date. As a Board and management team, we have always believed that BOTB has a product set that can be successfully internationalised. The agreement with GIL intends to provide the business with the operational expertise and reach to execute a global strategy, whilst further leveraging BOTB's existing database and building upon the strong foundations that we have created. As founder of this business, I am both optimistic and excited to be announcing this strategic partnership with a business that has global expertise and a proven track record in digital marketing and distribution. I remain committed to leading BOTB to the next stage of its evolution in conjunction and with the support of GIL".

Globe Invest Limited added:

"William and Rupert have built an admirable business model with BOTB in the UK and we feel privileged that we will be a part of the next stage of the BOTB journey, helping it to grow in its home market and to distribute the product to a new international audience. We look forward to supporting and working closely with BOTB, William and Rupert to make the most of the opportunities ahead."

-ENDS

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Notes to Editors

Globe Invest Limited (“Globe Invest”) acts as the single-family office for the self-made entrepreneur, Teddy Sagi. Globe Invest also acts as a holding company and invests (directly and/or through subsidiaries and/or affiliates) in various sectors including marketing, software development, real estate, hospitality, technology companies, e-commerce services, distribution services, financial services, etc. For more information about Globe Invest and its shareholder, please visit www.globeinvest.com.