BETTER COLLECTIVE

Q1 2021

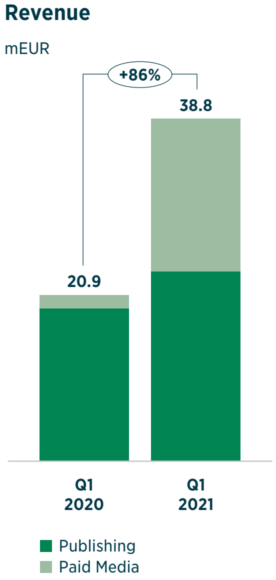
January 1 – March 31

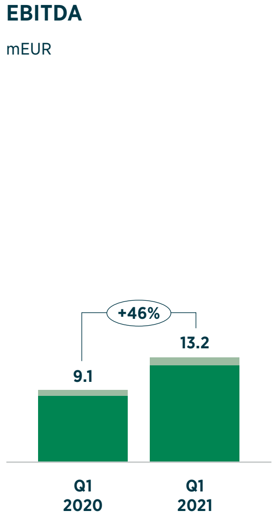
Interim report

Highlights Q1 2021

- Revenue of 39 mEUR; growth 86% y-o-y, organic growth 19%
- Operational Earnings of 13 mEUR; EBITDA-margin 34%; Publishing segment 51% and Paid Media segment 7%
- Earnings per share (EPS) increased by 76% to 0.18 EUR/share
- In May, Better Collective acquired leading US sports betting media platform, Action Network for 240 mUSD
- Financial targets 2021 raised to: Revenue >180 mEUR, EBITDA >55 mEUR and organic growth >25 %

Interim Report Q1 2021





Highlights first quarter 2021

- Q1 revenue grew by 86% to 38,836 tEUR (Q1 2020: 20,921 tEUR). Organic revenue growth was 19%. The revenue split was 61% from Publishing and 39% from Paid Media.
- Q1 EBITDA before special items increased 46% to 13,193 tEUR (Q1 2020: 9,045 tEUR). The EBITDA-margin before special items was 34%. EBITDA-margin was 51% in Publishing and 7% in Paid Media. The margin in the Paid Media segment was significantly impacted by the switch from pure CPA to hybrid revenue models at a cost of approx. 2 mEUR. Excluding these impacts, the margin would have been 19%.
- Cash Flow from operations before special items was 16,102 tEUR (Q1 2020: 9,451 tEUR), an increase of 70%. The cash conversion was 121% due to an improvement of debtors and other short debt. End of Q1, capital reserves stood at 48.3 mEUR including cash of 34.8 mEUR and unused bank credit facilities of 13.5 mEUR.
- New Depositing Customers (NDCs) was around 180.000 in the quarter (increase of 54%) and is at an all time high.
- Better Collective has increased its ownership to 90% of the shares in Mindway AI that specialises in software solutions based on artificial intelligence and neuroscience for identifying, preventing and intervening in at-risk and problem gambling.
- Better Collective has strengthened its position in the Swedish sports betting market by acquiring online sports betting media platform, Rekatochklart.com for 3.8 mEUR.

Contents

Conference call

A conference call for investors, analysts, and the media will be held today, May 12, 2021 , at 10:00 a.m. CET and can be joined online at www.bettercollective.com.

The presentation material for the call will be available on the website one hour before the call.

To participate, please dial:
Confirmation code: 7896313
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The UK +44 (0) 8444819752
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Significant events after the closure of the period

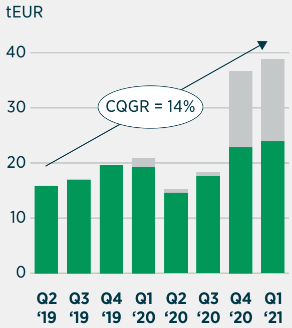
- April revenue reached a record 13.1 mEUR, a growth of 185% vs. 2020, of which 51% was organic growth. Organic growth in the Publishing segment was 87% against a weak comparison due to the significant effect on April 2020 by the halt in sports during the COVID lockdown. In the Paid Media segment, organic growth was 14% against a strong comparison, as the halt in sports meant an increase in casino (predominant in the acquired Atemi).

- On May 3, 2021, Better Collective signed an agreement to acquire 100% of the shares in The Action Network, Inc. for 240 mUSD (198 mEUR) on a cash and debt free basis. With the acquisition of Action Network, Better Collective gains clear market leadership within sports betting media in the US and now expects to increase its revenues in the US to more than 100 mUSD by 2022.

- In April, earn-out payments of 1.2 mEUR in cash, and 0.9 mEUR in shares were made related to the 2020 performance of HLTV.

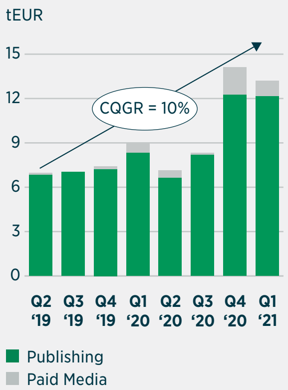
- Following the AGM on April 26, 2021, Therese Hillman was elected to the Board of Directors. Therese is a Swedish national born in 1980. She is the current CEO of NOD, and was until recently Group CEO of NetEnt, a premium game supplier to online casino operators and listed on Nasdaq Stockholm.

Quarterly Revenue



* Compounded Quarterly Growth Rate

Quartly EBITDA before special items



Financial calendar

August 24, 2021
Interim financial report Q2, 2021

November 17, 2021
Interim financial report Q3, 2021

Financial highlights and key figures

tEUR	Q1 2021	Q1 2020	2020
Income Statement			
Revenue	38,836	20,921	91,186
Revenue Growth (%)	86%	40%	35%
Organic Revenue Growth (%)	19%	21%	8%
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	13,193	9,045	38,152
Operating profit before depreciation and amortisations (EBITDA)	13,367	8,644	38,272
Depreciation	430	418	1,548
Special items, net	174	-401	120
Amortisations	1,536	1,640	6,235
Operating profit before special items (EBIT before special items)	11,227	6,986	30,369
Operating profit (EBIT)	11,401	6,585	30,489
Result of financial items	-466	-222	-1,778
Profit before tax	10,935	6,363	28,712
Profit after tax	8,307	4,681	21,927
Earnings per share (in EUR)	0.18	0.10	0.47
Diluted earnings per share (in EUR)	0.17	0.10	0.45
Balance Sheet			
Balance Sheet Total	329,506	264,836	315,065
Equity	172,612	144,945	162,542
Current assets	56,489	31,672	48,555
Current liabilities	30,309	25,166	26,312
Net interest bearing debt	54,936	41,724	63,275
Cashflow			
Cash flow from operations before special items	16,102	9,451	38,321
Cash flow from operations	15,994	9,249	37,696
Investments in tangible assets	-141	-161	-459
Cash flow from investment activities	-8,452	-25,135	-68,090
Cash flow from financing activities	927	14,438	46,790
Financial Ratios			
Operating profit before depreciation, amortisations (EBITDA) and special items margin (%)	34%	43%	42%
Operating profit before depreciation and amortisations margin (EBITDA) (%)	34%	41%	42%
Operating profit margin (%)	29%	31%	33%
Publishing segment - EBITDA before special items margin (%)	51%	43%	48%
Paid media segment - EBITDA before special items margin (%)	7%	43%	16%
Net interest bearing debt / EBITDA before special items	1.30	1.37	1.66
Liquidity ratio	1.86	1.26	1.85
Equity to assets ratio (%)	52%	55%	52%
Cash conversion rate before special items (%)	121%	103%	99%
Average number of full-time employees	480	416	420

For definitions of financial ratios, see definitions section in the end of the report

CEO Comments

A strong start to 2021

2021 got off to a strong start with significant growth throughout the business areas and key performance indicators. The acquisition of Action Network after the closing of the quarter marks our largest acquisition to date, making Better Collective a solid market leader in the US, positioned to fully capitalise on growth in the fast-growing US betting market.

"2021 got off to a strong and exhilarating start. Record high revenue and sports wagering combined with our largest acquisition to date bodes well for continued strong performance."

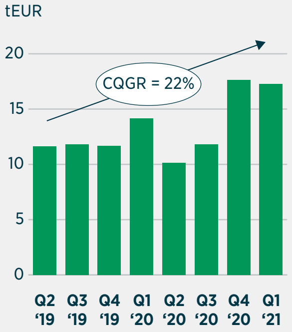
Jesper Søgaard
CEO

Business performance

Revenue growth in Q1 was strong compared to the same quarter last year and marks a record high. Strong April numbers resulting in a record month further underline the growth trend building on a strong finish to 2020. Sports wagering in our revenue share accounts was also at a record high continuing the trend from the previous quarter, while sports betting margins were just below average, offsetting revenues slightly. The EBITDA-margin of 34% is satisfactory with a split of 51% for Publishing and 7% for Paid Media, where we made a significant 2 mEUR investment in changing the Paid Media business model more towards revenue share and new market openings, especially the US market. In the Publishing segment we managed to keep costs almost unchanged except for the added costs in the newly acquired companies HLTV.org and Mindway AI.

The number of NDCs delivered to our customers continued on the strong growth trend seen towards the end of 2020, with Q1 delivering at an all-time high, exceeding 180.000 NDCs. An increasing number of NDCs are sent on revenue share and hybrid deals including NDCs from the Paid Media segment, which is in line with our preference for the revenue share model.

Quarterly Revenue share



* Compounded Quarterly Growth Rate

Regulatory developments expand available markets from 2021

With the US as one of the main drivers these years, we are off to a strong start in the newly regulated states of Michigan and Virginia, confirming the value of having strong brands and assets in place when a new market opens. Collectively, the Americas offer high potential in additional US states regulating as well as promising developments in both Canada and LATAM countries. In Europe, we are following the German regulatory process closely, and we look forward to a regulated market in the Netherlands by October 2021. Sweden is expected to lift its temporary restrictions, put in place due to the COVID-19 pandemic, in November 2021. On March 31, 2021, Better Collective invested further in the Swedish sports betting market by acquiring the online sports betting media Rekatochklart.com. The acquisition is a perfect supplement to our current business and a strategically important step for us in strengthening our position in Sweden.

Better Collective becomes the market leader in the US

On May 3, 2021, we signed an agreement to acquire The Action Network, a premium sports betting media platform. We consider Action Network to be the absolute best and most complete product in the US market, and we are thrilled to welcome Action Network and its employees to Better Collective. This acquisition, which is the largest in Better Collective's history, gives us a leading position within sports betting media in the US, and creates a strong foundation for benefitting from the continuous regulation of the US betting market. With the acquisition 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. Given the continued pace of new states regulating, Better Collective expects the US market to continue growing and our US revenues to surpass

ACTION

100 mUSD by 2022, with positive and increasing operational earnings. Market analysts expect the US sports betting market to expand >4x until 2025 and >20x in the next decade. This acquisition puts us in pole position to secure market leadership in this rapidly-growing market.

Therese Hillman elected new board member

At the AGM on April 26 Therese Hillman was elected new board member. Therese brings extensive knowledge about the iGaming universe and valuable experience related to online business modeling, the US market, and growth journeys - all increasingly relevant for Better Collective. Until recently Therese was the Group CEO of NetEnt, a premium game supplier to online casino operators listed on Nasdaq Stockholm.

Commitment to responsible gambling

On January 1 we exercised our option to acquire a further 70% of the shares in Mindway AI for a total price of 2.3 mEUR (17 mDKK), bringing our ownership to 90%. Mindway AI specialises in software solutions based on artificial intelligence and neuroscience for identifying, preventing, and intervening in at-risk and problem gambling. The investment aligns Better Collective's vision to empower iGamers and help establish an entertaining and safe betting environment.

Looking ahead

Better Collective will continue to execute our strategy of becoming the leading sports betting media group. The Action Network acquisition is an important step on this path, yet we remain committed to continuing the industry consolidation through M&A-activities and our current pipeline is strong. We have raised our financial targets for 2021 following the acquisition, expecting total group revenue to exceed 180 mEUR (previously >160 mEUR); EBITDA to exceed 55 mEUR (previously >50 mEUR) and organic growth to exceed 25% (previously >20%).

Once again I would like to welcome the employees from Action Network and Rekatochklart.com to the BC group. I look forward to an exciting time of knowledge sharing and strengthening of our common commercial position, in a year of big sports events, not least Euro2020. We hope that fans and spectators will be able to meet again at the stadiums to enjoy the games.

Jesper Søgaard
Co-founder and CEO

Therese Hillman
Board Member

54%

NDC growth

in Q1 2021

19%

Organic revenue growth

in Q1 2021

Management report

Financial performance first quarter 2021

Financial performance first quarter 2021

The financial performance in Q1 was strong with record high revenue and strong development in underlying KPIs. Despite a strong comparison quarter in 2020, the topline grew by 19% organically and EBITDA grew by 46% vs. Q1 2020, with a total EBITDA-margin of 34%. The quarter showed record high sports wagering in revenue share accounts, offset by a slightly lower than average sports betting margin.

The Publishing segment showed revenue of 23,877 tEUR and 51% EBITDA-margin, while the Paid Media segment showed revenue of 14,959 tEUR and a margin of 7%. The margin in the Paid Media segment was significantly impacted by the switch from pure CPA to hybrid revenue models (mix of CPA and revenue share) affecting revenue and cost, and the Paid Media margin, excluding these impacts, would have been 19%.

Revenue: Growth of 86% to 38.8 mEUR - Organic growth of 19%

Revenue in the quarter showed strong growth of 86% vs. Q1 2020, amounting to 38,836 tEUR (Q1 2021: 20,921 tEUR).

Publishing revenue increased 24% vs. Q1 2020 (organic growth 20%) and amounted to 23,877 tEUR whereas Paid Media was 14,959 tEUR, up from 1,691 tEUR in Q1 2020, with 17% organic growth.

Revenue share accounted for 45% of the total revenue (48% of player-related revenue) with 43% coming from CPA, 5% from subscription sales, and 8% from other income.

Overall, the income from revenue share increased 22% to 17,287 tEUR from 14,135 tEUR in Q1 2020.

Despite showing an all-time high, the revenue was negatively impacted by the switch from CPA to revenue share in the Paid Media segment and the lower than average sports betting margin.

Cost: 25.6 mEUR - up from 11.8 mEUR due to acquisitions

Overall, the cost base is impacted by increases following the 2020 acquisitions of HLTV and Atemi, as well as the addition of Mindway AI as of January 1, 2021. The cost base excluding depreciation and amortisation grew 13,766 tEUR, to 25,643 tEUR in Q1 vs. 2020 with the majority coming from the acquisition of Atemi.

For the Publishing segment the cost increased 8% to 11,727 tEUR (Q1 2020: 10,907), with the increase coming from HLTV and Mindway AI. Excluding this impact the cost base stayed almost unchanged.

The Paid Media segment reflects the Q4 2020 acquisition of Atemi, with Q1 cost of 13,916 tEUR, up from 969 tEUR in Q1 2020. Cost in Q1 for Paid Media includes approx. 2 mEUR investment in changing the business model more towards revenue share accounts instead of pure CPA as well as the expansion into new markets, the US in particular.

Total direct cost relating to revenue increased due to the addition of Atemi to 15,100 tEUR (Q1 2020: 2,721 tEUR). Beyond the cost of paid traffic, this includes hosting fees of websites, content generation, and external development.

Personnel cost in Q1 increased 16% from Q1 2020 to 7,786 tEUR (Q1 2020: 6,733 tEUR). The average number of employees increased 15% to 480 (Q1 2020: 416). Personnel costs include costs of warrants of 256 tEUR (Q1 2020: 240 tEUR). Other external cost increased 333 tEUR or 14% to 2,756 tEUR (Q1 2020: 2,423 tEUR).

Depreciation and amortisation amounted to 1,966 tEUR (Q1 2020: 2,059 tEUR). The decrease is primarily due to lower amortisation of 104 tEUR related to operator accounts acquired in 2017 and therefore fully amortised in 2020.

Earnings
Operational earnings (EBITDA) before special items grew 46% to 13,193 tEUR (Q1 2020: 9,045 tEUR). The EBITDA-margin before special items was 34% (Q1 2020: 43%). The result of Mindway AI has been included in the P/L as of January 1, 2021 and balance sheet as per March 31, 2021.

The Publishing segment showed EBITDA of 12,150 tEUR with a strong 51% EBITDA-margin, up 46% from 8,323 tEUR (43% margin) in Q1 2021.

The Paid Media segment showed EBITDA of 1,043 tEUR and a margin of 7%. The margin in the Paid Media segment was significantly impacted by the switch from pure CPA to hybrid revenue models affecting revenue and cost, and the Paid Media margin, excluding these impacts, would have been 19%.

Including special items, the reported EBITDA was 13,367 tEUR. (Q1 2020: 8,644 tEUR)

Q1 EBIT before special items increased 61% to 11,227 tEUR (Q1 2020: 6,986 tEUR).

Including special items, the reported EBIT was 11401 tEUR (Q1 2020: 6,585 tEUR).

Net financial items
Net financial costs amounted to 466 tEUR (Q1 2020: 222 tEUR) and included net interest, fees relating to bank credit lines and exchange rate adjustments. Interest expenses amounted to 0.5 mEUR and include non-payable, calculated interest expenses on certain balance sheet items, whereas financial fees and net exchange rate gain amounted to 0.1 mEUR and 0.1 mEUR respectively.

Income tax
Better Collective has a tax-presence in the places where the company is incorporated, which are Denmark (where the parent company is incorporated), Austria, France, Greece, Malta, Romania, UK, US, Poland, Serbia, and Sweden.

Income tax for Q1 amounted to 2,628 tEUR (Q1 2020: 1,683 tEUR). The Effective Tax Rate was (ETR) 24.0% (Q1 2020: 26.4%).

Net profit
Net profit after tax was 8,307 tEUR (Q1 2020: 4,681 tEUR).

Equity
The equity increased to 172,612 tEUR as per March 31, 2021 from 162,542 tEUR on December 31, 2020. Besides the profit of 8.3 mEUR, the equity has been impacted by treasury share transactions and warrant related transactions.

Balance sheet
Total assets amounted to 329,506 tEUR (FY 2020: 315,065 tEUR), with an equity of 172,612 tEUR (FY 2020: 162,542 tEUR). This corresponds to an equity to assets ratio of 52% (FY 2020: 52%). The liquidity ratio was 1.86 resulting from current assets of 56,489 tEUR and current liabilities of 30,309 tEUR.

Investments
On January 1, 2021 Better Collective increased its ownership to 90% of the shares in Mindway AI that specialises in software solutions based on artificial intelligence and neuroscience for identifying, preventing and intervening in at-risk and problem gambling. The price for the additional 70% was 2.3 mEUR (17 mDKK) paid in cash.

In addition to the investment in Mindway AI, the second instalment (of six) of 1.4 mEUR (corresponding to booked amount of 1.25 mGBP) was paid on the deferred payment related to the acquisition of Atemi.

In March, 2021 Better Collective completed the asset acquisition of online sports betting media platform, Rekatochklart.com for 3.8 mEUR.

Investments in tangible assets were 141 tEUR in Q1.

Cash flow and financing

Cash flow from operations before special items for Q1 2021 was 16,102 tEUR (Q1 2020: 9,451 tEUR).

Acquisitions and other investments reduced cash flow with 8,452 tEUR in Q1 (Q1 2020: 25,135 tEUR).

Better Collective has bank credit facilities of a total 84 mEUR, of which 70.5 mEUR was drawn up at the end of March 2020.

As of March 31, 2020, cash and unused credit facilities amounted to 48.3 mEUR.

The parent company

Better Collective A/S, Denmark, is the parent company of the Group.

Q1 2021 revenue grew by 21% to 8,604 tEUR (Q1 2020: 7,128 tEUR).

Total costs including depreciation and amortisations was 7,957 tEUR (Q1 2020: 7,102 tEUR).

Profit after tax was 2,990 tEUR (Q1 2020: 10,854 tEUR). The difference is due to dividend income received from subsidiaries in Q1 2021.

Total equity ended at 158,284 tEUR by March 31, 2021 (2020: 154,923 tEUR). Besides the profit of 3.0 mEUR, the equity has been impacted by treasury share transactions and warrant related transactions.

Financial targets

The Board of Directors have decided on targets for the financial year 2021 as announced in the full year report. Following the acquisition of The Action Network and contingent on the closing of the transaction in Q2, 2021, the financial targets for 2021 are updated:

- Total group revenue is now expected to exceed 180 mEUR (previously more than 160 mEUR)
- Operational profit is now expected to exceed 55 mEUR (previously more than 50 mEUR)
- Total group organic growth is now expected to exceed 25% (previously more than 20%)

The acquisition of The Action Network 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.

Financial Targets for 2021

	Target Total	Actual 2020	Target Publishing	Target Paid Media
Revenue / revenue growth	>180 mEUR	91 mEUR	>40%	Full year effect + organic growth
Organic growth	>25%	8%	>25%	>30%
EBITDA / EBITDA margin	>55 mEUR	38 mEUR	>40%	>10%
Net interest bearing debt/EBITDA	<3.0	1.66	-	-

The revenue targets are based on continued high growth with an implied growth rate of 100% and revenue exceeding 180 mEUR in 2021. While M&A remains a key focus for Better Collective, potential new M&A transactions are not included and serve as an additional growth driver.

The earnings target maintains the focus on high earnings with an implied combined margin of >30% and an EBITDA exceeding 55 mEUR in 2021. It is a reflection on continued high earnings margin in the Publishing segment, as seen throughout 2018-2020, and generally lower margins in the Paid Media segment. In 2021, the earnings margin in Paid Media will expectedly be affected by changing the business model more towards revenue share than CPA and new market openings. The acquisition of Action is expected to drive significant growth in the remaining part of 2021 as reflected in the updated targets.

After 2021, we expect the earnings margin in Paid Media to increase. The debt leverage target allows for an increased financing capacity compared to previous years in alignment with the continued M&A focus.

Disclaimer

This report contains forward-looking statements which are based on the current expectations of the management of Better Collective. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

Other

Shares and share capital
Better Collective A/S is listed on Nasdaq Stockholm main market. The shares are traded under the ticker “BETCO”. As per March 31, 2021, the share capital amounted to 469,453.25 EUR, and the total number of issued shares was 46,945,325. The company has one (1) class of shares. Each share entitles the holder to one vote at the general meetings.

On March 15, 2021, the Board of Directors resolved to issue 41,106 new ordinary shares in Better Collective A/S, equal to shares with a nominal value of EUR 411.06 related to the exercise of warrants.

On April 27, 2021, the Board of Directors resolved to issue 38,747 new ordinary shares in Better Collective A/S, equal to shares with a nominal value of EUR 387.47. The new shares have been subscribed for by the sellers of HLTV.org ApS at a price per share of SEK 233.19 calculated on the basis of the volume weighted average share price of the Company’s shares (as traded on Nasdaq Stockholm) during the period from and including 9 April 2021 to and including 22 April 2021; and the SEK to EUR exchange rate applied by the Swedish National Bank on April 22, 2021

Share buy-back program
On March 4, 2021 Better Collective initiated a share buyback program for up to EUR 100,000, which was executed during the period from March 4, 2021 to March 5, 2021. The purpose of the buyback program is to cover the board’s remuneration as per decision by the Annual General meeting on April 22, 2020 that 1/3 of the total remuneration payable to the board of directors is paid in shares in Better Collective A/S.

During the period March 4, 2021 to March 5, 2021, 3,532 shares for an amount of EUR 68,405 (SEK 696,598) have been purchased, and the share buyback program is hereby completed.

Shareholder structure
As of March 31, 2021, the total number of shareholders was 3,939. A list of top 10 shareholders in Better Collective A/S can be found on the company’s website.

Annual general meeting
The annual general meeting 2021 took place on April 26, 2021. All items on the agenda were carried including the election of new board member, Therese Hillman, current CEO of NOD and former Group CEO of NetEnt, a premium game supplier to online casino operators and listed on Nasdaq Stockholm.

Incentive programs
In order to attract and retain key competences, the company has established a warrant program for key employees. The 2017 warrant program was established ahead of the IPO and as of March 31, 2021, 664,882 warrants are outstanding, all with rights to subscribe for 1 ordinary share. The vesting periods range from 2018-2022. The exercise price is 12.96 DKK (1.74 EUR) (rounded) per share. In September 2019 a new warrant program was established for certain key employees and members of management and as of March 31, 2021, 1,015,625 warrants are outstanding, all with the right to subscribe for 1 ordinary share. The vesting periods range from 2020-2023 and the exercise periods range from 2022 to 2024. The exercise price is 64.78 DKK (8.68 EUR) (rounded) per share.

In November 2020, a new grant from the 2019 warrant program was made to certain key employees. As of March 31, 2021, 260,000 warrants are outstanding, all with the right to subscribe for one ordinary share. The vesting periods range from 2021-2023 and the exercise periods range from 2023 to 2025. The exercise price is 106.35 DKK (14.29 EUR) (rounded) per share.

Following the AGM on April 22, 2020, 25,000 warrants were issued to the new board member, Todd Dunlap. The warrants will vest annually over a period of 3 years, starting from the annual general meeting in 2020. The exercise price is 61.49 DKK (8.2 EUR) per share.

If all outstanding warrants are subscribed, then the maximum shareholders dilution will be approximately 4%.

Market development and regulatory update

Regulation of a market usually introduces license requirements for operators and such licenses may come with additional requirements, such as compliance and specific taxes on sports betting and casino operations. These increased requirements for operators affect us indirectly and, in some cases, directly. Better Collective believes that regulation generally is positive for the markets, as regulation increases transparency, provides predictable rules, and increases awareness and demand. Set out below is a summary of developments and updates in the quarter relevant to Better Collective's scope of business.

USA

Better Collective has been licensed as a vendor in New Jersey since 2014, and we keep growing our market presence. Better Collective is currently live in 11 states: Colorado, Illinois, Indiana, Iowa, Michigan, Nevada, New Jersey, Pennsylvania, Tennessee, Virginia, and West Virginia. Launch in Washington D.C is in preparation. Legislation to expand or reform the existing state laws is pending in New Jersey and New York. Retail-only states led by New York, North Carolina and Mississippi will be looking to authorise mobile wagering, while Illinois should weigh new legislation to permanently eliminate in-person registration. States we see moving forward by year-end 2021 include Massachusetts and Ohio, as well as Louisiana, Maryland, and South Dakota.

Germany

In March 2020, the German states voted to approve a new federal state treaty on gambling. Since mid-October, an interim regime to govern gambling came into effect until the new treaty is effective. In March 2021, the legislation was ratified by a sufficient number of German states (13 out of 16) for implementation to happen. The regulation is expected to be implemented from July 1, 2021. Some tax issues remain a subject of debate, however, online sports betting will not be impacted. The impact of the regulation on revenue models is yet to be decided, but Better Collective is in close dialogue with operators on possible business models for future customers. Better Collective believes that the value of the German market will remain at least the same for the company and continue to be an attractive market.

The Netherlands

The Remote Gambling Act of the Netherlands, which legalises online gambling in the country, has entered officially into effect on 1st April 2021. The Gaming Authority KSA will grant Dutch and foreign providers a license to offer online games of chance in the Netherlands and so far about 30 operators have applied. Betting can be offered from October 2021, when the legislation takes effect. Better Collective is in dialogue with relevant operators and preparing a number of sites for launch.

Canada

Canada sports-betting bill to legalise single-game wagering has passed the committee, and political discussions remain. Based on a recent discussion paper, Ontario may shape the first open market in Canada. Contrary to US practices, the province of Ontario is not expected to tie internet gambling to its land-based casinos nor limit the number of licenses available to private operators. Better Collective is preparing to roll out key US and international brands in Canada as soon as regulation allows.

Temporary restrictions in light of COVID-19

In Spain, a ban on sign up bonuses and various other marketing restrictions came into effect November 5, 2020. Some aspects of the ban have different implementation timing, for instance ban on sign up bonuses expected in May 2021, meaning that our future advertising activities on the Spanish market will be evaluated and implemented in the coming months. Similarly, Swedish legislators are restricting bonuses to 100 SEK and applying weekly deposit limits for casino-games at 5 tSEK (~500 EUR). The duration of these restrictions is currently under debate, but it is expected to be lifted in November 2021.

Risk management

Through an Enterprise Risk Management process, a number of gross risks in Better Collective are identified. Each risk is described, including current risk mitigation in place, or planned mitigating actions. The subsequent analysis of the identified risks includes an inherent risk evaluation based on two main parameters: probability of occurrence and impact on future Earnings and Cash Flow. Better Collective's management continuously monitors risk development in the Better Collective Group. The Risk Evaluation is presented to the Board of Directors annually, for discussion of and any further mitigating actions required. The Board evaluates risk dynamically to cater for this variation in risk impact. The policies and guidelines in place stipulate how Better Collective management must work with risk management. Better Collective's compliance with these policies and guidelines is also monitored by the management on an ongoing basis. Better Collective seeks to identify and understand risks and mitigate them accordingly. Also, the company's close and longstanding relationships with customers allow Better Collective to anticipate and respond to market movements and new regulations including compliance requirements from authorities and operators (customers). With the acquisitions in the US, the overall risk profile of Better Collective has changed, and regulatory/compliance as well as financial risk has increased. Better Collective has mitigated the additional risks in US in a number of ways, regulatory and compliance risk through involvement of regulatory bodies in our licensing process for newly established entities, financial risk through a performance based valuation of the acquired entity (RiCal LLC), and organisational risk through establishment of local governance/management, and finance, HR, and Legal organisation dedicated to the US operations.

The coronavirus outbreak, COVID-19, is having a growing impact on the global economy. If major sports events are cancelled or significantly postponed, it is likely to impact our revenue as we to a large extent rely on the operators' user activity. Additionally, the health and safety of our employees may be at risk. We continue to prepare for sports events up until the point that they may be cancelled. For internal purposes, we have set up a response team to ensure that we follow government guidelines as a minimum. Our first priority is to protect the health and safety of our employees. We have the technological setup to operate the business while our employees work remotely.

Other key risk factors are described in the Annual Report 2020.

Contacts

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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 12, 2021 at 08:00 CET.

About

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).

Statement by the Board of Directors and the Executive Management

Statement by the Board of Directors and the Executive Management on the condensed consolidated interim financial statements and the parent company condensed interim financial statements for the period January 1 – March 31, 2021.

Today, the Board of Directors and the Executive Management have discussed and approved the condensed consolidated interim financial statements and the parent company condensed interim financial statements of Better Collective A/S for the period January 1 – March 31, 2021.

The condensed consolidated interim financial statements for the period January 1 – March 31, 2021 are prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and additional requirements of the Danish Financial Statements Act. The parent company condensed interim financial statements has been included according to the Danish Executive Order on the Preparation of Interim Financial Reports.

In our opinion, the condensed consolidated interim financial statements and the parent company condensed interim financial statements give a true and fair view of the Group's and Parent Company's assets, liabilities and financial position at March 31, 2021 and of the results of the Group's and Parent Company's operations and the Group's cash flows for the period January 1 – March 31, 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position, as well as a description of the major risks and uncertainties, the Group and the Parent Company are facing. The Interim Report has not been audited nor reviewed by the Company's auditor.

Copenhagen, May 12, 2021

Executive Management

Jesper Søgaard
CEO & Co-founder

Christian Kirk Rasmussen
COO & Co-founder
Executive Vice President

Flemming Pedersen
CFO
Executive Vice President

Board of Directors

Jens Bager
Chairman

Todd Dunlap

Therese Hillman

Klaus Holse

Leif Nørgaard

Petra von Rohr

Financial statements for the period January 1 – March 31

Condensed interim consolidated income statement

Note	tEUR	**Q1 2021**	Q1 2020	2020
3	**Revenue**	**38,836**	**20,921**	**91,186**
	Direct costs related to revenue	15,100	2,721	20,471
4	Staff costs	7,786	6,733	24,156
	Depreciation	430	418	1,548
	Other external expenses	2,756	2,423	8,407
	Operating profit before amortisations (EBITA) and special items	**12,763**	**8,626**	**36,604**
7	Amortisation	1,536	1,640	6,235
	Operating profit (EBIT) before special items	**11,227**	**6,986**	**30,369**
5	Special items, net	174	-401	120
	Operating profit	**11,401**	**6,585**	**30,489**
	Financial income	794	675	1,965
	Financial expenses	1,260	897	3,743
	Profit before tax	**10,935**	**6,363**	**28,712**
6	Tax on profit for the period	2,628	1,683	6,785
	Profit for the period	**8,307**	**4,681**	**21,927**
	Earnings per share attributable to equity holders of the company			
	Average number of shares	46,924,688	46,574,081	44,664,615
	Average number of warrants - converted to number of shares	2,001,948	1,990,824	2,043,366
	Earnings per share (in EUR)	0.18	0.10	0.47
	Diluted earnings per share (in EUR)	0.17	0.10	0.45

Condensed interim consolidated statement of other comprehensive income

Note	tEUR	**Q1 2021**	Q1 2021	2020
	Profit for the period	**8,307**	**4,681**	**21,927**
	Other comprehensive income			
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	Currency translation to presentation currency	1,781	593	-3,346
6	Income tax	-347	-169	751
	Net other comprehensive income/loss	1,434	424	-2,595
	Total other comprehensive income/(loss) for the period, net of tax	**9,741**	**5,105**	**19,332**
	Attributable to:			
	Shareholders of the parent	9,741	5,105	19,332

Financial statements for the period January 1 – March 31

Condensed interim consolidated balance sheet

Note	tEUR	Q1 2021	Q1 2020	2020
	Assets			
	Non-current assets			
7	**Intangible assets**			
	Goodwill	103,500	60,672	99,315
	Domains and websites	155,152	154,294	150,274
	Accounts and other intangible assets	8,799	10,321	9,378
		267,451	**225,287**	**258,967**
	Property, plant and equipment			
	Land and buildings	17	728	721
	Right of use assets	3,002	3,623	3,225
	Fixtures and fittings, other plant and equipment	1,476	1,466	1,448
		4,495	**5,818**	**5,395**
	Other non-current assets			
	Other non-current financial assets	0	1,466	1,093
	Deposits	400	308	434
	Deferred tax asset	671	284	621
		1,071	**2,059**	**2,149**
	Total non-current assets	**273,018**	**233,164**	**266,510**
	Current assets			
	Trade and other receivables	18,700	10,956	18,248
	Corporation tax receivable	1,418	640	788
	Prepayments	1,530	1,207	1,465
	Restricted Cash	5,956	0	6,926
	Cash	28,884	18,869	21,127
	Total current assets	**56,489**	**31,672**	**48,555**
	TOTAL ASSETS	**329,506**	**264,836**	**315,065**

Financial statements for the period January 1 – March 31

Condensed interim consolidated balance sheet

Note	tEUR	**Q1 2021**	Q1 2020	2020
	Equity and liabilities			
	Equity			
	Share Capital	469	467	469
	Share Premium	108,897	108,512	108,825
	Currency Translation Reserve	-336	1,249	-1,770
	Treasury Shares	-2	-937	-2
	Retained Earnings	63,584	35,653	55,019
	Proposed Dividends	0	0	0
	Total equity	**172,612**	**144,945**	**162,542**
	Non-current Liabilities			
8	Debt to mortgage credit institutions	0	520	507
8	Debt to credit institutions	68,770	32,140	68,770
8	Lease liabilities	1,937	2,665	2,124
8	Deferred tax liabilities	25,080	24,917	25,207
8	Other long-term financial liabilities	8,995	9,405	8,796
8	Contingent Consideration	21,803	25,079	20,807
	Total non-current liabilities	**126,586**	**94,726**	**126,212**
	Current Liabilities			
	Prepayments received from customers	712	464	450
	Trade and other payables	12,268	3,190	10,247
	Corporation tax payable	3,562	4,304	1,985
8	Other financial liabilities	8,844	14,769	9,850
8	Contingent Consideration	1,943	1,345	2,498
	Debt to credit institutions	1,750	0	0
	Debt to mortgage credit institutions	0	20	20
8	Lease liabilities	1,230	1,075	1,262
	Total current liabilities	**30,309**	**25,166**	**26,312**
	Total liabilities	**156,894**	**119,891**	**152,523**
	TOTAL EQUITY AND LIABILITIES	**329,506**	**264,836**	**315,065**

Financial statements for the period January 1 – March 31

Condensed interim consolidated statement of changes in equity

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2021	**469**	**108,825**	**-1,770**	**-2**	**55,019**	**0**	**162,542**
Result for the period	0	0	0	0	8,307	0	8,307
Other comprehensive income							
Currency translation to presentation currency	0	0	1,781	0	0	0	1,781
Tax on other comprehensive income	0	0	-347	0	0	0	-347
Total other comprehensive income	0	0	1,434	0	0	0	1,434
Total comprehensive income for the year	**0**	**0**	**1,434**	**0**	**8,307**	**0**	**9,741**
Transactions with owners							
Capital Increase	0	71	0	0	0	0	72
Acquisition of treasury shares	0	0	0	-69	0	0	-69
Disposal of treasury shares	0	0	0	69	6	0	74
Share based payments	0	0	0	0	256	0	256
Transaction cost	0	0	0	0	-3	0	-3
Tax on settlement of warrants	0	0	0	0	0	0	0
Total transactions with owners	**0**	**71**	**0**	**0**	**258**	**0**	**330**
At March 31, 2021	**469**	**108,897**	**-336**	**-2**	**63,584**	**0**	**172,612**

During the period no dividend was paid.

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2020	**464**	**106,295**	**825**	**0**	**30,732**	**0**	**138,317**
Result for the period	0	0	0	0	4,681	0	4,681
Other comprehensive income							
Currency translation to presentation currency	0	0	593	0	0	0	593
Tax on other comprehensive income	0	0	-169	0	0	0	-169
Total other comprehensive income	0	0	424	0	0	0	424
Total comprehensive income for the year	**0**	**0**	**424**	**0**	**4,681**	**0**	**5,105**
Transactions with owners							
Capital Increase	3	2,216	0	0	0	0	2,220
Acquisition of treasury shares	0	0	0	-937	0	0	-937
Disposal of treasury shares	0	0	0	0	0	0	0
Share based payments	0	0	0	0	240	0	240
Transaction cost	0	0	0	0	0	0	0
Tax on settlement of warrants	0	0	0	0	0	0	0
Total transactions with owners	**3**	**2,216**	**0**	**-937**	**240**	**0**	**1,523**
At March 31, 2020	**467**	**108,512**	**1,249**	**-937**	**35,653**	**0**	**144,945**

During the period no dividend was paid.

Financial statements for the period January 1 – March 31

Condensed interim consolidated statement of changes in equity

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2020	**464**	**106,295**	**825**	**0**	**30,732**	**0**	**138,317**
Result for the period	0	0	0	0	21,927	0	21,927
Other comprehensive income							
Currency translation to presentation currency	0	0	-3,346	0	0	0	-3,346
Tax on other comprehensive income	0	0	751	0	0	0	751
Total other comprehensive income	0	0	-2,595	0	0	0	-2,595
Total comprehensive income for the year	**0**	**0**	**-2,595**	**0**	**21,927**	**0**	**19,332**
Transactions with owners							
Capital Increase	5	2,530	0	0	0	0	2,535
Acquisition of treasury shares	0	0	0	-4,903	0	0	-4,903
Disposal of treasury shares	0	0	0	4,901	1,437	0	6,338
Share based payments	0	0	0	0	955	0	955
Transaction cost	0	0	0	0	-33	0	-33
Tax on settlement of warrants	0	0	0	0	0	0	0
Total transactions with owners	**5**	**2,530**	**0**	**-2**	**2,359**	**0**	**4,893**
At December 31, 2020	**469**	**108,825**	**-1,770**	**-2**	**55,019**	**0**	**162,542**

During the period no dividend was paid.

Financial statements for the period January 1 – March 31

Condensed interim consolidated statement of cash flows

Note	tEUR	**Q1 2021**	Q1 2021	2020
	Profit before tax	10,935	6,363	28,712
	Adjustment for finance items	466	222	1,778
	Adjustment for special items	-174	401	-120
	Operating Profit for the period before special items	11,227	6,986	30,369
	Depreciation and amortisation	1,966	2,059	7,783
	Other adjustments of non cash operating items	330	240	955
	Cash flow from operations before changes in working capital and special items	13,523	9,285	39,107
	Change in working capital	2,579	167	-786
	Cash flow from operations before special items	16,102	9,451	38,321
	Special items, cash flow	-108	-202	-625
	Cash flow from operations	15,994	9,249	37,696
	Financial income, received	731	331	1,415
	Financial expenses, paid	-542	-450	-2,497
	Cash flow from activities before tax	16,183	9,130	36,614
	Income tax paid	-2,212	-2,182	-9,940
	Cash flow from operating activities	**13,971**	**6,949**	**26,675**
	Acquisition of businesses	-4,427	-24,527	-65,792
	Acquisition of intangible assets	-3,930	-46	-1,802
	Acquisition of property, plant and equipment	-141	-161	-460
	Sale of property, plant and equipment	0	0	1
	Change in other non-current assets	45	-402	-36
	Cash flow from investing activities	**-8,452**	**-25,135**	**-68,090**
	Repayment of borrowings	-527	-16,735	-22,756
	Proceeds from borrowings	1,750	32,122	74,629
	Lease liabilities	-297	-307	-1,025
	Other non-current liabilities	0	217	484
	Capital increase	72	78	393
	Treasury shares	-69	-937	-4,903
	Transaction cost	-3	0	-33
	Cash flow from financing activities	**927**	**14,438**	**46,790**
	Cash flows for the period	6,466	-3,749	5,375
	Cash and cash equivalents at beginning	28,053	22,755	22,755
	Foreign currency translation of cash and cash equivalents	341	-137	-77
	Cash and cash equivalents period end*	**34,840**	**18,869**	**28,053**
	***Cash and cash equivalents period end**			
	Restricted cash	5,956	0	6,926
	Cash	28,884	18,869	21,127
	Cash and cash equivalents period end	**34,840**	**18,869**	**28,053**

Notes

1 General information

Better Collective A/S is a limited liability company and is incorporated in Denmark. The parent company and its subsidiaries (referred to as the "Group" or "Better Collective") engage in online affiliate marketing. Better Collective's vision is to empower iGamers by leading the way in transparency and technology.

Basis of preparation
The Interim Report (condensed consolidated interim financial statements) for the period January 1 - March 31, 2021 has been prepared in accordance with IAS 34 "Interim financial statements" as adopted by the EU and additional requirements in the Danish Financial Statements Act. The parent company condensed interim financial statements has been included according to the Danish Execuive Order on the Preparation of Interim Financial Reports.

These condensed consolidated interim financial statements incorporate the results of Better Collective A/S and its subsidiaries.

The condensed consolidated interim financial statements refer to certain key performance indicators, which Better Collective and others use when evaluating the performance of Better Collective. These are referred to as alternative performance measures (APMs) and are not defined under IFRS. The figures and related subtotals give management and investors important information to enable them to fully analyse the Better Collective business and trends. The APMs are not meant to replace but to complement the performance measures defined under IFRS.

New financial reporting standards
All new or amended standards (IFRS) and interpretations (IFRIC) as adopted by the EU and which are effective for the financial year beginning on 1 January 2021 have been adopted. The implementation of these new or amended standards and interpretations had no material impact on the condensed consolidated interim financial statements.

Accounting policies
The condensed consolidated interim financial statements have been prepared using the same accounting policies as set out in note 1 of the 2020 annual report which contains a full description of the accounting policies for the Group and the parent company. The annual report for 2020 can be found on Better Collective's web-site:

https://bettercollective.com/wp-content/uploads/2021/03/BetterCollective_AR20_web.pdf

Significant accounting judgements, estimates, and assumptions
The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities.

The significant accounting judgements, estimates and assumptions applied in these consolidated interim financial statements are the same as disclosed in note 2 in the annual report for 2020 which contains a full description of significant accounting judgements, estimates and assumptions.

Notes

2 Segments

The performance for each segment is presented in the below tables:

	Publishing		Paid Media		Total	
tEUR	**Q1 2021**	**Q1 2020**	**Q1 2021**	**Q1 2020**	**Q1 2021**	**Q1 2020**
Revenue	**23,877**	**19,230**	**14,959**	**1,691**	**38,836**	**20,921**
Cost	11,727	10,907	13,916	969	25,643	11,876
Operating profit before depreciation, amortisations and special items	**12,150**	**8,323**	**1,043**	**722**	**13,193**	**9,045**
EBITDA-Margin before special items	51%	43%	7%	43%	34%	43%
Depreciation	426	418	4	0	430	418
Operating profit before amortisations and special items	**11,725**	**7,905**	**1,039**	**722**	**12,763**	**8,626**
EBITA-Margin before special items	49%	41%	7%	43%	33%	41%

		2020	
tEUR	**Publishing**	**Paid Media**	**Total**
Revenue	**74,184**	**17,002**	**91,186**
Cost	38,820	14,214	53,034
Operating profit before depreciation, amortisations and special items	**35,364**	**2,788**	**38,152**
EBITDA-Margin before special items	48%	16%	42%
Depreciation	1,532	16	1,548
Operating profit before amortisations and special items	**33,832**	**2,772**	**36,604**
EBITA-Margin before special items	46%	16%	40%

Notes

3 Revenue specification – affiliate model

In accordance with IFRS 15 disclosure requirements, total revenue is split on Revenue Share, Cost per Acquisition (CPA), Subscription Revenue and Other, as follows:

tEUR	**Q1 2021**	Q1 2020	2020
Revenue			
Revenue Share	17,287	14,135	53,697
CPA	16,752	3,515	22,251
Revenue - Subscription	1,753	1,318	5,645
Aff. Revenue Other	3,044	1,954	9,593
Total Revenue	**38,836**	**20,921**	**91,186**

%-split	**Q1 2021**	Q1 2020	2020
Revenue			
Revenue Share	45	68	59
CPA	43	17	24
Revenue - Subscription	5	6	6
Aff. Revenue Other	8	9	11
Total Revenue	**100**	**100**	**100**

4 Share-based payment plans

2017 Warrant program:
During the first quarter of 2021 the company did not grant any warrants under this program.

During the quarter, employees have exercised warrants corresponding to 46,106 shares issued.

2019 Warrant programs:
During the first quarter of 2021 the company did not grant any warrants and no warrants were exercised under this program.

The total share based compensation expense recognised for Q1 2021 is 256 tEUR (Q1 2020: 240 tEUR).

Notes

5 Special items

Significant income and expenses, which Better Collective consider non-recurring are presented in the Income statement in a separate line item labelled 'Special items'. The impact of special items is specified as follows:

tEUR	Q1 2021	Q1 2020	2020
Operating profit	11,401	6,585	30,489
Special items related to M&A	-101	-126	-676
Special items related to Earn-out	0	0	658
Special items related to Restructuring	-6	-275	-493
Special items related to Divestiture of Assets	282	0	632
Operating profit (EBIT) before special items	**11,227**	**6,986**	**30,369**
Amortisations	1,536	1,640	6,235
Operating profit before amortisations and special items (EBITA before special items)	**12,763**	**8,626**	**36,604**
Depreciation	430	418	1,548
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	**13,193**	**9,045**	**38,152**

6 Income tax

Total tax for the period is specified as follows:

tEUR	Q1 2021	Q1 2020	2020
Tax for the period	2,628	1,683	6,785
Tax on other comprehensive income	347	169	-751
Total	**2,975**	**1,852**	**6,034**

Income tax on profit for the period is specified as follows:

tEUR	Q1 2021	Q1 2020	2020
Deferred tax	-177	-248	-1,036
Current tax	2,805	1,884	7,848
Adjustment from prior years	0	47	-27
Total	**2,628**	**1,683**	**6,785**

Tax on the profit for the period can be explained as follows:

tEUR	Q1 2021	Q1 2020	2020
Specification for the period:			
Calculated 22% tax of the result before tax	2,406	1,400	6,317
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	141	94	376
Tax effect of:			
Non-taxable income	0	0	-388
Non-deductible costs	82	142	507
Tax deductable			
Adjustment of tax relating to prior years	0	47	-27
	2,628	**1,683**	**6,785**
Effective tax rate	**24.0%**	**26.4%**	**23.6%**

Notes

7 Intangible assets

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation				
As of January 1, 2021	**99,315**	**150,274**	**25,175**	**274,764**
Additions	0	2,959	950	3,910
Acquisitions through business combinations	3,404	0	0	3,404
Currency Translation	782	1,919	15	2,716
At March 31, 2021	**103,500**	**155,152**	**26,141**	**284,793**
Amortisation and impairment				
As of January 1, 2021	**0**	**0**	**15,797**	**15,797**
Amortisation for the period	0	0	1,536	1,536
Currency translation	0	0	8	8
At March 31, 2021	**0**	**0**	**17,342**	**17,342**
Net book value at March 31, 2021	**103,500**	**155,152**	**8,799**	**267,451**
Cost or valuation				
As of January 1, 2020	**41,968**	**132,848**	**20,963**	**195,779**
Additions	0	761	309	1,070
Acquisitions through business combinations	58,955	20,551	3,900	83,406
Currency Translation	-1,609	-3,887	4	-5,492
At December 31, 2020	**99,315**	**150,274**	**25,175**	**274,764**
Amortisation and impairment				
As of January 1, 2020	**0**	**0**	**9,008**	**9,008**
Amortisation for the period	0	0	6,235	6,235
Impairment included in Special items	0	0	558	558
Currency translation	0	0	-4	-4
At December 31, 2020	**0**	**0**	**15,797**	**15,797**
Net book value at December 31, 2020	**99,315**	**150,274**	**9,378**	**258,967**

Notes

8 Non-current liabilities and other current financial liabilities

Debt to credit institutions:
As per March 31, 2021 Better Collective has drawn 70.5 mEUR on the credit facility established with Nordea.

Lease liabilities:
Non-current and current lease liabilities, of 1.9 mEUR and 1.2 mEUR respectively.

Deferred Tax:
Deferred tax as of March, 2021 amounted to 25.1 mEUR. The change from January 1, 2021 originates from amortisation of accounts from acquisitions, and deferred tax changes in Parent Company.

Contingent Consideration:
As per March 31, 2021 contingent consideration amounted to 23.3 mEUR (of which 1.9 mEUR current) due to the remaining purchase price related to the acquisition of RiCal LLC.

As stated in the Annual Report 2020 (note 22), the contingent liability relates to the remaining share purchase of 40% of the shares in Rical LLC, which will take place in the period 2022-2024. The remaining purchase price is dependent on the financial performance of Rical LLC and Better Collective's other US business.

The US market and Better Collective's US business has seen high volatility in the past year. Following the COVID-lockdown in 2020, where parts of the US business came to an almost complete halt, the recent two quarters have seen very strong performance. The exact timing and final valuation of the remaining share purchase price and the related remaining contingent liability is therefore yet highly uncertain.

Other financial liabilities:
As per March 31, 2021 other financial liabilities amounted to 17.8 mEUR due to deferred and variable payments related to acquisitions. The decrease from January 1, 2021 is the second instalment of the deferred payment to Atemi.

Fair Value is measured based on level 3 - Valuation techniques. In all material aspects the fair value of the financial assets and liabilities is considered equal to the booked value.

9 Business combinations

Acquisition of The Action Network Inc.
On May 3, 2021 Better Collective signed an agreement to acquire 100% of the shares in The Action Network, Inc. ("Action") for 240 mUSD (198 mEUR) on a cash and debt free basis. The acquisition is subject to customary regulatory approvals and is expected to be completed in Q2 2021.

As per the date of publication of the interim financial statements, the closing has not taken place and it is not possible to obtain sufficient financial data to fulfill reporting requirements according to IFRS3. Therefore the opening balance, the acquired net assets at the time of the acquisition, goodwill and pro-forma impact on the revenue and profit after tax is not included in these interim financial statements.

Acquisition of Mindway AI ApS
On January 1, 2021 Better Collective exercised its option to acquire a further 70% of the shares in Mindway AI for a total price of 2.3 mEUR (17 mDKK). The acquisition follows a preliminary investment made in 2019 where Better Collective acquired 19.99% of the company for 0.5 mEUR (4 mDKK). With the new investment, Better Collective now holds 90% of the shares in Mindway AI.

The transferred consideration was paid with cash.

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Equipment	3
Deposits	5
Trade and other receivables	76
Cash and cash equivalents	89
Corporate tax payables	-2
Loans	-555
Trade and other payables	-197
Identified net assets	**-581**
Goodwill	3,404
Total consideration	**2,823**

Notes

9 Business combinations, continued

A goodwill of 3,404 tEUR emerged from the acquisition of Mindway AI as an effect of the difference between the transferred consideration and the fair value of acquired net assets. Goodwill is connected to the future growth expectations given the strong competencies and platform acquired. The goodwill is not tax deductible.

Transaction costs related to the acquisition of Mindway AI amounts to 2 tEUR in 2021. Transaction costs are accounted for in the income statements under “special items”.

The fair value of the trade receivables amounts to 76 tEUR. The gross amount of trade receivables is 76 tEUR and no provision has been recorded.

tEUR	
Purchase amount	2,823
Regards to:	
Cash and cash equivalents	89
Net cash outflow	2,734

The acquisition was completed on January 1, 2021 and Mindway has been fully consolidated from that date.

The purchase price allocation is provisional due to uncertainties regarding measurement of acquired intangible assets.

Notes

10 Note to cash flow statement

Note	tEUR	Q1 2021	Q1 2021	2020
	Acquisition of business combinations:			
9	Net Cash outflow from business combinations at acquisition	-2,734	-23,316	-53,429
	Business Combinations deferred payments from current period	0	0	-1,384
	Deferred payments - business combinations from prior periods	-1,692	-1,211	-10,979
	Total cash flow from business combinations	**-4,427**	**-24,527**	**-65,792**
	Acquisition of intangible assets:			
7	Acquisitions through asset transactions	-3,910	0	-1,070
	Other investments	-20	-46	-732
	Total cash flow from intangible assets	**-3,930**	**-46**	**-1,802**

Equity movements with and without cashflow impact

Note	tEUR	Q1 2021	Q1 2021	2020
	Cashflow from Equity movements:			
	Equity movements with cashflow impact - from cash flow statement:			
	Capital increase	72	78	393
	Treasury shares	-69	-937	-4,903
	Transaction cost	-3	0	-33
	Total equity movements with cash flow impact	**0**	**-859**	**-4,542**
	Non-cash flow movements on equity:			
	New shares for M&A payments	0	2,142	2,142
	Treasury Shares used for payments	74	0	6,338
	Share based payments - warrant expenses with no cash flow effect	256	240	955
	Total equity movements with cash flow impact	**330**	**2,382**	**9,435**
	Total Transactions with owners - Consolidated statement of changes in equity	**330**	**1,523**	**4,893**

Financial statements for the period January 1 – March 31

Condensed interim income statement – Parent company

tEUR	Q1 2021	Q1 2020	2020
Revenue	**8,604**	**7,128**	**26,940**
Other operating income	1,687	1,574	8,878
Direct costs related to revenue*	1,287	1,283	5,286
Staff costs	3,443	3,122	10,958
Depreciation	120	118	482
Other external expenses*	2,746	2,056	7,389
Operating profit before amortisations (EBITA) and special items	**2,696**	**2,123**	**11,702**
Amortisation	362	523	1,974
Operating profit (EBIT) before special items	**2,334**	**1,600**	**9,728**
Special items, net	174	-308	266
Operating profit	**2,508**	**1,292**	**9,994**
Financial income	2,472	10,850	13,860
Financial expenses	1,060	737	6,573
Profit before tax	**3,920**	**11,404**	**17,280**
Tax on profit for the period	931	550	1,563
Profit for the period	**2,990**	**10,854**	**15,717**

*Historic numbers for 2019 re-stated for Paid Media, please refer to note 1.

Condensed interim statement of other comprehensive income

tEUR	Q1 2021	Q1 2020	2020
Profit for the period	**2,990**	**10,854**	**15,717**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Currency translation to presentation currency	42	48	601
Income tax	0	0	0
Net other comprehensive income/loss	42	48	601
Total other comprehensive income/(loss) for the period, net of tax	**3,031**	**10,902**	**16,319**

Financial statements for the period January 1 – March 31

Condensed interim balance sheet – Parent company

tEUR	**Q1 2021**	Q1 2020	2020
Assets			
Non-current assets			
Intangible assets			
Domains and websites	18,148	14,324	15,185
Accounts and other intangible assets	3,945	5,038	3,355
	22,093	**19,362**	**18,540**
Property, plant and equipment			
Land and building	0	714	704
Right of use assets	826	1,122	896
Fixtures and fittings, other plant and equipment	318	365	317
	1,144	**2,201**	**1,917**
Financial assets			
Investments in subsidiaries	186,781	137,251	183,856
Receivables from subsidiaries	35,036	37,495	36,969
Other non-current financial assets	0	1,515	1,146
Deposits	163	159	160
	221,981	**176,420**	**222,131**
Total non-current assets	**245,218**	**197,982**	**242,588**
Current assets			
Trade and other receivables	5,090	4,303	4,648
Receivables from subsidiaries	6,384	4,575	1,657
Tax receivable	0	118	653
Prepayments	877	803	736
Restricted Cash	5,956	0	6,926
Cash	81	3,855	2,560
Total current assets	**18,387**	**13,654**	**17,180**
TOTAL ASSETS	**263,604**	**211,636**	**259,767**

Financial statements for the period January 1 – March 31

Condensed interim balance sheet – Parent company

tEUR	Q1 2021	Q1 2020	2020
Equity and liabilities			
Equity			
Share Capital	469	467	469
Share Premium	108,896	108,511	108,825
Currency Translation Reserve	536	-60	494
Treasury shares	-2	-937	-2
Retained Earnings	48,384	38,154	45,137
Proposed Dividends	0	0	0
Total equity	**158,284**	**146,137**	**154,923**
Non-current Liabilities			
Debt to mortgage credit institutions	0	520	507
Debt to credit institutions	68,770	32,140	68,770
Lease liabilities	555	839	629
Deferred tax liabilities	1,283	940	1,163
Other non-current financial liabilities	8,995	9,405	8,796
Total non-current liabilities	**79,603**	**43,843**	**79,864**
Current Liabilities			
Trade and other payables	2,158	1,657	2,127
Payables to subsidiaries	12,482	4,204	12,585
Corporation tax payable	156	682	70
Other current financial liabilities	8,844	14,769	9,850
Debt to mortgage credit institutions	0	20	20
Debt to credit instituitions	1,750	0	0
Lease liabilities	328	325	328
Total current liabilities	**25,718**	**21,656**	**24,980**
Total liabilities	**105,321**	**65,499**	**104,844**
TOTAL EQUITY AND LIABILITIES	**263,604**	**211,636**	**259,767**

Financial statements for the period January 1 – March 31

Condensed interim statement of changes in equity – Parent company

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2021	**469**	**108,825**	**494**	**-2**	**45,137**	**0**	**154,923**
Result for the period	0	0	0	0	2,990	0	2,990
Other comprehensive income							
Currency translation to presentation currency	0	0	42	0	0	0	42
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	42	0	0	0	42
Total comprehensive income for the year	**0**	**0**	**42**	**0**	**2,990**	**0**	**3,031**
Transactions with owners							
Capital Increase	0	71	0	0	0	0	72
Acquisition of treasury shares	0	0	0	-69	0	0	-69
Disposal of treasury shares	0	0	0	69	6	0	74
Share based payments	0	0	0	0	256	0	256
Transaction cost	0	0	0	0	-3	0	-3
Tax on settlement of warrants	0	0	0	0	0	0	0
Total transactions with owners	**0**	**71**	**0**	**0**	**258**	**0**	**330**
At March 31, 2021	**469**	**108,896**	**536**	**-2**	**48,384**	**0**	**158,284**

During the period no dividend was paid.

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2020	**464**	**106,295**	**-107**	**0**	**27,060**	**0**	**133,712**
Result for the period	0	0	0	0	10,854	0	10,854
Other comprehensive income							
Currency translation to presentation currency	0	0	48	0	0	0	48
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	48	0	0	0	48
Total comprehensive income for the year	**0**	**0**	**48**	**0**	**10,854**	**0**	**10,902**
Transactions with owners							
Capital Increase	3	2,216	0	0	0	0	2,220
Acquisition/disposal of treasury shares	0	0	0	-937	0	0	-937
Shared based payments	0	0	0	0	240	0	240
Cash settlement of warrants	0	0	0	0	0	0	0
Tax on settlement of warrants	0	0	0	0	0	0	0
Tax on settlement of warrants	0	0	0	0	0	0	0
Total transactions with owners	**3**	**2,216**	**0**	**-937**	**240**	**0**	**1,523**
At March 31, 2020	**467**	**108,511**	**-60**	**-937**	**38,154**	**0**	**146,137**

During the period no dividend was paid.

Financial statements for the period January 1 – March 31

Condensed interim statement of changes in equity – Parent company

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2020	**464**	**106,295**	**-107**	**0**	**27,060**	**0**	**133,712**
Result for the period	0	0	0	0	15,717	0	15,717
Other comprehensive income							
Currency translation to presentation currency	0	0	601	0	0	0	601
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	601	0	0	0	601
Total comprehensive income for the year	**0**	**0**	**601**	**0**	**15,717**	**0**	**16,319**
Transactions with owners							
Capital Increase	5	2,530	0	0	0	0	2,535
Acquisition of treasury shares	0	0	0	-4,903	0	0	-4,903
Disposal of treasury shares	0	0	0	4,901	1,437	0	6,338
Share based payments	0	0	0	0	955	0	955
Transaction cost	0	0	0	0	-33	0	-33
Tax on settlement of warrants	0	0	0	0	0	0	0
Total transactions with owners	**5**	**2,530**	**0**	**-2**	**2,359**	**0**	**4,893**
At December 31, 2020	**469**	**108,825**	**494**	**-2**	**45,137**	**0**	**154,923**

During the period no dividend was paid.

Alternative Performance Measures and Definitions

The group uses Alternative Performance Measures not defined under IFRS to give management and investors important information to enable them to fully analyse the Better Collective business and trends. The APMs are not meant to replace but to complement the performance measures defined under IFRS. Note 5 contains a bridge from the APMs to performance measures defined by IFRS.

Alternative Performance Measures

Alternative Performance Measure	Description	SCOPE
Earnings per share (EPS)	Net Profit for the period / (Average number of shares - Average number of treasury shares held by the company)	The group reports this APM for users to monitor development in the net profit per share.
Diluted earnings per share	Net profit for the period / (Average number of shares + Average number of outstanding warrants - Average number of treasury shares held by the company)	The group reports this APM for users to monitor development in the net profit per share, assuming full dilution from active warrant programs.
Operating profit before amortisations (EBITA)	Operating profit plus amortisations	Better Collective reports this APM to allow monitoring and evaluation of the Group's operational profitability.
Operating profit before amortisations margin (%)	Operating profit before amortisations / Revenue	This APM supports the assessment and monitoring of the Group's performance and profitability
EBITDA before special items	EBITDA adjusted for special items	This APM supports the assessment and monitoring of the Group's performance and profitability excluding special items that do no stem from ongoing operations, providing a more comparable measure over time.
Operating profit before amortisations and special items margin (%)	Operating profit before amortisations and special items / Revenue	This APM supports the assessment and monitoring of the Group's performance and profitability excluding special items that do no stem from ongoing operations, providing a more comparable measure over time.
Special items	Items that are considered not part of ongoing business	Items not part of ongoing business, e.g. Cost related to M&A and restructuring, adjustments of earn-out payments.
Net Debt / EBITDA before special items	(Interest bearing debt, including earn-outs from acquisitions, excl. contingent consideration,minus cash and cash equivalents)/ EBITDA before special items on rolling twelve months basis	This ratio is used to describe the horizon for pay back of the interest bearing debt, and measures the leverage of the funding.
Liquidity ratio	Current Assets / Current Liabilities	Measures the ability of the group to pay it's current liabilities using current assets.
Equity to assets ratio	Equity / Total Assets	Reported to show how much of the assets in the company is funded by equity
Cash conversion rate before special items	(Cash flow from operations before special items + Cash from CAPEX) / EBITDA before special items	This APM is reported to illustrate the Group's ability to convert profits to cash
NDC	New depositing customers	A key figure to reflect the Group's ability to fuel long-term revenue and organic growth
Organic Growth	Revenue growth compared to same period previous year. Organic growth from acquired companies or assets are calculated from the date of acquisition measured against historical baseline performance.	Reported to measure the ability to generate growth from existing business

Definitions

Term	Description
PPC	Pay-Per-Click
SEO	Search Engine Optimisation
Sports win margin	Sports net player winnings (operators) / sports wagering
Sports wagering	The value of bets placed by the players
Board	The Board of Directors of the company
Executive Management	Executives that are registered with the Danish Company register
Company	Better Collective A/S, a company registered under the laws of Denmark

BETTER COLLECTIVE

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