BETTER COLLECTIVE

Q3 2021

January 1 – September 30

Interim report

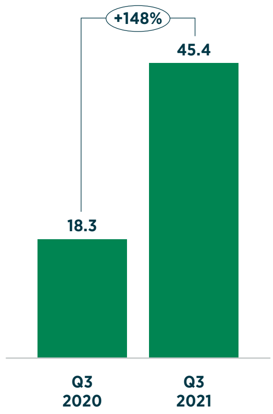
Highlights Q3 2021

- Revenue of 45 mEUR; growth 148% y-o-y, organic growth 29%. September marked the start of the high season and revenue spiked to 20 mEUR, a new monthly company record. Seasonality and low sports win margins dampened the revenue in July and August.
- US revenue increased >5x y-o-y. Revenue in September jumped to 9 mEUR (>10 mUSD)
- Operational Earnings of 14 mEUR; EBITDA-margin 30%; Publishing segment 40% and Paid Media segment 9%
- NDCs >200,000; more than doubling y-o-y and setting a new quarterly company record
- The full-year financial targets for 2021 remain unchanged

Interim Report Q3 2021

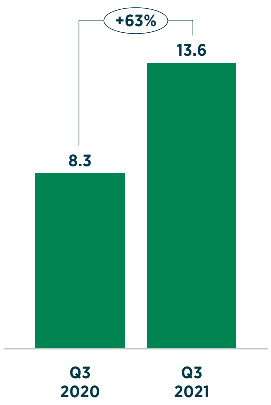
Revenue

mEUR



EBITDA

mEUR



From Q2, 2021, and following the acquisition of Action Network (included in Group accounts from the time of closing on May 28, 2021), Better Collective will report on the geographical segments US and RoW (Rest of World), measuring and disclosing separately for Revenue, Cost and Earnings. Historical financial figures will be reported accordingly.

Highlights third quarter 2021

- Group Revenue grew by 148% to 45,413 tEUR (Q3 2020: 18,298 tEUR). Organic revenue growth was 29%. September reached a new monthly revenue record of 20,285 tEUR, equal to 45% of the total quarterly revenue.
    - The quarter showed strong underlying growth on all major KPIs, however, revenue was impacted downwards by very low sports win margins in July and August. The sports win margins were negatively affected by larger operators accelerating marketing campaigns (free-bets, retention-bonuses etc.), as well as continued strong NDC performance, where new depositors receive sign-up bonuses.
    - The US business performed strongly with Q3 2021 revenue of >5x compared to Q3 2020 revenue. Revenue for September jumped to 8.9 mEUR (>10 mUSD) reflecting a strong start of the high season for US sports and the state of Arizona opening for online sports betting. Strong performance across all US assets including the newly acquired Action Network.
    - In Germany, a long-awaited new gambling regulation came into force from July 1. The market development has been in line with our expectations; for Better Collective, September revenue from the German market was on par with the monthly average in H1. Based on the current performance in Germany, revenue for the full year 2021 is expected to exceed prior years 2019 and 2020, respectively, with expected continued revenue growth in 2022.
    - Media partnerships continued with strong performance with almost 45,000 NDCs. More media partnerships are expected to be established in various countries.
- Group EBITDA before special items increased 63% to 13,583 tEUR (Q3 2020: 8,326 tEUR). The EBITDA-margin before special items was 30% (Publishing 40% and Paid Media 9%).

Contents

Conference call

A conference call for investors, analysts, and the media will be held today, November 17, 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: 2393804
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- Special Items in Q3 2021 amounted to a cost of 11,588 tEUR vs. an income of 44 tEUR in Q3 2020. It includes an 11,487 tEUR adjustment of the contingent liability related to the 2019 acquisition of Rical LLC, treated as a P/L item under IFRS.

- EBITDA after special items amounted to 1,995 tEUR, a decrease of 6,375 tEUR vs. 8,370 tEUR in Q3 2020.

- Cash Flow from operations before special items was 10,498 tEUR (Q3 2020: 8,359 tEUR), an increase of 26%. The cash conversion was 76%, and was impacted by a significant increase in revenue for September vs. June driving increased trade receivables from Q2 2021. End of Q3, capital reserves stood at 64.1 mEUR including cash of 35.4 mEUR and unused bank credit facilities of 28.7 mEUR.

- New Depositing Customers (NDCs) were >200,000 in the quarter with an implied growth of 110% and a new quarterly record despite July and August being the low season for major sports.

- Better Collective acquired Soccernews.nl and Voetbalwedden.net for total 5.9 mEUR upfront payments plus deferred and earn-out payments of up to 3.75 mEUR, to gain a leading position in the newly regulated Dutch online sports betting market.

Financial highlights first nine months 2021

- In the first nine months of 2021, revenue grew by 128% to 124,257 tEUR (YTD 2020: 54,472 tEUR).

- In the first nine months of 2021, EBITDA before special items increased 64% to 39,439 tEUR (YTD 2020: 24,044 tEUR). The EBITDA-margin before special items was 32%.

- Special Items amounted to a cost of 17,006 tEUR vs. an income of 252 tEUR YTD 2020. It includes an 11,487 tEUR adjustment of the contingent liability related to the 2019 acquisition of Rical LLC, treated as a P/L item under IFRS, in addition to 5,784 tEUR related to M&A transactions, primarily the acquisition of Action Network in May, 2021.

- EBITDA after special items amounted to 22,433 tEUR YTD, a decrease of 1,863 tEUR vs. 24,296 tEUR YTD 2020.

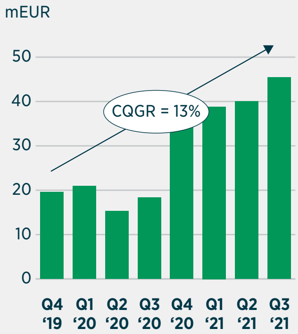
- Cash Flow from operations before special items was 37,670 tEUR (YTD 2020: 28,173 tEUR), an increase of 34%. The cash conversion rate before special items was 97%. End of Q3 2021, cash and unused credit facilities amounted to 64.1 mEUR.

- New Depositing Customers exceeded 575,000 in the first nine months of 2021 (growth of 103%).

- Better Collective acquired leading US sports betting media platform, Action Network, for 196 mEUR (240 mUSD), gaining market leadership within sports betting media in the US

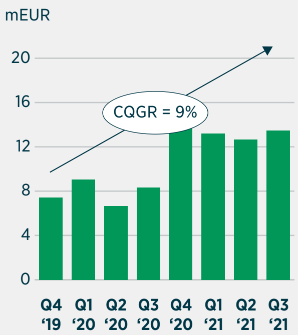
- On May 26, 2021, the Board of Directors resolved on a directed share issue of 6.9 million shares, raising proceeds of 145 mEUR to maintain financial flexibility.

Quarterly Revenue



* Compounded Quarterly Growth Rate

Quarterly EBITDA before special items



Financial calendar

February 24, 2022
Interim financial report Q4, 2021

March 23, 2022
Annual report 2021

May 18, 2022
Interim financial report Q1, 2022

Significant events after the closure of the period

- October revenue reached 16.8 mEUR, with organic growth of 17% and a total growth of 34% vs. last year. The growth is achieved despite an all time low sports win margin in October.

- On November 4, the completion of the acquisition of the remaining 40% of Rotogrinders Network was announced. Since the initial share acquisition Rotogrinders has shown strong performance with expected 2021 revenue more than doubling since 2019, with a 47% compound annual growth rate. Expected 2021 EBITDA is 4.4x higher than 2019, growing at a 109% compound annual growth rate.

- In the state of New York, nine operators were recently awarded sports betting licenses. Projected to become the single largest online betting market in the US, New York presents a big opportunity for Better Collective and for our operator partners now licensed. Betting is expected to commence in January 2022, in time for the SuperBowl.

- Better Collective received an award for its efforts within compliance at the Vixio Global Regulatory Award. At the same show, Better Collective's subsidiary, Mindway AI, received two awards.

Financial targets

- The full-year financial targets for 2021 for the group remain unchanged. Growth in the Publishing business exceeds prior expectations whereas Paid Media sees lower growth than anticipated, which is reflected in an adjustment of the detailed segment targets.

Financial highlights and key ratios

tEUR	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Revenue	45,413	18,298	124,257	54,472	91,186
Revenue Growth (%)	148%	7%	128%	14%	35%
Organic Revenue Growth (%)	29%	-3%	31%	-2%	8%
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	13,583	8,326	39,439	24,044	38,152
Operating profit before depreciation and amortisations (EBITDA)	1,995	8,370	22,433	24,296	38,272
Depreciation	442	324	1,291	1,110	1,548
Special items, net	-11,588	44	-17,006	252	120
Amortisations	1,915	1,381	4,986	4,597	6,235
Operating profit before special items (EBIT before special items)	11,227	6,621	33,162	18,337	30,369
Operating profit (EBIT)	-362	6,665	16,156	18,589	30,489
Result of financial items	-602	-126	-2,183	-894	-1,778
Profit before tax	-963	6,539	13,973	17,695	28,712
Profit after tax	-3,508	4,863	6,492	13,463	21,927
Earnings per share (in EUR)	-0.06	0.11	0.13	0.29	0.47
Diluted earnings per share (in EUR)	-0.06	0.10	0.12	0.28	0.45
Balance sheet					
Balance Sheet Total	556,017	286,296	556,017	286,296	315,065
Equity	334,924	149,681	334,924	149,681	162,542
Current assets	68,489	61,112	68,489	61,112	48,555
Current liabilities	130,122	16,170	130,122	16,170	26,312
Net interest bearing debt	45,908	29,585	45,908	29,585	63,275
Cash flow					
Cash flow from operations before special items	10,498	8,359	37,670	28,173	38,321
Cash flow from operations	5,929	8,097	31,879	28,047	37,696
Investments in tangible assets	-172	-49	431	-314	-459
Cash flow from investment activities	-9,236	-1,118	-201,220	-35,459	-68,090
Cash flow from financing activities	334	22,470	181,968	38,897	46,790
Financial ratios					
Operating profit before depreciation, amortisations (EBITDA) and special items margin (%)	30%	46%	32%	44%	42%
Operating profit before amortisations margin (EBITDA) (%)	4%	46%	18%	45%	42%
Operating profit margin (%)	-1%	36%	13%	34%	33%
Net interest bearing debt / EBITDA before special items	0.86	0.94	0.86	0.94	1.66
Liquidity ratio	0.53	3.78	0.53	3.78	1.85
Equity to assets ratio (%)	60%	52%	60%	52%	52%
Cash conversion rate before special items (%)	76%	100%	97%	116%	99%
Average number of full-time employees	687	409	563	412	420

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

CEO Comments

Strong intake of NDCs and our US business delivers as the high season takes off

In Q3 Better Collective yet again delivered prime results both in terms of a record-breaking delivery of >200,000 New Depositing Customers (NDCs) to our partners. September revenue spiked to an all-time-high of 20 mEUR. I am very pleased to see that our US business took off as expected at the start of the high season for US sports.

Business performance

July and August are normally low seasons for most major sports leagues while September marks the beginning of the high season, not least spiked by the start of the American football season. All major KPIs developed very well during the quarter. However, revenue was short term impacted by low sports win margins in July and August, noting that some operators accelerated marketing campaigns affecting our income from revenue share accounts. This was further accelerated by Better Collective delivering record numbers of NDCs to revenue share accounts (new customers receiving bonuses). All these factors are long term positives, and must be considered when measuring current revenue and earnings performance.

Entering Q4 we saw record low sports win margins again in October, partly due to the same factors as for July and August, but also noting large operators reporting low margins due to the outcome of sports games.

We are very satisfied with the development in the quarter, even though sports win margins have worked against us short term partly due to our own success in sending new customers at a much larger scale than ever before.

The US outperforming our expectations

The US business, which is one of our core growth drivers, performed strongly with revenue for September reaching >10 mUSD. The US business outperformed our expectations both in terms of NDCs and revenue. Action Network, acquired earlier this year, was consolidated into the Group for the first full quarter. Action delivered the anticipated acceleration of the business around the start of the American Football season, particularly the NFL. I am especially pleased to see how “old” and “new” teams are working well together achieving positive synergies across the business areas. It certainly helps to now being able to travel between Europe and the US and meet in person. The launch of sports betting in Arizona marked a final booster to our Q3 US performance.

I am excited about the upcoming sports betting regulation in the state of New York which we expect will become the largest sports betting market in the US. I am pleased to see nine operators achieving a sports betting license, the majority of which are already our partners. Even with the significant tax burden of 51%, we expect a competitive market place with the opportunity for Better Collective to generate significant revenues. Betting is expected to commence in January 2022, in time for the Super Bowl.

“Q3 was a great quarter closing with an all time high monthly revenue in September. This was partially the result of strong performance across all our US assets, including our recent acquisition, Action Network. September was also the beginning of the high season for US sports, which is expected to fully materialise in the Q4 results.”

Jesper Søgaard
Co-founder and CEO

9

Operators licensed

in New York

29%

Organic revenue growth

in Q3 2021

110%

NDC growth

in Q3 2021

Market regulations foster opportunistic market openings

Better Collective solely operates in regulated markets or where gambling is accepted by the authorities. We believe this is crucial for developing a sustainable iGaming environment. As iGaming becomes more widespread, more countries are amending or implementing new laws and regulations - not least to secure local tax-income.

The Dutch 'Remote Gambling Act' came into effect on October 1, 2021, which fully regulated online gambling in the Netherlands. The Dutch onshore iGaming is projected to increase from 22% of the country's total iGaming in 2015 to 81% in 2024, expected to reach more than 800 mEUR, making it the fifth-largest iGaming market in Europe.

On September 24, Better Collective acquired Soccernews.nl, one of the most visited Dutch online sports media, and Voetbalwedden.net, a well-established Dutch online sports betting community. Combined they have more than 2.5M monthly visitors, and will give Better Collective a strong position as this market opens. The revenue in Better Collective Netherlands is expected to exceed 3 mEUR in the first full fiscal year of 2022, and I see great potential for high growth.

In Germany, a long-awaited gambling regulation came into force on July 1, which we have been preparing for with our operator partners during the past year. Our focus on sports betting and licensed operators has proven beneficial and the German market developed as expected with September revenues on par with the monthly average in H1. For the full year 2021, revenue is expected to exceed prior years 2019 and 2020, respectively, and growth is expected for 2022. Despite some remaining uncertainty following the implementation of the new interstate treaty, we continue to see Germany as one of our most important and valuable markets.

Awarded for our efforts within compliance and sustainability

For the third consecutive year Better Collective was awarded for our efforts within compliance and received the 'Commitment to Compliance by an Affiliate Company' at the Vixio Global Regulatory Award. We are proud to be a favoured partner for the biggest operators, which - among other things - comes as a result of our compliance culture and recognised efforts to ensure we operate in accordance with applicable regulation in every aspect of our business. At the same show, Mindway AI, where we are the majority shareholder, won two awards for its dedicated work to develop responsible gambling solutions for the industry.

Better Collective's mission has always been to make betting and gambling entertaining, transparent and fair. This is why I was extra proud to present the winners of Better Collective's first-ever cross-European Bookmaker Awards on September 28. In line with our mission, the goal of the award is to help online bettors to better navigate the market and make informed betting decisions.

Rounding off, I would like to give a warm welcome to all new colleagues. Together we now make up more than 700 enthusiastic employees across the Better Collective Group. I look forward to the knowledge sharing and joint efforts, which undoubtedly will take Better Collective to new levels.

Jesper Søgaard
Co-founder and CEO

Business review and financial performance Q3 2021

Better Collective Group

Key figures for the Group:

tEUR	Q3 2021	Q3 2020	Growth	YTD 2021	YTD 2020	Growth
Revenue	**45,413**	**18,298**	**148%**	**124,257**	**54,472**	**128%**
Cost	31,829	9,972	219%	84,819	30,428	179%
Operating profit before depreciation, amortisations and special items	**13,583**	**8,326**	**63%**	**39,439**	**24,044**	**64%**
EBITDA-Margin before special items	30%	46%		32%	44%	
Organic Growth	29%	-3%		31%	-2%	

The quarter showed strong underlying growth, however, revenue was short-term impacted by very low sports win margins in July and August for some larger operators' revenue share accounts, reducing revenue by approximately 2.5 mEUR compared to the historical average. Low sports betting margins are the outcome of sports results unfavourable to the bookmakers as well as large promotion campaigns during the summer. Adding to that, the high number of NDCs sent by Better Collective also dampens the margin short term.

With operational earnings (EBITDA) of 14 mEUR in Q3 2021, the EBITDA margin was 30% compared to a margin of 46% in Q3 2020. The overall EBITDA-margin for 2021 is affected by the addition of the lower-margin Paid Media business following the acquisition of Atemi Ltd in October 2020. The number of NDCs delivered to our customers continues the strong growth as seen since the end of 2020, and Q3 delivered at an all-time high of more than 200,000 NDCs, more than double of Q3 2020.

Publishing

Key figures for the Publishing segment:

tEUR	Q3 2021	Q3 2020	Growth	YTD 2021	YTD 2020	Growth
Revenue	**31,320**	**17,555**	**78%**	**81,256**	**51,336**	**58%**
Share of Group	*69%*	*96%*		*65%*	*94%*	
Cost	18,939	9,375	102%	45,610	28,213	62%
Share of Group	*60%*	*94%*		*54%*	*93%*	
Operating profit before depreciation, amortisations and special items	**12,318**	**8,180**	**51%**	**35,646**	**23,123**	**54%**
Share of Group	*91%*	*98%*		*90%*	*96%*	
EBITDA-Margin before special items	40%	47%		44%	45%	
Organic Growth	43%	-3%		43%	-2%	

The Publishing business includes revenue from Better Collective's proprietary online platforms and media partnerships where the online traffic is coming either directly or through organic search results. Revenue grew 78%, of which 43% was organic growth, to 31,320 tEUR. The Publishing business delivered 69% of the Group's revenue in Q3, and growth has been higher than expected due to the performance of media partnerships and the US business. The EBITDA-margin has developed strongly resulting in 40% in the quarter, in spite of the low season, and 44% year-to-date.

In general July and August are low seasons in terms of sports activities, and with low-sports win margins on top of low activity, revenue was impacted negatively in the larger part of the quarter. However, as the majority of sports tournaments started in September, performance also improved significantly. The sports high season will continue in Q4, mainly driven by US sports as well as European national football leagues and UEFA Champions League. The start of the NFL in the US contributed significantly to the growth in the publishing business with all US assets showing strong performance (see the US business for more information).

Following the proof of concept for our media partnership strategy last year, we continue to see very strong performance from this business area that includes partnerships with The Daily Telegraph, nj.com, and the three agreements signed in Q2. The partnerships delivered almost 45,000 NDCs in Q3, and discussions are ongoing for further partnerships.

Updates to search engines continue to favor branded assets with strong content and this trend is expected to continue. This trend supports our strategy of having a strong portfolio of media brands, including HLTV, Action Network, VegasInsider, Rotogrinders etc., and we are experiencing the value of investing in brand building through relevant content and strong technology that facilitates the best user journeys.

Cost in the quarter were impacted by the acquisition of Mindway Aps in January 2021 as well as the acquisition of Action Network in May 2021, and doubled to 18,939 tEUR from 9,375 tEUR in Q3 2021. The cost increased 3,995 tEUR from Q2 2021 due to the impact from Action Network being consolidated with a full quarter.

Paid Media

Key figures for the Paid Media segment:

tEUR	**Q3 2021**	Q3 2020	Growth	**YTD 2021**	YTD 2020	Growth
Revenue	**14,093**	**743**	**1797%**	**43,001**	**3,137**	**1271%**
Share of Group	*31%*	*4%*		*35%*	*6%*	
Cost	12,890	597	2058%	39,208	2,215	1670%
Share of Group	*40%*	*6%*		*46%*	*7%*	
Operating profit before depreciation, amortisations and special items	**1,203**	**146**	**724%**	**3,793**	**921**	**312%**
Share of Group	*9%*	*2%*		*10%*	*4%*	
EBITDA-Margin before special items	9%	20%		9%	29%	
Organic Growth	6%	-		12%	-	

The revenue in the Paid Media business was 14,093 tEUR in Q3 2021. The organic growth for Q3 was 6%, where a strong Q3 in 2020 for Atemi provided for a strong comparison. The Paid Media business is impacted by our decision to switch more NDCs from pure CPA to revenue share contracts or hybrid revenue models (mix of CPA and revenue share). Whereas the switch is expected to have a positive impact in the longer run, the revenue and EBITDA margins are impacted negatively in the short term with EBITDA for Q3 of 1,203 tEUR and an EBITDA margin of 9%. With the switch to revenue share contracts, the Paid Media business is also negatively impacted by the low sports win margin realised in July and August, with a recovery seen in September. Paid Media delivered 31% of the Group's revenue in Q3, and 9% of EBITDA. In Q3 we continued our efforts with Paid Media in the US after having improved partner contracts following initial successful campaigns.

Geographical; US and Rest of World (RoW)

Better Collective's products cover more than 30 languages and attract millions of users worldwide - with international brands with a global reach as well as regional brands with a local reach. Better Collective's regional brands are tailored according to the specific regions or countries and their respective regulations, sports, betting behaviours, user needs, and languages. From Q2 2021, and following the acquisition of Action Network, Better Collective reports on geographical segments, split between the US and Rest of World (RoW), as the US market constitutes >20% of Group Revenue and >30% of revenue in Publishing on an annualised basis.

Key figures for US and RoW segments:

	US			Rest of World		
tEUR	**Q3 2021**	Q3 2020	Growth	**Q3 2021**	Q3 2020	Growth
Revenue	**14,426**	**2,563**	**463%**	**30,987**	**15,735**	**97%**
Share of Group	*32%*	*14%*		*68%*	*86%*	
Cost	9,092	2,258	303%	22,737	7,714	195%
Share of Group	*29%*	*23%*		*71%*	*77%*	
Operating profit before depreciation, amortisations and special items	**5,334**	**306**	**1646%**	**8,250**	**8,021**	**3%**
Share of Group	*39%*	*4%*		*61%*	*96%*	
EBITDA-Margin before special items	37%	12%		27%	51%	

	US			Rest of World		
tEUR	**YTD 2021**	YTD 2020	Growth	**YTD 2021**	YTD 2020	Growth
Revenue	**27,174**	**6,526**	**316%**	**97,083**	**47,947**	**102%**
Share of Group	*22%*	*12%*		*78%*	*88%*	
Cost	17,682	5,550	219%	67,137	24,878	170%
Share of Group	*21%*	*18%*		*79%*	*82%*	
Operating profit before depreciation, amortisations and special items	**9,493**	**976**	**873%**	**29,946**	**23,068**	**30%**
Share of Group	*24%*	*4%*		*76%*	*96%*	
EBITDA-Margin before special items	35%	15%		31%	48%	

The US market

Key US brands within sports betting include Action Network, VegasInsider, and Scores&Odds, whereas RotoGrinders is focused on Daily Fantasy Sport (DFS).

The acquisition of Action Network places Better Collective in 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. The performance of Action since the time of consolidation has been strong across KPIs including a significant audience growth. Overall, the US business delivered a strong performance on the back of Arizona opening up for sports betting and the start of the NFL season in September. Revenue reached 8.9 mEUR in September delivering 62% of the US-revenue in the quarter.

Revenue in the US business was 14,426 tEUR in Q3 2021, which is more than five times the revenue in Q3 2020. The acquisition of Action Network was included as of May 29, 2021, marking Q3, 2021 the first full quarter. The cost of 9,092 tEUR increased 4,016 from Q2 2021 mainly due to Action Network being included with three months instead of one. The EBITDA-margin for the quarter was 37%.

Regulatory updates US

Better Collective became a licensed vendor in New Jersey in 2014, and since then our US presence has grown tremendously. Better Collective is currently live in 13 states consisting of Arizona, Colorado, Connecticut, Illinois, Indiana, Iowa, Michigan, Nevada, New Jersey, Pennsylvania, Tennessee, Virginia, and West Virginia, while launches in Washington D.C and Louisiana are in preparation. Given the continued pace of new states regulating, market analysts expect the total US sports betting market to expand >4x until 2025 and >20x in the next decade.

Retail-only states led by New York, North Carolina, and Mississippi will be looking to authorise mobile wagering, while Illinois is expected to permanently eliminate in-person registration in 2022. In the state of New York nine operators recently achieved sports betting licenses. Even with the significant tax burden of 51%, we expect a competitive market place with the opportunity for Better Collective to generate significant revenues. We expect the first bets to take place already in January 2022.

The Arizona Department of Gaming confirmed that the registration with Arizona sports betting operators could begin on Saturday, August 28th, the same day operators could begin account creation, funding, and marketing. With its regulatory structure, Arizona opens for a user-friendly market, and because of this liberal legislation, we see Arizona as an important state moving forward. Connecticut became the 27th state to launch legal sports betting in the US. The market launched on October 7th with no licensing requirements for affiliate marketers.

Maryland sports betting is continuing its momentum toward a late fall launch, according to a top regulator. Along with 17 assigned licenses, Maryland's sports betting bill directs the Sports Wagering Application Review Commission (SWARC) to award up to 30 additional retail and 60 online sportsbook licenses to state businesses. These will likely go live sometime after the aforementioned group. The 17 entities already allowed to apply for licensure will need final approval from the SWARC before going live, which should come sometime before the end of 2021.

The RoW markets

The Rest of World segment includes all other markets of which the European market is a historically strong but also more mature market. New opportunities in focus include LATAM, and Canada as upcoming regulations of these markets offer new opportunities.

Revenue in the Rest of World markets was 30,987 tEUR in Q3, 2021, doubling from 15,735 tEUR in Q3 2020. The cost tripled to 22,737 tEUR from 7,714 tEUR with the Q3 2021 EBITDA margin of 27% decreasing from 51% in Q3 2020. The margin was impacted by the low sports win margin in July and August as well as the acquisition of the Paid Media business (Atemi) in Q4 2020, which generally operates at lower margins.

Regulatory updates RoW

Germany

Following an interim regime to govern gambling in Germany implemented in October 2020, the new interstate treaty on gambling, Der Glücksspielneuregulierungstaatsverag (GlüNeuRStV), came into force on July 1, 2021 which runs in line with Better Collective's expectations. Better Collective has for more than a year prepared for the new regulatory framework in Germany and has been adapting its business models in collaboration with its partners to comply with the new regulations. German player behaviour has not been notably affected by the new regulation coming into effect on July 1, 2021. While some market adjustments are to be expected in the short term following the implementation of the new interstate treaty, the overall market outlook for Better Collective is promising.

The Netherlands

The Dutch 'Remote Gambling Act' came into effect on October 1, 2021, fully regulating online gambling. With the act, international iGaming operators were given the opportunity to apply for a license to operate in the market and more than 20 operators are expected to be licensed by 2022. According to the international betting and gaming consultancy firm, H2 Gambling Capital, Dutch onshore iGaming is projected to increase from 22% of the country's total iGaming in 2015 to 81% in 2024. As a result, the Dutch iGaming gross gaming revenue (GGR) for online casino and sports betting combined is expected to reach more than 800 mEUR in 2024, making it the fifth-largest iGaming market in Europe.

From October 1, ten licensees could legally offer online casino and sports betting. Around July 2022, we will get a complete picture of what the online gambling market in the Netherlands will look like. Some parties have been excluded from entering the procedure to receive a permit by the KSA since they have targeted the market in the previous years. However, the exclusion is not permanent, and these parties will likely become active on the Dutch market in 2022.

Following the recent acquisitions of Soccernews.nl, one of the most visited Dutch online sports media, and Voetbalwedden.net, a well-established Dutch online sports betting community, Better Collective has a leading position in the Dutch online sports betting market. As we had no activities prior to the regulation, the Netherlands is expected to produce high growth for several years, not least as users need to register at new if they had accounts with unlicensed operators prior to the regulation.

Canada

Canada's first province, Ontario, is expected to allow online betting from the end of the year 2021. We may expect for other provinces and territories to show interest in opening up for the competitive gambling market in the future. Better Collective is preparing to roll out key US and international brands in Canada as soon as regulation allows.

Brazil

Brazil is expected to become a regulated market from 2022. The local taxation has now been established as a GGR-taxation (gross gaming revenue) which has a highly positive effect on market forecasts; three times up from previous expectations.

Sweden

After the end of the quarter, the temporary online gambling restrictions imposed during the pandemic- including a 5,000 SEK (491 EUR) monthly deposit cap for online casinos - ended on 14 November. As performance has been dampened by these restrictions, we expect some growth as the market conditions normalise.

Financial review first nine months of 2021

Revenue: Growth of 128% to 124 mEUR – organic growth of 31%
Revenue YTD showed strong growth vs. 2021 with 128% and amounted to 124.3 mEUR (YTD 2020: 54.5 mEUR).

Revenue share accounted for 41% of the revenue (45% of player-related revenue) with 44% coming from CPA, 6% from subscription sales, and 9% from other income.

The share of revenue coming from CPA as well as subscription sales increased with the acquisition of Action Network and the strong US performance.

Cost: 85 mEUR – up from 30 mEUR
Overall the cost base is impacted by increases following the 2020 acquisitions of HLTV and Atemi, as well as the addition of Mindway as of January 1, 2021 and Action Network as of May 2021. The cost base excluding depreciation and amortisation grew 54.4 mEUR, up to 84.8 mEUR YTD vs. 2020 with the vast majority coming from the acquisitions as well as the comparison for Q2 2020 being impacted by the temporary cost reductions implemented in connection with the COVID-19 break-out.

Total direct cost relating to revenue increased due to the addition of Atemi to 45.1 mEUR (YTD 2020: 7.0 mEUR). Beyond the cost of paid traffic, this includes hosting fees of websites, content generation, and external development.

Personnel cost YTD increased 67% from YTD 2020 to 29.1 mEUR (YTD 2020: 17.4 mEUR). The average number of employees increased 37% to 563 (YTD 2020: 412). Personnel costs include costs of warrants of 0.8 mEUR (YTD 2020: 0.7 mEUR).

Other external costs increased 4.6 mEUR or 76% to 10.7 mEUR (YTD 2020: 6.1 mEUR). Depreciation and amortisation amounted to 6.3 mEUR (YTD 2020: 5.7 mEUR). The increase is primarily due to amortisation on acquired intangible assets from Action Network.

Special items
Special Items amounted to a cost of 17.0 mEUR (YTD 2020 5.8 mEUR). Cost of 5.8 mEUR is related to M&A activities where cost related to the acquisition of Action Network amounts to 5.4 mEUR. M&A cost are primarily cost for advisors used in connection with the potential M&A transactions for negotiations, due diligence, legal advice, etc. On November 4, 2021 Better Collective announced the acquisition of the remaining ~40% shareholding in Better Collective Tennessee at an expected price of 33 mEUR. Better Collective acquired 60% of Rical LLC (Better Collective Tennessee) in 2019 and at that time recorded a contingent liability for the expected remaining purchase price. In connection with the final acquisition, the contingent liability has been adjusted in accordance with the agreement, and the additional purchase price of 11.5 mEUR has been charged to Special Items in line with IFRS.

Earnings
Operational earnings (EBITDA) before special items grew 64% to 39.4 mEUR (YTD 2020: 24.0 mEUR). The EBITDA-margin before special items was 32% (YTD 2020: 44%). The margin is significantly impacted by the acquisition of the Paid Media business in Q4 2020, which generally operates at lower margins.

Including special items, the reported EBITDA was 22.4 mEUR. (YTD 2020: 24.3 mEUR)

EBIT before special items increased 81% to 33.2 mEUR (YTD 2020: 18.3 mEUR). Including special items, the reported EBIT was 16.2 mEUR (YTD 2020: 18.6 mEUR).

Net financial items
Net financial costs amounted to 2.2 mEUR (YTD 2020: 0.9 mEUR) and included net interest, fees relating to bank credit lines and exchange rate adjustments. Interest expenses amounted to 1.5 mEUR and included non-payable, calculated interest expenses on certain balance sheet debt items), whereas financial fees and net exchange rate gain amounted to 1.6 mEUR and 1.0 mEUR respectively. The financial fees included fees related to financing obtained in connection with the acquisition of Action Network.

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, Romania, UK, US, Poland, Serbia, and Sweden.

Income tax YTD amounted to 7.5 mEUR (YTD 2020: 4.2 mEUR). The Effective Tax Rate was (ETR) 53.5% (YTD 2020: 23.9%).

The effective tax rate was impacted by Special items and ETR excluding this impact was 24.2%.

Net profit

Net profit after tax was 6.5 tEUR (YTD 2020: 13.5 tEUR).

Equity

The equity increased to 334.9 mEUR as per September 30, 2021 from 162.6 mEUR on December 31, 2020. Besides the YTD profit of 6.5 mEUR, the equity has been impacted by capital increases (158.9 mEUR) and related transaction costs (-2.3 mEUR), treasury share transactions (0.0 mEUR), and warrant related transactions (0.8 mEUR).

Balance sheet

Total assets amounted to 556.0 mEUR (FY 2020: 315.1 mEUR), with an equity of 334.9 mEUR (FY 2020: 162.5 mEUR). This corresponds to an Equity to assets ratio of 60% (FY 2020: 52%). The liquidity ratio was 0.53 resulting from current assets of 68.5 mEUR and current liabilities of 130.1 mEUR.

Investments

On May 28, 2021, the acquisition of Action Network was completed at a price of 240 mUSD at a cash and debt-free basis. The net cash flow impact in connection with the acquisition was 177.5 mEUR, taking into account deferred payments and payment in Better Collective shares. 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 Action Network and Mindway AI, the second, third and fourth instalments (of six) of 4.6 mEUR (corresponding to booked amount of 3.75 mGBP) was paid on the deferred payment related to the acquisition of Atemi, and a payment of 1.2 mEUR was made related to earn-out and adjustment of closing net working capital related to the acquisition of HLTV.

In March 2021, Better Collective completed the asset acquisition of online sports betting media platform, Rekatochklart.com for 3.8 mEUR and in September the transactions for the Dutch assets Soccernews.nl and Voetbalwedden.net were completed at a total purchase price of up to 10 mEUR . The total cash flow impact YTD from investments in business combinations and intangible assets was -190.4 mEUR and -11.3 mEUR respectively. Investments in tangible assets were 0.5 mEUR.

Cash flow and financing

Cash Flow from operations before special items YTD 2021 was 37.7 mEUR (YTD 2020: 28.2 mEUR). Acquisitions and other investments reduced cash flow with 201.2 mEUR YTD 2021 (YTD 2020: 35.5 mEUR).

Better Collective has bank credit facilities of a total 134 mEUR including financing of 50 mEUR established in connection with the acquisition of Action Network. At the end of September 2021, 105 mEUR was drawn up, and cash and unused credit facilities amounted to 64 mEUR. Better Collective expects to finalise long term financing for the bridge facility of 50 mEUR in November 2021.

On May 26, 2021, the Board of Directors resolved on a directed share issue of 6.9 million shares, raising proceeds of 145 mEUR to maintain financial flexibility.

The parent company

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

Revenue YTD grew by 43% to 26.4 mEUR (YTD 2020: 18.5 mEUR).

Total costs including depreciation and amortisation was 26.8 mEUR (YTD 2020: 19.1 mEUR). Profit after tax was 40.7 mEUR (YTD 2020: 13.7 mEUR).

The difference in profit before tax is primarily due to differences in dividend payments from subsidiaries and exchange rate adjustments.

Non-current receivables from subsidiaries increased from 37.0 mEUR in 2020 to 240.0 mEUR as of September 30, 2021 due to financing of the Action Network acquisition.

Total equity ended at 353.1 mEUR by September 30, 2021 (2020: 154.9 mEUR). The equity in the parent company was impacted by capital increases (158.9 mEUR) and related transaction costs (2.3 mEUR), treasury share transactions (0.0 mEUR), and cost of warrants of 0.8 mEUR.

Financial targets for 2021

The Board of Directors have decided on targets for the financial year 2021 as announced in the full year report and updated in the Q2 report following the acquisition of Action Network.

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%	>40%	>15%
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 approx. 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.

With the total organic growth target intact at >25%, the split has been adjusted to Publishing >40% (previously >25%) and Paid Media >15% (previously >25%).

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. 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 September 30, 2021, the share capital amounted to 544,886.21 EUR, and the total number of issued shares was 54,488,621. The company has one (1) class of shares. Each share entitles the holder to one vote at the general meetings.

On September 14, 2021, the Board of Directors resolved to issue 205,692 new ordinary shares in Better Collective A/S, equal to shares with a nominal value of EUR 2,056.92 related to the exercise of warrants.

Shareholder structure

As of September 30, 2021, the total number of shareholders was 4,462. A list of top 10 shareholders in Better Collective A/S can be found on the company's website.

Nomination committee

Better Collectives nomination committee shall consist of four members, representing the three largest shareholders as per the end of August each year, together with the chairman of the board of directors. The nomination committee was appointed in the beginning of October 2021 and further details can be found on the company's website.

Annual general meeting

The annual general meeting 2022 will be held on April 26, 2022. Shareholders, who would like to submit proposals to the nomination committee, are welcome to submit them by e-mail to: investor@bettercollective.com. To ensure that the proposals can be considered by the nomination committee, proposals shall be submitted in due time before the Annual General Meeting, but no later than February 1, 2022.

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 September 30, 2021, 453,990 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 September 30, 2021, 1,017,431 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 September 30, 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.

In September 2021, a new grant from the 2019 warrant program was made to certain key employees. As of September 30, 2021, 422,500 warrants are outstanding, all with the right to subscribe for one ordinary share. The vesting periods range from 2022-2024 and the exercise periods range from 2024 to 2026. The exercise price is 150.41 DKK (20.23 EUR) (rounded) per share.

On October 1, 2021 the board of directors decided to implement a new management incentive plan for the management and certain key employees in Action Network in the form of performance share units and share options. The Management Incentive Program (MIP) covers a grant of 473,563 performance share units and 201,238 share options to 20 employees in total. The duration of the MIP is 3 years. The 3-year value of the program is 12 mUSD (Black-Scholes value) measured at the maximum level, which is to say 100% achievement of the business plan. The MIP will have no dilutive effect on Better Collective A/S' shareholders, since Better Collective A/S intends to initiate share buy-back programs to meet its obligations under the MIP.

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 3.9%.

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 entities), 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, continues to have an 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.

Contact

CEO: Jesper Søgaard
CFO: Flemming Pedersen
Investor Relations: Christina Bastius Thomsen +45 2363 8844, investor@bettercollective.com

About

Better Collective is a global sports betting media group providing platforms that empower and enhance the betting experience for sports fans and iGamers. Aiming to make betting and gambling more entertaining, transparent and fair, Better Collective offers a range of editorial content, bookmaker information, data insights, betting tips, iGaming communities and educational tools. Its portfolio of platforms include bettingexpert.com, VegasInsider.com, HLTV.org and Action Network. Better Collective is headquartered in Copenhagen, Denmark, and listed on Nasdaq Stockholm (BETCO). More information at bettercollective.com.

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 – September 30, 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 – September 30, 2021.

The condensed consolidated interim financial statements for the period January 1 – September 30, 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 September 30, 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 – September 30, 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.

Copenhagen, November 17, 2021

Executive Management

Jesper Søgaard
CEO & Co-founder

Christian Kirk Rasmussen
COO & Co-founder

Flemming Pedersen
CFO

Board of Directors

Jens Bager
Chairman

Todd Dunlap

Therese Hillman

Klaus Holse

Leif Nørgaard

Petra von Rohr

Independent auditor's report

To the shareholders of Better Collective A/S

We have reviewed the condensed consolidated interim financial statements of Better Collective A/S for the period January 1 – September 30, 2021, which comprise a consolidated income statement, consolidated statement of other comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and notes as presented on page 20-40. The condensed consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional requirements of the Danish Financial Statements Act.

Management's responsibilities for the condensed consolidated interim financial statements

Management is responsible for the preparation of condensed consolidated interim financial statements in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a conclusion on the condensed consolidated interim financial statements. We conducted our review in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements applicable in Denmark.

This requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional requirements of the Danish Financial Statements Act. This standard also requires us to comply with ethical requirements.

A review of the condensed consolidated interim financial statements in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making enquiries of Management and others within the company, as appropriate, applying analytical procedures and evaluate the evidence obtained.

The procedures performed in a review are substantially less that those performed in an audit conducted in accordance with the International Standards on Auditing. Accordingly, we do not express an audit opinion on the condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional requirements of the Danish Financial Statements Act.

Other matters

The condensed consolidated interim financial statements contain actual figures for the period July 1 – September 30, 2021 (Q3 2021), together with comparative figures for the period July 1 – September 30, 2020 (Q3 2020). The actual figures for Q3 2021 and the comparative figures for Q3 2020 have not been subject to review. Accordingly, we do not express an opinion or any other form of assurance on the actual Q3 2021 figures, nor on the comparative figures for Q3 2020.

Copenhagen, November 17, 2021

EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised Public Accountant
mne33717

Peter Andersen
State Authorised Public Accountant
mne34313

Financial statements for the period January 1 – September 30

Condensed interim consolidated income statement

Note	tEUR	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
3	**Revenue**	**45,413**	**18,298**	**124,257**	**54,472**	**91,186**
	Direct costs related to revenue	15,757	2,366	45,074	6,983	20,471
4	Staff costs	11,825	5,738	29,072	17,391	24,156
	Depreciation	442	324	1,291	1,110	1,548
	Other external expenses	4,247	1,868	10,673	6,055	8,407
	Operating profit before amortisations (EBITA) and special items	**13,142**	**8,002**	**38,148**	**22,934**	**36,604**
	Amortisation	1,915	1,381	4,986	4,597	6,235
	Operating profit (EBIT) before special items	**11,227**	**6,621**	**33,162**	**18,337**	**30,369**
5	Special items, net	-11,588	44	-17,006	252	120
	Operating profit	**-362**	**6,665**	**16,156**	**18,589**	**30,489**
	Financial income	366	123	3,294	1,443	1,965
	Financial expenses	967	249	5,477	2,337	3,743
	Profit before tax	**-963**	**6,539**	**13,973**	**17,695**	**28,712**
6	Tax on profit for the period	2,545	1,676	7,481	4,232	6,785
	Profit for the period	**-3,508**	**4,863**	**6,492**	**13,463**	**21,927**
	Earnings per share attributable to equity holders of the company					
	Average number of shares	54,385,775	46,287,282	50,696,336	46,386,403	44,664,615
	Average number of warrants – converted to number of shares	2,070,517	1,944,024	2,108,655	1,976,819	2,043,366
	Earnings per share (in EUR)	-0.06	0.11	0.13	0.29	0.47
	Diluted earnings per share (in EUR)	-0.06	0.10	0.12	0.28	0.45

Condensed interim consolidated statement of other comprehensive income

Note	tEUR	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
	Profit for the period	**-3,508**	**4,863**	**6,492**	**13,463**	**21,927**
	Other comprehensive income					
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
	Currency translation to presentation currency	-284	-195	-311	-221	68
	Currency translation of non-current intercompany loans	6,159	-1,630	11,293	-1,745	-3,414
	Income tax	-1,355	359	-2,484	384	751
	Net other comprehensive income/loss	4,520	-1,466	8,498	-1,583	-2,595
	Total other comprehensive income/(loss) for the period, net of tax	**1,012**	**3,397**	**14,990**	**11,880**	**19,332**
	Attributable to:					
	Shareholders of the parent	1,012	3,397	14,990	11,880	19,332

Financial statements for the period January 1 – September 30

Condensed interim consolidated balance sheet

Note	tEUR	**Q3 2021**	Q3 2020	2020
	Assets			
	Non-current assets			
	Intangible assets			
7	Goodwill	141,426	58,944	99,315
7	Domains and websites	324,807	151,528	150,274
7	Accounts and other intangible assets	15,727	7,369	9,378
		481,960	**217,841**	**258,967**
	Property, plant and equipment			
	Land and buildings	47	726	721
	Right of use assets	2,554	3,194	3,225
	Fixtures and fittings, other plant and equipment	1,634	1,390	1,448
		4,234	**5,310**	**5,395**
	Other non-current assets			
	Other non-current financial assets	0	1,458	1,093
	Deposits	654	308	434
	Deferred tax asset	680	266	621
		1,333	2,032	2,149
	Total non-current assets	**487,527**	**225,183**	**266,510**
	Current assets			
	Trade and other receivables	28,738	9,770	18,248
	Corporation tax receivable	2,096	2,650	788
	Prepayments	2,252	883	1,465
	Restricted Cash	2,960	0	6,926
	Cash	32,444	47,810	21,127
	Total current assets	**68,489**	**61,112**	**48,555**
	TOTAL ASSETS	**556,017**	**286,296**	**315,065**

Financial statements for the period January 1 – September 30

Condensed interim consolidated balance sheet

Note	tEUR	Q3 2021	Q3 2020	2020
	Equity and liabilities			
	Equity			
	Share Capital	545	468	469
	Share Premium	267,636	108,633	108,825
	Currency Translation Reserve	6,728	-758	-1,770
	Treasury Shares	0	-3,343	-2
	Retained Earnings	60,014	44,681	55,019
	Proposed Dividends	0	0	0
	Total equity	**334,924**	**149,681**	**162,542**
	Non-current Liabilities			
	Debt to mortgage credit institutions	0	511	507
	Debt to credit institutions	55,344	60,731	68,770
8	Lease liabilities	1,578	2,284	2,124
8	Deferred tax liabilities	25,092	24,557	25,207
8	Other long-term financial liabilities	8,956	9,525	8,796
	Contingent Consideration	0	22,836	20,807
	Total non-current liabilities	**90,971**	**120,445**	**126,212**
	Current Liabilities			
	Prepayments received from customers	4,322	504	450
	Trade and other payables	17,858	4,612	10,247
	Corporation tax payable	7,952	5,206	1,985
8	Other financial liabilities	14,309	3,268	9,850
8	Contingent Consideration	34,557	1,504	2,498
	Debt to credit institutions	50,000	0	0
	Debt to mortgage credit institutions	0	20	20
8	Lease liabilities	1,124	1,056	1,262
	Total current liabilities	**130,122**	**16,170**	**26,312**
	Total liabilities	**221,093**	**136,614**	**152,523**
	TOTAL EQUITY AND LIABILITIES	**556,017**	**286,296**	**315,065**

Financial statements for the period January 1 – September 30

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	6,492	0	6,492
Other comprehensive income							
Currency translation	0	0	10,982	0	0	0	10,982
Tax on other comprehensive income	0	0	-2,484	0	0	0	-2,484
Total other comprehensive income	0	0	8,498	0	0	0	8,498
Total comprehensive income for the year	**0**	**0**	**8,498**	**0**	**6,492**	**0**	**14,990**
Transactions with owners							
Capital Increase	76	158,811	0	0	0	0	158,887
Acquisition of treasury shares	0	0	0	-69	0	0	-69
Disposal of treasury shares	0	0	0	71	11	0	82
Share based payments	0	0	0	0	783	0	783
Transaction cost	0	0	0	0	-2,290	0	-2,290
Tax on settlement of warrants	0	0	0	0	0	0	0
Total transactions with owners	**76**	**158,811**	**0**	**2**	**-1,497**	**0**	**157,392**
At September 30, 2021	**545**	**267,636**	**6,728**	**0**	**60,014**	**0**	**334,924**

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	13,463	0	13,463
Other comprehensive income							
Currency translation	0	0	-1,967	0	0	0	-1,967
Tax on other comprehensive income	0	0	384	0	0	0	384
Total other comprehensive income	0	0	-1,583	0	0	0	-1,583
Total comprehensive income for the year	**0**	**0**	**-1,583**	**0**	**13,463**	**0**	**11,880**
Transactions with owners							
Capital Increase	4	2,338	0	0	0	0	2,342
Acquisition of treasury shares	0	0	0	-4,903	0	0	-4,903
Disposal of treasury shares	0	0	0	1,560	-229	0	1,331
Share based payments	0	0	0	0	724	0	724
Transaction cost	0	0	0	0	-10	0	-10
Tax on settlement of warrants	0	0	0	0	0	0	0
Total transactions with owners	**4**	**2,338**	**0**	**-3,343**	**486**	**0**	**-516**
At September 30, 2020	**468**	**108,633**	**-758**	**-3,343**	**44,681**	**0**	**149,681**

During the period no dividend was paid.

Financial statements for the period January 1 – September 30

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	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 – September 30

Condensed interim consolidated statement of cash flows

Note	tEUR	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020	2020
	Profit before tax	-963	6,539	13,973	17,695	28,712
	Adjustment for finance items	602	126	2,183	894	1,778
	Adjustment for special items	11,588	-44	17,006	-252	-120
	Operating Profit for the period before special items	11,227	6,621	33,162	18,337	30,369
	Depreciation and amortisation	2,357	1,705	6,277	5,707	7,783
	Other adjustments of non cash operating items	274	220	857	724	955
	Cash flow from operations before changes in working capital and special items	13,857	8,546	40,296	24,768	39,107
	Change in working capital	-3,359	-187	-2,626	3,405	-786
	Cash flow from operations before special items	10,498	8,359	37,670	28,173	38,321
	Special items, cash flow	-4,569	-262	-5,790	-126	-625
	Cash flow from operations	5,929	8,097	31,879	28,047	37,696
	Financial income, received	1,058	114	3,356	523	1,415
	Financial expenses, paid	-1,734	90	-3,739	-1,021	-2,497
	Cash flow from activities before tax	5,254	8,300	31,496	27,550	36,614
	Income tax paid	-1,484	-1,161	-5,496	-5,741	-9,940
	Cash flow from operating activities	**3,770**	**7,139**	**26,000**	**21,809**	**26,675**
9, 10	Acquisition of businesses	-2,269	-840	-190,363	-34,294	-65,792
10	Acquisition of intangible assets	-6,756	-229	-11,273	-447	-1,802
	Acquisition of property, plant and equipment	-172	-49	-540	-314	-460
	Sale of property, plant and equipment	0	0	972	0	1
	Change in other non-current assets	-39	0	-15	-404	-36
	Cash flow from investing activities	**-9,236**	**-1,118**	**-201,220**	**-35,459**	**-68,090**
	Repayment of borrowings	-13,499	-6,011	-14,026	-22,751	-22,756
	Proceeds from borrowings	13,766	28,506	50,563	66,627	74,629
	Lease liabilities	-288	-206	-864	-749	-1,025
	Other non-current liabilities	0	80	0	483	484
10	Capital increase	359	100	148,655	200	393
10	Treasury shares	0	0	-69	-4,903	-4,903
10	Transaction cost	-3	0	-2,290	-10	-33
	Warrant settlement, sale of warrants	0	0	0	0	0
	Cash flow from financing activities	**334**	**22,470**	**181,968**	**38,897**	**46,790**
	Cash flows for the period	-5,132	28,491	6,749	25,247	5,375
	Cash and cash equivalents at beginning	40,325	19,475	28,053	22,755	22,755
	Foreign currency translation of cash and cash equivalents	211	-156	601	-192	-77
	Cash and cash equivalents period end*	**35,403**	**47,810**	**35,403**	**47,810**	**28,053**
	* Cash and cash equivalents period end					
	Restricted cash	2,960	0	2,960	0	6,926
	Cash	32,444	47,810	32,444	47,810	21,127
	Cash and cash equivalents period end	**35,403**	**47,810**	**35,403**	**47,810**	**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 - September 30, 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 Executive 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

Segments

From Q4, 2020, and following the acquisition of the Atemi Group on October 1, 2020, Better Collective has operated two different business models regarding customer acquisition with different earnings-profiles.

The Publishing business includes revenue from Better Collective's proprietary online platforms and media partnerships where the online traffic is coming either directly or through organic search results, whereas Paid Media generates revenue through paid ad-traffic to our websites, thereby running on a significantly lower earnings margin. The segment reporting includes these two segments.

From Q2 2021, and following the acquisition of Action Network (included in Group accounts from time of closing on May 28, 2021) the US market constitutes >20% of Group Revenue and >30% of revenue in Publishing on an annualised basis. Hence, going forward Better Collective will report on the geographical segments US and RoW (Rest of World).

Comparative figures have been re-stated according to the new segment reporting. The performance of the segments is monitored to the level of operating profit before amortisations and special items, hence assets and liabilities for individual segments are not presented.

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

From Q4, 2020, and following the acquisition of the Atemi Group on October 1, 2020, Better Collective has operated two different business models regarding customer acquisition with different earnings-profiles.

The segments Publishing and Paid Media have been measured and disclosed separately for Revenue, Cost and Earnings. The Publishing business includes revenue from Better Collective's proprietary online platforms and media partnerships where the online traffic is coming either directly or through organic search results, whereas Paid Media generates revenue through paid ad-traffic to our websites, thereby running on a significantly lower earnings margin.

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

	Publishing		Paid Media		Total	
tEUR	**Q3 2021**	Q3 2020	**Q3 2021**	Q3 2020	**Q3 2021**	Q3 2020
Revenue	**31,320**	**17,555**	**14,093**	**743**	**45,413**	**18,298**
Cost	18,939	9,375	12,890	597	31,829	9,972
Operating profit before depreciation, amortisations and special items	**12,381**	**8,180**	**1,203**	**146**	**13,583**	**8,326**
EBITDA-Margin before special items	40%	47%	9%	20%	30%	46%
Depreciation	416	324	26	0	442	324
Operating profit before amortisations and special items	**11,964**	**7,856**	**1,177**	**146**	**13,142**	**8,002**
EBITA-Margin before special items	38%	45%	8%	20%	29%	44%

	Publishing		Paid Media		Total	
tEUR	**YTD 2021**	YTD 2020	**YTD 2021**	YTD 2020	**YTD 2021**	YTD 2020
Revenue	**81,256**	**51,336**	**43,001**	**3,137**	**124,257**	**54,472**
Cost	45,610	28,213	39,208	2,215	84,819	30,428
Operating profit before depreciation, amortisations and special items	**35,646**	**23,123**	**3,793**	**921**	**39,439**	**24,044**
EBITDA-Margin before special items	44%	45%	9%	29%	32%	44%
Depreciation	1,260	1,110	31	0	1,291	1,110
Operating profit before amortisations and special items	**34,386**	**22,012**	**3,762**	**921**	**38,148**	**22,934**
EBITA-Margin before special items	42%	43%	9%	29%	31%	42%

		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

2 Segments, continued

Better Collective's products cover more than 30 languages and attract millions of users worldwide - with international brands with a global reach as well as regional brands with a local reach. Better Collective's regional brands are tailored according to the specific regions or countries and their respective regulations, sports, betting behaviours, user needs, and languages. From Q2 2021, and following the acquisition of Action Network (included in Group accounts from time of closing on May 28, 2021) the US market constitutes >20% of Group Revenue and >30% of revenue in Publishing on an annualised basis. Hence, going forward Better Collective will report on the geographical segments US and RoW (Rest of World), measuring and disclosing separately for Revenue, Cost and Earnings. Historical financial figures will be reported accordingly.

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

	Rest of World		US		Total	
tEUR	**Q3 2021**	Q3 2020	**Q3 2021**	Q3 2020	**Q3 2021**	Q3 2020
Revenue	**30,987**	**15,735**	**14,426**	**2,563**	**45,413**	**18,298**
Cost	22,737	7,714	9,092	2,258	31,829	9,972
Operating profit before depreciation, amortisations and special items	**8,250**	**8,021**	**5,334**	**306**	**13,583**	**8,326**
EBITDA-Margin before special items	27%	51%	37%	12%	30%	46%
Depreciation	377	267	65	57	442	324
Operating profit before amortisations and special items	**7,872**	**7,754**	**5,269**	**249**	**13,142**	**8,002**
EBITA-Margin before special items	25%	49%	37%	10%	29%	44%

	Rest of World		US		Total	
tEUR	**YTD 2021**	YTD 2020	**YTD 2021**	YTD 2020	**YTD 2021**	YTD 2020
Revenue	**97,083**	**47,947**	**27,174**	**6,526**	**124,257**	**54,472**
Cost	67,137	24,878	17,682	5,550	84,819	30,428
Operating profit before depreciation, amortisations and special items	**29,946**	**23,068**	**9,493**	**976**	**39,439**	**24,044**
EBITDA-Margin before special items	31%	48%	35%	15%	32%	44%
Depreciation	1,069	788	222	323	1,291	1,110
Operating profit before amortisations and special items	**28,877**	**22,281**	**9,271**	**653**	**38,148**	**22,934**
EBITA-Margin before special items	30%	46%	34%	10%	31%	42%

		2020	
tEUR	Rest of World	US	Total
Revenue	**81,181**	**10,005**	**91,186**
Cost	45,182	7,853	53,034
Operating profit before depreciation, amortisations and special items	**35,999**	**2,153**	**38,152**
EBITDA-Margin before special items	44%	22%	42%
Depreciation	1,104	444	1,548
Operating profit before amortisations and special items	**34,895**	**1,709**	**36,604**
EBITA-Margin before special items	43%	17%	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	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020	2020
Revenue					
Revenue Share	14,423	11,804	51,142	36,077	53,697
CPA	23,349	2,450	55,079	8,370	22,251
Revenue - Subscription	3,309	1,628	7,295	3,664	5,645
Aff. Revenue Other	4,332	2,416	10,741	6,360	9,593
Total Revenue	**45,413**	**18,298**	**124,257**	**54,472**	**91,186**

%-split	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020	2020
Revenue					
Revenue Share	32	65	41	66	59
CPA	51	13	44	15	24
Revenue - Subscription	7	9	6	7	6
Aff. Revenue Other	10	13	9	12	11
Total Revenue	**100**	**100**	**100**	**100**	**100**

4 Share-based payment plans

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

During the quarter employees have exercised warrants corresponding to 205,692 shares issued.

2019 Warrant program:
During the quarter the company granted 422,500 warrants under this program, and all warrants approved under this program have now been granted - no warrants were exercised under this program.

The total share based compensation expense recognised for Q3 2021 is 274 tEUR (Q3 2020: 220 tEUR).

The total share based compensation expense recognised for YTD 2021 is 783 tEUR (YTD 2020: 724 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	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020	2020
Operating profit	**528**	**6,665**	**17,046**	**18,589**	**30,489**
Special items related to M&A	-101	-91	-5,784	-267	-676
Special items related to Earn-out	-11,487	219	-11,487	290	658
Special items related to Restructuring	0	-84	-6	-393	-493
Special items related to Divestiture of Assets	0	0	272	622	632
Special items, Total	**-11,588**	**44**	**-17,006**	**252**	**120**
Operating profit (EBIT) before special items	**12,116**	**6,621**	**34,051**	**18,337**	**30,369**
Amortisations	1,025	1,381	4,097	4,597	6,235
Operating profit before amortisations and special items (EBITA before special items)	**13,142**	**8,002**	**38,148**	**22,934**	**36,604**
Depreciation	442	324	1,291	1,110	1,548
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	**13,583**	**8,326**	**39,439**	**24,044**	**38,152**

6 Income tax

Total tax for the period is specified as follows:

tEUR	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020	2020
Tax for the period	2,545	1,676	7,481	4,232	6,785
Tax on other comprehensive income	1,355	-359	2,484	-384	-751
Total	**3,900**	**1,318**	**9,966**	**3,848**	**6,034**

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

tEUR	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020	2020
Deferred tax	140	-153	-173	-590	-1,036
Current tax	2,404	1,900	7,663	4,865	7,848
Adjustment from prior years	0	-71	-9	-43	-27
Total	**2,545**	**1,676**	**7,481**	**4,232**	**6,785**

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

tEUR	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020	2020
Specification for the period:					
Calculated 22% tax of the result before tax	-212	1,439	3,074	3,893	6,317
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	348	107	781	279	376
Tax effect of:					
Non-taxable income	0	-48	0	-307	-388
Non-deductible costs	2,409	250	3,635	410	507
Adjustment of tax relating to prior years	0	-71	-9	-43	-27
	2,545	**1,676**	**7,481**	**4,232**	**6,785**
Effective tax rate	**-264.2%**	**25.6%**	**53.5%**	**23.9%**	**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	10,936	3,193	14,129
Acquisitions through business combinations	39,363	153,670	7,773	200,806
Currency Translation	2,748	9,928	398	13,075
At September 30, 2021	**141,426**	**324,807**	**36,540**	**502,773**
Amortisation and impairment				
As of January 1, 2021	**0**	**0**	**15,797**	**15,797**
Amortisation for the period	0	0	4,986	4,986
Currency translation	0	0	30	30
At September 30, 2021	**0**	**0**	**20,813**	**20,813**
Net book value at September 30, 2021	**141,426**	**324,807**	**8,481**	**482,865**

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
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 September 30, 2021 Better Collective has drawn 105.3 mEUR on the credit facility established with Nordea.

Lease liabilities:
Non-current and current lease liabilities, of 1.6 mEUR and 1.1 mEUR respectively.

Deferred Tax:
Deferred tax as of September 30, 2021 amounted to 25.1 mEUR. The change from January 1, 2021 originates from changes in deferred tax related to acquisition made, amortisation of accounts from acquisitions, and deferred tax changes in Parent Company.

Contingent Consideration:
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 was scheduled to 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.

On November 4, 2021 Better Collective announced the acquisition of the remaining shares in Rical LLC. The contingent consideration has been updated and increased according to the announcement. The difference, the cost of 11.5 mEUR, has been charged to Special Items in the P/L in accordance with IFRS.

As per September 30, 2021 the contingent consideration amounted to 34.6 mEUR due to the remaining purchase price related to the acquisition of Rical LLC.

Other financial liabilities:
As per September 30, 2021 other financial liabilities amounted to 23.3 mEUR due to deferred and variable payments related to acquisitions. The increase from January 1, 2021 relates to deferred payment for Action Network and acquisition of Dutch assets, countered by the earn-out payment for HLTV and the deferred payments for 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 Action Network.

On May 3, 2021 Better Collective signed an agreement to acquire the leading US sports betting media platform, Action Network, for 196 mEUR (240 mUSD), gaining market leadership within sports betting media in the US. The acquisition closed on May 28, 2021 and provides Better Collective with a strong foundation for profiting from the continuous expansion of the US sports betting market.

The transferred consideration was paid with cash and shares, and a deferred payment payable in cash.

Following the publishing of the Q2 2021 report a true-up of the Net Working Capital and the opening balance has been included.

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Sites	153,670
Accounts and other intangible assets	7,773
Equipment	88
Deposits	183
Prepayments	237
Trade receivables	2,141
Other receivables	147
Cash and cash equivalents	8,131
Trade payables	-1,245
Prepayments from customers	-2,297
Other payables	-1,566
Identified net assets	**167,262**
Goodwill	35,959
Total consideration	**203,221**

Notes

9 Business combinations, continued

A goodwill of 35,959 tEUR emerged from the acquisition of Action Network as an effect of the difference between the transferred considera-tion and the fair value of acquired net assets. Goodwill is connected to the future growth expectations given the strong platform and growth expectations for the US market. The goodwill is tax deductible.

Transaction costs related to the acquisition of Action Network amounts to 5,436 tEUR in 2021. Transaction costs are accounted for in the income statements under “special items”.

The fair value of the trade receivables amounts to 2,141 tEUR. The gross amount of trade receivables is 2,141 tEUR and no provision has been recorded.

tEUR	
Purchase amount	203,221
Regards to:	
Cash and cash equivalents	8,131
Less deferred payment	8,167
Less price paid in shares	9,388
Net cash outflow	177,535

The acquisition was completed on May 28, 2021. If the transaction had been completed on January 1, 2021 the Group’s revenue YTD would have amounted to 136,448 tEUR and result after tax would have amounted to 5,683 tEUR.

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

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
Less paid in 2020	538
Net cash outflow	2,197

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

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

Notes

10 Cash flow statement - specifications

Note	tEUR	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020	2020
	Acquisition of business combinations:					
9	Net Cash outflow from business combinations at acquisition	-1,852	0	-179,732	-23,315	-53,429
	Business Combinations deferred payments from current period	-817	0	-1,472	0	-1,384
	Deferred payments - business combinations from prior periods	-3,304	-840	-9,159	-10,979	-10,979
	Total cash flow from business combinations	**-2,269**	**-840**	**-190,363**	**-34,294**	**-65,792**
	Acquisition of intangible assets:					
7	Acquisitions through asset transactions	-10,028	0	-14,129	0	-1,070
	Deferred payments related to acquisition value	3,664	0	3,664	0	0
	Deferred payments - acquisitions from prior periods	-50	0	-50	0	0
	Other investments	-342	-229	-758	-447	-732
	Total cash flow from intangible assets	**-6,756**	**-229**	**-11,273**	**-447**	**-1,802**

tEUR	**YTD 2021**	YTD 2020	2020
Cashflow from Equity movements:			
Equity movements with cashflow impact - from cash flow statement:			
Capital increase	148,655	200	393
Treasury shares	-69	-4,903	-4,903
Transaction cost	-2,290	-10	-33
Warrant settlement, sale of warrants	0	0	0
Total equity movements with cash flow impact	**146,296**	**-4,712**	**-4,542**
Non-cash flow movements on equity:			
New shares for M&A payments	10,232	2,142	2,142
Treasury Shares used for payments	82	1,331	6,338
Share based payments - warrants expenses with no cash flow effect	783	724	955
Total equity movements with cash flow impact	**11,096**	**4,196**	**9,435**
Total Transactions with owners - Consolidated statement of changes in equity	**157,392**	**-516**	**4,893**

Financial statements for the period January 1 – September 30

Condensed interim income statement – Parent company

tEUR	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020	20200
Revenue	10,239	6,855	26,442	18,515	26,940
Other operating income	1,771	1,688	9,784	6,289	8,878
Direct costs related to revenue	1,640	873	4,346	2,437	3,546
Staff costs	3,262	2,484	10,483	8,305	10,958
Depreciation	124	119	366	356	482
Other external expenses	4,334	2,092	10,439	6,530	9,129
Operating profit before amortisations (EBITA) and special items	**2,650**	**2,975**	**10,592**	**7,176**	**11,702**
Amortisation	424	471	1,148	1,510	1,974
Operating profit (EBIT) before special items	**2,226**	**2,504**	**9,444**	**5,666**	**9,728**
Special items, net	-13	101	-52	-60	266
Operating profit	**2,213**	**2,605**	**9,393**	**5,606**	**9,994**
Financial income	8,551	1,337	40,841	13,179	13,860
Financial expenses	723	1,627	4,807	3,987	6,573
Profit before tax	**10,041**	**2,315**	**45,426**	**14,799**	**17,280**
Tax on profit for the period	1,905	395	4,688	1,103	1,563
Profit for the period	**8,136**	**1,919**	**40,738**	**13,696**	**15,717**

Condensed interim statement of other comprehensive income

tEUR	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020	20200
Profit for the period	**8,136**	**1,919**	**40,738**	**13,696**	**15,717**
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Currency translation to presentation currency	10	-21	81	316	601
Income tax	0	0	0	0	0
Net other comprehensive income/loss	10	-21	81	316	601
Total other comprehensive income/(loss) for the period, net of tax	**8,146**	**1,898**	**40,819**	**14,012**	**16,319**

Financial statements for the period January 1 – September 30

Condensed interim balance sheet – Parent company

tEUR	Q3 2021	Q3 2020	2020
Assets			
Non-current assets			
Intangible assets			
Domains and websites	26,128	14,464	15,185
Accounts and other intangible assets	5,402	4,069	3,355
	31,529	**18,533**	**18,540**
Property, plant and equipment			
Land and building	0	707	704
Right of use assets	676	975	896
Fixtures and fittings, other plant and equipment	337	312	317
	1,013	**1,994**	**1,917**
Financial assets			
Investments in subsidiaries	186,845	137,126	183,856
Receivables from subsidiaries	240,160	35,087	36,969
Other non-current financial assets	0	1,507	1,146
Deposits	170	160	160
	427,175	**173,879**	**222,131**
Total non-current assets	**459,717**	**194,407**	**242,588**
Current assets			
Trade and other receivables	7,074	3,547	4,648
Receivables from subsidiaries	13,135	6,734	1,657
Tax receivable	0	0	653
Prepayments	904	560	736
Restricted Cash	2,960	0	6,926
Cash	5,565	33,789	2,560
Total current assets	**29,637**	**44,631**	**17,180**
TOTAL ASSETS	**489,355**	**239,038**	**259,767**

Financial statements for the period January 1 – September 30

Condensed interim balance sheet – Parent company

tEUR	**Q3 2021**	Q3 2020	2020
Equity and liabilities			
Equity			
Share Capital	545	468	469
Share Premium	267,636	108,633	108,825
Currency Translation Reserve	575	208	494
Treasury shares	0	-3,343	-2
Retained Earnings	84,378	41,241	45,137
Proposed Dividends	0	0	0
Total equity	**353,135**	**147,208**	**154,923**
Non-current Liabilities			
Debt to mortgage credit institutions	0	511	507
Debt to credit institutions	55,344	60,731	68,770
Lease liabilities	406	699	629
Deferred tax liabilities	1,667	1,039	1,163
Other non-current financial liabilities	8,956	9,525	8,796
Total non-current liabilities	**66,373**	**72,506**	**79,864**
Current Liabilities			
Prepayments received from customers	1,165	14	0
Trade and other payables	4,095	2,289	2,127
Payables to subsidiaries	3,680	12,516	12,585
Corporation tax payable	3,319	890	70
Other current financial liabilities	7,258	3,268	9,850
Debt to mortgage credit institutions	0	20	20
Debt to credit institutions	50,000	0	0
Lease liabilities	328	327	328
Total current liabilities	**69,846**	**19,324**	**24,980**
Total liabilities	**136,220**	**91,830**	**104,844**
TOTAL EQUITY AND LIABILITIES	**489,355**	**239,038**	**259,767**

Financial statements for the period January 1 – September 30

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	40,738	0	40,738
Other comprehensive income							
Currency translation to presentation currency	0	0	81	0	0	0	81
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	81	0	0	0	81
Total comprehensive income for the year	**0**	**0**	**81**	**0**	**40,738**	**0**	**40,819**
Transactions with owners							
Capital Increase	76	158,811	0	0	0	0	158,887
Acquisition of treasury shares	0	0	0	-69	0	0	-69
Disposal of treasury shares	0	0	0	71	11	0	82
Share based payments	0	0	0	0	783	0	783
Transaction cost	0	0	0	0	-2,290	0	-2,290
Tax on settlement of warrants	0	0	0	0	0	0	0
Total transactions with owners	**76**	**158,811**	**0**	**2**	**-1,497**	**0**	**157,392**
At September 30, 2021	**545**	**267,636**	**575**	**0**	**84,378**	**0**	**353,135**

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	13,696	0	13,696
Other comprehensive income							
Currency translation to presentation currency	0	0	316	0	0	0	316
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	316	0	0	0	316
Total comprehensive income for the year	**0**	**0**	**316**	**0**	**13,696**	**0**	**14,012**
Transactions with owners							
Capital Increase	4	2,338	0	0	0	0	2,342
Acquisition/disposal of treasury shares	0	0	0	-4,903	0	0	-4,903
Shared based payments	0	0	0	1,560	-229	0	1,331
Cash settlement of warrants	0	0	0	0	724	0	724
Tax on settlement of warrants	0	0	0	0	-10	0	-10
Tax on settlement of warrants	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total transactions with owners	**4**	**2,338**	**0**	**-3,343**	**486**	**0**	**-516**
At September 30, 2020	**468**	**108,633**	**208**	**-3,343**	**41,241**	**0**	**147,208**

During the period no dividend was paid.

Financial statements for the period January 1 – September 30

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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