BETTER COLLECTIVE

Q2 2020

January 1 –
June 30

Interim report

Highlights Q2 2020

- Revenue decline of 4%. Positive revenue growth returned in June vs. 2019
- Earnings; EBITA-margin (before special items) 41%
- NDCs approx. 71,000; a decline of 36%
- COVID-19 impacted performance due to cancellations of major sports events
- Full year financial targets reiterated

Interim report Q2 2020

Highlights second quarter 2020

- Q2 Revenue declined by 4% to 15,253 tEUR (Q2 2019: 15,834 tEUR). Organic revenue decline was 24%. The development was impacted by the complete halt of all major sports events from mid-March through April and May before a gradual re-start late May and in June. Positive revenue growth returned in June with 20% growth, of which 7% was organic, even though some major markets, like the US and LATAM, were still affected by sports closedowns.

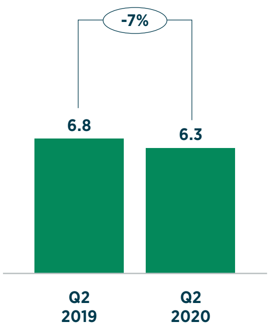
- Q2 EBITA before special items declined 7% to 6,305 tEUR (Q2 2019: 6,789 tEUR). The EBITA-margin before special items was 41%. The EBITA-margin remained in line with the financial target as the cost base was lowered significantly following the cost reduction program implemented from April 1, which reduced the cost base in Q2 2020 by approximately 3 mEUR compared to Q1 2020.

Revenue

mEUR

EBITA before special items

mEUR



- Cash Flow from operations before special items was 10,363 tEUR (Q2 2019: 6,601 tEUR), an increase of 57%. The cash conversion was 154%. End of Q2, capital reserves stood at 65.1 mEUR consisting of cash of 19.5 mEUR and unused bank credit facilities of 45.7 mEUR.

- New Depositing Customers (NDCs) was approx. 71,000 in the quarter, a decline of 36%, due to the cancellations and postponements of major sports events.

- Better Collective completed the share buyback program per June 30, 2020. During the period March 19, 2020 to June 30, 2020 625,964 shares for an amount of EUR 4,811,557 (SEK 52,523,439) were purchased.

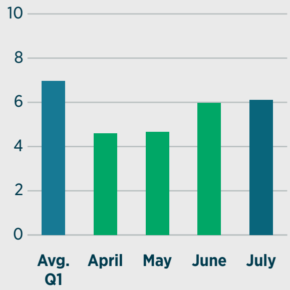
- The payment of the third and last instalment relating to the acquisition of Ribacka AB in cash and shares from the buyback program combined was completed. The payment reflected the maximum earn-out of 9 mEUR and consisted of 8.4 mEUR in cash and 0,6 mEUR in shares.

- Better Collective Tennessee divested the website pocketfives.com for an amount of 0.6 mEUR. The website was originally part of the acquisition of RiCal in May, 2019 and was considered non-strategic for Better Collective. The profit from the divestment is recorded as income under Special Items.

Contents

Revenue recovery trend H1 2020

mEUR



Conference call

A conference call for investors, analysts and media will be held today, August 25, 2020, at 10:00 a.m. CET and can be joined online at www.bettercollective.com. Presentation material for the call will be available on the website one hour before the call.

To participate, please dial:
Confirmation code: 9381576
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Financial highlights first six months 2020

- In the first half of 2020, revenue grew by 18% to 36,174 tEUR (YTD 2019: 30,739 tEUR). Organic revenue declined 2%.
- In the first half of 2020, EBITA before special items increased 12% to 14,931 tEUR (YTD 2019: 13,310 tEUR). The EBITA-margin before special items was 41%.
- Cash Flow from operations before special items was 19,814 tEUR (YTD 2019: 14,161 tEUR), an increase of 40%. The cash conversion rate before special items was 124%. End of Q2 2020, cash and unused credit facilities amounted to 65.1 mEUR.
- New Depositing Customers (NDCs) exceeded 186,000 in the first half year (decline of 18%). The decline was mainly due to the cancellation of major sports events. In total, it is estimated that the cancellation and postponements of major sports events have resulted in approximately 90,000 fewer NDC's during H1 2020, compared to a "pre-COVID-19 estimate".

Significant events after the closure of the period

- July revenue was approximately 6.1 mEUR (total growth of 16% - organic growth 4%). NDC growth was 25% compared to July 2019. Based on betting activity in our major European revenue share accounts, European sports wagering showed the second-highest month ever.
- The remaining 63,231 new shares to be subscribed by the third seller of HLTV.org ApS as detailed in announcement no. 4 dated March 13, 2020 was settled in shares from the buyback program on July 3, 2020.
- Better Collective has signed a Letter of Intent (LOI) for the acquisition of an iGaming company for up to approximately 45 mEUR. The target company has a global presence and is specialised within lead generation towards online gambling. The target company has disclosed its current expectations for financial performance for 2020 with revenue of >40 mEUR and operational earnings (EBITDA) >8 mEUR. The acquisition is pending due diligence and final contract negotiations and will, if completed, be an important strategic move for Better Collective.

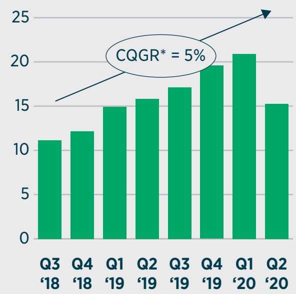
The financial targets for 2020 remain unchanged

The cancellation and postponement of major sports events have created less visibility and thereby greater uncertainty than before the Covid-19 pandemic. Therefore, and as mentioned in the Q1-report, there is increased uncertainty regarding the revenue growth for the full year 2020 compared to previous periods.

The revenue growth for the full year of 2020 is expected to be 15-25% without any revenue contribution from new acquisitions. The M&A-pipeline is progressing well and Better Collective expects to complete one or more acquisitions before year end which expectedly bring the total revenue growth, incl. M&A, above the financial target of >30% for the full year. Earnings margin for the full year is maintained at >40% independent of any new M&As.

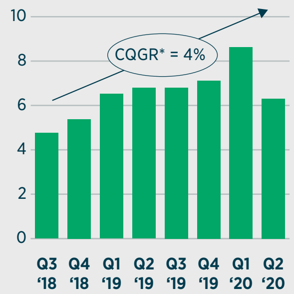
For 2021 we expect a normalised situation for major sports. In addition, several major events, that were postponed from 2020 including the EURO 2020 (now EURO 2021), are planned to take place. Financial targets for 2021 will be provided in connection with the Full Year Report for 2020.

Revenue



* Compounded Quarterly Growth Rate

EBITA before special items



* Compounded Quarterly Growth Rate

Financial calendar

November 11, 2020
Interim financial report Q3, 2020

February 24, 2021
Interim financial report
Full year 2020

March 25, 2021
Annual report 2020

Financial highlights and key figures

tEUR	Q2 2020	Q2 2019	YTD 2020	YTD 2019	2019
Income Statement					
Revenue	15,253	15,834	36,174	30,739	67,449
Revenue Growth (%)	-4%	64%	18%	79%	67%
Organic Revenue Growth (%)	-24%	18%	-2%	28%	26%
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	6,673	6,961	15,718	13,646	28,061
Depreciation	368	172	786	337	831
Operating profit before amortisations and special items (EBITA before special items)	6,305	6,789	14,931	13,310	27,231
Special items, net	608	-95	208	-182	-615
Operating profit before amortisations (EBITA)	6,913	6,693	15,139	13,127	26,616
Amortisations	1,575	1,248	3,215	2,488	5,413
Operating profit before special items (EBIT before special items)	4,730	5,540	11,716	10,822	21,817
Operating profit (EBIT)	5,338	5,445	11,924	10,639	21,202
Result of financial items	-546	-539	-768	-796	-2,448
Profit before tax	4,793	4,906	11,156	9,844	18,755
Profit after tax	3,919	3,684	8,600	7,369	13,944
Earnings per share (in EUR)	0.08	0.09	0.19	0.18	0.32
Diluted earnings per share (in EUR)	0.08	0.09	0.18	0.17	0.31
Balance sheet					
Balance Sheet Total	259,649	190,956	259,649	190,956	229,601
Equity	145,282	101,267	145,282	101,267	138,317
Current assets	30,138	29,060	30,138	29,060	36,035
Current liabilities	14,425	25,350	14,425	25,350	22,088
Net interest bearing debt	36,580	22,655	36,580	22,655	13,646
Cashflow					
Cash flow from operations before special items	10,363	6,601	19,814	14,161	26,585
Cash flow from operations	10,701	6,050	19,951	13,508	25,481
Investments in tangible assets	-103	-121	-264	-188	-955
Cash flow from investment activities	-9,206	-29,749	-34,341	-32,858	-49,509
Cash flow from financing activities	1,990	23,125	16,427	23,024	36,365
Financial ratios					
Operating profit before amortisations and special items margin (%)	41%	43%	41%	43%	40%
Operating profit before amortisations margin (%)	45%	42%	42%	43%	39%
Operating profit margin (%)	35%	34%	33%	35%	31%
Net interest bearing debt / EBITDA before special items	1.21	0.95	1.21	0.95	0.49
Liquidity ratio	2.09	1.15	2.09	1.15	1.63
Equity to assets ratio (%)	56%	53%	56%	53%	60%
Cash conversion rate before special items (%)	154%	93%	124%	102%	91%
Average number of full-time employees	415	304	415	291	364

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

CEO Comments

Business model resilient also during unusually challenging times

As expected, Q2 was a challenging quarter for online sports betting as the COVID-19 pandemic set a halt on major sports events. April was the low point, May still significantly affected, and in June some of the major sports in Europe resumed with accelerated play-offs. Sports markets in large countries like the US and LATAM are still affected and will expectedly start again in the second half of the year. However, our digital business model has proven strong under these difficult circumstances and Better Collective has demonstrated the flexibility to withstand a period of low sports activity.

Getting back on track

In general, the market development has so far been in line with the assumptions we made mid-March, when we decided to provide an extraordinary business update based on this unprecedented situation. I am very proud that we could maintain our financial earning target (EBITA > 40%) both for Q2 isolated and for the first half of this year.

With the underlying European business getting back up at Q1 average in June, we enter the second half of 2020 with cautious optimism, however still with some uncertainty mainly regarding US sports and the lost momentum when it comes to NDC-growth. We expect the remainder of 2020 to be somewhat affected by the lost momentum. Therefore, we see greater uncertainty than usual regarding our revenue growth targets.

Business performance

Q2 performance became the exception in an otherwise strong Better Collective growth story as cancellations and postponements of major leagues caused revenues to drop significantly in April and May. Given these circumstances, a quarterly revenue decline of 4% compared to last year is satisfactory and in line with our expectations. In the absence of major sport events, bettors turned to other sports and we saw a momentary growth in online casino games. More predominantly, we noted a strong and continuous growth in esports that benefited our recently acquired business HLTV.org.

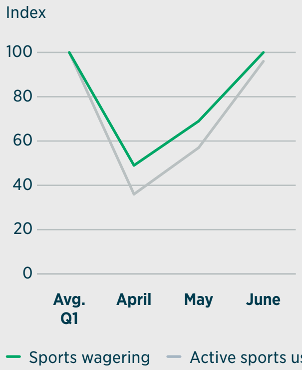
New depositing customers (NDCs) naturally declined in the quarter, correlated with the lower level of sports activities. We estimate a loss of approximately 90,000 NDC's. During this period, some of our digital platforms in selected markets including the UK, saw significantly lower traffic and reduced performance in searches. This will likely have some revenue impact going forward. Our main operational focus right now is to regain momentum when it comes to NDC-generation. In July, NDC growth was 25% compared to 2019.

When we look at the underlying betting activity in our major European revenue share accounts, things have returned close to normal in June. For the month of July, we saw the second-highest monthly sports wagering ever measured by these accounts.

"We have demonstrated the flexibility to withstand a period of low sports activity. I am very proud that we could maintain our financial earning target (EBITA > 40%) both for Q2 isolated and the full half year."

Jesper Søgaard
CEO

Underlying performance



The figures are based on Better Collective's aggregated data sources accounting historically for 50% or more of Better Collective's annual commission earnings.

Continued adjustment of operations to the COVID-19 situation

We expect the pandemic to keep impacting our operation for some time to come. Various measures have been implemented at our offices in alignment with local guidelines to keep employees safe. We have seamlessly transitioned to remote work to the necessary extent and experience no loss of efficiency. Resources have been redistributed internally to focus on the business areas that have remained active throughout and to prepare for sports returning to the arenas. The cost reduction program implemented for Q2 has proven effective, resulting in a cost reduction of around 3 mEUR for Q2 2020 compared to Q1 2020. The cost base will expectedly increase from July 1, with the lapse of intermediate measures and with the return to a more normal level of activity.

M&A activity; adding esports at the right moment and continued focus on consolidation

Following the acquisition of HLTV.org in Q1, our esports platforms have delivered strong growth in Q2. Already a rapidly growing area for the whole industry and an ideal extension to our focus on classical sports, the lack of sports in recent months has further fuelled the growth in this area. NDCs generated by esports have grown rapidly throughout the quarter.

We remain highly dedicated to continuing to build our position as the main consolidator in the industry, and we currently have a healthy pipeline of acquisition candidates. Recently, we signed a Letter of Intent for the acquisition of a company specialised within lead generation towards online gambling. The acquisition is pending due diligence and final contract negotiations and will, if completed, be an important strategic move for Better Collective.

US activities progressing while sports have been at a standstill

While European sports picked up before the summer, the US is just beginning to pick up, which is partly due to seasonality. Meanwhile, Better Collective has been making progress in regulatory matters, meaning that licensing is obtained for operation in eight states. The type of licensing agreement and legislation differ between states. Our overall reach is increasing, and more states are in the pipeline. In parallel, we are completing the transformation of our acquired US assets from last year, including the rebuilding of vegasinsider.com which we expect to launch in time for the NFL kick off in September 2020.

A special thanks to all our stakeholders

I would like to express my sincere thanks to all Better Collective's stakeholders - our employees and management team, our Board of Directors and all our business partners for their continued astonishing performance and flexibility in this extraordinary environment. The past quarter has really demonstrated a strong team spirit in Better Collective.

We expect 2021 to be a year packed with major sports events, hopefully with the participation of spectators, so everybody can enjoy the maximum entertainment of sports, and that our business can continue the strong growth we have seen in the past.

Jesper Søgaard
CEO

71,000

NDCs

in Q2 2020

41%

EBITA-margin

in Q2 2020

Management report

Financial performance second quarter 2020

Financial performance second quarter 2020

In Q2, revenue was reduced as expected in light of the COVID-19 pandemic. While major sports events were cancelled or postponed, some of the betting activity were channelled to some of the sports still on. Also, casino-games showed a momentary increase in Q2 and esport has grown significantly. In our US business, subscriptions and thereby related revenue was put on hold while sports were halted in the US.

Quarterly revenue amounted to 15,253 tEUR (Q2 2019: 15.834 tEUR). The total decline was 4% with organic decline of 24%. With sports activities halted, the revenue was supported from casino and esports. Revenue share accounted for 66% of the revenue (76% of player-related revenue) with 16% coming from CPA, 5% from subscription sales, and 13% from other income.

Positive revenue growth returned in June with 20% growth, whereof 7% was organic growth, even though some major markets, like the US and LATAM, were still affected by sports closedowns and European sports were played with almost no spectators.

The number of NDCs was approx. 71,000, corresponding to a decline of 36% compared to last year. The decline is a result of the low sports activity and lower performance of some of our digital platforms both affected by lower traffic volumes and lower performance in searches.

Cost

Following the outbreak of COVID-19 and related close-down of sports activities in March 2020, management implemented a cost savings program in Q2 to counteract the revenue effect. The program included both a reduction of the organisation, no salary to founders and Board of Directors, and temporary salary reductions for the remaining organisation in Q2, as well as a reduction of variable and fixed costs. The total cost for Q2 2020 excluding depreciation and amortisation decreased by 3,296 tEUR or 28% when compared to Q1 2020.

Quarterly cost excluding special items and amortisations declined by 98 tEUR and amounted to 8,948 tEUR (Q2 2019: 9,046 tEUR). Special items of +608 tEUR include income from divestiture of the website pocketfives.com (acquired as part of Better Collective Tennessee in 2019) of 622 tEUR, as well as cost relating to M&A activities, adjustment of deferred purchase price of acquisitions, and cost related to the adjustment of the operation in connection with the COVID-19 situation. Amortisations amounted to 1,575 tEUR (Q2 2019: 1,248 tEUR). The cost base in Q2 includes temporary salary reductions of approximately 0.7 mEUR. In countries where government support has been available as an alternative to restructuring, the organisations have been maintained to be prepared for the turnaround post COVID-19. The cost base in Q2 also includes the impact from support packages in those respective countries.

Direct cost relating to revenue decreased to 1,896 tEUR (Q2 2019: 1,999 tEUR), a decrease of 5%. Direct cost includes cost of Pay-Per-Click, hosting fees of websites, content generation, external development, etc.

Personnel cost in Q2 decreased 1,813 tEUR or 27% from the previous quarter (Q1 2020), and amounted to 4,920 tEUR. Compared to Q2 2019 (4,758 tEUR), the personnel costs increased slightly by 161 tEUR or 3%. The average number of employees increased to 415 (Q2 2019: 304). Personnel costs include costs of warrants of 264 tEUR (Q2 2019: 29 tEUR).

Other external cost decreased 351 tEUR or 17% to 1,765 tEUR (Q2 2019: 2,116 tEUR).

Depreciation and amortisation amounted to 1,943 tEUR (Q2 2019: 1.421 tEUR), mainly attributable to acquisitions.

Earnings

Operational earnings (EBITA) before special items decreased 7% to 6,305 tEUR (Q2 2019: 6,789 tEUR). The EBITA-margin before special items was 41% (Q2 2019: 43%). The acquisition of HLTV has been fully included in the accounts for Q2 2020.

Including special items, the reported EBITA was 6,913 tEUR. (Q2 2019: 6,693 tEUR)

Q2 EBIT before special items decreased 15% to 4,730 tEUR (Q2 2019: 5,540 tEUR).

Including special items, the reported EBIT was 5,338 tEUR (Q2 2019: 5,445 tEUR).

Net financial items

Net financial costs amounted to 546 tEUR (Q2 2019: 539 tEUR) and included net interest, fees relating to bank credit lines and exchange rate adjustments. Interest expenses amounted to 0.4 mEUR and include non-payable, calculated interest expenses on certain balance sheet items, whereas financial fees amounted to 0.1 mEUR.

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 for Q2 amounted to 873 tEUR (Q2 2019: 1,222 tEUR). The Effective Tax Rate (ETR) was 18.2% (Q2 2019: 24.9%). The effective tax rate for the quarter was impacted by non-taxable income for US in relation to the divestiture of non-strategic website.

Net profit

Net profit after tax was 3,919 tEUR (Q2 2019: 3,684 tEUR).

The parent company

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

Q2 2020 Revenue declined by 7% to 6,154 tEUR (Q2 2019: 6,625 tEUR).

Total costs in Q1 2020 was 5,481 tEUR (Q2 2019: 6,953 tEUR).

Profit after tax was 922 tEUR (Q2 2019: 185 tEUR).

Total Equity ended at 144,307 tEUR by June 30, 2020 (December 31, 2019: 133,712 tEUR). The equity in the parent company was impacted by a capital increase of 2,242 tEUR, the net effect of treasury shares and buyback program of 4,264 tEUR, and cost of warrants of 504 tEUR.

Management report

Financial performance first six months 2020

Revenue

First half year revenue amounted to 36,174 tEUR (YTD 2019: 30,739 tEUR). The total growth was 18% with an organic decline of 2%.

Revenue share accounted for 67% of the revenue (75% of player-related revenue) with 16% coming from CPA, 6% from subscription sales, and 11% from other income.

The number of NDCs was more than 186,000, corresponding to a decline of 18%. The decline was mainly due to the cancellation of major sports events. In total, it is estimated that the cancellation and postponements of major sports events have resulted in approximately 90,000 fewer NDC's during H1 2020, compared to a "pre-COVID-19 estimate".

Cost

First half year cost excluding special items and amortisations increased by 3,813 tEUR and amounted to 21,243 tEUR (YTD 2019: 17,430 tEUR).

Special items of +208 tEUR include income from divestiture of the website pocketfives.com (acquired as part of Better Collective Tennessee in 2019) of 622 tEUR, as well as cost relating to M&A activities, adjustment of deferred purchase price on acquisition, and cost related to the adjustment of the operation in connection with the COVID-19 situation. Furthermore, amortisations amounted to 3,215 tEUR (YTD 2019: 2,488 tEUR). Excluding amortisation and depreciation the remaining cost base increased by 3,364 tEUR or 20%, compared to YTD 2019.

Direct cost relating to revenue increased to 4,617 tEUR (YTD 2019: 3,852 tEUR), an increase of 20%. Direct cost includes cost of Pay-Per-Click, hosting fees of websites, content generation, external development, etc.

Personnel costs increased 2,707 tEUR or 27% and amounted to 11,653 tEUR (YTD 2019: 8,945 tEUR). The average number of employees increased to 411 (YTD 2019: 291). Personnel costs include costs of warrants of 504 tEUR (YTD 2019: 79 tEUR).

Other external cost decreased 108 tEUR or 3% to 4,187 tEUR (YTD 2019: 4,295 tEUR).

Depreciation and amortisation amounted to 4,002 tEUR (YTD 2019: 2,824 tEUR), mainly attributable to acquisitions.

Earnings

Operational earnings (EBITA) before special items increased 12% to 14,931 tEUR (YTD 2019: 13,310 tEUR). The EBITA-margin before special items was 41% (YTD 2019: 43%). The EBITA-margin for H1 2020 has been negatively affected by the US business and positively affected by HLTV, which was included in the accounts from March 1, 2020. Excluding the US business and HLTV, the EBITA-margin before special items was 43%.

Including special items, the reported EBITA was 15,139 tEUR. (YTD 2019: 13,127 tEUR)

EBIT before special items increased 8% to 11,716 tEUR (YTD 2019: 10,822 tEUR).

Including special items, the reported EBIT was 11,924 tEUR (YTD 2019: 10,639 tEUR).

Net financial items

Net financial costs amounted to 768 tEUR (YTD 2019: 796 tEUR) and included net interest, fees relating to bank credit lines and exchange rate adjustments. Interest expenses amounted to 0.8 mEUR and include non-payable, calculated interest expenses on certain balance sheet items, whereas financial fees and net exchange rate gain amounted to 0.2 mEUR and 0.3 mEUR respectively.

Income tax

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

Income tax for the first half year of 2020 amounted to 2,556 tEUR (YTD 2019: 2,475 tEUR). The Effective Tax Rate (ETR) was 22.9% (YTD 2019: 25.1%). The effective tax rate YTD was impacted by non-taxable income for US in relation to the divestiture of non-strategic website.

Net profit
First half year Net profit after tax was 8,600 tEUR (YTD 2019: 7,369 tEUR).

Equity
The equity increased to 145,282 tEUR as per June 30, 2020 from 138,317 tEUR on December 31, 2019. Besides the first half year profit of 8,600 tEUR, the share buy back program and treasury shares, as well as new shares and warrant related transactions impacted the Equity during the period.

Balance sheet
Total assets amounted to 259,649 tEUR (YTD 2019: 190,956 tEUR), with total equity of 145,282 tEUR (YTD 2019: 101,267). This corresponds to an Equity to assets ratio of 56% (YTD 2019: 53%). The liquidity ratio was 2.09 resulting from current assets of 30,138 tEUR and current liabilities of 14,425 tEUR.

Investments
In Q2 8,928 tEUR was spent on acquisitions (business combinations and intangible assets), which is deferred and expected earn-out payments related to the acquisition of Ribacka Group in 2018.

For the first half year, 33,454 tEUR was spent on acquisitions (business combinations and intangible assets), of which 10,139 tEUR are deferred and expected earn-out payments from acquisitions made in 2018 and 2019.

On February 28, 2020 Better Collective completed the acquisition of HLTV.org ApS. The purchase price was agreed at up to 34.5 mEUR (257 mDKK) on a cash and debt free basis. Out of the total purchase price, 26.4 mEUR (197 mDKK) was paid upfront, of which 23.7 mEUR (177 mDKK) in cash and shares of Better Collective A/S with a market value of 2.7 mEUR (20 mDKK).

In addition to the investment in HLTV, payments were made related to the 2019 dividend to other shareholders in Better Collective Tennessee (60% ownership), the remaining earn-out payment from the 2018 acquisition of WBS I.K.E. Online Marketing Services Ltd., and final payment related to the 2018 acquisition of Ribacka Group AB.

Investments in intangible assets amounted to 219 tEUR.

Investments in tangible assets were 264 tEUR in the first half of 2020, mainly related to new rented office facilities in Better Collective Florida.

Cash flow and financing
First half year Cash Flow from operations before special items was 19,814 tEUR (YTD 2019: 14,161 tEUR).

Acquisitions and other investments reduced cash flow with 34,341 of which 9,206 tEUR was in Q2.

Better Collective has bank credit facilities of a total 83.9 mEUR, of which 38.2 mEUR was drawn up at the end of June 2020.

As of June 30, 2020, cash and unused credit facilities amounted to 65.1 mEUR.

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

YTD Revenue declined by 1% to 12,533 tEUR (YTD 2019: 12,678 tEUR).

Total costs in the first half of 2020 was 12,060 tEUR (YTD 2019: 12,575 tEUR).

Profit after tax was 11,776 tEUR (YTD 2019: 992 tEUR). The increase is primarily due to dividend and other income received from subsidiaries.

Total Equity ended at 144,307 tEUR by June 30, 2020 (December 31, 2019: 133,712 tEUR). The equity in the parent company was impacted by a capital increase of 2,242 tEUR, the net effect of treasury shares and buyback program of 4,264 tEUR, and cost of warrants of 504 tEUR.

Financial targets

In connection with the IPO in 2018, the Board of Directors decided upon the following Financial Targets for the short-medium term (average for the period 2018-2020). These targets have been met and remain unchanged. As 2020 is the last year in the range of the current Financial targets, which are average targets over the 3-year period, Better Collective has provided additional information for 2020 isolated: For 2020, Better Collective expects double-digit (i.e. >10%) organic growth and total growth of >30%. The operating margin (EBITA) for 2020 is expected to be >40% and Net Interest Bearing Debt/ EBITDA <2,5.

The cancellation and postponement of major sports events have created less visibility and thereby greater uncertainty than before the Covid-19 pandemic. Therefore, and as mentioned in the Q1-report, there is increased uncertainty regarding the revenue growth for the full year 2020 compared to previous periods.

The revenue growth for the full year of 2020 is expected to be 15-25% without any revenue contribution from new acquisitions. The M&A-pipeline is progressing well and Better Collective expects to complete one or more acquisitions before year end which expectedly bring the total revenue growth, incl. M&A, above the financial target of >30% for the full year. Earnings margin for the full year is maintained at >40% independent of any new M&As.

For 2021 we expect a normalised situation for major sports. In addition, several major events, that were postponed from 2020 including the EURO 2020 (now EURO 2021), are planned to take place. Financial targets for 2021 will be provided in connection with the Full Year Report for 2020.

Financial Targets for the short-medium term

	Target 2018-2020	Target 2020	**Actual 2019**	Actual 2018
Revenue growth p.a. (incl. M&A and organic)	30-50%	>30%	67%	54%
- of which organic growth	Double-digit	>10%	26%	9%
Operating margin (EBITA)*	>40%	>40%	40%	40%
Net Interest Bearing Debt/EBITDA*	< 2.5	< 2.5	0.49	1.37

* Before special items.

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 June 30, 2020, the share capital amounted to 467,356.73 EUR, and the total number of issued shares was 46,735,673. The company has one (1) class of shares. Each share entitles the holder to one vote at the general meetings.

On June 8, 2020, the Board of Directors resolved to issue 12,690 new ordinary shares in Better Collective A/S, equal to shares with a nominal value of EUR 126.90 related to the exercise of warrants.

Share buy-back program
On March 19, 2020 Better Collective initiated a share buyback program for up to EUR 5,000,000, to be executed during the period from March 19, 2020 to June 30, 2020. The purpose of the buyback program is to cover debt related to prior acquisitions, where Better Collective have rights, and find it attractive, to partially make settlements in shares.

During the period March 19, 2020 to June 30, 2020, 625,964 shares for an amount of EUR 4,811,557 (SEK 52,523,439) have been purchased, and the share buyback program is hereby completed.

Shareholder structure
As of June 30, 2020, the total number of shareholders was 1,606. A list of top 10 shareholders in Better Collective A/S can be found on the company's website.

Annual general meeting
The annual general meeting 2020 took place on April 22, 2020. All items on the agenda were carried including the adoption of a remuneration policy, which is available from the company website, and the election of new board member, Todd Dunlap, CEO of Booking.com North America. The rest of the board was re-elected.

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 June 30, 2020, 884,254 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 June 30, 2020, 1,073,500 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.

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

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

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

USA
On May 19, 2018, the Supreme Court of the United States repealed the PASPA Act, making the legal status of sports betting a discretion of state legislation, thereby removing the federal ban, which effectively opened the sports betting market in the US. Multiple states in favour of the act's repeal, including New Jersey, have already legalised sports betting within their state. While some

states may abstain from legalising altogether, the majority of states are expected to legalise sports betting over the coming years. Though it is still early days, market expectations are that the US online sports betting market could surpass the European market in terms of sport betting turnover in five to 10 years.

Recent developments include:

Better Collective has been licensed as a vendor in New Jersey since 2014, and we keep growing our market presence. We are currently live in eight states: Colorado, Illinois, Indiana, Iowa, Nevada, New Jersey, Pennsylvania, and West Virginia. As regulation, including taxation, licensing processes, and player registration differs between the states, there are several factors impacting how Better Collective prioritises its activities. A number of states are currently subject to internal review and commercial analysis as they are expected to regulate in the years to come.

Denmark

A tax increase from 20% to 28% on gross gaming revenue (GGR) is expected to be implemented from 2021. We foresee that this could cause smaller operators to exit the market, but we expect this to have minor impact on our business. However, there will be a mechanical impact on our commission relative to the tax increase. As mentioned in the Prospectus dated May 28, 2018, Better Collective has been charged with infringement of the Danish Gambling Act. This has resulted in a claim to be settled in court, stating that the Company through two websites with Danish domain names has promoted participation in foreign gambling activities without a Danish license. It is a novel legal question whether the legislation extends to instances where the foreign gambling provider cannot and/or will not accept Danish players. Better Collective believes that there are good arguments supporting that no infringement has been made. Should the lawsuit be lost, the fine is expected to be up to 146 tDKK.

Germany

A new German Gambling treaty is currently being discussed. The new treaty may include new laws and regulations that can affect both operators and affiliate companies. Since January, bookmakers have been able to apply for an online sports-betting licence valid for the entire Germany until mid-2021. However, upon being challenged by an Austrian operator, the licensing process was declared to be unfair and unclear by the Administrative Court of Darmstadt in Hesse. The ruling meant the permit procedure was suspended until further notice. While things are progressing with the new regulation, we are not likely to have clarity until the end of August.

Temporary restrictions in light of COVID-19

In Spain, a ban on sign up bonuses will come into effect from October 2020. Advertising of other bonuses must be made to existing customers only. Similarly, Swedish legislators are restricting bonuses and applying deposit limits for casino-games.

Risk management

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

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

Other key risk factors are described in the Annual Report.

Contact

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

This information is such information as Better Collective A/S is obliged to make public pursuant to the EU Market Abuse Regulation.

About Better Collective

Better Collective is a global sports betting media group that develops digital platforms for betting tips, bookmaker information and iGaming communities. Better Collective's vision is to empower iGamers through innovative products and technologies and by creating transparency in the online betting market. Its portfolio of platforms and products include bettingexpert.com, the trusted home of tips from expert tipsters and in depth betting theory, HLTV.org, the world's leading esports media and community focusing on competitive Counter Strike: Global Offensive (CS:GO), and vegasinsider.com, a leading source for sports betting information in the US. Better Collective is headquartered in Copenhagen, Denmark, and listed on Nasdaq Stockholm (BETCO).

Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Board have reviewed and approved the interim report of Better Collective A/S for the period January 1 – June 30, 2020.

The interim report has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, and additional requirements in the Danish Financial Statements Act.

In our opinion, the interim report gives a true and fair view of the assets, liabilities and financial position at June 30, 2020 and of the results of the operations for the Group and the Parent Company for the period January 1 – June 30, 2020 and cash flow for the Group for the period January 1 – June 30, 2020.

In our opinion, the Interim Report includes a true and fair account of the matters addressed and describes the most significant risks and elements of uncertainty facing the Group.

Further, in our opinion, the Management report gives a true and fair review of the development in the Group's operations and financial matters, the result of Better Collective Group's operations for the period and the financial position as a whole.

Copenhagen, August 25, 2020

Executive Management

Jesper Søgaard
CEO & Co-founder

Christian Kirk Rasmussen
COO & Co-founder
Executive Vice President

Flemming Pedersen
CFO
Executive Vice President

Board of Directors

Jens Bager
Chairman

Todd Dunlap

Klaus Holse

Søren Jørgensen

Leif Nørgaard

Petra von Rohr

Financial statements for the period January 1 – June 30

Condensed interim consolidated income statement

Note	tEUR	**Q2 2020**	Q2 2019	**YTD 2020**	YTD 2019	**2019**
2	**Revenue**	**15,253**	**15,834**	**36,174**	**30,739**	**67,449**
	Direct costs related to revenue*	1,896	1,999	4,617	3,852	8,342
3	Staff costs	4,920	4,758	11,653	8,945	21,102
	Depreciation	368	172	786	337	831
	Other external expenses*	1,765	2,116	4,187	4,295	9,943
	Operating profit before amortisations and special items	**6,305**	**6,789**	**14,931**	**13,310**	**27,231**
6	Amortisation	1,575	1,248	3,215	2,488	5,413
	Operating profit before special items	**4,730**	**5,540**	**11,716**	**10,822**	**21,817**
4	Special items, net	608	-95	208	-182	-615
	Operating profit	**5,338**	**5,445**	**11,924**	**10,639**	**21,202**
	Financial income	645	224	1,320	226	1,129
	Financial expenses	1,191	763	2,088	1,022	3,577
	Profit before tax	**4,793**	**4,906**	**11,156**	**9,844**	**18,755**
5	Tax on profit for the period	873	1,222	2,556	2,475	4,810
	Profit for the period	**3,919**	**3,684**	**8,600**	**7,369**	**13,944**
	*Historic numbers for 2019 re-stated for PPC					
	Earnings per share attributable to equity holders of the company					
	Average number of shares	46,474,960	41,373,867	46,326,058	41,373,867	43,456,145
	Average number of warrants - converted to number of shares	1,958,029	1,466,505	2,015,549	1,466,505	1,940,282
	Earnings per share (in EUR)	0.08	0.09	0.19	0.18	0.32
	Diluted earnings per share (in EUR)	0.08	0.09	0.18	0.17	0.31

Condensed interim consolidated statement of other comprehensive income

Note	tEUR	**Q2 2020**	Q2 2019	**YTD 2020**	YTD 2019	**2019**
	Profit for the period	**3,919**	**3,684**	**8,600**	**7,369**	**13,944**
	Other comprehensive income					
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
	Currency translation to presentation currency	-735	-94	-142	-150	884
5	Income tax	195	0	25	0	-142
	Net other comprehensive income/loss	-540	-94	-116	-150	741
	Total other comprehensive income/(loss) for the period, net of tax	**3,379**	**3,589**	**8,484**	**7,219**	**14,685**
	Attributable to:					
	Shareholders of the parent	3,379	3,589	8,484	7,219	14,685

Financial statements for the period January 1 – June 30

Condensed interim consolidated balance sheet

Note	tEUR	YTD 2020	YTD 2019	2019
	Assets			
	Non-current assets			
6	**Intangible assets**			
	Goodwill	59,731	32,731	41,968
	Domains and websites	153,346	115,910	132,848
	Accounts and other intangible assets	8,755	9,113	11,955
		221,833	**157,754**	**186,771**
	Property, plant and equipment			
	Land and buildings	725	727	718
	Right of use assets	3,451	2,401	3,005
	Fixtures and fittings, other plant and equipment	1,456	781	1,408
		5,632	**3,910**	**5,131**
	Other non-current assets			
	Other non-current financial assets	1,457	0	1,126
	Deposits	311	232	260
	Deferred tax asset	278	0	278
		2,046	**232**	**1,664**
	Total non-current assets	**229,511**	**161,896**	**193,566**
	Current assets			
	Trade and other receivables	8,906	10,012	11,579
	Corporation tax receivable	614	1,024	457
	Prepayments	1,125	854	1,244
	Cash	19,475	17,170	22,755
	Total current assets	**30,138**	**29,060**	**36,035**
	TOTAL ASSETS	**259,649**	**190,956**	**229,601**

Financial statements for the period January 1 – June 30

Condensed interim consolidated balance sheet

Note	tEUR	YTD 2020	YTD 2019	2019
	Equity and liabilities			
	Equity			
	Share Capital	467	422	464
	Share Premium	108,252	76,933	106,295
	Currency Translation Reserve	709	-66	825
	Treasury Shares	-3,982	0	0
	Retained Earnings	39,555	23,978	30,732
	Proposed Dividends	0	0	0
	Total equity	**145,282**	**101,267**	**138,317**
	Non-current Liabilities			
7	Debt to mortgage credit institutions	516	535	524
7	Debt to credit institutions	38,204	20,500	16,734
7	Lease liabilities	2,511	2,033	2,257
7	Deferred tax liabilities	24,722	20,311	20,638
7	Other long-term financial liabilities	9,301	0	4,531
7	Contingent Consideration	24,689	20,960	24,512
	Total non-current liabilities	**99,942**	**64,339**	**69,197**
	Current Liabilities			
	Prepayments received from customers	321	1,311	373
	Trade and other payables	4,419	3,834	3,422
	Corporation tax payable	2,836	3,448	3,736
7	Other financial liabilities	4,431	13,222	11,489
7	Contingent Consideration	1,296	0	2,202
	Debt to mortgage credit institutions	20	20	20
	Debt to credit instituitions	0	3,118	0
7	Lease liabilities	1,073	397	846
	Total current liabilities	**14,425**	**25,350**	**22,088**
	Total liabilities	**114,367**	**89,689**	**91,284**
	TOTAL EQUITY AND LIABILITIES	**259,649**	**190,956**	**229,601**

Financial statements for the period January 1 – June 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	8,600	0	8,600
Other comprehensive income							
Currency translation to presentation currency	0	0	-142	0	0	0	-142
Tax on other comprehensive income	0	0	25	0	0	0	25
Total other comprehensive income	0	0	-116	0	0	0	-116
Total comprehensive income for the year	**0**	**0**	**-116**	**0**	**8,600**	**0**	**8,484**
Transactions with owners							
Capital Increase	3	2,238	0	0	0	0	2,242
Acquisition of treasury shares	0	0	0	-4,903	0	0	-4,903
Disposal of treasury shares	0	0	0	920	-271	0	649
Share based payments	0	0	0	0	504	0	504
Transaction cost	0	0	0	0	-10	0	-10
Total transactions with owners	**3**	**2,238**	**0**	**-3,982**	**223**	**0**	**-1,518**
At June 30, 2020	**467**	**108,534**	**709**	**-3,982**	**39,555**	**0**	**145,282**

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, 2019	405	67,316	84	0	18,054	0	85,858
Result for the period	0	0	0	0	7,369	0	7,369
Other comprehensive income							
Currency translation to presentation currency	0	0	-150	0	0	0	-150
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	-150	0	0	0	-150
Total comprehensive income for the year	**0**	**0**	**-150**	**0**	**7,369**	**0**	**7,218**
Transactions with owners							
Capital Increase	18	9,617	0	0	0	0	9,634
Share based payments	0	0	0	0	79	0	79
Cash settlement of warrants	0	0	0	0	-1,523	0	-1,523
Total transactions with owners	**18**	**9,617**	**0**	**0**	**-1,444**	**0**	**8,190**
At June 30, 2019	**422**	**76,933**	**-66**	**0**	**23,978**	**0**	**101,267**

During the period no dividend was paid.

Financial statements for the period January 1 – June 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, 2019	**405**	**67,316**	**84**	**0**	**18,054**	**0**	**85,858**
Result for the period	0	0	0	0	13,944	0	13,944
Other comprehensive income							
Currency translation to presentation currency	0	0	884	0	0	0	884
Tax on other comprehensive income	0	0	-142	0	0	0	-142
Total other comprehensive income	0	0	741	0	0	0	741
Total comprehensive income for the year	**0**	**0**	**741**	**0**	**13,944**	**0**	**14,685**
Transactions with owners							
Capital Increase	59	39,693	0	0	0	0	39,752
Transaction Costs	0	-713	0	0	0	0	-713
Share based payments	0	0	0	0	384	0	384
Cash settlement of warrants	0	0	0	0	-1,685	0	-1,685
Tax on settlement of warrants	0	0	0	0	36	0	36
Total transactions with owners	**59**	**38,979**	**0**	**0**	**-1,266**	**0**	**37,773**
At December 31, 2019	**464**	**106,295**	**825**	**0**	**30,732**	**0**	**138,317**

During the period no dividend was paid.

Financial statements for the period January 1 – June 30

Condensed interim consolidated statement of cash flows

Note	tEUR	**Q2 2020**	Q2 2019	**YTD 2020**	YTD 2019	**2019**
	Profit before tax	4,793	4,906	11,156	9,844	18,756
	Adjustment for finance items	546	539	768	796	2,445
	Adjustment for special items	-608	95	-208	182	614
	Operating Profit for the period before special items	4,730	5,540	11,716	10,822	21,814
	Depreciation and amortisation	1,943	1,421	4,002	2,824	6,244
	Other adjustments of non cash operating items	264	29	504	79	384
	Cash flow from operations before changes in working capital and special items	6,936	6,990	16,221	13,725	28,442
	Change in working capital	3,426	-388	3,593	436	-1,858
	Cash flow from operations before special items	10,363	6,601	19,814	14,161	26,585
	Special items, cash flow	338	-551	137	-653	-1,103
	Cash flow from operations	10,701	6,050	19,951	13,508	25,481
	Financial income, received	78	2	409	3	955
	Financial expenses, paid	-660	-237	-1,110	-416	-2,578
	Cash flow from ordinary activities before tax	10,119	5,815	19,249	13,095	23,858
	Income tax paid	-2,398	-1,231	-4,580	-1,921	-3,793
	Cash flow from operating activities	**7,721**	**4,584**	**14,670**	**11,174**	**20,065**
8	Acquisition of business combinations*	-8,928	-29,601	-33,454	-32,631	-25,613
	Acquisition of intangible assets*	-172	-13	-219	-23	-22,575
	Acquisition of property, plant and equipment	-1,03	-121	-264	-188	-960
	Sale of property, plant and equipment	0	0	0	0	5
	Change in non-current assets	-2	-13	-404	-16	-367
	Cash flow from investing activities	**-9,206**	**-29,749**	**-34,341**	**-32,858**	**-49,509**
	Repayment of borrowings	-5	-5	-16,740	-10	-78,677
	Proceeds from borrowings	5,998	15,115	38,120	15,115	86,937
	Lease liabilities	-236	-96	-543	-192	-466
	Other non-current liabilities	186	0	403	0	350
	Capital increase	22	9,634	100	9,634	30,620
	Treasury shares	-3,966	0	-4,903	0	0
	Transaction cost	-10	0	-10	0	-713
	Warrant settlement, sale of warrants	0	-1,523	0	-1,523	-1,686
	Cash flow from financing activities	**1,990**	**23,125**	**16,427**	**23,024**	**36,365**
	Cash flows for the period	505	-2,040	-3,244	1,340	6,921
	Cash and cash equivalents at beginning	18,869	19,318	22,755	15,978	15,978
	Foreign currency translation of cash and cash equivalents	100	-108	-37	-148	-144
	Cash and cash equivalents period end	**19,475**	**17,170**	**19,475**	**17,170**	**22,755**
	*** Acquisition of business combinations:**					
8	Net Cash outflow from business combinations at acquisition	0	-15,141	-23,316	-15,141	-16,532
	Share capital issued for business combinations	0	-9,016	0	-9,016	0
	Deferred payments - business combinations from prior periods	-8,928	-5,443	-10,139	-8,473	-9,081
	Total cashflow from business combinations	**-8,928**	**-29,601**	**-33,454**	**-32,631**	**-25,613**
	*** Acquisition of intangible assets:**					
	Acquisitions through asset transactions	0	0	0	0	-23,145
	Deferred payments - acquisitions from prior periods	0	0	0	0	-3,210
	Intangible assets with no cash flow effect	0	0	0	0	5,063
	Other investments	-172	-13	-219	-23	-1,283
	Total cashflow from intangible assets	**-172**	**-13**	**-219**	**-23**	**-22,575**

Financial statements for the period January 1 – June 30

Condensed interim income statement – Parent company

tEUR	Q2 2020	Q2 2019	YTD 2020	YTD 2019	2019
Revenue	**6,154**	**6,625**	**12,533**	**12,678**	**24,952**
Other operating income	1,405	1,185	3,728	2,371	6,183
Direct costs related to revenue	749	748	1,564	1,493	2,576
Staff costs	2,699	2,746	5,821	5,369	11,290
Amortisation/depreciation and impairment	118	108	237	214	455
Other external expenses	1,914	3,351	4,438	5,498	11,197
Operating profit before amortisations and special items	**2,079**	**857**	**4,201**	**2,474**	**5,618**
Amortisation	516	207	1,039	413	1,142
Operating profit before special items	**1,562**	**650**	**3,162**	**2,062**	**4,475**
Special items, net	147	263	-161	181	375
Operating profit	**1,710**	**913**	**3,001**	**2,243**	**4,851**
Financial income	993	87	11,843	87	15,358
Financial expenses	1,623	736	2,360	1,007	4,084
Profit before tax	**1,079**	**263**	**12,484**	**1,323**	**16,125**
Tax on profit for the period	157	79	708	332	789
Profit for the period	**922**	**185**	**11,776**	**992**	**15,336**

Condensed interim statement of other comprehensive income

tEUR	Q2 2020	Q2 2019	YTD 2020	YTD 2019	2019
Profit for the period	**922**	**185**	**11,776**	**992**	**15,336**
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Currency translation to presentation currency	290	21	337	43	-23
Income tax	0	0	0	0	0
Net other comprehensive income/loss	290	21	337	43	-23
Total other comprehensive income/(loss) for the period, net of tax	**1,212**	**205**	**12,114**	**1,035**	**15,313**

Financial statements for the period January 1 – June 30

Condensed interim balance sheet – Parent company

Note	tEUR	**YTD 2020**	YTD 2019	**2019**
	Assets			
	Non-current assets			
	Intangible assets			
	Goodwill	0	0	0
	Domains and websites	14,352	14,331	14,319
	Accounts and other intangible assets	4,536	1,227	5,560
		18,888	**15,558**	**19,879**
	Property, plant and equipment			
	Land and building	711	727	718
	Right of use assets	1,049	1,289	1,196
	Fixtures and fittings, other plant and equipment	330	404	401
		2,090	**2,420**	**2,316**
	Financial assets			
	Investments in subsidiaries	137,008	99,706	103,024
	Receivables from subsidiaries	36,685	0	36,714
	Other non-current financial assets	1,506	0	1,175
	Deposits	160	156	156
		175,359	**99,862**	**141,069**
	Total non-current assets	**196,337**	**117,840**	**163,264**
	Current assets			
	Trade and other receivables	3,365	4,358	4,471
	Receivables from subsidiaries	4,560	22,355	3,095
	Prepayments	763	479	771
	Cash	4,165	1,135	9,704
	Total current assets	**12,853**	**28,327**	**18,041**
	TOTAL ASSETS	**209,190**	**146,168**	**181,304**

Financial statements for the period January 1 – June 30

Condensed interim balance sheet – Parent company

Note	tEUR	YTD 2020	YTD 2019	2019
	Equity and liabilities			
	Equity			
	Share Capital	468	422	464
	Share Premium	108,533	76,933	106,295
	Currency Translation Reserve	230	-41	-107
	Treasury shares	-3,982	0	0
	Retained Earnings	39,059	12,537	27,060
	Proposed Dividends	0	0	0
	Total equity	**144,307**	**89,850**	**133,712**
	Non-current Liabilities			
	Debt to mortgage credit institutions	516	535	524
	Debt to credit institutions	38,204	20,500	16,734
	Lease liabilities	769	1,046	909
	Deferred tax liabilities	984	451	884
	Other non-current financial liabilities	9,301	0	4,531
	Total non-current liabilities	**49,773**	**22,532**	**23,583**
	Current Liabilities			
	Prepayments received from customers	0	801	0
	Trade and other payables	2,554	2,423	1,954
	Payables to subsidiaries	7,203	13,913	9,991
	Corporation tax payable	595	29	233
	Other current financial liabilities	4,411	16,340	11,489
	Debt to mortgage credit institutions	20	20	20
	Lease liabilities	327	260	323
	Total current liabilities	**15,110**	**33,786**	**24,009**
	Total liabilities	**64,883**	**56,317**	**47,592**
	TOTAL EQUITY AND LIABILITIES	**209,190**	**146,168**	**181,304**

Financial statements for the period January 1 – June 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	11,776	0	11,776
Other comprehensive income							
Currency translation to presentation currency	0	0	337	0	0	0	337
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	337	0	0	0	337
Total comprehensive income for the year	**0**	**0**	**337**	**0**	**11,776**	**0**	**12,114**
Transactions with owners							
Capital Increase	3	2,238	0	0	0	0	2,242
Acquisition of treasury shares	0	0	0	-4,903	0	0	-4,903
Disposal of treasury shares	0	0	0	920	-271	0	649
Share based payments	0	0	0	0	504	0	504
Transaction cost	0	0	0	0	-10	0	-10
Total transactions with owners	**3**	**2,238**	**0**	**-3,982**	**223**	**0**	**-1,518**
At June 30, 2020	**468**	**108,533**	**230**	**-3,982**	**39,059**	**0**	**144,307**

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, 2019	**405**	**67,316**	**-84**	**0**	**12,989**	**0**	**80,626**
Result for the period	0	0	0	0	992	0	992
Other comprehensive income							
Currency translation to presentation currency	0	0	43	0	0	0	43
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	43	0	0	0	43
Total comprehensive income for the year	**0**	**0**	**43**	**0**	**992**	**0**	**1,035**
Transactions with owners							
Capital Increase	18	9,617	0	0	0	0	9,634
Share based payments	0	0	0	0	79	0	79
Settlement of warrants	0	0	0	0	-1,523	0	-1,523
Total transactions with owners	**18**	**9,617**	**0**	**0**	**-1,444**	**0**	**8,190**
At June 30, 2019	**422**	**76,933**	**-41**	**0**	**12,537**	**0**	**89,850**

During the period no dividend was paid.

Financial statements for the period January 1 – June 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, 2019	**405**	**67,316**	**-84**	**0**	**12,989**	**0**	**80,626**
Result for the period	0	0	0	0	15,336	0	15,336
Other comprehensive income							
Currency translation to presentation currency	0	0	-23	0	0	0	-23
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	-23	0	0	0	-23
Total comprehensive income for the year	**0**	**0**	**-23**	**0**	**15,336**	**0**	**15,313**
Transactions with owners							
Capital Increase	60	39,692	0	0	0	0	39,752
Transaction Costs	0	-713	0	0	0	0	-713
Share based payments	0	0	0	0	384	0	384
Settlement of warrants	0	0	0	0	-1,685	0	-1,685
Tax on settlement of warrants	0	0	0	0	36	0	36
Total transactions with owners	**60**	**38,979**	**0**	**0**	**-1,266**	**0**	**37,773**
At December 31, 2019	**464**	**106,295**	**-107**	**0**	**27,060**	**0**	**133,712**

During the period no dividend was paid.

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 - June 30, 2020 has been prepared in accordance with IAS 34 "Interim financial statements" as adopted by the EU and additional requirements in the Danish Financial Statements Act. The parent company condensed interim financial statements has been included according to the Danish Execuive Order on the Preparation of Interim Financial Reports.

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

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

Accounting policies
Except for the changes below, the condensed consolidated interim financial statements have been prepared using the same accounting policies as set out in note 1 of the 2019 annual report which contains a full description of the accounting policies for the Group and the parent company. The annual report for 2019 can be found on Better Collective's web-site:
https://bettercollective.com/wp-content/uploads/2020/03/BetterCollective_AR19_web.pdf

Changes in accounting policies:
Significant expenses, which Better Collective consider non-recurring, are presented in the Income statement in a separate line item labelled 'Special items' in order to distinguish these items from other income statement items. Better Collective considers cost related to IPO, not capitalised expenses related to M&A, adjustments to Earn-out payments, and cost related to restructuring as special items. As of January 1, 2020, cost related to restructuring, and income from divestiture of non-strategic sites, are included in special items. Historic numbers have not been affected.

Expenses related to paid media (Pay-Per-Click: PPC) are included in "Direct cost related to revenue" as of January 1, 2020. Prior to Januar 1, 2020 they were included in "Other external expenses". A re-statement of comparative numbers for 2019 has been made (1.7 mEUR). There is no effect on Equity, the balance sheet, and profit/loss.

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 2019 which contains a full description of significant accounting judgements, estimates and assumptions."

Notes

2 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	**Q2 2020**	Q2 2019	**YTD 2020**	YTD 2019	**2019**
Revenue					
Revenue Share	10,138	11,644	24,273	22,386	45,887
CPA	2,406	2,299	5,921	4,999	10,860
Revenue - Subscription	718	476	2,036	476	3,919
Aff. Revenue Other	1,991	1,416	3,945	2,879	6,783
Total Revenue	**15,253**	**15,834**	**36,174**	**30,739**	**67,449**

%-split	**Q2 2020**	Q2 2019	**YTD 2020**	YTD 2019	**2019**
Revenue					
Revenue Share	66	74	67	73	68
CPA	16	15	16	16	16
Revenue - Subscription	5	3	6	2	6
Aff. Revenue Other	13	9	11	9	10
Total Revenue	**100**	**100**	**100**	**100**	**100**

3 Share-based payment plans

2017 Warrant program:
During the second quarter of 2020 the company did not grant any warrants under this program.

During the quarter, employees have exercised warrants corresponding to 12,690 shares issued.

2019 Warrant programs:
During the second quarter of 2020 the company granted 25,000 warrants under this program. No warrants were exercised under this program.

The total share based compensation expense recognised for Q2 2020 is 264 tEUR (Q2 2019: 29 tEUR).

The total share based compensation expense recognised YTD 2020 is 504 tEUR (YTD 2019: 79 tEUR).

Notes

4 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	Q2 2020	Q2 2019	YTD 2020	YTD 2019	2019
Operating profit	**5,338**	**5,445**	**11,924**	**10,639**	**21,202**
Special items related to IPO	0	0	0	0	0
Special items related to M&A	-50	-551	-177	-653	-1,101
Special items related to Earn-out	71	455	71	471	486
Special items related to Restructuring*	-34	0	-309	0	0
Special items related to Divestiture of Intangible Assets*	622	0	622	0	0
Operating profit before special items	**4,730**	**5,540**	**11,716**	**10,822**	**21,817**
Amortisations	1,575	1,248	3,215	2,488	5,413
Operating profit before amortisations and special items (EBITA before special items)	**6,305**	**6,789**	**14,931**	**13,310**	**27,231**
Depreciation	368	172	786	337	831
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	**6,673**	**6,961**	**15,718**	**13,646**	**28,061**

* Restructuring and Divestiture of Intangible Assets was added to special items as of January 1, 2020

5 Income tax

Total tax for the period is specified as follows:

tEUR	Q2 2020	Q2 2019	YTD 2020	YTD 2019	2019
Tax for the period	873	1,222	2,556	2,475	4,810
Tax on other comprehensive income	195	0	-25	0	142
Total	**1,068**	**1,222**	**2,531**	**2,475**	**4,953**

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

tEUR	Q2 2020	Q2 2019	YTD 2020	YTD 2019	2019
Deferred tax	-189	-268	-437	-535	-915
Current tax	1,082	1,490	2,966	3,010	5,741
Adjustment from prior years	-19	0	28	0	-16
Total	**873**	**1,222**	**2,556**	**2,475**	**4,810**

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

tEUR	Q2 2020	Q2 2019	YTD 2020	YTD 2019	2019
Profit for the period:					
Calculated 22% tax of the result before tax	1,054	1,079	2,454	2,166	4,126
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	78	65	172	194	502
Tax effect of:					
Non-taxable income	-259	-4	-259	-8	-135
Non-deductible costs	19	83	161	123	317
Adjustment from prior years	-19	0	28	0	0
	873	**1,222**	**2,556**	**2,475**	**4,810**
Effective tax rate	**18.2%**	**24.9%**	**22.9%**	**25.1%**	**25.6%**

Notes

6 Intangible assets

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	-50	4	-46
Acquisitions through business combinations	17,777	20,551	0	38,329
Transfer	0	0	0	0
Disposals	0	0	0	0
Currency Translation	-14	-3	17	0
At June 30, 2020	**59,731**	**153,346**	**20,984**	**234,062**
Amortisation and impairment				
As of January 1, 2020	**0**	**0**	**9,008**	**9,008**
Amortisation for the period	0	0	3,217	3,217
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	5	5
At June 30, 2020	**0**	**0**	**12,229**	**12,229**
Net book value at June 30, 2020	**59,731**	**153,346**	**8,755**	**221,833**
Cost or valuation				
As of January 1, 2019	**23,960**	**86,844**	**14,891**	**125,695**
Additions	0	18,065	5,080	23,145
Acquisitions through business combinations	17,582	27,824	992	46,398
Transfer	0	0	0	0
Disposals	0	0	0	0
Currency Translation	426	115	0	541
At December 31, 2019	**41,968**	**132,848**	**20,963**	**195,779**
Amortisation and impairment				
As of January 1, 2019	**0**	**0**	**3,609**	**3,609**
Amortisation for the period	0	0	5,412	5,412
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	-13	-13
At December 31, 2019	**0**	**0**	**9,008**	**9,008**
Net book value at December 31, 2019	**41,968**	**132,848**	**11,955**	**186,771**

Notes

7 Non-current liabilities and other current financial liabilities

Debt to credit institutions:
As per June 30, 2020 Better Collective has drawn 38.2 mEUR on the credit facility established with Nordea Bank. Debt to mortgage credit institutions amounted to 0.5 mEUR.

Lease liabilities:
Non-current and current lease liabilities, of 2.5 mEUR and 1.1 mEUR respectively.

Deferred Tax:
Deferred tax as of June 30, 2020 amounted to 24.7 mEUR. The change from January 1, 2020 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 per June 30, 2020 contingent consideration amounted to 26.0 mEUR (of which 1.3 mEUR current) due to the remaining purchase price related to the acquisition of RiCal LLC.

Other financial liabilities:
As per June 30, 2020 other financial liabilities amounted to 13.7 mEUR due to deferred and variable payments related to acquisitions. The decrease from January 1, 2020 relates to variable payments for HLTV, payment of earn-out value related to WBS I.K.E. Online Marketing Services Ltd., and the final payments related to the acquisition of Ribacka Group.

8 Business combinations

Acquisition of HLTV ApS.

On February 28, 2020, Better Collective acquired HLTV, which owns the website HLTV.org, thereby establishing a strong position within the esport betting market. HLTV ApS in incorporated in Denmark

The transferred consideration is paid with cash, a deferred payment payable with shares, and an estimated conditional purchase amount.

The purchase price of HLTV has been adjusted due to changes in Net Working Capital included in the original assessment.

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Domains and websites	20,551
Deposits	5
Trade and other receivables	54
Cash and cash equivalents	396
Deferred tax liabilities	-4,521
Corporate tax payables	-580
Trade and other payables	-98
Identified net assets	**15,808**
Goodwill	17,777
Total consideration	**33,585**

Notes

8 Business combinations, continued

A goodwill of 17,777 tEUR emerged from the acquisition of HLTV as an effect of the difference between the transferred consideration and the fair value of acquired net assets. Goodwill is primarily connected to the future growth expectations given the strong brand acquired, and leveraging Better Collective's existing operator agreements and monetisation models. The goodwill is not tax deductible.

Transaction costs related to the acquisition of HLTV amounts to 76 tEUR in 2020. Transaction costs are accounted for in the income statements under "special items".

The fair value of the trade receivables amounts to 28 tEUR. The gross amount of trade receivables is 28 tEUR and no impairment has been recorded.

tEUR	
Purchase amount	33,585
Regards to:	
Cash and cash equivalents	396
Deferred return payment - NWC adjustment	-542
Deferred Payment - Shares	2,678
Estimated conditional purchase amount (at fair value)	7,737
Net cash outflow	23,316

An additional conditional consideration depends on the development of the results in the acquired company. At the date of the acquisition, the debt assigned to the conditional consideration amounted to 8 mEUR (fair value of 7,7 mEUR). The maximum amount of the conditional payment is 8 mEUR.

The acquisition was completed on February 28, 2020. If the acquisition would have taken place on January 1, 2020 the Group's revenue YTD would have amounted to 37,047 tEUR and result after tax YTD would have amounted to 8,941 tEUR.

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

Definitions

Unless defined otherwise, in this report the terms below have the following meaning:

Earnings per share (EPS) = $\dfrac{\text{Profit for the period}}{\text{Average number of shares}}$

Diluted earnings per share = $\dfrac{\text{Profit for the period}}{\text{(Average number of shares + Average number of warrants converted to number of shares)}}$

Operating profit before amortisations and special items margin (%) = $\dfrac{\text{Operating profit before amortisations and special items}}{\text{Revenue}}$

Operating profit before amortisations margin (%) = $\dfrac{\text{Operating profit before amortisations}}{\text{Revenue}}$

Operating profit margin (%) = $\dfrac{\text{Operating profit margin}}{\text{Revenue}}$

Net Debt / EBITDA before special items: = $\dfrac{\text{(Interest bearing debt, including earn-outs from acquisitions, excl. contingent consideration, minus cash and cash equivalents)}}{\text{EBITDA before special items on rolling twelve months basis}}$

Liquidity ratio = $\dfrac{\text{Current assets}}{\text{Current liabilities}}$

Equity to assets ratio = $\dfrac{\text{Equity}}{\text{Total assets}}$

Cash conversion rate before special items = $\dfrac{\text{(Cash flow from operations before special items + Cash from CAPEX)}}{\text{EBITDA before special items}}$

Liquidity ratio = $\dfrac{\text{Current assets}}{\text{Current liabilities}}$

Operating profit before amortisations (EBITA)
Operating profit plus amortisations

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

Equity/assets ratio
Equity at the end of period in relation to total assets at the end of period

Group / Better Collective
The company and its subsidiaries

NDC
New Depositing Customers

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

PPC
Pay-Per-Click

SEO
Search Engine Optimisation

Sports win margin
The difference between the amount of money players wager minus the amount that they win

Sports wagering
The value of bets placed

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