BETTER COLLECTIVE

Q4 2020

January 1 –
December 31

Interim report

Highlights in the Q4 report

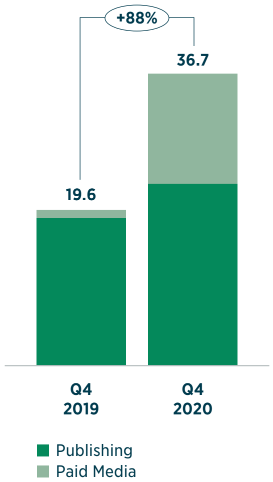
- Revenue of 37 mEUR; growth 88% y-o-y, organic growth 32%
- Operational Earnings of 14 mEUR; EBITA-margin 37%;
  Publishing segment 52% and Paid Media segment 13%
- Successful integration of Atemi Group, establishing the Paid Media segment
- Earnings per share (EPS) increased by 143% to 0.18 EUR/share
- Financial targets 2021: Revenue >160 mEUR and EBITDA >50 mEUR

Interim report Q4 2020

From Q4, 2020, and following the acquisition of the Atemi Group on October 1, 2020, Better Collective will operate two different business models regarding customer acquisition with different earnings-profiles. The segments Publishing (organic traffic existing business without Pay-Per-Click (PPC)) and Paid Media (Atemi Group + existing PPC-activities in Better Collective) will be measured and disclosed separately for Revenue, Cost and Earnings. Historical financial figures will be reported accordingly.

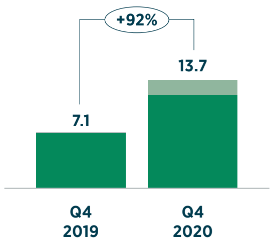
Revenue

mEUR



EBITA before special items

mEUR



Highlights fourth quarter 2020

- Q4 Revenue increased by 88% to 36,714 tEUR (Q4 2019: 19,579 tEUR). Organic growth was 32%. Revenue doubled from Q3 2020.
- Q4 EBITA before special items increased 92% to 13,670 tEUR (Q4 2019: 7,117 tEUR). The group EBITA-margin before special items was 37%. EBITA-margin was 52% in Publishing and 13% in Paid Media. In Q4, significant costs were added in Paid Media to shift the business model towards revenue share and new market openings.
- Earnings per share (EPS) increased by 143% to 0.18 EUR/share (Q4 2019: 0.07 EUR/share)
- Cash Flow from operations before special items was 10,148 tEUR (Q4 2019: 7,532 tEUR), an increase of 35%. The cash conversion was 71%. End of Q4, capital reserves were 43 mEUR consisting of cash of 28 mEUR and unused bank credit facilities of 15 mEUR.
- New Depositing Customers (NDCs) was above 153,000 in the quarter, a growth of 30%.
- Better Collective acquired the Atemi Group for 44 mEUR on October 1 and has completed a successful integration. Atemi Group is one of the World's largest companies specialised in lead generation for iGaming through paid media and social media advertising. The acquisition is a major strategic move for Better Collective with significant synergistic opportunities.

Contents

Conference call

A conference call for investors, analysts and media will be held today, February 24, 2021, 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.

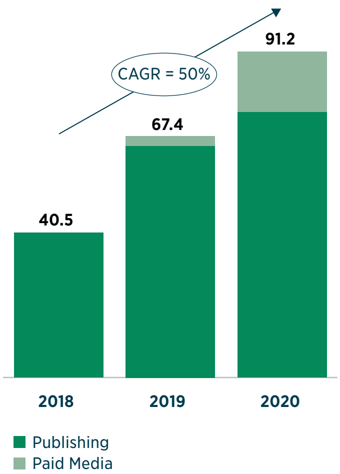
To participate, please dial:
Confirmation code: 6573033
Denmark +45 3272 0417
The UK +44 (0) 8444819752
Sweden +46 (0) 856618467

Financial highlights full year 2020

- Revenue grew by 35% to 91,186 tEUR (FY 2019: 67,449 tEUR), with organic growth of 8%.

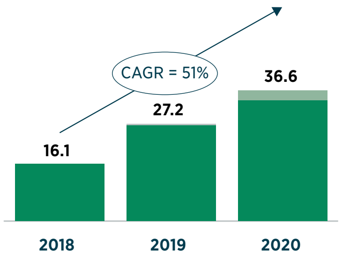
Revenue

mEUR



EBITA before special items

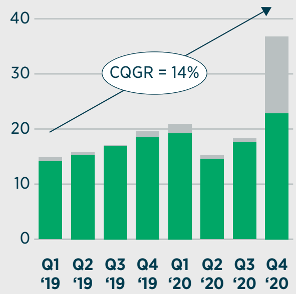
mEUR



- EBITA before special items increased 34% to 36,604 tEUR (FY 2019: 27,231 tEUR). The EBITA-margin before special items was 40%.
- Cash Flow from operations before special items was 38,321 tEUR (FY 2019: 26,585 tEUR), an increase of 44%. Cash conversion rate before special items was 99%.
- Earnings per share (EPS) increased by 46% to 0.47 EUR/share (2019: 0.32 EUR/share)
- New Depositing Customers (NDCs) exceeded 437,000 in 2020, similar to 2019. Performance was maintained despite the cancellation and postponement of major sports events due to the Covid-19 pandemic.
- During 2020, Better Collective completed acquisitions of approximately 80 mEUR:
  - In March 2020, Better Collective established a strong position within the esports betting market through the acquisition of HLTV.org ApS. The purchase price was agreed at up to 34.5 mEUR on a cash and debt free basis.
  - In October 2020, the acquisition of The Atemi Group was completed for 44 mEUR.
  - In November 2020, the smaller acquisitions of Irishracing.com and Zagranie.com were completed for just above 1 mEUR.
- COVID-19 had a significant impact from the last part of Q1 as the pandemic set a halt on major sports events and thereby also online sports betting. Q2 was the most affected until some of the major sports in Europe resumed in June. In Q3, sports calendars were still affected with amended and reduced tournament formats, whereas Q4 has been largely back on track.

Revenue

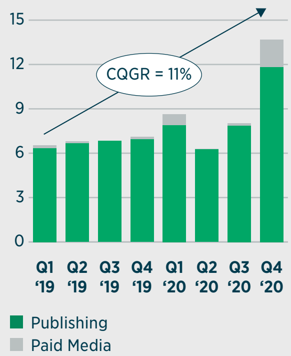
mEUR



* Compounded Quarterly Growth Rate

EBITA before special items

mEUR



Financial calendar

March 25, 2021
Annual report 2020

April 26, 2021
Annual General Meeting

May 12, 2021
Interim financial report Q1, 2021

Significant events after the closure of the period

- January revenue reached 13 mEUR, a growth of 78% vs. 2020, of which 16% was organic growth. The organic growth was recorded despite a strong comparison towards January 2020 and was partly driven by the US business where total revenue in local currency almost doubled. In revenue from the affiliate business from sportsbetting and casino, the growth exceeded 200%.

- 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), bringing the ownership to 90%. Mindway AI specialises in software solutions based on artificial intelligence and neuroscience for identifying, preventing, and intervening in at-risk and problem gambling.

Financial targets 2021

With the expiration of the 2018-2020 targets and the introduction of segment reporting, the Board of Directors have decided on new targets for the financial year 2021: Revenue >160 mEUR, EBITDA >50 mEUR, Organic growth >20%, Net interest bearing debt/EBITDA <3.0. See page 13 for more detail.

Financial highlights and key figures

tEUR	Q4 2020	Q4 2019	2020	2019
Income Statement				
Revenue	36,714	19,579	91,186	67,449
Revenue Growth (%)	88%	61%	35%	67%
Organic Revenue Growth (%)	32%	24%	8%	26%
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	14,108	7,408	38,152	28,061
Depreciation	438	292	1,548	831
Operating profit before amortisations and special items (EBITA before special items)	13,670	7,117	36,604	27,231
Special items, net	-131	-11	120	-615
Operating profit before amortisations (EBITA)	13,539	7,105	36,724	26,616
Amortisations	1,638	1,640	6,235	5,413
Operating profit before special items (EBIT before special items)	12,032	5,476	30,369	21,817
Operating profit (EBIT)	11,900	5,465	30,489	21,202
Result of financial items	-884	-1,038	-1,778	-2,448
Profit before tax	11,017	4,427	28,712	18,755
Profit after tax	8,464	3,318	21,927	13,944
Earnings per share (in EUR)	0.18	0.07	0.47	0.32
Diluted earnings per share (in EUR)	0.17	0.07	0.45	0.31
Balance Sheet				
Balance Sheet Total	315,065	229,601	315,065	229,601
Equity	162,542	138,317	162,542	138,317
Current assets	48,555	36,035	48,555	36,035
Current liabilities	26,312	22,088	26,312	22,088
Net interest bearing debt	63,275	13,646	63,275	13,646
Cashflow				
Cash flow from operations before special items	10,148	7,532	38,321	26,585
Cash flow from operations	9,648	7,495	37,696	25,481
Investments in tangible assets	-145	-457	-459	-955
Cash flow from investment activities	-32,631	-1,428	-68,090	-49,509
Cash flow from financing activities	7,893	882	46,790	36,365
Financial Ratios				
Operating profit before amortisations (EBITA) and special items margin (%)	37%	36%	40%	40%
Operating profit before amortisations (EBITA) margin (%)	37%	36%	40%	39%
Operating profit margin (EBIT) (%)	32%	28%	33%	31%
Publishing segment - EBITA before special items margin (%)	52%	37%	46%	41%
Paid media segment - EBITA before special items margin (%)	13%	17%	16%	18%
Net interest bearing debt / EBITDA before special items	1.66	0.49	1.66	0.49
Liquidity ratio	1.85	1.63	1.85	1.63
Equity to assets ratio (%)	52%	60%	52%	60%
Cash conversion rate before special items (%)	71%	96%	99%	91%
Average number of full-time employees	444	389	420	364

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

CEO Comments

Solid performance in a year of significant headwind, ending the year on a high note

Strong performance in Q4 marks the ending of an unusual year of unprecedented halt in sports and general insecurity as the pandemic affected societies worldwide. Our business has proven resilient and is back on track with record high performance in Q4.

Business performance

Q4 showed strong performance with high growth, record earnings and a satisfying NDC development. Sports wagering in our revenue share accounts was at a record high continuing the trend from the previous quarter, and this quarter sports betting margins were more favourable at just above average. The 2020 EBITA-margin remained above the financial target, even with the consolidation of the Atemi Group for the full quarter, presenting lower margins than the existing business. With the significantly different business models for customer acquisition inherent in our existing business (Publishing) and the acquired Atemi Group (Paid Media), we have introduced segment reporting from Q4 2020.

While we end the year on a high note, we did experience headwind in several areas throughout the year. The lockdown and halt of sports that followed the COVID-19 pandemic has played a significant role while also served to underline the resilience of our business model. The pandemic also caused markets such as Sweden, Spain, and Italy to implement temporary regulatory measures to limit gambling, also impacting our performance. While search engines algorithm updates generally have offered us net gains, some of our digital platforms in selected markets, including the UK, saw significantly lower traffic and reduced performance in searches in Q2 following updates in Google. In the second half of the year, our teams have re-established the performance that is now back at previous levels.

The amount of NDCs sent to our customers this year has naturally been affected by the above headwinds. Yet, delivering at the same level as last year and the steep upward curve towards the end of the year proves that we are back on track thanks to an outstanding effort from our dedicated employees. Looking back at 2020, I am very satisfied with the performance and I firmly believe we have a much stronger company than we had a year ago. The new year, 2021, looks to be a year with a lot of big sports events and my hope is that fans and spectators again will be able to meet at the stadiums to enjoy the games.

Business transformation through M&A boosting paid media

Earlier this year, we welcomed HLTV.org to the Better Collective group, adding esports to our portfolio just prior to the lockdown of sports. The integration and growth have been highly satisfying. With the acquisition of the Atemi Group in Q4 for 44 mEUR, we completed yet a significant deal. M&A continues to shape our business and performance, striving to become the leading sports betting aggregator in the world. Atemi Group is one of the World's largest companies specialised within lead generation for iGaming through paid media (PPC) and social media advertising. Integrating the acquired paid media business has brought Better Collective in the absolute leading position when it comes to premium customer acquisition for the online operators. From the very beginning, we started investing in changing the business model towards more revenue share and in new market openings.

"Looking back at an unusual year, I am proud that we come out strong on performance and are well positioned for an eventful 2021"

Jesper Søgaard
CEO

437,000
NDCs
in 2020

91 mEUR
Revenue
in 2020

40%
EBITA-margin
in 2020

Sports and business performance speeding up in the US

We remain highly dedicated to taking part in the emerging US market, where more and more states are opening for online gambling, either just sports betting or in some states also online casino games. The commercialisation of key websites including VegasInsider.com and ScoresandOdds.com delivered promising results, contributing to a strong performance in Q4. We believe that 'VegasInsider' has long-term potential to become "The Home of US sports bettors", and in the coming years we will continue to invest in product development and quality content.

We are off to a good start in newly opened states Michigan and Virginia. In January, revenue growth from the affiliate business in the US exceeded 200% compared to January last year. As with most other markets, the US has been significantly impacted by the pandemic. Conversely, the pandemic seems to have led to a shift in the readiness to regulate online betting and gambling in a number of states with a view to increase tax revenues to restore the economy. Among these, New York is an exciting prospect that we will follow closely. The US market expectations for 2021 is a y-o-y growth in online sports betting of 80% which we are well positioned to take part in.

Commitment to compliance and responsible gambling

On January 1, 2021, we exercised our option to acquire a further 70% of the shares in Mindway AI for a total price of 2.3 mEUR (17 mDKK), bringing the ownership to 90%. Mindway AI specialises in software solutions based on artificial intelligence and neuroscience for identifying, preventing, and intervening in at-risk and problem gambling. The investment aligns Better Collective's vision to empower iGamers and help establish an entertaining and safe betting environment.

I am truly proud that we were handed the award for commitment to compliance by an affiliate company at the Global Regulatory Awards for the second consecutive year, recognising excellence in the field of regulatory compliance and responsible gambling. Compliance remains an important area at Better Collective as we are committed to empower and educate iGamers to make the most informed betting decisions.

Looking ahead

Better Collective will continue the strategy to become the leading sports betting media group. We will continue our efforts in leading an industry consolidation through M&A-activities and our current pipeline is stronger than ever.

I would like to thank all our employees for a truly dedicated effort and to the millions of users of our products that also contribute with input as to how we can do even better.

Jesper Søgaard
CEO

11

No. of US states

Better Collective live online

mindway AI

Significant acquisitions in 2020

During 2020, Better Collective completed acquisitions of approximately 80 mEUR. M&A continues to shape our business and performance and is a key strategic objective as we strive to become the leading sports betting aggregator in the world. Our current pipeline is stronger than ever and may continue to deliver promising additions as in recent years. In 2020 we completed two significant acquisitions:

Leading esports platform HLTV.org

In February 2020, Better Collective established a strong position within the esports betting market through the acquisition of HLTV.org ApS, which included the assets HLTV.org and dust2.dk. The purchase price was agreed at up to 34.5 mEUR (257 mDKK) on a cash and debt free basis for the brands that are among the most popular Counter-Strike: Global Offensive (CS:GO) platforms for esports enthusiasts.

The main business model of the platforms is to promote and advertise esports betting operators. During 2020, a betting section was added to HLTV.org. The HLTV.org site is committed to the strong user community it has built over the years. Much effort is put into maintaining the popularity and building the brand, which is also the brand behind the recognised CS:GO World Ranking as well as the CS:GO Player of the Year Award. At the recent announcement of the player of the year, a record 130,000 realtime active users visited the site for the live reveal. Traffic to the site has increased significantly in the past year, not least during the lockdown of regular sports, and the overall interest in esports betting is still growing. On top of the growth trend, CS:GO is among the most popular games.

130,000

Realtime active users

During "Player of the year reveal" HLTV.org

Atemi Group, lead generation through paid media

Better Collective acquired the Atemi Group for 44 mEUR on October 1 and has completed a successful integration. Atemi Group is one of the World's largest companies specialised within lead generation for iGaming through paid media (PPC) and social media advertising. The acquisition is a major strategic move for Better Collective with significant synergistic opportunities.

The earnings margin within paid media is typically much lower than within organic traffic, due to direct payments to the companies providing platforms for online advertising such as Google and Facebook. At the time of acquisition, the outlook for 2020 implied earnings margin in Atemi was around 20%. Given the plans for expansion of the paid media business to new markets including US, and a gradual change of business model towards revenue share, investments will affect the earnings margin short-term resulting in an expected earnings margin of >10% and focus will be on absolute growth and long term value creation.

The Paid Media business provides Better Collective with additional channels of traffic, sourcing high intent customers at large scale. Acquiring a state-of-the-art tracking and attribution platform for online paid media activities provides the opportunity of scaling PPC activities into additional attractive markets and to further invest in the sports betting opportunity. The main strategic objectives include: the opportunity to swiftly expand into new markets, i.e. the emerging US market where for instance Google has recently provided the opportunity for buying Adwords related to online betting and casino, and significantly lift the NDC-volume for Better Collective's partners across markets.

Other acquisitions

On November 2, Better Collective acquired the platforms zagranie.com, a Polish sports betting media brand, and irishracing.com, a leading horse racing platform in Ireland, in two separate transactions for a combined price just above 1 mEUR.

Management report

Financial performance fourth quarter 2020

New segment reporting has been implemented from Q4 2020. Please refer to note 2 for further detail.

Financial performance fourth quarter 2020

Q4 was back on track with strong growth in underlying KPIs and a sports win margin slightly above average. Strong performance was seen in both Publishing and Paid Media.

Quarterly revenue doubled from Q3 and amounted to 36,714 tEUR (Q4 2019: 19,579 tEUR). The total growth was 88% with organic growth of 32%. Revenue share accounted for 48% of the revenue (53% of player-related revenue) with 38% coming from CPA, 5% from subscription sales, and 9% from other income. The addition of Atemi as of 1st October has increased the CPA element of the revenue stream from 13% in Q3 to 38% in Q4.

The number of NDCs in the quarter was above 153,000, corresponding to a growth of 30% compared to last year.

Cost

The cost base grew in Q4 due to the acquisition of the Atemi Group and a controlled increase in Publishing activities following the cost containment measures implemented in Q2.

Quarterly cost excluding special items and amortisation amounted to 23,044 tEUR (Q4 2019: 12,462 tEUR). Special items of -131 tEUR includes cost relating to M&A activities and other adjustments. Amortisation amounted to 1,313 tEUR (Q4 2019: 1,640 tEUR).

Direct cost relating to revenue increased due to the addition of Atemi to 13,489 tEUR (Q4 2019: 2,608 tEUR), a significant increase due to the increased cost of paid traffic. Direct cost includes cost of Pay-Per-Click (PPC), hosting fees of websites, content generation, and external development.

Personnel cost in Q4 increased 2% from 2019 to 6,765 tEUR (Q4 2019: 6,610 tEUR). The average number of employees increased to 444 (Q4 2019: 389). Personnel costs include costs of warrants of 231 tEUR (Q4 2019: 247 tEUR).

Other external cost decreased 601 tEUR or 20% to 2,352 tEUR (Q4 2019: 2,952 tEUR), primarily due to reduced travel activities.

Depreciation and amortisation amounted to 2,076 tEUR (Q4 2019: 1,932 tEUR).

Earnings

Operational earnings (EBITA) before special items increased 92% to 13,670 tEUR (Q4 2019: 7,117 tEUR). The consolidated EBITA-margin increased to 37% for the quarter (Q4 2019: 36%). The EBITA-margin before special items for the Publishing business increased significantly to 52% (Q4 2019: 37%), and for the Paid Media segment the EBITA-margin before special items was 13% (Q4 2019: 17%) following significant costs allocated to shifting the business model towards more revenue share and new market openings.

Including special items, the reported EBITA was 13,539 tEUR. (Q4 2019: 7,105 tEUR).

Q4 EBIT before special items increased 120% to 12,032 tEUR (Q4 2019: 5,476 tEUR).

Including special items, the reported EBIT was 11,900 tEUR (Q4 2019: 5,465 tEUR).

Net financial items

Net financial costs amounted to 884 tEUR (Q4 2019: 1,038 tEUR) and included net interest, fees relating to bank credit lines, and exchange rate adjustments. Interest expenses amounted to 0.5 mEUR and include non-payable, calculated interest expenses on certain balance sheet items, whereas financial fees amounted to 0.1 mEUR, and exchange rate adjustments contributed negatively with 0.3 mEUR.

Income tax

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

Income tax for Q4 amounted to 2,552 tEUR (Q4 2019: 1,109 tEUR). The Effective Tax Rate (ETR) was 23.2% (Q4 2019: 25.1%).

Net profit

Net profit after tax was 8,464 tEUR (Q4 2019: 3,318 tEUR). Earnings per share (EPS) for Q4 increased 0.11 EUR or 143% to 0.18 EUR/share (2019: 0.07 EUR/share).

The parent company

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

Q4 2020 Revenue increased by 39% to 9,534 tEUR (Q4 2019: 6,873 tEUR).

Total cost including depreciation and amortisation in Q4 2020 was 6,952 tEUR (Q4 2019: 7,419 tEUR). The reduction was primarily related to lower staff costs and other external expenses

Profit after tax was 2,021 tEUR (Q4 2019: 9,074 tEUR). The reduction was primarily due to dividends from subsidiaries paid in Q4 2019 that were not paid in Q4 2020.

Management report

Financial performance full year 2020

New segment reporting has been implemented from Q4 2020. Please refer to note 2 for further detail.

Revenue

2020 revenue amounted to 91,186 tEUR (2019: 67,449 tEUR). The total growth was 35% with organic growth of 8%.

Revenue share accounted for 59% of the revenue (66% of player-related revenue) with 24% coming from CPA, 6% from subscription sales, and 11% from other income.

The number of NDCs was more than 437,000, similar to 2019. The reduced full year growth was mainly due to the cancellation of major sports events during the COVID lockdown. 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 estimate", reducing the growth in NDCs by 21 %-points for the full year.

Cost

Full year cost for 2020 excluding special items, and amortisations increased by 14,364 tEUR and amounted to 54,582 tEUR (2019: 40,218 tEUR). The full year increase in costs is primarily due to the addition of the Atemi Group in Q4 and HLTV in Q1.

Special items of net +120 tEUR include income from divestiture of domains and the website pocketfives.com (acquired as part of Rotogrinders Network in 2019), cost relating to M&A activities, adjustments of earn-outs, net value of intangible assets, and deferred purchase price on acquisition, as well as cost related to the adjustment of the operation in connection with COVID-19. Furthermore, amortisations amounted to 6,235 tEUR (2019: 5,413 tEUR). Excluding amortisation and depreciation the remaining cost base increased by 13,647 tEUR or 35%, compared to 2019.

Direct cost relating to revenue increased to 20,471 tEUR (2019: 8,342 tEUR), an increase of 145% which is primarily due to the addition of the Atemi Group in Q4. Direct cost includes the cost of Pay-Per-Click (PPC), hosting fees of websites, content generation, and external development.

Personnel costs increased 3,054 tEUR or 14% and amounted to 24,156 tEUR (2019: 21,105 tEUR). The average number of employees increased to 420 (2019: 364). Personnel costs include costs of warrants of 955 tEUR (2019: 384 tEUR).

Other external cost decreased 1,536 tEUR or 15% to 8,407 tEUR (2019: 9,943 tEUR).

Depreciation and amortisation amounted to 7,783 tEUR (2019: 6,244 tEUR), mainly attributable to acquisitions.

Earnings

Operational earnings (EBITA) before special items increased 34% to 36,604 tEUR (2019: 27,231 tEUR). The EBITA-margin before special items was 40% (2019: 40%).

Including special items, the reported EBITA was 36,724 tEUR. (2019: 26,616 tEUR).

EBIT before special items increased 39% to 30,369 tEUR (2019: 21,817 tEUR).

Including special items, the reported EBIT was 30,489 tEUR (2019: 21,202 tEUR).

Net financial items

Net financial costs amounted to 1,778 tEUR (2019: 2,488 tEUR) and included net interest, fees relating to bank credit lines, and exchange rate adjustments. Interest expenses amounted to 1.6 mEUR and include non-payable, calculated interest expenses on certain balance sheet items, whereas financial fees and net exchange rate gain amounted to 0.4 mEUR and 0.2 mEUR respectively.

Income tax

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

Income tax for 2020 amounted to 6,785 tEUR (2019: 4,810 tEUR). The Effective Tax Rate (ETR) was 23.6% (2019: 25.6%). The ETR YTD was downwards impacted by non-taxable income for the US in relation to the divestiture of a non-strategic website.

Net profit
2020 Net profit after tax was 21,927 tEUR (2019: 13,944 tEUR). Earnings per share (EPS) increased 0.15 EUR or 46% to 0.47 EUR/ share (2019: 0.32 EUR/share).

Equity
Equity increased to 162.5 mEUR as per December 31, 2020 from 138.3 mEUR on December 31, 2019. Besides the full year profit of 21.9 mEUR, the equity has been impacted by capital increases, share buy-back program and treasury share transactions, and warrant related transactions.

Balance sheet
Total assets amounted to 315.1 mEUR (2019: 229.6 mEUR), with total equity of 162.5 mEUR (2019: 138.3 mEUR). This corresponds to an Equity to assets ratio of 52% (2019: 60%). The liquidity ratio was 1.85 resulting from current assets of 48.6 mEUR and current liabilities of 26.3 mEUR.

Investments
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).

On October 1, 2020 Better Collective completed the acquisition of the Atemi Group. The purchase price was agreed at 44 mEUR (40 mGBP) on a cash and debt free basis. Out of the total purchase price, 35.8 mEUR (32.5 mGBP) was paid upfront, of which 30.6 mEUR (27.8 mGBP) in cash, and 5.2 mEUR (4.7 mGBP) in shares from the treasury shares holding of Better Collective A/S. In December 2020 the first instalment of the deferred payment of 1.4 mEUR (1.3 mGBP) was paid.

In Q4 2020 Better Collective completed the asset acquisitions for domains and related assets of irishracing.com and zagranie.com at a total purchase price of 1 mEUR.

Investments in tangible assets were 0.5 mEUR in 2020, mainly related to new rented office facilities.

Cash flow and financing
Cash Flow from operations before special items was 38.3 mEUR (2019: 26.6 mEUR).

Acquisitions and other investments reduced cash flow with 68.1 mEUR of which 32.6 mEUR was in Q4. In addition to the payments related to HLTV and Atemi of 54.8 mEUR, payments were made related to the 2019 and 2020 dividend to other shareholders in the Rotogrinders Network / Better Collective Tennessee (60% ownership), the remaining earn-out payment from the 2018 acquisition of WBS I.K.E. Online Marketing Services Ltd., the final payment related to the 2018 acquisition of Ribacka Group AB, and the deferred payment for the 2019 acquisition of MOAR Performance Ltd.

At the end of 2020 Better Collective had bank credit facilities of a total 84 mEUR, of which 69 mEUR was drawn up.

As of December 31, 2020, cash and unused credit facilities amounted to 43 mEUR.

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

YTD Revenue increased by 8% to 26,940 tEUR (YTD 2019: 24,952 tEUR).

Total costs including depreciation and amortisation in 2020 was 26,090 tEUR (2019: 26,659 tEUR).

Profit after tax was 15,717 tEUR (2019: 15,336 tEUR). The result is impacted by lower dividend payments from subsidiaries as well as losses on exchange rate compared to 2019.

Total Equity ended at 154,923 tEUR by December 31, 2020 (December 31, 2019: 133,712 tEUR). The equity in the parent company was impacted by a capital increase of 2,535 tEUR, the net effect of treasury shares and buyback program of 1,402 tEUR, and cost of warrants of 955 tEUR.

Financial targets

In connection with the IPO in 2018, the Board of Directors decided upon the following Financial Targets for the period 2018-2020. As 2020 was the last year in the range, Better Collective provided additional information for 2020 targets in isolation as shown below. The targets for Revenue growth, EBITA margin and capital structure were all met, whereas the organic growth target came in a bit below for 2020 isolated. Compounded annual growth rates (CAGR) for revenue in the period 2017-2020 was 51% of which 14% organic growth.

Financial Targets for 2018-2020

	Target 2018-2020	Actual 2018-2020	Target 2020	Actual 2020	Actual 2019	Actual 2018
Revenue growth p.a. (incl. M&A and organic)	30-50%	51%	>30%	35%	67%	54%
- of which organic growth	Double-digit	14%	>10%	8%	26%	9%
Operating margin (EBITA)*	>40%	40%	>40%	40%	40%	40%
Net Interest Bearing Debt/EBITDA*	< 2.5	1.66	< 2.5	1.66	0.49	1.37

* Before special items.

With the expiration of the targets above and the introduction of segment reporting, the Board of Directors have decided on the following targets for the financial year 2021. Targets are based on sports events continuing as planned throughout 2021:

Financial Targets for 2021

	Target Total	Actual 2020	Target Publishing	Target Paid Media
Revenue / revenue growth	>160 mEUR	91 mEUR	>20%	Full year effect + organic growth
Organic growth	>20%	8%	>20%	>25%
EBITDA / EBITDA margin	>50 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 >80% and revenue exceeding 160 mEUR in 2021. While M&A remains a key focus for Better Collective, potential new M&A transactions are not included and serve as an additional growth driver.

The earnings target maintains the focus on high earnings with an implied combined margin of >30% and an EBITDA exceeding 50 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. Note the change from EBITA in recent financial targets to EBITDA.

The debt leverage target allows for an increased financing capacity compared to previous years in alignment with the continued M&A focus.

Disclaimer

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 December 31, 2020, the share capital amounted to 469,042.19 EUR, and the total number of issued shares was 46,904,219. The company has one (1) class of shares. Each share entitles the holder to one vote at the general meetings.

On December 1, 2020, the Board of Directors resolved to issue 111,086 new ordinary shares in Better Collective A/S, equal to shares with a nominal value of EUR 1,110.86 related to the exercise of warrants.

Shareholder structure

As of December 31, 2020, the total number of shareholders was 2,983. A list of top 10 shareholders in Better Collective A/S can be found on the company's website.

Nomination committee

Better Collective's 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 re-appointed in Q3 2020 and details can be found on the company's website.

Annual general meeting

The annual general meeting 2021 will be held on April 26, 2021. Shareholders who wish to have a specific matter brought before the general meeting must submit a written request to the company's board of directors no later than six weeks prior to the general meeting. If the request is received less than six weeks before the date of the general meeting, the board of directors must decide whether the request has been made with enough time for the issues to be included on the agenda.

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 December 31, 2020, 711,388 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 December 31, 2020, 1,042,000 warrants are outstanding, all with the right to subscribe for one 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 December 31, 2020, 260,000 warrants are outstanding, all with the right to subscribe for one ordinary share. The vesting periods range from 2021-2023 and the exercise periods range from 2023 to 2025. The exercise price is 106.35 DKK (14.29 EUR) (rounded) per share.

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

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

Market development and regulatory update

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

USA
Better Collective has been licensed as a vendor in New Jersey since 2014, and we keep growing our market presence. Better Collective is currently live in 11 states: Colorado, Illinois, Indiana, Iowa, Michigan, Nevada, New Jersey, Pennsylvania, Tennessee, Virginia, and West Virginia. 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. Legislation to expand or reform the existing state laws is pending in New Jersey and New York. Retail-only states led by New York, North Carolina and Mississippi will be looking to authorise mobile wagering, while Illinois should weigh new legislation to permanently eliminate in-person registration. States we see moving forward by year-end 2021 include Massachusetts and Ohio, as well as Louisiana, Maryland, and South Dakota, where voters approved sports wagering via referendums in November 2020.

Germany
In March 2020, the German states voted to approve a new federal state treaty on gambling. Since mid-October, an interim regime to govern gambling came into effect until the new treaty is effective. In connection with the interim regime, a number of sports betting licenses for operators were granted. These operators can offer sports betting, slots, and poker, provided they do so in compliance with the requirements of the treaty. As a result, all casino content on Better collective`s German language sites has been adjusted to the market needs. Better Collective do not expect any major business impact from this as most of the Group's revenue from German operators stems from sports betting. A more permanent regulation is expected to be implemented as from July 1, 2021, which can affect the revenue models for future customers. Better Collective believe that the value of the German market will remain at least the same for Better Collective and continue to be an attractive market.

Temporary restrictions in light of COVID-19
In Spain, a ban on sign up bonuses and various other marketing restrictions came into effect November 5, 2020. Some aspects of the ban have different implementation timing, for instance ban on sign up bonuses expected in May 2021, meaning that our future advertising activities on the Spanish market will be evaluated and implemented in the coming months. Similarly, Swedish legislators are restricting bonuses to 100 SEK and applying weekly deposit limits for casino-games at 5 tSEK (~500 EUR).

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 2019.

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. The information was submitted for publication, through the agency of the contact person set out above on February 24, 2021 at 8.00 am CET.

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

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 – December 31, 2020.

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 – December 31, 2020.

The condensed consolidated interim financial statements for the period January 1 – December 31, 2020 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 December 31, 2020 and of the results of the Group's and Parent Company's operations and the Group's cash flows for the period January 1 – December 31, 2020.

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

Copenhagen, February 24, 2021

Executive Management

Jesper Søgaard
CEO & Co-founder

Christian Kirk Rasmussen
COO & Co-founder
Executive Vice President

Flemming Pedersen
CFO
Executive Vice President

Board of Directors

Jens Bager
Chairman

Todd Dunlap

Klaus Holse

Søren Jørgensen

Leif Nørgaard

Petra von Rohr

Financial statements for the period January 1 – December 31

Condensed interim consolidated income statement

Note	tEUR	Q4 2020	Q4 2019	2020	2019
3	**Revenue**	**36,714**	**19,579**	**91,186**	**67,449**
	Direct costs related to revenue*	13,489	2,608	20,471	8,342
4	Staff costs	6,765	6,610	24,156	21,102
	Depreciation	438	292	1,548	831
	Other external expenses*	2,352	2,952	8,407	9,943
	Operating profit before amortisations and special items	**13,670**	**7,117**	**36,604**	**27,231**
7	Amortisation	1,638	1,640	6,235	5,413
	Operating profit before special items	**12,032**	**5,476**	**30,369**	**21,817**
5	Special items, net	-131	-11	120	-615
	Operating profit	**11,900**	**5,465**	**30,489**	**21,202**
	Financial income	522	491	1,965	1,129
	Financial expenses	1,406	1,530	3,743	3,577
	Profit before tax	**11,017**	**4,427**	**28,712**	**18,755**
6	Tax on profit for the period	2,552	1,109	6,785	4,810
	Profit for the period	**8,464**	**3,318**	**21,927**	**13,944**
	*Historic numbers for 2019 re-stated for Paid Media, please refer to note 1.				
	Earnings per share attributable to equity holders of the company				
	Average number of shares	46,625,803	44,367,539	46,664,615	43,456,145
	Average number of warrants - converted to number of shares	1,971,841	2,111,384	2,043,366	1,940,282
	Earnings per share (in EUR)	0.18	0.07	0.47	0.32
	Diluted earnings per share (in EUR)	0.17	0.07	0.45	0.31

Condensed interim consolidated statement of other comprehensive income

Note	tEUR	Q4 2020	Q4 2019	2020	2019
	Profit for the period	**8,464**	**3,318**	**21,927**	**13,944**
	Other comprehensive income				
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
	Currency translation to presentation currency	-1,380	-531	-3,346	884
6	Income tax	367	219	751	-142
	Net other comprehensive income/loss	-1,012	-312	-2,595	741
	Total other comprehensive income/(loss) for the period, net of tax	**7,452**	**3,006**	**19,332**	**14,686**
	Attributable to:				
	Shareholders of the parent	7,452	3,006	19,332	14,686

Financial statements for the period January 1 – December 31

Condensed interim consolidated balance sheet

Note	tEUR	2020	2019
	Assets		
	Non-current assets		
7	**Intangible assets**		
	Goodwill	99,315	41,968
	Domains and websites	150,274	132,848
	Accounts and other intangible assets	9,378	11,955
		258,967	**186,771**
	Property, plant and equipment		
	Land and buildings	721	718
	Right of use assets	3,225	3,005
	Fixtures and fittings, other plant and equipment	1,448	1,408
		5,395	**5,131**
	Other non-current assets		
	Other non-current financial assets	1,093	1,126
	Deposits	434	260
	Deferred tax asset	621	278
		2,149	**1,664**
	Total non-current assets	**266,094**	**193,566**
	Current assets		
	Trade and other receivables	18,248	11,579
	Corporation tax receivable	788	457
	Prepayments	1,465	1,244
	Restricted Cash	6,926	0
	Cash	21,127	22,755
	Total current assets	**48,555**	**36,035**
	TOTAL ASSETS	**315,065**	**229,601**

Financial statements for the period January 1 – December 31

Condensed interim consolidated balance sheet

Note	tEUR	2020	2019
	Equity and liabilities		
	Equity		
	Share Capital	469	464
	Share Premium	108,825	106,295
	Currency Translation Reserve	-1,770	825
	Treasury Shares	-2	0
	Retained Earnings	55,019	30,732
	Proposed Dividends	0	0
	Total equity	**162,542**	**138,317**
	Non-current Liabilities		
8	Debt to mortgage credit institutions	507	524
8	Debt to credit institutions	68,770	16,734
8	Lease liabilities	2,124	2,257
8	Deferred tax liabilities	25,207	20,638
8	Other long-term financial liabilities	8,796	4,531
8	Contingent Consideration	20,807	24,512
	Total non-current liabilities	**126,212**	**69,197**
	Current Liabilities		
	Prepayments received from customers	450	373
	Trade and other payables	10,247	3,422
	Corporation tax payable	1,985	3,736
8	Other financial liabilities	9,850	11,489
8	Contingent Consideration	2,498	2,202
	Debt to mortgage credit institutions	20	20
8	Lease liabilities	1,262	846
	Total current liabilities	**26,312**	**22,088**
	Total liabilities	**152,523**	**91,284**
	TOTAL EQUITY AND LIABILITIES	**315,065**	**229,601**

Financial statements for the period January 1 – December 31

Condensed interim consolidated statement of changes in equity

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

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**	**14,686**
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 – December 31

Condensed interim consolidated statement of cash flows

Note	tEUR	Q4 2020	Q4 2019	2020	2019
	Profit before tax	11,017	4,428	28,712	18,756
	Adjustment for finance items	884	1,035	1,777	2,445
	Adjustment for special items	131	10	-120	614
	Operating Profit for the period before special items	12,032	5,473	30,369	21,814
	Depreciation and amortisation	2,076	1,932	7,783	6,244
	Other adjustments of non cash operating items	231	247	955	384
	Cash flow from operations before changes in working capital and special items	14,339	7,652	39,107	28,442
	Change in working capital	-4,192	-120	-786	-1,858
	Cash flow from operations before special items	10,148	7,532	38,321	26,585
	Special items, cash flow	-499	-37	-625	-1,103
	Cash flow from operations	9,648	7,495	37,696	25,481
	Financial income, received	892	317	1,415	955
	Financial expenses, paid	-1,476	-988	-2,497	-2,578
	Cash flow from ordinary activities before tax	9,064	6,825	36,614	23,858
	Income tax paid	-4,199	-704	-9,940	-3,793
	Cash flow from operating activities	**4,866**	**6,121**	**26,675**	**20,065**
9, 10	Acquisition of business combinations	-31,497	-178	-65,792	-25,613
10	Acquisition of intangible assets	-1,355	-467	-1,802	-22,575
	Acquisition of property, plant and equipment	-146	-462	-460	-960
	Sale of property, plant and equipment	1	5	1	5
	Change in non-current assets	367	-326	-36	-367
	Cash flow from investing activities	**-32,631**	**-1,428**	**-68,090**	**-49,509**
	Repayment of borrowings	-5	-40,160	-22,756	-78,677
	Proceeds from borrowings	8,003	11,794	74,629	86,937
	Lease liabilities	-276	-176	-1,025	-466
	Other non-current liabilities	1	350	484	350
10	Capital increase	193	29,787	393	30,620
10	Treasury shares	0	0	-4,903	0
10	Transaction cost	-23	-713	-33	-713
10	Warrant settlement, sale of warrants	0	0	0	-1,686
	Cash flow from financing activities	**7,893**	**882**	**46,790**	**36,365**
	Cash flows for the period	-19,872	5,575	5,375	6,921
	Cash and cash equivalents at beginning	47,810	17,134	22,755	15,978
	Foreign currency translation of cash and cash equivalents	115	46	-77	-144
	Cash and cash equivalents period end*	**28,053**	**22,755**	**28,053**	**22,755**
	***Cash and cash equivalents period end**				
	Restricted cash	6,926	0	6,926	0
	Cash	21,127	22,755	21,127	22,755
	Cash and cash equivalents period end	**28,053**	**22,755**	**28,053**	**22,755**

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 - December 31, 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.

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 2020 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
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.

As per October 1, 2020 Better Collective reports two operating segments according to IFRS 8, Publishing and Paid Media, following the acquisition of Atemi Ltd. Note 2 specifies the segment reporting and comparative numbers have been restated.

As per October 1, 2020 Better Collective reports "restricted cash" which refers to funds located in an escrow account in connection with the acquisition of Atemi Ltd. The funds will be released from the escrow account to the sellers of Atemi in quarterly instalments, ending March 31, 2022

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 Segments

Following the acquisition of Atemi Ltd in October, 2020 and the related changes to internal organisational structures two operating segments were identified in accordance with the definitions in IFRS 8, Operating Segments. The operating segments have been defined as Publishing and Paid Media, with no intersegmental revenues. Comparative figures have been re-stated according to the new segment reporting. The performance of the segments is monitored at the level of operating profit before amortisations and special items, hence assets and liabilities for individual segments are not presented.

Information to prepare segment reporting on a geographical basis is not available and the costs to develop such information in time for inclusion in the report is deemed excessive.

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

	Publishing		Paid Media		Total	
tEUR	**Q4 2020**	**Q4 2019**	**Q4 2020**	**Q4 2019**	**Q4 2020**	**Q4 2019**
Revenue	**22,849**	**18,507**	**13,865**	**1,071**	**36,714**	**19,579**
Cost	10,608	11,286	11,998	885	22,606	12,170
Operating profit before depreciation, amortisations and special items	**12,241**	**7,222**	**1,867**	**187**	**14,108**	**7,408**
EBITDA-Margin before special items	54%	39%	13%	17%	38%	38%
Depreciation	422	292	16	0	438	292
Operating profit before amortisations and special items	**11,819**	**6,930**	**1,851**	**187**	**13,670**	**7,117**
EBITA-Margin before special items	52%	37%	13%	17%	37%	36%

	Publishing		Paid Media		Total	
tEUR	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Revenue	**74,184**	**64,758**	**17,002**	**2,691**	**91,186**	**67,449**
Cost	38,820	37,185	14,214	2,202	53,034	39,387
Operating profit before depreciation, amortisations and special items	**35,364**	**27,573**	**2,788**	**489**	**38,152**	**28,061**
EBITDA-Margin before special items	48%	43%	16%	18%	42%	42%
Depreciation	1,532	831	16	0	1,548	831
Operating profit before amortisations and special items	**33,832**	**26,742**	**2,772**	**489**	**36,604**	**27,231**
EBITA-Margin before special items	46%	41%	16%	18%	40%	40%

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	**Q4 2020**	Q4 2019	**2020**	2019
Revenue				
Revenue Share	17,620	11,680	53,697	45,887
CPA	13,881	3,434	22,251	10,860
Revenue - Subscription	1,980	2,122	5,645	3,919
Aff. Revenue Other	3,233	2,342	9,593	6,783
Total Revenue	**36,714**	**19,579**	**91,186**	**67,449**

%-split	**Q4 2020**	Q4 2019	**2020**	2019
Revenue				
Revenue Share	48	60	59	68
CPA	38	18	24	16
Revenue - Subscription	5	11	6	6
Aff. Revenue Other	9	12	11	10
Total Revenue	**100**	**100**	**100**	**100**

4 Share-based payment plans

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

During the quarter, employees have exercised warrants corresponding to 111,086 shares issued.

2019 Warrant programs:
During 2020 the company granted 285,000 warrants under this program. No warrants were exercised under this program.

The total share based compensation expense recognised for Q4 2020 is 231 tEUR (Q4 2019: 247 tEUR).

The total share based compensation expense recognised in 2020 is 955 tEUR (2019: 384 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	Q4 2020	Q4 2019	2020	2019
Operating profit	**12,225**	**5,465**	**30,814**	**21,202**
Special items related to M&A	-409	-27	-676	-1,101
Special items related to Earn-out	368	15	658	486
Special items related to Restructuring*	-100	0	-493	0
Special items related to Divestiture of Intangible Assets*	10	0	632	0
Operating profit before special items	**12,357**	**5,476**	**30,694**	**21,817**
Amortisations	1,313	1,640	5,910	5,413
Operating profit before amortisations and special items (EBITA before special items)	**13,670**	**7,117**	**36,604**	**27,231**
Depreciation	438	292	1,548	831
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	**14,108**	**7,408**	**38,152**	**28,061**

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

6 Income tax

Total tax for the period is specified as follows:

tEUR	Q4 2020	Q4 2019	2020	2019
Tax for the period	2,552	1,109	6,785	4,810
Tax on other comprehensive income	-367	-219	-751	142
Total	**2,185**	**890**	**6,034**	**4,953**

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

tEUR	Q4 2020	Q4 2019	2020	2019
Deferred tax	-446	-525	-1,036	-915
Current tax	2,983	1,742	7,848	5,741
Adjustment from prior years	15	-108	-27	-16
Total	**2,552**	**1,109**	**6,785**	**4,810**

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

tEUR	Q4 2020	Q4 2019	2020	2019
Profit for the period:				
Calculated 22% tax of the result before tax	2,424	974	6,317	4,126
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	98	58	376	502
Tax effect of:				
Non-taxable income	-81	0	-388	-135
Non-deductible costs	97	77	507	317
Tax deductable	0	0	0	0
Adjustment of tax relating to prior years	15	0	-27	0
	2,552	**1,109**	**6,785**	**4,810**
Effective tax rate	**23.2%**	**25.0%**	**23.6%**	**25.6%**

Notes

7 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	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 netted to special items	0	0	558	558
Currency translation	0	0	-4	-4
At December 31, 2020	**0**	**0**	**15,472**	**15,472**
Net book value at December 31, 2020	**99,315**	**150,274**	**9,378**	**258,967**

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
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
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
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

8 Non-current liabilities and other current financial liabilities

Debt to credit institutions:
As per December 31, 2020 Better Collective has drawn 68.8 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 2.1 mEUR and 1.3 mEUR respectively.

Deferred Tax:
Deferred tax as of December 31, 2020 amounted to 25.2 mEUR. The change from January 1, 2020 originates from changes in deferred tax related to acquisitions made, amortisation of accounts from acquisitions, and deferred tax changes in Parent Company.

Contingent Consideration:
As per December 31, 2020 contingent consideration amounted to 23.3 mEUR (of which 2.5 mEUR current) due to the remaining purchase price related to the acquisition of RiCal LLC.

Other financial liabilities:
As per December 31, 2020 other financial liabilities amounted to 18.6 mEUR due to deferred and variable payments related to acquisitions. The change from January 1, 2020 relates to variable payments for HLTV and deferred payments for Atemi (increase), payment of earn-out value related to WBS I.K.E. Online Marketing Services Ltd., the final payments related to the acquisition of Ribacka Group, and a deferred payment related to MOAR Performance Ltd.

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 Atemi Ltd.
On October 1st, 2020, Better Collective completed the acquisition of Atemi Group for 44 mEUR net of cash and working capital. Atemi Group is one of the World's largest companies specialised within lead generation for iGaming through paid media (PPC) and social media advertising. The acquisition is a major strategic move for Better Collective with significant synergistic opportunities.

The transferred consideration is paid with cash and treasury shares and a deferred payment payable in cash.

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Accounts & other intangible assets	3,900
Equipment	61
Deposits	81
Trade and other receivables	4,993
Prepayments	195
Cash and cash equivalents	2,442
Deferred tax liabilities	-741
Corporate tax payables	-122
Trade and other payables	-5,869
Identified net assets	**4,940**
Goodwill	41,178
Total consideration	**46,118**

Notes

9 Business combinations, continued

A goodwill of 41,178 tEUR emerged from the acquisition of Atemi Ltd. 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 brands 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 Atemi Ltd. amounts to 443 tEUR in 2020. Transaction costs are accounted for in the income statements under "special items".

The fair value of the trade receivables amounts to 5,282 tEUR. The gross amount of trade receivables is 5,282 tEUR and a provision of 367 tEUR has been recorded in accordance with IFRS9.

tEUR	
Purchase amount	46,118
Regards to:	
Cash and cash equivalents	2,442
Deferred Payment - adjustment of Net Working Capital opening balance	59
Deferred Payment - payable in shares	5,210
Deferred Payment - payable in cash instalments	8,293
Net cash outflow	30,113

The acquisition was completed on October 1, 2020. If the acquisition would have taken place on January 1, 2020 the Group's revenue YTD would have amounted to 126,739 tEUR and result after tax YTD would have amounted to 25,878 tEUR.

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

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.

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**

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 77 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.

Notes

9 Business combinations, continued

tEUR	
Purchase amount	33,585
Regards to:	
Cash and cash equivalents	396
Deferred return payment - adjustment of Net Working Capital opening balance	-542
Deferred Payment - payable in 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 92,058 tEUR and result after tax YTD would have amounted to 22,268 tEUR.

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

Acquisition of shares in 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), bringing the ownership to 90%. Mindway AI specialises in software solutions based on artificial intelligence and neuroscience for identifying, preventing and intervening in at-risk and problem gambling.

As per the date of publication of the interim financial statements it has not been possible to obtain sufficient financial data to fulfill reporting requirements according to IFRS3. Therefore the opening balance, the acquired net assets at the time of the acquisition, and goodwill is not included in these interim financial statements.

Notes

10 Note to cash flow statement

Note	tEUR	Q4 2020	Q4 2019	2020	2019
	Acquisition of business combinations:				
9	Net Cash outflow from business combinations at acquisition	-30,113	197	-53,429	-16,532
	Business Combinations deferred payments from current period	-1,384	0	-1,384	0
	Deferred payments - business combinations from prior periods	0	-375	-10,979	-9,081
	Total cashflow from business combinations	**-31,497**	**-178**	**-65,792**	**-25,613**
	Acquisition of intangible assets:				
	Acquisitions through asset transactions	-1,070	0	-1,070	-23,145
	Deferred payments - acquisitions from prior periods	0	0	0	-3,210
	Intangible assets with no cash flow effect	0	0	0	5,063
	Other investments	-285	-467	-732	-1,283
	Total cashflow from intangible assets	**-1,355**	**-468**	**-1,802**	**-22,575**

Equity movements with and without cashflow impact

tEUR	2020	2019
Cashflow from Equity movements:		
Equity movements with cashflow impact - from cash flow statement: Capital increase	393	30,620
Treasury shares	-4,903	0
Transaction cost	-33	-713
Warrant settlement, sale of warrants	0	-1,686
Total equity movements with cashflow impact	**-4,542**	**28,221**
Non-cash flow movements on equity:		
New shares for M&A payments	2,142	9,131
Treasury Shares used for M&A payments	6,338	0
Share based Payments - warrant expenses with no cashflow effect	955	385
Tax impact of settlement of warrants		36
Total Transactions with owners - Consolidated statement of changes in equity	**4,893**	**37,773**

Financial statements for the period January 1 – December 31

Condensed interim income statement – Parent company

tEUR	Q4 2020	Q4 2019	2020	2019
Revenue	**9,534**	**6,873**	**26,940**	**24,952**
Other operating income	1,480	2,094	8,878	6,183
Direct costs related to revenue*	1,109	657	3,546	3,044
Staff costs	2,653	3,233	10,958	11,290
Depreciation	126	119	482	455
Other external expenses*	2,599	2,888	9,129	10,729
Operating profit before amortisations and special items	**4,526**	**2,070**	**11,702**	**5,618**
Amortisation	464	523	1,974	1,142
Operating profit before special items	**4,062**	**1,547**	**9,728**	**4,475**
Special items, net	326	332	266	375
Operating profit	**4,387**	**1,879**	**9,994**	**4,851**
Financial income	681	9,394	13,860	15,358
Financial expenses	2,586	2,244	6,573	4,084
Profit before tax	**2,482**	**9,029**	**17,280**	**16,125**
Tax on profit for the period	460	-45	1,563	789
Profit for the period	**2,021**	**9,074**	**15,717**	**15,336**

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

Condensed interim statement of other comprehensive income

tEUR	Q4 2020	Q4 2019	2020	2019
Profit for the period	**2,021**	**9,074**	**15,717**	**15,336**
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Currency translation to presentation currency	286	-29	601	-23
Income tax	0	0	0	0
Net other comprehensive income/loss	286	-29	601	-23
Total other comprehensive income/(loss) for the period, net of tax	**2,307**	**9,046**	**16,319**	**15,313**

Financial statements for the period January 1 – December 31

Condensed interim balance sheet – Parent company

Note	tEUR	2020	2019
	Assets		
	Non-current assets		
	Intangible assets		
	Domains and websites	15,185	14,319
	Accounts and other intangible assets	3,355	5,560
		18,540	**19,879**
	Property, plant and equipment		
	Land and building	704	718
	Right of use assets	896	1,196
	Fixtures and fittings, other plant and equipment	317	401
		1,917	**2,316**
	Financial assets		
	Investments in subsidiaries	183,856	103,024
	Receivables from subsidiaries	36,969	36,714
	Other non-current financial assets	1,146	1,175
	Deposits	160	156
		222,131	**141,069**
	Total non-current assets	**242,588**	**163,264**
	Current assets		
	Trade and other receivables	5,301	4,471
	Receivables from subsidiaries	1,657	3,095
	Prepayments	736	771
	Restricted Cash	6,926	0
	Cash	2,560	9,704
	Total current assets	**17,180**	**18,041**
	TOTAL ASSETS	**259,767**	**181,304**

Financial statements for the period January 1 – December 31

Condensed interim balance sheet – Parent company

Note	tEUR	2020	2019
	Equity and liabilities		
	Equity		
	Share Capital	469	464
	Share Premium	108,825	106,295
	Currency Translation Reserve	494	-107
	Treasury shares	-2	0
	Retained Earnings	45,137	27,060
	Total equity	**154,923**	**133,712**
	Non-current Liabilities		
	Debt to mortgage credit institutions	507	524
	Debt to credit institutions	68,770	16,734
	Lease liabilities	629	909
	Deferred tax liabilities	1,163	884
	Other non-current financial liabilities	8,796	4,531
	Total non-current liabilities	**79,864**	**23,583**
	Current Liabilities		
	Trade and other payables	2,127	1,954
	Payables to subsidiaries	12,585	9,991
	Corporation tax payable	70	233
	Other current financial liabilities	9,850	11,489
	Debt to mortgage credit institutions	20	20
	Lease liabilities	328	323
	Total current liabilities	**24,980**	**24,009**
	Total liabilities	**104,844**	**47,592**
	TOTAL EQUITY AND LIABILITIES	**259,767**	**181,304**

Financial statements for the period January 1 – December 31

Condensed interim statement of changes in equity – Parent company

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

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	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
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**	**-107**	**0**	**27,060**	**0**	**133,712**

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
EBITA before special items	EBITA 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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