BETTER COLLECTIVE

Q4 2019

January 1 –
December 31

Interim report

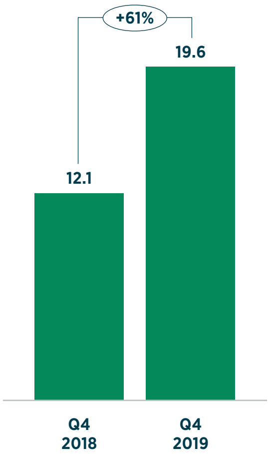
Highlights Q4 2019

- Record revenue with total growth of 61%, organic growth 24%
- Earnings: EBITA-margin of 36% (40% ex. acquired US-business)
- Record NDC’s >118.000 = growth of 55%
- High revenue and operational earnings despite low sports win margins

Interim report Q4 2019

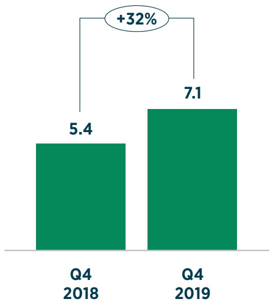
Revenue

mEUR



EBITA before special items

mEUR



Highlights fourth quarter 2019

- Q4 Revenue grew by 61% to 19,579 tEUR (Q4 2018: 12,135 tEUR). Organic revenue growth was 24%.
- Q4 EBITA before special items increased 32% to 7,117 tEUR (Q4 2018: 5,382 tEUR). The EBITA-margin before special items was 36% including an expected downwards impact of 4%-points from the acquired US-businesses. Excluding the impact from US, the EBITA-margin before special items was 40%.
- Sports win margins were significantly lower than historic average. Compared to historic average, revenue and earnings were affected negatively by an estimated 2 mEUR in the quarter.
- New Depositing Customers (NDCs) exceeded 118.000 in the quarter (growth of 55%, most of which organic). This established a new quarterly company record.
- Bank financing with Nordea has been re-structured and Better Collective now has committed 3-year credit facilities of >80 mEUR with an extension option for one additional year.
- A directed new share issue of 4 million shares raised cash proceeds to the Company of 30 mEUR (312 mSEK) before transaction costs.
- Cash Flow from operations before special items was 7,532 tEUR (Q4 2018: 5,411 tEUR), an increase of 39%. The cash conversion was 96%. End of Q4, capital reserves stood at 90 mEUR consisting of net cash of 23 mEUR and unused bank credit facilities of 67 mEUR.
- A new version of the flagship product bettingexpert.com was launched.

Financial highlights full year 2019

- Revenue grew by 67% to 67,449 tEUR (YTD 2018:40,483 tEUR). Organic revenue growth was 26%.

Contents

Conference call

A conference call for investors, analysts and media will be held today, February 19, 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: 9877437
Denmark +45 3272 8042
The UK +44 (0) 8445718892
Sweden +46 (0) 850692180

Financial calendar

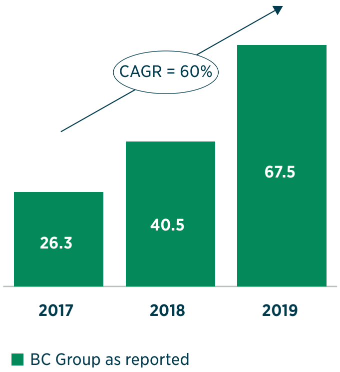
March 26, 2020
Annual report

April 22, 2020
Annual general meeting

May 13, 2020
Q1 interim report

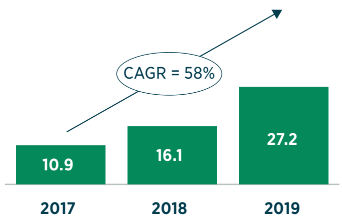
Revenue

mEUR



EBITA before special items

mEUR



- EBITA before special items grew by 69% to 27,231 tEUR (YTD 2018: 16,072 tEUR). The EBITA-margin before special items was 40% (YTD 2018: 40%). Excluding the acquired US-business the EBITA-margin was 43%.

- Cash Flow from operations before special items was 26,585 tEUR (YTD 2018: 15,158 tEUR), an increase of 75%. The cash conversion rate before special items was 91% (YTD 2018: 89%).

- New Depositing Costumers (NDCs) exceeded 431,000 (growth of 66%).

- Acquisitions completed in 2019 by Better Collective:
  - 60% of the shares in Rical LLC (RotoGrinders Network) were acquired for 18 mEUR (21 mUSD). Better Collective will acquire the remaining 40% of shares in the period 2022-24 and a contingent consideration of 26.7 mEUR is recorded.
  - Through the wholly-owned US subsidiary, the assets of Florida based Vegasinsider.com and Scoresandodds.com for a total transaction price of 18 mEUR (20 mUSD).
  - All shares in the company owning and operating the site mybettingsites.co.uk for up to 2.4 mEUR.
  - 19.99% of the shares in Mindway AI at 0.5 mEUR, who develops software solutions for the identification of at-risk and problem gambling behaviour.

Other significant events after the closure of the period

- January trading update: Revenue of approximately 7.2 mEUR (growth of 48%, of which organic growth 30% compared to January 2019). The sports win margin in January was significantly higher than historical average.

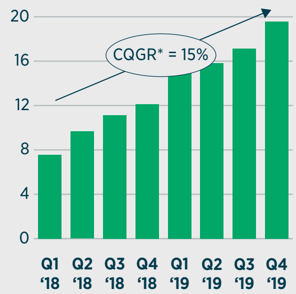
- Advanced negotiations for the potential acquisition of 100% of the shares in an e-sport company, who promotes and advertises sports betting operators, for up to 34 mEUR.

- On January 23, 2020, Better Collective hosted the first edition of bookmaker awards - starting in Greece with its Greek flagship product Betarades.gr.

- Better Collective won the “Affiliate of the Year” at the EGR Nordics Awards 2020 and bettingexpert.com won the iGB Affiliate Award for Best Sports Betting Affiliate website.

Revenue

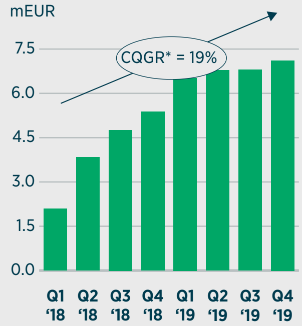
mEUR



* Compounded Quarterly Growth Rate

EBITA before special items

mEUR



* Compounded Quarterly Growth Rate

Financial highlights and key figures

tEUR	Q4 2019	Q4 2018	2019	2018
Income Statement				
Revenue	19,579	12,135	67,449	40,483
Revenue Growth (%)	61%	30%	67%	54%
Organic Revenue Growth (%)	24%	-9%	26%	9%
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	7,408	5,435	28,061	16,241
Depreciation	292	53	831	169
Operating profit before amortisations and special items (EBITA before special items)	7,117	5,382	27,231	16,072
Special items, net	-11	-114	-615	-4,080
Operating profit before amortisations (EBITA)	7,105	5,268	26,616	11,992
Amortisations	1,640	1,045	5,413	2,924
Operating profit before special items (EBIT before special items)	5,476	4,337	21,817	13,148
Operating profit (EBIT)	5,465	4,223	21,202	9,068
Result of financial items	-1,038	-172	-2,448	-618
Profit before tax	4,427	4,051	18,755	8,450
Profit after tax	3,318	3,106	13,944	5,446
Earnings per share (in EUR)*	0.07	0.08	0.32	0.16
Diluted earnings per share (in EUR)*	0.07	0.07	0.31	0.15
*Historic numbers updated with share-split 1:54				
Balance sheet				
Balance Sheet Total	229,601	148,636	229,601	148,636
Equity	138,317	85,858	138,317	85,858
Current assets	36,035	24,942	36,035	24.942
Current liabilities	22,088	24,263	22,088	24,263
Net interest bearing debt	13,646	22,270	13,646	22,270
Cashflow				
Cash flow from operations before special items	7.532	5,411	26,585	15,158
Cash flow from operations	7.495	5,298	25,481	11,078
Investments in tangible assets	-457	-125	-955	-657
Cash flow from investment activities	-1.428	-12,110	-49,509	-60,629
Cash flow from financing activities	882	-4,588	36,365	67,895
Financial ratios				
Operating profit before amortisations and special items margin (%)	36%	44%	40%	40%
Operating profit before amortisations margin (%)	36%	43%	39%	30%
Operating profit margin (%)	28%	35%	31%	22%
Net interest bearing debt / EBITDA before special items	0.49	1.37	0.49	1.37
Liquidity ratio	1.63	1.03	1.63	1.03
Equity to assets ratio (%)	60%	58%	60%	58%
Cash conversion rate before special items (%)	96%	97%	91%	89%
Average number of full-time employees	389	238	364	198

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

Comparative numbers have not been re-stated following the implementation of IFRS16

CEO Comments

Strong performance despite low sports win margins

In Q4 Better Collective delivered the highest revenue and operational earnings in company history despite very low sports win margins during the quarter. On the other hand, Q4 was a seasonally strong quarter with high player activity including big events like the European football tournaments, the NFL and the Euro 2020 qualifications. I am very satisfied to see the company deliver well in line with our financial targets for the full year.

Business performance

In Q4, we experienced some headwind due to very low average sports win margins. Still, we delivered the highest revenue and operational earnings in company history. Q4 saw record high player activity (gross gaming and deposit values), which unfortunately did not materialise in corresponding revenue growth due to the low margins particularly in November. The lower than average sports win margin reduced revenue and EBITA by an estimated 2 mEUR in Q4. December started weak but still delivered the highest monthly revenue in company history.

For the full year 2019, we landed well in line with our financial targets, with an annual growth of 67%, of which 26% organic, along with a record high NDC growth of 66%. We even managed to absorb the newly acquired US businesses and still meet our earnings target of >40% EBITA-margin. All this combined, makes me very satisfied with this year's performance.

Full speed ahead for our M&A strategy

We continue to deliver on our M&A strategy. Increased bank facilities of 40 mEUR and a capital increase of 30 mEUR in 2019 have secured the possibility to continue executing on our strong M&A-pipeline. We are in advanced negotiations for the potential acquisition of 100% of the shares in an esport company for up to 34 mEUR. The target company's main business model is to promote and advertise sports betting operators and we believe there will be strong synergistic effects between the two companies. The target company has demonstrated strong growth and has most recently disclosed annual revenue of approximately 5 mEUR and earnings before tax of >3,5 mEUR. During the coming period, we will negotiate the final purchase agreement and perform customary due diligence. Therefore, it cannot be guaranteed that the transaction will be completed, however, we assess that there is a likelihood that it can be completed in the first half of 2020.

US remains a key driver for growth

In 2019 we made important inroads to the newly opened US market by way of two significant acquisitions. By the end of the year, the US operations increased its profitability after implementing new business models following the acquisitions. While we are still dependent on the state-by-state regulation, we believe we have strong brands and a solid platform for US expansion as the market grows. The new US-business performed as expected with an increasing operating profit in this second full quarter. I am happy to report quarter-on-quarter revenue growth of 45%, partly explained by Q4 being high season. Also, the implementation of new affiliate models has started to generate results as the implementation is proceeding according to plan. We expect all the US assets to be fully transformed in the second half of 2020. Thus, we expect revenue growth and improved operational earnings-margins in the

"For the full year 2019, we landed well in line with our financial targets, with an annual growth of 67%, of which 26% organic, along with an NDC growth of 66%. All this combined, makes me very satisfied with this year's performance."

Jesper Søgaard
CEO

24%

Organic revenue growth

in Q4 2019

55%

NDC growth

in Q4 2019

US-business, whilst still at a lower level than the rest of the Group until the market matures. Indiana and West Virginia opened for online sports betting in Q4, and after the end of Q4, we received a license to operate in West Virginia.

Media partnership progress

In 2019 we launched our media sites partnering with The Daily Telegraph in the UK in Q3, and with the leading online media NJ.com in New Jersey from Q2. This provides Better Collective with additional channels to market, operate, and manage customer contacts to the betting and casino operators. I am very proud of Better Collective being the chosen partner of such prominent media brands. The ambition is to enter more of this type of agreements going forward. Whilst still in early stage, these partnerships may become an important part of our business in the future, However, we still need to establish proof-of-concept for this line of business.

Launch of Greek Bookmaker Awards by Betarades

On January 23, 2020, Better Collective initiated and hosted the first ever edition of a Greek bookmaker award with its Greek flagship product Betarades.gr. The purpose of the awards is to honor the best Greek operators throughout 12 categories. I am delighted to see how this initiative has been received by the Greek iGaming industry and by the Greek players. Throughout the judging processes we have gathered an extensive amount of data and gained useful market insight on user preferences which we can also utilize to better cater to Greek players and increase the user experience moving forward. We expect to broaden the Better Collective awards to other markets in the coming years.

Better Collective and its Greek flagship product Betarades.gr hosted the first ever edition of the Bookmaker Awards in Greece on January 23, 2020.

Industry recognition

We were very pleased to receive the prize as Sports Book Affiliate of the Year at the annual Malta Gaming Awards 2019. Better Collective was also named Sports Affiliate of the Year at SBC Awards 2019. These awards truly reflect the great teamwork across all Better Collective offices and departments. Within recent years, we have grown quite significantly, opening new offices, and getting our feet on the ground in a number of new markets. I am pleased to see that we are still able to effectively integrate new colleagues to our company while continuing to innovate and build outstanding products for our users.

SBC AWARDS 2019
WINNER
Sports Affiliate of the Year

MALTA GAMING AWARDS
SPORTSBOOK AFFILIATE OF THE YEAR

Looking back on the year 2019, I am proud of the transformation of Better Collective towards a broader based sports media group focusing on strong branded digital products. With our network of products, our ambition remains to provide information, education and entertainment every day to sports bettors around The World.

Jesper Søgaard
CEO

Management report

Financial performance fourth quarter 2019

Revenue

Q4 Revenue grew by 61% to 19,579 tEUR (Q4 2018: 12,135 tEUR). Organic revenue growth was 24%. The total growth in the quarter was affected upwards by the acquisitions in the US and Sweden earlier in the year.

Q4 saw record high player activity in terms of gross wagering and value of deposits (revenue share accounts), however, also at very low sports win margins, reducing revenue by estimated 2 mEUR compared to a historical average margin.

The strong NDC-growth in recent quarters continues to generate strong revenue performance, where the main driver is the increase in underlying sports betting volume.

Revenue share accounted for 60% of the revenue (68 % of player-related revenue) with 18 % coming from CPA, 11 % from subscription sales in US, and 11 % from other income. In absolute terms the revenue share amount was negatively impacted by an estimated 2 mEUR due to the lower sports win margins, with CPA, subscription, and other revenue increasing from Q3 2019.

New Depositing Customers (NDCs) exceeded 118.000 in the quarter (growth of 55%). The recently acquired US assets are currently centred around the sales of picks/tips and subscriptions and do not yet generate significant amounts of NDCs.

Cost

Quarterly cost excluding special items and amortisations amounted to 12,462 tEUR (Q4 2018: 6,754 tEUR). Special items of -11 tEUR include cost relating to M&A activities and an adjustment of earn-out payments. Furthermore, amortisations amounted to 1,640 tEUR (Q4 2018: 1,045 tEUR). Excluding amortisations and depreciations, the remaining cost base increased by 5,470 tEUR or 82%, compared to Q4 2018. The Q4 cost base includes cost in acquired companies, as well as continued resource allocation to product development, new technologies, and new markets.

Direct cost relating to revenue increased to 1,974 tEUR (Q4 2018: 1,317 tEUR), an increase of 50%. Direct cost include hosting fees of websites, content generation, external development, etc.

Personnel cost in Q4 amounted to 6,610 tEUR (Q4 2018: 3,429 tEUR), a year-over-year increase of 93%. Excluding the cost of the 2019 warrant program, the year-over-year increase was 86%. The average number of employees increased to 389 (Q4 2018: 238).

Other external cost increased 84% to 3,586 tEUR (Q4 2018: 1,953 tEUR).

Depreciation and amortisations amounted to 1,932 tEUR (Q4 2018: 1,098 tEUR), mainly attributable to acquisitions.

Earnings

Q4 EBITA before special items increased 32% to 7,117 tEUR (Q4 2018: 5,382 tEUR). The EBITA-margin before special items was 36% including an expected downwards impact of 4%-points from the newly acquired US-businesses. Excluding the impact from US, the EBITA-margin before special items was 40%.

The effect from the lower sports win margin also affected earnings negatively by estimated 2 mEUR in the quarter.

Including special items, the reported EBITA was 7,105 tEUR. (Q4 2018: 5,268 tEUR).

Q4 EBIT before special items increased 26% to 5,476 tEUR (Q4 2018: 4,337 tEUR).

Including special items, the reported EBIT was 5,465 tEUR (Q4 2018: 4,223 tEUR).

Net financial items

Net financial items amounted to -1,038 tEUR (Q4 2018: -172 tEUR) and included net interest, fees relating to bank credit lines, and exchange rate adjustments. Interest expenses amounted to 0.5 mEUR and include non-payable, calculated interest expenses on certain balance sheet items, whereas financial fees and net exchange rate loss amounted to 0.2 mEUR and 0.4 mEUR respectively.

Income tax

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

Income tax for Q4 amounted to 1,109 tEUR (Q4 2018: 945 tEUR). The Effective Tax Rate was (ETR) 25.0% (Q4 2018: 23.3%). Adjusted for impact of non-deductable cost the tax rate was 23.3% for Q4 2019 and 21.4% for Q4 2018.

Net profit

Net profit after tax was 3,318 tEUR (Q4 2018: 3,106 tEUR).

The parent company

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

Q4 Revenue increased by 12% to 6,873 tEUR (Q4 2018: 6,119 tEUR).

Total costs in Q4 2019 increased 50% to 7,419 tEUR (Q4 2018: 4,948 tEUR).

The financial income for Q4 2019 included dividend from subsidiaries and were 9,394 tEUR (Q4 2018: -2 tEUR)

Profit after tax was 9,074 tEUR (Q4 2018: 3,001 tEUR).

Management report

Financial performance full year 2019

Revenue

Full year revenue amounted to 67,449 tEUR (FY 2018: 40,483 tEUR). The growth was 67% of which organic growth was 26%.

Revenue share accounted for 68% of the revenue (76% of player-related revenue) with 16% coming from CPA, 6% from subscription revenue (US), and 10% from other income.

The number of NDCs was more than 431,000, with a growth of 66%. During 2019 there has been a significant increase in sports betting volume, whereas sports win margins have been lower than average. The lower sports win margins has impacted revenue negatively by estimated 3 mEUR for the full year, in particular in Q4.

Cost

Cost for FY 2019 excluding special items and amortisations amounted to 40,218 tEUR (FY 2018: 24,411 tEUR). Amortisation and depreciation amounted to 6,244 tEUR (FY 2018: 3,092 tEUR). Excluding the growth in amortisation and depreciation the remaining cost base increased by 15,145 tEUR or 62%. The cost base increased with the acquisitive growth and investments in new markets and technologies as well as new initiatives such as the new media partnerships.

Direct cost relating to revenue increased to 6,602 tEUR (FY 2018: 4,350 tEUR), an increase of 52%. Direct cost comprise hosting fees of websites, content generation, external programming, etc.

Personnel cost amounted to 21,102 tEUR (FY 2018: 12,990 tEUR), an increase of 62%. Excluding the cost of the 2019 warrant program, the year-over-year increase was 60% The average number of employees increased to 364 (FY 2018: 198).

Other external cost increased by 4,779 tEUR or 69% to 11,683 tEUR (FY 2018: 6,903 tEUR).

Depreciation and amortisation amounted to 6,244 tEUR (FY 2018: 3,092 tEUR), mainly attributable to acquisitions.

Earnings (EBITA)

EBITA before special items in 2019 increased 69% to 27,231 tEUR (FY 2018: 16,072 tEUR). The EBITA-margin before special items was 40% (FY 2018: 40%). Excluding the newly acquired US-business the EBITA-margin was 43%.

Including special items of -615 tEUR (M&A related of -1,101 tEUR and Earn-out related of 486 tEUR), the reported EBITA was 26,616 tEUR. (FY 2018: 11,992 tEUR).

Operating profit (EBIT)

EBIT before special items for 2019 increased 66% to 21,817 tEUR (FY 2018: 13,148 tEUR).

Including special items, the reported operating profit was 21,202 tEUR (FY 2018: 9,068 tEUR).

Net financial items

Net financial items amounted to -2,448 tEUR (FY 2018: -618 tEUR) and included net interest, fees relating to committed bank credit lines, and exchange rate adjustments. Interest expenses amounted to 1.1 mEUR and include non-payable, calculated interest expenses on certain balance sheet items, whereas financial fees and net exchange rate loss amounted to 0.4 mEUR and 1.0 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, Serbia, and Sweden.

Income tax for 2019 amounted to 4,810 tEUR (FY 2018: 3,004 tEUR). The Effective Tax Rate (ETR) of 25.6% was impacted by non-deductible costs for M&A. Adjusted for the impact of non-taxable items, the tax rate was 24.0%.

Net profit

Full Year 2019 Net profit after tax was 13,944 tEUR (FY 2018: 5,446 tEUR).

Equity

The equity increased to 138,317 tEUR as per December 31, 2019 from 85,858 tEUR on December 31, 2018. The Full Year profit of 13,944 tEUR, the capital increase of 39,038 tEUR and warrant related transactions of -1,266 tEUR impacted the equity.

Balance sheet

Total assets amounted to 229,601 tEUR (FY 2018: 148,636 tEUR), with an equity of 138,317 tEUR (FY 2018: 85,858 tEUR). This corresponds to an Equity to assets ratio of 60% (FY 2018: 58%). The liquidity ratio was 1.63 resulting from current assets of 36,035 tEUR and current liabilities of 22,088 tEUR.

Investments

On May 28, 2019, Better Collective completed the acquisition of 60% of the shares in RiCal LLC (the RotoGrinders Network) for 21 mUSD of which for 17.85 mUSD in cash and the remaining 3.15 mUSD was paid in shares, issued on June 13, 2019. In the period 2022-2024, Better Collective will acquire the remaining 40% of the shares of RotoGrinders at a valuation based upon an EBITDA-multiple between 5x and 10x. The valuation will be determined by the future growth and profitability of RotoGrinders and Better Collective's other business in the United States. RotoGrinders is fully (100%) consolidated into the Better Collective accounts as from June 1, 2019. The value of the assets and remaining committed tranche payments are included in the accounts at an estimated fair value. The remaining share purchase price has been estimated based upon a financial forecast for Rical LLC and a total debt of 26.7 mEUR is accounted for as Contingent Consideration under non-current liabilities. The contingent liability amount has been revised as per December 31, 2019 based on updated knowledge relating to the forecasted business performance, opening balance, and PPA.

On July 23, 2019, Better Collective, through a wholly owned US subsidiary, completed the acquisition of the assets of Florida-based Vegasinsider.com and Scoresandodds.com for a total transaction price of 20 mUSD (18 mEUR) that was paid in cash. Vegasinsider.com and Scoresandodds.com are two of the leading sports betting websites in the United States (US). The brands have been market leading within sports betting information for more than 20 years and are expected to become market leading affiliate websites in those states where online sports betting will be available.

On September 2, 2019, Better Collective completed an acquisition of the shares of the company owning and operating the site mybettingsites.co.uk for up to 2.2 million GBP (2.4 million EUR). The purchase price was paid in cash, and shares issued on September 9, 2019. In addition, a deferred payment has been recorded.

On September 19, 2019 Better Collective entered an agreement with The Daily Telegraph for the delivery of our innovative technology and content for sports betting and casino. The fair value of the agreement has been recorded as intangible assets with a corresponding amount under other financial liabilities.

Investments in tangible assets were 462 tEUR in Q4 and 960 tEUR for Full Year 2019, including investments in new and expanded office space in Serbia and Sweden.

Cash flow and financing

Full Year Cash Flow from operations before special items was 26,585 tEUR (FY 2018: 15,158 tEUR).

Cash conversion rate was 96% in Q4 and 91% for the Full Year. The working capital in Q4, was negatively affected by a strong December for revenue, as well as a reclassification of vacation liability (351 tEUR) from working capital to non-current liabilities.

Acquisitions and other investments reduced cash flow with 48,188 tEUR of which 645 tEUR was in Q4.

The ratio of net interest bearing debt / EBITDA before special items was 0.49 at the end of the quarter, based on net interest bearing debt at December 31, 2019 of 13,646 tEUR and last twelve months EBITDA before special items. The net debt excludes the contingent consideration of 26.7 mEUR recorded in relation to the future price of the remaining shares in Rical LLC.

Better Collective has bank credit facilities of total 84 mEUR, of which 17 mEUR was drawn up end of December 2019. As of December 31, 2019, net cash and unused credit facilities amounted to 90 mEUR.

The parent company

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

YTD Revenue increased 5% to 24,952 tEUR (YTD 2018: 23,715 tEUR).

Total cost YTD 2019 increased 36% to 26,659 tEUR (YTD 2018: 19,637 tEUR).

YTD Finance items include dividend income from Better Collective Sweden AB and Bola Webinformation GmbH.

Profit after tax was 15,336 tEUR (YTD 2018: 1,551 tEUR).

Total Equity ended at 133,712 tEUR by December 31, 2019 (2018: 80,626 tEUR). The equity in the parent company was impacted by the capital increase of 39,038 tEUR, and warrant related transactions reduced the equity by 1,266 tEUR.

Financial targets

In connection with the IPO 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 provides 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.

Revenue growth p.a.	Target 2018-2020	Actual 2019	Actual 2018
including M&A and including double-digit organic growth.	30-50%	67%	54%
- of which organic growth	Double-digit	26%	9%
Operating margin (EBITA)*	>40%	40%	40%
Capital Structure; Net Interest Bearing Debt/EBITDA*	< 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 December 31, 2019, the share capital amounted to 464,251.79 EUR, and the total number of issued shares was 46,425,179. The company has one (1) class of shares. Each share entitles the holder to one vote at the general meetings.

On November 25, Better Collective's board of directors resolved to issue 115,280 new ordinary shares in Better Collective related to the exercise of warrants. 22 employees had informed the company that they wish to exercise in total 115,280 warrants under the 2017 warrant program.

On December 3, 2019, pursuant to the authorisation stated in section 4.1 of the articles of association of Better Collective A/S, the Board of Directors resolved to issue 4,000,000 new ordinary shares in Better Collective A/S, equal to shares with a nominal value of 40,000 EUR, raising proceeds to the company of 30 mEUR (312 mSEK) before transaction costs. The capital raise allows for continued growth through acquisitions. Moreover, the company has further diversified the shareholder base with Nordic and international institutional investors through the share issue.

In 2019, a total of 5,938,068 new ordinary shares were issued, corresponding to nominal share capital of 59 tEUR and a share premium of 39,693 tEUR, with transaction cost amounting to 713 tEUR. The shares issued included settlements with the sellers of mybettingsites.co.uk (49,277 shares), Rical LLC (397,444 shares), and Ribacka group (896,727 shares) respectively, as well as to the members of the board of directors by exercise of warrants (479,340 shares).

Shareholder structure
As of December 31, 2019, the total number of shareholders was 1.087. 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 appointed in Q3 and details can be found on the company's website.

General meeting
The annual general meeting 2020 will be held on April 22, 2020 at 10.00 a.m. in Copenhagen. 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, 2019, 948,844 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, 2019, 1,099,500 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.

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. **Pennsylvania** and **Indiana** have recently launched sports betting online and Better Collective has started activities in these states. Better Collective is now able to operate on revenue share in all three states. In **West Virginia**, Better Collective has received a temporary license to start operating in the market.

A number of states are currently subject to internal review and commercial analysis. As regulation, including tax, licensing processes, and player registration differs between the states, there are several factors impacting how Better Collective prioritises it's activities. States that recently regulated online sports betting and states expected to regulate in 2020 include: **Colorado, Illinois, Iowa**, **Michigan, Nevada, New Hampshire, Oregon, Rhode Island, and Tennessee.**

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 comission 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, with proposed effect from July 1, 2021. It is currently being discussed to allow on-line casino (which is currently only allowed in Schleswig-Holstein) and on-line sports betting is expected to continue under a new federal licensing regime. As for affiliates, there are discussions as to whether performance based payments (i.e. revenue share) shall be allowed. If revenue share is discontinued, Better Collective expects to deploy different business models in Germany in the future.

It must be emphasized that the current political discussions contain more detail and they are not final and thus may end up being different than described above.

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 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.

Other 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. The information was submitted for publication, through the agency of the contact persons set out above, at 8.00 a.m. CET on February 19, 2020.

About Better Collective

Better Collective's vision is to empower iGamers through transparency and technology – this is what has made them the world's leading developer of digital platforms for betting tips, bookmaker information and iGaming communities. Better Collective's portfolio includes a range of websites and products, among other bettingexpert.com, the trusted home of tips from expert tipsters and in-depth betting theory. 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, 2019

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, 2019.

The condensed consolidated interim financial statements for the period January 1 – December 31, 2019 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, 2019 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, 2019.

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 19, 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

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 2019	Q4 2018**	2019	2018**
2	**Revenue**	**19,579**	**12,135**	**67,449**	**40,483**
	Direct costs related to revenue	1,974	1,317	6,602	4,350
3	Staff costs	6,610	3,429	21,102	12,990
	Depreciation	292	53	831	169
	Other external expenses	3,586	1,953	11,683	6,903
	Operating profit before amortisations and special items	**7,117**	**5,382**	**27,231**	**16,072**
6	Amortisation	1,640	1,045	5,413	2,924
	Operating profit before special items	**5,476**	**4,337**	**21,817**	**13,148**
4	Special items, net	-11	-114	-615	-4,080
	Operating profit	**5,465**	**4,223**	**21,202**	**9,068**
	Financial income	495	0	1,129	39
	Financial expenses	1,530	172	3,577	657
	Profit before tax	**4,427**	**4,051**	**18,755**	**8,450**
5	Tax on profit for the period	1,109	945	4,810	3,004
	Profit for the period	**3,318**	**3,106**	**13,944**	**5,446**
	Earnings per share attributable to equity holders of the company				
	Average number of shares*	44,367,539	40,487,111	43,456,145	34,018,470
	Average number of warrants - converted to number of shares	2,111,384	1,834,650	1,940,282	2,024,460
	Earnings per share (in EUR)	0.07	0.08	0.32	0.16
	Diluted earnings per share (in EUR)	0.07	0.07	0.31	0.15

*Historic numbers updated with share-split 1:54

**Comparative numbers have not been re-stated following the implementation of IFRS16

Condensed interim consolidated statement of other comprehensive income

Note	tEUR	Q4 2019	Q4 2018	2019	2018
	Profit for the period	**3,318**	**3,106**	**13,944**	**5,446**
	Other comprehensive income				
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
	Currency translation to presentation currency	-513	27	884	79
	Income tax	219	0	-142	0
	Net other comprehensive income/loss	-312	27	741	79
	Total other comprehensive income/(loss) for the period, net of tax	**3,006**	**3,133**	**14,685**	**5,526**
	Attributable to:				
	Shareholders of the parent	3,006	3,133	14,685	5,526

Financial statements for the period January 1 – December 31

Condensed interim consolidated balance sheet

Note	tEUR	2019	2018
	Assets		
	Non-current assets		
6	**Intangible assets**		
	Goodwill	41,968	23,960
	Domains and websites	132,848	86,844
	Accounts and other intangible assets	11,955	11,282
		186,771	**122,086**
	Property, plant and equipment		
	Land and buildings	718	736
	Right of use assets	3,005	0
	Fixtures and fittings, other plant and equipment	1,408	657
		5,131	**1,393**
	Other non-current assets		
	Other non-current financial assets	1,126	0
	Deposits	260	214
	Deferred tax asset	278	0
		1,664	**214**
	Total non-current assets	**193,566**	**123,694**
	Current assets		
	Trade and other receivables	11,579	7,705
	Corporation tax receivable	457	624
	Prepayments	1,244	636
	Cash	22,755	15,978
	Total current assets	**36,035**	**24,942**
	TOTAL ASSETS	**229,601**	**148,636**

Financial statements for the period January 1 – December 31

Condensed interim consolidated balance sheet

Note	tEUR	**2019**	2018
	Equity and liabilities		
	Equity		
	Share Capital	464	405
	Share Premium	106,295	67,316
	Currency Translation Reserve	825	84
	Retained Earnings	30,732	18,054
	Proposed Dividends	0	0
	Total equity	**138,317**	**85,858**
	Non-current Liabilities		
	Debt to mortgage credit institutions	524	544
7	Debt to credit institutions	16,734	8,500
7	Lease liabilities	2,257	0
7	Deferred tax liabilities	20,638	20,534
7	Other long-term financial liabilities	4,531	8,937
7	Contingent Consideration	24,512	0
	Total non-current liabilities	**69,197**	**38,515**
	Current Liabilities		
	Prepayments received from customers	373	478
	Trade and other payables	3,422	2,564
	Corporation tax payable	3,736	954
7	Other financial liabilities	11,489	20,248
7	Contingent Consideration	2,202	0
	Debt to mortgage credit institutions	20	20
7	Lease liabilities	846	0
	Total current liabilities	**22,088**	**24,263**
	Total liabilities	**91,284**	**62,778**
	TOTAL EQUITY AND LIABILITIES	**229,601**	**148,636**

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, 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	844	0	0	0	844
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
Shared 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.

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2018	69	381	4	0	14,322	0	14,775
Result for the period	0	0	0	0	5,446	0	5,446
Other comprehensive income							
Currency translation to presentation currency	0	0	79	0	0	0	79
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	79	0	0	0	79
Total comprehensive income for the year	**0**	**0**	**79**	**0**	**5,446**	**0**	**5,526**
Transactions with owners							
Capital Increase	336	68,410	0	0	-207	0	68,539
Transaction cost	0	-1,475	0	0	0	0	-1,475
Acquisition/disposal of treasury shares and warrants	0	0	0	0	22	0	22
Shared based payments	0	0	0	0	319	0	319
Cash settlement of warrants	0	0	0	0	-2,371	0	-2,371
Tax on settlement of warrants	0	0	0	0	522	0	522
Total transactions with owners	**336**	**66,935**	**0**	**0**	**-1,714**	**0**	**65,557**
At December 31, 2018	**405**	**67,316**	**84**	**0**	**18,054**	**0**	**85,858**

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 2019	Q4 2018	2019	2018
	Profit before tax	4,428	4,051	18,756	8,450
	Adjustment for finance items	1,035	172	2,445	618
	Adjustment for special items	10	114	614	4,080
	Operating Profit for the period before special items	5,473	4,337	21,814	13,148
	Depreciation and amortisation	1,932	1,098	6,244	3,092
	Other adjustments of non cash operating items	247	50	384	319
	Cash flow from operations before changes in working capital and special items	7,652	5,485	28,442	16,560
	Change in working capital	-120	-74	-1,858	-1,402
	Cash flow from operations before special items	7,532	5,411	26,585	15,158
	Special items, cash flow	-37	-114	-1,103	-4,080
	Cash flow from operations	7,495	5,298	25,481	11,078
	Financial income, received	317	0	955	39
	Financial expenses, paid	-988	-172	-2,578	-657
	Cash flow from ordinary activities before tax	6,825	5,126	23,858	10,460
	Income tax paid	-704	-2,383	-3,793	-3,957
	Cash flow from operating activities	**6,121**	**2,743**	**20,065**	**6,503**
8	Acquisition of business combinations*	-178	-11,995	-25,613	-51,117
	Acquisition of intangible assets*	-467	-28	-22,575	-8,853
	Acquisition of property, plant and equipment	-462	-134	-960	-669
	Sale of property, plant and equipment	5	9	5	13
	Change in rental deposits	-326	38	-367	-2
	Cash flow from investing activities	**-1,428**	**-12,110**	**-49,509**	**-60,629**
	Repayment of borrowings	-40,160	-13,078	-78,677	-18,401
	Proceeds from borrowings	11,794	8,529	86,937	21,572
	Lease liabilities	-176	0	-466	0
	Other non-current liabilities	350	0	350	0
	Capital increase	29,787	-41	30,620	68,547
	Transaction cost	-713	0	-713	-1,475
	Warrant settlement, sale of warrants	0	2	-1,686	-2,349
	Cash flow from financing activities	**882**	**-4,588**	**36,365**	**67,895**
	Cash flows for the period	5,575	-13,954	6,921	13,769
	Cash and cash equivalents at beginning	17,134	29,905	15,978	2,129
	Foreign currency translation of cash and cash equivalents	46	28	-144	80
	Cash and cash equivalents period end	**22,755**	**15,978**	**22,755**	**15,978**
	*** Acquisition of business combinations:**				
	Net Cash outflow from business combinations at acquisition (see note 8)	197	-11,125	-16,532	-43,114
	Business Combinations deferred payments from current period	0	-870	0	-788
	Share capital issued for business combinations	0	0	0	0
	Deferred payments - business combinations from prior periods	-375	0	-9,081	-7,216
	Total cashflow from business combinations	**-178**	**-11,995**	**-25,613**	**-51,117**
	*** Acquisition of intangible assets:**				
	Acquisitions through asset transactions (see note 6)	0	-28	-23,145	-12,084
	Deferred payments related to acquisition value	0	0	0	3,713
	Deferred payments - acquisitions from prior periods	0	0	-3,210	-482
	Intangible assets with no cash flow effect	0	0	5,063	0
	Other investments	-467	0	-1,283	0
	Total cashflow from intangible assets	**-467**	**-28**	**-22,575**	**-8,853**

Financial statements for the period January 1 – December 31

Condensed interim income statement – Parent company

tEUR	Q4 2019	Q4 2018	2019	2018
Revenue	**6,873**	**6,119**	**24,952**	**23,715**
Other operating income	2,094	2,944	6,183	2,944
Direct costs related to revenue	532	740	2,576	2,731
Staff costs	3,233	2,220	11,290	9,284
Amortisation/depreciation and impairment	642	227	1,597	805
Other external expenses	3,013	1,762	11,197	6,817
Operating profit before special items	**1,547**	**4,115**	**4,475**	**7,022**
Special items, net	332	-1	375	-3,382
Operating profit	**1,879**	**4,114**	**4,851**	**3,639**
Financial income	9,394	-2	15,358	26
Financial expenses	2,244	186	4,084	710
Profit before tax	**9,029**	**3,926**	**16,125**	**2,956**
Tax on profit for the period	-45	926	789	1,405
Profit for the period	**9,074**	**3,001**	**15,336**	**1,551**

Condensed interim statement of other comprehensive income

tEUR	Q4 2019	Q4 2018	2019	2018
Profit for the period	**9,074**	**3,001**	**15,336**	**1,551**
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Currency translation to presentation currency	-29	-68	-23	-90
Income tax	0	0	0	0
Net other comprehensive income/loss	-29	-68	-23	-90
Total other comprehensive income/(loss) for the period, net of tax	**9,046**	**2,933**	**15,313**	**1,461**

Financial statements for the period January 1 – December 31

Condensed interim balance sheet – Parent company

Note	tEUR	2019	2018
	Assets		
	Non-current assets		
	Intangible assets		
	Goodwill	0	0
	Domains and websites	14,319	14,325
	Accounts and other intangible assets	5,560	1,622
		19,879	**15,947**
	Property, plant and equipment		
	Land and building	718	736
	Right of use assets	1,196	0
	Fixtures and fittings, other plant and equipment	401	400
		2,316	**1,136**
	Financial assets		
	Investments in subsidiaries	103,024	100,088
	Receivables from subsidiaries	36,714	0
	Other non-current financial assets	1,175	0
	Deposits	156	153
		141,069	**100,241**
	Total non-current assets	**163,264**	**117,324**
	Current assets		
	Trade and other receivables	4,471	3,026
	Receivables from subsidiaries	3,095	3,086
	Corporation tax receivable	0	0
	Prepayments	771	449
	Cash	9,704	2,162
	Total current assets	**18,041**	**8,723**
	TOTAL ASSETS	**181,304**	**126,046**

Financial statements for the period January 1 – December 31

Condensed interim balance sheet – Parent company

Note	tEUR	2019	2018
	Equity and liabilities		
	Equity		
	Share Capital	464	404
	Share Premium	106,295	67,316
	Currency Translation Reserve	-107	-84
	Treasury shares	0	0
	Retained Earnings	27,060	12,989
	Proposed Dividends	0	0
	Total equity	**133,712**	**80,626**
	Non-current Liabilities		
	Debt to mortgage credit institutions	524	544
	Debt to credit institutions	16,735	8,500
	Lease liabilities	909	0
	Deferred tax liabilities	884	451
	Other non-current financial liabilities	4,531	8,937
	Total non-current liabilities	**23,583**	**18,432**
	Current Liabilities		
	Prepayments received from customers	0	417
	Trade and other payables	1,954	1,962
	Payables to subsidiaries	9,991	4,209
	Corporation tax payable	233	133
	Other current financial liabilities	11,489	20,248
	Debt to mortgage credit institutions	20	20
	Debt to credit institutions	0	0
	Lease liabilities	323	0
	Total current liabilities	**24,009**	**26,989**
	Total liabilities	**47,592**	**45,421**
	TOTAL EQUITY AND LIABILITIES	**181,304**	**126,046**

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, 2019	**404**	**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
Shared 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	**463**	**106,295**	**-107**	**0**	**27,060**	**0**	**133,712**

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2018	**69**	**381**	**6**	**0**	**13,066**	**0**	**13,521**
Result for the period	0	0	0	0	1,551	0	1,551
Other comprehensive income							
Currency translation to presentation currency	0	0	-90	0	0	0	-90
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	-90	0	0	0	-90
Total comprehensive income for the year	**0**	**0**	**-90**	**0**	**1,551**	**0**	**1,461**
Transactions with owners							
Capital Increase	336	68,410	0	0	-207	0	68,539
Transaction cost	0	-1,475	0	0	0	0	-1,475
Acquisition/disposal of treasury shares and warrants	0	0	0	0	22	0	22
Share based payments	0	0	0	0	319	0	319
Cash settlement of warrants	0	0	0	0	-2,371	0	-2,371
Tax on settlement of warrants	0	0	0	0	522	0	522
Merger - Subsidiaries*	0	0	0	0	87	0	87
Total transactions with owners	**336**	**66,935**	**0**	**0**	**-1,627**	**0**	**65,643**
At December 31, 2018	**404**	**67,316**	**-84**	**0**	**12,989**	**0**	**80,626**

* Liquidation of dormant subsidiaries Ploomo ApS and Scatterweb ApS

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 condensed consolidated interim financial statements for the period January 1 - December 31, 2019 have been prepared in accordance with IAS 34 "Interim financial statements" as adopted by the EU and additional requirements in the Danish Financial Statements Act. The parent company condensed interim financial statements has been included according to the Danish Executive Order on the Preparation of Interim Financial Reports.

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

The condensed consolidated interim financial statements and the Parent Company condensed 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 and the Parent Company condensed interim financial statements have been prepared using the same accounting policies as set out in note 1 of the 2018 Annual Report which contains a full description of the accounting policies for the Group and the
parent company. The Annual Report for 2018 can be found on Better Collective's web-site:
https://bettercollective.com/wp-content/uploads/2019/03/BetterCollective_AR18_web.pdf.

Changes in accounting policies:

Effective January 1, 2019 Better Collective has adopted IFRS16 leases, using the modified retrospective method.

IFRS 16
Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

In accordance with the modified retrospective approach the comparative information in this interim condensed consolidated financial statements has not been restated. Comparative figures are presented according to IAS 17.

The impact on the financial position as at January 1, 2019:

Right of use assets at January 1, 2019 was 2.6 mEUR (Parent company: 1.4 mEUR) with a corresponding increase in liabilities of 2.6 mEUR (Parent Company: 1.4 mEUR).

The Group and parent company have applied the weighted average incremental borrowing rate of 4% as discount rate. The right-of-use assets are depreciated over the contractual lease period, up to 5 years from reporting date.

tEUR	Group	Parent
Operating lease commitments as at December 31, 2018	1,719	544
Weighted average incremental borrowing rate as at January 1, 2019	4%	4%
Discounted operating lease commitments at January 1, 2019	1,596	524
Adjustments:		
Less commitments relating to short-term leases	-65	0
Less commitments relating to leases of low-value assets	0	0
Add Payments in optional extension period not recognised as at December 31, 2018	1,091	907
Lease liabilities as at January 1, 2019	**2,622**	**1,431**

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

Beyond the estimates and assumptions described in this report related to the US, the significant accounting judgements, estimates and assumptions applied in these consolidated interim financial statements and the parent company condensed interim financial statements are the same as disclosed in note 2 in the 2018 Annual Report 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	Q4 2019	Q4 2018	2019	2018
Revenue				
Revenue share	11,680	10,114	45,887	33,140
CPA	3,434	1,078	10,860	4,520
Subscription revenue	2,122	0	3,919	0
Other	2,342	943	6,783	2,823
Total Revenue	**19,579**	**12,135**	**67,449**	**40,483**

%-split	Q4 2019	Q4 2018	2019	2018
Revenue				
Revenue share	60	83	68	82
CPA	18	9	16	11
Subscription revenue	11	0	6	0
Other	12	8	10	7
Total Revenue	**100**	**100**	**100**	**100**

3 Share-based payment plans

2017 Warrant program:
During the fourth quarter of 2019 the company did not grant any warrants under this program.

During the quarter, employees have exercised warrants corresponding to 115,280 shares issued.

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

The total share based compensation expense recognised for Q4 2019 is 247 tEUR, of which 2019 program 228 tEUR. For the full year 2019, total expense recognised is 384 tEUR, of which 2019 program 268 tEUR (2018: 319 tEUR).

Notes

4 Special items

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

tEUR	Q4 2019	Q4 2018	2019	2018
Operating profit	**5,465**	**4,223**	**21,202**	**9,068**
Special items related to IPO	0	-1	0	-3,379
Special items related to M&A	-27	-113	-1,101	-702
Special items related to Earn-out	15	0	486	0
Operating profit before special items	**5,476**	**4,337**	**21,817**	**13,148**
Amortisations	1,640	1,045	5,413	2,924
Operating profit before amortisations and special items (EBITA before special items)	**7,117**	**5,382**	**27,231**	**16,072**
Depreciation	292	53	831	169
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	**7,408**	**5,435**	**28,061**	**16,241**

5 Income tax

Total tax for the year is specified as follows:

tEUR	Q4 2019	Q4 2018	2019	2018
Tax for the period	1,109	945	4,810	3,004
Tax on other comprehensive income	219	0	-142	0
Total	**1,327**	**945**	**4,668**	**3,004**

Income tax of profit from the year is specified as follows:

tEUR	Q4 2019	Q4 2018	2019	2018
Deferred tax	-525	44	-915	-98
Current tax	1,742	902	5,741	3,102
Adjustment from prior years	-108	0	-16	0
Total	**1,109**	**945**	**4,810**	**3,004**

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

tEUR	Q4 2019	Q4 2018	2019	2018
Profit for the year:				
Calculated 22% tax of the result before tax	974	891	4,126	1,859
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	58	-10	502	296
Tax effect of:				
Non-taxable income	0	-14	-135	-61
Non-deductible costs	77	78	317	910
	1,109	**945**	**4,810**	**3,004**
Effective tax rate	**25.0%**	**23.3%**	**25.6%**	**35.5%**

Notes

6 Intangible assets

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
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**
Cost or valuation				
As of January 1, 2018	**7,178**	**20,085**	**4,162**	**31,425**
Acquisitions through asset transactions	0	10,569	1,516	12,084
Acquisitions through business combinations	16,783	56,219	9,200	82,202
Transfer	0	-16	16	0
Disposals	0	-1	0	-1
Currency Translation	0	-13	-3	-15
At December 31, 2018	**23,961**	**86,843**	**14,891**	**125,695**
Amortisation and impairment				
As of January 1, 2018	**0**	**0**	**686**	**686**
Amortisation for the period	0	0	2,923	2,923
At December 31, 2018	**0**	**0**	**3,609**	**3,609**
Net book value at December 31, 2018	**23,961**	**86,843**	**11,282**	**122,086**

Notes

7 Non-current liabilities and other current financial liabilities

Debt to credit institutions:
As per December 31, 2019 Better Collective has drawn 16.7 mEUR on the credit facility established with Nordea.

Lease liabilities:
Non-current and current lease liabilities, of 2.3 mEUR and 0.8 mEUR respectively, originate from the implementation of IFRS16 leases.

Deferred Tax:
Deferred tax as of December 31, 2019 amounted to 21 mEUR. The change from January 1, 2019 originates from amended opening balance from the acquisition of Ribacka Group, changes in deferred tax related to amortisation of accounts from acquisitions, and deferred tax changes in Parent Company.

Contingent Consideration:
As per December 31, 2019 contingent consideration amounted to 26.7 mEUR (of which 2.2 mEUR current) due to the remaining purchase price related to the acquisition of RiCal LLC. The fair value of the contingent consideration has been estimated based upon a financial forecast, dividend payments to existing owners during 2021-2023, and the committed tranche payments for the remaining 40% of the shares in RiCal LLC. See also note 8, Business combinations.

Other current financial liabilities:
As per December 31, 2019 other current financial liabilities amounted to 11.5 mEUR due to deferred and short-term variable payments related to the acquisition of assets and WBS I.K.E. Online Marketing Services Ltd., KAPA Ltd Ribacka Group, and MOAR Performance Ltd. The decline from January 1, 2019 relates to payments made related to Bola Webinformation GmbH, WBS I.K.E. Online Marketing Services Ltd., KAPA Ltd, and Ribacka Group, as well as an adjustment and payment of the earn-out value related to assets of Xpert Ltd. acquired in 2018.

8 Business combinations

Acquisition of Ribacka Group.

The acquisition of Ribacka Group was included in the balance sheet as per December 31, 2018 based on estimates. The opening balance was amended as per December 31, 2018 and a revised PPA is therefore included in this report. The change is considered immaterial and no correction has therefore been made to comparative figures.

On December 21, 2018, Better Collective acquired all shares in Ribacka Group AB, which owns a strong network of leading Swedish sports betting and casino marketing platforms, including www.speltips.se. Ribacka Group is incorporated and headquartered in Sweden.

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

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Domains and websites	31,235
Accounts & other intangible assets	2,200
Deposits	2
Trade and other receivables	2,335
Cash and cash equivalents	4,699
Deferred tax liabilities	-7,225
Corporate tax payables	-1,045
Trade and other payables	-564
Identified net assets	**31,637**
Goodwill	2,609
Total consideration	**34,246**

Notes

8 Business combinations, continued

A goodwill of 2,609 tEUR emerged from the acquisition of Ribacka 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 brands acquired, the regulation of the Swedish market, and leveraging Better Collective's existing operator agreements. The goodwill is not tax deductible.

Transaction costs related to the acquisition of Ribacka AB amounts to 113 tEUR in 2018 and 43 tEUR in 2019. Transaction costs are accounted for in the income statements under "special items".

The fair value of the trade receivables amounts to 2,234 tEUR. The gross amount of trade receivables is 2,434 tEUR and an impairment of 200 tEUR has been recorded.

tEUR	
Purchase amount	34,246
Regards to:	
Cash and cash equivalents	3,903
Deferred payment	10,451
Estimated conditional purchase amount (at fair value)	8,766
Net cash outflow	11,125

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 9 mEUR (fair value of 8,766 tEUR). The maximum amount of the conditional payment is 9 mEUR.

Acquisition of Rical LLC

On May 28, 2019 Better Collective acquired 60% of shares in Rical LLC ("RotoGrinders") which operates rotogrinders.com, pocketfives.com, sportshandle.com, usbets.com, and pennbets.com) for 21 mUSD of which 17.85 mUSD was paid in cash and the remaining 3.15 mUSD was paid in shares, issued on June 13, 2019. The agreement regarding the acquisition of RotoGrinders contains a put- and call option related to acquisition of the remaining 40% of the shares, therefore it is management assessment that RotoGrinders should be fully (100%) consolidated into the Better Collective consolidated results as from May 28, 2019. Due to the put and call option Better Collective will acquire the remaining 40% of the shares of RotoGrinders during the period 2022-2024 at a valuation based upon an EBITDA-multiple between 5x and 10x. The valuation will be determined by the future growth and profitability of RotoGrinders and Better Collective's other business in the United States. Up to 35% of the future payments may be paid in the form of shares in Better Collective, at the discretion of Better Collective. RotoGrinders is fully (100%) consolidated into the Better Collective accounts as from May 28, 2019. The value of the assets, dividend payments to existing owners during 2021-2023, and remaining committed tranche payments are included in the accounts at an estimated fair value. The contingent liability amount has been revised as per December 31, 2019 based on updated knowledge relating to the opening balance and PPA,and a total debt of 26.7 mEUR is accounted for as fair value of Contingent Consideration under current and non-current liabilities. Based on the updated PPA, the value assigned to goodwill and domains and websites increased 4.7 mEUR corresponding to the increase in the contingent liability. The change is considered immaterial and no correction has therefore been made to comparative figures.

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Domains and websites	25,788
Accounts & other intangible assets	300
Office machinery & Other assets	42
Trade and other receivables	963
Cash and cash equivalents	261
Deferred tax liabilities	21
Corporate tax payables	0
Trade and other payables	-636
Identified net assets	**26,739**
Goodwill	17,790
Total consideration	**44,529**

Notes

8 Business combinations, continued

A goodwill of 17,790 tEUR emerged from the acquisition of RiCal LLC 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 brands acquired, the regulation of the US market, the contingent consideration, and leveraging Better Collective's existing operator relationships. The goodwill is tax deductible when paid.

Transaction costs related to the acquisition of RiCal amounts to 739 tEUR in 2019. Transaction costs are accounted for in the income statement under "special items".

The fair value of the trade receivables amounts to 854 tEUR. The gross amount of trade receivables is 954 tEUR and an impairment of 100 tEUR has been recorded.

tEUR	
Effect on cash flow regarding acquisition of RiCal LLC	
Purchase amount	44,529
Regards to:	
Cash and cash equivalents	261
Estimated conditional purchase amount (at fair value)	26,521
Share Capital issued	2,803
Net cash outflow	14,944

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 26.5 mEUR, to be paid in USD.

The acquisition was completed on May 28, 2019. If the acquisition would have taken place on January 1, 2019 the Group's revenue YTD would have amounted to 70,597 tEUR and result after tax YTD would have amounted to 14,130 tEUR.

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

Notes

8 Business combinations, continued

Acquisition of MOAR Performance Ltd (mybettingsites.co.uk)

On September 1, 2019, Better Collective acquired 100% of shares in MOAR Performance Ltd. which owns mybettingsites.co.uk.

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

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Domains and websites	1,562
Accounts & other intangible assets	700
Office machinery & Other assets	1
Trade and other receivables	86
Cash and cash equivalents	921
Deferred tax liabilities	-430
Corporate tax payables	-151
Trade and other payables	0
Identified net assets	**2,689**
Goodwill	592
Total consideration	**3,280**

A goodwill of “A goodwill of 592 tEUR emerged from the acquisition of MOAR Performance Ltd. 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 relationships. The goodwill is not tax deductible.

Transaction costs related to the acquisition of MOAR Performancy amounts to 72 tEUR in 2019. Transaction costs are accounted for in the income statement under “special items”.

The fair value of the trade receivables amounts to 83 tEUR. The gross amount of trade receivables is 83 tEUR and no impairment has been recorded.

tEUR	
Effect on cash flow regarding acquisition of MOAR Performance Ltd.	
Purchase amount	3,280
Regards to:	
Cash and cash equivalents	921
Deferred payment	165
Estimated conditional purchase amount (at fair value)	216
Share Capital issued	390
Net cash outflow	1,588

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 0.2 mEUR.

The acquisition was completed on September 1, 2019. If the acquisition would have taken place on January 1, 2019 the Group’s revenue YTD would have amounted to 68,059 tEUR and result after tax YTD would have amounted to 14,199 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) = $\frac{\text{Profit for the period}}{\text{Average number of shares}}$

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

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

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

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

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

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

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

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

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

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

SEO
Search Engine Optimisation

Special items
Cost related to IPO and acquisitions

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

BETTER COLLECTIVE

Better Collective A/S

Toldbodgade 12
1253 Copenhagen K
Denmark

CVR no 27 65 29 13
+45 29 91 99 65
info@bettercollective.com
bettercollective.com

Facebook
Instagram
Twitter
LinkedIn