Interim report Q3 2023

Revenue 75 mEUR, growth of 26%; organic growth of 16%

Recurring revenue 46 mEUR; growth of 49%

EBITDA before special items 20 mEUR; growth of 35%
EBITDA-margin 26%

North American revenue share transition moving faster than expected

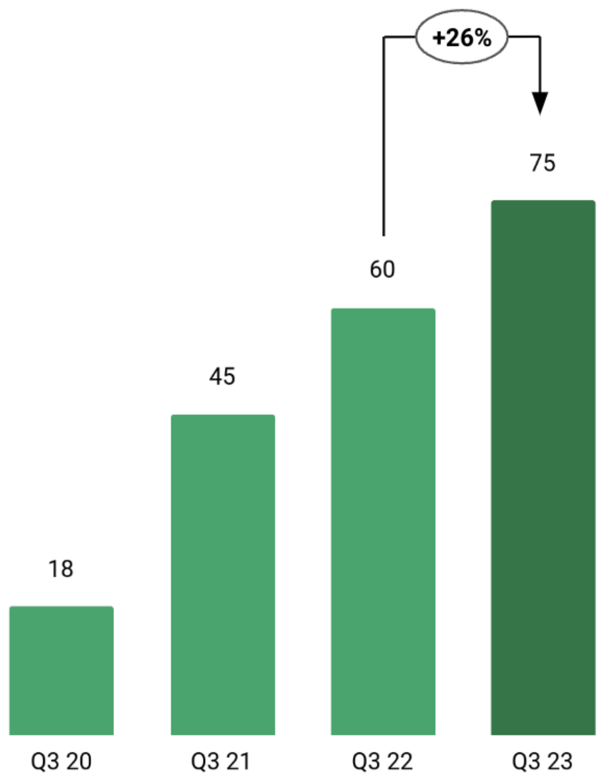
Transformational acquisition of Playmaker Capital secures market leadership in South America and strengthens leading North American position

October trading update: Revenues of 24 mEUR; impacted by a significantly lower sports win margin than expected

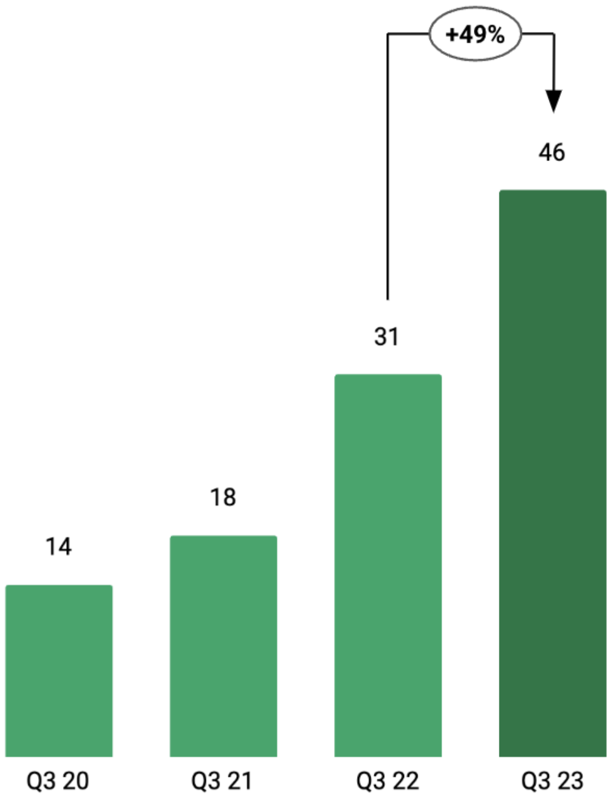
The full year financial targets are maintained

Copenhagen, November 15, 2023
Better Collective A/S
www.bettercollective.com
CVR NO.: 27 65 29 13

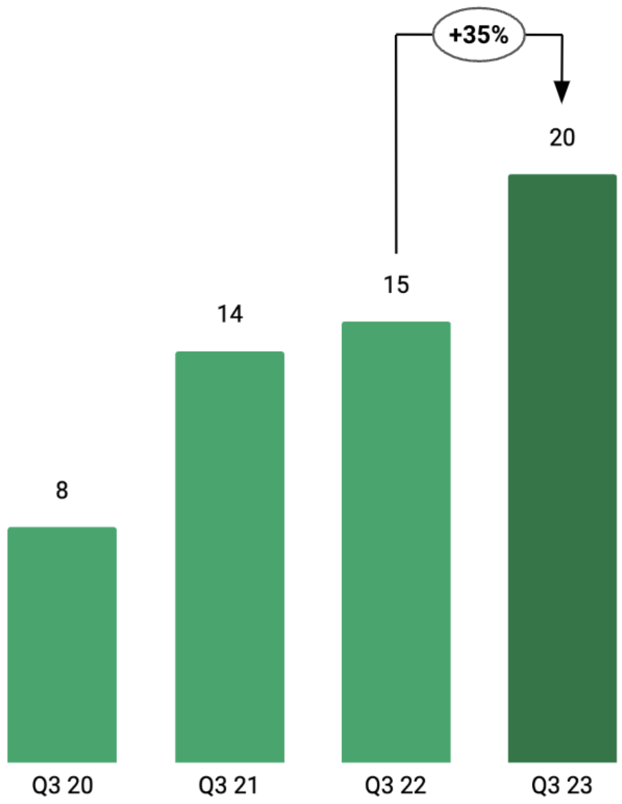
Revenue
mEUR



Recurring revenue
mEUR



EBITDA*
mEUR



*Before special items

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Q3 webcast November 16, 2023

A conference call for Better Collective's stakeholders will be held on November 16, at 10:00 a.m. CET and can be joined online **here**.

The presentation material for the webcast will be available after market close on November 15 via: **www.Bettercollective.com**

To participate telephonically follow **this link**. Once signed up you will receive an e-mail with a phone number and a personal dial-in code for the call.

Highlights Q3, 2023

Group revenue grew by 26% to 75 mEUR (Q3 2022: 60 mEUR). Organic revenue growth was 16%.

Recurring revenue was 46 mEUR, implying 49% growth. Making up 61% of total group revenue.

Group EBITDA before special items was 20 mEUR, a growth of 35% (Q3 2022: 15 mEUR). The group EBITDA-margin before special items was 26%.

The full-year financial targets remain unchanged.

Cash flow from operations before special items was 14 mEUR (Q3 2022: 13 mEUR). The cash conversion was 63%. By the end of Q3, capital reserves stood at 123 mEUR of which cash of 41 mEUR, and other current financial assets of 10 mEUR and unused credit facilities of 72 mEUR.

New depositing customers (NDC) numbered more than 445,000 in the quarter implying growth of 27%. 87% of NDCs were sent on revenue share contracts.

The North American contractual transition towards revenue share has been moving faster than expected. In terms of NDCs, Better Collective grew massively during Q3 and sent approximately 65,000 NDCs, implying growth of 73%. Out of this, 64% were on revenue share agreements implying 42,000 NDCs, which equals 159% growth.

The content and social media company Playmaker HQ, was acquired in the beginning of Q3. With the acquisition, Better Collective expanded competitiveness within social media and sports content production, and the total consideration of the acquisition was 51 mEUR (54 mUSD) with an upfront payment of 14 mEUR (15 mUSD).

Acquiring leading national sports media with a strong brand is an important pillar in Better Collective's global strategy. During Q3, the group made multiple acquisitions executing on its strategy and vision to become the leading digital sports media group:

- In a transaction made with the Everysport Group, Better Collective acquired four of Sweden's strongest sports media brands for a total purchase price of 3.7 mEUR. The four brands are; SvenskaFans.com, Hockeysverige.se, FotballDirect, and Innebandy Magazinet.

- Better Collective strengthened its South American position by acquiring the Brazilian sports media platform, Torcedores.com. Adding the first Brazilian sports media brand to the group, Better Collective also acquired an office in Sao Paulo, Brazil.

- Tipsbladet.dk was acquired for 6.5 mEUR, further leveraging Better Collective's position as a key partner for advertisers in the Danish market.

The club-financing from October 2022, with Nordea, Nykredit and Citibank was extended by three years until October 2026, together with the execution of the accordion option. In doing so the available facilities were increased by 72 mEUR, leaving Better Collective with a total financing of 319 mEUR where 247 mEUR has been utilized.

A share buyback program of up to 10 mEUR was initiated and completed during Q3. Better Collective acquired 187,991 shares at an average price of 237.2 SEK. Following the purchases, Better Collective held 2.51% of the outstanding share capital. The purpose of the buyback is to cover future payments relating to acquisitions and LTI programs.

Secured proof-of-concept for Better Collective's in-house adtech platform, AdVantage. The platform allows Better Collective to gain stronger knowledge of its audience enabling it to better cater to and serve targeted and contextual ads. The first AdVantage campaigns have been run on Better Collective's brands and media partnerships across eight markets.

For the nationwide day of action against gambling addiction 2023, Better Collective's subsidiary, Mindway AI, entered a strategic partnership with the German Sports Betting Association (DSWV). The partnership will see the integration of the innovative Mindway AI solution - Gamalyze, into DSWV's homepage.

Britt Boeskov and René Rechtman were elected to the Board of Directors at an EGM on 8 August. Following six years of dedicated work for Better Collective, Klaus Holse decided to step down from the Board of Directors.

Better Collective opened the doors to its new headquarters in Copenhagen. The leasing agreement runs for five years and has a rent obligation of approximately 12 mEUR during that period.

Significant events after the period

The October trading update showed revenue of 24.3 mEUR, down 6%. Revenue and earnings were negatively impacted by an estimated +8mEUR due to a significantly lower sports win margin than expected.

Better Collective made its second largest acquisition to date, in a transaction to acquire Playmaker Capital for a total price consideration of 176 mEUR. Playmaker Capital is a leading digital sports media group that owns and operates several strong sports media brands across the Americas. The acquisition will be transformational for Better Collective and will strengthen the group's market leading position in North America, while also taking market leadership in South America. Note that despite having similar names, Playmaker HQ and Playmaker Capital are not associated. The closing of the transaction is subject to approval by the shareholders of Playmaker Capital, court approval, applicable regulatory approvals, and certain other closing conditions customary in transactions of this nature. The transaction is expected to close before the end of Q1 of 2024, whereafter Playmaker Capital will be consolidated into the Better Collective group Better Collective's 2023 financial targets are maintained, while it plans to revisit its long-term financial targets for the period 2023-2027 following the closing of the transaction.

In addition to Better Collective's presence in Sao Paulo, established with the acquisition of Torcedores the group opened the doors to a new office in Rio de Janeiro.

Mindway AI entered another strategic partnership this time with the United States' National Council on Problem Gambling (NCPG). The partnership will see the integration of Gamalyze, into NCPG's flagship responsible gambling website; responsiblePlay.org

Better Collective's Nomination Committee was appointed based on ownership data as per August 31, 2023.

In late September, Better Collective announced its intention to carry out a dual listing of the group's shares on Nasdaq Copenhagen, in addition to the current listing on Nasdaq Stockholm. The first day of trading on Nasdaq Copenhagen is expected to be November 17, 2023.

Upcoming events

- February 21, 2024, Q4 release
- March 20, 2024, annual report release
- May 21, 2024, Q1 release
- August 21, 2024, Q2 release

Financial highlights and key figures

tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Income statements					
Revenue	75,431	59,720	241,491	183,157	269,297
Recurring revenue	46,312	31,075	141,864	82,052	123,365
Revenue Growth (%)	26%	32%	32%	47%	52%
Organic Revenue Growth (%)	16%	23%	23%	30%	34%
Operating profit before depreciation, amortization, and special items (EBITDA before special items)	19,595	14,556	81,566	49,892	85,075
Operating profit before depreciation and amortization (EBITDA)	19,073	13,935	79,218	48,228	85,021
Depreciation	1,200	623	2,611	1,593	2,321
Operating profit before amortization and special items (EBITA before special items)	18,395	13,933	78,954	48,300	82,754
Special items, net	- 522	- 621	- 2,347	- 1,664	- 54
Operating profit before amortization (EBITA)	17,873	13,312	76,607	46,635	82,700
Amortization and impairment	6,375	3,682	16,314	8,722	12,347
Operating profit before special items (EBIT before special items)	12,019	10,251	62,640	39,578	70,407
Operating profit (EBIT)	11,498	9,630	60,293	37,913	70,353
Result of financial items	- 6,378	- 612	- 15,985	- 1,961	- 5,389
Profit before tax	5,119	9,017	44,308	35,952	64,964
Profit after tax	3,107	6,949	32,344	27,796	48,075
Earnings per share (in EUR)	0.06	0.13	0.59	0.51	0.88
Diluted earnings per share (in EUR)	0.05	0.12	0.56	0.49	0.85

For a definition of financial key figures and ratios, please refer to page 37.

tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Balance sheet					
Balance Sheet Total	930,934	799,892	930,934	799,892	785,229
Equity	437,744	420,887	437,744	420,887	412,917
Current assets	106,674	77,256	106,674	77,256	95,025
Current liabilities	92,666	189,322	92,666	189,322	65,068
Net interest bearing debt	222,991	174,504	222,991	174,504	177,879

tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Cashflow					
Cash flow from operations before special items	14,245	13,171	81,859	48,819	69,816
Cash flow from operations	13,912	12,550	79,858	47,908	68,423
Investments in tangible assets	- 1,958	- 703	- 4,140	- 1,263	- 1,804
Cash flow from investment activities	- 30,941	- 3,419	- 81,702	- 109,580	- 112,632
Cash flow from financing activities	- 318	- 7,119	29,695	70,770	65,737
Financial ratios					
Operating profit before depreciation, amortization (EBITDA) and special items margin (%)	26%	24%	34%	27%	32%
Operating profit before amortization margin (EBITDA) (%)	25%	23%	33%	26%	32%
Operating profit margin (%)	15%	16%	25%	21%	26%
Publishing segment - EBITDA before special items margin (%)	25%	30%	36%	33%	38%
Paid media segment - EBITDA before special items margin (%)	29%	11%	29%	13%	16%
Net interest bearing debt / EBITDA before special items	1.91	2.63	1.91	3.38	2.09
Liquidity ratio	1.15	0.41	1.15	0.41	1.46
Equity to assets ratio (%)	47%	53%	47%	53%	53%
Cash conversion rate before special items (%)	63%	86%	95%	95%	80%
Average number of full-time employees	1,053	977	1,126	842	878
NDCs (thousand)	445	354	1,447	1,102	1,683

CEO Letter

Building for the future with fast paced North American revenue share transition and value adding acquisitions

Q3 was another eventful quarter where we continued working towards sustainable future growth. Following the exceptional performance during the first half of 2023, Q3 landed in line with expectations. Group revenues grew by 26% to 75 mEUR of which 16% was organic growth. Our EBITDA grew faster than the top line to 20 mEUR equating to 35% growth and an EBITDA margin of 26%. During the quarter we recorded a normalized sports win margin following more favorable sports win margins in H1. We managed to deliver solid results despite I) it being the low season, and II) our continued investment into future growth in the North American market.

The quarterly revenue growth was broadly driven by our media partnerships, which continue to be a solid growth driver globally, and the strong development in our Paid Media business. Paid Media delivered a topline growth of 46% and a remarkable 264% surge in operational earnings with the margin growing from 11% to 29%. This growth is largely the result of our investments in moving revenues to recurring revenue share income during 2020 and 2021.

Further, we continued our strong focus on recurring revenue in North America, which grew 24% to 22 mEUR and accounted for 30% of group revenue. At Better Collective, sustainable long-term value creation is in our DNA, and I am very pleased to see how our commercial team in North America has been able to fast-forward the recurring revenue share transition, providing strong value in the long run, while being short-term dampening on revenue and earnings. Allow me to dive a bit into this mechanism.

North American revenue share transition moving faster than expected

Since the PASPA repeal in 2018, we have been pushing for revenue share agreements in North America, just like in most of our operations in the rest of the world. Last year, we succeeded in either fully or partly transitioning the first of our partners to this way of collaborating. Remind you, we favor revenue share as this model puts us in the same boat as our partnering sportsbooks, allowing us to develop more strategic and long-term partnerships. In short, we succeed when they succeed.

Having employed the revenue share model for two decades we have a very strong data foundation proving that our strategic revenue share partnerships yield higher long-term customer values versus an upfront payment (CPA).

Our continuous focus on securing recurring revenue streams has provided Better Collective with a strong competitive advantage. The current recurring revenue provides us with a strong cash flow to invest in both the near future - which ensures agility once opportunities arise - while also enabling us to invest in the future.

The current recurring cash flow primarily stems from customers sent during 2021 and the years leading up to 2021. Hence our large growth in NDCs during 2022 and 2023 bode well for our future value creation. We will continuously push the 'snowball' of recurring revenue down hill, accumulating future growth along the way and growing the 'snowball' ever larger. With this continuous push we build out our competitive moat and set us further apart from competition.

Zooming in on North America, I am very satisfied to see our significant growth in revenue share customers. Across all the North American region we sent more than 65,000 NDCs during Q3, which implies a growth of 73%. Out of this, 64% were on revenue share agreements implying 42,000 NDCs, which equals 159% growth. In the beginning of the year, we incorporated this transition into our financial targets, and we are pleased to see that the transition is moving faster than first anticipated.

With that in mind we have still managed to grow North American revenues by 24% to 22 mEUR. As you might recall, last year was "the year of extreme CPAs" due to several big state launches. Even though the focus during 2023 has been on advancing the revenue share transition, our North American business has already delivered year-to-date growth of 30%, leaving me even more confident in our decision, seeing we can generate short-term growth while investing in Better Collective's future.

Personally, I like to think of our revenue share transition as growth in disguise. I remain highly excited about the transition, as our data tells us that North American customer lifetime values are very high compared to anywhere else in the world, and to fully capture this potential we need to operate on revenue share agreements.

I would like to stress that this transitional phase will continue to have a short-term dampening impact on our financial performance in the coming quarters, also heading into 2024. However, given the above-mentioned factors, this is something we must see through, as it simply is not an opportunity we want to miss out on.

Value adding acquisitions

During Q3, we continued our global expansion with no less than four acquisitions. We acquired Playmaker HQ, an acquisition which provides our group with social media and content production capabilities needed for long-term success in the sports media industry.

By acquiring Playmaker HQ, we also broadened our user base towards more generalist sports fans which subsequently increases the value offering to our existing partners. Additionally, Playmaker HQ also holds extensive sponsorship sales and know-how that we can deploy to increase our abilities to monetize audiences outside our core sports betting audience.

Currently, Playmaker HQ is only active in North America, and we therefore see great potential in being able to scale content and know-how across our global presence, and particularly in South America, where content is consumed via social media.

Hence, acquiring leading national sports media with a strong brand is an important pillar in our global strategy. To further solidify our foothold in the Swedish market we acquired four of Sweden's strongest sports media brands; SvenskaFans.com, Hockeysverige.se, FotballDirect, and Innebandy Magazinet., in a deal made with the Everysport Group. Already focusing on Scandinavia, we also acquired Tipsbladet.dk to leverage Better Collective's position as a key partner for Danish advertisers.

Further, in a strategic move to strengthen our presence in the Brazilian sports media landscape, we completed the acquisition of the sports media, Torcedores.com. An acquisition that allows us to deliver more comprehensive and captivating content to Brazilian sports fans.

Following the closure of Q3, we announced the trans-formational acquisition of Playmaker Capital, our second largest acquisition to date. Playmaker is a leading digital sports media group operating a strong portfolio of sports media brands across the Americas. Joining forces means that Better Collective can establish an even more structured entry and presence in the South American market, while also strengthening our leading position in North America.

Over the years, Playmaker has built incredibly strong sports media brands and excited sports fans across the Americas with high-quality sports content, to cultivate a loyal and dedicated following. Combined, its portfolio attracts more than 200 million visits a month and commands a social media following of more than 180 million. This means that Better Collective's global monthly reach now exceeds 380 million, up from seven million in 2018.

This impressive development is truly a testament to the high-quality brand portfolio we have built over the past five years. With the acquisition of Playmaker, we also get a highly skilled management team bringing unique media competencies that undoubtedly will boost our organization even more. We plan to apply our core competencies in Playmaker's audience even further and utilize our toolbox of business models to boost revenues, while our expertise in performance marketing will also be key.

The acquisition fits perfectly with our strategy of owning and operating leading national sports media brands, and further strengthens our position as a preferred partner for businesses aiming to activate their brands in a relevant and engaging sports context. As such we have taken a significant step towards realizing our vision of becoming the leading digital sports media group.

Jesper Søgaard

Co-founder & CEO Better Collective

Business review and financial performance

Group

Q3 was another solid quarter for the Better Collective group with revenues of 75 mEUR equaling growth of 26%, of which 16% was organic.

Operational earnings (EBITDA before special items) were 20 mEUR, implying a margin of 26%. The group increased its operational earnings by 35%.

Recurring revenue came in at 46 mEUR, implying growth of 49%, and made up 61% of group revenues.

Of the recurring revenues 87% came from revenue share income, 9% from subscription, and 4% from advertisement sales.

The group delivered more than 445,000 new depositing customers to partnering sportsbooks and continued its strong growth path during its transitional phase to revenue share agreements. Q3 NDCs grew by 27%, of which 87% were revenue share contracts.

Key figures for the group

tEUR	Q3 2023	Q3 2022	Growth	YTD 2023	YTD 2022	Growth
Revenue	75,431	59,720	26%	241,491	183,157	32%
Cost	55,837	45,164	24%	159,925	133,265	20%
Operating profit before depreciation, amortization, and special items	19,595	14,556	34%	81,566	49,892	63%
EBITDA-Margin before special items	26%	24%		34%	27%	
Operating profit before depreciation and amortization	19,073	13,935	37%	79,218	48,228	64%
EBITDA-Margin	25%	23%		33%	26%	
Organic growth	16%	23%		23%	30%	

Publishing

The Publishing business includes revenue from Better Collective's proprietary owned and operated sports media as well as media partnerships. The traffic to these brands is mostly direct or through organic search results.

Revenues from this segment came in at 48 mEUR implying growth of 17% of which 14% was organic. Operational earnings came in at 12 mEUR, implying a margin of 25%. The publishing segment accounted for 64% of group revenues and 61% of operational earnings.

The topline growth came from performance from most brands in all geographies, where media partnerships are worth highlighting as they continue to deliver.

The North American contractual transition towards revenue share has been moving faster than expected. In terms of NDCs, Better Collective grew massively during Q3 and sent approximately 67,000 NDCs, implying growth of 73%. The transition postpones revenue and earnings, as it has a short-term dampening effect on revenues and earnings. All central costs and costs of new areas of expansion are recorded in the Publishing segment.

Paid Media

The Paid Media business includes revenue efforts in paid advertising on search platforms like Google and Bing, as well as advertising on third party sports media. Given the upfront payment to advertise on third party platforms the gross margin is lower than in the Publishing business.

Paid Media revenue was 27 mEUR, implying growth of 46%, of which 19% was organic. Over the past quarters, the transition in revenue share agreements has paid off as margins have improved and made it possible to further fuel growth.

Operational earnings came in at 8 mEUR, implying a margin of 29%. This implies growth of 264% versus last year.

The strong growth in the top line comes from another broadly based performance with solid growth, especially from the Americas. The high margin growth comes because of earlier transition of revenues to recurring revenue share income.

Key figures for the Publishing segment

tEUR	Q3 2023	Q3 2022	Growth	YTD 2023	YTD 2022	Growth
Revenue	48,463	41,300	17%	161,214	127,806	26%
Share of Group	64%	69%		67%	70%	
Cost	36,574	28,858	27%	102,761	85,118	21%
Share of Group	66%	64%		64%	64%	
Operating profit before depreciation, amortization, and special items	11,888	12,442	-4%	58,452	42,688	37%
Share of Group	61%	85%		72%	86%	
EBITDA-Margin before special items	25%	30%		36%	33%	
Operating profit before depreciation and amortization	11,366	11,821	-4%	56,105	41,024	37%
EBITDA-margin	23%	29%		35%	32%	
Organic growth	14%	20%		24%	30%	

Key figures for the Paid Media segment

tEUR	Q3 2023	Q3 2022	Growth	YTD 2023	YTD 2022	Growth
Revenue	26,969	18,420	46%	80,277	55,351	45%
Share of Group	36%	31%		33%	30%	
Cost	19,262	16,306	18%	57,164	48,147	19%
Share of Group	34%	36%		36%	36%	
Operating profit before depreciation, amortization, and special items	7,707	2,114	264%	23,113	7,204	221%
Share of Group	40%	15%		28%	14%	
EBITDA-Margin before special items	29%	11%		29%	13%	
Operating profit before depreciation and amortization	7,707	2,114	264%	23,113	7,204	221%
EBITDA-margin	29%	11%		29%	13%	
Organic growth	19%	31%		27%	29%	

Europe & Rest of World

The Europe & Rest of the world (ROW) business includes all markets outside of North America. The European markets consist of more mature markets and are the legacy markets of Better Collective. South America is a strong growth market for Better Collective and makes up an increasingly bigger part of the business. Examples of sports brands include Soccernews in the Netherlands, Betarades in Greece, Wettbasis in Germany, Goal.pl in Poland, Les Transferts in France, and many others. Further it includes our esport communities HLTV and Futbin. The strategy is to own the strongest local sports media in all relevant regions.

Given the strong legacy in the European markets where Better Collective has been sending revenue share customers the past decade, there is a lot of recurring revenue in this business.

Europe & ROW posted revenues of 53 mEUR, implying growth of 27%. Operational earnings came in at 17 mEUR, giving a margin of 31% and growing 32%. Europe & ROW revenue accounted for 70% and operational earnings accounted for 85%. As mentioned, these markets are heavily exposed towards recurring revenue share income, meaning fluctuations in the sports win margin has a bigger impact here. During Q3 the sports win margin was lowered to more normalized levels as compared to previous quarters with overperforming sports win margins.

North America

Both the US and the Canadian markets are somewhat recently regulated. The first states in the US started regulating in 2018. As both markets are young, revenues largely have been generated from one-time payments (CPA). Last year, Better Collective started to seek a transition towards recuring revenues in the US. North American sports brands include amongst other Action Network, Playmaker HQ VegasInsider, RotoGrinders, Sportshandler, and Canada Sports Betting.

The North American revenue came in at 22 mEUR, implying growth of 24%. Operational earnings came in at 3 mEUR equaling a margin of 13% up from 11%. The group continues its transition towards recurring revenue share which has been moving faster than expected. In terms of NDCs, Better Collective sent approx. 65,000 NDCs, implying growth of 73%. Out of this, 64% were on revenue share agreements implying 42,000 NDCs, which equals 159% growth.

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Key figures for Europe & RoW and North America segments

	Europe & ROW						North America					
tEUR	Q3 2023	Q3 2022	Growth	YTD 2023	YTD 2022	Growth	Q3 2023	Q3 2022	Growth	YTD 2023	YTD 2022	Growth
Revenue	52,941	41,595	27%	158,932	119,600	33%	22,490	18,125	24%	82,559	63,558	30%
Share of Group	70%	70%		66%	65%		30%	30%		34%	35%	
Cost	36,305	28,955	25%	102,434	84,022	22%	19,532	16,209	21%	57,491	49,243	17%
Share of Group	65%	64%		64%	63%		35%	36%		36%	37%	
Operating profit before depreciation, amortization, and special items	16,637	12,640	32%	56,498	35,578	59%	2,958	1,915	54%	25,068	14,314	75%
Share of Group	85%	87%		69%	71%		15%	13%		31%	29%	
EBITDA-Margin before special items	31%	30%		36%	30%		13%	11%		30%	23%	
Operating profit before depreciation and amortization	16,519	12,055	37%	55,055	34,703	59%	2,554	1,330	113%	23,405	13,440	76%
EBITDA-Margin	31%	29%		35%	29%		11%	7%		28%	21%	

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Financial performance first nine months 2023

Revenue growth of 32% to 241 mEUR and organic growth of 23%

Revenue showed strong growth vs. 2022 of 32% and amounted to 241.5 mEUR (YTD 2022: 183.2 mEUR). Revenue share accounted for 50% of the revenue with 30% coming from CPA, 5% from subscription sales, and 12% from other income.

Cost of 160 mEUR - up from 133 mEUR

The increased costs are driven by Paid Media, whereas cost to return media partnerships increased as well. The cost base excluding depreciation and amortization grew 16 mEUR, up to 159.9 mEUR (YTD 2022: 133.3 mEUR).

Total direct cost relating to revenue increased by 9.5 mEUR to 74.9 mEUR (YTD 2022: 65.4 mEUR) with the growth coming from increased cost in Paid Media, and direct costs related to media partnerships. Beyond the cost of paid traffic, this includes hosting fees of websites, content generation, and external development.

Personnel cost increased 30% from September 2022 to 66 mEUR 2023 (YTD 2022: 50.7 mEUR). The average number of employees increased 25% to 1,053 (YTD 2022: 842).

Personnel costs include costs related to warrants of 2,4 mEUR (YTD 2022: 1.3 mEUR).

Other external costs increased 2 mEUR or 12% to 19 mEUR (YTD 2022: 17.1 mEUR). Depreciation and amortization amounted to 16.3 mEUR (YTD 2022: 10.7 mEUR). The increase is primarily due to amortization related to the acquisition of FUTBIN and Skycon as well as new media partnerships.

Special items

Special items amounted to a cost of 2.3 mEUR (YTD 2022: 1.7 mEUR). The net cost of 2.3 mEUR is primarily related to M&A expenses of 1.7 mEUR and restructuring of 0.5 mEUR.

Earnings

Operational earnings (EBITDA) before special items grew 63% to 81.6 mEUR (YTD 2022: 49.9 mEUR). The EBITDA-margin before special items was 34% (YTD 2022: 27%).

Including special items, the reported EBITDA was 79.2 mEUR. (YTD 2022: 48.2 mEUR).

EBIT before special items increased 73% to 62.6 mEUR (YTD 2022: 39.6 mEUR). Including special items, the reported EBIT was 60.3 mEUR (YTD 2022: 37.9 mEUR).

Net financial items

Net financial costs amounted to 16 mEUR (YTD 2022: 2 mEUR) and included net interest, fees relating to bank credit lines, unrealized losses on shares and exchange rate adjustments. Interest expenses amounted to 8.3 mEUR and included non-payable, calculated interest expenses on certain balance sheet items. Out of the net interest 7.1 mEUR are paid.

Net financial costs are impacted by an unrealized loss of 5.2 mEUR on Catena Media shares and financing fees of 0.8 mEUR whereas net exchange rate loss amounted to 1.0 mEUR.

Income tax

Better Collective has a tax presence in the places where the company is incorporated. These places count Denmark (where the parent company is incorporated), Austria, France, Greece, Malta, Netherlands, Poland, Portugal, Romania, Serbia, Sweden, UK, Canada, Brazil, and the US.

Income tax YTD 2023 amounted to 11.9 mEUR (YTD 2022: 8.2 mEUR). The Effective Tax Rate (ETR) was 27% (YTD 2022: 22.7%).

Net profit

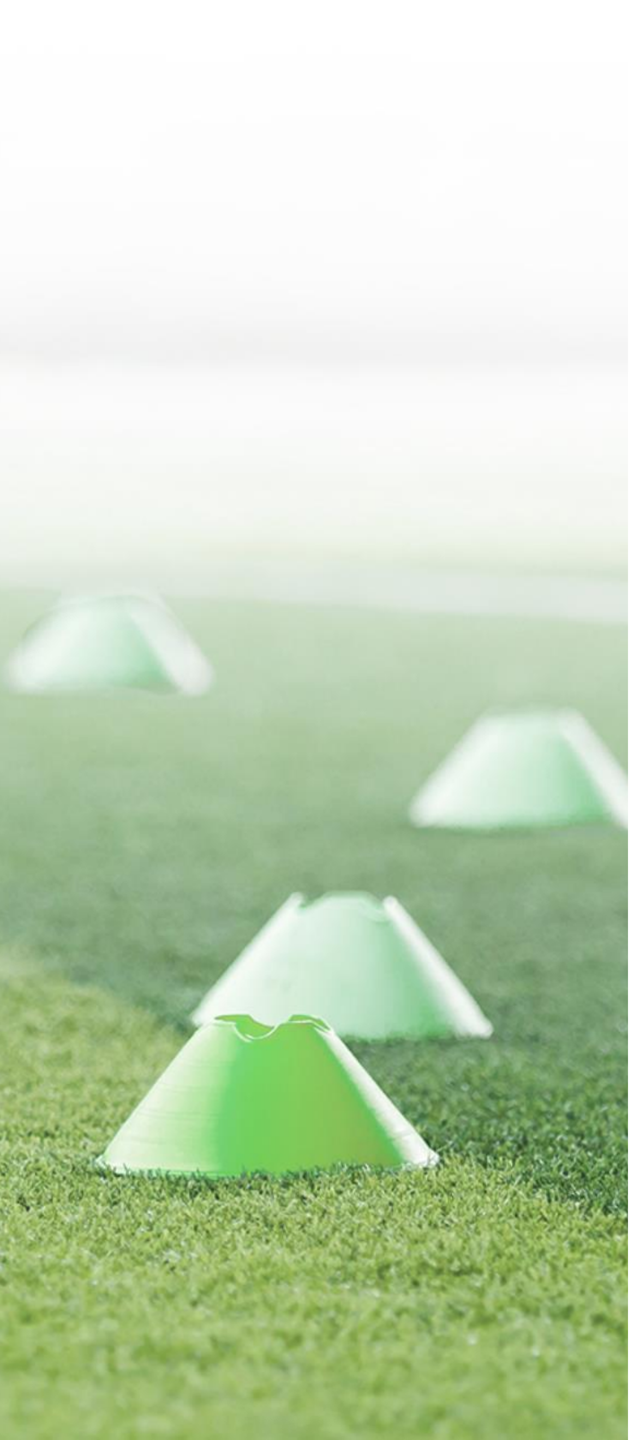
Net profit after tax was 32.3 mEUR (YTD 2022: 27.8 mEUR). Earnings per share (EPS) increased by nearly 14% to 0.58 EUR/share vs. 0.51 EUR/share YTD 2022.

Equity

The equity increased to 437.7 mEUR as per September 30, 2023, from 412.9 mEUR on December 31, 2022. Besides the YTD profit of 32.3 mEUR, the equity has been impacted by the acquisition of treasury shares of 13.4 mEUR and share-based payments of 2.4 mEUR. The increase in USD vs. EUR has impacted the equity by 2.4 mEUR.

Balance sheet

Total assets amounted to 930.9 mEUR (2022: 785.2 mEUR), with an equity of 437.7 mEUR (2022: 412.9 mEUR). This corresponds to an equity to assets ratio of 47% (2022: 53%). The liquidity ratio was 1.15 resulting from current assets of 106.6 mEUR and current liabilities of 92.6 mEUR. The ratio of net interest-bearing debt to EBITDA before special items was 1.9 at the end of September.



Investments

On 14 April, Better Collective acquired Skycon for a purchase price of up to 51 mEUR (45 mGBP) on a cash and debt free basis. The net cash flow impact of the transaction was 30 mEUR considering deferred payments and acquired net assets.

On July 3, 2023 Better Collective US, Inc. completed the acquisition of Playmaker HQ for up to 51 mEUR (54 mUSD) with an initial consideration of 14.1 mEUR (15 mUSD) on a cash and debt-free basis.

On August 15, 2023 Better Collective announced the acquisition of four brands SvenskaFans.com, Hockeysverige.se, Fotbolldirekt.se and Innebandymagazinet.se from Everysport Group to further expand its position within the Swedish sports media ecosystem for a total consideration of 3.7 mEUR on a cash and debt-free basis.

On September 4, 2023 Better Collective announced the acquisition of Torcedores.com, by acquiring Goalmedia Tecnologia E Marketing Digital S.A.

During the period investments in accounts and other intangible assets amounted to 8.1 mEUR.

Cash flow and financing

Cash flow from operations before special items was 61 mEUR (YTD 2022: 40.5 mEUR) with a cash conversion of 95%.

At 30 September, Better Collective has bank credit facilities of a total 319 mEUR. In August Better Collective extended the club-financing by three years to October 2026 as well as executing the accordion option and thereby increasing the available facilities with 72 mEUR, leaving the group with a total financing of 319 mEUR where 247 mEUR has been utilized. By the end of September 2023, capital reserves stood at 122.5 mEUR consisting of cash of 40.7 mEUR, other current financial assets of 9.8 mEUR in form of listed shares and unused credit facilities of 72 mEUR.

The parent company

Better Collective A/S, Denmark, is the parent company of the group. Revenue grew by 60% to 71.3 mEUR (YTD 2022: 44.6 mEUR).

Total costs including depreciation and amortization was 67.8 mEUR (YTD 2022: 43.1 mEUR). Profit after tax was 36.4 mEUR (YTD 2022: 57.5 mEUR). The change in profit after tax is primarily due to differences in dividend payments from subsidiaries, exchange rate adjustments, financial expenses, and corporate tax.

Total equity ended at 439 mEUR by September 30, 2023 (2022: 411.1 mEUR). The equity in the parent company was impacted by treasury share transactions (13.4 mEUR), cost of warrants of 2.4 mEUR and merger with HLTV (3.2 mEUR)

Disclaimer

This report contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events. Such statements or opinions pertaining to the future, for example include wording like; "believes", "deems", "estimates", "anticipates", "aims', and "forecasts" or similar expressions, and are intended to identify a statement as forward-looking. This applies to statements and opinions concerning the future financial returns, plans and expectations with respect to the business and management of the group, future growth and profitability and general economic and regulatory environment and other matters affecting Better Collective. Forward-looking statements are based on current estimates and assumptions made according to the best of the group's knowledge. These statements are inherently associated with both known and unknown risks, uncertainties, and other factors that could cause the results, including the group's cash flow, financial condition and operations, to differ materially from the results, or fail to meet expectations expressly or implicitly, assumed or described in those statements or to turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Better

Collective can give no assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments and/or targets. Considering the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that certain future events may not occur. Moreover, forward-looking estimates derived from third-party studies may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets in which the group operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or environmental damages and systematic delivery failures. We undertake no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

Financial targets 2023

The board of directors has decided on targets for the financial year 2023 as announced in the 2022 full year report. Following the acquisition of Skycon Limited and the record breaking Q1, the financial targets were upgraded:

- Revenue of 315-325 mEUR (previously 305-315 mEUR)
- EBITDA before special items of 105-115 mEUR (previously 95-105 mEUR)
- Net debt to EBITDA before special items <2.0 (unchanged)

Financial targets 2023

	Updated targets 2023	Targets 2023	Actual 2022
Revenue	315-325 mEUR	290-300 mEUR	269.3 mEUR
EBITDA (before special items)	105-115 mEUR	90-100 mEUR	85.1 mEUR
Net interest bearing debt/EBITDA	<2.0	<2.0	2.67

Financial targets 2023- 2027

The new financial targets for the Better Collective group for 2023-2027 (include M&A):

- Revenue CAGR of +20%
- EBITDA margin before special items of 30-40%
- Net debt to EBITDA before special items of <3

The long-term target assumes that M&A are solely financed by own cash flow and debt.

Other

Shares and share capital

Better Collective A/S is listed on Nasdaq Stockholm main market. The shares are traded under the ticker "BETCO". As per September 30, 2023, the share capital amounted to 552,238.47 EUR, and the total number of issued shares was 55,223,847. The company has one (1) class of shares. Each share entitles the holder to one vote at the general meetings.

On July 7, 2023 Better Collective A/S initiated a share buyback program for up to 10 mEUR, to be executed during the period from July 7, 2023 to August 21, 2023. The purpose of the program is to cover future payments relating to acquisitions and LTI programs. The share buyback program was completed on August 21, 2023 and the accumulated no. of shares under the program was 187,991. Following the purchases, Better Collective A/S holds 1,387,580 treasury shares corresponding to 2.51% of the outstanding share capital of the Company.

In relation to the release of Better Collective's Q2 report, an exercise window opened on August 23, 2023 and closed on September 6, 2023. 12 employees wished to exercise 47,011 warrants under the 2019 warrant program. On September 18, 2023 the Board of Directors resolved to issue 47,011 new ordinary shares in Better Collective A/S.

Shareholder structure

As of September 30, 2023, the total number of shareholders was 4,485. A list of top ten shareholders in Better Collective A/S can be found on the group's website.

Nomination Committee

Better Collective's Nomination Committee has been appointed and must consist of four members, representing the three largest shareholders as per the end of August 2023, together with the Chair of the Board of Directors. On August 31, 2023, the two largest shareholders were Chr. Dam Holding and J. Søgaard Holding which due to their interlinked ownership are grouped. In accordance with the shareholders' decision, the appointees of the Nomination Committee are:

- Søren Jørgensen, Chair, appointed by Chr. Dam Holding and J. Søgaard Holding
- Martin Jonasson, appointed by Andra AP-Fonden, also representing Tredje AP-Fonden
- Michael Knutsson, appointed by Knutsson Holdings AB
- Jens Bager, Chair of the Board of Directors, Better Collective

Warrant programs

Program	Warrants outstanding September 30, 2023	Vesting Period	Exercise Period	Exercise Price DKK	Exercise Price EUR (rounded)
2019*	922,086	2020-2023	2022-2024	64.78	8.70
2020**	25,000	2021-2023	2023-2025	61.49	8.26
2020*	246,666	2021-2023	2023-2025	106.35	14.28
2021*	381,614	2022-2024	2024-2026	150.41	20.20
2021 US MIP Options	117,198	2021-2024	2024-2026	138.90	18.65
2021 US MIP PSU	132,786	2021-2024	2024-2026		
2022 US MIP Options	14,610	2022-2023	2023-2026	107.25	14.40
2022 US MIP PSU	26,177	2022-2023	2023-2026		
2022 Options	22,138	2022-2024	2025-2027	130.98	17.59
2022 PSU	67,276	2022-2024	2025-2027		
2023 CXO Options	300,000	2023-2025	2026-2028	142.08	19.08
2023 Options	239,338	2023-2025	2026-2028	77.50	10.41
2023 PSU	131,311	2023-2025	2026-2028		

Extraordinary General Meeting 2023

On August 8, 2023 Better Collective hosted an electronic extraordinary general meeting (EGM), where the shareholders approved the proposals from the Nomination Committee regarding the election of Britt Boeskov and René Rechtman as new members of the Board of Directors. Following years of dedicated work on the Better Collective Board of Directors, Board member Klaus Holse, wished to resign with effect as of the EGM. Klaus Holse and his contributions to the Better Collective group are greatly appreciated.

Dual listing

In late September, Better Collective announced its intention to carry out a dual listing of the group's shares on Nasdaq Copenhagen, in addition to the current listing on Nasdaq Stockholm. The first day of trading on Nasdaq Copenhagen is expected to be November 17, 2023.

Incentive programs

To attract and retain key competences, the company has established warrant programs for certain key employees. All warrants with the right to subscribe for one ordinary share. If all outstanding warrants are subscribed, then the maximum shareholders dilution will be approximately 4.9%. On January 3, 2023, the board of directors implemented a Long-Term Incentive Plan (LTI) for key employees in the Better Collective group.

In total the grants under the LTI in 2023 cover 134,953 performance share units and 239,350 share options to 63 key employees in total, vesting over a 3-year period. The total value of the 2023 LTI grant program is 2.9 mEUR (calculated Black-Scholes value) measured at the target level, which is to say 100% achievement of the financial goals. On April 25, 2023, a new LTI program was approved for executive management. The total grant of 300,000 share options will vest over a 3-year period given certain vesting conditions set by the Board of Directors. The total value of the 2023 LTI grant program is 2.6 mEUR (calculated Black-Scholes value) measured at the target level, which is to say 100% achievement of the financial goals.

Risk management

Through an Enterprise Risk Management process, various 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 and any further mitigating actions required. The board evaluates risk dynamically to account for this variation in risk impact. The policies and guidelines in place stipulate how 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 group'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 sportsbooks.

BETTER COLLECTIVE

With the US division, the overall risk profile of Better Collective has changed, and compliance as well as financial risk have increased.

Better Collective has mitigated the additional risks in US in several ways, compliance risk through involvement of regulatory bodies in our licensing process for newly established entities, financial risk through a performance-based valuation of the acquired entities, and organizational risk through establishment of local governance, and finance, HR, and legal organization dedicated to the US operations. During 2022 and 2023 the macroeconomic environment has impacted the global economy with rising interest rates. Better Collective has mitigated and addressed the credit and interest rate risk by entering a new long-term committed facility with three banking partners in August, securing attractive terms and a long-term 3-year commitment. Other key risk factors are described in the Annual report 2022.

Contacts

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Mikkel Munch-Jacobsgaard
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 November 15, 2023, after market close (CET).

About

With a vision to become the leading digital sports media group, Better Collective owns global and national sport media. We are on a mission to excite sports fans through engaging content and foster passionate communities worldwide. Headquartered in Copenhagen, Denmark, and listed on Nasdaq Stockholm (BETCO), Better Collective's portfolio includes; Action Network, VegasInsider.com, HLTV.org, FUTBIN.com, and Playmaker HQ.

To learn more about Better Collective please visit www.Bettercollective.com

Statement by the board of directors and the executive management

Statement by the board of directors and the executive management on the condensed consolidated interim financial statements and the parent company condensed interim financial statements for the period January 1 – September 30, 2023.

Today, the board of directors and the executive management have discussed and approved the condensed consolidated interim financial statements and the parent company condensed interim financial statements of Better Collective A/S for the period January 1 – September 30, 2023.

The condensed consolidated interim financial statements for the period January 1 – September 30, 2023, 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 have 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 on September 30, 2023, and of the results of the group's and parent company's operations and the group's cash flows for the period January 1 – September 30, 2023.

Further, in our opinion, the management's review gives a fair review of the development in the group's and the parent company's operations and financial matters and the results of the group's and the parent company's operations and financial position, as well as a description of the major risks and uncertainties, the group and the parent company are facing.

Copenhagen, November 15, 2023

Executive management

Jesper Søgaard
Co-founder & CEO

Christian Kirk Rasmussen
Co-founder & COO
Executive Vice President

Flemming Pedersen
CFO
Executive Vice President

Board of directors

Jens Bager
Chair

Therese Hillman
Vice Chair

Britt Boeskov

Todd Dunlap

Leif Nørgaard

René Rechtman

Petra von Rohr

Independent auditor's report

To the shareholders of Better Collective A/S

We have reviewed the condensed consolidated interim financial statements of Better Collective A/S for the period January 1 – September 30, 2023, which comprise a consolidated income statement, consolidated statement of other comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and notes as presented on page 18 - 33. The condensed consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional requirements of the Danish Financial Statements Act.

Management's responsibilities for the condensed consolidated interim financial statements

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

Auditor's responsibilities

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

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

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

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

Conclusion

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

Other matters

The condensed consolidated interim financial statements contain actual figures for the period July 1 – September 30, 2023 (Q3 2023), together with comparative figures for the period July 1 – September 30, 2022 (Q3 2022). The actual figures for Q3 2023 and the comparative figures for Q3 2022 have not been subject to review. Accordingly, we do not express an opinion or any other form of assurance on the actual Q3 2023 figures or on the comparative figures for Q3 2022.

Copenhagen, November 15, 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised
Public Accountant
mne33717

Peter Andersen
State Authorised
Public Accountant
mne34313

BETTER COLLECTIVE

Financial statements for the period January 1 – September 30

Condensed interim consolidated income statement

Note	tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
3	Revenue	75,431	59,720	241,491	183,157	269,297
	Direct costs related to revenue	25,669	21,691	74,862	65,447	92,227
4	Staff costs	23,408	17,326	66,018	50,727	68,639
	Other external expenses	6,760	6,148	19,045	17,091	23,356
	Operating profit before depreciation and amortization (EBITDA) and special items	19,595	14,556	81,566	49,892	85,075
	Depreciation	1,200	623	2,611	1,593	2,321
	Operating profit before amortization (EBITA) and special items	18,395	13,933	78,954	48,300	82,754
7	Amortization and impairment	6,375	3,682	16,314	8,722	12,347
	Operating profit (EBIT) before special items	12,019	10,251	62,640	39,578	70,407
5	Special items, net	- 522	- 621	- 2,347	- 1,664	- 54
	Operating profit	11,498	9,630	60,293	37,913	70,353
	Financial income	799	833	4,179	4,178	4,198
	Financial expenses	7,178	1,445	20,164	6,140	9,587
	Profit before tax	5,119	9,017	44,308	35,952	64,964
6	Tax on profit for the period	2,012	2,068	11,964	8,156	16,888
	Profit for the period	3,107	6,949	32,344	27,796	48,075
	Earnings per share attributable to equity holders of the company					
	Average number of shares	55,183,479	55,002,192	55,164,474	54,584,822	54,363,312
	Average number of warrants - converted to number of shares	2,635,780	2,449,465	2,679,260	2,504,339	2,495,614
	Earnings per share (in EUR)	0.06	0.13	0.59	0.51	0.88
	Diluted earnings per share (in EUR)	0.05	0.12	0.56	0.49	0.85

Condensed interim consolidated statement of other comprehensive income

Note	tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
	Profit for the period	3,107	6,949	32,344	27,796	48,075
	Other comprehensive income					
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
	Currency translation to presentation currency	805	342	521	- 153	- 905
	Currency translation of non-current intercompany loans	8,055	18,703	3,048	43,343	17,030
	Income tax	- 1,772	- 4,115	- 671	- 9,535	- 3,747
	Net other comprehensive income/loss	7,087	14,930	2,898	33,655	12,379
	Total comprehensive income/(loss) for the period, net of tax	10,194	21,879	35,242	61,451	60,454
	Attributable to:					
	Shareholders of the parent	10,194	21,879	35,242	61,451	60,454

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Condensed interim consolidated balance sheet

Note	tEUR	Q3 2023	Q3 2022	2022
	Assets			
	Non-current assets			
7	Intangible assets			
	Goodwill	262,980	193,142	183,942
	Domains and websites	473,436	481,366	460,513
	Accounts and other intangible assets	54,978	27,916	27,016
	Total intangible assets	791,395	702,424	671,471
	Property, plant and equipment			
	Land and buildings			
	Right of use assets	14,906	5,955	6,269
	Leasehold improvements, Fixtures and fittings, other plant and equipment	5,510	2,446	2,574
	Total property, plant and equipment	20,416	8,401	8,843
	Other non-current assets			
	Deposits	1,716	734	726
	Deferred tax asset	10,732	11,077	9,165
	Total other non-current assets	12,448	11,811	9,891
	Total non-current assets	824,259	722,636	690,204
	Current assets			
	Trade and other receivables	45,097	38,693	53,179
	Corporation tax receivable	6,854	2,025	6,423
	Prepayments	4,306	3,974	3,926
	Other current financial assets	9,742	0	0
	Cash	40,676	32,564	31,497
	Total current assets	106,674	77,256	95,025
	Total assets	930,934	799,892	785,229

Note	tEUR	Q3 2023	Q3 2022	2022
	Equity and liabilities			
	Equity			
	Share Capital	552	551	551
	Share Premium	273,184	272,535	272,550
	Currency Translation Reserve	26,074	44,453	23,177
	Treasury Shares	- 21,050	- 2,102	- 7,669
	Retained Earnings	158,983	105,450	124,307
	Total equity	437,744	420,887	412,917
	Non-current Liabilities			
8	Debt to credit institutions	248,359	85,725	201,708
8	Lease liabilities	12,577	4,705	4,962
8	Deferred tax liabilities	90,173	78,891	78,167
8	Other long-term financial liabilities	49,415	20,361	22,407
	Total non-current liabilities	400,524	189,683	307,244
	Current Liabilities			
	Prepayments received from customers and deferred revenue	4,066	6,681	8,023
	Trade and other payables	26,486	22,951	22,252
	Corporation tax payable	4,516	14,341	5,221
8	Other financial liabilities	54,866	28,711	26,865
	Debt to credit institutions	23	115,171	1,055
8	Lease liabilities	2,708	1,467	1,653
	Total current liabilities	92,666	189,322	65,068
	Total liabilities	493,189	379,005	372,312
	Total Equity and liabilities	930,934	799,892	785,229

Condensed interim consolidated statement of changes in equity

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Pro-posed dividend	Total equity
As of January 1, 2023	551	272,550	23,177	- 7,669	124,307	0	412,917
Result for the period	0	0	0	0	32,344	0	32,344
Other comprehensive income							
Currency translation to presentation currency	0	0	3,568	0	0	0	3,568
Tax on other comprehensive income	0	0	- 671	0	0	0	- 671
Total other comprehensive income	0	0	2,898	0	0	0	2,898
Total comprehensive income for the year	0	0	2,898	0	32,344	0	35,242
Transactions with owners							
Capital Increase	1	634	0	0	0	0	635
Acquisition of treasury shares	0	0	0	- 13,368	0	0	- 13,368
Disposal of treasury shares	0	0	0	0	0	0	0
Share based payments	0	0	0	0	2,359	0	2,359
Transaction cost	0	0	0	- 13	- 27	0	- 40
Total transactions with owners	1	634	0	- 13,381	2,332	0	- 10,414
At September 30, 2023	552	273,184	26,074	- 21,050	158,983	0	437,744

During the period no dividend was paid.

tEUR	Share capital	Share pre-mium	Currency translation reserve	Treasury shares	Retained earnings	Pro-posed divi-dend	Total equity
As of January 1, 2022	546	267,873	10,798	- 8,074	73,705	0	344,848
Result for the period	0	0	0	0	27,796	0	27,796
Other comprehensive income							
Currency translation to presentation currency	0	0	43,190	0	0	0	43,190
Tax on other comprehensive income	0	0	- 9,535	0	0	0	- 9,535
Total other comprehensive income	0	0	33,655	0	0	0	33,655
Total comprehensive income for the year	0	0	33,655	0	27,796	0	61,451
Transactions with owners							
Capital Increase	5	4,662	0	0	0	0	4,667
Acquisition of treasury shares	0	0	0	- 8,684	0	0	- 8,684
Disposal of treasury shares	0	0	0	14,656	842	0	15,498
Share based payments	0	0	0	0	3,127	0	3,127
Transaction cost	0	0	0	0	- 20	0	- 20
Total transactions with owners	5	4,662	0	5,972	3,949	0	14,588
At September 30, 2022	551	272,535	44,453	- 2,102	105,450	0	420,887

During the period no dividend was paid.

Condensed interim consolidated statement of changes in equity – continued

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2022	546	267,873	10,798	- 8,074	73,705	0	344,848
Result for the period	0	0	0	0	48,075	0	48,075
Other comprehensive income							
Currency translation to presentation currency	0	0	16,125	0	0	0	16,125
Tax on other comprehensive income	0	0	- 3,747	0	0	0	- 3,747
Total other comprehensive income	0	0	12,379	0	0	0	12,379
Total comprehensive income for the year	0	0	12,379	0	48,075	0	60,454
Transactions with owners							
Capital Increase	5	4,677	0	0	0	0	4,683
Acquisition of treasury shares	0	0	0	- 14,250	0	0	- 14,250
Disposal of treasury shares	0	0	0	14,656	842	0	15,498
Share based payments	0	0	0	0	1,713	0	1,713
Transaction cost	0	0	0	0	- 28	0	- 28
Total transactions with owners	5	4,677	0	406	2,526	0	7,615
At December 31, 2022	551	272,550	23,177	- 7,669	124,307	0	412,917

During the period no dividend was paid.

Condensed interim consolidated statement of cash flows

Note	tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
	Profit before tax	5,119	9,017	44,308	35,952	64,964
	Adjustment for finance items	6,378	612	15,985	1,961	5,389
	Adjustment for special items	522	621	2,347	1,664	54
	Operating Profit for the period before special items	12,019	10,251	62,640	39,578	70,407
	Depreciation and amortization	7,575	4,305	18,926	10,314	14,668
	Other adjustments of non-cash operating items	807	731	2,417	1,177	1,690
	Cash flow from operations before changes in working capital and special items	20,402	15,287	83,983	51,070	86,765
	Change in working capital	- 6,157	- 2,116	- 2,124	- 2,251	- 16,949
	Cash flow from operations before special items	14,245	13,171	81,859	48,819	69,816
	Special items, cash flow	- 333	- 621	- 2,000	- 911	- 1,393
	Cash flow from operations	13,912	12,550	79,858	47,908	68,423
	Financial income, received	- 475	268	166	1,567	1,682
	Financial expenses, paid	- 3,027	- 1,016	- 7,078	- 4,088	- 5,666
	Cash flow from activities before tax	10,410	11,802	72,946	45,388	64,439
	Income tax paid	- 3,005	- 1,831	- 11,972	- 4,811	- 16,239
	Cash flow from operating activities	7,406	9,971	60,974	40,577	48,200
9	Acquisition of businesses	- 19,636	- 639	- 49,403	- 13,819	- 14,337
7	Acquisition of intangible assets	-8,094	-2,028	-11,718	-94,458	- 96,452
	Acquisition of property, plant and equipment	- 1,958	- 703	- 4,140	- 1,263	- 1,804
	Sale of property, plant and equipment	0	0	3	0	16
	Acquisition of other financial assets	0	0	- 14,930	0	0
	Change in other non-current assets	- 1,253	- 50	- 1,514	- 40	- 55
	Cash flow from investing activities	- 30,941	- 3,419	- 81,702	- 109,580	- 112,632

Note	tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
	Repayment of borrowings	0	- 5,041	- 1,486	- 15,150	- 215,993
	Proceeds from borrowings	0	28	45,490	95,010	296,665
	Lease liabilities	- 1,475	- 297	- 1,993	- 987	- 1,274
	Other non-current liabilities	4,569	0	444	0	0
	Capital increase	397	285	634	601	618
	Treasury shares	-3,804	- 2,089	- 13,381	- 8,684	- 14,250
	Transaction cost	-4	- 5	- 13	- 20	- 28
	Cash flow from financing activities	- 317	- 7,119	29,694	70,770	65,737
	Cash flows for the period	- 23,853	- 567	8,967	1,767	1,306
	Cash and cash equivalents at beginning	64,536	32,971	31,497	30,093	30,093
	Foreign currency translation of cash and cash equivalents	- 7	160	211	704	99
	Cash and cash equivalents period end*	40,676	32,564	40,676	32,564	31,497
	Cash and cash equivalents period end					
	Cash	40,676	32,564	40,676	32,564	31,497
	Cash and cash equivalents period end	40,676	32,564	40,676	32,564	31,497

Notes

1. General information

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

Basis of preparation

The Interim Report (condensed consolidated interim financial statements) for the period January 1 - September 30, 2023, has been prepared in accordance with IAS 34 "Interim financial statements" as adopted by the EU and additional requirements in the Danish Financial Statements Act. The parent company condensed interim financial statements has been included according to the Danish Executive Order on the Preparation of Interim Financial Reports.

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

The condensed consolidated interim financial statements refer to certain key performance indicators, which Better Collective and others use when evaluating the performance of Better Collective. These are referred to as alternative performance measures (APMs) and are not defined under IFRS. The figures and related subtotals give management and investors important information to enable them to fully analyze 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 January 1, 2023, have been adopted. The implementation of these new or amended standards and interpretations had no material impact on the condensed consolidated interim financial statements.

Accounting policies

The condensed consolidated interim financial statements have been prepared using the same accounting policies as set out in note 1 of the 2022 annual report which contains a full description of the accounting policies for the Group and the parent company, except for the scope of operating segments and "Other current assets".

The scope of operating segments has been modified following changes in management responsibilities as from January 1, 2023. US has been renamed to North America (NA) and will now cover both USA and Canada. Canada was previously included in the operating segment "Europe and RoW". 2022 comparative information has been restated.

Revenue recognised under the hybrid revenue model consists of upfront revenue share (one-time upfront fee for each new referred player) and revenue share for the amount that aggregate revenue share exceeds the aggregate upfront revenue share. Upfront revenue share is recognized at a point in time equal to the month in which the player referral is made. Revenue share is recognised once the aggregate revenue share exceeds the upfront revenue share and is recognised at a point in time equal to the month that it is earned by the respective gaming operator.

Listed shares included under other current financial assets are measured at fair value (market price) at the balance sheet date. (Fair Value Level 1)

Fair Value Level 1: Value based on the fair value of corresponding assets/liabilities in a well-functioning market.

The annual report for 2022 including full description of the accounting policies can be found on Better Collective's website: https://storage.mfn.se/0e9df7fa-f018-42b8-9189-6ee99458c094/bc-2022-annual-report-final.pdf

Significant accounting judgements, estimates and assumptions

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

Beyond the risks mentioned above, 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 2022 which contains a full description of significant accounting judgements, estimates and assumptions.

2. Segments

Publishing and Paid Media

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

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

	Publishing		Paid Media		Group	
tEUR	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022
Revenue	48,463	41,300	26,969	18,420	75,431	59,720
Cost	36,574	28,858	19,262	16,306	55,837	45,164
Operating profit before depreciation, amortization and special items	11,888	12,442	7,707	2,114	19,595	14,556
EBITDA-Margin before special items	25%	30%	29%	11%	26%	24%
Special items, net	- 522	- 621	0	0	- 522	- 621
Operating profit before depreciation and amortization	11,366	11,821	7,707	2,114	19,073	13,935
EBITDA-Margin	23%	29%	29%	11%	25%	23%
Depreciation	1,196	620	4	3	1,200	623
Operating profit before amortization	10,170	11,201	7,703	2,111	17,873	13,312
EBITA-Margin	21%	27%	29%	11%	24%	22%

	Publishing		Paid Media		Group	
tEUR	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022
Revenue	161,214	127,806	80,277	55,351	241,491	183,157
Cost	102,761	85,118	57,164	48,147	159,925	133,265
Operating profit before depreciation, amortization and special items	58,452	42,688	23,113	7,204	81,566	49,892
EBITDA-Margin before special items	36%	33%	29%	13%	34%	27%
Special items, net	- 2,347	- 1,664	0	0	- 2,347	- 1,664
Operating profit before depreciation and amortization	56,105	41,024	23,113	7,204	79,218	48,228
EBITDA-Margin	35%	32%	29%	13%	33%	26%
Depreciation	2,601	1,581	10	12	2,611	1,593
Operating profit before amortization	53,504	39,443	23,103	7,192	76,607	46,635
EBITA-Margin	33%	31%	29%	13%	32%	25%

	Publishing	Paid Media	Group
tEUR	2022	2022	2022
Revenue	187,057	82,241	269,297
Cost	115,376	68,846	184,222
Operating profit before depreciation, amortization and special items	71,681	13,394	85,075
EBITDA-Margin before special items	38%	16%	32%
Special items, net	- 54	0	- 54
Operating profit before depreciation and amortization	71,627	13,394	85,021
EBITDA-Margin	38%	16%	32%
Depreciation	2,306	15	2,321
Operating profit before amortization	69,321	13,379	82,700
EBITA-Margin	37%	16%	31%

2. Segments, continued

Europe & Rest of World and North America

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

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

	Europe & RoW		North America		Group	
tEUR	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022
Revenue	52,941	41,595	22,490	18,125	75,431	59,720
Cost	36,305	28,955	19,532	16,209	55,837	45,164
Operating profit before depreciation, amortization and special items	16,637	12,640	2,958	1,915	19,595	14,556
EBITDA-Margin before special items	31%	30%	13%	11%	26%	24%
Special items, net	- 118	- 585	- 403	- 36	- 522	- 621
Operating profit before depreciation and amortization	16,519	12,055	2,554	1,880	19,073	13,935
EBITDA-Margin	31%	29%	11%	10%	25%	23%
Depreciation	912	462	288	161	1,200	623
Operating profit before amortization	15,607	11,593	2,266	1,719	17,873	13,312
EBITA-Margin	29%	28%	10%	9%	24%	22%

* 2022 figures have been restated because of the transfer of Canada and renaming USA to North America (NA), which now covers both USA and Canada from January 1, 2023.

	Europe & RoW		North America		Group	
tEUR	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022
Revenue	158,932	119,600	82,559	63,558	241,491	183,157
Cost	102,434	84,022	57,491	49,243	159,925	133,265
Operating profit before depreciation, amortization and special items	56,498	35,578	25,068	14,314	81,566	49,892
EBITDA-Margin before special items	36%	30%	30%	23%	34%	27%
Special items, net	- 1,443	- 875	- 904	- 790	- 2,347	- 1,664
Operating profit before depreciation and amortization	55,055	34,703	24,164	13,525	79,218	48,228
EBITDA-Margin	35%	29%	29%	21%	33%	26%
Depreciation	1,853	1,235	759	358	2,611	1,593
Operating profit before amortization	53,202	33,468	23,405	13,167	76,607	46,635
EBITA-Margin	33%	28%	28%	21%	32%	25%

	Europe & Row	North America	Group
tEUR	2022	2022	2022
Revenue	173,664	95,633	269,297
Cost	115,620	68,602	184,222
Operating profit before depreciation, amortization and special items	58,044	27,031	85,075
EBITDA-Margin before special items	33%	28%	32%
Special items, net	- 1,360	1,306	- 54
Operating profit before depreciation and amortization	56,684	28,336	85,021
EBITDA-Margin	33%	30%	32%
Depreciation	1,671	650	2,321
Operating profit before amortization	55,013	27,687	82,700
EBITA-Margin	32%	29%	31%

3. Revenue specification

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

tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Revenue category					
Recurring revenue (Revenue share, Subscription, CPM)	46,312	31,075	141,864	82,052	129,274
CPA, Fixed Fees	29,055	28,290	99,539	100,113	139,696
Other	64	355	88	992	327
Total revenue	75,431	59,720	241,491	183,157	269,297
%-split					
Recurring revenue	61	52	59	45	48
CPA, Fixed Fees	39	47	41	55	52
Other	0	1	0	0	0
Total	100	100	100	100	100

tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Revenue type					
Revenue Share	39,955	24,993	121,504	66,210	102,358
CPA	20,837	23,350	77,848	87,673	118,415
Subscription	4,106	3,975	12,669	11,623	18,003
Other	10,533	7,402	29,469	17,651	30,521
Total revenue	75,431	59,720	241,491	183,157	269,297
%-split					
Revenue Share	53	42	50	36	38
CPA	28	39	32	48	44
Subscription	5	7	5	6	7
Other	14	12	12	10	11
Total	100	100	100	100	100

* 2022 figures have been restated for Revenue Share and CPA because of the reclassification of upfront payments related to hybrid revenue share contracts as well as 2023 numbers, impacting Q3, 2023 with 3.8 mEUR and YTD 12.7 mEUR, respectively (2022: 5.9 mEUR).

4. Share-based payment plans

2019 Warrant programs:

During the third quarter of 2023 the company did not grant any new warrants and 47,011 warrants were exercised under this program.

2022 Incentive Program:

During the third quarter of 2023 no performance share units or share options were granted under this program. A new Long-term Incentive (LTI) program was established for key employees in Q1 2022, and 73,894 performance share units and 24,564 share options were granted to a total of 36 employees.

2023 Incentive Program:

During the first quarter of 2023 a new Long-term Incentive (LTI) program was established for key employees. Under the program 134,953 performance share units and 239,350 share options were granted to a total of 63 employees.

2023 CXO Options Program:

During the second quarter of 2023 a new options program was established for the executive management. Under the program 300,000 share options were granted to a total of 3 employees.

The total share-based compensation expense for the above programs recognized for Q3 2023 is 1,407 tEUR (Q3 2022: 501 tEUR) and the cost YTD 2023 is 2.4 mEUR (YTD 2022: 1,314 tEUR).

5. Special items

Special items consist of recurring and non-recurring items that management does not consider to be part of the group's ordinary operating activities, i.e. acquisition costs, adjustment of earn-out payments related to acquisitions, and restructuring costs are presented in the Income statement in a separate line item labelled 'Special items'. The impact of special items is specified as follows:

tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Operating profit	11,498	9,630	60,293	37,913	70,353
Special Items related to:					
Special items related to M&A	- 760	- 621	- 1,716	- 910	- 1,263
Variable payments regarding acquisitions - cost	98	0	- 44	2,408	2,275
Variable payments regarding acquisitions - income					
Special items related to Restructuring	158	0	- 509	- 0	- 130
Special items related to Divestiture of Assets	0	0	0	0	0
Special items related to Management Incentive Program	- 18	0	- 78	- 3,162	- 936
Special items, total	- 522	- 621	- 2,347	- 1,664	- 54
Operating profit (EBIT) before special items	12,019	10,251	62,640	39,578	70,407
Amortization and impairment	6,375	3,682	16,314	8,722	12,347
Operating profit before amortization and special items (EBITA before special items)	18,395	13,933	78,954	48,300	82,754
Depreciation	1,200	623	2,611	1,593	2,321
Operating profit before depreciation, amortization, and special items (EBITDA before special items)	19,595	14,556	81,566	49,892	85,075

6. Income tax

Total tax for the period is specified as follows:

tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Tax for the period	2,012	2,068	11,964	8,156	16,888
Tax on other comprehensive income	1,772	4,115	671	9,535	3,747
Total	3,784	6,183	12,635	17,691	20,635

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

tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Deferred tax	- 283	- 130	1,608	2,017	6,785
Current tax	1,829	2,171	9,906	6,091	10,153
Adjustment from prior years	467	26	450	48	- 49
Total	2,012	2,068	11,964	8,156	16,888

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

tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Specification for the period:					
Calculated 22% tax of the result before tax	1,126	1,984	9,748	7,909	14,292
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	470	- 235	1,467	231	1,563
Tax effect of:			0	0	
Special items	186	138	573	398	- 83
Special items - taxable items	- 541	- 0	- 541	- 822	- 243
Other non-taxable income	- 312	- 50	- 1,027	- 150	- 150
Other non-deductible costs	752	205	1,431	541	1,558
Tax deductable	- 136		- 136		
Adjustment of tax relating to prior periods*	467	26	450	48	-49
Total	2,012	2,068	11,964	8,156	16,888
Effective tax rate	39.3%	22.9%	27.0%	22.7%	26.0%

7. Intangible assets

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation				
As of January 1, 2023	183,942	460,513	63,705	708,159
Additions	0	3,832	16,231	20,063
Acquisitions through business combinations	78,350	7,758	29,579	115,688
Transfer		0	0	0
Disposals	0	0	- 2,324	- 2,324
Currency Translation	688	1,333	74	2,096
At September 30, 2023	262,980	473,436	107,265	843,681
Amortization and impairment				
As of January 1, 2023	0	0	36,688	36,688
Amortization for the period	0	0	16,345	16,345
Impairment for the period*	0	0	0	0
Amortization on disposed assets	0	0	0	0
Currency translation	0	0	- 747	- 747
At September 30, 2023	0	0	52,286	52,286
Net book value at September 30, 2023	262,980	473,436	54,978	791,395

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation				
As of January 1, 2022	178,182	329,276	36,827	544,285
Additions	0	118,185	26,337	144,522
Acquisitions through business combinations	0	0	0	0
Transfer	0	0	0	0
Disposals	0	0	0	0
Currency Translation	5,760	13,051	540	19,351
At December 31, 2022	183,942	460,513	63,705	708,159
Amortization and impairment				
As of January 1, 2022	0	0	24,374	24,374
Amortization for the period	0	0	12,348	12,348
Impairment for the period*	0	0	0	0
Amortization on disposed assets	0	0	0	0
Currency translation	0	0	- 33	- 33
At December 31, 2022	0	0	36,688	36,688
Net book value at December 31, 2022	183,942	460,513	27,016	671,471

7. Intangible assets, continued

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation				
As of January 1, 2022	178,182	329,276	36,827	544,285
Additions	499	118,185	23,482	142,166
Acquisitions through business combinations	0	0	0	0
Transfer	0	0	0	0
Disposals	0	0	0	0
Currency Translation	14,461	33,905	1,404	49,770
At September 30, 2022	193,142	481,366	61,713	736,221
Amortization and impairment				
As of January 1, 2022	0	0	24,374	24,374
Amortization for the period	0	0	9,118	9,118
Impairment for the period*	0	0	0	0
Amortization on disposed assets	0	0	0	0
Currency translation	0	0	306	306
At September 30, 2022	0	0	33,797	33,797
Net book value at September 30, 2022	193,142	481,366	27,916	702,424

8. Non-current liabilities and other current financial liabilities

Debt to credit institutions:
As per September 30, 2023, Better Collective has drawn 248.3 mEUR (2022: 201.7) out of the total committed club facility of 319 mEUR established with Nordea, Nykredit, and Citibank. In August Better Collective extended the club-financing from October 2022 with Nordea, Nykredit and Citibank by 3 years to October 2026 as well as executing the accordion option increasing available facilities with 72 mEUR, leaving the group with a total financing of 319 mEUR where aforementioned 246.9 mEUR has been utilized.

Lease liabilities:
Non-current and current lease liabilities, of 15.3 mEUR (Q3 2022: 4.7 mEUR) and 1.3 mEUR (Q3 2022: 1.5 mEUR) respectively.

Deferred Tax liability:
Deferred tax liability as of September 30, 2023, amounted to 90.1 mEUR (Q3 2022: 78.9 mEUR). The change from January 1, 2023, originates from changes in deferred tax related to acquisitions, amortization of accounts from acquisitions, and deferred tax changes in Parent Company and Better Collective US, Inc.

Deferred Tax asset:
Deferred tax asset as of September 30, 2023, amounted to 10.7 mEUR (Q3 2022: 11.1 mEUR).

Other financial liabilities:
As per September 30, 2023, other financial liabilities amounted to 104.3 mEUR (Q3 2022: 49.1 mEUR) due to deferred and variable payments related to acquisitions. The increase from January 1, 2023, is related to the capitalization of media agreements, acquisition of Skycon, Playmaker HQ and Digital Sportmedia i Norden.

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 Skycon Limited

On April 14, 2023 Better Collective completed the acquisition of Skycon Limited (Skycon) for a total consideration up to 51 mEUR (45 mGBP) with an initial consideration of 28.3 mEUR (25 mGBP) on a cash and debt-free basis. Skycon is a global display advertising company and perfectly complements Better Collective's Paid Media division. The acquisition is a strategic move for Better Collective with significant synergistic opportunities.

tEUR	
Purchase amount	56,029
Cash and cash equivalents	3,647
Deferred payment	22,614
Cash outflow	29,767

The transferred consideration was in cash and a deferred payment payable in cash.

Acquired net assets at the time of acquisition	tEUR
Accounts and other intangible assets	24,227
Accrued Income	2,372
Other receivables	45
Cash	3,647
Deferred Tax Liability	-6,502
Identified net assets	**23,790**
Goodwill	32,239
Total consideration	**56,029**

A goodwill of 32,239 tEUR emerged from the acquisition of Skycon 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 platform and significant synergistic opportunities. The earn outs are based on certain financial performance targets in the 12 months post-closing period. The goodwill is not tax deductible.

Transaction costs related to the acquisition of Skycon amounts to 381 tEUR in 2023. Transaction costs are accounted for in the income statements under "special items". The acquisition was completed on April 14, 2023. If the transaction had been completed on January 1, 2023 the group's revenue YTD would have amounted to 171 mEUR and result after tax would have amounted to 33 mEUR. The purchase price allocation is provisional due to uncertainties regarding measurement of acquired intangible assets.

Acquisition of Playmaker HQ

On July 3, after the end of Q2, 2023 Better Collective US, Inc. completed the acquisition of Playmaker HQ for up to 51 mEUR (54 mUSD) with an initial consideration of 14.1 mEUR (15 mUSD) on a cash and debt-free basis. Playmaker HQ is a leading sports and entertainment media platform headquartered in South Florida, US. The sports media group specializes in providing original entertainment and sports content with exclusive athlete collaborations and creator talent mainly targeting the US market.

tEUR	
Purchase amount	44,174
Cash and cash equivalents	0
Deferred payment	29,818
Cash outflow	14,897

The transferred consideration was in cash and a deferred payment payable in cash.

Acquired net assets at the time of acquisition	tEUR
Accounts and other intangible assets	5,352
Accounts receivable	320
Trade payables	-94
Total net assets	**5,578**
Goodwill	39,136
Total consideration	**44,174**

A goodwill of 39,136 tEUR emerged from the acquisition of Playmaker HQ 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 platform and significant synergistic opportunities. In order to reach the full earn-out payment, Playmaker HQ will have to generate >75 mUSD in accumulating revenues and >25 mUSD in accumulating operational earnings (EBITDA) during the first three years post acquisition. The goodwill is tax deductible.

Transaction costs related to the acquisition of Playmaker HQ amounts to 347 tEUR in 2023. Transaction costs are accounted for in the income statements under "special items". The acquisition was completed on July 3, 2023. If the transaction had been completed on January 1, 2023 the group's revenue YTD would have amounted to 244 mEUR and result after tax would have amounted to 32 mEUR. The purchase price allocation is provisional due to uncertainties regarding measurement of acquired intangible assets.

Other acquisitions in Q3

On August 15, 2023 Better Collective announced the acquisition of four brands SvenskaFans.com, Hockeysverige.se, Fotbolldirekt.se and Innebandymagazinet.se by acquiring Digital Sportmedia i Norden AB from Everysport Group to further expand its position within the Swedish sports media ecosystem for a total consideration of 3.7 mEUR on a cash and debt-free basis.

On September 4, 2023 Better Collective announced the acquisition of the platform Torcedores.com, by acquiring Goalmedia Technologia E Marketing Digital S.A. The acquisition strengthens Better Collectives position in the South American region through the acquisition of leading national Brazilian sports media platform Torcedores.com. Adding the first Brazilian sports media brand to the group, Better Collective will leverage its best-in-class digital expertise in one of the world's fastest growing markets.

Acquired net assets during acquisitions	
Domains	7,954
Contingent liabilities	-1,728
Deferred tax liabilities	-2,282
Net assets (other)	- 1,348
Total net assets	2,597
Goodwill	6,459
Total consideration	**9,056**

A goodwill of 6,459 tEUR emerged from the acquisitions as an effect of the difference between the transferred consideration and the fair value of acquired net assets. The goodwill is not tax deductible.

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

Acquisition of Tipsbladet.dk

On September 18, 2023 Better Collective announced the acquisition of Tipsbladet.dk ApS to further expand its position in Denmark for a total consideration of 6.5 mEUR on a cash and debt-free basis with closing 2 October 2023.

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, goodwill and pro-forma impact on the revenue and profit after tax is not included in these interim financial statements.

Acquisition of Playmaker Capital

On November 6, 2023 Better Collective announced the acquisition of Playmaker Capital for a total price consideration of 176 mEUR. Playmaker Capital is a leading digital sports media group that owns and operates several strong sports media brands across the Americas.

The closing of the transaction is subject to approval by the shareholders of Playmaker Capital, court approval, applicable regulatory approvals and certain other closing conditions customary in transactions of this nature. The transaction is expected to close before the end of Q1 of 2024, whereafter Playmaker Capital will be consolidated into the Better Collective group.

10. Note to cash flow statement

tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Acquisition of business combinations:					
Net Cash outflow from business combinations at acquisition	- 19,636	0	- 49,403	0	0
Business Combinations deferred payments from current period	0	0	0	0	0
Deferred payments - business combinations from prior periods	0	- 639	0	- 13,819	- 14,337
Total cash flow from business combinations	- 19,636	- 639	- 49,403	- 13,819	- 14,337
Acquisition of intangible assets:					
Acquisitions through asset transactions	- 4,120	- 7,909	- 20,063	- 141,668	- 144,522
Deferred payments related to acquisition value	0	0	0	29,408	29,408
Deferred payments - acquisitions from prior periods	- 9,250	0	- 9,738	- 121	- 121
Intangible assets with no cash flow effect	5,276	6,975	18,287	20,430	24,325
Other investments		- 1,093	- 203	- 2,507	- 5,541
Total cash flow from intangible assets	- 8,094	- 2,028	- 11,718	- 94,458	- 96,452

Condensed interim income statement – Parent company

tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Revenue	23,101	16,855	71,306	44,617	65,282
Other operating income	3,284	4,128	12,177	9,433	14,797
Direct costs related to revenue	6,928	3,665	18,006	9,767	14,292
Staff costs	11,418	7,219	30,034	16,396	25,061
Depreciation	510	137	822	404	540
Other external expenses	4,648	4,358	12,891	13,809	17,248
Operating profit before amortization (EBITA) and special items	2,881	5,605	21,730	13,673	22,939
Amortization	2,281	1,144	6,117	2,723	3,875
Operating profit (EBIT) before special items	600	4,461	15,613	10,950	19,064
Special items, net	- 276	- 585	- 1,443	- 875	- 1,168
Operating profit	324	3,876	14,170	10,075	17,896
Financial income	36,361	23,562	48,951	64,664	72,388
Financial expenses	7,096	1,353	24,459	4,457	35,057
Profit before tax	29,589	26,085	38,663	70,282	55,227
Tax on profit for the period	1,490	5,574	2,197	12,756	8,279
Profit for the period	28,099	20,511	36,465	57,526	46,949

Condensed interim statement of other comprehensive income

tEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Profit for the period	28,099	20,511	36,465	57,526	46,949
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Currency translation to presentation currency	441	84	- 1,162	22	22
Currency translation of non-current intercompany loans					
Income tax	0	0	0	0	0
Net other comprehensive income/loss	441	84	- 1,162	22	22
Total comprehensive income/(loss) for the period, net of tax	28,540	20,595	35,303	57,548	46,970

Condensed interim balance sheet – Parent company

tEUR	Q3 2023	Q3 2022	2022
Assets			
Non-current assets			
Intangible assets			
Goodwill	17,802	0	0
Domains and websites	168,387	144,374	144,374
Accounts and other intangible assets	22,184	10,420	13,287
Total intangible assets	208,373	154,795	157,662
Property, plant and equipment			
Land and building			
Right of use assets	7,889	413	334
Fixtures and fittings, other plant and equipment	2,228	468	410
Total property, plant and equipment	10,117	881	744
Financial assets			
Investments in subsidiaries	226,799	192,481	190,448
Receivables from subsidiaries	293,908	299,250	273,515
Deposits	1,094	174	174
Total financial assets	521,801	491,905	464,137
Total non-current assets	740,291	647,581	622,542
Current assets			
Trade and other receivables	12,584	11,467	17,163
Receivables from subsidiaries	15,151	26,871	30,229
Tax receivable	6,153	0	5,913
Prepayments	2,251	2,119	2,519
Other current financial assets	9,751	0	0
Cash	17,978	14,062	8,705
Total current assets	63,867	54,519	64,529
Total assets	804,158	702,100	687,072

tEUR	Q3 2023	Q3 2022	2022
Equity and liabilities			
Equity			
Share Capital	552	551	551
Share Premium	273,184	272,535	272,550
Currency Translation Reserve	- 588	574	574
Treasury shares	- 21,050	- 2,102	- 7,669
Retained Earnings	186,997	157,047	145,047
Proposed Dividends	0	0	0
Total equity	439,095	428,605	411,054
Non-current Liabilities			
Debt to credit institutions	248,359	85,725	201,708
Lease liabilities	6,392	107	16
Deferred tax liabilities	12,400	4,959	6,141
Other non-current financial liabilities	15,362	15,628	19,543
Total non-current liabilities	282,513	106,419	227,408
Current Liabilities			
Prepayments received from customers and deferred revenue	- 382	0	1,583
Trade and other payables	7,851	4,416	5,719
Payables to subsidiaries	23,223	17,272	20,822
Tax payable	309	10,436	30
Other current financial liabilities	50,068	19,431	19,045
Contingent Consideration			
Debt to credit institutions	0	115,171	1,055
Lease liabilities	1,482	350	356
Total current liabilities	82,550	167,076	48,609
Total liabilities	365,063	273,495	276,017
Total equity and liabilities	804,158	702,100	687,072

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, 2023	551	272,550	574	- 7,669	145,047	0	411,054
Result for the period	0	0	0	0	36,465	0	36,465
Other comprehensive income							
Currency translation to presentation currency	0	0	- 1,162	0	0	0	- 1,162
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	- 1,162	0	0	0	- 1,162
Total comprehensive income for the year	0	0	- 1,162	0	36,465	0	35,303
Transactions with owners							
Capital Increase	1	634	0	0	3,152	0	3,787
Acquisition of treasury shares	0	0	0	- 13,368	0	0	- 13,368
Disposal of treasury shares	0	0	0	0	0	0	0
Share based payments	0	0	0	0	2,359	0	2,359
Transaction cost	0	0	0	- 13	- 27	0	- 40
Total transactions with owners	1	634	0	- 13,381	5,485	0	- 7,262
At September 30, 2023	552	273,184	- 588	- 21,050	186,997	0	439,095

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2022	546	267,873	552	- 8,074	94,223	0	355,121
Result for the period	0	0	0	0	46,949	0	46,949
Other comprehensive income							
Currency translation to presentation currency	0	0	22	0	0	0	22
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	22	0	0	0	22
Total comprehensive income for the year	0	0	22	0	46,949	0	46,970
Transactions with owners							
Capital Increase	5	4,677	0	0	0	0	4,683
Acquisition of treasury shares	0	0	0	- 14,250	0	0	- 14,250
Disposal of treasury shares	0	0	0	14,656	842	0	15,498
Share based payments	0	0	0	0	3,061	0	3,061
Transaction cost	0	0	0	0	- 28	0	- 28
Total transactions with owners	5	4,677	0	406	3,875	0	8,963
At December 31, 2022	551	272,550	574	- 7,669	145,047	0	411,054

tEUR	Share capi-tal	Share pre-mium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2022	546	267,873	552	- 8,074	94,223	0	355,121
Result for the period	0	0	0	0	57,526	0	57,526
Other comprehensive income							
Currency translation to presentation currency	0	0	22	0	0	0	22
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	22	0	0	0	22
Total comprehensive income for the year	0	0	22	0	57,526	0	57,548
Transactions with owners							
Capital Increase	5	4,662	0	0	0	0	4,667
Acquisition of treasury shares	0	0	0	- 8,684	0	0	- 8,684
Disposal of treasury shares	0	0	0	14,656	842	0	15,498
Share based payments	0	0	0	0	4,475	0	4,475
Transaction cost	0	0	0	0	- 20	0	- 20
Total transactions with owners	5	4,662	0	5,972	5,298	0	15,936
At September 30, 2022	551	272,535	574	- 2,102	157,047	0	428,605

Alternative Performance Measures and Definitions

The group uses and communicate certain Alternative Performance Measures ("APM"), which are not defined under IFRS. Such are not to replace performance measures defined and under IFRS. The APM's may not be indicative of the group's historical operating results, nor are such measures meant to be predictive of the group's future results. The group believes however that the APMs are useful supplemental indicators that may be used to assist in evaluating a company's future operating performance, and its ability to service its debt. Accordingly, the APMs are disclosed to permit a more complete and comprehensive analysis of the group's operating performance, consistently with how the group's business performance is evaluated by the Management. The group believes that the presentation of these APMs enhances an investor's understanding of the group's operating performance and the group's ability to service its debt. Accordingly, the group discloses the APM's to permit a more complete and comprehensive analysis of its operating performance relative to other companies and across periods, and of the group's ability to service its debt. However, these APM's may be calculated differently by other companies and may not be comparable with APM's with similarly titled measures used by other companies. The group's APMs are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of the Company's operating performance, cash flows or any other measures of performance derived in accordance with IFRS. The group's APM's have important limitations as analytical tools, and they should not be considered in isolation or as substitutes for analysis of the group's results of operations as reported under IFRS. Our currently applied APM's are summarized and described below.

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 amortization (EBITA)	Operating profit plus amortizations	Better Collective reports this APM to allow monitoring and evaluation of the Group's operational profitability.
Operating profit before amortizations margin (%)	Operating profit before amortizations / revenue	This APM supports the assessment and monitoring of the Group's performance and profitability
EBITDA before special items	EBITDA adjusted for special items	This APM supports the assessment and monitoring of the Group's performance as well as profitability excluding special items that do no stem from ongoing operations, providing a more comparable measure over time.
Operating profit before amortizations and special items margin (%)	Operating profit before amortizations and special items / revenue	This APM supports the assessment and monitoring of the Group's performance as well as 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 that are 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, 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 its 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 as compared to the same period previous year. Organic growth from acquired companies or assets are calculated from the date of acquisition measured against the historical baseline performance.	Reported to measure the ability to generate growth from existing business

Alternative Performance Measure	Description	SCOPE
Recurring revenue	Recurring revenue is a combined set of revenues that is defined as recurring as management considers that the sources of these revenue streams will continuously generate revenue over a variable period of time and size e.g. if players continue to bet with gaming operators with which BC has revenue share agreements, customers continue current subscriptions or if BC on a current basis receive revenues from customers having current marketing agreements in respect of banners, etc. on the group's websites. Accordingly, it includes Revenue share income, CPM /Advertising and subscription revenues.	The group reports this APM to distinguish between what management consider as recurring revenue streams and what management consider as non-recurring revenue streams, e.g. revenues reflecting one-time settlements with gaming operators.

*Net debt definition has been changed from Q3, 2023 so it is excluding earn-outs. Comparatives have been changed accordingly.

Definitions

Term	Description
PPC	Pay-Per-Click
SEO	Search Engine Optimization
Sports win margin	Sports net player winnings (operators) / sports wagering
Sports wagering	The value of bets placed by the players
Recurring revenue	Recurring revenue is a combined set of revenues that is defined as recurring. It includes revenue share income, CPM/Advertising and subscription revenues
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

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