BETTER COLLECTIVE

Q3 2022

Highlights

Revenue: 60 mEUR; growth of 32% YOY, organic growth 23%

Revenue share income: 25 mEUR; growth of 73% YOY

EBITDA before special items: 15 mEUR; growth of 7% YOY; margin 24%

New Depositing Customers: >354,000; growth 73% YOY; >1,100,000 YTD

October started Q4 with revenue of 26 mEUR; >50% YOY growth

Financial targets are maintained despite a larger estimated impact from moving to revenue share in the US; increased from >5 mEUR to >10 mEUR

Copenhagen, November 17, 2022
Better Collective A/S
www.bettercollective.com
CVR NO.: 27 65 29 13

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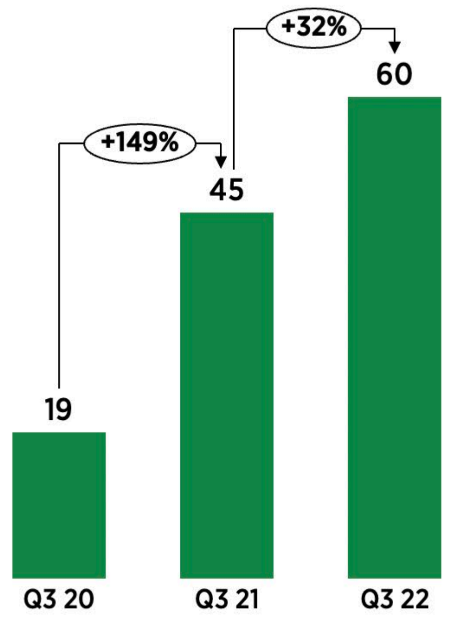
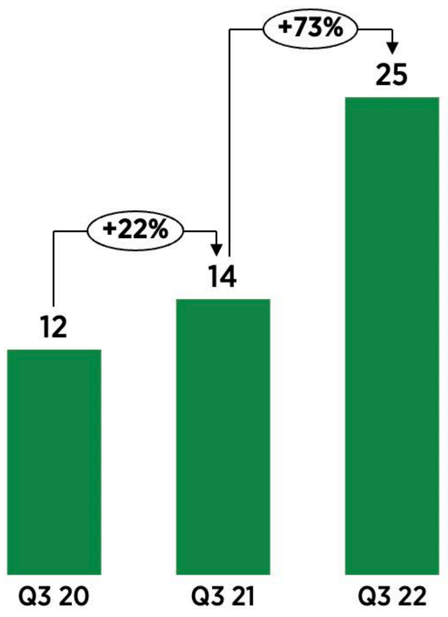
Revenue

mEUR



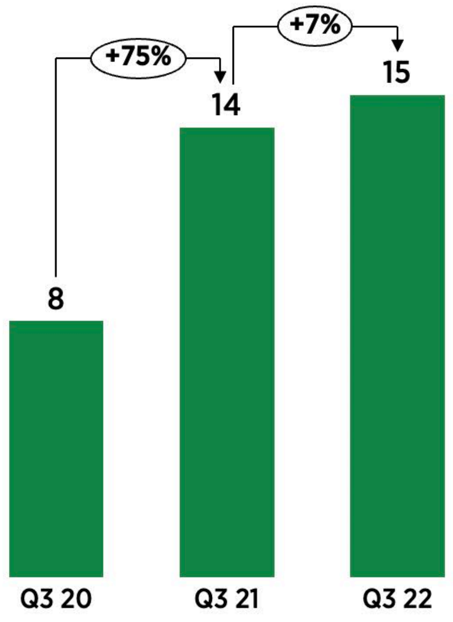
Revenue share income

mEUR



EBITDA before special items

mEUR



Highlights Q3, 2022

- Financial targets are maintained despite a larger estimated impact from moving to revenue share in the US; increased from >5 mEUR to >10 mEUR.
- Q3 Group revenue grew by 32% to 59.7 mEUR; organic revenue growth was 23%.
    - Out of the total revenue >45% came in during a busy September, which reflects the impact of seasonality in Q3.
    - Europe & ROW grew very strong 38% despite the low season and was driven by LATAM and Media Partnerships.
    - US grew 17% signaling the seasonally low quarter, the move to revenue share as well as a decreasing ad spend from the sportsbooks. Excluding the move to revenue share the US growth would have been >30%.
    - Revenue share income was all time high at 25.0 mEUR; 73% YOY growth.
    - The sports win margin increased from Q2 and is now above the same quarter last year. Sports win margin impact was positive by 1.3 mEUR.
- Q3 Group EBITDA before special items increased 7% to 14.6 mEUR resulting in a margin of 24%.
    - Europe & ROW delivered 13.9 mEUR in EBITDA which equals growth of 68% YOY and a margin of 32%.
    - The US business came in at 0.7 mEUR, or a margin of 4%. The move to revenue share has been fast forwarded resulting in an increased FY impact from >5 mEUR to >10 mEUR hitting EBITDA directly. Excluding the move to revenue share the US margin would have been 17% during the quarter.
- Cash flow from operations before special items was 13.2 mEUR an increase of 25%. The cash conversion was 86%. By the end of Q3, capital reserves stood at 41 mEUR of which cash of 33 mEUR and unused bank credit facilities of 8 mEUR.
- New depositing customers (NDCs) were >354,000 in the quarter; growth of 73%. NDCs sent on revenue share contracts were >282,000; 111% growth. YTD the Group has delivered >1.1 million NDCs.
- Three new media partnerships were signed with the Chicago Tribune, Bostom.com and SPORT1 to bring engaging sports betting content to the publications.
- A share buyback program for up to 5 mEUR was initiated. The purpose of the buyback program is to cover future payments relating to completed acquisitions and LTI programs.
- Better Collective announced that it will host a Capital Markets Day in Copenhagen on March 23, 2023.

Significant events after the closure of the period

- October revenue reached 26 mEUR, YOY growth >50%, of which >35% was organic growth. The EBITDA margin was as expected.
- In October Better Collective signed a new club-financing agreement with Nordea, Nykredit Bank, and CitiBank expanding and building on the bank agreement and relation with Nordea that has been in place since 2018. The deal leaves the Group with total financing of 319 mEUR of which 247 mEUR is committed for two + one year(s), with the rest being an accordion option.
- On October 28, 2022, the share buyback program of 5 mEUR was completed with 386,145 shares accumulated under the program.
- When Better Collective listed in 2018, the prospectus mentioned an ongoing case with the Danish Gambling Authority which at the time was being considered by the Danish Prosecution Services. The case was brought to the Danish courts in 2020. In April 2022 Better Collective was acquitted in the court of first instance, and the acquittal is final.
- Better Collective was awarded “Sports Media of the Year” at the 2022 SBC Latin America Awards.

Webcast November 17, 2022

A conference call for investors, analysts, and the media will be held today, November 17, 2022, at 10:00 a.m. CET and can be joined online at www.bettercollective.com. The presentation material for the call will be available on the website one hour before the call.

To participate please sign up here

https://register.vevent.com/register/BI6fe9377cb3504567b62dc2180779e45d

After signing up you will receive an e-mail with a phone number and a personal dial-in code for the call.

Financial highlights and key figures

tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Revenue	59,720	45,413	183,157	124,257	177,051
Revenue Growth (%)	32%	148%	47%	128%	94%
Organic Revenue Growth (%)	23%	29%	30%	31%	29%
Operating profit before depreciation, amortization, and special items (EBITDA before special items)	14,556	13,583	49,892	39,439	55,775
Operating profit before depreciation and amortization (EBITDA)	13,935	1,995	48,228	22,433	39,030
Depreciation	623	442	1,593	1,291	1,764
Operating profit before amortization and special items (EBITA before special items)	13,933	13,142	48,300	38,148	54,011
Special items, net	- 621	- 11,588	- 1,664	- 17,006	- 16,746
Operating profit before amortization (EBITA)	13,312	1,553	46,635	21,143	37,265
Amortization and impairment	3,682	1,915	8,722	4,986	8,516
Operating profit before special items (EBIT before special items)	10,251	11,227	39,578	33,162	45,495
Operating profit (EBIT)	9,630	- 362	37,913	16,156	28,749
Result of financial items	- 612	- 602	- 1,961	- 2,183	- 2,522
Profit before tax	9,017	- 963	35,952	13,973	26,227
Profit after tax	6,949	- 3,508	27,796	6,492	17,292
Earnings per share (in EUR)	0.13	-0.07	0.51	0.13	0.34
Diluted earnings per share (in EUR)	0.12	-0.07	0.49	0.12	0.33
Balance sheet					
Balance Sheet Total	799,892	556,017	799,892	556,017	597,379
Equity	420,887	334,924	420,887	334,924	344,848
Current assets	77,256	68,489	77,256	68,489	62,898
Current liabilities	189,322	130,122	189,322	130,122	55,452
Net interest bearing debt	223,577	69,191	223,577	69,191	109,422

tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Cashflow					
Cash flow from operations before special items	13,171	10,498	48,819	37,670	51,204
Cash flow from operations	12,550	5,929	47,908	31,879	45,207
Investments in tangible assets	- 703	- 172	- 1,263	431	- 687
Cash flow from investment activities	- 3,419	- 9,236	- 109,580	- 201,220	- 219,219
Cash flow from financing activities	- 7,119	334	70,770	181,968	188,759
Financial ratios					
Operating profit before depreciation, amortization (EBITDA) and special items margin (%)	24%	30%	27%	32%	32%
Operating profit before amortization margin (EBITDA) (%)	23%	4%	26%	18%	22%
Operating profit margin (%)	16%	-1%	21%	13%	16%
Publishing segment - EBITDA before special items margin (%)	30%	40%	33%	44%	43%
Paid media segment - EBITDA before special items margin (%)	11%	9%	13%	9%	8%
Net interest bearing debt / EBITDA before special items	3.38	1.12	3.38	1.12	1.96
Liquidity ratio	0.41	0.53	0.41	0.53	1.13
Equity to assets ratio (%)	53%	60%	53%	60%	58%
Cash conversion rate before special items (%)	86%	76%	95%	97%	92%
Average number of full-time employees	977	589	842	541	635
NDCs (thousand)	354	200	1,102	575	858

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

CEO Letter

Author: Co-founder & CEO, Jesper Søgaard

Q3 delivered strong growth for the Group, where we continued our good developments despite the turbulent macroeconomic environment. The most exciting trends for the quarter were the move to revenue share in the US, which has been fast forwarded, and the Group revenue share income continuing to break all-time highs.

The Group continues its strong performance

Q3 saw strong Group growth of 32% where Europe & ROW continued its strong performance showing 38% YOY growth despite it being a low season quarter. Once again, the main drivers were LATAM and the media partnerships. In the US, the business performance was solid although impacted by the low season. Q3 is a fluctuating quarter with two slow months followed by September with the NFL kick-off. Consequently, most revenue also came in the month of September. Further, US performance was impacted by NBA and NHL games being pushed into Q3 during 2021, but not in 2022. Another performance impacting element was the move to revenue share – an undertaking I remain very excited about. The US business grew 17% and >30% had no contracts been moved to revenue share. Allow me to elaborate on the effect of this undertaking in the following.

Our US business shift to revenue share has been fast-forwarded

The ongoing move from CPA to revenue share in the US, is looking highly promising. Last year, few deemed it doable to operate on revenue share in the US. Therefore, when deciding on the target of approx. 75 mEUR on EBITDA in early 2022, it was assumed that the US would only be CPA-based. Since then, sportsbooks, investors and boards have been surprised by the spending in relation to gaining market share, and as the market has matured sportsbooks have gained a better understanding of the value of a customer. I see the shift we are currently undergoing in the US as similar to tech companies moving from license-based to operating a Software-as-a-Service (SaaS) model. At Better Collective we have always favored revenue share agreements as we consistently invest for the long-term. This also means our products are already built to cater to these types of agreements.

Last quarter, the move to revenue share was estimated to have a full year impact on US profitability of >5 mEUR. As contract closings have continued in Q3 we now estimate for the full year impact to be >10 mEUR. These agreements will be transformational for Better Collective as they will secure more stable future revenue while also strengthening our relationship with the sportsbooks. Personally, I am exceedingly excited to follow this development while at the same time pleased that we are able to maintain our short-term targets.

The future is boding well for our recurring revenue

We continue our efforts in building strong sports media brands and communities with reliable and cutting-edge content. Monthly, our sports media and communities are visited by 130 million users, and when including our media partnerships, we monthly reach 260 million sports fans. As such we funnel an extensive number of returning sport fans who rely on our news, content, data insights, betting tips and educational tools to place more enlightened bets and enhance their iGaming experience. During Q3, >354,000 NDCs were delivered, which equates a growth of 73% YOY, while 80% were sent on revenue share agreements which bodes well for the future stream of recurring revenue. Especially, when considering that we also delivered an all-time-high revenue share income of 25 mEUR, during Q3.

Action app: a fully-fledged betting ecosystem

It is in our DNA to build strong and long-lasting relationships with partnering sportsbooks. Favoring revenue share manifests this trait as the arrangements provide the same conditions for the engaged parties; when a partner profits, so do we. Our key incentive is therefore to attract sports fans who establish a lifelong journey with a sportsbook. As such, revenue share agreements heighten our credibility with our partners.

With Action Network we have a very strong offering in our Action App. The app attracts 3.1 million monthly sport fans who rely on our proprietary sports news, and innovative tech solutions. It is our ambition to build a fully-fledged betting ecosystem where users can read sports news, get a full overview of prices with different sportsbooks, and track their betting performance, which foster a Safer Gambling environment. Recently, we launched BetSync 2.0, a product that allows users to automatically sync bets through APIs active with different sportsbooks. Again, with such offerings we can help create a much better overview for the users while also helping sportsbooks in activating and retaining its users.

Action Network can monetize the wagering flow, which opens a new revenue stream for us, as we can tap into a whole new market consisting of already betting-active sports fans. Going forward, we will launch more products with focus on retention economics which will become increasingly relevant as sportsbooks move away from land grabbing and turn to customer retention and customer value maximization.

Time to focus on scalability

Author: CFO, Flemming Pedersen

We have always had a strict approach to capital allocation in Better Collective, which is reflected in our internal KPIs and remuneration, and as our founders own 40% of the company, we also have a natural focus on dilution.

The general business cycle still has had no noticeable impact on our business; even so, estimating whether we could have grown even faster is near impossible. Sports wagering remains at all-time-high levels, and thanks to our persistent efforts and timely business insights, we can stay on top of any developments. With the current macroeconomic instabilities, we expect to stay resilient but not immune and therefore we use this chance to take a more prudent look at our total cost base. Consequently, we expect the cost base growth to slow down going forward, especially in the US. The past few years, our US investments have intensified. Going forward, focus will be on scalability to be progressed by a pragmatic cost focus and from our operational leverage as we continue our growth.

Following the closure of Q3, we landed a new club-financing with three banks, replacing the one-bank arrangement from 2018. We are pleased to have diversified the financing among three banks at very attractive terms. The deal leaves the Group with 247 mEUR in committed funding with an accordion option on top. Despite current times do not allow for large M&As - especially in the private market - funding is now in place should this situation change. Being able to land such an attractive deal, under the current macroeconomic uncertainties, is truly impressive and a proud testament to the quality of our business and ESG profile.

Entering an action packed Q4

Not surprisingly, we look forward to an action packed Q4 with an extremely condensed soccer calendar heading into the upcoming FIFA World Cup. Additionally, other major sports are also in peak season. We are further satisfied with the development of our esports community FUTBIN, which is heavily skewed towards Q4 as the new FIFA-game launched in September. The busy Q4 is also reflected in the month of October delivering revenues of 26 mEUR which is more than 50% growth YOY.

Capital Markets Day 2023

A few years ago, we went on a mission to become the world's leading sports betting media. It is our humble opinion that we recently reached this aim, and our new mission is to become the world's leading digital sports media group. The strategy and description of what that journey entails will be further elaborated on at our first-ever Capital Markets Day on March 23, 2023.

Combined we would like to round off this letter by thanking everyone at Better Collective for their continuous hard work and dedication. There is no other team we would rather be running with on this exciting journey.

Financial highlights first nine months

- In the first nine months of 2022, revenue grew by 47% to 183.2 mEUR (YTD 2021: 124.3 mEUR).

- In the first nine months of 2022, EBITDA before special items increased 27% to 49.9 mEUR (YTD 2021: 39.4 mEUR). The EBITDA-margin before special items was 27%, where Publishing was 33% and Paid Media was 13%.

- EBITDA after special items amounted to 48.2 mEUR YTD, more than a doubling from 22.4 mEUR YTD 2021. The EBITDA margin was 26%, a 6%-points improvement from YTD 2021.

- Cash Flow from operations before special items was 48.8 mEUR (YTD 2021: 37.7 mEUR), an increase of 30%. The cash conversion rate before special items was 95%. End of Q3 2022, cash and unused credit facilities amounted to 41 mEUR.

- New Depositing Customers reached 1.1 million in the first nine months of 2022 (growth of 90%).

Business review and financial performance Q3 2022

Better Collective Group

Overall, Q3 delivered strong growth with revenue of 59.7 mEUR and 23% organic growth. Performance was driven by the continuously high number of NDCs and Europe & ROW delivering solid numbers. With operational earnings (EBITDA before special items) of 14.6 mEUR in Q3 2022, the EBITDA-margin before special items was 24% (Q3 2021: 30%). Europe & ROW delivered solid growth driven by LATAM and media partnerships. However, the US business was short-term negatively impacted by Q3 seasonality and the move from CPA revenues to revenue share.

Q3 is a seasonally low quarter where momentum build up in September and as a result >45% of the quarter's revenue came in during this month. Furthermore, 2021 was fueled by pandemic-delayed NBA and NHL seasons that were still active in Q3 – which naturally was not the case in Q3 of 2022. The development of the esports community FUTBIN has been solid, even though FUTBIN is heavily skewed towards Q4 as the new FIFA-game launched at the end of September.

Better Collective as a Group remains largely unaffected by the macroeconomic environment. The number of NDCs delivered to partnering sportsbooks continued its strong growth trend which has been seen since the end of 2020, where Q3 delivered >354,000 NDCs.

Special items ended up at -0.6 mEUR for the quarter with an EBITDA of 13.9 mEUR and a margin of 23%, increasing YOY from 4% in 2021 – where an adjustment of contingent liabilities impacted the EBITDA negatively.

Key figures for the Group

tEUR	Q3 2022	Q3 2021	Growth	YTD 2022	YTD 2021	Growth	FY 2021
Revenue	**59,720**	**45,413**	**32%**	**183,157**	**124,257**	**47%**	**177,051**
Cost	45,164	31,829	42%	133,265	84,819	57%	121,276
Operating profit before depreciation, amortization, and special items	**14,556**	**13,583**	**7%**	**49,892**	**39,439**	**27%**	**55,775**
EBITDA-Margin before special items	24%	30%		27%	32%		32%
Operating profit before depreciation and amortization	**13,935**	**1,995**	**598%**	**48,228**	**22,433**	**115%**	**39,030**
EBITDA-Margin	23%	4%		26%	18%		
Organic Growth	23%	29%		30%	31%		29%

Publishing

The Publishing business includes revenue from Better Collective's proprietary sports media and media partnerships as well as its esports communities where the online traffic is coming either directly or through organic search results.

Revenue grew 32%, of which 20% was organic growth, to 41.3 mEUR. The Publishing business accounted for 69% of the Group's revenue in Q3 and 85% of operational earnings (EBITDA before special items).

Key figures for the Publishing business

tEUR	Q3 2022	Q3 2021	Growth	YTD 2022	YTD 2021	Growth	FY 2021
Revenue	**41,300**	**31,320**	**32%**	**127,806**	**81,256**	**57%**	**120,188**
Share of Group	69%	69%		70%	65%		68%
Cost	28,858	18,939	52%	85,118	45,610	87%	68,947
Share of Group	64%	60%		64%	54%		57%
Operating profit before depreciation, amortization, and special items	**12,442**	**12,381**	**0%**	**42,688**	**35,646**	**20%**	**51,241**
Share of Group	85%	91%		86%	90%		92%
EBITDA-Margin before special items	30%	40%		33%	44%		43%
Operating profit before depreciation and amortization	**11,821**	**792**	**1392%**	**41,024**	**18,640**	**120%**	**34,496**
EBITDA-Margin	29%	3%		32%	23%		29%
Organic Growth	20%	43%		30%	43%		41%

Like last quarter, the main driver in Publishing was the Europe & ROW business, whereas US impacted the YOY EBITDA margin before special items negatively both YTD and for the quarter.

Media partnerships continued successfully and delivered strong Q3 performance, while Better Collective also entered three new media partnerships with strong and well renowned media outlets: the German Sport1 and American, Chicago Tribune and Boston.com.

Paid Media

The Paid Media business includes lead generation through paid media (PPC) and social media advertising. The earnings margin within Paid Media is typically much lower than within organic traffic, due to direct payments to the companies that provide platforms for online advertising such as Google and Facebook

The strong development in the Paid Media business continued in Q3 with revenue growing 31% to 18.4 mEUR. The decision from H2-2021 to switch NDCs from pure CPA to revenue share contracts or hybrid revenue models (mix of CPA and revenue share) has resulted in continued increase in revenue from revenue share which grew >70% in Q3 vs. Q3 2021. The development looks promising for the remainder of 2022, with an EBITDA for Q3 of 2.1 mEUR, and an EBITDA margin of 11%. Paid Media delivered 36% of the Group's revenue in Q3, and 15% of operational earnings (EBITDA before special items).

Key figures for the Paid Media business

tEUR	Q3 2022	Q3 2021	Growth	YTD 2022	YTD 2021	Growth	FY 2021
Revenue	**18,420**	**14,093**	**31%**	**55,351**	**43,001**	**29%**	**56,863**
Share of Group	31%	31%		30%	35%		32%
Cost	16,306	12,890	27%	48,147	39,208	23%	52,329
Share of Group	36%	40%		36%	46%		43%
Operating profit before depreciation, amortization and special items	**2,114**	**1,203**	**76%**	**7,204**	**3,793**	**90%**	**4,534**
Share of Group	15%	9%		14%	10%		8%
EBITDA-Margin before special items	11%	9%		13%	9%		8%
Operating profit before depreciation and amortization	**2,114**	**1,203**	**76%**	**7,204**	**3,793**	**90%**	**4,534**
EBITDA-Margin	11%	9%		13%	9%		8%
Organic Growth	31%	6%		29%	12%		9%

The US

Key US media within sports betting include Action Network, VegasInsider, SportsHandle, and Scores&Odds, whereas RotoGrinders is focused on Daily Fantasy Sport (DFS). With the acquisition of Action Network in May 2021, Better Collective has secured a leading position in digital sports media in the US. As a dominant player in the US iGaming field, Better Collective is well positioned to benefit from the expanded legalization of the US market.

Q3 was a seasonally low quarter in the US despite the NFL kicking off in September. Due to the COVID-19 pandemic in 2021, the NBA and NHL seasons were pushed into Q3 last year, but not during 2022, which created a seasonal impact. Consequently, Q3 was impacted by the seasonality in US sports where especially July and August are slow months. With the kick-off of the NFL in September, though, US performance picked up.

The shift from CPA to revenue share in the US is currently estimated to have a full year impact on revenue and EBITDA in 2022 of >10 mEUR, versus >5 mEUR estimated in the Q2 report. However, revenue for Q3 still increased 17% vs. Q3 2021 to 16.8 mEUR (Q3 2021: 14.4 mEUR) and grew 3.5x from July to September. EBITDA before special items for the quarter declined to 0.7 mEUR (Q3 2021: 5.3 mEUR) and the EBITDA-margin before special items for the quarter was 4%.

The shift to revenue share continued during Q3 and resulted in more contact closings. Shifting to revenue share has a short-term dampening effect but a larger long-term upside. When deciding on the target of approx. 75 mEUR on EBITDA in early 2022, it was assumed that the US would only be CPA-based.

Upon acquiring Action Network in the US, it was estimated that Better Collective could reach 100 mUSD in revenues during 2022 – and this estimate remains in place.

Europe & Rest of World (ROW)

The Europe & ROW business includes all other markets, of which the European market is a historically strong but also more mature market. In general, this market performed very well during Q3 despite it being a lower season. Performance was particularly driven by successful media partnerships and operations in LATAM.

Revenue in Europe & ROW was 42.9 mEUR in Q3, 2022 - a 38% growth from 31.0 mEUR in Q3, 2021. Contributing to this performance was the continuous positive development of the esport community FUTBIN which has shown good traction with the launch of FIFA 2023 at the end of September. The cost grew at a lower 27% which drove an improvement of 5 %-points on the EBITDA margin before special items. The EBITDA before special items increased 68% to 13.9 mEUR. The Europe & ROW market is most sensitive to fluctuations in the sports win margin as this market operates most of the revenue share accounts. Overall, the sports win margin has improved throughout the quarter, and in particular, the UK market improved after a long period with heavy marketing efforts, e.g., bonus offers, from larger partners.

Quarterly performance

	US			Europe & ROW		
tEUR	Q3 2022	Q3 2021	Growth	Q3 2022	Q3 2021	Growth
Revenue	**16,836**	**14,426**	**17%**	**42,884**	**30,987**	**38%**
Share of Group	28%	32%		72%	68%	
Cost	16,176	9,092	78%	28,988	22,737	27%
Share of Group	36%	29%		64%	71%	
Operating profit before depreciation, amortization and special items	**660**	**5,334**	**-88%**	**13,896**	**8,250**	**68%**
Share of Group	5%	39%		95%	61%	
EBITDA-Margin before special items	4%	37%		32%	27%	
Operating profit before depreciation and amortization	**624**	**- 6,242**	**-110%**	**13,311**	**8,237**	**62%**
EBITDA-Margin	4%	-43%		31%	27%	

Year-to-Date performance

	US				Europe & ROW			
tEUR	YTD 2022	YTD 2021	Growth	FY 2021	YTD 2022	YTD 2021	Growth	FY 2021
Revenue	**61,032**	**27,174**	**125%**	**47,030**	**122,125**	**97,083**	**26%**	**130,021**
Share of Group	33%	22%		27%	67%	78%		73%
Cost	49,198	17,682	178%	29,487	84,067	67,137	25%	91,789
Share of Group	37%	21%		24%	63%	79%		76%
Operating profit before depreciation, amortization and special items	**11,834**	**9,493**	**25%**	17,544	38,058	29,946	27%	38,232
Share of Group	24%	24%		31%	76%	76%		69%
EBITDA-Margin before special items	19%	35%		37%	31%	31%		29%
Operating profit before depreciation and amortization	**11,045**	**- 7,430**	**-249%**	- 1,947	37,183	29,863	25%	40,976
EBITDA-Margin	18%	-27%		-4%	30%	31%		32%

Regulatory updates

The US

Better Collective became a licensed vendor in New Jersey in 2014, and since then our US presence has grown tremendously. Currently, Better Collective is live in 19 jurisdictions including the most recently launched state of Kansas. Given the continued pace of new states legalizing, Better Collective expects the US market to continue growing fast, with increasing revenue and operating profit.

When regulating online sports betting in the state of New York, legislators decided to implement a taxation of 51% while only allowing a few sportsbooks to go live in January of 2022. When deciding on these terms, the option to increase the number of sportsbooks and reducing taxation was also agreed upon. However, only in case the anticipated tax income was not generated with the sportsbooks. The state approved an additional four sportsbooks within the first two months of opening, but the tax rate remained unchanged. While some of the approved sportsbooks have lobbied to reduce the rate, legislators seem content with the 488 mUSD in tax revenue that the state has brought in between January 8 and October 9. Therefore, it is unlikely that there will be any developments on that front in the foreseeable future.

Kansas began with a soft launch of sports betting on 1 September, with six of a potential 12 operators that were approved to launch mobile platforms. This event was followed by a full launch on September 8 - just in time for the NFL season.

Based on current information, it appears that legal mobile sportsbooks will become available in Maryland between late November and early December, while Ohio will be launching its online market on January 1, 2023.

Massachusetts is taking a slower approach and has had to readjust its timeline several times, but state regulators recently restated their commitment to taking their first online bets in March, approximately six weeks after their intended in-person market launch.

The UK

The government's review of the 2005 Gambling Act was only weeks away from publication when - the now former PM - Liz Truss announced her resignation in late October, and while it has not yet been announced when the document can be expected, yet another change in leadership will likely create further delays. As Secretary of State for DCMS, Michelle Donelan will continue to lead the government's review of the 2005 Gambling Act.

Running in this line, more positive trends in the UK have started to appear as sportsbooks seem done with implementing measures in expectations of the White Paper on gambling regulation.

Italy

In late September, the Italian Ministry of Finance published in the official gazette a decree on the regulation of fixed-odds bets on sporting events and on non-sporting events. The amendments will impose new changes to improve the offering of licensed sportsbooks (both online and retail) which is positive for Better Collective. Long-awaited changes will allow Italian sportsbooks to offer customers cash-out functionalities across all betting markets, which to date have only been available for horse racing events.

Spain

Spain has reinforced restrictions on advertising and additional gambling addiction protections. The legislation introduced a new system for combating betting fraud in the form of the Global Betting Market Investigation Service (SIGMA), to be managed by the DGOJ (Directorate General for the Regulation of Gambling). The reforms will establish a new national self-exclusion system, formally oblige sportsbooks to protect problem gamblers and require the DGOJ to issue new guidelines regarding non-fungible tokens and loot boxes in video games. It is still not clear how this will impact the industry.

The Netherlands

In the Netherlands, more stringent marketing regulations came into effect in June 2022. As a result of an amendment to the Betting and Gambling Advertising Regulation, the use of role models in advertisements for high-risk games of chance is no longer permitted in the Netherlands.

Looking on the side of the sportsbooks, Unibet has entered the Dutch market and has a large appeal to the sport fans. More sportsbooks will enter the market during the Fall and with increased competition, Better Collective expects to increase its growth further in the Dutch market.

Financial performance first nine months of 2022

Revenue: Growth of 47% to 183 mEUR – organic growth of 30%

Revenue YTD showed strong growth vs. 2021 of 47% and amounted to 183.2 mEUR (YTD 2021: 124.3 mEUR). Revenue share accounted for 36% of the revenue (42% of player-related revenue) with 48% coming from CPA, 6% from subscription sales, and 10% from other income.

Cost: 133 mEUR – up from 85 mEUR

Overall, the cost base is impacted by the addition of Action Network as of May 2021 and the continued investment in building the US business with US cost growing 32 mEUR. The acquisition and integration of FUTBIN as of April 2022 has increased the cost by 2 mEUR, and Paid Media increased cost to drive additional traffic and revenue, whereas media partnerships increased, primarily direct cost. Cost also increased for the Dutch market which launched in October 2021. The cost base excluding depreciation and amortization grew 31.5 mEUR, up to 133.3 mEUR YTD 2022 (YTD 2021: 84.8 mEUR).

Total direct cost relating to revenue increased by 20.4 mEUR to 65.4 mEUR (YTD 2021: 45.1 mEUR) with the growth coming from the addition of Action Network, 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 YTD increased 74 % from YTD 2021 to 50.7mEUR YTD 2022 (YTD 2021: 29.1 mEUR). The average number of employees increased 56% to 842 (YTD 2021: 541). Personnel costs include costs related to warrants of 1.3 mEUR (YTD 2021: 0.5 mEUR). Other external costs increased 6.4 mEUR or 60% to 17.1 mEUR (YTD 2021: 10.7 mEUR). Depreciation and amortization amounted to 10.3 mEUR (YTD 2021: 6.3 mEUR). The increase is primarily due to amortization related to the acquisition of Action Network as well as amortization of capitalized guaranteed payments related to media partnerships.

Special items

YTD special items amounted to a cost of 1.7 mEUR (YTD 2021: 17.0 mEUR). The net cost of 1.0 mEUR is primarily related to cost of incentive program implemented with the acquisition of Action Network of 3.2 mEUR and M&A expenses of 0.9 mEUR, whereas the final calculation and payment of the contingent liability related to the 2019/2021 acquisition of RotoGrinders ended up with an income of 2.4 mEUR.

Earnings

Operational earnings (EBITDA) before special items grew 27% to 49.9 mEUR (YTD 2021: 39.4 mEUR). The EBITDA-margin before special items was 27% (YTD 2021: 32%).

Special items were -1.6 mEUR for YTD 2022, (YTD 2021 – 17.0 mEUR) and included cost of M&A and Management Incentive Program as well as an adjustment of variable payments for acquisitions. Including special items, the reported EBITDA more than doubled to 48.2 mEUR. (YTD 2021: 22.4 mEUR).

EBIT before special items YTD increased 19% to 39.6 mEUR (YTD 2021: 33.2 mEUR). Including special items, the reported EBIT was 37.9 mEUR (YTD 2021: 16.2mEUR).

Net financial items

Net financial costs amounted to 2.0 mEUR (YTD 2021: 2.2 mEUR) and included net interest, fees relating to establishing and using bank credit lines, and exchange rate adjustments.

Interest expenses amounted to 2.1 mEUR and included non-payable, calculated interest expenses on certain balance sheet items, whereas financial fees and net exchange rate gain amounted to 0.5 mEUR and 0.6 mEUR respectively. The financial fees include cost related to establishment of financing in connection with the acquisition of Canada Sports Betting and FUTBIN.

Income tax

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

Income tax YTD 2022 amounted to 8.2 mEUR (YTD 2021: 7.5 mEUR). The Effective Tax Rate (ETR) was 22.7% (YTD 2021: 53.5%)

Net profit

Net profit after tax was 27.8 mEUR (YTD 2021: 6.3 mEUR). YTD Earnings per share (EPS) at 0.51 EUR/share was almost four times YTD 2021 of 0.13 EUR/share.

Equity

The equity increased to 420.9 mEUR as per September 30, 2022, from 344.8 mEUR on December 31, 2021. Besides the YTD profit of 27.8 mEUR, the equity has been impacted by a capital increase of 4.7 mEUR, acquisition and disposal of treasury shares of 6.8 mEUR, and share based payments of 3.1 mEUR. The increase in USD vs. EUR has increased the equity by 33.7 mEUR.

Balance sheet

Total assets amounted to 799.9 mEUR (2021: 597.4 mEUR), with an equity of 420.9 mEUR (2021: 344.8 mEUR). This corresponds to an equity to assets ratio of 53% (2021: 58%). The liquidity ratio was 0.41 resulting from current assets of 77.3 mEUR and current liabilities of 189.3 mEUR. Current liabilities included 115 mEUR short term part of the bank facility, which has been refinanced and replaced with long-term financing in October. The ratio of net interest-bearing debt to EBITDA before special items was 3.38 at the end of the quarter. The ratio is temporarily above the target of 3.0 due to the acquisition of FUTBIN and Canada Sports Betting in March and April and is expected to decrease below 3 towards the end of H2 2022.

Investments

On March 23 Better Collective acquired the assets of Canada Sports Betting ('CSB'), for a purchase price of 21.4 mEUR (23.5 mUSD). The purchase price has been fully paid in cash.

On April 19, Better Collective acquired FUTBIN and related domains, for a purchase price of 105 mEUR. The purchase price was paid in cash and treasury shares, and a variable payment was recorded.

Investments in tangible assets were 1.3 mEUR.

Cash flow and financing

Cash flow from operations before special items YTD 2022 was 48.8 mEUR (YTD 2021: 37.7 mEUR) with a cash conversion of 95% YTD.

As of September 30, 2022, Better Collective had bank credit facilities of a total 209 mEUR, with capital reserves of 41.0 mEUR consisting of cash of 32.6 mEUR and unused bank credit facilities of 8.4 mEUR.

In October, a new club-financing with three banks were signed, replacing the one-bank-agreement that has been in place since 2018. The new facility has attractive terms and is a 247 mEUR bullet term loan and RCF committed for two years with an option to extend for one year. On top of the commitment there is a 72 mEUR accordion option bringing the total potential facility to 319 mEUR. The covenant implies a maximum net debt/EBITDA at 3.25 adjusted for pro-forma EBITDA of acquisitions, and the board of directors' approved target remains at a ratio <3.

The parent company

Better Collective A/S, Denmark, is the parent company of the Group. Revenue YTD grew by 69% to 44.7 mEUR (YTD 2021: 26.4 mEUR).

Total costs including depreciation and amortization was 40.3 mEUR (YTD 2021:25.6 mEUR).

Profit after tax was 57.5 mEUR (YTD 2021: 40.7 mEUR). The change in profit after tax is primarily due to YOY differences in dividend payments from subsidiaries, exchange rate adjustments, and corporate tax.

Total equity ended at 428.6 mEUR by September 30, 2022 (2021: 344.3 mEUR). The equity in the parent company was impacted by capital increases (4.7 mEUR) and treasury share transactions (6.9 mEUR), and cost of warrants of 4.5 mEUR.

Financial targets 2022

The Board of Directors have decided on targets for the financial year 2022 as announced in the full year report and updated in the Q1 report following the acquisitions of Canada Sports Betting and FUTBIN respectively. The financial target for revenue growth is still expected to be between 20-30%. Operational earnings (EBITDA) for the full year are still expected at approximately 85 mEUR. The financial target related to debt leverage is still expected at <3.0x.

Financial Targets for 2022

	Target Total	Actual 2021
Organic growth (%)	20-30%	8%
EBITDA (before special items)	Approx. 85 mEUR	56 mEUR
EBITDA (after special items)	Approx. 85 mEUR	39 mEUR
Net interest-bearing debt/EBITDA	<3.0	1.96

Major assumptions and additional comments: The Financial targets do not include new potential acquisitions. Included in the financial targets is assumed continued strong performance in the US business including continued market openings by ways of additional US states allowing online sports betting. The financial targets were in the beginning of the year solely based on the US market being CPA based. The new financial targets are based on the Group absorbing the estimated impact of >10 mEUR from moving to revenue share contracts in the US.

Disclaimer

This report contains forward-looking statements which are based on the current expectations of the management of Better Collective. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

Other

Shares and share capital

Better Collective A/S is listed on Nasdaq Stockholm main market. The shares are traded under the ticker "BETCO". As per September 30, 2022, the share capital amounted to 551,460.09 EUR, and the total number of issued shares was 55,146,009. The company has one (1) class of shares. Each share entitles the holder to one vote at the general meetings.

On September 16, 2022, the board of directors resolved to issue 130,747 new ordinary shares in Better Collective A/S, equal to a nominal value of EUR 1,307.47, related to the exercise of warrants.

Share buy-back program

On August 30, 2022, Better Collective initiated a share buyback program for up to 5 mEUR. The purpose of the buyback program is to cover future payments relating to completed acquisitions and LTI programs. The buyback program was initiated pursuant to the authorization granted by the shareholders at the annual general meeting held on April 26, 2022, to repurchase up to nominal 5,483,388 shares of EUR 0,01 each of the Company's share capital in the period until the annual general meeting in 2023. On October 28, 2022, the share buyback was completed with 386,145 shares accumulated under the program.

Shareholder structure

As of September 30, 2022, the total number of shareholders was 3,763. A list of top 10 shareholders in Better Collective A/S can be found on the company's website.

Annual general meeting

The annual general meeting 2022 was held on April 26, 2022. All items on the agenda were carried, including an amendment of the company's articles of association to appoint a vice chair of the board of directors. Therese Hillman was subsequently appointed Vice chair.

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 3.9%.

Program	Warrants outstanding September 30, 2022	Vesting Period	Exercise Period	Exercise price, DKK	Exercise price, EUR
2017*	3,780	2018-2022	2019-2023	12.96	1.74
2019**	999,264	2020-2023	2022-2024	64.78	8.71
2020***	25,000	2021-2023	2023-2025	61.49	8.27
2020**	260,000	2021-2023	2023-2025	106.35	14.30
2021**	408,281	2022-2024	2024-2026	150.41	20.23
2021 US MIP Options	160,556	2021-2024	2024-2026	138.90	18.68
2021 US MIP PSU	288,635	2021-2024	2024-2026		
2022 US MIP Options	44,458	2022-2023	2023-2026	107.25	14.43
2022 US MIP PSU	94,529	2022-2023	2023-2026		
2022 Options	22,890	2022-2024	2025-2027	130.98	17.62
2022 PSU	70,161	2022-2024	2025-2027		

* The 2017 warrant program was established ahead of the IPO

** Key employees and members of executive management

*** Following the AGM on April 22, 2020, 25,000 warrants were issued to the new board member, Todd Dunlap.

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 Better Collective management must work with risk management. Better Collective's compliance with these policies and guidelines is also monitored by the management on an ongoing basis. Better Collective seeks to identify and understand risks and mitigate them accordingly. Also, the company's close and longstanding relationships with customers allow Better Collective to anticipate and respond to market movements and new regulations including compliance requirements from authorities and operators (customers).

With the acquisitions in the US, the overall risk profile of Better Collective has changed, and regulatory/compliance as well as financial risk has increased. Better Collective has mitigated the additional risks in US in several ways, regulatory and compliance risk through involvement of regulatory bodies in our licensing process for newly established entities, financial risk through a performance-based valuation of the acquired entities), and organizational risk through establishment of local governance/management, and finance, HR, and Legal organization dedicated to the US operations.

During 2022 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, securing attractive terms and a long-term 2+1 commitment.

Other key risk factors are described in the Annual report 2021.

Contacts

Director of Investor Relations: 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 August 23, 2022, at 08:00 CET.

About

Better Collective is a digital sports media group providing entertaining and engaging platforms for fans of sports and esports. Better Collective offers a wide range of editorial content, bookmaker information, data insights, betting tips, iGaming communities and educational tools. Its portfolio of platforms and products include bettingexpert.com, wettbasis.com, wettfreunde.net, FUTBIN.com, HLTV.org and Action Network. Better Collective is headquartered in Copenhagen, Denmark, and listed on Nasdaq Stockholm (BETCO).

Statement by the board of directors and the executive management

Statement by the Board of Directors and the Executive Management on the condensed consolidated interim financial statements and the parent company condensed interim financial statements for the period January 1 – September 30, 2022.

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, 2022. The condensed consolidated interim financial statements for the period January 1 – September 30, 2022, are prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and additional requirements of the Danish Financial Statements Act.

The parent company condensed interim financial statements has been included according to the Danish Executive Order on the Preparation of Interim Financial Reports.

In our opinion, the condensed consolidated interim financial statements and the parent company condensed interim financial statements give a true and fair view of the Group's and Parent Company's assets, liabilities, and financial position on September 30, 2022, 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, 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position, as well as a description of the major risks and uncertainties, the Group and the Parent Company are facing.

Copenhagen, November 17, 2022

Executive management

Jesper Søgaard
Co-founder & CEO

Christian Kirk Rasmussen
Co-founder & COO

Flemming Pedersen
CFO& EVP

Board of Directors

Jens Bager
Chair

Therese Hillman
Vice chair

Todd Dunlap

Klaus Holse

Leif Nørgaard

Petra von Rohr

Independent auditor's report

To the shareholders of Better Collective A/S

We have reviewed the condensed consolidated interim financial statements of Better Collective A/S for the period January 1 – September 30, 2022, 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 17 - 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, 2022 (Q3 2022), together with comparative figures for the period July 1 – September 30, 2021 (Q3 2021). The actual figures for Q3 2022 and the comparative figures for Q3 2021 have not been subject to review. Accordingly, we do not express an opinion or any other form of assurance on the actual Q3 2022 figures or on the comparative figures for Q3 2021.

Copenhagen, November 17, 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised
Public Accountant
mne33717

Peter Andersen
State Authorised
Public Accountant
mne34313

Financial statements for the period January 1 – September 30

Condensed interim consolidated income statement

Note	tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
3	**Revenue**	**59,720**	**45,413**	**183,157**	**124,257**	**177,051**
	Direct costs related to revenue	21,691	15,757	65,447	45,074	64,863
4	Staff costs	17,326	11,825	50,727	29,072	40,813
	Depreciation	623	442	1,593	1,291	1,764
	Other external expenses	6,148	4,247	17,091	10,673	15,600
	Operating profit before amortization (EBITA) and special items	**13,933**	**13,142**	**48,300**	**38,148**	**54,011**
7	Amortization and impairment	3,682	1,915	8,722	4,986	8,516
	Operating profit (EBIT) before special items	**10,251**	**11,227**	**39,578**	**33,162**	**45,495**
5	Special items, net	- 621	- 11,588	- 1,664	- 17,006	- 16,746
	Operating profit	**9,630**	**- 362**	**37,913**	**16,156**	**28,749**
	Financial income	833	366	4,178	3,294	3,383
	Financial expenses	1,445	967	6,140	5,477	5,905
	Profit before tax	**9,017**	**- 963**	**35,952**	**13,973**	**26,227**
6	Tax on profit for the period	2,068	2,545	8,156	7,481	8,936
	Profit for the period	**6,949**	**- 3,508**	**27,796**	**6,492**	**17,292**
	Earnings per share attributable to equity holders of the company					
	Average number of shares	55,002,192	50,614,127	54,584,822	50,593,490	50,541,901
	Average number of warrants - converted to number of shares	2,449,465	1,963,810	2,504,339	2,000,251	2,334,756
	Earnings per share (in EUR)	0.13	- 0.07	0.51	0.13	0.34
	Diluted earnings per share (in EUR)	0.12	- 0.07	0.49	0.12	0.33

Condensed interim consolidated statement of other comprehensive income

Note	tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
	Profit for the period	6.949	- 3.508	27.796	6.492	17.292
	Other comprehensive income					
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
	Currency translation to presentation currency	342	- 284	- 153	- 311	- 300
	Currency translation of non-current intercompany loans	18.703	6.159	43.343	11.293	16.498
	Income tax	- 4.115	- 1.355	- 9.535	- 2.484	- 3.629
	Net other comprehensive income/loss	14.930	4.520	33.655	8.498	12.568
	Total other comprehensive income/(loss) for the period, net of tax	**21.879**	**1.012**	**61.451**	**14.990**	**29.860**
	Attributable to:					
	Shareholders of the parent	21.879	1.012	61.451	14.990	29.860

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Condensed interim consolidated balance sheet

Note	tEUR	Q3 2022	Q3 2021	2021
	Assets			
	Non-current assets			
7	**Intangible assets**			
	Goodwill	193,142	141,426	178,182
	Domains and websites	481,366	324,807	329,276
	Accounts and other intangible assets	27,916	15,727	12,453
		702,424	481,960	519,911
	Property, plant and equipment			
	Right of use assets	5,955	2,554	2,708
	Leasehold improvements, Fixtures and fittings, other plant and equipment	2,446	1,681	1,657
		8,401	4,234	4,365
	Other non-current assets			
	Deposits	734	654	660
8	Deferred tax asset	11,077	680	9,545
		11,811	1,333	10,204
	Total non-current assets	**722,636**	**487,527**	**534,481**
	Current assets			
	Trade and other receivables	38,693	28,738	30,083
	Corporation tax receivable	2,025	2,096	500
	Prepayments	3,974	2,252	2,223
	Restricted Cash	0	2,960	1,489
	Cash	32,564	32,444	28,603
	Total current assets	**77,256**	**68,489**	**62,898**
	Total assets	**799,892**	**556,017**	**597,379**

Note	tEUR	Q3 2022	Q3 2021	2021
	Equity and liabilities			
	Equity			
	Share Capital	551	545	546
	Share Premium	272,535	267,636	267,873
	Currency Translation Reserve	44,453	6,728	10,798
	Treasury Shares	- 2,102	0	- 8,074
	Retained Earnings	105,450	60,014	73,705
	Proposed Dividends	0	0	0
	Total equity	**420,887**	**334,924**	**344,848**
	Non-current Liabilities			
8	Debt to credit institutions	85,725	55,344	121,025
8	Lease liabilities	4,705	1,578	1,521
8	Deferred tax liabilities	78,891	25,092	69,595
8	Other long-term financial liabilities	20,361	8,956	4,939
	Total non-current liabilities	**189,683**	**90,971**	**197,079**
	Current Liabilities			
	Prepayments received from customers and deferred revenue	6,681	4,322	3,400
	Trade and other payables	22,951	17,858	18,393
	Corporation tax payable	14,341	7,952	1,735
8	Other financial liabilities	28,711	37,592	10,683
8	Contingent Consideration	0	11,274	19,893
	Debt to credit institutions	115,171	50,000	0
8	Lease liabilities	1,467	1,124	1,347
	Total current liabilities	**189,322**	**130,122**	**55,452**
	Total liabilities	**379,005**	**221,093**	**252,531**
	Total Equity and liabilities	**799,892**	**556,017**	**597,379**

Condensed interim consolidated statement of changes in equity

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 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	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.

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2021	**469**	**108,825**	**- 1,770**	**- 2**	**55,019**	**0**	**162,542**
Result for the period	0	0	0	0	6,492	0	6,492
Other comprehensive income							
Currency translation	0	0	10,982	0	0	0	10,982
Tax on other comprehensive income	0	0	- 2,484	0	0	0	- 2,484
Total other comprehensive income	0	0	8,498	0	0	0	8,498
Total comprehensive income for the year	**0**	**0**	**8,498**	**0**	**6,492**	**0**	**14,990**
Transactions with owners							
Capital Increase	76	158,811	0	0	0	0	158,887
Acquisition of treasury shares	0	0	0	- 69	0	0	- 69
Disposal of treasury shares	0	0	0	71	11	0	82
Share based payments	0	0	0	0	783	0	783
Transaction cost	0	0	0	0	- 2,290	0	- 2,290
Total transactions with owners	**76**	**158,811**	**0**	**2**	**- 1,497**	**0**	**157,392**
At September 30, 2021	**545**	**267,636**	**6,728**	**0**	**60,014**	**0**	**334,924**

During the period no dividend was paid.

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, 2021	**469**	**108,825**	**- 1,770**	**- 2**	**55,019**	**0**	**162,542**
Result for the period	0	0	0	0	17,292	0	17,292
Other comprehensive income							
Currency translation	0	0	16,197	0	0	0	16,197
Tax on other comprehensive income	0	0	- 3,629	0	0	0	- 3,629
Total other comprehensive income	0	0	12,568	0	0	0	12,568
Total comprehensive income for the year	**0**	**0**	**12,568**	**0**	**17,292**	**0**	**29,860**
Transactions with owners							
Capital Increase	77	159,048	0	0	0	0	159,125
Acquisition of treasury shares	0	0	0	- 8,135	0	0	- 8,135
Disposal of treasury shares	0	0	0	71	11	0	82
Share based payments	0	0	0	0	3,688	0	3,688
Transaction cost	0	0	0	- 8	- 2,305	0	- 2,313
Total transactions with owners	**77**	**159,048**	**0**	**- 8,072**	**1,395**	**0**	**152,447**
At December 31, 2021	**546**	**267,873**	**10,798**	**- 8,074**	**73,705**	**0**	**344,848**

During the period no dividend was paid.

Condensed interim consolidated statement of cash flows

Note	tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
	Profit before tax	**8,998**	**- 963**	**35,933**	**13,973**	**26,227**
	Adjustment for finance items	**612**	**602**	**1,961**	**2,183**	**2,522**
	Adjustment for special items	**621**	**11,588**	**1,664**	**17,006**	**16,746**
	Operating Profit for the period before special items	**10,231**	**11,227**	**39,558**	**33,162**	**45,495**
	Depreciation and amortization	4,324	2,357	10,334	6,277	10,280
	Other adjustments of non cash operating items	731	274	1,177	857	- 531
	Cash flow from operations before changes in working capital and special items	15,287	13,857	51,070	40,296	55,245
	Change in working capital	- 2,116	- 3,359	- 2,251	- 2,626	- 4,040
	Cash flow from operations before special items	**13,171**	**10,498**	**48,819**	**37,670**	**51,204**
	Special items, cash flow	- 621	- 4,569	- 911	- 5,790	- 5,997
	Cash flow from operations	**12,550**	**5,929**	**47,908**	**31,879**	**45,207**
	Financial income, received	268	1,058	1,567	3,356	3,702
	Financial expenses, paid	- 1,016	- 1,734	- 4,088	- 3,739	- 4,693
	Cash flow from activities before tax	11,802	5,254	45,388	31,496	44,216
	Income tax paid	- 1,831	- 1,484	- 4,811	- 5,496	- 12,654
	Cash flow from operating activities	**9,971**	**3,770**	**40,577**	**26,000**	**31,562**
9, 10	Acquisition of businesses	- 639	- 2,269	- 13,819	- 190,363	- 207,900
7, 10	Acquisition of intangible assets	- 2,028	- 6,756	- 94,458	- 11,273	- 11,591
	Acquisition of property, plant and equipment	- 703	- 172	- 1,263	- 540	- 687
	Sale of property, plant and equipment	0	0	0	972	972
	Change in other non-current assets	- 50	- 39	- 40	- 15	- 12
	Cash flow from investing activities	**- 3,419**	**- 9,236**	**- 109,580**	**- 201,220**	**- 219,219**

tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Repayment of borrowings	- 5,041	- 13,499	- 15,150	- 14,026	- 87,069
Proceeds from borrowings	28	13,766	95,010	50,563	139,373
Lease liabilities	- 297	- 288	- 987	- 864	- 1,147
Other non-current liabilities	0	0	0	- 0	- 844
Capital increase	285	359	601	148,655	148,893
Treasury shares	- 2,089	0	- 8,684	- 69	- 8,143
Transaction cost	- 5	- 3	- 20	- 2,290	- 2,305
Warrant settlement, sale of warrants	0	0	0	0	0
Cash flow from financing activities	**- 7,119**	**334**	**70,770**	**181,968**	**188,759**
Cash flows for the period	- 567	- 5,132	1,767	6,749	1,102
Cash and cash equivalents at beginning	32,971	40,325	30,093	28,053	28,053
Foreign currency translation of cash and cash equivalents	160	211	704	601	938
Cash and cash equivalents period end*	**32,564**	**35,403**	**32,564**	**35,403**	**30,093**
Cash and cash equivalents period end					
Restricted cash	0	2,960	0	2,960	1,489
Cash	32,564	32,444	32,564	32,444	28,603
Cash and cash equivalents period end	**32,564**	**35,403**	**32,564**	**35,403**	**30,093**

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") is a global sports betting media group providing digital platforms for fans of sports and esports, with a vision to become the world's leading digital sports media group

Basis of preparation

The Interim Report (condensed consolidated interim financial statements) for the period January 1 - September 30, 2022, 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 1 January 2022 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 2021 annual report which contains a full description of the accounting policies for the Group and the parent company. The annual report for 2021 can be found on Better Collective's website:

https://storage.mfn.se/proxy/bc_annual-report-21_web.pdf?url=https%3A%2F%2Fml-eu.globenewswire.com%2FResource%2FDownload%2Ff65d434c-00a6-4660-89b7-cbdec160b482

Significant accounting judgements, estimates, and assumptions

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

The Russian invasion in Ukraine has brought sanctions and uncertainties in the region. In line with the sanctions, Better Collective has ceased all activities with Russian-licensed operators for activities in the region as well as any financial transactions to or from the region. This impacts <1% of the group's turnover.

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

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 2021 which contains a full description of significant accounting judgments, 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 platforms and media partnerships where the online traffic is coming either directly or through organic search results, whereas Paid Media generates revenue through paid ad traffic to our websites, thereby running on a significantly lower earnings margin.

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

	Publishing		Paid Media		Total	
tEUR	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Revenue	**41,300**	**31,320**	**18,420**	**14,093**	**59,720**	**45,413**
Cost	28,858	18,939	16,306	12,890	45,164	31,829
Operating profit before depreciation, amortization and special items	**12,442**	**12,381**	**2,114**	**1,203**	**14,556**	**13,583**
EBITDA-Margin before special items	30%	40%	11%	9%	24%	30%
Special items, net	- 621	- 11,588	0	0	- 621	- 11,588
Operating profit before depreciation and amortization	11,821	792	2,114	1,203	13,935	1,995
EBITDA-Margin	29%	3%	11%	9%	23%	4%
Depreciation	620	416	3	26	623	442
Operating profit before amortization	**11,201**	**11,964**	**2,111**	**1,177**	**13,312**	**13,142**
EBITA-Margin	27%	38%	11%	8%	22%	29%

	Publishing		Paid Media		Total	
tEUR	YTD 2022	YTD 2021	YTD 2022	YTD 2021	YTD 2022	YTD 2021
Revenue	**127,806**	**81,256**	**55,351**	**43,001**	**183,157**	**124,257**
Cost	85,118	45,610	48,147	39,208	133,265	84,819
Operating profit before depreciation, amortization and special items	**42,688**	**35,646**	**7,204**	**3,793**	**49,892**	**39,439**
EBITDA-Margin before special items	33%	44%	13%	9%	27%	32%
Special items, net	- 1,664	- 17,006	0	0	- 1,664	- 17,006
Operating profit before depreciation and amortization	41,024	18,640	7,204	3,793	48,228	22,433
EBITDA-Margin	32%	23%	13%	9%	26%	18%
Depreciation	1,581	1,260	12	31	1,593	1,291
Operating profit before amortization	**39,443**	**34,386**	**7,192**	**3,762**	**46,635**	**38,148**
EBITA-Margin	31%	42%	13%	9%	25%	31%

	2021		
tEUR	Publishing	Paid Media	Total
Revenue	**120,188**	**56,863**	**177,051**
Cost	68,947	52,329	121,276
Operating profit before depreciation, amortization and special items	**51,241**	**4,534**	**55,775**
EBITDA-Margin before special items	43%	8%	32%
Special items, net	- 16,746	0	- 16,746
Operating profit before depreciation and amortization	**34,496**	**4,534**	**39,030**
EBITDA-Margin	29%	8%	22%
Depreciation	1,726	38	1,764
Operating profit before amortization	**32,769**	**4,496**	**54,011**
EBITA-Margin	27%	8%	31%

2. Segments, continued

US and Europe & Rest of World

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 US 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		US		Total	
tEUR	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Revenue	**42,884**	**30,987**	**16,836**	**14,426**	**59,720**	**45,413**
Cost	28,988	22,737	16,176	9,092	45,164	31,829
Operating profit before depreciation, amortization and special items	**13,896**	**8,250**	**660**	**5,334**	**14,556**	**13,583**
EBITDA-Margin before special items	32%	27%	4%	37%	24%	30%
Special items, net	- 585	- 13	- 36	**- 11,576**	- 621	- 11,588
Operating profit before depreciation and amortization	13,311	8,237	624	- 6,242	13,935	1,995
EBITDA-Margin	31%	27%	4%	-43%	23%	4%
Depreciation	462	377	161	65	623	442
Operating profit before amortization	**12,849**	**7,860**	**463**	**- 6,306**	**13,312**	**1,553**
EBITA-Margin	30%	25%	3%	-44%	22%	3%

	Europe & ROW		US		Total	
tEUR	YTD 2022	YTD 2021	YTD 2022	YTD 2021	YTD 2022	YTD 2021
Revenue	**122,125**	**97,083**	**61,032**	**27,174**	**183,157**	**124,257**
Cost	84,067	67,137	49,198	17,682	133,265	84,819
Operating profit before depreciation, amortization and special items	**38,058**	**29,946**	**11,834**	**9,493**	**49,892**	**39,439**
EBITDA-Margin before special items	31%	31%	19%	35%	27%	32%
Special items, net	- 875	- 83	- 790	- 16,923	- 1,664	- 17,006
Operating profit before depreciation and amortization	37,183	29,863	11,045	- 7,430	48,228	22,433
EBITDA-Margin	30%	31%	18%	-27%	26%	18%
Depreciation	1,235	1,069	358	222	1,593	1,291
Operating profit before amortization	**35,948**	**28,794**	**10,687**	**- 7,652**	**46,635**	**21,143**
EBITA-Margin	29%	30%	18%	-28%	25%	17%

	2021		
tEUR	Europe & ROW	US	Total
Revenue	**130,021**	**47,030**	**177,051**
Cost	91,789	29,487	121,276
Operating profit before depreciation, amortization and special items	**38,232**	**17,544**	**55,775**
EBITDA-Margin before special items	29%	37%	32%
Special items, net	2,745	- 19,491	- 16,746
Operating profit before depreciation and amortization	**40,976**	**- 1,947**	**39,030**
EBITDA-Margin	32%	-4%	22%
Depreciation	1,474	290	1,764
Operating profit before amortization	**39,502**	**- 2,236**	**54,011**
EBITA-Margin	30%	-5%	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 2022	Q3 2021	YTD 2022	YTD 2021	2021
Revenue					
Revenue Share	24,993	14,423	66,210	51,142	67,858
CPA	23,350	23,349	87,673	55,079	80,423
Subscription	3,975	3,309	11,623	7,295	11,770
Other	7,402	4,332	17,651	10,741	17,001
Total Revenue	**59,720**	**45,413**	**183,157**	**124,257**	**177,051**

%-split	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Revenue					
Revenue Share	42	32	36	41	38
CPA	39	51	48	44	45
Subscription	7	7	6	6	7
Other	12	10	10	9	10
Total Revenue	**100**	**100**	**100**	**100**	**100**

Revenue share and CPA is recognized at point in time (84% of revenue YTD 2022), whereas subscription and other revenue (16% of revenue YTD) is recognized over time.

4. Share-based payment plans

2017 Warrant program:
During the third quarter of 2022 the company did not grant any warrants under this program.

During the quarter, employees exercised warrants corresponding to 122,580 new shares.

2019 Warrant programs:
During the third quarter of 2022 the company did not grant any warrants under this program

During the quarter, employees exercised warrants corresponding to 8.167 new shares.

2022 Incentive program:
During the quarter 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.

The total share-based compensation expense for the above programs recognized for Q2 2022 is 501 tEUR (Q3 2021: 274 tEUR), and the cost YTD 2022 is 1.314 tEUR (YTD 2021: 783 tEUR).

Management incentive program - Action Network:
During the quarter no performance share units or share options were granted under this program

The cost related to the MIP program are recognized as special items and amount to 0 tEUR in Q3 2022 (Q3 2021: 0 tEUR), and YTD 2022 3,162 tEUR (YTD 2021 0 tEUR).

5. Special items

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

tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Operating profit	**9,630**	**- 362**	**37,913**	**16,156**	**28,749**
Special Items related to:					
Special items related to M&A	- 621	- 101	- 910	- 5,784	- 5,991
Variable payments regarding acquisitions - cost	0	- 11,487	0	- 11,487	- 11,487
Variable payments regarding acquisitions - income	0	0	2,408	0	2,952
Special items related to Restructuring	0	0	- 0	- 6	- 6
Special items related to Divestiture of Assets	0	0	0	272	272
Special items related to Management Incentive Program	0	0	- 3,162	0	- 2,485
Special items, total	**- 621**	**- 11,588**	**- 1,664**	**- 17,006**	**- 16,746**
Operating profit (EBIT) before special items	**10,251**	**11,227**	**39,578**	**33,162**	**45,495**
Amortisations	3,682	1,915	8,722	4,986	8,516
Operating profit before amortization and special items (EBITA before special items)	**13,933**	**13,142**	**48,300**	**38,148**	**54,011**
Depreciation	623	442	1,593	1,291	1,764
Operating profit before depreciation, amortization, and special items (EBITDA before special items)	**14,556**	**13,583**	**49,892**	**39,439**	**55,775**

6. Income tax

Total tax for the period is specified as follows:

tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Tax for the period	2,068	2,545	8,156	7,481	8,936
Tax on other comprehensive income	4,115	1,355	9,535	2,484	3,629
Total	**6,183**	**3,900**	**17,691**	**9,966**	**12,565**

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

tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Deferred tax	- 130	164	2,017	- 154	- 38
Current tax	2,171	2,380	6,091	7,644	8,890
Adjustment from prior years	26	0	48	- 9	84
Total	**2,068**	**2,545**	**8,156**	**7,481**	**8,936**

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

tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Specification for the period:					
Calculated 22% tax of the result before tax	1,984	- 212	7,909	3,074	5,770
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	- 235	348	231	781	297
Tax effect of:					
Special items	138	0	398	0	4,433
Special items - taxable items	- 0	0	- 822	0	- 2,323
Other non-taxable income	- 50	0	- 150	0	0
Other non-deductible costs	205	2,409	541	3,635	676
Tax deductable	0	0	0	0	
Adjustment of tax relating to prior periods*	26	0	48	- 9	84
Total	**2,068**	**2,545**	**8,156**	**7,481**	**8,936**
Effective tax rate	**22.9%**	**-264.2%**	**22.7%**	**53.5%**	**34.1%**

7. Intangible assets

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	23,482	141,668
Currency Translation	14,960	33,905	1,404	50,268
At September 30, 2022	**193,142**	**481,366**	**61,713**	**736,221**
Amortisation and impairment				
As of January 1, 2022	**0**	**0**	**24,374**	**24,374**
Amortization for the period	0	0	9,118	9,118
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**

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation				
As of January 1, 2021	**99,315**	**150,274**	**25,175**	**274,764**
Additions	0	10,936	3,193	14,129
Acquisitions through business combinations	39,363	153,670	7,773	200,806
Currency Translation	2,748	9,928	398	13,075
At September 30, 2021	**141,426**	**324,807**	**36,540**	**502,773**
Amortisation and impairment				
As of January 1, 2021	**0**	**0**	**15,797**	**15,797**
Amortization for the period	0	0	4,986	4,986
Currency translation	0	0	30	30
At September 30, 2021	**0**	**0**	**20,813**	**20,813**
Net book value at September 30, 2021	**141,426**	**324,807**	**15,727**	**481,960**

Better Collective regularly assessed the need for impairment of intangible assets and during 2022 there have been no indications for an impairment. For a more detailed review of the impairment process, please refer to Annual Report 2021.

7. Intangible assets, continued

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation				
As of January 1, 2021	**99,315**	**150,274**	**25,175**	**274,764**
Additions	0	10,998	3,298	14,297
Acquisitions through business combinations	75,741	157,151	7,949	240,842
Currency Translation	3,126	10,853	404	14,383
At December 31, 2021	**178,182**	**329,276**	**36,827**	**544,285**
Amortisation and impairment				
As of January 1, 2021	**0**	**0**	**15,797**	**15,797**
Amortization for the period	0	0	6,823	6,823
Impairment for the period*	0	0	1,693	1,693
Currency translation	0	0	61	61
At December 31, 2021	**0**	**0**	**24,374**	**24,374**
Net book value at December 31, 2021	**178,182**	**329,276**	**12,453**	**519,911**

8. Non-current liabilities and other current financial liabilities

Debt to credit institutions:

As per September 30, 2022, Better Collective has drawn 200.9 mEUR out of the total available credit facility of 209.3 mEUR established with Nordea. 115.2 mEUR of the bank debt is short-term debt due to amortizing loan and the bridge facility in connection with the acquisition of CSB and Futbin in March and April 2022. In October Better Collective restructured the facility with a new long-term club deal, reclassifying all short term debt to credit institutions to long term debt.

Lease liabilities:

Non-current and current lease liabilities, of 4.7 mEUR and 1.5 mEUR respectively.

Deferred Tax liability:

Deferred tax liability as of September 30, 2022, amounted to 78.9 mEUR. The change from January 1, 2022, originates from 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, 2022, amounted to 11.1 mEUR, increased from January 1, 2022 due to change in Better Collective US, Inc..

Contingent Consideration:

As per September 30, 2022, the contingent consideration amounted to 0 mEUR after final adjustment and settlement of outstanding purchase price related to the acquisition of RiCal LLC. Better Collective paid the final part of the contingent liabilities in Q2 2022.

Other financial liabilities:

As per September 30, 2022, other financial liabilities amounted to 49.1 mEUR due to deferred and variable payments related to acquisitions. The increase from January 1, 2022, is related to the deferred payment in connection with the acquisition of FUTBIN and capitalization of media agreements, whereas the last payments related to the acquisitions of Atemi, and HLTV were made and reduced the liability.

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

No acquisitions of business combinations were made in the quarter.

10. Note to cash flow statement

Note	tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
	Acquisition of business combinations:					
9	Net Cash outflow from business combinations at acquisition	0	1,852	0	- 179,732	- 179,732
	Business Combinations deferred payments from current period	0	- 817	0	- 1,472	- 2,159
	Deferred payments - business combinations from prior periods	- 639	- 3,304	- 13,819	- 9,159	- 26,010
	Total cash flow from business combinations	**- 639**	**- 2,269**	**- 13,819**	**- 190,363**	**- 207,900**
	Acquisition of intangible assets:					
7	Acquisitions through asset transactions	- 7,909	- 10,028	- 141,668	- 14,129	- 14,297
	Deferred payments related to acquisition value	0	3,664	29,408	3,664	3,535
	Deferred payments - acquisitions from prior periods	0	- 50	- 121	- 50	- 70
	Intangible assets with no cash flow effect	6,975	0	20,430	0	0
	Other investments	- 1,093	- 342	- 2,507	- 758	- 759
	Total cash flow from intangible assets	**- 2,028**	**- 6,756**	**- 94,458**	**- 11,273**	**- 11,591**

Equity movements with and without cashflow impact

Note	tEUR	YTD 2022	YTD 2021	2021
	Cashflow from Equity movements:			
	Equity movements with cashflow impact - from cash flow statement:			
	Capital increase	601	148,655	148,893
	Treasury shares	- 8,684	- 69	- 8,143
	Transaction cost	- 20	- 2,290	- 2,305
	Warrant settlement, sale of warrants	0	0	0
	Total equity movements with cash flow impact	**- 8,103**	**146,296**	**138,446**
	Non-cash flow movements on equity:			
	New shares for M&A payments	4,066	10,232	10,232
	Treasury Shares used for payments	15,498	82	82
	Share based payments - warrant expenses with no cash flow effect	3,127	783	3,688
	Tax impact of settlement of warrants	0	0	0
	Total equity movements with no cash flow impact	**22,691**	**11,096**	**14,002**
	Total Transactions with owners - Consolidated statement of changes in equity	**14,588**	**157,392**	**152,447**

BETTER COLLECTIVE

Financial statements for the period January 1 – June 30

Condensed interim income statement – Parent company

tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Revenue	**16,855**	**8,599**	**44,617**	**26,442**	**36,961**
Other operating income	4,128	3,411	9,433	9,784	12,748
Direct costs related to revenue	3,665	1,640	9,767	4,346	7,407
Staff costs	7,219	3,262	16,396	10,483	13,767
Depreciation	137	124	404	366	490
Other external expenses	4,358	4,334	13,809	10,439	15,080
Operating profit before amortisations (EBITA) and special items	**5,605**	**2,650**	**13,673**	**10,592**	**12,963**
Amortisation	**1,144**	**424**	**2,723**	**1,148**	**3,397**
Operating profit (EBIT) before special items	**4,461**	**2,226**	**10,950**	**9,444**	**9,566**
Special items, net	- 585	- 13	- 875	- 52	2,776
Operating profit	**3,876**	**2,213**	**10,075**	**9,393**	**12,342**
Financial income	23,562	8,551	64,664	40,841	47,400
Financial expenses	1,353	723	4,457	4,807	5,102
Profit before tax	**26,085**	**10,041**	**70,282**	**45,426**	**54,640**
Tax on profit for the period	5,574	1,905	12,756	4,688	6,947
Profit for the period	**20,511**	**8,136**	**57,526**	**40,738**	**47,692**

Condensed interim statement of other comprehensive income

tEUR	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Profit for the period	20,511	8,136	57,526	40,738	47,692
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Currency translation to presentation currency	84	10	22	81	50
Income tax	0	0	0	0	0
Net other comprehensive income/loss	84	10	22	81	50
Total other comprehensive income/(loss) for the period, net of tax	**20,595**	**8,146**	**57,548**	**40,819**	**47,742**

Condensed interim balance sheet – Parent company

Note-QR	tEUR	Q3 2022	Q3 2021	2021
	ASSETS			
	Non-current assets			
	Intangible assets			
	Domains and websites	144,374	26,128	26,189
	Accounts and other intangible assets	10,420	5,402	3,257
		154,795	**31,529**	**29,446**
	Property, plant and equipment			
	Right of use assets	413	676	601
	Fixtures and fittings, other plant and equipment	468	337	310
		881	**1,013**	**911**
	Financial assets			
	Investments in subsidiaries	192,481	186,845	189,318
	Receivables from subsidiaries	299,250	240,160	245,349
	Deposits	174	170	170
		491,905	**427,175**	**434,837**
	Total non-current assets	**647,581**	**459,717**	**465,194**
	Current assets			
	Trade and other receivables	11,467	7,074	7,683
	Receivables from subsidiaries	26,871	13,135	22,428
	Prepayments	2,119	904	1,331
	Restricted Cash	0	2,960	1,489
	Cash	14,062	5,565	5,962
	Total current assets	**54,519**	**29,637**	**38,894**
	TOTAL ASSETS	702,100	489,355	504,088

Note-QR	tEUR	Q3 2022	Q3 2021	2021
	EQUITY AND LIABILITIES			
	Equity			
	Share Capital	551	545	546
	Share Premium	272,535	267,636	267,873
	Currency Translation Reserve	574	575	552
	Treasury shares	- 2,102	0	- 8,074
	Retained Earnings	157,047	84,378	94,223
	Proposed Dividends	0	0	0
	Total equity	**428,605**	**353,135**	**355,121**
	Non-current Liabilities			
	Debt to credit institutions	85,725	55,344	121,025
	Lease liabilities	107	406	330
	Deferred tax liabilities	4,959	1,667	1,996
	Other non-current financial liabilities	15,628	8,956	4,939
	Total non-current liabilities	**106,419**	**66,373**	**128,290**
	Current Liabilities			
	Prepayments received from customers and deferred revenue	0	1,165	0
	Trade and other payables	4,416	4,095	4,046
	Payables to subsidiaries	17,272	3,680	9,273
	Corporation tax payable	10,436	3,319	993
	Other current financial liabilities	19,431	7,258	6,039
	Debt to credit institutions	115,171	50,000	0
	Lease liabilities	350	328	328
	Total current liabilities	**167,076**	**69,846**	**20,678**
	Total liabilities	**273,495**	**136,220**	**148,967**
	TOTAL EQUITY AND LIABILITIES	702,100	489,355	504,088

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, 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**

During the period no dividend was paid.

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2021	**469**	**108,825**	**494**	**- 2**	**45,137**	**0**	**154,923**
Result for the period	0	0	0	0	40,738	0	40,738
Other comprehensive income							
Currency translation to presentation currency	0	0	81	0	0	0	81
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	81	0	0	0	81
Total comprehensive income for the year	**0**	**0**	**81**	**0**	**40,738**	**0**	**40,819**
Transactions with owners							
Capital Increase	76	158,811	0	0	0	0	158,887
Acquisition of treasury shares	0	0	0	- 69	0	0	- 69
Disposal of treasury shares	0	0	0	71	11	0	82
Share based payments	0	0	0	0	783	0	783
Transaction cost	0	0	0	0	- 2,290	0	- 2,290
Total transactions with owners	**76**	**158,811**	**0**	**2**	**- 1,497**	**0**	**157,392**
At September 30, 2021	**545**	**267,636**	**575**	**0**	**84,378**	**0**	**353,135**

During the period no dividend was paid.

Condensed interim statement of changes in equity – Parent company

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2021	**469**	**108,825**	**494**	**- 2**	**45,137**	**0**	**154,923**
Result for the period	0	0	0	0	47,692	0	47,692
Other comprehensive income							
Currency translation to presentation currency	0	0	50	0	0	0	50
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	50	0	0	0	50
Total comprehensive income for the year	**0**	**0**	**50**	**0**	**47,692**	**0**	**47,742**
Transactions with owners							
Capital Increase	77	159,048	8	0	0	0	159,133
Acquisition of treasury shares	0	0	0	- 8,135	0	0	- 8,135
Disposal of treasury shares	0	0	0	71	11	0	82
Share based payments	0	0	0	0	3,688	0	3,688
Transaction cost	0	0	0	- 8	- 2,305	0	- 2,313
Total transactions with owners	**77**	**159,048**	**8**	**- 8,072**	**1,395**	**0**	**152,455**
At December 31, 2021	**546**	**267,873**	**552**	**- 8,074**	**94,223**	**0**	**355,121**

During the period no dividend was paid.

Alternative Performance Measures and Definitions

The group uses Alternative Performance Measures not defined under IFRS to give management and investors important information to enable them to fully analyze the Better Collective business and trends. The APMs are not meant to replace but to complement the performance measures defined under IFRS. Note 5 to the consolidated figures contains a bridge from the APMs to performance measures defined by IFRS.

Alternative Performance Measures

Alternative Performance Measure	Description	SCOPE
Earnings per share (EPS)	Net Profit for the period / (Average number of shares - Average number of treasury shares held by the company)	The group reports this APM for users to monitor development in the net profit per share.
Diluted earnings per share	Net profit for the period / (Average number of shares + Average number of outstanding warrants - Average number of treasury shares held by the company)	The group reports this APM for users to monitor development in the net profit per share, assuming full dilution from active warrant programs.
Operating profit before 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 not 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 not 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, including earn-outs from acquisitions, excl. contingent consideration, minus cash, and cash equivalents) / -EBITDA before special items on rolling twelve months basis	This ratio is used to describe the horizon for pay back of the interest-bearing debt and measures the leverage of the funding.
Liquidity ratio	Current Assets / Current Liabilities	Measures the ability of the group to pay 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

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
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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