Better Collective
Interim report Q4 2023

Q4

- Strong performance with revenue of 85m EUR made it possible to exceed the 2023 revenue target
- Recurring revenue of 47 mEUR; growth of 15%
- EBITDA before special items 30 mEUR; down 16%; EBITDA-margin 35%; EBITDA ended in the high end of the range for the year
- January trading; Revenue 27 mEUR, down 27%, following tough comparisons from strong launch of sports betting in Ohio last year

2023

- Revenue 327 mEUR, up 21%; on top of 52% growth the year prior
- Recurring revenue 189 mEUR; growth of 47%
- EBITDA before special items 111 mEUR; up 31%; EBITDA-margin 34%
- 2023 financial targets; Revenue exceeded (315-325 mEUR), EBITDA in the high end of the target range (105-115 mEUR), debt target met (<2x)
- 2024 financial targets; Revenue 390-420 mEUR (19-29% growth), EBITDA before special items 125-135 mEUR (13-22% growth), net debt to EBITDA below 3x

Playmaker HQ and Shaquille O'Neal have partnered to launch "The BIG Podcast"

February 21, 2024
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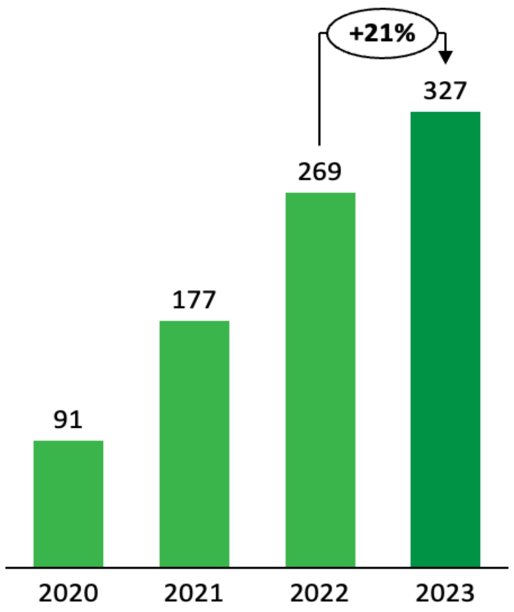
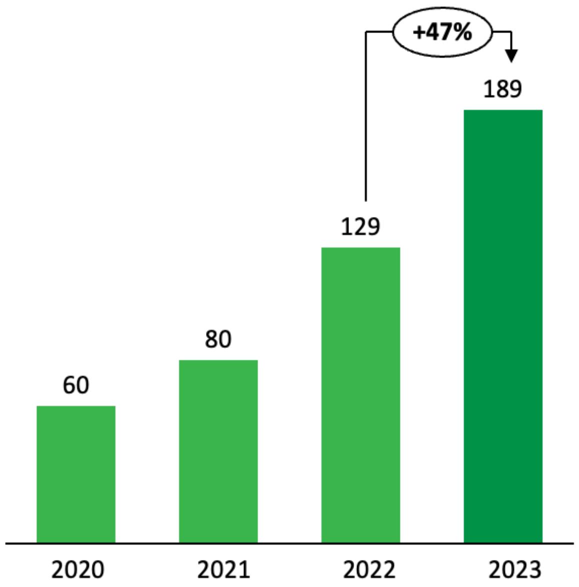
CVR NO.: 27 65 29 13

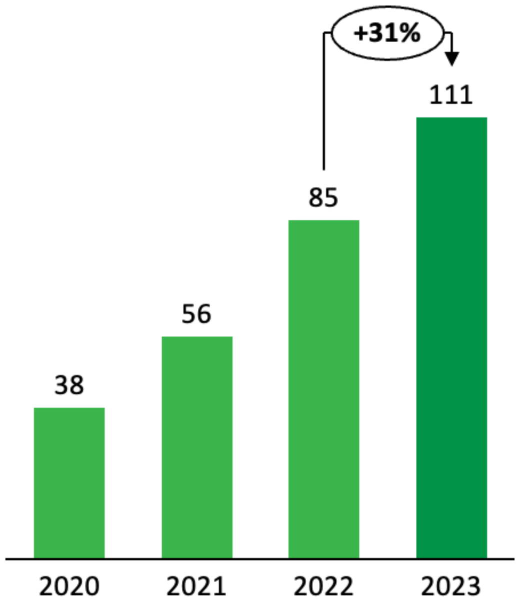
Revenue
mEUR



Recurring revenue
mEUR



EBITDA*
mEUR



*Before special items

BETTER COLLECTIVE

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Q4 webcast February 22, 2024

A conference call for Better Collective's stakeholders will be held on February 22, at 10:00 a.m. CET and can be joined online here.

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

The presentation material for the webcast will be available after market close on February 21 via: www.Bettercollective.com

Upcoming events

- March 20, 2024, Annual Report release
- May 21, 2024, Q1 release
- August 21, 2024, Q2 release

Highlights Q4, 2023

Group revenue was flat at 85 mEUR (Q4 2022: 86 mEUR) with organic revenue growth of -7%. In constant currencies revenue was negatively impacted by 2%-points. The strong performance made it possible to exceed the full year guidance on revenue.

Recurring revenue was 47 mEUR, posting 15% growth, implying higher quality revenue. Recurring revenue makes up 56% of total group revenue.

Group EBITDA before special items was 30 mEUR, down 16% versus the year before (Q4 2022: 35 mEUR). The group EBITDA-margin before special items was 35%. EBITDA was mainly impacted by the ongoing transition to revenue share in the US and the tough comparison from the Ohio state launch pre-registration.

Cash flow from operations before special items was 38 mEUR (Q4 2022: 21 mEUR). The cash conversion was 124%. By the end of 2023, capital reserves stood at 122 mEUR of which cash of 43 mEUR, and other current financial assets of 7 mEUR and unused credit facilities of 72 mEUR.

New depositing customers (NDC) numbered more than 483,000 down 17% on tough comparisons as Better Collective sent more than 300,000 NDCs during the World Cup 2022. Of the 483,000, 80% were sent on revenue share contracts. During 2023, Better Collective sent a record-breaking 1.9 million NDCs up 14% out of which 83% were sent on revenue share contracts.

The North American contractual transition towards revenue share continues at fast pace. In terms of NDCs, Better Collective sent 483,000 NDCs during the quarter. Of this 115,000 were sent in the US, where 55% of those were on revenue share contracts. This equal growth in North American revenue share NDCs of 66%.

Special items amounted to an expense of 1.9 mEUR (YTD 2022: -54 tEUR). The net expense of 1.9 mEUR is primarily related to M&A expenses of 10.2 mEUR, dual listing in Copenhagen of 1.1 mEUR and restructuring of 0.5 mEUR as well as an income related to reversal of an earn-out in FUTBIN of 9.9 mEUR. The earn-out was related to certain extraordinarily high-performance criteria that will not be met.

Better Collective made its second largest acquisition to date, in a transaction to acquire Playmaker Capital for a total price consideration of 176 mEUR. Playmaker Capital is a leading digital sports media group that owns and operates several strong sports media brands across the Americas. The acquisition will be transformational for Better Collective and will strengthen the group's market leading position in North America, while also taking market leadership in South America. The closing of the transaction happened post-closing of Q4.

Mindway AI, the Better Collective owned safer gambling software provider, entered a strategic partnership with the United States' National Council on Problem Gambling (NCPG). The partnership will see the integration of Gamalyze, into NCPG's flagship responsible gambling website; responsiblePlay.org

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

Significant events after close

January revenues came in at 27 mEUR, implying a decline of 27%. This was mainly impacted by tough comparisons from January last year where the group saw a huge boost from the Ohio launch making it the strongest month ever. Further this is impacted by the ongoing transition towards revenue share in the US. While North America was impacted, Europe & ROW grew 12% assuming the same sports win margin as January last year. This will be the last time Better Collective reports on trading for the first month of the following quarter due to big fluctuations within quarters like seen in Q4 2023.

The transaction of Playmaker Capital closed on February 6, 2024, following which Playmaker Capital has been consolidated into the Better Collective group. All relevant information about the closing and share issue can be found in the regulatory release no 2/2024.

Following the close of the Playmaker Capital transaction, Better Collective revisited its long-term financial targets for the period 2023-2027. The upgraded long-term financial targets are as follow:

- Revenue CAGR of +20% (unchanged)
- EBITDA margin before special items of 35-40% (previously 30-40%)
- Net debt to EBITDA below 3 (unchanged).

Better Collective announced a new major shareholder as BLS Capital Fondsmæglerselskab A/S now has 6.7% of the voting rights.

Better Collective is now included in the Nasdaq Stockholm and Nasdaq Copenhagen Large Cap Index with companies that have a market cap higher than 1 bnEUR.

HLTV, the leading esport community for CS:GO, successfully hosted its 2023 Award Show in Belgrade, Serbia, to celebrate and pay tribute to the legends of the global Counter-Strike scene.

Financial highlights and key figures

tEUR	Q4 2023	Q4 2022	2023	2022
Income statements				
Revenue	85,195	86,140	326,686	269,297
Recurring revenue	47,402	41,314	189,267	128,534
Revenue Growth (%)	-1%	63%	21%	52%
Organic Revenue Growth (%)	-7%	44%	13%	34%
Operating profit before depreciation, amortization, and special items (EBITDA before special items)	29,514	35,183	111,080	85,075
Operating profit before depreciation and amortization (EBITDA)	29,914	36,793	109,132	85,021
Depreciation	1,347	728	3,958	2,321
Operating profit before amortization and special items (EBITA before special items)	28,168	34,455	107,122	82,754
Special items, net	399	1,610	- 1,948	- 54
Operating profit before amortization (EBITA)	28,567	36,065	105,174	82,700
Amortization and impairment	7,969	3,625	24,283	12,347
Operating profit before special items (EBIT before special items)	20,199	30,829	82,839	70,407
Operating profit (EBIT)	20,598	32,439	80,891	70,353
Result of financial items	- 6,896	- 3,428	- 22,881	- 5,389
Profit before tax	13,702	29,012	58,010	64,964
Profit after tax	7,491	20,279	39,835	48,075
Earnings per share (in EUR)	0.14	0.37	0.74	0.88
Diluted earnings per share (in EUR)	0.13	0.36	0.70	0.85

For a definition of financial key figures and ratios, please refer to page 34.

tEUR	Q4 2023	Q4 2022	2023	2022
Balance sheet				
Balance Sheet Total	937,862	785,229	937,862	785,229
Equity	435,273	412,917	435,273	412,917
Current assets	105,812	95,025	105,812	95,025
Current liabilities	103,493	65,068	103,493	65,068
Net interest bearing debt	221,133	177,879	221,133	177,879
Cashflow				
Cash flow from operations before special items	37,525	20,997	119,384	69,816
Cash flow from operations	34,781	20,515	114,639	68,423
Investments in tangible assets	- 1,003	- 541	- 5,143	- 1,788
Cash flow from investment activities	- 24,546	- 3,052	- 106,248	- 112,632
Cash flow from financing activities	- 361	- 5,033	29,334	65,737
Financial ratios				
Operating profit before depreciation, amortization (EBITDA) and special items margin (%)	35%	41%	34%	32%
Operating profit before amortization margin (EBITDA) (%)	35%	43%	33%	32%
Operating profit margin (%)	24%	38%	25%	26%
Publishing segment - EBITDA before special items margin (%)	38%	49%	37%	38%
Paid media segment - EBITDA before special items margin (%)	28%	23%	29%	16%
Net interest bearing debt / EBITDA before special items	1.99	2.09	1.99	2.09
Liquidity ratio	1.02	1.46	1.02	1.46
Equity to assets ratio (%)	46%	53%	46%	53%
Cash conversion rate before special items (%)	124%	58%	103%	80%
Average number of full-time employees	1,211	943	1,252	878
NDCs (thousand)	483	581	1,916	1,683

CEO letter

A successful year anchored in strong profitable growth and strategic investments for the future

After a remarkable ending to 2022 driven by the successful men's soccer World Cup, we initially scaled back our growth expectations for 2023. Our financial targets by early 2023 anticipated topline of 290-300 mEUR and EBITDA of 90-100 implying growth of 9-11% and EBITDA growth of 6-18%. However, the exceptional efforts of the Better Collective group once again exceeded our expectations, resulting in a revision of our targets upwards, not once but twice during the year.

The first revision took place with the acquisition of Skycon, increasing the revenue range by 15 mEUR and the EBITDA range by 5 mEUR. In June, we experienced outstanding group performance, prompting us to further upgrade our targets with both the revenue and EBITDA ranges, seeing a positive adjustment of 10 mEUR. We closed 2023 just above the revenue target at 327 mEUR and with EBITDA of 111 mEUR in the high end of the range. This implies growth of 21% and 31% respectively.

During the year we saw strong profitable growth in all areas of Better Collective as the group delivered its highest revenue and EBITDA ever while continuously making progress towards our vision of becoming the leading digital sports media group. Our global audience grew by an astonishing 270 million monthly visits both organically and through M&A, making us reach a sports audience of roughly 400 million monthly visits.

We have continuously been investing in the future, sending a record number of new depositing customers (NDCs) to our partners on recurring revenue share contracts. The NDCs during the full year grew 14% of which 83% were on revenue share. Our recurring revenue - mainly stemming from revenue share income - grew 47% to 189 mEUR, making our result of higher quality compared to last year. We estimate that a database of revenue share NDCs turns profitable 12-18 months out, hence it is worth noting that most of our revenue share income stems from NDCs sent prior to 2022. Therefore, I am very optimistic about the future as we have sent more than 3 million revenue share NDCs during 2022 and 2023 which in turn will increase the "snowball" of recurring revenues moving forward. This means we in the past two years have sent more NDCs than we have accumulated from our beginning in 2004 and up until 2022.

One of our core objectives for 2023 was to establish a physical presence in South America as well as securing leading sports brands in this region. During Q1, a member of our management moved to Rio de Janeiro to put together a regional team, and it has already turned out to be beneficial to have feet on the ground. We now have two offices in Brazil, in Rio de Janeiro and São Paulo. Intensifying on our South American efforts has made us better capable at integrating Playmaker Capital's South American business, "Futbol Sites", with its regional audience of more than 180 million monthly visits from sport fans and its large organization anchored in Buenos Aires. Additionally, our media partnerships in South America have continued to perform well. We have paved the way for a clear market leading position in and we are geared to play an even bigger role as the Brazilian iGaming regulation is expectedly approaching.

Since 2018, more than 30 US states have launched online sports betting and during this phase we have worked to perfect our commercial efforts during launches. This year, we delivered our strongest monthly revenue of 37 mEUR in January, driven by the launch of online sports betting in Ohio. Our previous revenue record was set in January 2022 as the New York state launched, landing at 31 mEUR. As we steadily transition to revenue share contracts in North America, we will see tough Q1 comparisons. Despite this the entire group still expects strong NDC-growth, strong growth in revenue share build-up, and growth in absolute revenue and profits for the full year. During Q4 we have sent 115,000 NDCs of which 55% were on revenue share contracts. This transition will prove to be crucial for Better Collective to ensure a long-term sustainable business in the region - just as it has for our operations in the rest of the world during the past decade. We are confident that this is the right strategy for us to take part in the underlying market growth and future opportunities within iGaming and beyond.

The European markets delivered strong growth throughout the year in both owned and operated sports brands and media partnerships. Even Q4 grew 14% of which 4% organically on the very tough comparison from the World Cup. We have seen success in acquiring national sports media and integrating these on our tech platforms, which immediately has created better Google rankings and strong audience growth. This is a topic we will dive more into in the 2023 Annual Report. It is a pleasure to have such a strong business in our core region, making it possible to absorb the North American revenue share transition as well as our many investments.

Seven acquisitions take us closer to our vision

2023 was an acquisitive year for Better Collective, acquiring seven businesses for a consideration of up to 298 mEUR. These businesses and brands have their own stake in realizing our vision to become the leading digital sports media group.

The acquisition of the global display advertising company, Skycon, provided our Paid Media division with great knowledge and intel within a new field and expanded the addressable market. The integration was swift, and the company has outperformed our expectations.

The acquisitions of strong sports media brands in the Nordics and emerging markets secured our position as a market leader in this region. We have seen great trends in audience growth as well as monetization and we have been approached by new customers to discuss collaborations.

Playmaker HQ is a content and social media company, which provided the group with greater knowledge within these areas and expanded our reach to new platforms. We are extremely excited to have announced a new Podcast series with the basketball legend, Shaquille O'Neill.

The acquisition of Torcedores, a Brazilian sports media, provided intel on the market as well as an office in Sao Paolo. Following integration into our tech stack the audience has grown an astonishing +170% over a few months, while we have decreased operational costs by 35%.

Playmaker Capital is a group of strong sports media brands. The group has the biggest sports media audience in South America as well as strong North American brands. The acquisition doubles Better Collective's global reach to nearly 400 million monthly visits. With the acquisition we secured the market leading position in South America and cemented our leading position in North America. The deal closed after Q4.

AdVantage shows a promising start

I have previously expressed that our extensive reach deserves an in-house AdTech platform, and developing such a platform has been a strategic initiative we launched during 2023. Our audience has more than doubled, making the proposition even more relevant. During 2023, we absorbed the project investments in building our internal AdTech platform, "AdVantage", while already having secured proof of concept. The development of the platform was demand-driven, with many incoming requests from different brands wanting to reach our audience.

AdVantage will enable us to better cater and serve targeted and contextual content and advertising. The first AdVantage campaigns have been run on our brands and media partnerships across eight markets. If successful, the platform will optimize our third-party agency relations, and we will rid ourselves of most of the intermediary fees. Being able to do more direct advertising, we also expect a significantly higher CPM than currently achieved. Our long-term ambition with AdVantage is to become the go-to partner for organizations searching for sports audience exposure and sports fan engagement. Currently, we only run ads on our esport brands but moving forward this will expand to most of our owned and operated sports brands, and ideally in the long run also all our media partnerships.

Integrating, innovating, and investing in the future

Following the seven acquisitions made during 2023, 2024 calls for consolidation and integration. It is time to harvest the fruits through tech platform migration and optimization of revenue models, resulting in audience growth and improved monetization. 2024 will also be a year where we continue our innovation and investments into AdVantage as well as several AI-projects such as automated proprietary content creation and distribution. Further, we will continue to push the North American revenue share transition. For Playmaker Capital we will shift the revenue mix towards performance marketing, which will result in a change in cash flow recognition and flat performance during 2024 for this asset.

2024 outlook and update of long-term targets

2024 is filled with exciting sporting events such as the Africa Cup of Nations at the start of the year as well as a busy summer with both the European Championship and Copa America both for men's soccer. It is also expected that the state of North Carolina will launch online sports betting in Q1. Lastly, the legalization of sports betting in Brazil also seems to be approaching, however the timing is uncertain. With the abovementioned anticipations for the future, I am excited to share our bold 2024 financial targets expecting revenue of 390-420 mEUR, implying 19-29% growth, and EBITDA of 125-135 mEUR implying 13-22% growth with net/debt to EBITDA to stay below 3x. We will thereby maintain strong operational earnings while confidently continuing our investments in the future. For more intel on our financial targets go to page 12.

All of this could only be achieved with a talented and dedicated group and therefore I would like to thank all my colleagues in Better Collective for their outstanding efforts. I also welcome our new colleagues who have become part of the Better Collective group during the past year.

In Better Collective, we pride ourselves in delivering on our promises and we are proud to have done so year after year since the IPO. Looking ahead, we remain highly committed to our financial targets as we see significant growth prospects within the sports media industry. An industry Better Collective will take the leading position within.

Jesper Søgaard
Co-founder & CEO Better Collective

Business review and financial performance

Group

Q4 was another solid quarter for the Better Collective group, however given the tough comparison from Q4 2022 revenues were flat at 85 mEUR.

Operational earnings (EBITDA before special items) were 30 mEUR, implying a margin of 35%. The group's operational income decreased by 16% due to tough comparisons, the ongoing revenue share transition in the US, and the negative impact from a weak sports win margin recorded during October.

Recurring revenue came in at 47 mEUR, implying growth of 15%, and made up 56% of group revenues.

Of the recurring revenues 75% came from revenue share income, 17% from subscription, and 8% from advertisement sales.

The group delivered 483,000 new depositing customers to partnering sportsbooks and continued its strong growth path during its transitional phase to revenue share agreements in the US. Q4 NDCs was down by 17% due to the tough comparison from the men's soccer World Cup 2022. Out of the total NDCs 80% were revenue share contracts.

Key figures for the group

tEUR	Q4 2023	Q4 2022	Growth	2023	2022	Growth
Revenue	85,195	86,140	-1%	326,686	269,297	21%
Cost	55,680	50,957	9%	215,605	184,222	17%
Operating profit before depreciation and amortization and special items	29,514	35,183	-16%	111,080	85,075	31%
EBITDA-Margin before special items	35%	41%		34%	32%	
Operating profit before depreciation and amortization	29,914	36,793	-19%	109,132	85,021	28%
EBITDA-Margin	35%	43%		33%	32%	
Organic Growth	-7%	44%		13%	34%	

Publishing

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

Revenues from this segment came in at 59 mEUR implying a flat development. Operational profits came in at 22 mEUR, implying a margin of 38%. The publishing segment accounted for 69% of group revenue and 75% of operational earnings.

The flat development was achieved despite very tough comparisons from 2022 where the men's soccer World Cup was a big boost to the group. In the Publishing segment the performance came from strongly owned and operated sports brands as well as well performing media partnerships. For the full year the revenue growth and EBITDA growth ended at 18% and 13% respectively with organic growth at 15%.

The North American contractual transition towards revenue share has continued in full force. In terms of US-NDCs, Better Collective grew extensively during Q4 and sent 115.000 NDCs, of which 55% were on revenue share contracts. This implies growth of 66%. The transition postpones revenue and earnings, as it has a short-term dampening effect on revenues and earnings. All central costs and costs of new areas of expansion are recorded in the Publishing segment.

Key figures for the Publishing segment

tEUR	Q4 2023	Q4 2022	Growth	2023	2022	Growth
Revenue	59,114	59,251	0%	220,328	187,057	18%
Share of Group	69%	69%		67%	69%	
Cost	36,924	30,258	22%	139,685	115,376	21%
Share of Group	66%	59%		65%	63%	
Operating profit before depreciation and amortization and special items	22,190	28,993	-23%	80,642	71,681	13%
Share of Group	75%	82%		73%	84%	
EBITDA-Margin before special items	38%	49%		37%	38%	
Operating profit before depreciation and amortization	22,589	30,603	-26%	78,695	71,627	10%
EBITDA-Margin	38%	52%		36%	38%	
Organic Growth	-2%	29%		15%	30%	

Paid Media

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

Paid Media revenue was 26 mEUR, implying a decline of 3%. This was quite an achievement as Paid Media was at full force during the men's soccer World Cup during 2022 as well as the Ohio pre-registration, which always is the case during large single events. Over the past quarters, the transition in revenue share agreements has paid off as margins have improved and made it possible to further fuel growth.

Operational profits came in at 7 mEUR with a margin of 28%, which implies growth of 18% versus last year. For the full year the Paid Media division has increased revenues by 29% and operational earnings by 127%, of which 13% was organic.

Key figures for the Paid Media segment

tEUR	Q4 2023	Q4 2022	Growth	2023	2022	Growth
Revenue	26,081	26,889	-3%	106,358	82,241	29%
Share of Group	31%	31%		33%	31%	
Cost	18,757	20,699	-9%	75,920	68,846	10%
Share of Group	34%	41%		35%	37%	
Operating profit before depreciation and amortization and special items	7,324	6,190	18%	30,438	13,394	127%
Share of Group	25%	18%		27%	16%	
EBITDA-Margin before special items	28%	23%		29%	16%	
Operating profit before depreciation and amortization	7,324	6,190	18%	30,438	13,394	127%
EBITDA-Margin	28%	23%		29%	16%	
Organic Growth	-16%	94%		13%	45%	

Europe & Rest of World

The Europe & Rest of the world (ROW) business includes all markets outside of North America. The European markets consist of more mature markets and are the legacy markets of Better Collective. South America is a strong growth market and makes up an increasingly bigger part of the business. Examples of sports brands include Soccernews in the Netherlands, Betarades in Greece, Tipsbladet in Denmark, Wettbasis in Germany, Goal.pl in Poland, and Les Transferts in France. The portfolio further includes the esport communities HLTV and FUTBIN. Given the strong legacy in the European markets there is a lot of recurring revenue in this business.

Europe & ROW posted revenues of 58 mEUR, implying growth of 14%. Operational profits came in at 23 mEUR, giving a margin of 39%, which is a decline of 6%. Europe & ROW revenue accounted for 68% and operational earnings accounted for 77% of the group. As mentioned, these markets are heavily exposed towards recurring revenue share income, meaning fluctuations in the sports win margin has a bigger impact here. During Q4, the sports win margin was abnormally low in October, impacting the performance. With time the sports win margin will return to its mean, which was also the case for the rest of Q4. Despite of the tough comparison from the World Cup and the sport win margin, Q4 still grew 14% of which 4% was organic. For the full year the Europe & ROW segment grew revenues 29% and operational earnings by 49%.

North America

Both the US and the Canadian markets are somewhat recently regulated. The first states in the US started regulating in 2018. As both markets are young, revenues largely have been generated from one-time payments (CPA). During Q3 2022, Better Collective started its transition towards recuring revenues in the US. Key North American sports brands include but are not limited to Action Network, Playmaker Capital, Playmaker HQ VegasInsider, RotoGrinders, Sportshandle, and Canada Sports Betting. The North American revenue came in at 27 mEUR, implying a decline of 23% impacted by the ongoing transition of revenues and the tough comparison from the Ohio preregistration period during the year prior. Operational profits came in at 7 mEUR equaling a margin of 25%, impacted by the same measures. The group continues its transition towards recurring revenue share. In terms of NDCs, Better Collective sent 115,000 NDCs during the quarter, whereof 55% of those were on revenue share contracts. This equal growth of 66% in revenue share NDCs. Despite the revenue share transition, the North American business still grew 5% organically during 2023.

Key figures for Europe & RoW segment

	Europe & ROW					
tEUR	Q4 2023	Q4 2022	Growth	2023	2022	Growth
Revenue	58,108	50,939	14%	218,085	169,275	29%
Share of Group	68%	59%		67%	63%	
Cost	35,468	31,598	12%	137,902	115,620	19%
Share of Group	64%	62%		64%	63%	
Operating profit before depreciation and amortization and special items	22,640	19,342	17%	80,183	53,656	49%
Share of Group	77%	55%		72%	63%	
EBITDA-Margin before special items	39%	38%		37%	32%	
Operating profit before depreciation and amortization	23,023	18,857	22%	79,123	52,296	51%
EBITDA-Margin	40%	37%		36%	31%	
Organic Growth	4%	30%		17%	22%	

Key figures for North America segment

	North America					
tEUR	Q4 2023	Q4 2022	Growth	2023	2022	Growth
Revenue	27,086	35,200	-23%	108,600	100,022	9%
Share of Group	32%	41%		33%	37%	
Cost	20,212	19,359	4%	77,703	68,602	13%
Share of Group	36%	38%		36%	37%	
			-			-
Operating profit before depreciation and amortization and special items	6,875	15,841	-57%	30,897	31,420	-2%
Share of Group	23%	45%		28%	37%	
EBITDA-Margin before special items	25%	45%		28%	31%	
Operating profit before depreciation and amortization	6,891	17,936	-62%	30,009	32,725	-8%
EBITDA-Margin	25%	51%		28%	33%	
Organic Growth	-24%	71%		5%	71%	

Financial performance 2023

Revenue growth of 21% to 327 mEUR and organic growth of 13%

Revenue showed strong growth versus 2022 of 21% and amounted to 326.7 mEUR (2022: 269.3 mEUR). Revenue share accounted for 44% of the revenue with 37% coming from CPA, 5% from subscription sales, and 14% from other income.

Cost of 216 mEUR - up from 184 mEUR

The increase in costs is primarily driven by personnel costs increasing 20.1 mEUR corresponding to an increase of 43%. The increase is driven by an increase in average number of employees increasing from average 878 in 2022 to 1,252 in 2023. Direct costs related to media partnerships and Paid Media increased as well, however in line with overall growth in revenue. The cost base excluding depreciation and amortization grew 32 mEUR, up to 215.6 mEUR (2022: 184.2 mEUR).

Total direct cost relating to revenue increased by 7.1 mEUR to 99.3 mEUR (2022: 92.2 mEUR) with the growth coming from increased cost in Paid Media, and direct costs related to media partnerships. Beyond the cost of paid traffic, this includes hosting fees of websites, content generation, and external development.

Personnel cost increased 30% from December 2022 to 88.9 mEUR 2023 (2022: 68.6 mEUR). The average number of employees increased 43% to 1,252 (2022: 878). Personnel costs include costs related to warrants of 2,5 mEUR (2022: 1.9 mEUR).

Other external costs increased 4.0 mEUR or 17% to 27.4 mEUR (2022: 23.4 mEUR). Depreciation and amortization amounted to 28.2 mEUR (2022: 14.7 mEUR). The increase is primarily due to amortization related to the acquisition of FUTBIN, and acquisitions during 2023 as Skycon, Playmaker HQ, Digital Sportmedia I Norden AB (the four brands are SvenskaFans.com, Hockeysverige.se, Fotbolldirekt.se and Innebandymagazinet.se), Goalmedia Technologia E Marketing Digital (the brand is Torcedores.) and Tipsbladet as well as new media partnerships.

Special items

Special items amounted to an expense of 1.9 mEUR (YTD 2022: -54 tEUR). The net expense of 1.9 mEUR is primarily related to M&A expenses of 10.2 mEUR, dual listing in Copenhagen of 1.1 mEUR and restructuring of 0.5 mEUR as well as an income related to reversal of an earn-out of 9.9 mEUR. The earn-out was related to certain extraordinarily high-performance criteria that will not be met.

Earnings

Operational earnings (EBITDA) before special items grew 31% to 111.1 mEUR (2022: 85.1 mEUR). The EBITDA-margin before special items was 34% (2022: 32%). Including special items, the reported EBITDA was 109.1 mEUR. (2022: 85.1 mEUR).

EBIT before special items increased 18% to 82.8 mEUR (2022: 70.4 mEUR). Including special items, the reported EBIT was 80.9 mEUR (2022: 70.4 mEUR).

Net financial items

Net financial costs amounted to 22.9 mEUR (2022: 5.4 mEUR) and included net interest, fees relating to bank credit lines, unrealized losses on shares and exchange rate adjustments. Interest expenses amounted to 12.6 mEUR and included non-payable, calculated interest expenses on certain balance sheet items. Out of the net interest 10.7 mEUR is paid.

Net financial costs are impacted by an unrealized loss of 8.1 mEUR on Catena Media shares and financing fees of 1.2 mEUR whereas net exchange rate loss amounted to 1.3 mEUR.

Income tax

Better Collective has a tax presence in the places where the company is incorporated. These places count Denmark (where the parent company is incorporated), Austria, France, Greece, Malta, Netherlands, Poland, Portugal, Romania, Serbia, Sweden, UK, Canada, Brazil, and the US. Income tax amounted to 18.2 mEUR (2022: 16.9 mEUR). The Effective Tax Rate (ETR) was 31% (2022: 26%).

Net profit

Net profit after tax was 39.8 mEUR (2022: 48.1 mEUR). Earnings per share (EPS) decreased by nearly 15% to 0.74 EUR/share versus 0.88 EUR/share 2022.

Equity

The equity increased to 435.2 mEUR as per December 31, 2023, from 412.9 mEUR on December 31, 2022. Besides the net profit of 39.8 mEUR, the equity has been impacted by the acquisition of treasury shares of 13.4 mEUR and share-based payments of 2.5 mEUR. The decrease in USD versus EUR has impacted the equity by 8.1 mEUR.

Balance sheet

Total assets amounted to 937.9 mEUR (2022: 785.2 mEUR), with an equity of 435.2 mEUR (2022: 412.9 mEUR). This corresponds to an equity to assets ratio of 46% (2022: 53%). The liquidity ratio was 1.02 resulting from current assets of 105.8 mEUR and current liabilities of 103.5 mEUR. The ratio of net interest-bearing debt to EBITDA before special items was 1.99 at the end of December.

Investments

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

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

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

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

On September 18, 2023, Better Collective announced the acquisition of Tipsbladet.dk ApS to further expand its position in Denmark for a total consideration of 6.5 mEUR on a cash and debt-free basis with closing 2 October 2023. During the period investments in accounts and other intangible assets amounted to 8.1 mEUR.

Cash flow and financing

Cash flow from operations before special items was 119.4 mEUR (2022: 69.8 mEUR) with a cash conversion of 103%.

In August Better Collective extended the bank-financing by three years to October 2026 as well as executing the accordion option and thereby increasing the available facilities with 72 mEUR, leaving the group with a total financing of 319 mEUR where 247 mEUR has been utilized by the end of December. By the end of 2023, capital reserves stood at 122 mEUR of which cash of 43 mEUR, and other current financial assets of 7 mEUR in form of listed shares and unused credit facilities of 72 mEUR.

The parent company

Better Collective A/S, is the parent company of the group. Revenue grew by 51% to 98.5 mEUR (2022: 65.3 mEUR). Total costs including depreciation and amortization was 93.8 mEUR (2022: 61 mEUR). Profit after tax was 39.3 mEUR (2022: 46.9 mEUR). The change in profit after tax is primarily due to differences in dividend payments from subsidiaries, exchange rate adjustments, financial expenses, and corporate tax. Total equity ended at 443.2 mEUR by December 31, 2023 (2022: 411.1 mEUR). The equity in the parent company was impacted by treasury share transactions (13.4 mEUR), cost of warrants of 2.5 mEUR and HLTV merger (3.2 mEUR).

Financial targets

2023

The Board of Directors decided on targets for the financial year 2023 as announced in the 2022 full year report. Following the acquisition of Skycon Limited and the record-breaking Q1, the financial targets were upgraded with 15 mEUR on revenues and 5 mEUR on EBITDA. Following a very strong H1, the targets were upgraded again by 10 mEUR on both revenue and EBTIDA.

- Revenue of 315-325 mEUR; Exceeded at 327 mEUR
- EBITDA before special items of 105-115 mEUR; In the high end of range at 111 mEUR
- Net debt to EBITDA before special items <2.0; Met

2024

The Board of Directors has decided on financial targets for the Better Collective group for the year 2024:

- Revenue of 390-420 mEUR, implying 19-29% growth.
- EBITDA of 125-135 mEUR implying 13-22% growth.
- Net/debt to EBITDA stay below 3x.

2024 implications

The targets factor in an eleven-month impact from the Playmaker Capital acquisition with the deal closing on February 6. The acquisition is expected to ramp up over time with expected flat revenue and earnings for 2024.

More factors are continued investment in developing the AdTech platform, several AI-projects and scaling commercial development. Further the continued North American recurring revenue share transition to invest in future sustainable growth coupled with high expectations for the men's European Championship this summer.

2023- 2027

The long-term 2023-2027 financial targets have been updated following the acquisition of Playmaker Capital.

- Revenue CAGR of +20% (unchanged)
- EBITDA margin before special items of 35-40% (previously 30-40%).
- Net debt to EBITDA before special items of <3 (unchanged).

2023-2027 implications

The long-term targets include M&A funded by own cash flow and debt, and not capital increases. With Playmaker Capital, Better Collective utilized cash, debt, treasury shares and a small capital increase, resulting in a minimal dilution of 3%. Hence, a large part of the acquisition was already included in the guidance, making the group more comfortable in its ability to reach these. Given the opportunity to move revenue from advertising to performance marketing and the increased profitability therein the margin target is upgraded, narrowing it toward the high end. Given the nature of performance marketing and the change in cash flow, the margin uptick will happen after 12-24 months.

Disclaimer

This report contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events. Such statements or opinions pertaining to the future, for example wording like; "believes", "deems", "estimates", "anticipates", "aims', and "forecasts" or similar expressions are intended to identify a statement as forward-looking. This applies to statements and opinions concerning the future financial returns, plans and expectations with respect to the business and management of the group, future growth, profitability, general economic and regulatory environment, and other matters affecting Better Collective. Forward-looking statements are based on current estimates and assumptions made according to the best of the group's knowledge. These statements are inherently associated with both known and unknown risks, uncertainties, and other factors that could cause the results, including the group's cash flow, financial condition, and operations, to differ materially from the results, or fail to meet expectations expressly or implicitly, assumed or described in those statements or to turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Better Collective can give no assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments and/or targets. Considering the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that certain future events may not occur. Moreover, forward-looking estimates derived from third-party studies may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements e.g. due to changes in general economic conditions, in particular economic conditions in the markets in which the group operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or environmental damages and systematic delivery failures. We undertake no obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except to the extent required by law.

Other

Shares and share capital

Better Collective A/S is listed on Nasdaq Stockholm main market. The shares are traded under the ticker "BETCO". As per December 31, 2023, the share capital amounted to 553,674.18 EUR, and the total number of issued shares was 55,367,418. The company has one (1) class of shares. Each share entitles the holder to one vote at the general meetings.

Shareholder structure

As of December 31, 2023, the total number of shareholders was 4,820. A list of top ten shareholders in Better Collective A/S can be found on the group's website.

Annual General Meeting 2024

The annual general meeting 2024 will be held on April 22, 2024. Shareholders who wish to have a specific matter brought before the general meeting must submit a written request to the company's Board of Directors no later than six weeks prior to the general meeting. If the request is received less than six weeks before the date of the general meeting, the Board of Directors must decide whether the request has been made with enough time for the issue to be included on the agenda.

Dual listing

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

Program	Warrants outstanding December 31, 2023	Vesting period	Exercise period	Exercise price DKK	Exercise price EUR (rounded)
2019*	805,183	2020-2023	2022-2024	64.78	8.70
2020**	25,000	2021-2023	2023-2025	61.49	8.26
2020*	219,998	2021-2023	2023-2025	106.35	14.28
2021*	377,372	2022-2024	2024-2026	150.41	20.20
2021 US MIP Options	43,358	2021-2024	2024-2026	138.90	18.65
2021 US MIP PSU***	0	2021-2024	2024-2026		
2022 US MIP Options***	15,238	2022-2023	2023-2026	107.25	14.40
2022 US MIP PSU	0	2022-2023	2023-2026		
2022 Options	22,138	2022-2024	2025-2027	130.98	17.59
2022 PSU	67,276	2022-2024	2025-2027		
2023 CXO Options	300,000	2023-2025	2026-2028	142.08	19.08
2023 Options	239,336	2023-2025	2026-2028	85.76	11.52
2023 PSU	131,311	2023-2025	2026-2028		

* 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.
*** Performance adjusted during 2023 to 0

Incentive programs

To attract and retain key competences, the company has established warrant programs for certain key employees. All warrants with the right to subscribe for one ordinary share. If all outstanding warrants are subscribed, then the maximum shareholders dilution will be approximately 4.1%. On January 3, 2023, the board of directors implemented a Long-Term Incentive Plan (LTI) for key employees in the Better Collective group.

In total the grants under the LTI in 2023 cover 131,311 performance share units and 239,360 share options to 64 key employees in total, vesting over a 3-year period. The total value of the 2023 LTI grant program is 2.9 mEUR (calculated Black-Scholes value) measured at the target level, which is to say 100% achievement of the financial goals. On April 25, 2023, a new LTI program was approved for executive management. The total grant of 300,000 share options will vest over a 3-year period given certain vesting conditions set by the Board of Directors. The total value of the 2023 LTI grant program is 2.6 mEUR (calculated Black-Scholes value) measured at the target level, which is to say 100% achievement of the financial goals.

Risk management

Through an Enterprise Risk Management process, various gross risks in Better Collective are identified. Each risk is described, including current risk mitigation in place, or planned mitigating actions. The subsequent analysis of the identified risks includes an inherent risk evaluation based on two main parameters: probability of occurrence and impact on future earnings and cash flow. Better Collective's management continuously monitors risk development in the Better Collective group. The risk evaluation is presented to the Board of Directors annually, for discussion and any further mitigating actions required. The board evaluates risk dynamically to account for this variation in risk impact. The policies and guidelines in place stipulate how management must work with risk management.

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

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

Contacts

Senior Director Group Strategy, Investor Relations and Corporate Communications; 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 February 21, 2024, after market close (CET).

About

Better Collective owns global and national sport media, with a vision to become the leading digital sports media group. We are on a mission to excite sports fans through engaging content and foster passionate communities worldwide. Better Collective's portfolio of digital sports media brands includes; HLTV, FUTBIN, Betarades, Soccernews, Tipsbladet, Action Network, Playmaker HQ, VegasInsider, Bolavip and Redgol. Headquartered in Copenhagen, Denmark, and dual listed on Nasdaq Stockholm (BETCO) and Nasdaq Copenhagen (BETCO DKK). To learn more about Better Collective please visit bettercollective.com.

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

Statement by the Board of Directors and the Executive Management

Statement by the Board of Directors and the Executive Management on the condensed consolidated interim financial statements and the parent company condensed interim financial statements for the period January 1 – December 31, 2023.

Today, the Board of Directors and the Executive Management have discussed and approved the condensed consolidated interim financial statements and the parent company condensed interim financial statements of Better Collective A/S for the period January 1 – December 31, 2023.

The condensed consolidated interim financial statements for the period January 1 – December 31, 2023, are prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and additional requirements of the Danish Financial Statements Act. The parent company condensed interim financial statements have been included according to the Danish Executive Order on the Preparation of Interim Financial Reports.

In our opinion, the condensed consolidated interim financial statements and the parent company condensed interim financial statements give a true and fair view of the group's and parent company's assets, liabilities, and financial position on December 31, 2023, and of the results of the group's and parent company's operations and the group's cash flows for the period January 1 – December 31, 2023.

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

Copenhagen, February 21, 2024

Executive Management

Jesper Søgaard
Co-founder & CEO

Christian Kirk Rasmussen
Co-founder & COO
Executive Vice President

Flemming Pedersen
CFO
Executive Vice President

Board of Directors

Jens Bager
Chair

Therese Hillman
Vice Chair

Britt Boeskov

Todd Dunlap

Leif Nørgaard

René Rechtman

Petra von Rohr

Condensed interim financial statements for the period

Consolidated income statement

Note	tEUR	Q4 2023	Q4 2022	2023	2022
3	**Revenue**	**85,195**	**86,140**	**326,686**	**269,297**
	Direct costs related to revenue	24,434	26,780	99,296	92,227
4	Staff costs	22,903	17,912	88,921	68,639
	Other external expenses	8,343	6,265	27,389	23,356
	Operating profit before depreciation and amortization (EBITDA) and special items	**29,514**	**35,183**	**111,080**	**85,075**
	Depreciation	1,347	728	3,958	2,321
	Operating profit before amortization (EBITA) and special items	**28,168**	**34,455**	**107,122**	**82,754**
7	Amortization and impairment	7,969	3,625	24,283	12,347
	Operating profit (EBIT) before special items	**20,199**	**30,829**	**82,839**	**70,407**
5	Special items, net	399	1,610	- 1,948	- 54
	Operating profit	**20,598**	**32,439**	**80,891**	**70,353**
	Financial income	1,808	19	5,987	4,198
	Financial expenses	8,705	3,447	28,868	9,587
	Profit before tax	**13,702**	**29,012**	**58,010**	**64,964**
6	Tax on profit for the period	6,211	8,733	18,175	16,888
	Profit for the period	**7,491**	**20,279**	**39,835**	**48,075**
	Earnings per share attributable to equity holders of the company				
	Average number of shares	55,252,940	54,768,551	55,186,772	54,363,312
	Average number of warrants - converted to number of shares	2,598,855	2,368,829	2,658,571	2,495,614
	Earnings per share (in EUR)	0.14	0.37	0.74	0.88
	Diluted earnings per share (in EUR)	0.13	0.36	0.70	0.85

Consolidated statement of other comprehensive income

Note	tEUR	Q4 2023	Q4 2022	2023	2022
	Profit for the period	7,491	20,279	39,835	48,075
	Other comprehensive income				
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
	Fair value adjustment of hedges for the year	- 483	0	- 483	0
	Currency translation to presentation currency	797	- 752	1,318	- 905
	Currency translation of non-current intercompany loans	- 12,488	- 26,313	- 9,440	17,030
	Income tax	0	5,789	0	- 3,747
	Net other comprehensive income/loss	- 11,690	- 21,276	- 8,122	12,379
	Total comprehensive income/(loss) for the period, net of tax	**- 4,682**	**- 997**	**31,230**	**60,455**
	Attributable to:				
	Shareholders of the parent	- 4,682	- 997	31,230	60,455

Consolidated statement of financial position

Note	tEUR	2023	2022
	Assets		
	Non-current assets		
7	**Intangible assets**		
	Goodwill	255,074	183,942
	Domains and websites	466,615	460,513
	Accounts and other intangible assets	79,740	27,016
	Total intangible assets	**801,429**	**671,471**
	Property, plant and equipment		
	Right of use assets	15,575	6,269
	Leasehold improvements, Fixtures and fittings, other plant and equipment	6,006	2,574
	Total property, plant and equipment	**21,582**	**8,843**
	Other non-current assets		
	Deposits	1,803	726
	Deferred tax asset	7,236	9,165
	Total other non-current assets	**9,039**	**9,891**
	Total non-current assets	**832,050**	**690,204**
	Current assets		
	Trade and other receivables	48,954	53,179
	Corporation tax receivable	2,252	6,423
	Prepayments	4,250	3,926
	Other current financial assets	6,804	0
	Cash	43,552	31,497
	Total current assets	**105,812**	**95,025**
	Total assets	**937,862**	**785,229**

Note	tEUR	2023	2022
	Equity and liabilities		
	Equity		
	Share Capital	554	551
	Share Premium	274,580	272,550
	Currency Translation Reserve	15,055	23,177
	Hedging reserves	- 483	0
	Treasury Shares	- 21,057	- 7,669
	Retained Earnings	166,624	124,307
	Total equity	**435,273**	**412,917**
	Non-current Liabilities		
8	Debt to credit institutions	248,657	201,708
8	Lease liabilities	13,326	4,962
8	Deferred tax liabilities	84,670	78,167
8	Other long-term financial liabilities	52,443	22,407
	Total non-current liabilities	**399,096**	**307,244**
	Current Liabilities		
	Prepayments received from customers and deferred revenue	4,262	8,023
	Trade and other payables	27,838	22,252
	Corporation tax payable	6,754	5,221
8	Other financial liabilities	61,938	26,865
	Debt to credit institutions	0	1,055
8	Lease liabilities	2,702	1,653
	Total current liabilities	**103,493**	**65,068**
	Total liabilities	**502,589**	**372,312**
	Total Equity and liabilities	**937,862**	**785,229**

Consolidated statement of changes in equity

tEUR	Share capital	Share premium	Currency translation reserve	Hedging reserves	Treasury shares	Retained earnings	Total equity
As of January 1, 2023	**551**	**272,550**	**23,177**	**0**	**- 7,669**	**124,307**	**412,917**
Result for the period	0	0	0	0	0	39,835	39,835
Other comprehensive income	0	0	0	- 483	0	0	- 483
Currency translation to presentation currency	0	0	- 8,122	0	0	0	- 8,122
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	- 8,122	- 483	0	0	- 8,605
Total comprehensive income for the year	**0**	**0**	**- 8,122**	**- 483**	**0**	**39,835**	**31,230**
Transactions with owners							
Capital Increase	3	2,030	0	0	0	0	2,033
Acquisition of treasury shares	0	0	0	0	- 13,375	0	- 13,375
Disposal of treasury shares	0	0	0	0	0	0	0
Share based payments	0	0	0	0	0	2,495	2,495
Transaction cost	0	0	0	0	- 13	- 12	- 26
Total transactions with owners	**3**	**2,030**	**0**	**0**	**- 13,389**	**2,482**	**- 8,874**
At December 31, 2023	**554**	**274,580**	**15,055**	**- 483**	**- 21,057**	**166,624**	**435,273**

During the period no dividend was paid.

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

During the period no dividend was paid.

Consolidated statement of cash flows

Note	tEUR	Q4 2023	Q4 2022	2023	2022
	Profit before tax	13,702	29,012	58,010	64,964
	Adjustment for finance items	6,897	3,428	22,882	5,389
	Adjustment for special items	- 400	- 1,610	1,947	54
	Operating Profit for the period before special items	20,199	30,829	82,839	70,407
	Depreciation and amortization	9,315	4,354	28,241	14,668
	Other adjustments of non-cash operating items	164	512	2,581	1,690
	Cash flow from operations before changes in working capital and special items	29,679	35,695	113,661	86,765
	Change in working capital	7,846	- 14,698	5,722	- 16,949
	Cash flow from operations before special items	37,525	20,997	119,384	69,816
	Special items, cash flow	- 2,744	- 482	- 4,744	- 1,393
	Cash flow from operations	34,781	20,515	114,639	68,423
	Financial income, received	327	115	493	1,682
	Financial expenses, paid	- 3,635	- 1,579	- 10,712	- 5,666
	Cash flow from activities before tax	31,473	19,051	104,420	64,439
	Income tax paid	- 3,439	- 11,428	- 15,411	- 16,239
	Cash flow from operating activities	**28,035**	**7,623**	**89,009**	**48,200**
9	Acquisition of businesses	- 7,387	- 517	- 57,282	- 14,337
7	Acquisition of intangible assets	- 16,243	- 1,994	- 27,469	- 96,452
	Acquisition of property, plant and equipment	- 1,003	- 541	- 5,143	- 1,804
	Sale of property, plant and equipment	0	16	3	16
	Acquisition of other financial assets	0	0	- 14,930	0
	Change in other non-current assets	87	- 15	- 1,427	- 55
	Cash flow from investing activities	**- 24,546**	**- 3,052**	**- 106,248**	**- 112,632**

Note	tEUR	Q4 2023	Q4 2022	2023	2022
	Repayment of borrowings	0	- 200,844	- 1,486	- 215,993
	Proceeds from borrowings	- 0	201,655	45,490	296,665
	Lease liabilities	- 820	- 287	- 2,814	- 1,274
	Other non-current liabilities	- 927	0	- 483	0
	Capital increase	1,399	17	2,033	618
	Treasury shares	0	- 5,566	- 13,381	- 14,250
	Transaction cost	- 13	- 8	- 26	- 28
	Warrant settlement, sale of warrants	0	0	0	0
	Cash flow from financing activities	**- 361**	**- 5,033**	**29,334**	**65,737**
	Cash flows for the period	3,128	- 461	12,095	1,306
	Cash and cash equivalents at beginning	40,676	32,564	31,497	30,093
	Foreign currency translation of cash and cash equivalents	- 252	- 605	- 41	99
	Cash and cash equivalents period end*	**43,552**	**31,497**	**43,552**	**31,497**
	Cash and cash equivalents period end				
	Cash	43,552	31,497	43,552	31,497
	Cash and cash equivalents period end	**43,552**	**31,497**	**43,552**	**31,497**

Notes

1. General information

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

Basis of preparation

The Interim Report (condensed consolidated interim financial statements) for the period January 1 - December 31, 2023, has been prepared in accordance with IAS 34 "Interim financial statements" as adopted by the EU and additional requirements in the Danish Financial Statements Act. The parent company condensed interim financial statements has been included according to the Danish Executive Order on the Preparation of Interim Financial Reports.

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

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

New financial reporting standards

All new or amended standards (IFRS) and interpretations (IFRIC) as adopted by the EU and which are effective for the financial year beginning on January 1, 2023, have been adopted. The implementation of these new or amended standards and interpretations had no material impact on the condensed consolidated interim financial statements.

Accounting policies

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

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

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

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

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

Financial instruments: Financial instruments are recognized on the trade date and are measured at fair value. Positive and negative fair values are included in other current receivables or other current payables in the statement of financial position. Positive and negative fair values are only offset if the Group has a right and an intention to settle several financial instruments net (by means of settlement of differences). Fair value is determined based on generally accepted valuation methods using available observable market data.

When entering into contracts for financial instruments, an assessment is made of whether the instrument qualifies for hedge accounting, including whether the instrument hedges recognized assets and liabilities. Fair value changes classified as and fulfilling the criteria for recognition as a fair value hedge are recognized in the statement of profit or loss together with changes in the value of the specific portion of the asset or liability that has been hedged.

Fair value changes in the part of the derivative which is classified as and qualifies for recognition as a future cash flow hedge and which effectively hedges against changes in the value of the hedged item are recognized in other comprehensive income as a separate hedging reserve. When the underlying hedged item is realized, any gain or loss on the hedging transaction is transferred from equity and recognized together with the hedged item.

Fair value changes that do not meet the criteria for treatment as hedging instruments are recognized on an ongoing basis in the statement of profit or loss under financial items.

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

Significant accounting judgements, estimates and assumptions

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

Beyond the risks mentioned above, the significant accounting judgements, estimates and assumptions applied in these consolidated interim financial statements are the same as disclosed in note 2 in the annual report for 2022 which contains a full description of significant accounting judgements, estimates and assumptions.

2. Segments

Publishing and Paid Media

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

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

	Publishing		Paid		Group	
tEUR	**Q4 2023**	**Q4 2022**	**Q4 2023**	**Q4 2022**	**Q4 2023**	**Q4 2022**
Revenue Share	26,991	23,908	11,479	6,331	38,470	30,239
CPA	11,891	16,692	14,221	19,959	26,112	36,651
Subscription	5,290	5,419	0	0	5,290	5,419
Other	14,941	14,193	381	599	15,323	14,792
Revenue	**59,114**	**59,251**	**26,081**	**26,889**	**85,195**	**86,140**
Cost	36,924	30,258	18,757	20,699	55,680	50,957
Operating profit before depreciation, amortization and special items	**22,190**	**28,993**	**7,324**	**6,190**	**29,514**	**35,183**
EBITDA-Margin before special items	38%	49%	28%	23%	35%	41%
Special items, net	399	1,610	0	0	399	1,610
Operating profit before depreciation and amortization	**22,589**	**30,603**	**7,324**	**6,190**	**29,914**	**36,793**
EBITDA-Margin	38%	52%	28%	23%	35%	43%
Depreciation	1,308	725	39	3	1,347	728
Operating profit before amortization	**21,282**	**29,878**	**7,286**	**6,187**	**28,567**	**36,065**
EBITA-Margin	36%	50%	28%	23%	34%	42%

	Publishing		Paid		Group	
tEUR	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Revenue Share	118,925	83,750	41,049	17,868	159,974	101,618
CPA	40,590	55,398	63,371	63,757	103,960	119,155
Subscription	17,959	17,042	0	0	17,959	17,042
Other	42,855	30,867	1,937	615	44,792	31,482
Revenue	**220,328**	**187,057**	**106,358**	**82,241**	**326,686**	**269,297**
Cost	139,685	115,376	75,920	68,846	215,605	184,222
Operating profit before depreciation, amortization and special items	**80,642**	**71,681**	**30,438**	**13,394**	**111,080**	**85,075**
EBITDA-Margin before special items	37%	38%	29%	16%	34%	32%
Special items, net	- 1,948	- 54	0	0	- 1,948	- 54
Operating profit before depreciation and amortization	**78,695**	**71,627**	**30,438**	**13,394**	**109,132**	**85,021**
EBITDA-Margin	36%	38%	29%	16%	33%	32%
Depreciation	3,909	2,306	49	15	3,958	2,321
Operating profit before amortization	**74,785**	**69,321**	**30,389**	**13,379**	**105,174**	**82,700**
EBITA-Margin	34%	37%	29%	16%	32%	31%

2. Segments, continued

Europe & Rest of World and North America

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

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

	Europe & RoW		North America		Group	
tEUR	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022
Revenue Share	35,447	28,873	3,023	1,366	38,470	30,239
CPA	12,498	11,860	13,614	24,791	26,112	36,651
Subscription	930	249	4,361	5,170	5,290	5,419
Other	9,234	9,958	6,089	3,873	15,323	14,792
Revenue	**58,108**	**50,939**	**27,086**	**35,200**	**85,195**	**86,140**
Cost	35,468	31,598	20,212	19,359	55,680	50,957
Operating profit before depreciation, amortization and special items	**22,640**	**19,342**	**6,875**	**15,841**	**29,514**	**35,183**
EBITDA-Margin before special items	39%	36%	25%	49%	35%	41%
Special items, net	383	- 485	16	2,095	399	1,610
Operating profit before depreciation and amortization	**23,023**	**18,857**	**6,891**	**17,936**	**29,914**	**36,793**
EBITDA-Margin	40%	35%	25%	56%	35%	43%
Depreciation	1,094	436	252	292	1,347	728
Operating profit before amortization	**21,929**	**18,421**	**6,638**	**17,644**	**28,567**	**36,065**
EBITA-Margin	38%	34%	24%	55%	34%	42%

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

	Europe & RoW		North America		Group	
tEUR	2023	2022	2023	2022	2023	2022
Revenue Share	136,211	90,874	23,763	10,745	159,974	101,618
CPA	49,173	54,061	54,788	65,094	103,960	119,155
Subscription	2,461	1,539	15,499	16,464	17,959	17,042
Other	30,241	22,802	14,551	7,719	44,792	31,482
Revenue	**218,085**	**169,275**	**108,600**	**100,022**	**326,686**	**269,297**
Cost	137,902	115,620	77,703	68,602	215,605	184,222
Operating profit before depreciation, amortization and special items	**80,183**	**53,656**	**30,897**	**31,420**	**111,080**	**85,075**
EBITDA-Margin before special items	37%	32%	28%	31%	34%	32%
Special items, net	- 1,060	- 1,360	- 888	1,306	- 1,948	- 54
Operating profit before depreciation and amortization	**79,123**	**52,296**	**30,009**	**32,725**	**109,132**	**85,021**
EBITDA-Margin	36%	31%	28%	33%	33%	32%
Depreciation	2,947	1,671	1,011	650	3,958	2,321
Operating profit before amortization	**76,176**	**50,625**	**28,998**	**32,075**	**105,174**	**82,700**
EBITA-Margin	35%	30%	27%	32%	32%	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	Q4 2023	Q4 2022	2023	2022
Revenue category				
Recurring revenue (Revenue share, Subscription, CPM)	47,402	40,353	189,267	127,573
CPA, Fixed Fees	37,697	45,492	137,236	140,436
Other	95	296	183	1,288
Total revenue	**85,195**	**86,140**	**326,686**	**269,297**
%-split				
Recurring revenue	56	47	58	48
CPA, Fixed Fees	44	53	42	52
Other	0	0	0	0
Total	**100**	**100**	**100**	**100**

tEUR	Q4 2023	Q4 2022	2023	2022
Revenue type				
Revenue Share	38,470	30,239	159,974	101,618
CPA	26,112	36,651	103,960	119,155
Subscription	5,290	5,419	17,959	17,042
Other	15,323	13,831	44,792	31,482
Total revenue	**85,195**	**86,140**	**326,686**	**269,297**
%-split				
Revenue Share	45	35	49	38
CPA	31	43	32	44
Subscription	6	6	5	6
Other	18	16	14	12
Total	**100**	**100**	**100**	**100**

* 2022 figures have been restated for Revenue Share and CPA because of the reclassification of upfront payments related to hybrid revenue share contracts as well as 2023 numbers, impacting Q4, 2023 with 2.9 mEUR and YTD 15.7 mEUR, respectively (2022: 5.9 mEUR).

4. Share-based payment plans

2019 Warrant programs:

During the fourth quarter of 2023 the company did not grant any new warrants and 116,903 warrants were exercised under this program.

2020 Warrant programs:

During the fourth quarter of 2023 the company did not grant any new warrants and 26,608 warrants were exercised under this program.

2022 Incentive Program:

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

2023 Incentive Program:

During the first quarter of 2023 a new Long-term Incentive (LTI) program was established for key employees. Under the program 134,953 performance share units and 239,350 share options were granted to a total of 64 employees.

2023 CXO Options Program:

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

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 is recognized as special items and amounts to 0 tEUR in 2023 (2022: 936 tEUR).

Total share-based compensation:

The total share-based compensation expense for the above programs recognized for Q4 2023 is 150 tEUR (Q4 2022: 621 tEUR) and the cost in 2023 is 2.5 mEUR (2022: 1.9 mEUR).

5. Special items

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

The impact of special items is specified as follows:

tEUR	Q4 2023	Q4 2022	2023	2022
Operating profit	20,598	32,439	80,891	70,353
Special Items related to:				
Special items related to dual listing	- 1,129	0	- 1,129	0
Special items related to M&A	- 8,508	- 352	- 10,224	- 1,263
Variable payments regarding acquisitions - cost	0	- 133	0	- 192
Variable payments regarding acquisitions - income	9,969	0	9,924	2,467
Special items related to Restructuring	- 10	- 130	- 519	- 130
Special items related to Management Incentive Program	78	2,225	0	- 936
Special items, total	**399**	**1,610**	**- 1,948**	**- 54**
Operating profit (EBIT) before special items	20,199	30,829	82,839	70,407
Amortization and impairment	**7,969**	**3,625**	**24,283**	**12,347**
Operating profit before amortization and special items (EBITA before special items)	**28,168**	**34,455**	**107,122**	**82,754**
Depreciation	1,347	728	3,958	2,321
Operating profit before depreciation, amortization, and special items (EBITDA before special items)	**29,514**	**35,183**	**111,080**	**85,075**

6. Income tax

Total tax for the period is specified as follows:

tEUR	Q4 2023	Q4 2022	2023	2022
Tax for the period	6,211	8,733	18,175	16,888
Tax on other comprehensive income	0	- 5,789	0	3,747
Total	**6,211**	**2,944**	**18,175**	**20,635**

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

tEUR	Q4 2023	Q4 2022	2023	2022
Deferred tax	2,033	4,768	3,641	6,785
Current tax	6,495	4,062	16,400	10,153
Adjustment from prior years	- 2,317	- 97	- 1,867	- 49
Total	**6,211**	**8,733**	**18,175**	**16,888**

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

tEUR	Q4 2023	Q4 2022	2023	2022
Specification for the period:				
Calculated 22% tax of the result before tax	3,015	6,383	12,762	14,292
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	488	1,332	1,955	1,563
Tax effect of:				
Special items	295	- 480	868	- 83
Special items - taxable items	308	579	- 233	- 243
Other non-taxable income	1,682	1	- 410	- 150
Other non-deductible costs	2,976	1,017	5,471	1,558
Tax deductable	- 235	0	- 371	0
Adjustment of tax relating to prior periods	- 2,317	-97	-1,867	-49
Total	**6,211**	**8,733**	**18,175**	**16,888**
Effective tax rate	**45.3%**	**30.1%**	**31.3%**	**26.0%**

7. Intangible assets

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation				
As of January 1, 2023	183,942	460,513	63,705	708,159
Additions	0	3,412	53,914	57,326
Acquisitions through business combinations	75,335	10,842	29,579	115,756
Transfer		0	0	0
Disposals	0	0	- 6,531	- 6,531
Currency Translation	- 4,203	- 8,151	- 602	- 12,956
At December 31, 2023	255,074	466,615	140,065	861,754
Amortization and impairment				
As of January 1, 2023	0	0	36,688	36,688
Amortization for the period	0	0	24,707	24,707
Impairment for the period	0	0	0	0
Amortization on disposed assets	0	0	0	0
Currency translation	0	0	- 1,070	- 1,070
At December 31, 2023	0	0	60,325	60,325
Net book value at December 31, 2023	**255,074**	**466,615**	**79,740**	**801,429**

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

8. Non-current liabilities and other current financial liabilities

Debt to credit institutions:

As per December 31, 2023, Better Collective has drawn 248.7 mEUR (2022: 201.7) out of the total committed club facility of 319 mEUR established with Nordea, Nykredit, and Citibank. In August Better Collective extended the club-financing from October 2022 with Nordea, Nykredit and Citibank by 3 years to October 2026 as well as executing the accordion option increasing available facilities with 72 mEUR, leaving the group with a total financing of 319 mEUR where aforementioned 248.7 mEUR has been utilized.

Lease liabilities:

Non-current and current lease liabilities, of 13.3 mEUR (2022: 5.0 mEUR) and 2.7 mEUR (2022: 1.7 mEUR) respectively.

Deferred Tax liability:

Deferred tax liability as of December 31, 2023, amounted to 84.7 mEUR (2022: 78.2 mEUR). The change from January 1, 2023, originates from changes in deferred tax related to acquisitions, amortization of accounts from acquisitions, and deferred tax changes in Parent Company and Better Collective US, Inc.

Deferred Tax asset:

Deferred tax asset as of December 31, 2023, amounted to 7.2 mEUR (2022: 9.2 mEUR).

Other financial liabilities:

As per December 31, 2023, other financial liabilities amounted to 61.9 mEUR (2022: 26.9 mEUR) due to deferred and variable payments related to acquisitions. The increase from January 1, 2023, is related to the capitalization of media agreements, acquisition of Skycon, Playmaker HQ and Digital Sportmedia i Norden.

Fair Value of financial assets and liabilities 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.

The fair value of financial instruments are measured based on level 2. The fair value is measured according to generally accepted valuation techniques. Market-based input is used to measure the fair value.

9. Business combinations

Acquisition of Skycon Limited

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

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

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

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

A goodwill of 32,239 tEUR emerged from the acquisition of Skycon as an effect of the difference between the transferred consideration and the fair value of acquired net assets. Goodwill is connected to the future growth expectations given the strong platform and significant synergistic opportunities. The earn outs are based on certain financial performance targets in the 12 months post-closing period. The goodwill is not tax deductible.

Transaction costs related to the acquisition of Skycon amounts to 381 tEUR in 2023. Transaction costs are accounted for in the income statements under "special items". The acquisition was completed on April 14, 2023. If the transaction had been completed on January 1, 2023 the group's revenue YTD would have amounted to 332 mEUR and result after tax would have amounted to 43 mEUR. The purchase price allocation is provisional due to uncertainties regarding measurement of acquired intangible assets.

Acquisition of Playmaker HQ

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

tEUR	
Purchase amount	38,864
Cash and cash equivalents	0
Deferred payment	23,968
Cash outflow	**14,896**

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

Acquired net assets at the time of acquisition	tEUR
Accounts and other intangible assets	5,352
Accounts receivable	320
Trade payables	- 94
Total net assets	5,578
Goodwill	33,286
Total consideration	**38,864**

The acquisition of Playmaker HQ was included in the balance sheet for the condensed consolidated interim report ended September 30, 2023 based on a provisional assessment.The opening balance was amended per December 31, 2023 and a revised PPA is therefore included in this report. The revised PPA includes an adjustment on goodwill of 5,850 tEUR. Goodwill is connected to the future growth expectations given the strong platform and significant synergistic opportunities. In order to reach the full earn-out payment, Playmaker HQ will have to generate >75 mUSD in accumulating revenues and >25 mUSD in accumulating operational earnings (EBITDA) during the first three years post acquisition. The goodwill is tax deductible.

Transaction costs related to the acquisition of Playmaker HQ amounts to 347 tEUR in 2023. Transaction costs are accounted for in the income statements under “special items”. The acquisition was completed on July 3, 2023. If the transaction had been completed on January 1, 2023 the group’s revenue YTD would have amounted to 330 mEUR and result after tax would have amounted to 39 mEUR. The purchase price allocation is provisional due to uncertainties regarding measurement of acquired intangible assets.

Other acquisitions 2023

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

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

Acquired net assets during acquisitions	
Domains	6,650
Contingent liabilities	- 1,902
Deferred tax liabilities	- 1,308
Net assets (other)	- 1,099
Total net assets	2,341
Goodwill	6,614
Total consideration	**8,955**

A goodwill of 6,614 tEUR emerged from the acquisitions as an effect of the difference between the transferred consideration and the fair value of acquired net assets. The goodwill is not tax deductible.

Transaction costs related to the acquisition of Digital Sport Media i Norden AB and Torcedores amounts to 484 tEUR in 2023. Transaction costs are accounted for in the income statements under “special items”. The acquisitions were completed on August 15, 2023 and September 4, 2023. If the transactions had been completed on January 1, 2023 the group’s revenue YTD would have amounted to 328 mEUR and result after tax would have amounted to 39 mEUR. The purchase price allocation is provisional due to uncertainties regarding measurement of acquired intangible assets.

Acquisition of Tipsbladet.dk

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

tEUR	
Purchase amount	7,432
Cash and cash equivalents	0
Deferred payment	1,500
Cash outflow	5,932

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

Acquired net assets at the time of acquisition	tEUR
Domains	4,192
Net assets (other)	1,548
Cash	- 587
Deferred Tax Liability	- 917
Identified net assets	4,236
Goodwill	3,196
Total consideration	**7,432**

A goodwill of 3,196 tEUR emerged from the acquisition of Tipsbladet as an effect of the difference between the transferred consideration and the fair value of acquired net assets. Goodwill is connected to the future growth expectations given the strong platform and significant synergistic opportunities. The earn outs are based on certain performance targets in the 12 months post-closing period. The goodwill is not tax deductible.

Transaction costs related to the acquisition of Tipsbladet amounts to 42 tEUR in 2023. Transaction costs are accounted for in the income statements under “special items”. The acquisition was completed on October 2, 2023. If the transaction had been completed on January 1, 2023 the group’s revenue YTD would have amounted to 328 mEUR and result after tax would have amounted to 39 mEUR. The purchase price allocation is provisional due to uncertainties regarding measurement of acquired intangible assets.

Acquisition of Playmaker Capital

On November 6, 2023 Better Collective announced the acquisition of Playmaker Capital for a total price consideration of 176 mEUR. The consideration comprises 35 % cash and a cap of 65 % shares in Better Collective A/S. The consideration is financed partly by own cash and utilization of available facilities of 72 mEUR as well as a share consideration.

The share consideration payable to Playmaker Capital shareholders, a total of 3,143,009 Better Collective shares, has been provided by Better Collective delivering 1,387,580 existing shares held as treasury shares and by issuing 1,755,429 new shares.

Playmaker Capital is a leading digital sports media group that owns and operates several strong sports media brands across the Americas. The acquisition has been closed on 6 February 2024, and Playmaker Capital will be consolidated into Better Collective Group from the closing date.

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

10. Note to cash flow statement

tEUR	Q4 2023	Q4 2022	2023	2022
Acquisition of business combinations:				
Net Cash outflow from business combinations at acquisition	- 7,387	0	- 57,282	0
Business Combinations deferred payments from current period	0	0	0	0
Deferred payments - business combinations from prior periods	0	- 517	0	- 14,337
Total cash flow from business combinations	- 7,387	- 517	- 57,282	- 14,337
Acquisition of intangible assets:				
Acquisitions through asset transactions	- 30,576	- 2,855	- 50,639	- 144,522
Deferred payments related to acquisition value	- 494	0	- 494	29,408
Deferred payments - acquisitions from prior periods	- 7	0	- 9,745	- 121
Intangible assets with no cash flow effect	14,834	3,895	33,613	24,325
Other investments	0	- 3,034	- 203	- 5,541
Total cash flow from intangible assets	- 16,243	- 1,994	- 27,469	- 96,452

Income statement – Parent company

tEUR	Q4 2023	Q4 2022	2023	2022
Revenue	**27,207**	**20,665**	**98,513**	**65,282**
Other operating income	339	6,762	12,516	14,797
Direct costs related to revenue	5,065	4,524	23,071	14,292
Staff costs	10,762	8,664	40,796	25,061
Depreciation	616	136	1,438	540
Other external expenses	5,742	5,126	18,632	17,248
Operating profit before amortization (EBITA) and special items	**5,360**	**8,976**	**27,091**	**22,939**
Amortization	3,791	1,152	9,908	3,875
Operating profit (EBIT) before special items	**1,569**	**7,824**	**17,182**	**19,064**
Special items, net	1,755	- 293	312	- 1,168
Operating profit	**3,324**	**7,532**	**17,494**	**17,896**
Financial income	21,059	7,724	70,010	72,388
Financial expenses	20,595	30,600	45,054	35,057
Profit before tax	**3,788**	**- 15,344**	**42,450**	**55,227**
Tax on profit for the period	984	- 4,477	3,181	8,279
Profit for the period	**2,804**	**- 10,867**	**39,269**	**46,949**

Statement of other comprehensive income

tEUR	Q4 2023	Q4 2022	2023	2022
Profit for the period	**2,804**	**- 10,867**	**39,269**	**46,949**
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Fair value adjustment of hedges for the year	- 483	0	- 483	0
Currency translation to presentation currency	0	0	- 910	22
Currency translation of non-current intercompany loans				
Income tax	0	0	0	0
Net other comprehensive income/loss	0	0	- 910	22
Total comprehensive income/(loss) for the period, net of tax	**2,321**	**- 10,867**	**37,877**	**46,970**

Statement of financial position – Parent company

tEUR	2023	2022
Assets		
Non-current assets		
Intangible assets		
Goodwill	17,812	0
Domains and websites	167,831	144,374
Accounts and other intangible assets	50,418	13,287
Total intangible assets	**236,061**	**157,661**
Property, plant and equipment		
Right of use assets	7,469	334
Fixtures and fittings, other plant and equipment	2,494	410
Total property, plant and equipment	**9,962**	**744**
Financial assets		
Investments in subsidiaries	234,330	190,448
Receivables from subsidiaries	282,016	273,515
Deposits	940	174
Total financial assets	**517,285**	**464,137**
Total non-current assets	**763,308**	**622,542**
Current assets		
Trade and other receivables	15,735	17,163
Receivables from subsidiaries	13,153	30,229
Tax receivable	1,479	5,913
Prepayments	2,453	2,519
Other current financial assets	6,804	0
Cash	17,825	8,705
Total current assets	**57,450**	**64,529**
Total assets	**820,758**	**687,071**

tEUR	2023	2022
Equity and liabilities		
Equity		
Share Capital	554	551
Share Premium	274,580	272,550
Currency Translation Reserve	- 336	574
Hedging reserves	- 483	0
Treasury shares	- 21,057	- 7,669
Retained Earnings	189,953	145,047
Total equity	**443,211**	**411,054**
Non-current Liabilities		
Debt to credit institutions	248,657	201,708
Lease liabilities	6,024	16
Deferred tax liabilities	13,832	6,141
Other non-current financial liabilities	25,261	19,543
Total non-current liabilities	**293,774**	**227,408**
Current Liabilities		
Prepayments received from customers and deferred revenue	312	1,583
Trade and other payables	11,495	5,719
Payables to subsidiaries	11,993	20,822
Tax payable	196	30
Other current financial liabilities	58,295	19,045
Debt to credit institutions	0	1,055
Lease liabilities	1,483	356
Total current liabilities	**83,773**	**48,609**
Total liabilities	**377,547**	**276,017**
Total equity and liabilities	**820,758**	**687,071**

Statement of changes in equity – Parent company

tEUR	Share capital	Share pre-mium	Currency translation reserve	Hedging reserves	Treasury shares	Retained earnings	Total equity
As of January 1, 2023	**551**	**272,550**	**574**	**0**	**- 7,669**	**145,047**	**411,054**
Result for the period	0	0	0	0	0	39,269	39,269
Other comprehensive income	0	0	0	- 483	0	0	- 483
Currency translation to presentation currency	0	0	- 910	0	0	0	- 910
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	- 910	- 483	0	0	- 1,393
Total comprehensive income for the year	**0**	**0**	**- 910**	**- 483**	**0**	**39,269**	**37,877**
Transactions with owners							
Capital Increase	3	2,030	0	0	0	3,154	5,187
Acquisition of treasury shares	0	0	0	0	- 13,375	0	- 13,375
Disposal of treasury shares	0	0	0	0	0	0	0
Share based payments	0	0	0	0	0	2,495	2,495
Transaction cost	0	0	0	0	- 13	- 12	- 26
Total transactions with owners	**3**	**2,030**	**0**	**0**	**- 13,389**	**5,636**	**- 5,720**
At December 31, 2023	**554**	**274,580**	**- 336**	**- 483**	**- 21,057**	**189,953**	**443,211**

During the period no dividend was paid.

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

During the period no dividend was paid.

Alternative Performance Measures and Definitions

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

Alternative Performance Measures

Alternative Performance Measure	Description	SCOPE
Earnings per share (EPS)	Net Profit for the period / (Average number of shares - Average number of treasury shares held by the company)	The group reports this APM for users to monitor development in the net profit per share.
Diluted earnings per share	Net profit for the period / (Average number of shares + Average number of outstanding warrants - Average number of treasury shares held by the company)	The group reports this APM for users to monitor development in the net profit per share, assuming full dilution from active warrant programs.
Operating profit before amortization (EBITA)	Operating profit plus amortizations	Better Collective reports this APM to allow monitoring and evaluation of the Group's operational profitability.
Operating profit before amortizations margin (%)	Operating profit before amortizations / revenue	This APM supports the assessment and monitoring of the Group's performance and profitability
EBITDA before special items	EBITDA adjusted for special items	This APM supports the assessment and monitoring of the Group's performance as well as profitability excluding special items that do no stem from ongoing operations, providing a more comparable measure over time.
Operating profit before amortizations and special items margin (%)	Operating profit before amortizations and special items / revenue	This APM supports the assessment and monitoring of the Group's performance as well as profitability excluding special items that do no stem from ongoing operations, providing a more comparable measure over time.
Special items	Items that are considered not part of ongoing business	Items that are not part of ongoing business, e.g. cost related to M&A and restructuring, adjustments of earn-out payments.
Net Debt / EBITDA before special items*	(Interest bearing debt, minus cash and cash equivalents) / EBITDA before special items on rolling twelve months basis	This ratio is used to describe the horizon for pay back of the interest-bearing debt and measures the leverage of the funding.
Liquidity ratio	Current Assets / Current Liabilities	Measures the ability of the group to pay its current liabilities using current assets.
Equity to assets ratio	Equity / Total Assets	Reported to show how much of the assets in the company is funded by equity
Cash conversion rate before special items	(Cash flow from operations before special items + Cash from CAPEX) / EBITDA before special items	This APM is reported to illustrate the Group's ability to convert profits to cash
NDC	New depositing customers	A key figure to reflect the Group's ability to fuel long-term revenue and organic growth
Organic Growth	Revenue growth as compared to the same period previous year. Organic growth from acquired companies or assets are calculated from the date of acquisition measured against the historical baseline performance.	Reported to measure the ability to generate growth from existing business

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

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

Definitions

Term	Description
PPC	Pay-Per-Click
SEO	Search Engine Optimization
Sports win margin	Sports net player winnings (operators) / sports wagering
Sports wagering	The value of bets placed by the players
Recurring revenue	Recurring revenue is a combined set of revenues that is defined as recurring. It includes revenue share income, CPM/Advertising and subscription revenues
Board	The Board of Directors of the company
Executive management	Executives that are registered with the Danish Company register
Company	Better Collective A/S, a company registered under the laws of Denmark

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