BETTER COLLECTIVE

Annual Report 2022

Better Collective's vision is to become the Leading Digital Sports Media Group. With our mission to make sports entertainment more engaging and fun, we own and operate local as well as global sports media and communities.

Copenhagen, March 23, 2023
Better Collective A/S

www.bettercollective.com
CVR NO.: 27 65 29 13

Building Better Collective

Since its inception in 2004, Better Collective has experienced a rich history transforming the Group from a two-man project to an international organization with +950 employees, 18 international offices, and more than 150 million monthly visits across its brands all while maintaining its visionary and entrepreneurial spirit. The next step of the journey is to become the Leading Digital Sports Media Group.

Ever since we founded Better Collective in 2004, we have emphasized running the business in a sustainable manner. Us two founders have always agreed that true success can only be achieved when building something we are proud of. An example of this is our decision to maintain our headquarter and company registration in Copenhagen to pay back to the community we have grown up in. We pay taxes in the countries in which we operate. Early on, we decided to establish a very experienced and diverse Board of Directors, even before we listed on the stock exchange in 2018. Since our foundation, we have emphasized to solely work with partners that are licensed in regulated markets. Running in this line, we pay a lot of attention to compliance and have won numerous industry awards for our efforts within this field. Safer Gambling is built into our core. We provide our partners with Safer Gambling software assisting in this regard as well as have these implemented on our sports media. We work hard lot to educate our employees and the local communities we operate within; our SEO and SEM academies are great examples. We also focus on creating a safe and fair work environment through our DEI-initiatives and committing to the UN Women Empowerment Principles.

Being proud of what we do of course also has a business aspect to it. Since the beginning, it has been our ambition to grow sustainably, which is why we always have been profitable while still focusing on building for the future. Since the IPO, and the launch of our M&A strategy, we have still managed to grow sustainably with low dilution, high margins, and a growing earnings per share. Further, we are proud to have been able to retain many founders from the acquisitions - which again is a testament that others trust in what we have built with Better Collective.

Jesper Søgaard & Christian Kirk Rasmussen

Co-Founders, CEO & COO

BETTER COLLECTIVE

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Financial calendar

April 25, 2023
AGM

May 16, 2023
Interim Financial report Q1

August 22, 2023
Interim Financial report Q2

November 15, 2023
Interim Financial report Q3

Front page image: Better Collective's new headquarters in Copenhagen, Denmark

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Developing Better Collective

Better Collective's newly established vision is to become the Leading Digital Sports Media Group. Through our owned and operated sports media and sports communities we provide our users with innovative products that via educational, transparent, and responsible content guides them in the world of sports.

Our mission is to build sports media as well as communities that engage, entertain, inform, and inspire action. Our sports brands cover more than 30 languages and attract more than 150 million monthly visitors of which many return again and again. Our offerings include quality sports content, communities, data insights, podcasts, video content, apps and innovative technology.

We want to become the Leading Digital Sports Media Group

Global audience +150 million sports fans

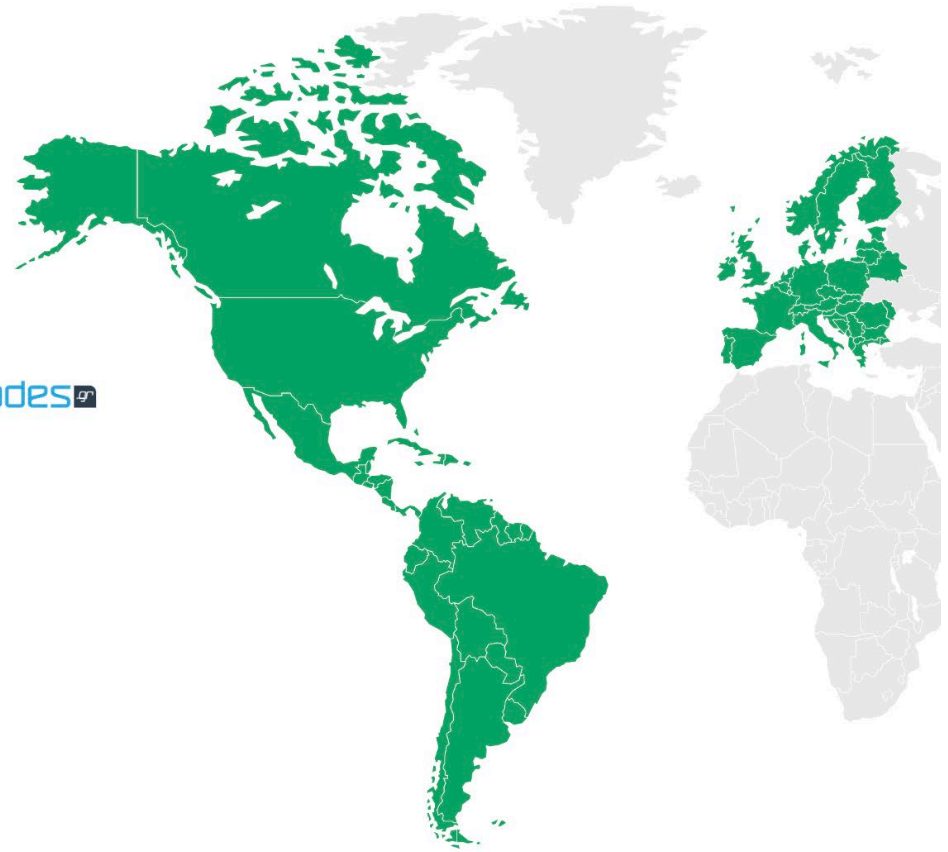
28 acquisitions since 2018

Leading esports communities

Europe & ROW
+30 million monthly visits
soccernews · Betarades

US
+20 million monthly visits
ACTION · VegasINSIDER

Global
+100 million monthly visits
HLTV · FUTBIN



Jesper Søgaard
Co-founder & CEO

Jens Bager
Chair of the board

A word to our shareholders

2022 proved to be a very strong year for Better Collective, where our combined efforts and diversified operations showed true scale.

Becoming the Leading Digital Sports Media Group

2022 was the year we kicked off the journey towards becoming the Leading Digital Sports Media Group. Our sport communities have proved to be attractive "go-to-places" for millions of sports fans while also being strategically attractive for our business partners. With the IPO in 2018, our vision was to become the leading sports betting affiliate – and it is our humble opinion that we have fulfilled this vision. At Better Collective we always dream big, so why should it be any different when we developed the new vision for the Group?

We believe we are in an attractive spot in the digital sports media market. We are experts in maximizing the value of large readerships by utilizing our unique skills and diversified business models. This skill will prove beneficial, as we continue our organic and acquisitive growth strategy within the digital sports media landscape. Expanding into the global digital sport media market, extends our addressable market significantly, but it also requires the adaptation of new traits. You can find more about these traits in our strategy section below in this report.

In connection with our new vision, we have set out new long-term financial targets. These targets showcase how we expect this new vision to be a continued high growth journey for Better Collective and its shareholders. The targets are as follows:

- Revenue CAGR of +20% towards 2027
- EBITDA margin before special items of 30-40%
- Net debt to EBITDA before special items levels below 3

The long-term targets assume M&A solely financed by own cash flow and debt.

"During 2022, we bolstered our already very strong foundation to better prepare the group in taking on our new vision of becoming the Leading Digital Sports Media Group".

Jens Bager
Chair of the Board

Strong Group performance fueled by large sport events

During 2022, revenue and EBITDA grew significantly, fueled by the big single standing events meaning performance broke all records. In January, the state of New York launched sports betting. During the launch, the US sportsbooks competed aggressively for market share, and CPA-rates reached new highs. The high taxation in New York is still creating some issues and it seems sportsbooks are more focused on growing elsewhere for now. Moving forward we expect a lower taxation from the regulators which can be reached by increasing the number of sportsbooks in the state. Despite of this, we have been successful in growing in the state as well as we daily have thousands of sports fans visit our sports media brands. During the year the sportsbooks shifted their focus from "growth" to "profitable growth". This enabled us to land our first revenue sharing contracts in the US with six sportsbooks in total.

In November and December, FIFA hosted the men's soccer World Cup, which turned out to be our most successful tournament in the history of Better Collective. We sent more NDCs during this tournament than we did during the past four World Cups and four European Championships combined. Truly great performance and a strong testament to how we have scaled our operations in recent years.

Investing for the long run

Despite the impressive growth, 2022 was also a year where we continued to build for the future. During the year we sent a record 1.7 million new depositing customers (NDCs) to our partners, of which 76% was on revenue share contracts. This bodes well for our future recurring revenue and decreases seasonality. Out of the total NDCs, 580.000 were sent during Q4, where >300.000 were delivered during the World Cup. This development means that our strong performance absorbed the short-term dampening effect of sending that many NDCs on revenue share contracts.

US revenue goal was reached

We continued to invest in the US to gain the market leading position. When we acquired Action Network in 2021, we set out the goal of reaching 100 mUSD in revenue during 2022, and we are very satisfied that we managed to deliver on this. This was despite us absorbing 15 mEUR in transferring upfront payments (CPA) to recurring revenue share. We now hold a market leading position in the US, with some of the strongest sports media brands out there.

Paid Media has proven its worth

In 2020, we acquired the Paid Media business, Atemi Group, and established our Paid Media division. Upon acquisition, the monetization was solely based on upfront payments (CPA). During 2021, we invested a lot in transferring this to recurring revenues, also to be considered as a 'Delayed Gratification Model'. Paid Media has now compounded a strong snowball of recurring revenue, which has paid back the full acquisition of Atemi already. We paid 44 mEUR for Atemi and have already generated 14.3 mEUR in cash flow. We estimate that the large revenue share snowball has a net present value, which when combined with the cash flow in the bank, equals significantly more than the acquisition price. Meaning, we have not only acquired a new skillset but also paid back the acquisition in less than 27 months. We are very proud of this accomplishment.

With FUTBIN we gain critical mass in esports

During April 2022, we acquired the well-established and world leading esports brand FUTBIN. We were satisfied to see the expected user engagement and organic growth continue during the year. We have a clear strategy for how to improve the operations and expand the reach of the renowned brand. The long-term opportunity within esports lies in reaching critical mass. In this way, we can partner with large global corporations in branded deals, utilizing the massive number of users that come through our esports platforms. Currently, more than 100 million monthly web visits. Such traffic flow makes Better Collective one of the leading digital esports media, which aligns perfectly with our long-term vision of becoming the Leading Digital Sports Media Group.

Thanking our colleagues

2022 was another year where we saw the company come together and deliver outstanding results. We would like to thank everyone in Better Collective for their "can-do" attitudes and outstanding efforts. Since 2017, Better Collective has acquired 27 companies, and 2022 was a year we got to prove that we are better as a collective. We would also like to extend a thanks to our business partners, returning sport fans, shareholders, and other partners for a distinctive yet extremely prosperous year.

Jens Bager
Chair of the board

Jesper Søgaard
Co-founder & CEO

Highlights 2022

Co-founder & CEO, Jesper Søgaard, accepting the iGB "Idol affiliate – Life time Achievement Award" on behalf of himself and co-founder Christian Kirk Rasmussen.

Q1

Watch the Q1 highlights.

Better Collective entered the New York market as the state opened for online sports betting on January 8, 2022. Despite its high taxation, Better Collective has been successful in providing the New York fans with sports content and statistics.

In addition to the New York launch, Better Collective also entered a media partnership with the New York Post to bring the best in commercial sports content to the publication's readership of approximately 92 million.

Better Collective acquired Canada Sports Betting for 21.4 mEUR, just prior to Canada's largest province of Ontario opened for online sports betting. In doing so, Better Collective made a strong entry into the Canadian market, and in this connection also updated its 2022 financial targets. EBITDA to reach approximately 80 mEUR (previously approx. 75 mEUR). Other financial targets relating to organic growth and debt leverage remain unchanged at 15-25% and <3.0x respectively.

Q2

Watch the Q2 highlights.

Better Collective made its second largest acquisition by acquiring FUTBIN for 105 mEUR, of which 30 mEUR is a variable payment. FUTBIN and related domains constitute world-leading esports media within esoccer (FIFA). Acquiring FUTBIN allowed for further diversification of the Group's income stream as revenues from FUTBIN mainly are ads and subscription sales. In connection with the acquisition, the 2022 financial targets were updated: EBITDA approx. 85 mEUR (previously approx. 80 mEUR). Other financial targets relating to organic growth and debt leverage remain unchanged at 15-25% and <3.0x respectively.

For the fifth consecutive year, Better Collective proudly took the first place in the EGR Power Affiliate 2022 ranking. A new media partnership was established with the Philadelphia Inquirer, which attracts up to 10m monthly readers. The partnership is co-branded with Better Collective's American media, Action Network.

Q3

Watch the Q3 highlights.

Better Collective signed two new US based media partnership with the Chicago Tribune, which has more than 18m monthly visitors, and with Boston.com. The partnerships are co-branded with Better Collective's American media, Action Network and VegasInsider to provide premium sports content, proprietary tools, and in-depth analytics.

Another partnership was signed with the leading German sports platform SPORT1.

The Better Collective Bookmaker Awards 2022 was hosted to honor the best sports books in up to ten categories in each market.

Q4

Watch the Q4 highlights.

Better Collective delivered record performance on all major KPIs during Q4, fueled by the men's World Cup, and a busy sports calendar. During the quarter, the Group delivered 580,000 NDCs, of which 300,000 were during the World Cup.

The US delivered the best quarter to date, growing 71% YOY, and managed to hit the goal of 100 mUSD in revenue from this region during 2022. During the quarter, the great scale of having Paid Media for the Group got to shine through. This segment grew 94% YOY and showed a record margin of 24%.

Better Collective signed a new club-financing agreement with Nordea, Nykredit Bank, and CitiBank expanding and building on the bank agreement and relation with Nordea that has been in place since 2018. The deal leaves the Group with total financing of 319 mEUR of which 247 mEUR is committed for two + one year(s), with the rest being an accordion option.

Events after

The close of year 2022

During the first month of 2023, Better Collective delivered growth of >40%, despite having tough comparable from 2022, where the state of New York launched. The tremendous growth was fueled by the state of Ohio launching sports betting, coupled with a strong performance by the Group.

Better Collective announced two media partnerships with the digital soccer media, Goal, and the leading Polish sports site, Wirtualna Polska.

A smaller asset deal for a sports media in an emerging market was completed for 4.3 mUSD.

Better Collective announced a share acquisition of 8.5% of Catena Media.

In February Better Collective announced a share buyback program of 10 mEUR.

Financial highlights and key ratios

tEUR	2022	2021	2020	2019	2018
Income statements					
Revenue	269,297	177,051	91,186	67,449	40,483
Revenue Growth (%)	52%	94%	35%	67%	54%
Organic Revenue Growth (%)	34%	29%	8%	26%	9%
Operating profit before depreciation, amortization, and special items (EBITDA before special items)	85,075	55,775	38,152	28,061	16,241
Operating profit before depreciation and amortization (EBITDA)	85,021	39,030	38,272	27,446	12,160
Depreciation	2,321	1,764	1,548	831	169
Operating profit before amortization and special items (EBITA before special items)	82,754	54,011	36,604	27,231	16,072
Special items, net	- 54	- 16,746	120	- 615	- 4,080
Operating profit before amortization (EBITA)	82,700	37,265	36,724	26,616	11,992
Amortization and impairment	12,347	8,516	6,235	5,413	2,924
Operating profit before special items (EBIT before special items)	70,407	45,495	30,369	21,817	13,148
Operating profit (EBIT)	70,353	28,749	30,489	21,202	9,068
Result of financial items	- 5,389	- 2,522	- 1,778	- 2,448	- 618
Profit before tax	64,964	26,227	28,712	18,755	8,450
Profit after tax	48,075	17,292	21,927	13,944	5,446
Earnings per share (in EUR)	0.88	0.34	0.47	0.32	0.16
Diluted earnings per share (in EUR)	0.85	0.33	0.45	0.31	0.15
Balance sheet					
Balance Sheet Total	785,229	597,379	315,065	229,601	148,636
Equity	412,917	344,848	162,542	138,317	85,858
Current assets	95,025	62,898	48,555	36,035	24,942
Current liabilities	65,068	55,452	26,312	22,088	24,263
Net interest bearing debt	227,151	109,422	63,275	13,646	22,270

tEUR	2022	2021	2020	2019	2018
Cashflow					
Cash flow from operations before special items	69,816	51,204	38,321	26,585	15,158
Cash flow from operations	68,423	45,207	37,696	25,481	11,078
Investments in tangible assets	- 1,788	285	- 460	- 955	- 657
Cash flow from investment activities	- 112,632	- 219,219	- 68,090	- 49,509	- 60,629
Cash flow from financing activities	65,737	188,759	46,790	36,365	67,895
Financial ratios					
Operating profit before depreciation, amortization (EBITDA) and special items margin (%)	32%	32%	42%	42%	40%
Operating profit before amortization margin (EBITDA) (%)	32%	22%	42%	41%	30%
Operating profit margin (%)	26%	16%	33%	31%	22%
Publishing segment - EBITDA before special items margin (%)	38%	43%	48%	43%	40%
Paid media segment - EBITDA before special items margin (%)	16%	8%	16%	18%	n/a
Net interest bearing debt / EBITDA before special items	2.67	1.40	1.66	0.49	1.37
Liquidity ratio	1.46	1.13	1.85	1.63	1.03
Equity to assets ratio (%)	53%	58%	52%	60%	58%
Cash conversion rate before special items (%)	80%	92%	99%	91%	89%
Average number of full-time employees	878	635	420	364	198
NDCs (thousand)	1,683	858	635	432	260

For definitions of terminology, please refer to the section on page 128.

Strategy

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Building a Leading Digital Sports Media Group

Over the last couple of years, the Better Collective Group has been on a transformational path developing itself from a performance-based marketing business into a Digital Sports Media Group.

Better Collective started to transition its business and capabilities into having a sports media focus some years ago. This transition has already started to bear fruits as new capabilities have been built and sports media acquisitions have proven their worth. We are certain that we are on the right path, which is also why our vision is to become the Leading Digital Sports Media Group.

Expanding into the global digital sport media market, expands the addressable market for Better Collective significantly, but it also requires the adaptation of new capabilities. One of the core strengths of Better Collective is the ability to use performance-based marketing to refer new customers to partnering sportsbooks by using SEO and CRO expertise in maximizing conversion of users. When doing so, Better Collective focus on providing trustworthy and clear content with moderate depth. Moving forward, focus will shift to-wards a combination of the previous and maximizing viewers, engagement, time on site, and monthly active users. The Group's capabilities will develop into providing the best user experiences through innovative products. Consequently, the content will become more newsworthy, deeper, and more investigative, as the objective is to become relevant and engaging for as many sports fans seeking entertainment and information, as possible.

This shift does not mean to deprioritize but rather build on top of Better Collective's legacy and expertise. It is thanks to this strong legacy that we find ourselves in an attractive spot in the media industry. Better Collective is an expert when it comes to maximizing the value of large readerships as the Group can utilize its unique skills and diversified business models. These capabilities will continue to ensure continued organic growth. This shift will move us from "a business" towards a "Group of businesses" which in turn increases our reach and diversifies our offering. The diversification has already proven its worth over the past five years. We have managed to decrease our dependency on search engine traffic from around 60% to less than 35%. Our single biggest business partner has decreased from being 50% of revenues to being less than 20%. Five years ago, 85% of revenues came from Europe, but now we have 40% stemming from the US and have continued our expansion into LATAM and Canada.

Combining the organic focus with M&A has already proven beneficial in the digital sports media industry. Since the IPO in 2018, Better Collective has acquired 28 companies, which undeniably makes M&A a core part of the Group. However, just like the overall strategy has shifted so has the M&A strategy. Up until now, Better Collective has been acquiring "traditional" performance marketing companies, ideally with a database of users on revenue share agreements. The strategy and objective were to roll-up enough assets to gain critical scale. The scale has now been reached. Going forward, M&A targets will be strong local and global sports media with a large and loyal readership, and often with most revenue stemming from a single business model in regular advertising.

The acquisition of Dutch sports media; Soccernews.nl is a perfect example of how this is applied in practice. When Better Collective acquired Soccernews.nl in late 2021 the sports media had a loyal 10 million monthly visits in a country with 17.5 million citizens. It further had a strong local presence and only focused on ad-selling. In a bit more than a year of ownership, BC has managed to more than double the traffic to more than 20 million monthly visits. When acquired, most of the sports fans came to the media through social media. After the acquisition Better Collective has utilized its SEO-competencies to improve the organic rankings of Soccernews.nl, which led to increased traffic of sports fans coming from various search engines. Other than traffic growth, Better Collective has diversified the revenue stream by utilizing its broad range of products, diversifying the overall business model of Soccernews.nl. As a result of these efforts, revenues have climbed by 5x.

Better Collective's core competency is not to build sports media from scratch as this comes with great execution risk. We do, however, believe that we are strong owners due to our strong legacy in optimizing traffic and utilizing different monetization models as just exemplified by the above Soccernews.nl case.

Becoming the Leading Digital Sports Media Group

The Better Collective Vision

BETTER COLLECTIVE

Our business areas

Contributes

84%

of the Group's EBITDA before special items

Publishing

The Publishing business includes revenue from Better Collective's proprietary online platforms, media partnerships and esports where the online traffic is coming either directly or through organic search results, delivering a high earnings margin.

Contributes

16%

of the Group's EBITDA before special items

Paid Media

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

Europe & ROW

In the Europe & ROW the European market is a historically strong but also more mature market, in which we also include the esports business. New opportunities in focus include LATAM, and Canada as upcoming regulations of these markets offer new opportunities.

The US

Having built a leading position within sports betting media in the US over the past few years, Better Collective has laid the foundation for benefitting from the continuous regulation of the US betting market. Key US brands within sports betting include Action Network, VegasInsider, and Scores&Odds, whereas RotoGrinders is focused on Daily Fantasy Sport.

Business review

Better Collective continues to report on the geographical segments Europe & ROW (Rest of the World) as well as the US. Additionally, Better Collective operates two different business models regarding customer acquisition with different earnings-profiles. The segments Publishing (organic traffic) and Paid Media. Reporting includes measuring and disclosing separately for Revenue, Cost and Earnings. Historical financial figures are reported accordingly.

▶ Financial statements: See this year's financial figures.

Publishing

Revenue of 187 mEUR grew 56%, of which 30% was organic growth. Publishing accounted for 69 % of the Group's total revenue in 2022. Additionally, cost grew to 115 mEUR. resulting in EBITDA before special items of 72 mEUR, a growth of 40% with an EBITDA-margin of 38%. Better Collective has continued to see very strong performance from this business area that includes media partnerships with The Daily Telegraph and the newer partnership with the New York Post as well as an additional four media partnerships signed during 2022. Upon closing the year, Better Collective announced two media partnerships with the digital soccer media, Goal, and the leading Polish sports site: Wirtualna Polska.

Paid Media

Revenue was 82 mEUR with organic growth of 45%. Since acquiring the Atemi Group in 2020, we have invested heavily in developing the Paid Media business. The decision to move NDCs from pure CPA to revenue share contracts or hybrid revenue models (mix of CPA and revenue share) has resulted in a continued increase in revenue from revenue share income. Revenue share amounted to 18 mEUR in 2022 which was a growth of 58% vs. 2021. Due to the extensive topline growth and scaling opportunities the Paid Media business delivered an EBITDA before special items of 13 mEUR growing 195% with an EBITDA margin of 16%. Paid Media delivered 31% of the Group's revenue in 2022, and 16% of EBITDA.

Europe & ROW

Revenue was 174 mEUR in 2022, which is a growth of 34% compared to 2021. The growth was mainly driven by good underlying performance in most markets, while media partnerships and LATAM continued to be the main drivers for the performance. Contributing to the strong performance was the positive development of the esport community FUTBIN, which saw good traction with the launch of FIFA 2023 in September. The EBITDA margin before special items of 34% increased from 29% in 2021. Europe & ROW delivered 65% of the Group's revenue and 69% of EBITDA before special items in 2022. The Europe & ROW market is most sensitive to fluctuations in the sports win margin as this segment operates most of the revenue share accounts.

The US

Overall, the US business delivered a solid performance with revenue growth of 102% to 95 mEUR, and the revenue indication of 100 mUSD was reached. EBITDA before special items climbed 50% to 26 mEUR and the EBITDA-margin was 29%. The US delivered 35% of the Group's revenue in 2022, and 31% of EBITDA. The shift from CPA to revenue share income had a full year impact of 15 mEUR during 2022. Better Collective absorbed this transition and still grew revenue 71%. Media partnerships continue to deliver a very strong performance - also in the US.

Financial performance

Revenue: Growth of 52% to 269 mEUR – organic growth of 34%

Revenue showed strong growth vs. 2021 of 52% and amounted to 269.3 mEUR (2021: 177.1 mEUR). Recurring revenue (consisting of revenue share, subscription revenue, and CPM-revenue) accounted for 46% of total revenue and grew 54% to 123.4 mEUR.

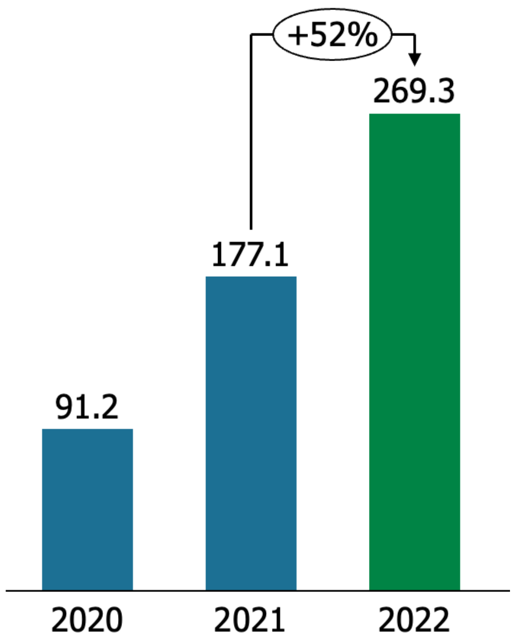
Cost: 198 mEUR – up from 132 mEUR

Overall, the cost base is impacted by the addition of Action Network as of May 2021 and the continued investment in building the US business with US cost growing 39 mEUR. This reflects both investments in building the organization and cost for paid media activities in US, and media partnerships. Cost also increased for the Dutch market which launched in October 2021.

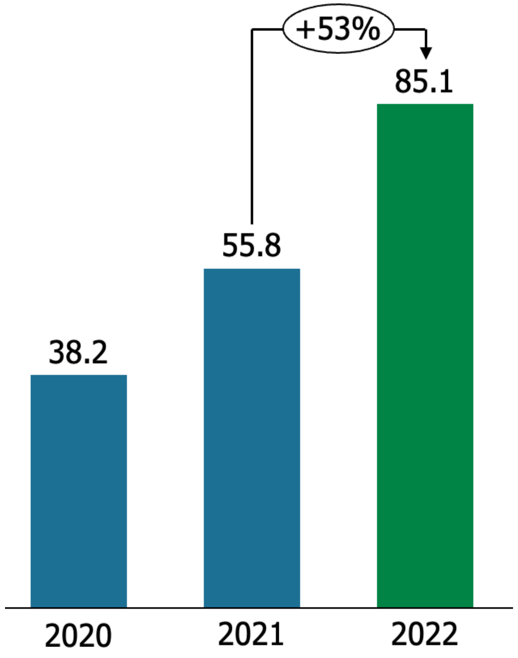
The cost base excluding depreciation and amortization grew 63.9 mEUR, up to 184.2 mEUR (2021: 121.3 mEUR).

Total direct cost relating to revenue increased by 27.4 mEUR to 92.2 mEUR (2021: 64.9 mEUR) with the growth coming from the addition of Action Network, increased cost in Paid Media, and direct costs related to media partnerships. Beyond the cost of paid traffic, this

Revenue mEUR



EBITDA* mEUR



* Before special items

includes hosting fees of websites, content generation, and external development.

Personnel cost increased 68 % from 2021 to 68.6 mEUR (2021: 40.8 mEUR). The average number of employees increased 38% to 878 (2021: 635). Personnel costs include costs related to warrants of 1.9 mEUR (2021: 1.2 mEUR). Other external costs increased 7.8 mEUR or 50% to 23.4 mEUR (2021: 15.6 mEUR). Depreciation and amortization amounted to 14.7 mEUR (2021: 10.3 mEUR). The increase is primarily due to amortization related to the acquisition of Action Network as well as amortization of capitalized guaranteed payments related to media partnerships.

Special items

Special items amounted to a cost of 0.1 mEUR (2021: 16.7 mEUR). The net cost of 0.1 mEUR is primarily related to cost of incentive program implemented with the acquisition of Action Network of 0.9 mEUR and M&A expenses of 1.3 mEUR, whereas the final calculation and payment of the contingent liability related to the 2019/2021 acquisition of RotoGrinders ended up with an income of 2.4 mEUR.

Earnings

Operational earnings (EBITDA) before special items grew 53% to 85.1 mEUR (2021: 55.8 mEUR). The EBITDA-margin before special items was 32% (2021: 32%).

Including special items, the reported EBITDA more than doubled to 85.0 mEUR. (2021: 39.0 mEUR).

EBIT before special items increased 55% to 70.4 mEUR (2021: 45.5 mEUR). Including special items, the reported EBIT was 70.4 mEUR (2021: 28.7mEUR).

Net financial items

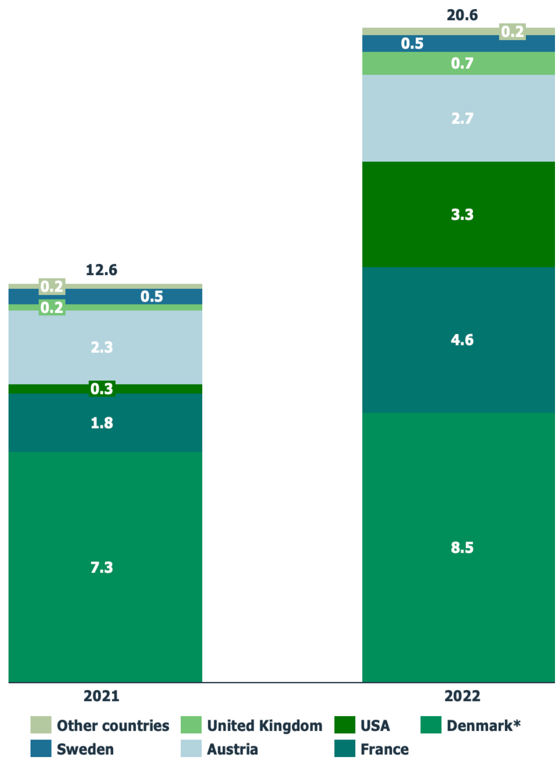
Net financial costs amounted to 5.4 mEUR (2021: 2.5 mEUR) and included net interest, fees relating to establishing and using bank credit lines, and exchange rate adjustments. Interest expenses amounted to 3.8 mEUR and included non-payable, calculated interest expenses on certain balance sheet items, whereas financial fees and net exchange rate loss amounted to 1.1 mEUR and 0.4 mEUR respectively. The financial fees include cost related to establishment of financing in connection with the acquisition of Canada Sports Betting and FUTBIN, as well as establishing of a new "club financing facility".

Income tax

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

Income tax for FY 2022 amounted to 16.9 mEUR (2021: 8.9 mEUR). The Effective Tax Rate (ETR) was 26.0% (2021: 34.1%). Deferred tax expense for the year was 6.8

Tax per country



*Including tax on other comprehensive income in Denmark

mEUR out of the total tax expense recognized of 16.9 mEUR. Actual corporate tax, including tax on other comprehensive income increased from 12.6 mEUR to 13.9 mEUR.

Net profit

Net profit after tax was 48.1 mEUR (2021: 17.3 mEUR). Earnings per share (EPS) at 0.88 EUR/share vs. 2021 of 0.34 EUR/share.

Equity

Total equity increased to 412.9 mEUR as per December 31, 2022, from 344.8 mEUR on December 31, 2021. Besides the net profit of 48.1 mEUR, the equity has been impacted by a capital increase of 4.7 mEUR, acquisition and disposal of treasury shares of 1.2 mEUR, and share based payments of 1.7 mEUR. The increase in USD vs. EUR has increased the equity by 13 mEUR.

Balance sheet

Total assets amounted to 785.2 mEUR (2021: 597.4 mEUR), with an equity of 412.9 mEUR (2021: 344.8 mEUR). This corresponds to an equity to assets ratio of 53% (2021: 58%). The liquidity ratio was 1.46 resulting from current assets of 95.0 mEUR and current liabilities of 65.1 mEUR. The ratio of net interest-bearing debt to EBITDA before special items was 2.67 at the end of the quarter.

Investments

On March 23, 2022, Better Collective acquired the assets of Canada Sports Betting ('CSB'), for a purchase price of 21.4 mEUR (23.5 mUSD). The purchase price has been fully paid in cash. On April 19, Better Collective acquired FUTBIN and related domains, for a purchase price of 105 mEUR. The purchase price was paid in cash and treasury shares, and a variable payment of 30 mEUR was recorded. Investments in tangible assets were 1.8 mEUR.

Cash flow and financing

Cash flow from operations before special items was 69.8 mEUR (2021: 51.2 mEUR) with a cash conversion of 80%. The cash conversion has been temporarily impacted by the strong Q4 growth in revenue.

In October, a new club-financing facility with three banks was signed, replacing the one-bank-agreement that has been in place since 2018. The new facility has attractive terms and is a 247 mEUR bullet term loan and RCF committed for two years with an option to extend for one year. On top of the commitment there is a 72 mEUR accordion option bringing the total potential facility to 319 mEUR. The covenant implies a maximum net debt/EBITDA at 3.25 adjusted for pro-forma EBITDA of acquisitions, and the board of directors' approved target for 2023 is at a ratio <2, excluding potential new acquisitions.

As of December 31, 2022, Better Collective had committed bank credit facilities of a total 247 mEUR, with capital reserves of 76 mEUR consisting of cash of 31.5 mEUR and unused bank credit facilities of 44.0 mEUR.

The parent company

Better Collective A/S, Denmark, is the parent company of the Group. Revenue for 2022 grew by 77% to 65.3 mEUR (2021: 37.0 mEUR).

Total costs including depreciation and amortization was 61.0 mEUR (2021: 40.1 mEUR).

Profit after tax was 46.9 mEUR (2021: 47.7 mEUR). The change in profit after tax is primarily due to YOY differences in dividend payments from subsidiaries, exchange rate adjustments, and corporate tax.

Total assets increased to 687.1 mEUR (2021: 504.1 mEUR) primarily driven by new asset deals and non-current receivables from subsidiaries (USD denominated)

Total equity ended at 411.1 mEUR by December 31, 2022 (2021: 355.1 mEUR). The equity in the parent company was impacted by capital increases of 4.7 mEUR, treasury share transactions of 1.2 mEUR, and cost of warrants of 3.1 mEUR.

Significant events after the closure of the period

During the first month of 2023, Better Collective delivered growth of >40%, despite having tough comparable from 2022, where the state of New York launched. The tremendous growth was fueled by the state of Ohio launching sports betting, coupled with a strong performance by the Group.

Better Collective announced two media partnerships with the digital soccer media, Goal, and the leading Polish sports site, Wirtualna Polska.

A smaller asset deal for a sports media in an emerging market was completed for 4.3 mUSD.

Better Collective announced a share acquisition of 8.5% of Catena Media.

The Better Collective HQ in Copenhagen will move ‘around the corner’ to a new and bigger office space. The leasing agreement runs for five years and has a total rent obligation of approximately 12 mEUR during that period.

In February Better Collective announced a share buyback program of 10 mEUR.

Financial targets

Financial targets and drivers for shareholder return

In Better Collective, we strive to improve our financial performance and create added value for our stakeholders through profitable growth.

2022 performance

The Group delivered strongly both in terms of revenue growth as well as operational earnings. This performance was accomplished on the back of moving several US contracts from upfront payments (CPA) to revenue share, why implicitly the Group could have delivered an EBITDA of 100 mEUR, implying 80% growth. Undeniably, the ability to drive high profitable growth remains very important for Better Collective's future ambitions. The Board of Directors decided on targets for the financial year 2022 as announced in the full year report and upgraded prior to the Q4 report following a record-breaking quarter. The upgraded financial targets were all met: Organic growth of 34% (actual 34% upgraded from 20-30% in February), EBITDA of approximately 85 mEUR (actual 85.1 mEUR) and net debt to EBITDA before special items <3 (actual 2.67). Furthermore, the indicated 2022 revenue estimate of exceeding 100 mUSD in US was also met.

Financial targets 2023

The board of directors has decided on new financial targets for the Better Collective Group for 2023 (excluding M&A):

- Revenue of 290 – 300 mEUR
- EBITDA of 90 – 100 mEUR
- Net debt to EBITDA of <2

Assumptions to 2023 targets

Better Collective invests in growing organically and will incur additional 2023 cost to investment in establishing a stronger presence in LATAM and other emerging markets where regulation is or is expected to facilitate operations. An investment in the buildup of a proprietary technology platform for display advertising ("Adtech Platform") will be made. The initiatives imply estimated 10 mEUR in added costs in 2023 in addition to the existing cost base. The Group will continue to push for revenue share in the US, and notes that the 2023 calendar is not as condensed as 2022's with state launches and a men's soccer World Cup. The above considerations have been built into the 2023 targets, and do not include impact from M&A activities.

Disclaimer

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

Long-term financial targets 2023-2027

The board of directors has decided on new financial targets for the Better Collective Group for 2023-2027 (include M&A):

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

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

Corporate Matters

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Corporate Governance Report

Better Collective A/S is a Danish public limited liability company and is governed by the provisions of the Danish Companies act. The registered office and headquarters is situated in Copenhagen, Denmark. Better Collective has been listed on Nasdaq Stockholm since June 8, 2018, in the Mid Cap index.

Framework for corporate governance in Better Collective

The purpose of corporate governance is to ensure that a company is run sustainably, responsibly, and as efficiently as possible. In Better Collective, good corporate governance is about earning the confidence of shareholders, business partners, and legislators by creating transparency in decision-making and business processes. A well-defined and structured distribution of roles and areas of responsibilities between shareholders, the board, and the management secures efficiency at all levels. Particularly, it allows the management team to focus on business development and thereby the creation of shareholder value. The board of directors serves as a highly qualified dialogue partner for the management team supporting the outlined growth strategy, securing a tight risk management setup, and optimal capital structure. The corporate governance is based on applicable Danish legislation and other external rules and instructions, including the Danish Companies Act, Nasdaq Stockholm's Rulebook, the Swedish Securities Council's good practices in the stock market, the Swedish Code of Corporate Governance and Better Collective's guidelines, which include the Articles of Association, various policies, and other guidelines. Better Collective has resolved that it will comply with the Swedish Code instead of the Danish recommendations on Corporate Governance, as is customary for companies listed on Nasdaq Stockholm. The main corporate laws and rules on governance relevant for shareholders in a Danish public limited liability company that is listed on Nasdaq Stockholm, and complying with the Code, are to a large extent materially similar to the corresponding Swedish rules that would apply for a Swedish public limited liability company under the same circumstances.

The share and shareholders

Better Collective A/S was listed on Nasdaq Stockholm in the Mid Cap segment on June 8, 2018. The number of shares outstanding on December 31, 2022 was 55,149,669. Each share entitles the holder to one vote. The number of shareholders on December 31, 2021 was 3,731 which is a decrease from the 4,149 shareholders at December 31, 2021. The largest shareholders on December 31, 2022 were Chr. Dam Holding and J. Søgaard Holding (the co-founders of Better Collective) with each 10,671,179 shares and each representing 19.4% percent of the votes and share capital in the company. Further information on the Better Collective share and shareholders are available in the section Share and shareholders on page 36 as well as on the company's website.

General meeting

Pursuant to the Danish Companies Act, the general meeting is the Company's superior decision-making body. The general meeting may resolve upon every issue for the Company which does not specifically fall within the scope of the exclusive powers of another corporate body, for example the power to appoint the executive management, which falls within the scope of the board of directors in limited liability companies that are managed by a board of directors.

At the general meeting, the shareholders exercise their voting right on key issues, such as amendments of the Company's Articles of Association, approval of the annual report, appropriation of the Company's profit or loss (including distribution of any dividends), resolutions to discharge the members of the board of directors and the executive management from liability, the appointment and removal of members of the board of directors and auditors and remuneration for the board of directors and auditors. Other matters transacted at the meeting may include matters that, according to the articles of association or the Danish Companies Act, must be submitted to the general meeting.

Better Collective complies with the Swedish code of corporate governance with the following exceptions:

As stipulated in Better Collective's Articles of Association, the board of directors appoint the meeting chair for the AGM instead of letting the nomination committee propose a meeting chair. The Articles also stipulate that the meeting chair approves the AGM minutes instead of letting an AGM participant that is not a member of the board or an employee of the company approve the minutes of the meeting.

The respective reports on corporate governance and sustainability do not include a part of the auditor's report covering the specific reports, as these subjects are not individually addressed in the auditor's report. These deviations are due to differences between Danish and Swedish laws and practices.

Time and place

The annual general meeting must be held at a date that allows sufficient time to send the Danish Business Authority a copy of the audited and adopted annual report within four months of the end of the financial year. In addition to the annual general meeting, extraordinary general meetings may be convened and held when required. According to the Company's articles of association, general meetings must be held in Greater Copenhagen, Gothenburg, or Stockholm.

Notice

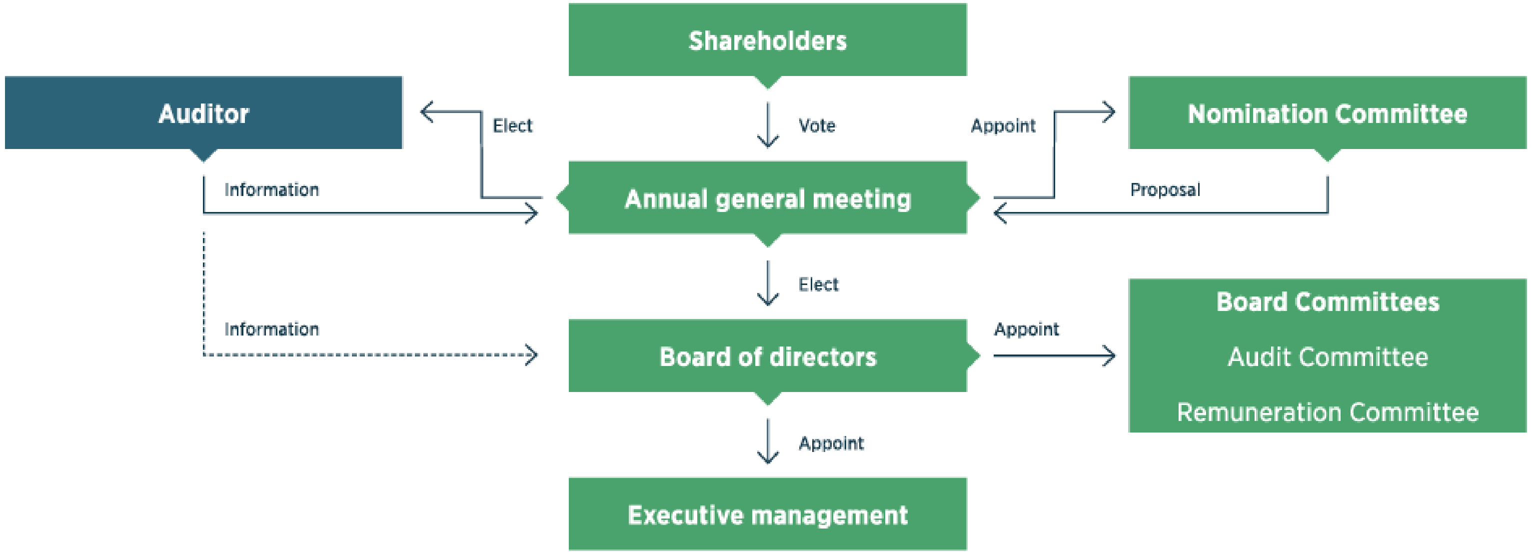
According to the Company's Articles of Association, general meetings must be convened by the board of directors giving written notice no earlier than five weeks and no later than three weeks prior to the general meeting. Pursuant to the Danish Companies Act, notices convening general meetings shall be made public on the Company's website. If requested, shareholders shall receive written notice of the general meetings as the case may be.

Extraordinary general meetings must be held upon request from the board of directors, or the auditor elected by the general meeting. In addition, shareholders that individually or collectively hold ten percent or more of the share capital can make a written request to the board of directors that an extraordinary general meeting be held to resolve upon a specific matter. Such extraordinary general meetings must be convened within two weeks of the board of directors' receipt of a request to that effect.

The notice to convene a general meeting must be made in the form and substance for public limited liability companies admitted to trading on a regulated market as stipulated in the Danish Companies Act. The notice must also specify the time and place of the general meeting and contain the agenda of the business to be addressed at the general meeting. If an amendment of the Company's articles of association shall be resolved upon at a general meeting, the complete proposal must be included in the notice. For certain material amendments, the specific wording must be set out in the notice.

As regards the annual general meeting, the Company must announce the date for the meeting as well as the deadline for any shareholder proposals no later than eight weeks before the scheduled date for the annual general meeting.

Better Collective Corporate Governance Structure



Electronic general meetings

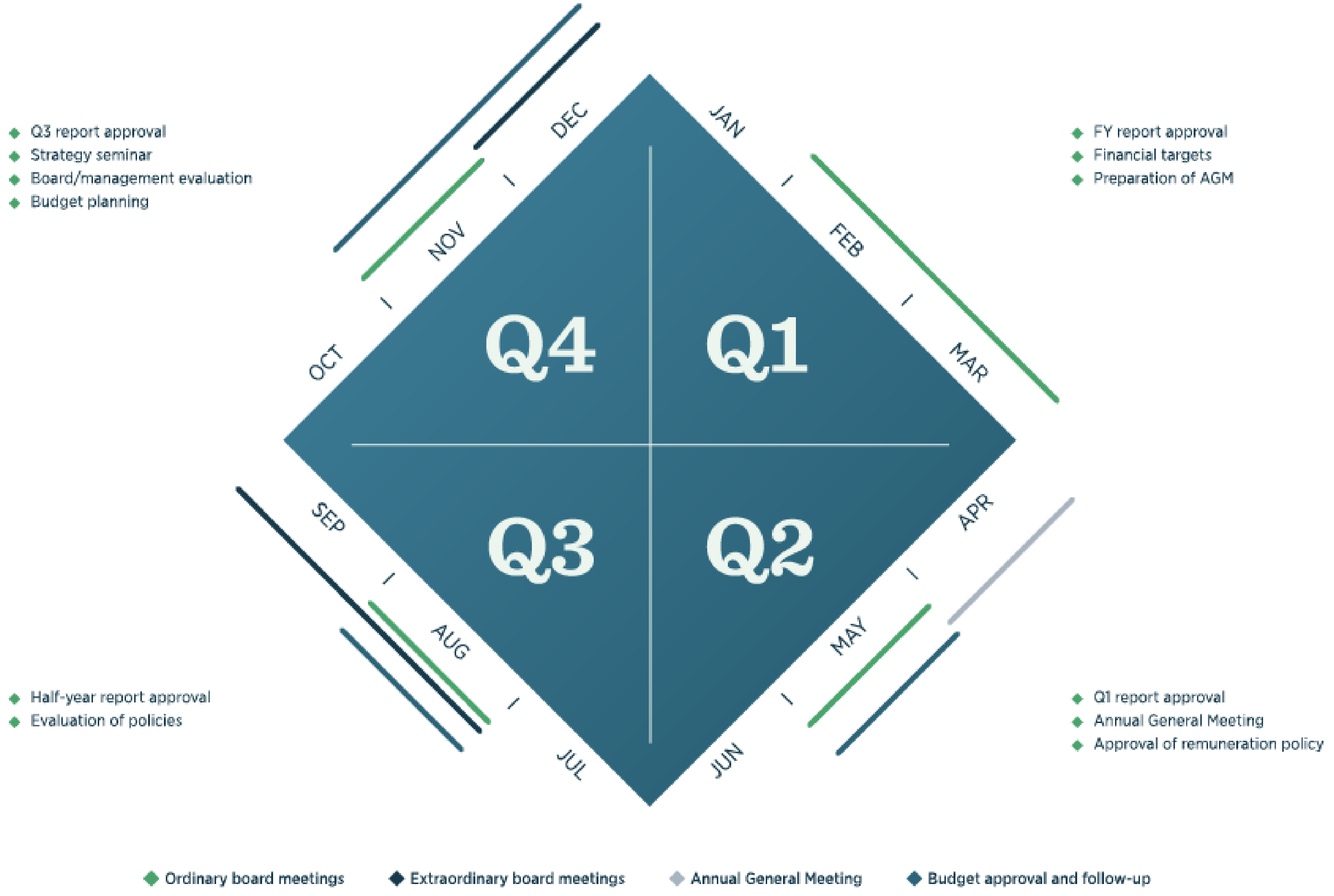
The board of directors is authorized to decide that general meetings are held as a completely electronic general meetings without physical attendance or partially electronic meetings.

Right to attend general meetings

A shareholder's right to attend a general meeting and to vote on their shares is determined on the basis of the shares held by the shareholder at the date of registration. The date of registration is one week before the general meeting is held. The holding of each individual shareholder is based on the number of shares held by that shareholder as registered in the Company's share register maintained by Euroclear Sweden as well as any notifications of ownership received by the Company for the purpose of registration in the share register, but not yet registered.

To attend the general meeting, a shareholder must, in addition to the above-mentioned, also notify the Company of his or her attendance no later than three days prior to the date of the general meeting, as stipulated by the Company's articles of association. Shareholders may attend general meetings in person, through a proxy or by postal vote, and may be accompanied by an advisor. All attending shareholders are entitled to speak at general meetings.

A year with the board of directors



Voting rights and shareholders initiatives

Each share entitles the holder to one vote. All matters addressed at the general meeting must be decided by a simple majority vote, unless otherwise stipulated by

the Danish Companies Act or the Company's articles of association. A resolution to amend the articles of association requires that no less than two thirds of the votes cast as well as the share capital represented at the general meeting vote in favor of the resolution, unless a larger majority is required by the Danish Companies Act (for example resolutions to reduce shareholder rights to receive dividends or to restrict the transferability of the shares) or the Company's articles of association. Shareholders who wish to have a specific matter brought before the general meeting must submit a written request to the Company's board of directors no later than six weeks prior to the general meeting. If the request is received less than six weeks before the date of the general meeting, the board of directors must decide whether the request has been made with enough time for the issues to be included on the agenda.

General meetings in 2022

The annual general meeting 2022 was held on April 26, 2022, and approved the 2021 annual report, discharged the board and executive management, and re-elected six out of six board members, elected a vice chair of the board, and re-elected the current auditor. The shareholders further approved the proposals from the board of directors to authorize the board of directors to increase the company's share capital without pre-emption rights for the existing shareholders and to authorize the board of directors to acquire treasury shares. The shareholders adopted the remuneration report based on an advisory vote. Additionally, the Company's Articles of Association were amended to include the election of a Vice Chair of the board of directors. No extraordinary general meetings were held in 2022.

Annual general meeting 2023

The annual general meeting 2023 will take place on April 25, 2023, at 2.00 p.m. For more information, please see the section on annual general meeting on the company's website.

Nomination committee

According to the Code, the Company shall have a nomination committee, the duties of which shall include the preparation and drafting of proposals regarding the election of members of the board of directors, the chair of the board of directors, the chair of the general meeting and auditors. In addition, the nomination committee shall propose fees for board members and the auditor. The Company's Articles of Association hold instructions and rules of procedure for the nomination committee according to which the nomination committee is to have at least three members representing the three largest shareholders per the end of August, together with the chair of the board of directors. The names of the members of the nomination committee must be published by the Company no later than six months prior to the annual general meeting.

On August 31, 2022, the two largest shareholders were Chr. Dam Holding and J. Søgaard Holding which are grouped. In accordance with shareholders' decision, the nomination committee was appointed and is composed by four members in total:

- Søren Jørgensen, Chair, appointed by Chr. Dam Holding and J. Søgaard Holding
- Martin Jonasson, appointed by Andra AP-Fonden, also representing Tredje AP-Fonden
- Jesper Ribacka, private shareholder
- Jens Bager, Chair of the board of directors, Better Collective

In all, the nomination committee represented 51% of the total number of shares in Better Collective, based on ownership data as per August 31, 2022.

Independence of the nomination committee

The Code requires the majority of the nomination committee's members to be independent in relation to the Company and its management and that at least one of these shall also be independent in relation to the Company's largest shareholder in terms of voting power. All members are independent in relation to the Company and the Company's management and all members except for Søren Jørgensen are independent in relation to major shareholders.

Nomination Committee meeting with board members

Each year, the nomination committee conducts individual interviews with the board members leading up to the AGM as a supplement to the board self-evaluation results. Similarly, any new board candidates meet with the nomination committee.

Gender diversity at the BoD in 2022

Meetings of the nomination committee

Ahead of the AGM 2023, the nomination committee has held three meetings with full attendance but for one meeting, at which one member was unable to attend. No fees have been paid for work on the committee.

Board of directors

After the general meeting, the board of directors is the most superior decision-making body of the Company. The duties of the board of directors are set forth in the Danish Companies Act, the Company's articles of association, the Code and the written rules of procedure adopted by the board of directors, which are revised annually. The rules of procedure regulate, inter alia, the practice of the board of directors, tasks, decision-making within the Company, the board of directors' meeting agenda, the chair's duties and allocation of responsibilities between the board of directors and the executive management. Rules of procedure for the executive management, including instruction for financial reporting to the board of directors, are also adopted by the board of directors.

The board of directors meets according to a predetermined annual schedule. At least five ordinary board meetings shall be held between each annual general meeting. In addition to these meetings, extraordinary meetings can be convened for processing matters which cannot be referred to any of the ordinary meetings. In 2022, 8 meetings were held.

Composition of the board

The members of the board of directors are elected annually at the annual general meeting for the period until the end of the next annual general meeting. According to the Company's articles of association, the board of directors shall consist of no less than three and no more than seven board members. Furthermore, the Code stipulates that no deputy members may be appointed. Currently, the board of directors is composed of six ordinary board members elected by the general meeting: Jens Bager (chair), Todd Dunlap, Therese Hillman, Klaus Holse, Leif Nørgaard, and Petra von Rohr. The board attended Nasdaq's stock market training course for board and management prior to the listing in 2018. Todd Dunlap received Nasdaq training in 2020 after joining the board. For information about the board members see page 31.

Evaluation of board performance

The board of directors regularly evaluates its work through a structured process. The chair is responsible for carrying out the evaluation and presenting the results to the nomination committee. In 2022, an external management consultancy assessed the board's work, including the collaboration with the executive management. The assessment was based on a questionnaire. Every other year, the questionnaire is combined with personal interviews with each board and executive management member. The evaluation was presented to and discussed by the board and subsequently the nomination committee. In addition, the nomination committee conducted individual interviews with the board members leading up to the AGM. The overall conclusion was that the board's performance and efficiency is found to be satisfactory and that the board has a well-balanced mix of competencies.

Diversity

The board composition must be set with appropriateness to the Company's operations, phase of development, and must collectively exhibit diversity regarding gender, age, nationality, experience, professional background, and business expertise. In 2022, the board had an equal gender distribution and met the company's policy on additional diversity criteria based on age, nationality and educational background. See se full account on gender distribution in management, cf. §99b on page 47.

Attendance at board and committee meetings

Name	Board Meetings	Audit Committee	Remuneration Committee
Jens Bager (Chair)	◆◆◆◆◆◆◆◆	-	◆◆◆◆◆
Therese Hillman (Vice chair)	◆◆◆◆◆◆◆◆	◆◆◆◆◆	-
Todd Dunlap	◆◆◆◆◆◆◆◆	-	◆◆◆◆◆
Klaus Holse	◆◆◆◆◆◆◆◆	-	◆◆◆◆◆
Leif Nørgaard	◆◆◆◆◆◆◆◆	◆◆◆◆◆	-
Petra von Rohr	◆◆◆◆◆◇◆◆	◆◆◆◆◆	-

◆ Attendance ◇ Non-attendance

Board committees

The board of directors has established two committees: the audit committee and the remuneration committee. The board of directors has adopted rules of procedure for both committees.

Audit committee

The audit committee consists of Leif Nørgaard (chair), Therese Hillman, and Petra von Rohr. The audit committee's role is mainly to monitor the Company's financial position, to monitor the effectiveness of the Company's internal control and risk management, to be informed about the audit of the annual report and the consolidated financial statements, to monitor the quality of the external audit, to review and monitor the auditor's impartiality and independence and to monitor the Company's compliance with law and regulations related to financial matters. The audit committee has an annual work plan and has held five meetings in 2022.

Remuneration committee

The remuneration committee consists of Jens Bager (chair), Todd Dunlap, and Klaus Holse. The remuneration committee's role is primarily to prepare matters regarding remuneration and other terms of employment for the executive management and other key employees. The remuneration committee shall also monitor and evaluate ongoing and completed programs for variable remuneration to the Company's management and monitor and evaluate the implementation of the guidelines for remuneration to the executive management which the annual general meeting has adopted. The remuneration committee has an annual work plan and has held five meetings in 2022.

Executive management

According to the Danish Companies Act and the Company's articles of association, the board of directors appoints and removes the members of the executive management. The executive management is responsible for the day-to-day management of the Company. Currently, the executive management consists of Jesper Søgaard as CEO, Flemming Pedersen as CFO and Christian Kirk Rasmussen as COO. The members of the executive management are presented in further detail on page 34.

The duties and responsibilities of the executive management are governed by the Danish Companies Act, the Company's articles of association, the rules of procedures for the executive management adopted by the board of directors, other instructions given by the board as well as other applicable laws and regulations. The executive management's duties and responsibilities include, inter alia, ensuring that the Company maintains adequate accounting records and procedures, that the board of directors' resolutions are implemented in the daily management of the Company, that the board of directors are up to date on all matters of importance to the Company and that the day-to-day management of the Company is carried out.

Remuneration to the board of directors and the executive management

Remuneration to the board of directors

Fees and other remuneration to board members elected by the general meeting are resolved at the annual general meeting. At the annual general meeting held on April 26, 2022, it was resolved that a fee of EUR 90,000 is to be paid to the chairman and that fees of EUR 30,000 is to be paid to each of the other board members. The work in a board committee is remunerated with EUR 13,500 for a chair position and EUR 6,750 for a regular member In 2021, one-third of the Board of Directors' fixed annual remuneration was paid out in shares in the Company. Following approval at the Annual General Meeting on April 26, 2022, the board fee in 2022 was paid in cash and an amendment to the remuneration policy means that payment in shares is no longer part of the policy.

For the financial year 2022, the board of directors received remuneration as set out in note 5 on page 77. For additional detail, see also the remuneration report for 2022 available from bettercollective.com.

Remuneration to the executive management

Remuneration to the executive management consists of basic salary, variable remuneration, pension benefits, share related incentive programs and other benefits. For the financial year 2022, the executive management received remuneration as set out in note 5 on page 77.

Remuneration policy

The current Remuneration Policy was adopted at the annual general meeting on April 26, 2022, in compliance with section 139 and 139a in the Danish Companies Act

Members of the Company's board of directors and executive management receive a fixed annual remuneration.

In addition, members of the executive management may receive incentive-based remuneration consisting of share-based rights. Finally, members of the executive management may receive incentive-based remuneration consisting of a cash bonus (including cash bonuses based on development in the share price), on both an ongoing, single-based, and event-based basis.

Cash bonus schemes for executive management may consist of an annual bonus, which the individual member of the executive management can receive if specific targets of the Company and other possible personal targets for the relevant year are met. The maximum cash bonus shall be equivalent to 100 percent of the fixed base salary of each eligible participant of the executive

Number of shares in Better Collective A/S held by members of the Board and the executive management

Name and position	Holdings at beginning of year	Bought during the year	Sold during the year	Holdings at end of the year	Market value* tEUR
Jesper Søgaard, CEO	10,671,179	0	0	10,671,179	122,164
Flemming Pedersen, CFO	187,322	124,644	0	311,966	3,571
Christian Kirk Rasmussen, COO	10,671,179	0	0	10,671,179	122,164
Executive management, total	**21,529,680**	**124,644**	**0**	**21,654,324**	**247,899**

Name and position	Holdings at beginning of year	Bought during the year	Sold during the year	Holdings at end of the year	Market value* tEUR
Jens Bager, Chair	1,001,229	0	0	1,001,229	11,462
Therese Hillman, Vice Chair	1,375	0	0	1,375	16
Todd Dunlap, member	475	0	0	475	5
Klaus Holse, member	171,059	0	0	171,059	1,958
Leif Nørgaard, member	440,656	0	0	440,656	5,045
Petra von Rohr, member	22,037	0	0	22,037	252
Board of directors, total	**1,636,831**	**0**	**0**	**1,636,831**	**18,738**
Total	**23,166,511**	**124,644**	**0**	**23,291,155**	**266,637**

* The end-of-year market values are based on the official share prices prevailing December 31, 2022.

management. Payment of bonus is only relevant when conditions and targets have been fully or partly met (as determined by the board of directors). If no targets are met, no bonus is paid out. Targets for the executive management shall be agreed upon by the board of directors and the executive management. The general meeting will decide whether to establish a long-term incentive program (LTI program).

Internal controls

The board of directors has the overall responsibility for the internal control of the Company. The main purpose of the internal control is to ensure that the Company's strategies and objectives can be implemented within the business, that there are effective systems for monitoring and control of the Company's business and the risks associated with the Company and its business, and to ensure that the financial reporting has been prepared in accordance with applicable laws, accounting standards and other requirements imposed on listed companies. The board of director's responsibility for the internal control and financial reporting is governed by the Danish Financial Statements Act, the Danish Companies Act and the Code. In addition, the board of directors has implemented an internal control framework based on the COSO standard, which focuses on the five areas: control environment, risk assessment, control activities, information as well as communication and monitoring.

> ▶ **Remuneration report 2022**
> https://bettercollective.com//wp-content/uploads/2022/03/BetterCollective_Remuneration22_web.pdf
>
> ▶ **Remuneration policy**
> https://bettercollective.com/wp-content/uploads/2023/01/Remuneration_Policy_approved_2020.04.22.pdf

Control environment

To create and maintain a functioning control environment, the board of directors has adopted a number of steering documents and policies, including rules of procedure for the board of directors, the board committees and the executive management with instruction for financial reporting to the board of directors. The policies include a tax policy, treasury policy, IT policy, information policy, insider policy, instruction for insider lists and a code of conduct. The Company also has a group accounting manual which contains principles, guidelines, and processes for accounting and financial reporting.

The division of roles and responsibilities within the rules of procedure for the board of directors and the executive management aim to facilitate an effective management of the Company's risks. The board of directors has also established an audit committee whose main task is to monitor the effectiveness of the Company's internal control, internal audit, and risk management, to be informed about the audit of the annual report and consolidated financial statements, and to review and monitor the auditor's impartiality and independence. The board evaluates the need for an internal audit function annually. In 2022, given the size of the company, it was decided that an internal audit function is not currently needed.

The Company applies an internal "signing & approval" framework to ensure a clear and formalized distribution and limitation of power, and to define and govern guidelines for the delegation of authority to sign on behalf of the Company. The Company has furthermore established an IT governance structure to ensure that all major IT projects support the Company's business goals and that existing IT systems and resources are used optimally. The Company has implemented a whistleblower scheme providing employees with the ability to easily and anonymously report any observations of potentially destructive, unethical, or illegal activities related to the Company.

Risk assessment

Risk assessment includes identifying risks pertaining to the Company's business, assets and financial reporting as well as assessing the impact and probability of those risks, to ensure that actions to reduce or eliminate risks are analyzed and implemented. Within the board of directors, the audit committee is responsible for continuously assessing the Company's risks.

The executive management shall annually prepare an internal risk management assessment which is reported to the audit committee and subsequently to the board of directors. The risk management assessment shall include a follow-up on previous year's work and a review of any changes to procedures, control systems and risk-mitigating actions.

With regards to financial reporting, the CFO and the finance department annually prepares a report for the audit committee, including a review of items subject to special risks and significant accounting estimates and judgements, allowing the audit committee to monitor the financial reporting process. The audit committee also evaluates the need for an internal audit function annually and makes recommendations to the board of directors.

Control activities

Control activities are performed for the purpose of preventing, detecting, and correcting any errors and irregularities, including fraud. Control activities are implemented in the Company's systems and procedures, including financial reporting systems and procedures. Control activities include, for example, physical and electronic preventive access controls concerning sensitive and confidential information, preventive IT based controls limiting access to systems, joint approval procedures for electronic bank transfers and detective controls. Financial control activities are performed in accordance with the group accounting manual and are carried out monthly and are documented.

Information and communication

Internal communication to employees occurs, inter alia, through policies, instructions, and blog posts, including a Code of Conduct which serves as an overall guiding principle for employees in all communication, an information policy which governs internal and external information as well as an insider policy which ensures appropriate handling of insider information that has not yet been disclosed to the public. Additionally, the Company's CEO holds the overall responsibility for the handling of matters regarding insider information.

The Company's investor relations function is led and supervised by the CFO and the Director of Investor Relations. The principal tasks of the investor relations function are to support matters relating to the capital market as well as to assist in preparing financial reports, general meetings, capital market presentations and other regular reporting regarding investor relations activities.

Monitoring

Compliance and effectiveness of internal controls are continuously monitored. The executive management ensures that the board of directors receives continuous reports on the development of the Company's activities, including the Company's financial results and position, and information about important events, such as key contracts. The executive management also reports on such matters at each board meeting.

The board of directors and the audit committee examines the annual report and the interim reports and conducts financial evaluations based on established business plans. The audit committee reviews any changes in accounting policies to determine the appropriateness of the accounting policies and financial disclosure practices. Furthermore, the audit committee also reviews the consistency of accounting policies across the Group on a yearly basis.

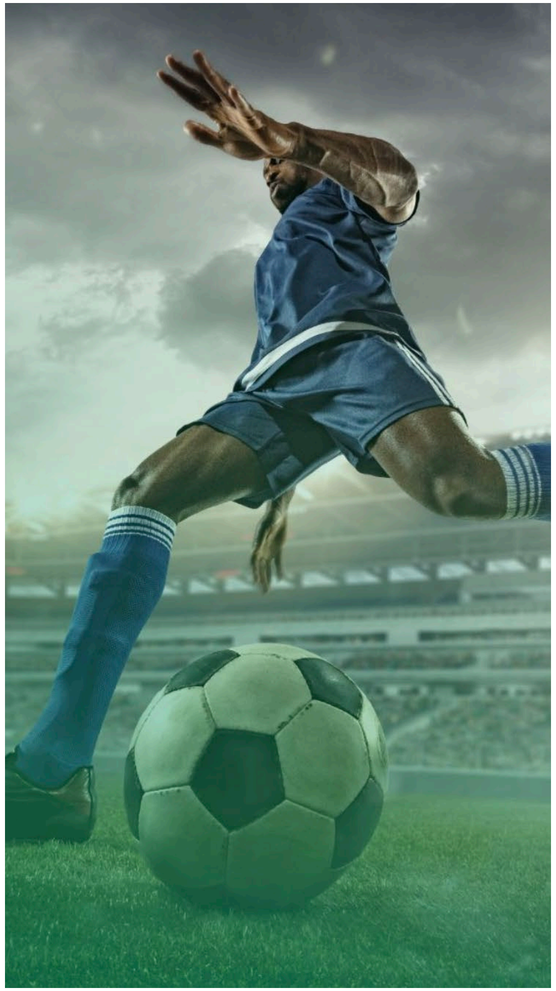
The efficiency of the key controls is evaluated at regular intervals and reported to the board of directors summarizing the performed evaluations and accounting for any deviations that must be managed. In 2022, a review of internal controls was performed with the purpose of reviewing compliance with processes and internal controls covering key areas and process flows according to the Company's group accounting manual. The review concluded that the Company's financial internal controls were deemed appropriate. Furthermore, the Group's policies are subject to at least one annual review by the board of directors.

External audit

The Company's auditor is appointed by the annual general meeting for the period until the end of the next annual general meeting. The auditor audits the financial statements prepared by the board of directors and the executive management. Following each financial year, the auditor shall submit an audit report to the annual general meeting. The Company's auditor reports its observations from the audit and its assessment of the Company's internal control to the board of directors.

At the annual general meeting held on April 26, 2022, EY Godkendt Revisionspartnerselskab was re-elected as the Company's auditor with Jan C. Olsen as the lead auditor. It was also resolved that the fees to the auditor should be paid in accordance with normal charging standards and approved invoice.

The total fee paid to the Company's auditor for the financial year 2023 amounted to 343 tEUR, all of which regarded the audit assignment.



Risk Management

Better Collective's management continuously monitors risk development in the Better Collective Group.

Risk analysis and evaluation

Through an Enterprise Risk Management process, several 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.

Risk control

The Risk Evaluation is presented to the Board of Directors annually, for discussion of and any further mitigating actions required. Between the annual evaluation, the Audit Committee oversees the ongoing risk management process. The Board evaluates risk dynamically to cater for this variation in risk impact. The policies and guidelines in place stipulate how Better Collective management must work with risk management.

Market regulation and legal risk

Changes to applicable laws and regulations could lead to an increased burden of compliance. Contractual risk as well as legal risk related to regulatory requirements are critical. Failure to meet or implement regulatory requirements concerning, for instance, data protection, confidentiality agreements, IPR, and fraud constitutes a risk.

Risk mitigation

iGaming regulation provides transparency to the legal framework, which in turn enhances predictability. Better Collective has established a central legal function that, together with the commercial and business development operations, ensures a stage-gate approach when new contracts are made and when new regulations or compliance are being imposed.

Cybercrime risk

As a digital software-based company with a core business based on modern information technology, Better Collective's failure to adequately protect itself against IT risk represents a distinct risk. Cybercrime including unauthorized access to Better Collective's network and data could endanger applications as well as the infrastructure and the technical environment stored on Better Collective's network.

Risk mitigation

Better Collective's IT department continuously monitors its global technical infrastructure, aiming to identify and minimize risk to the company's production and performance. Through well-established procedures and solutions, Better Collective can quickly restore critical business operations.

Recruitment and retention risk

People remain the key drivers in everything that we do at Better Collective since our business is based on specialized expertise and innovation. Failure to attract, develop, and retain the most skilled employees and management talent constitutes a risk to the company and our ability to scale operations.

Risk mitigation

Better Collective's values and employer branding serve as strong tools for recruitment of talent. We monitor employee performance and engagement through bi-annual development talks and annual workplace evaluations. New initiatives in the People and Culture space include a DEI board and training in diversity matters.

Acquisition risk

With our acquisition focus increasingly turned to larger companies, the overall risk profile of Better Collective has changed, and regulatory as well as financial risk has increased. Especially when entering new markets by way of M&A and in the following integration with the rest of the group.

Search engine and ranking risk

Algorithm updates pose a risk to organic search and ranking possibilities and may trigger optimization challenges. The rise of AI chatbots may impact the way media content is produced and potentially the search behavior of users.

ESG risk

To Better Collective, the key ESG/sustainability risks lie within the social and governance spaces and less within the environment space since we are a digital business. Concerns related to problematic gambling and reputational risk from not being perceived as acting responsibly or within the regulatory frameworks.

Financial risk

Financial risk management objectives and policies, including market risk, foreign currency risk, interest rate risk and credit risk are described in note 20 to the consolidated financial statements.

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Risk mitigation

When relevant, we involve regulatory bodies in our licensing process for newly established entities. We aim to implement a performance based valuation of the acquired entities and to establish local governance/management for entities of a certain size. We implement local Finance, HR, and Legal organizations dedicated to the entities when relevant.

Risk mitigation

As these matters are rapidly changing, we have set up monitoring of the industry, newsletters and experts and have systems in place to share knowledge internally. Based on the monitoring, we are continually testing different tactics and solutions.

Risk mitigation

Regulatory compliance is systemized by the legal team. We are educating ourselves on safer gambling, on advertising standards and developing resources to help our users navigate the sports betting industry. Deploying Mindway AI solutions further aids the safer gambling agenda. Transitioning to becoming a media group gradually makes us less dependent on gambling-related activities.

Board of directors

Jens Bager

Chair of the board and of the remuneration committee
Born, 1959
Nationality, DK
Present position since 2017 (board member since 2016)

Education: Jens Bager holds a M.Sc in Economics and Business Administration from Copenhagen Business School.

Professional background: Jens Bager was the CEO of ALK-Abelló A/S for 16 years before joining Better Collective, and prior to that he was an EVP of Chr. Hansen A/S. Jens Bager is an Industrial Partner at Impilo AB, the chairman of Scantox Holding ApS and Marleybones Ltd, and has served on various boards in Denmark, Sweden, and France. He has extensive experience within general management of international and listed companies.

Other assignments: Member of the executive board of Apto Invest ApS, Apto Advisory ApS, 56* NORTH Equity Partners ApS, Enhance Systems A/S, Tandlægen.dk and Symmetry Administration ApS.

Previous assignments: Board chair of Ambu A/S, Heatex AB and Poul Due Jensens Fond.

Independence in relation to:

- Shareholders	Yes
- The company	Yes

Therese Hillman

Vice Chair of the board and member of the audit committee
Born, 1980
Nationality, SE
Present position since 2021

Education: Therese Hillman holds a M.Sc. in Accounting and Finance from the Stockholm School of Economics with exchange terms at the University of Virginia and the University of North Georgia.

Professional background: CEO of Network of Design (NOD), a group of Scandinavian design companies. Therese Hillman was prior to her current role as CEO of NOD the Group CEO of NetEnt. In this role, she steered the company during a turnaround phase, in a time of changing regulation and market conditions, US market expansion, and a large acquisition of the fast-growing competitor Red Tiger.

Other assignments: Board chairman of String Furniture AB, Nordic e Trade AB, AB Grythyttan Stålmöbler and Sweden Concepts AB. Board member of Byarums Bruk AB, Cooee Design AB and Norling Cavallin AB.

Previous assignments: Prior to joining NetEnt in 2017, Therese Hillman worked at Gymgrossisten.com for ten years, where she was the CEO for the last six years, and prior to that she worked in the roles as COO and CFO. Former board member of Unibet and Actic.

Independence in relation to:

- Shareholders	Yes
- The company	Yes

Todd Dunlap

Board member and member of the remuneration committee
Born, 1966
Nationality, USA
Present position since 2020

Education: Todd Dunlap holds two Bachelor of Science degrees, one in aerospace engineering and the other in business administration. He has completed graduate programs in Business and International Management from Stanford University and The Thunderbird School of Global Management.

Professional background: Todd Dunlap is the current CEO of the startup OfferUp, one of the Seattle region's only tech startups valued at more than $1 billion. Prior to this role he was the CEO of North America for Booking.com and as such was responsible for the overall growth of the company's business in the United States and Canada. Prior to joining Booking.com in 2012, Todd worked 14 years at Microsoft, most recently in the role of Vice President & COO of Microsoft's Consumer & Online Division.

Other assignments: Guest lecturer and mentor at the University of Washington's Foster School of Business, and strategic advisor for Booking Holdings.

Previous assignments: Todd Dunlap has served as strategic advisor for Booking Holdings, and Vice President and Managing Director of the Americas Region also at Booking.com. President and general manager at Microsoft Licensing, and former Board Advisor to Better Collective. Todd Dunlap also led the Internet Business Unit at WRQ, a global software and consulting firm.

Independence in relation to:

- Shareholders	Yes
- The company	Yes

Klaus Holse

Board member and member of the remuneration committee
Born, 1961
Nationality, DK
Present position since, 2017

Education: Klaus Holse holds a M.Sc. in Computer Science from the University of Copenhagen, and a Graduate Diploma in Business Administration (HD) from Copenhagen Business School.

Professional background: Klaus Holse was until September 2021 CEO of SimCorp. Klaus Holse has previously been a Corporate VP at Microsoft, and Senior Vic President at OracleAt Microsoft, he was President of Western Europe, leading the largest area outside of the US. Klaus Holse has extensive experience from the IT and software industry.

Other assignments: Board chairman of Confederation of Danish Industry, Vizrt AB, Macrobond AB, EG Group A/S, SuperOffice AS, and Zenegy A/S. Board member of TERMA A/S and GN A/S

Previous assignments: Board member of Lessor A/S, EG A/S, Delegate ApS and Tink AS. Former member of the board of directors of The Scandinavian ApS and Esko.

Independence in relation to:

- Shareholders	Yes
- The company	Yes

Leif Nørgaard

Board member and chair of the audit committee
Born, 1955
Nationality, DK
Present position since 2014

Education: Leif Nørgaard holds a M.Sc in Economics and Business Administration from Aarhus Business School and is a state authorised public accountant.

Professional background: Leif Nørgaard has held senior positions in global companies such as CFO for Chr. Hansen Group, CFO for Dako Group, CFO for Teleca Group, and has served on boards in several countries. Leif Nørgaard is a professional investor and part-time CFO in start-up companies. He has extensive experience in finance, start-ups and growth companies.

Other assignments: Leif Nørgaard is currently the board chair of Myselfie Aps, and K/S Sunset Boulevard, Esbjerg. He is a member of the executive board of AnnoAnno ApS, Ooono A/S, Sunset Boulevard, Esbjerg Komplementar ApS and Robo Invest 2020 ApS,ONG Invest Aps and SNG Invest ApS.

Previous assignments: Board member of Teklatech A/S, 2XL2016 ApS, Actimo LATAM Holdco ApS, DTU Science Park A/S, Dialægt/Citatplakat Aps and Komplementarsel, and Landshut Aps. Chair of the board of K/S SDR. Fasanvej, Frederiksberg and MuteBox ApS, Partner of ApS Komplementarselskabet SDR. Fasanvej, Frederiksberg.

Independence in relation to:

- shareholders	Yes
- the company	Yes

Petra von Rohr

Board member and member of the audit committee
Born, 1972
Nationality, SE
Present position since 2018

Education: Petra von Rohr holds a M.Sc. in Economics and Finance from Stockholm School of Economics and McGill University in Montreal, Canada.

Professional background: Petra von Rohr is currently the CEO of Biocool AB, and she has experience from executive management positions both from the finance industry and the communications industry. Previous to her current position, she was Head of Group Communications at Sweden's largest cable operator Com Hem AB. While she also has experience from working as an equity analyst in London and Stockholm as well as being the CEO of a Stockholm based investment bank. She has extensive experience from working with corporate communication and investor relations.

Other assignments: Board member of Webrock Ventures and Linkfire.

Previous assignments: Member of the Executive Management team of Com Hem AB, Partner of Kreab AB. Board member of The Global Vector Control Standard, Lauritz.com Group A/S, Novare Human Capital and Takkei Trainingsystems AB.

Independence in relation to:

- shareholders	Yes
- the company	Yes

Executive management

Jesper Søgaard

CEO & Co-Founder
Born, 1983
Nationality, DK
Present position since 2004

Education: Jesper Søgaard holds a M.Sc. in Political Science from the University of Copenhagen.

Professional background: Jesper Søgaard founded Better Collective together with Christian Kirk Rasmussen in 2004 and has been working with and developing the Group's operations since its beginning.

Other assignments: Member of the board of directors of Rådhusholmen A/S, MM PROPERTIES, Over Bølgen A/S, BetterNow WORLDWIDE ApS, and Centerholmen A/S. CEO of J. Søgaard Holding ApS, and founding member of Dreamcraft Ventures Management ApS. Member of the executive board of Better Holding 2012 A/S and J. Søgaard holding A/S.

Previous assignments (past five years): Member of the board of directors of Bumble Ventures General Partners ApS, Bumble Ventures Management ApS, Bumble Ventures Invest ApS, Ejendomsselskabet Algade 30-32 A/S, Symmetry Invest A/S, Shiprs Danmark ApS, Scatter Web ApS, Ploomo ApS, Gedoe A/S, and VIGGA.us A/S. Member of the executive board Bumble Ventures SPV ApS.

Christian Kirk Rasmussen

COO & Co-Founder
Born, 1983
Nationality, DK
Present position since 2004

Education: Christian Kirk Rasmussen holds a Bachelor of Commerce from Copenhagen Business School.

Professional background: Christian Kirk Rasmussen founded Better Collective together with Jesper Søgaard in 2004 and has been working with and developing the Group's operations since its beginning.

Other assignments: Member of the board of directors Omnigame ApS and MM Properties ApS. Member of the executive board Chr. Dam Holding ApS, and Better Holding 2012 A/S. Founding member of Dreamcraft Ventures Management ApS.

Previous assignments (past five years): Board member of Bumble Ventures General Partners ApS, Bumble Ventures Management ApS, Bumble Ventures Invest ApS, Scatter Web ApS and Ejendomsselskabet Algade 30-32 A/S. Member of the executive board Yellowsunmedia ApS. Member of the executive board Bumble Ventures SPV ApS.

Flemming Pedersen

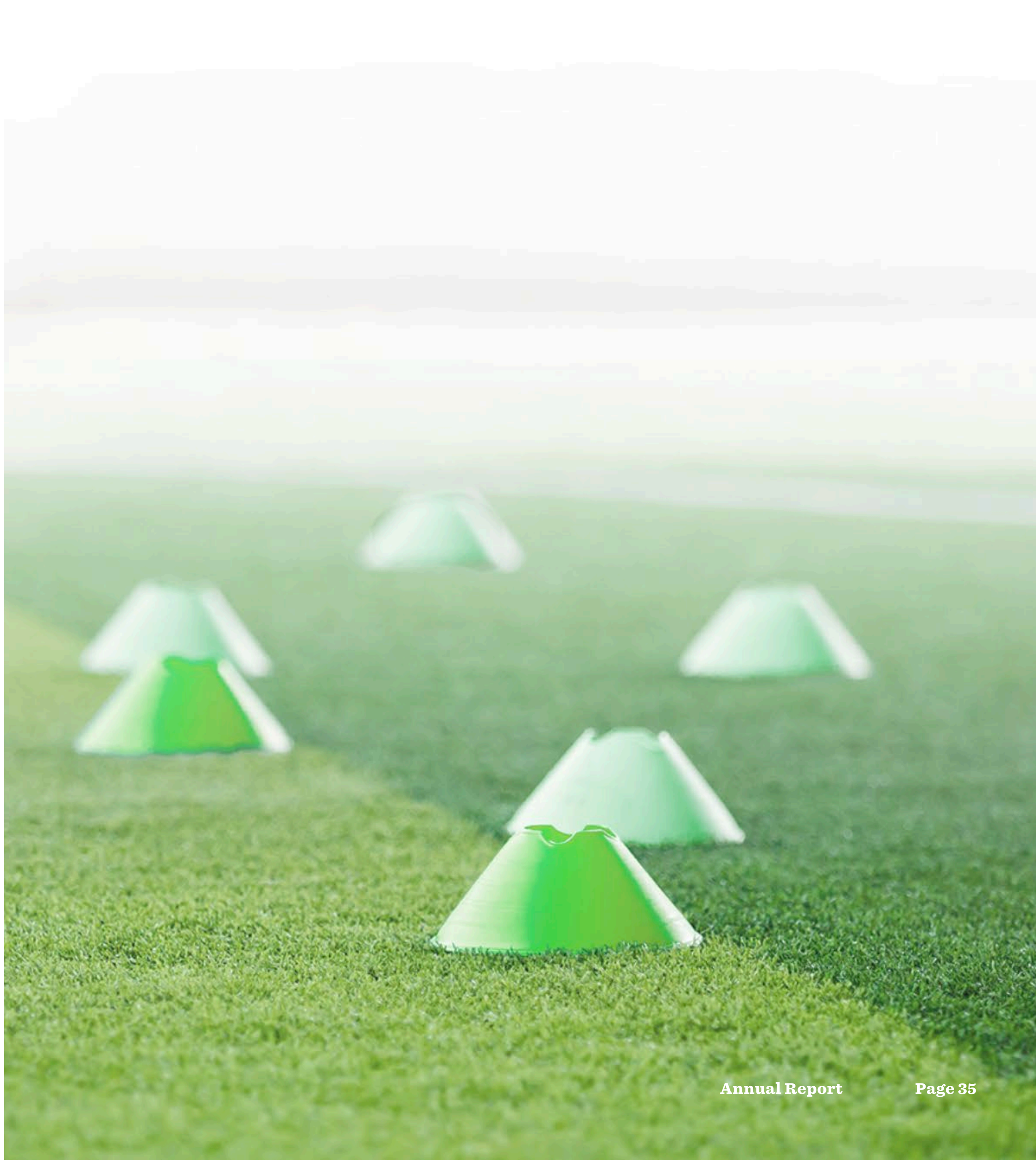
CFO
Born, 1965
Nationality, DK
Present position since 2018

Education: Flemming Pedersen holds a M.Sc. (cand. merc. aud.) and HD (Bachelor of Business Administration) from Copenhagen Business School.

Professional background: Flemming Pedersen has more than 25 years of management experience, whereof more than 20 years in executive positions in public companies. He has served as CFO of ALK-Abelló A/S, and was CEO and president of Neurosearch A/S. He has experience in general management, finance, accounting, tax matters, risk management and capital markets. In addition, he has experience from board positions in both public and private companies in Denmark as well as internationally.

Other assignments: Chair of the Board Mindway AI ApS. Member of the executive board of Naapster ApS.

Previous assignments (past five years): Chair of the board of directors of ALK-Abelló Nordic A/S and Good-stream ApS. Member of the board of directors of MB IT Consulting A/S and MBIT A/S. Member of the executive management of ALK-Abelló A/S.



The BETCO share and shareholders

Better Collective A/S has been listed since June 8, 2018 and is traded on the Nasdaq Stockholm Mid Cap index. The company's ticker is BETCO.

Share price and trading

The closing price for the BETCO share on December 31, 2022 was 127.20 SEK, corresponding to a market cap of approximately 7,015 mSEK. During the period from January 1, 2022 to December 31, 2022, a total of 13,968,255 BETCO shares were traded on the Nasdaq Stockholm exchange at a total value of 2,106 mSEK, corresponding to 25% percent of the total number of BETCO shares on the Nasdaq Stockholm exchange at the end of the period. The average number of shares traded per trading day was approximately 54,143, corresponding to a value of 8.3 mSEK. An average of 504 trades were completed per trading day. The highest price paid during the period January 1, 2022 to December 31, 2022 was 205.00 SEK on January 3, 2022 and the lowest price paid was 126.00 SEK on October 21, 2022. During the period from January 1, 2022 to December 31, 2022, Better Collective's share price declined 35.4%, while the OMX Mid Cap list decreased by 28.2%.

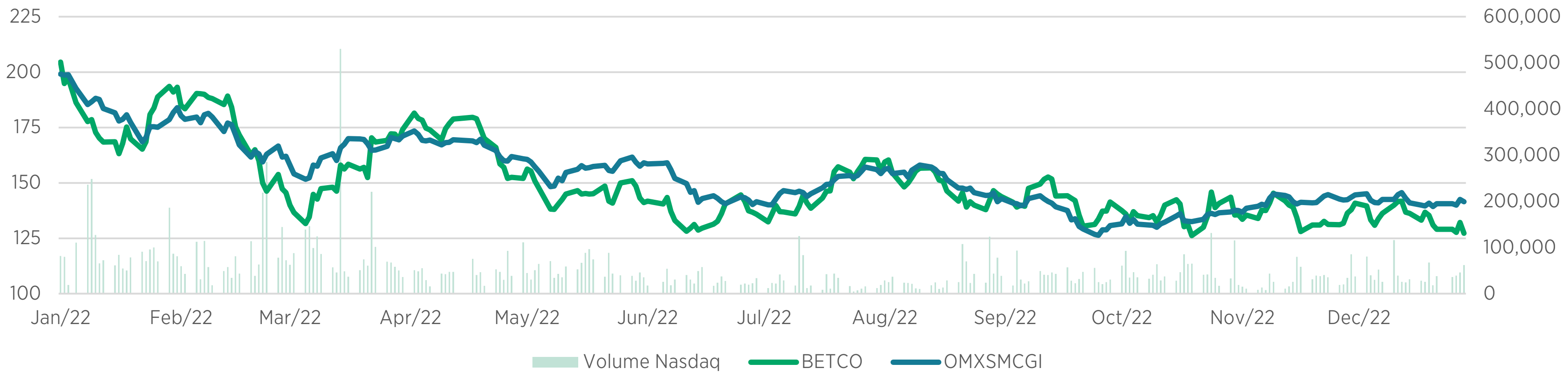
Shareholders

On December 31, 2022, most of the share capital was owned by the company's founders and institutions predominantly in Sweden, Denmark, and the rest of Europe. On December 31, 2022, Better Collective had 3.667 known shareholders, corresponding to a 11.6% decrease from January 1, 2022. The ten largest shareholders accounted for 63.8% of the votes and share capital. The members of Better Collective's board of directors held a total of 1,636,831 BETCO shares. The executive management held a total of 21,654,324 BETCO shares. The individual holdings can be found on page 26.

Share capital and capital structure

On 31 December 2022, the share capital amounted to 551,496.69 EUR. The total number of shares amounted to 55,149,669. All shares in the market hold equal voting rights and equal rights to the company's earnings and capital.

Share price performance



Analysts

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Nordea Markets
Marlon Värnik
marlon.varnik@nordea.com

Redeye
Hjalmar Ahlberg
hjalmar.ahlberg@redeye.se

Share price and trading:

Closing price 2022:	127,2 SEK
Corresponding MCAP (SEK):	7.015.037.897
Total number of shares traded on Nasdaq Stockholm exchange:	13.968.255
Traded total value on Nasdaq Stockholm exchange:	2 106 360 608
Avg. shares traded on Nasdaq Stockholm exchange per day:	54.143
Avg. Traded total value per day on Nasdaq Stockholm exchange (SEK):	8.325.536
Total number of trades on Nasdaq Stockholm exchange:	127.414
Avg. Trades per day on Nasdaq Stockholm exchange	504
Highest price paid between 2022-01-01 to 2022-12-31: (2022-01-03) (SEK)	205
Lowest price paid between 2022-01-01 to 2022-12-31: (2022-10-21) (SEK)	126
Share price change from closing 2021-12-30 to 2022-12-31:	-35,4%
OMX Mid Cap list (OMXSMCGI) change from closing 2021-12-30 to 2022-12-31:	-28,2%

Shareholders:

Known shareholders December 2022:	3.667
Change in number of known shareholders between 2022-01-01 to 2022-12-31: (4149-->3667)	-11,6%
Top ten largest shareholders %:	63,8%

Source: Modular Finance AB. Data compiled from Euroclear, Morningstar, Finansinspektionen, Nasdaq.

Dividend policy

Better Collective has successfully executed an acquisition strategy since 2017, completing 28 acquisitions so far. The M&A-pipeline is strong with the opportunity to acquire large companies. Therefore, the company does not expect to pay dividends until further. The board of directors will revisit the capital structure of the Group annually and evaluate whether to pay dividends. The decision to pay dividends will be based on the company's financial position, investment needs, liquidity position as well as general economic and business conditions. If the board of directors finds it appropriate, dividend pay-out may be partially or wholly substituted by a share buy-back. Thus, the board has proposed that no dividend is paid out for the financial year of 2022.

Individuals with an insider position

Listed companies are required to record a logbook of individuals who are employed or contracted by the company and have access to insider information relating to the company. These can include insiders, but also other individuals who have obtained inside information. Better Collective records a logbook for each financial report or regulatory release containing information that could affect the share price.

Annual General Meeting 2023

The Annual General Meeting 2023 will take place on April 25, 2023, at 2.00 p.m. For more information, see the section on General Meetings on the company's website.

Investor relations

Better Collective shall provide correct, relevant, and clear information to all its shareholders, the capital market, the society, and the media, at the same time. Information that is deemed to be inside information shall be published so that it reaches the public in a quick, non-discriminatory manner. All important events, that could influence the value of Better Collective, shall be communicated as soon as possible, that is in direct connection with the decision being taken, the election taking place

Investor contact

Mikkel Munch-Jacobsgaard,
Director of Investor Relations & Corporate Communications
E-mail: investor@bettercollective.com

or the event becoming known to Better Collective. The Better Collective website, www.bettercollective.com, contains relevant material for shareholders, including the current share price, press regulatory releases, and general information about the company. Better Collective maintains a quiet period of 30 days prior to the publication of interim financial reports. During this period, representatives of the Group do not meet with financial media, analysts or investors.

Top 10 largest shareholders as at December 31, 2022

Owner	Num. of shares
Jesper Søgaard	10.671.179
Christian Kirk Rasmussen	10.671.179
Chr. Augustinus Fabrikker A/S	2.523.000
Tredje AP-fonden	2.465.982
Andra AP-fonden	2.170.724
Danica Pension	1.838.870
Deka Investments	1.305.100
Teacher Retirement System of Texas	1.275.000
Jesper Ribacka	1.188.000
Knutsson Holdings AB	1.047.871
Top 10 largest shareholders	**35.156.905**
Other shareholders	19.992.764
Total number of shares	**55.149.669**

Source: Modular Finance AB. Data compiled from Euroclear, Morningstar, Finansinspektionen, Nasdaq

Financial calendar

April 25, 2023
AGM

May 16, 2023
Interim Financial report Q1

August 22, 2023
Interim Financial report Q2

November 15, 2023
Interim Financial report Q3

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Statement of corporate responsibility

cf. the Danish Financial Statements Act sections 99a, 99b, 99d and 107d as well as the EU Taxonomy regulation.

Founder statement

We are pleased to present Better Collective's sustainability report for the year 2022, which showcases our ongoing commitment to environmental, social and governance (ESG) practices.

Since we founded Better Collective, we have strived to offer entertaining and engaging sports media content for our users. This objective has shaped our vision to become the leading digital sports media group along with our mission to make sports entertainment more engaging and fair. As a leader in the intersection of media and entertainment, with an element of igaming, we reach millions of sports fans. With this position comes an obligation to ensure a responsible and sustainable offering including editorial guidelines, proper segmentation, and safer gambling resources.

Offering transparency in the industry

As we are continually growing our business and adding new entities, we dedicate our attention to initiatives that allow us to grow sustainably. Most importantly, we want to help sports fans navigate the world of sports betting by having them visit a Better Collective brand before registering an account or placing a bet with a sportsbook. This is important as we only work with licensed sportsbooks in regulated markets. Our US leading sports betting media; Action Network, has an app which is used by millions of sports fans. In this app, we have developed BetSync, which offers users the unique opportunity to track their bets and outcomes across several sportsbooks. This adds transparency and supports a sustainable betting behavior. We are excited about the positive feedback we receive from BetSync users and the transparency we can offer down the line as we onboard more sportsbooks to the solution and explore more geographies for the app.

Playing a key role in channelization

As we operate in regulated markets with licensed sportsbooks, we play an important role in channeling users to the right sportsbooks. In the online marketplace, users will be met with a multitude of offers, some of which are outside the regulated markets which means that user protection measures may not be in place and marketing practices non-compliant. Our objective is to work with partners who proactively address safer gambling and given our position in the value chain, we aim to educate our users while pointing them towards legal sportsbooks.

Our commitment to sustainability

Being a business with operations structured around responsible practices, we find it crucial to support the overall sustainable development of our world and industry. This is why Better Collective committed to incorporate the UN Global Compact and its 10 principles into our strategy, culture, and day-to-day operations in 2019. With this report, which is also our Communication on Progress, we renew our ongoing commitment to the initiative and our continued support for the Sustainable Development Goals (SDGs). As a result of our commitment we always strive to operate in ways that meet fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption. We see our efforts and commitment as constant work which each year gets better, and we strive to supply the data to support transparency of our efforts.

A talented and diverse workforce is key

In 2022, we established a Diversity, Equity & Inclusion topics in the Better Collective Group. A special focus this last year has been actively pursuing a diverse workforce and ensuring equal opportunity to everyone. If we take a quick look at our organization, it is evident that when it comes to females in leadership positions we are – like most other companies in our industry – lagging behind. To speed up our efforts and create awareness, we have recently signed two pledges: The Confederation of Danish Industry's (DI) Gender Diversity Pledge along with the UN's Women Empowerment Principles. We genuinely believe that by having a better representation of society in our company and creating a working environment that is inclusive and fair, we will foster an innovative environment and, in the end, become a more sustainable and successful business.

> *"We approach diversity and inclusion as drivers in our long-term strategy; building a sustainable business that is here to perform not only today and tomorrow but also far into the future."*
>
> **Jesper Søgaard**
> Co-founder and CEO

Environmental responsibility

'To strengthen our sustainability approach, we have been tracking our carbon emissions for the fourth consecutive year. Being an online business, our footprint is limited, and our largest impact comes from our travel activities. With offices across the world, we value the opportunity to meet in person to create closer ties between teams and similarly for business contacts, not least after being cut off from meetings during the pandemic. That said, we have also fully embraced the virtual meeting facilities and we are carefully considering when to fly. Throughout 2022, we have updated and developed our policies, systems, and processes to manage and mitigate social, governance and environmental risks.

Linking executive pay to ESG targets

We acknowledge that our sustainability reporting and responsibilities require constant attention and resources. Therefore, we have laid a solid foundation upon which a clear vision for our sustainability work continuously can be built. In 2022, we started including ESG goals in the executive management team's bonus and for 2023 the ESG goals will make up 10% and be based on social KPIs: gender diversity and employee training.

Uncertainty brought on by the Russian invasion of Ukraine

The Russian invasion of Ukraine caused us to suspend business activities related to the Russian market. The impact on our business has been limited and we have no employees or representation in Ukraine, yet we have Ukrainian employees and others with close ties to Ukraine who are deeply affected by the current situation. We have made donations to humanitarian action and set up a program to aid our Polish colleagues to volunteer in local initiatives.

Looking ahead

Overall, we are proud of the progress we have made this year in our sustainability efforts. We remain committed to building a better, more sustainable future for our company and our stakeholders, and we look forward to continuing to lead by example in the years to come.

Christian Kirk Rasmussen
Co-founder & COO

Jesper Søgaard
Co-founder & CEO

Reporting framework

The present report covers the financial year January 1, 2022, to December 31, 2022, and constitutes our statutory reporting cf. the Danish Financial Statements Act, Sections 99a, 99b, 99d and 107d as well as the EU Taxonomy regulation.

To give our stakeholders an overview of our performances, the report puts forth our current sustainability efforts and presents our focus areas, ambitions, achievements, and goals. The report addresses any relevant social, governance and environmental issues relating to Better Collective's activities.

Framework and commitments

To operationalise our sustainability strategy we have built on our framework which we introduced in the 2020 sustainability report. In this report, we have further aligned our framework to the Environmental, Social and Governance factors (ESG) and related them to our business operations and key stakeholders. We have made sure that each area contributes to the positive development of the chosen Sustainable Development Goals (SDGs) and/or respects the UNGC ten guiding principles. The report also serves as our Communication on Progress as we renew our ongoing commitment to the initiative and our continued support for the SDGs. Our overall ambition is to use our leading position to influence and support safer gambling and a sustainable development of society – for the benefit of our employees, shareholders, users, partners, the industry and our business.

Our commitment is founded on respect for the core principles of human rights (including labor rights), the environment (including climate), and anti-corruption as reflected in the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This commitment is embedded in our strategy and business operations.

The ESG key figures presented in our reporting take their departure in the ESG key figure overview as published by The Danish Finance Society / CFA Society Denmark, FSR – Danish Auditors, and Nasdaq Copenhagen. The reported data is uploaded to Nasdaq Nordic's ESG Data Portal certifying Better Collective as a Nasdaq ESG Transparency partner.

Continuity

While we have further aligned our focus areas to the ESG framework, we have ensured continuity in reporting. Our ESG metrics have all been continued from the previous sustainability report and for 2022 we have implemented new data points for increased transparency and in preparation for the upcoming Corporate Sustainability Reporting Directive to come into force from the financial year 203.

We have discontinued *local communities* as a separate focus area and instead included our ongoing initiatives in *social* and *environmental* respectively.

In the 2020 and 2021 reports we have addressed the Covid-19 pandemic and it's impact on the company's operations and the health and safety of our employees. As the impact was limited and declining in 2021, management has assessed the matter to be non-material for the 2022 report.

Balance

Throughout the report we describe our efforts and achievements whether they are positive or negative. We ensure this by continuing to report on the same metrics year after year and only adding to rather than discontinuing reporting on those metrics.

THE GLOBAL COMPACT
WE SUPPORT

SUSTAINABLE DEVELOPMENT GOALS

NASDAQ ESG TRANSPARENCY PARTNER
Nasdaq
2021

Materiality assessment

The report primarily focuses on the topics that are considered the most important to our business operations. These topics have been selected and prioritized based on a double materiality assessment performed by Better Collective's management and the sustainability board. The assessment is carried out as a mix of desk research, internal workshops, questionnaires and dialogue over time with our primary stakeholders for sustainability, and the board. We consider our stakeholders for sustainability to be our shareholders, our partners and sports fans, our employees, regulatory authorities, and society as a whole. The assessment includes how our activities may affect society negatively and how society may affect the company negatively.

The sustainability data collection in the present report relates to Better Collective's operations for 2022, and further addresses our ambitions and KPIs for the future both short- and long-term. The outcome of our materiality assessment is listed in the tables below.

Major

- Safer gambling
- Talent attraction and retention
- Employee development
- Diversity, equity and inclusion

Significant

- Business ethics
- Cybersecurity
- Responsible marketing
- Anti-corruption

Moderate

- Data/privacy protection
- Tax transparency
- Climate risk

ESG strategy

Responsibility and sustainability are ingrained elements of Better Collective's business model and have been the cornerstone of our organization since its inception in 2004.

Social

Our people: Foster and uphold an inclusive and diverse workplace by implementing socially responsible conducts and eliminating all discriminatory practices.

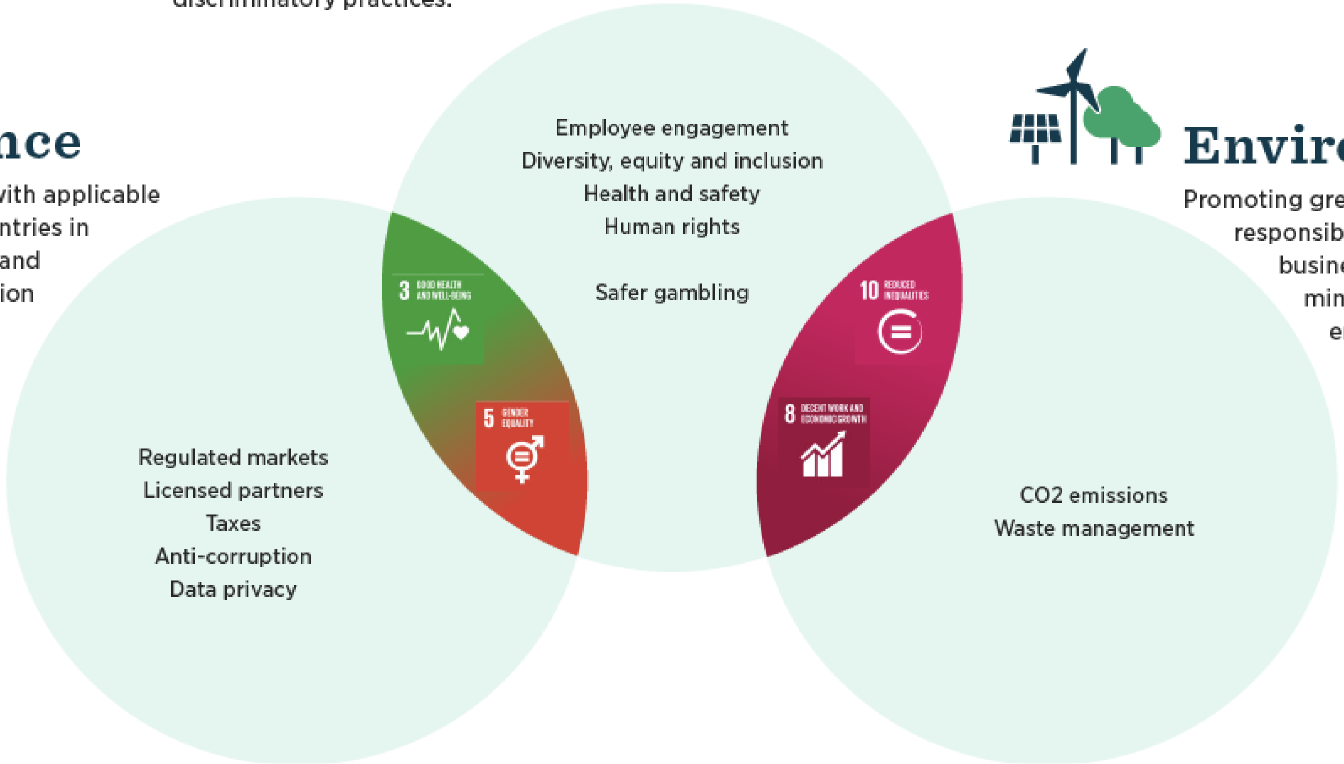
Our users: To promote safer gambling through education of users

Governance

At all times comply with applicable legislation in the countries in which we are active, and work against corruption in all its forms.

Environment

Promoting greater environmental responsibility through sustainable business practices and minimising our carbon emissions.



Sustainability governance

Good governance is essential in helping us to run our business responsibly and to meet the ambitious goals in our strategy.

The governance of Better Collective's sustainability efforts defines the role of the Board and its Committees as well as specifying the powers the Board delegates to our Group Management.

We rely on clear terms of reference for the sustainability board to support and advise us as we put our strategy into action. To further the sustainability agenda, we have put in place a DEI board and a safer gambling board to address these matters across our organization, gathering expertise from relevant teams. The insights from these groups feed into the Group Management and Board's decision-making.

The Board of Better Collective

Our Board is a diverse one in terms of gender and nationality. Members have expertise that includes wide-ranging board and leadership experience as well as specific skills such as understanding of sustainability, finance, the igaming industry, technology and digital.

The Board has ultimate responsibility for reviewing, monitoring and guiding the strategy of Better Collective, as well as its conduct. Our Board members provide constructive challenges, strategic guidance and specialist advice, bringing their diverse experience to our discussions and decision-making.

The Board has overall accountability for the management and guidance of risks and opportunities, including those associated with aspects of sustainability, such as operating a compliant business, promoting safer gambling, implementing socially responsible conducts, environmental responsibility, and ethical behavior.

See risk management on p. 29 for sustainability risks.

Social

Our people

It is our long-term commitment to foster and uphold an inclusive and diverse workplace by implementing socially responsible conducts and eliminating all discriminatory practices.

Our business is based on specialized expertise and innovation, this is why we see people as a core element in everything that we do. We believe it is crucial to consistently cultivate an inclusive and diverse employment environment that promotes the rights of the individual. These efforts support the SDG 8 in promoting inclusive, sustainable, and productive employment for everyone at Better Collective.

Onboarding and learning

New employees, including those welcomed from acquired companies, are introduced to Better Collective and our policies through an extensive onboarding program. We conduct biannual development dialogues between manager and employee to discuss performance and further development for each individual employee. Our leadership development initiative ensures the continuous professional development of our managers to match the ever-changing nature of our business. The 2021-2022 program, consisting of 6 seminars, was attended by approximately 100 managers across offices. By supporting the professional and personal development of our managers, we enable them to identify and deal with challenges in their respective teams. Ultimately, such initiatives ensure the well-being of all employees and make Better Collective an attractive and respected workplace.

Measuring our work culture

We conduct an annual workplace survey, and the 2022 results indicated a healthy and effective work environment with engaged and highly motivated employees. Our engagement score of 83% (2021: 87%) is high though fluctuating year to year which may also reflect our continuous growth by new hires and entire teams through acquisitions. The survey returned an unsatisfactory number of harassment cases (11 in 2022 against 9 in 2021). As the survey is anonymous, we can only investigate the cases that are also reported to HR of which we have had none that were considered severe. During the year we implemented anti-harassment training to educate all employees and encourage them to come forward if they experience harassment of any kind for the matter to be dealt with. We will strive to increase openness while working to bring down the number of cases. We recognize the risk for the well-being of the employees exposed to harassment of any kind as well as for our work environment.

Health and safety

We give priority to health and safety at work in compliance with the regulations and standards in the countries in which we operate. We run local health and safety initiatives to assess health and safety risks and to generate preventive solutions. The health and safety committee issues guidelines, performs workplace evaluations, and maintains the fire instructions and evacuation plan. We have implemented a more flexible working schedule as working from home (WFH) has proven efficient for most of our employees, both in terms of productivity and improving the work-life balance. We follow and adhere to the guidelines set out by the authorities where applicable. Depending on local customs, our offices provided employees with internet allowance, IT equipment and office furniture. In this way, we make sure they have the best physical conditions at their home office. We had no reported cases of workplace injuries in 2022 (2021: 0).

▶ **Sustainability policy**
https://bettercollective.com/wp-content/uploads/2023/03/Sustainability-Policy-Better-Collective_approved-2023.02.21.pdf

▶ **Code of Conduct**
https://bettercollective.com/wp-content/uploads/2023/03/Better_Collective_Code-of-Conduct_approved-2023-02-21-3.pdf

Diversity and inclusion, cf. §107d

In our business practices and in relation to the composition of our management we aim to level the playing field through gender awareness in recruitment and retention, equal pay, and equal access to training while upholding a zero-tolerance policy against harassment at the workplace. As stated in our diversity manifesto, we are committed to building a diverse team and inclusive culture. Diversity spans across many dimensions, including ethnicity, seniority, nationality, age, gender, education, and religion. Better Collective aims to offer equal opportunities to everyone across our organization and sound policies and benefits are in place for the promotion of diversity and equality. Our Diversity, Equity, and Inclusion (DEI) board involves our employees through employee resource groups in these efforts. It is management's view that the policies are met, as the criteria on diversity and inclusion has taken basis for selection of the board of directors and the other managerial positions in 2022.

Gender distribution

Better Collective is part of a male dominated industry, both in terms of tech and sports betting. To acknowledge this challenge and to further the positive development of SDG 5, diversity and inclusion initiatives have been on our agenda for 2022. To secure that policies are met, 2022 initiatives included awareness of possible bias in our recruitment processes, including training for hiring managers, job ad terminology, and screening. By the end of the year Better Collective group counted 29% of the underrepresented gender (women) against 30% in 2021 which means we have not made progress towards our goal of reaching 35% by 2030.

Gender distribution in management, cf. §99b

Better Collective has set a target for the board of directors of 35% of the underrepresented gender. The board is made up of two women (33%) and four men (67%) whereby the split is the number that comes closest to 40% without exceeding 40% in a board consisting of six members. This is considered an equal gender distribution by the Danish Business Authority. The board has adjusted the target from 35% to 40% from the year 2023. It is management's view that the board composition meets our policy on additional diversity criteria based on age, nationality, and educational background.

For the other management levels in the company, the gender split in 2022 was 12% women and 88% men. This is a decline from 2021 (17% women and 83% men), though it is partly due to a change in reporting: In preparation for new rules in the Danish Companies Act coming into force in 2023, other management levels include the executive management and their direct reports, which brings the group from six in 2021 to 17 in the 2022 reporting. The technical reasons aside, Better Collective recognizes that gender distribution at the other management level is unsatisfactory. Recruitment and promotion of managers in 2022 did not improve the gender distribution although this was the aim. We will continue the work to increase the share of the underrepresented gender at all management levels through new initiatives to ensure that both genders are represented in recruitment at the interview stage and similarly that gender is considered in succession planning. The board has set a target for the other management levels of 25% to consist of the underrepresented gender by 2027.

Collaboration and commitment to further gender equality

We recently joined the All-In Diversity Project which is an industry-driven initiative to benchmark diversity, equality, and inclusion for the global igaming sector. We are proud to join as the first non-sportsbook founding member alongside the likes of Entain, Caesars, Betsson, Flutter and Kindred, to provide guidance and support sharing best practices and resources.

We have further shown our commitment to gender equality in signing both the Confederation of Danish Industry's (DI) Gender Diversity Pledge along with the UN's Women Empowerment Principles. The job market is to this day still quite gender-imbalanced and that curbs developments in businesses as well as society. The business community plays a large role in the battle to create a more inclusive society and by joining these initiatives we take part in identifying and taking measures that can make businesses more diverse.

We've signed THE GENDER DIVERSITY PLEDGE di.dk/gdp

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

All-in DIVERSITY PROJECT diversity • equality • inclusion

Human rights

Better Collective persistently strives to be a responsible corporate citizen, which entails respecting human rights and supporting the protection as well as advancement of human rights. To solidify our commitment, we implemented a human rights policy in early 2022. We have taken the first steps to establish an ongoing human rights due diligence process to move us from commitment to action. So far, we consider our salient human rights issues to relate to our own workforce as currently addressed and mitigated by measures mentioned in the previous pages.

Recently, we have joined hundreds of companies across the globe in UN Global Compact's Business & Human Rights Accelerator to further our learning and implementing best practices in Better Collective. We recognize that failure to comply with human rights and principles constitutes a risk to those potentially impacted as well as a reputational risk to the company.

▶ **Human Rights policy**
https://bettercollective.com/wp-content/uploads/2022/03/Human-Rights-Statement_approved_BoD_2022.02.23.pdf

▶ **Modern Slavery Act**
https://bettercollective.com/wp-content/uploads/2022/09/Modern-Slavery-Policy_approved_2022.08.22.pdf

Our Academies on tech and marketing

Since 2021, we have been running BC academies in Niš, Serbia, which targets the local youth by encouraging them to enroll in one of the education programs tailored by Better Collective.

Having our own, specially designed training delivered in the form of the SEO (search engine optimization), SEM (search engine marketing), WordPress, fullstack, and quality assurance academies is a key long-term play in ensuring Better Collective can continue to hire best-in-class talents, who already come equipped with the skill sets required and can hit the ground running.

Not only is the academy beneficial to Better Collective, but it also provides an alternative education and subsequently career opportunity for the youth in Niš. By educating the local youth in tech and marketing we also contribute to lowering the general unemployment rate in Serbia. It is a true win-win situation being able to give back to the community while furthering our own competitive edge. In 2022, we enrolled a total of 33 participants across the five subjects.

"The academy gives young people a chance to discover areas of business that otherwise would be inaccessible. Considering that many jobs today do not require traditional education, it can be difficult to enter these fields or gain enough experience. This is exactly the opportunity Better Collective's academies provided me with."

Milena Jeremic
PPC Campaign Assistance and Academy graduate

Social

Our users

For our users, our long-term commitment is to promote safer gambling through education. Ultimately, the focus on safer gambling and being a responsible business is what grants us our social license to operate.

As a digital sports media group, we derive a significant part of our revenues from our user's engagement in sports betting with our sports book partners Better Collective views sports betting purely as a form of entertainment and wants to make sure that sports fans and employees' betting experiences remain as a form of fun and entertainment. In 2022, we have increased our efforts internally by updating our safer gambling policy and implementing training programs to support a safer approach to betting.

Safer gambling resources

We want to ensure that our users are better suited to navigate the iGaming world by visiting a Better Collective website before registering an account with a sportsbook. We focus on the teaching of strategies and the presentation of insightful information and data to make our users more confident in their betting. However, we do not, and cannot, guarantee winning – and we will never claim to do so. As Better Collective is not a sportsbook, we rely on our partner operators to scan for user behavior and take action when a sports fan shows signs of at-risk or problem gambling behavior.

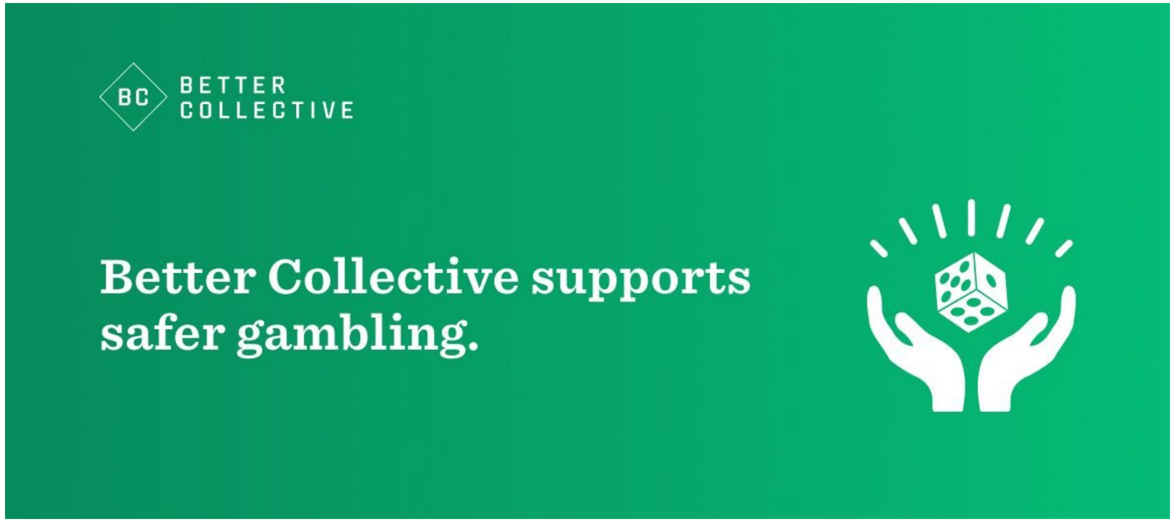
We can educate sports fans, e.g., by making sure that they know the legal gambling age, of possible adverse effects of gambling, and prevention. By taking responsibility in protecting end-users from potential negative health-impacts - in this case gambling addiction - and by promoting mental health and well-being through various initiatives, it is our goal to aid the positive advancement of SDG 3.

We offer safer gambling resources on our websites, as well as a Betting Academy to educate users. For our employees, we rolled out an updated safer gambling policy in 2022 and launched safer gambling training which will continue in 2023. We have implemented the Gamalyze software on our internal employee platform and we encourage all employees to take the test at least annually.

Collectively we are better

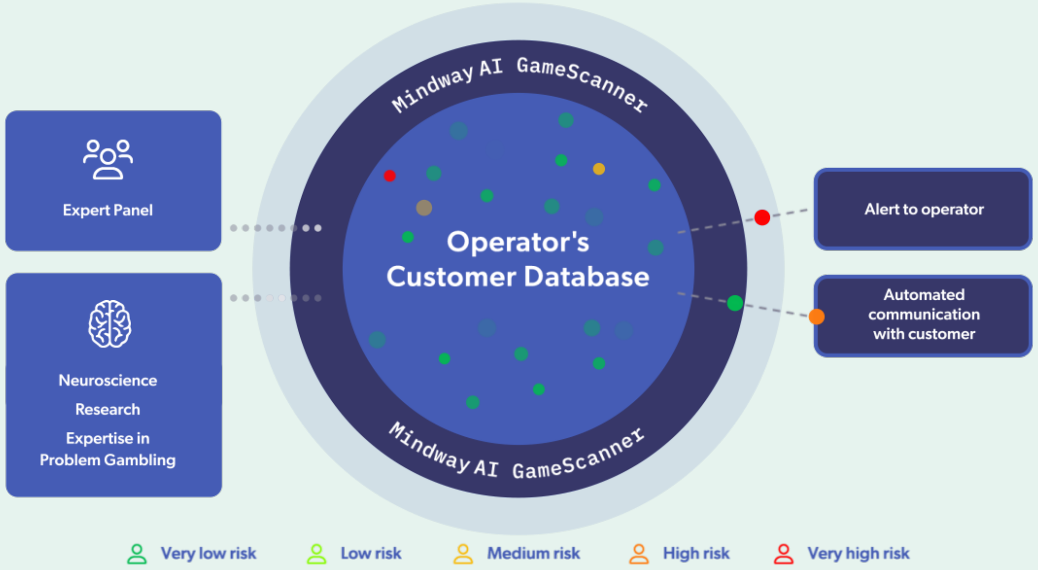
We strongly believe that the long-term sustainability and growth of the sports betting industry is dependent on responsible operations. Evidently, this is not achieved by a single business, but rather by a collective effort across the industry. This is why Better Collective in 2019 entered into a partnership with our peers Racing Post and Oddschecker to co-found the UK based trade association, Responsible Affiliates in Gambling (RAiG). Through RAiG we promote socially responsible marketing of gambling products and a safer gambling environment for users. As a condition of membership in RAiG, each member is subject to an annual social responsibility audit which is conducted by an independent third party. Again, this year we participated in the Safer Gambling Week, a cross-industry initiative to promote safer gambling in Europe.

Similarly, we are active members of various national associations, one of which is the Danish Online Gambling Association (DOGA). Through DOGA we work to initiate dialogue between all stakeholders in the gambling industry to secure a responsible and safe gambling market in Denmark and other countries. We are also members of the German Association for Telecommunication and Media (DVTM)and the US National Council on Problem Gambling (NCPG).



Creating safer customer journeys with Mindway AI

Mindway AI (part of the Better Collective Group) specializes in supporting the igaming industry with various safer gambling tools and solutions.



Mindway AI is an award-winning company that develops state of the art software solutions for fully automatic monitoring and profiling of gamblers and for identifying, preventing, and intervening in at-risk and problem gambling.

Mindway AI plays an increasingly important role in the iGaming ecosystem supporting operators on a global scale to create safer iGaming experiences. This supports our ambition to make betting safer: while we can't control what operators do, we support them by holding them to high standards during the customer acquisition process and by providing them with a chance to set the bar higher and take initiative in developing sustainable gaming through Mindway AI tools and software. That way, we are extending our influence in the value chain rather than focusing only on our own area.

Early detection of at-risk and problem gambling

Mindway AI partners with operators and leading industry organizations with a clear mission to improve player protection in the gambling industry. By combining neuroscience, AI and human expert assessment, the safer gambling software helps operators meet and exceed player protection requirements. The award-winning AI solution GameScanner ensures a fully automated, early detection of at-risk and problem gambling, allowing operators to reach out to players before unhealthy gambling habits escalate.

This way, we make a real difference for millions of players around the world. GameScanner is already running in nearly 40 jurisdictions in 20 countries boosting operators' player protection, scanning a total of 6.5M active players per month.

Gamified reinvention of the self-test

Gamalyze is an award-winning, gamified reinvention of the self-test, making self-testing more user-friendly, engaging, and actionable than typical player questionnaires. Gamalyze helps players develop self-awareness of their risk profile and their decision making when they engage in gambling. Drawing in insights from neuroimaging, Gamalyze analyzes each user's decision while they play and generates a report with feedback on the player's strategy and their sensitivity to rewards and losses. It also includes advice tailored to the individual user.

Making good use of Mindway AI expertise and tools

Mindway AI and Better Collective share common goals for safer gambling, and while Mindway AI is run as an independent business, we make good use of the expertise and tools available when offering safer gambling resources on Better Collective platforms. Gamalyze is available to our users on key websites together with insightful articles on safer gambling authored by Mindway AI experts.

We recognize that working in an environment where gambling is normalized makes our employees more exposed to gambling and therefore at a higher risk when it comes to problem gambling. Gamalyze is available to all employees, and we remind everyone at least annually to test their gambling behavior along with training and awareness activities. Furthermore, meeting colleagues across the Group, Mindway AI helps create awareness on safer gambling at internal events and on our Safer Gambling Board.

Governance

It is our long-term commitment to comply with applicable legislation in the countries in which we are active, and work against corruption in all its forms.

At Better Collective, we believe that corporate sustainability starts with our value system and a principles-based approach to doing business. This is reflected in our business ethics where we conduct business in compliance with applicable laws, regulations, and standards. We are subject to a variety of national compliance regulations in the countries where we operate, and to aid in developing a sustainable iGaming environment we solely operate in regulated markets or markets where sports betting is accepted by the authorities.

We seek to develop editorial guidelines, which ensure balanced and compliant marketing messages and include proper segmentation for our activities across different channels using marketing technology to avoid targeting the wrong audience.

Regulation of markets

As sports betting becomes more widespread, more countries are amending or implementing new gambling laws and regulations to protect users and to limit black market activities. We have processes for being continuously updated on regulation and applying for licenses where relevant. Our in-house legal team is also dedicated to this area, with compliance processes for our websites.

Commitment to compliance

For the fourth consecutive year, Better Collective was awarded for its efforts within compliance at the Vixio Global Regulatory Awards. We seek to educate regulators, politicians, and users on what performance marketing is, what it entails, and to ensure that relevant standards are set for our industry.

We do not engage in cryptocurrency payments. When partnering with operators and reviewing acquisition targets, it is an integrated part of our due diligence process to pay careful attention to any signs of money laundering or fraud - in case of which we choose not to engage.

The Russian invasion of Ukraine caused us to suspend business activities related to the Russian market which was predominantly advertising activities. The impact on our business is limited at an estimated full-year effect on revenue and earnings of approximately 1-2 mEUR in 2022. Better Collective fully supports the sanctions and the signal from corporations in suspending activities.

Anti-bribery and corruption

Better Collective condemns the acts of corruption and bribery. Not only are they illegal; they also pose a threat to our trustworthiness and a risk to our partners, users, and authorities. Our policy on anti-bribery and corruption is included in our Code of Conduct and was updated in 2022 and implemented across the Better Collective group. We aim for 0 reported cases of bribery and corruption, including any behaviors that abuse entrusted power for private gain in Better Collective.

Our whistleblower scheme facilitates anonymous reporting, and we encourage all employees to speak up if they find something to be in breach of our policies. During 2022, we have not received any reports about bribery, facilitation payment, or other forms of corruption nor have we received any other whistleblower reports.

Code of Conduct

Throughout our organization we promote our Code of Conduct as a guide for all employees on the standards and values of a compliant and responsible business. The Code of Conduct also outlines that all employees are to report on gifts, meals, and entertainment (received and offered) to track and prevent conflicts of interest. Our efforts within governance advance overall sustained, inclusive, and sustainable economic growth while they also secure full and productive employment and decent work for our employees - all of which support SDG 8.

▶ **Data ethics policy**
https://bettercollective.com/wp-content/uploads/2022/09/Data-Ethics-Policy_approved_2022.08.22.pdf
▶ **Code of Conduct**
https://bettercollective.com/wp-content/uploads/2023/03/Better_Collective_Code-of-Conduct_approved-2023-02-21-3.pdf

Data ethics report

We have developed a policy for data ethics in light of Section 99d of the Danish Financial Statements Act and this section serves as our report on data ethics for the financial year 2022. The data ethics policy outlines a set of data ethics principles that support ethical decision making when using data across Better Collectives activities. We employ data to provide our users with a unique and educational experience whenever they visit our websites and/or engage in our communities. To give our users the best and most relevant experience possible, we process various categories of data including user-related data and personal data. In 2022, we adjusted the data ethics policy. Planned activities for 2023 include establishing a process and governance setup to handle and evaluate data ethics reporting.

Environment

Better Collective has always been committed to making responsible decisions across all operations – this is also the case when it comes to our impact on the environment.

It is our long-term commitment to implement a precautionary approach to environmental challenges and minimize our carbon emissions. As we are an online business, our environmental impact is relatively small. Climate changes generally pose little risk to our current and future operations as we have no physical supply chain, and as such, we can operate almost anywhere. Still, we aim to minimize our carbon footprint and we are working towards setting a reduction target. Our environmental policy is included in our sustainability policy.

Key emissions factors

Business travel is one of BCs principal sources of carbon emissions and has a significant impact on our ambition to lower our carbon footprint. When making travel decisions, the environmental and economic impacts must be taken into account and weighed against the expected benefits of meeting in person. The booking principles, including low-carbon options, are included in the Better Collective Travel Policy.

Besides travel, server hosting, IT and office equipment, and food supplies make up most of our carbon intense procurement. When choosing suppliers, considerations of environmental factors must be considered. In 2022, we started including server hosting in our scope 3. Our range of websites are hosted at data centers with a conscious approach to the environment and a significant purchase of renewable energy (92% of estimated emissions in 2021-2022). Our next steps in scope 3 mapping include our procurement of IT and office equipment as well as food supplies.

Garbage with a significant negative environmental effect (such as batteries, IT equipment, etc.) should be re-used when possible or disposed of according to governmental recommendations. Old IT equipment, to an increasing degree, is disposed of by a third party based on environmentally responsible practices (where available) or re-used for private purposes by employees. Food waste should be kept to a minimum. We do so by working with our caterers and regulating our consumption daily.

The Sustainable Beekeeping Initiative

Better Collective Serbia had the opportunity to participate in an exciting urban beekeeping project. We placed one of our beehives in a business apiary in Belgrade. The project was collaborative, with Nordic Business Alliance companies playing a significant role in its implementation.

While the project produced some delicious honey, our involvement extended far beyond that. We saw this as an opportunity to learn from the bees and incorporate their work into our business practices. We shared this knowledge with our employees and partners to help promote sustainable and environmentally friendly practices throughout our industry.

The project lasted throughout the year and concluded this spring. We are proud to have been a part of such an initiative, and our involvement helped to impact both our industry and the environment positively. We're also planning to continue exploring ways to incorporate what we've learned into our business practices in the future.

Social metrics

The data in the following accounts is based on information registered in and retrieved from HR's software system. Our continued growth through M&As means that newer offices are not accounted for with the same accuracy as our long-standing operations.

Average number of full-time work force (FTE)

The average number of full-time employees as stated in the annual accounts 2022.

Total headcount (HC)

The total headcount by the end of 2022.

Gender diversity

The percentage of the underrepresented gender (women) in the workforce at the end of 2022.

Gender diversity top management

The percentages of the underrepresented gender (women) at the other management levels (in addition to the board of directors) at the end of 2022. Note the change in principle from 2021 to 2022: In preparation for new rules in the Danish Companies Act coming into force in 2023, other management levels include the executive management and their direct report, which brings the group from six in 2021 (executive management and SVP/VP) to 17 in the 2022 reporting.

Gender pay ratio

The gender pay ratio is calculated as the median male salary divided by the median female salary (the underrepresented gender), per country and collated as a weighted average for the group. Salaries include pension and excludes bonus, incentive programs and other benefits. The 2019 and 2020 figures have been recalculated.

Employee turnover

Employee turnover is defined as voluntary and involuntary leaves (headcount) divided by the number of employees and converted to a percentage rate. Resignations and dismissals have been specified and added in the 2022 reporting.

Sickness absence

The number of sick days for all HCs for the period divided by total HC. Action Network was left out of the calculations as it was not possible to gather information on sick days.

Employee engagement and response rate

Based on the average responses to five specified questions in our better workplace evaluation 2022.

Reported cases of harassment

Based on anonymous reports in our better workplace evaluation. The nature of harassment is unknown.

Reported workplace injuries

Number of reported workplace injuries as reported to HR.

Nationalities

Number of nationalities.

Corporate income tax

Total income tax for 2022.

▶ **Tax policy**
https://bettercollective.com/wp-content/uploads/2023/01/Better_Collective_Tax_Policy_approved_2022.08.22.pdf

Social	Unit	Target	2022	2021	2020	2019
Average number of FTE	FTE		878	635	420	364
Total headcount	HC		949	781	476	428
Gender diversity	%	35	29	30	30	31
Gender diversity top management	%	35	12	17	17	17
Gender pay ratio	Times	1	1.10	1.19	1.20	1.19
Employee turnover ratio	%		18.25	16.86	21.15	13.79
- Resignations	%		12.33	14.96	10.46	9.38
- Dismissals	%		5.93	1.90	10.68	4.41
Sickness absence	Days per HC		2.37	1.12	1.13	2.04
Employee engagement	%	80	83	87	85	-
Employee engagement response rate	%	80	75	91	-	-
Reported cases of harassment	Number	0	11	9	12	-
Reported workplace injuries	Number	0	0	0	0	-
Nationalities	Number		43	35	30	30
Corporate income tax	mEUR		16.89	12.60	6.00	5.00

Governance metrics

Gender diversity, board

Percentage of the underrepresented gender (women) on the board of directors elected at the Annual General Meeting. The board has a 67% (men) and 33% (women) split, which is the number that comes closest to 40% without exceeding 40% in a board consisting of six members and thereby considered an equal gender distribution by the Danish Business Authority. The target figure of 35% was reached in 2021. To signal a continued commitment to gender diversity, the board has increased the target from 35% to 40% from the year 2023.

Board meeting attendance rate

Percentage of board meetings attended per board member including board committee meetings (Audit committee and Remuneration committee respectively).

Breaches of customer privacy

Number of complaints for the breach of consumers' privacy including complaints from official data protection authorities. Any complaints under investigation will be included once investigation is finalized.

Reported cases of bribery or corruption

Number of cases reported to HR, in the whistleblower scheme or otherwise.

Whistleblower reports

Number of whistleblower reports received in 2022.

CEO pay ratio

CEO pay ratio is calculated as the CEO salary including bonus, pension and warrants divided by the median employee salary. Note that in 2020, the CEO waived his base salary in the second quarter in light of the COVID-19 pandemic impact.

Governance	Unit	Target	2022	2021	2020	2019
Gender diversity, board	%	35	33	33	17	20
Board meeting attendance rate	%	>95	99	96	97	100
Breaches of customer privacy	Number	0	0	0	-	-
Reported cases of bribery or corruption	Number	0	0	0	-	-
Whistleblower reports	Number		0	0	0	0
CEO pay ratio	Times		12.61	10.27	8.27	9.12

Our Carbon emissions

Direct Emissions
from Operations

site gas, company car travel

Scope 1

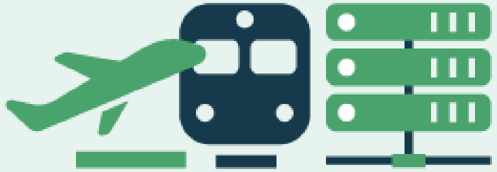
10.00 tCO_2e

Indirect Emissions from
purchased electricity

electricity generation,
district heating generation

Scope 2

50.32 tCO_2e



All other emissions in the
company value-chain

flights, commuting, server hosting

Scope 3

1,362.50 tCO_2e

Environmental metrics

Environmental data covers our 21 sites across 11 countries.

The GHG report has been prepared in accordance with Part 1 of ISO 14064: 2018. The GHG inventory, report, or statement has not been verified. The GHG calculation and report has also been prepared in accordance with The Greenhouse Gas Protocol Corporate Standard. The GHG inventory, report, or assertion has not been separately verified. The carbon footprint appraisal is derived from a combination of our own data collection and data computation by Carbon Footprint's analysts.

Carbon Footprint's analysts have calculated Better Collective's footprint using the 2022 conversion factors developed by the UK Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). These factors are multiplied with the company's GHG activity data. Carbon Footprint has selected this preferred method of calculation as a government recognized approach and uses data which is realistically available from the client, particularly when direct monitoring is either unavailable or prohibitively expensive.

CO_2 emissions scope 1

Scope 1 comprises CO_2 emissions from heating using oil and gas and from the usage of company cars.

CO_2 emissions scope 2

Scope 2 comprises CO_2 emissions from heating and electricity supplied by external suppliers.

CO_2 emissions scope 3

Scope 3 comprises CO_2 emissions from business travel by public transportation including flights, working from home and employee commutes, as well as district heating distribution and electricity transmission and distribution. Due to the COVID-19 pandemic, we travelled significantly less in 2020 and 2021.

CO_2 emissions per average

FTE CO_2 emissions per employee (tons/average FTW) is calculated on the basis of the total amount of CO_2 emissions (tons) and the average number of full time employees (FTE).

CO_2 emissions per mEUR revenue

CO_2 emissions per mEUR revenue (tons/mEUR revenue) are calculated based on the total amount of CO_2 emissions (tons) and the revenue in mEUR as stated in the annual accounts 2022.

Environmental	Unit	Target	2022	2021	2020	2019
CO_2 e, scope 1	Metric tons		10.00	73.88	73.53	13.95
CO_2 e, scope 2	Metric tons		50.32	70.08	49.99	215.14
CO_2 e, scope 3	Metric tons		1,362.50	346.42	176.88	730.14
Total tons of CO_2e	Metric tons		1,422.82	490.38	300.41	959.24
Tons of CO_2e per employee	Times		1.62	0.77	0.72	2.92
Tons of CO_2e per mEUR turnover	Times		5.28	2.77	3.30	15.76

Assessment by scope and source activity

Flights
Report from travel provider with manual additions of directs bookings

Home-workers
Employee survey, 48% response rate. Apportioned to account for the employees which did not respond.

Commuting
Employee survey, 48% response rate. Apportioned to account for the employees which did not respond.

Hotel stays
Report from travel provider with manual additions of directs bookings

Rail, taxi, bus travels and hire cars
Based on cost and distance

Electricity transmissions & distribution
Primarily utility bills. For the sites where electricity consumption information was not available, but other sites are located within the same country with a complete dataset, this was apportioned based on employee numbers at the site with the complete dataset and used the number of staff working at the site

Server hosting
Report from server hosting provider, 12 month period from October 1, 2021 to September 31, 2022.

Water (and waste water)
Utility bills for all but one office (calculated based on per person consumption in nearby office)

Assessment by scope and source activity (tCO2e)		2022	2021	2020	2019
Scope 1	Site gas	9.43	67.50	65.68	1.84
	Company car travel	0.57	6.38	7.86	12.12
Scope 1 total		10.00	73.88	73.54	13.96
Scope 2	Electricity generation	50.32	66.77	49.99	215.14
	District heating generation	-	3.32	-	-
Scope 2 total		50.32	70.09	49.99	215.14
Scope 3	Flights	915.48	164.38	126.67	711.84
	Home-workers	144.68	103.69	42.39	-
	Commuting	198.47	62.52	-	-
	Rail travel	3.74	8.81	2.34	3.24
	Electricity transmission & distribution	4.76	5.34	2.52	12.37
	Taxi travel	5.36	1.43	1.81	1.68
	District heating distribution	-	0.17	-	-
	Bus travel	3.64	0.08	0.01	1.01
	Server hosting	1.60	-	-	-
	Company electric vehicles (charged off-site)	0.61	-	-	-
Scope 3 total		1,278.34	346.42	176.88	730.14
Total		**1338.66**	**490.39**	**300.41**	**959.24**

EU Taxonomy

KPI for Revenue

Better Collective's main activities within sports media and entertainment is excluded from the taxonomy under 13.1 Creative, arts and entertainment activities. To ascertain whether Better Collective has any other economic activities which could be eligible for the taxonomy, the group has made an analysis of the business which has not returned any other economic activities that are eligible under the taxonomy. Better Collective thus reports no eligible revenue for any eligible activities.

KPI for CAPEX

CAPEX is calculated as the 'Addition of tangible and intangible assets', which is generated from note 12 and 14 of the consolidated financial statements. Included in the figures is the value from leasing of office buildings (Capitalized under IFRS16). Of the eligible activities, none was assessed as Taxonomy-aligned.

KPI for OPEX

Better Collective has made an analysis of OPEX which has not returned any economic activities that are eligible under the taxonomy.

			Substantial contributions %		Do no significant harm			
Revenue	**Absolute Revenue tEUR**	**Proportion of Revenue**	**Climate change mitigation**	**Climate change adaptation**	**1-6**	**Minimum safeguards**	**Taxonomy aligned Revenue**	**Category**
Taxonomy aligned activities - none	0	0%	n/a	n/a	-	n/a	0%	n/a
Taxonomy eligible but not aligned activities - none	0	0%						
Taxonomy non-eligible activities	269,297	100%						
Total	**269,297**	**100%**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

			Substantial contributions %		Do no significant harm			
CAPEX	**Absolute CAPEX tEUR**	**Proportion of CAPEX**	**Climate change mitigation**	**Climate change adaptation**	**1-6**	**Minimum safeguards**	**Taxonomy aligned Revenue**	**Category**
Taxonomy aligned activities - none	0	0%	n/a	n/a	-	n/a	0%	n/a
Taxonomy eligible but not aligned activities	7,045	5%						
Taxonomy non-eligible activities	144,522	95%						
Total	**151,568**	**100%**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

			Substantial contributions %		Do no significant harm			
OPEX	**Absolute OPEX tEUR**	**Proportion of OPEX**	**Climate change mitigation**	**Climate change adaptation**	**1-6**	**Minimum safeguards**	**Taxonomy aligned Revenue**	**Category**
Taxonomy aligned activities - none	0	0%	n/a	n/a	-	n/a	0%	n/a
Taxonomy eligible but not aligned activities - none	0	0%						
Taxonomy non-eligible activities	184,222	100%						
Total	**184,222**	**100%**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

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Statement by management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Better Collective A/S for 2022.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at December 31, 2022 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year January 1 – December 31, 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, results of operations, cash flows and financial position as well as a description of material risks and uncertainties that the Group and the Parent Company face.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, March 23, 2023

Executive Management

Jesper Søgaard
CEO & Co-founder

Christian Kirk Rasmussen
COO & Co-founder
Executive Vice President

Flemming Pedersen
CFO
Executive Vice President

Board of Directors

Jens Bager
Chair

Todd Dunlap

Therese Hillman
Vice Chair

Klaus Holse

Leif Nørgaard

Petra von Rohr

Independent Auditors' Report

To the shareholders of Better Collective A/S

Opinion

We have audited the consolidated financial statements and the Parent Company financial statements of Better Collective A/S for the financial year January 1 – December 31, 2022, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the Parent Company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the financial position of the Group and the Parent Company at December 31, 2022 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year January 1 – December 31, 2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors..

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the Parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

On June 8, 2018, Better Collective A/S completed its Initial Public Offering and was admitted to trading and official listing on Nasdaq Stockholm. Subsequent to Better Collective A/S being listed on Nasdaq Stockholm, we were initially appointed as auditor of Better Collective A/S on April 25, 2019 for the financial year 2019. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 4 years up until and including the financial year 2022.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2022. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of goodwill, domains and websites

Goodwill as well as domains and websites with indefinite life are not subject to amortisation, but are reviewed annually for impairment, or more frequently if any indicators of impairment are identified. Valuation of goodwill, domains and websites is significant to our audit due to the carrying values as well as the management judgement involved in the assessment of the carrying values, assessment of indefinite life and judgements involved in impairment testing of the goodwill, domains and websites.

Management prepares and reviews impairment tests for each cash-generating unit.. Impairment testing is based on the estimated recoverable amounts of the assets, which for this purpose are determined based on the value in use. The value in use is based on a discounted cash flow (DCF) model and is calculated for each cash-generating unit and for each individual significant acquisition.

Refer to note 13 in the consolidated financial statements and to note 13 in the financial statements for the parent company.

How our audit addressed the above key audit matter
Our audit procedures included:

- Assessment of the indefinite life assumption including examination of data provided by management and other sources as well as inquiries to management and comparison with industry practice and comparable companies.
- Assessment of internal procedures related to estimating future cash flows, preparation of budgets and forecasts.
- Evaluation of the value-in-use model prepared by Management, including consideration of the cash-generation units defined by Management and the valuation methodology and the reasonableness of key assumptions and input based on our knowledge of the business and industry together with available supporting evidence such as available budgets and externally observable market data related to interest rates, etc.
- Evaluation of the disclosures provided by Management in note 13 to the consolidated financial statements and in note 13 to the Parent Company financial statements to applicable accounting standards.

Revenue recognition
The Group's revenue consists of four different revenue streams, that either are recognized at a point in time or over time. Further, the Group has agreements with operators that include variable consideration, which is recognized based on expected performance for the contract period.

Revenue recognition and measurement of the related variable consideration for the Group was a matter of most significance in our audit due to the inherent risk in the estimates and judgements which Management makes in the normal course of business as to timing of revenue and measurement of variable consideration.

For details on the revenue, reference is made to note 4 in the consolidated financial statements.

How our audit addressed the above key audit matter
Our audit procedures included:

- Test of recognized revenue and related variable considerations to agreements with operators, and test to supporting data from the operators.
- Data analytical procedures to test completeness, accuracy, and timing of the recognition of revenue and related variable consideration.
- Test of revenue accruals, revenue deferrals and sales transactions, recognized before and after the balance sheet date to contracts and other supporting documentation to assess proper revenue cut-off.
- Assessment whether the applied revenue recognition criteria follow the Group's accounting policies as disclosed in note 4 to the consolidated financial statements.
- Evaluation of the disclosures provided by Management in note 4 to the consolidated financial statements to applicable accounting standards.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and Parent Company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the Parent Company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of Better Collective A/S, we performed procedures to express an opinion on whether the annual report of Better Collective A/S for the financial year January 1 – December 31, 2022 with the file name bettercollective-2022-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the

taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report for the financial year January 1 – December 31, 2022 with the file name bettercollective-2022-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, March 23, 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen State Authorised Public Accountant MNE no. mne33717	Peter Andersen State Authorised Public Accountant MNE no. mne34313

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Consolidated statement of profit and loss

Note	tEUR	2022	2021
4	**Revenue**	**269,297**	**177,051**
	Direct costs related to revenue	92,227	64,863
5, 6	Staff costs	68,639	40,813
7	Other external expenses	23,356	15,600
	Operating profit before depreciation and amortization (EBITDA) and special items	**85,075**	**55,775**
14	Depreciation	2,321	1,764
	Operating profit before amortization (EBITA) and special items	**82,754**	**54,011**
12	Amortization and impairment	12,347	8,516
	Operating profit (EBIT) before special items	**70,407**	**45,495**
8	Special items, net	- 54	- 16,746
	Operating profit	**70,353**	**28,749**
9	Financial income	4,198	3,383
10	Financial expenses	9,587	5,905
	Profit before tax	**64,964**	**26,227**
11	Tax on profit for the period	16,888	8,936
	Profit for the period	**48,075**	**17,292**
	Earnings per share attributable to equity holders of the company		
	Average number of shares	54,363,312	50,541,901
	Average number of warrants - converted to number of shares	2,495,614	2,334,756
	Earnings per share (in EUR)	0.88	0.34
	Diluted earnings per share (in EUR)	0.85	0.33

Consolidated statement of comprehensive income

Note	tEUR	2022	2021
	Profit for the period	48,075	17,292
	Other comprehensive income		
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
	Currency translation to presentation currency	- 905	- 300
	Currency translation of non-current intercompany loans	17,030	16,498
11	Income tax	- 3,747	- 3,629
	Net other comprehensive income/loss	12,379	12,568
	Total other comprehensive income/(loss) for the period, net of tax	**60,454**	**29,860**
	Attributable to:		
	Shareholders of the parent	60,454	29,860

Consolidated balance sheet

Note	tEUR	2022	2021
	Assets		
	Non-current assets		
12, 13	**Intangible assets**		
	Goodwill	183,942	178,182
	Domains and websites	460,513	329,276
	Accounts and other intangible assets	27,016	12,453
	Total intangible assets	**671,471**	**519,911**
14	**Property, plant and equipment**		
	Right of use assets	6,269	2,708
	Leasehold improvements, Fixtures and fittings, other plant and equipment	2,574	1,657
	Total property, plant and equipment	**8,843**	**4,365**
	Other non-current assets		
	Deposits	726	660
11	Deferred tax asset	9,165	9,545
	Total other non-current assets	**9,891**	**10,204**
	Total non-current assets	**690,204**	**534,481**
	Current assets		
15	Trade and other receivables	53,179	30,083
11	Corporation tax receivable	6,423	500
	Prepayments	3,926	2,223
20	Restricted Cash	0	1,489
20	Cash	31,497	28,603
	Total current assets	**95,025**	**62,898**
	Total assets	**785,229**	**597,379**

Note	tEUR	2022	2021
	Equity and liabilities		
16	**Equity**		
	Share Capital	551	546
	Share Premium	272,550	267,873
	Currency Translation Reserve	23,177	10,798
	Treasury Shares	- 7,669	- 8,074
	Retained Earnings	124,307	73,705
17	Proposed Dividends	0	0
	Total equity	**412,917**	**344,848**
	Non-current Liabilities		
20	Debt to credit institutions	201,708	121,025
19	Lease liabilities	4,962	1,521
11	Deferred tax liabilities	78,167	69,595
20	Other long-term financial liabilities	22,407	4,939
	Total non-current liabilities	**307,244**	**197,079**
	Current Liabilities		
	Prepayments received from customers and deferred revenue	8,023	3,400
18	Trade and other payables	22,252	18,393
11	Corporation tax payable	5,221	1,735
20	Other financial liabilities	26,865	10,683
20	Contingent Consideration	0	19,893
20	Debt to credit institutions	1,055	0
19	Lease liabilities	1,653	1,347
	Total current liabilities	**65,068**	**55,452**
	Total liabilities	**372,312**	**252,531**
	Total Equity and liabilities	**785,229**	**597,379**

Consolidated statement of changes in equity

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

During the period no dividend was paid.

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

During the period no dividend was paid.

Consolidated statement of cash flow

Note	tEUR	2022	2021
	Profit before tax	64,964	26,227
	Adjustment for finance items	5,389	2,522
	Adjustment for special items	54	16,746
	Operating Profit for the period before special items	70,407	45,495
	Depreciation and amortization	14,668	10,280
	Other adjustments of non-cash operating items	1,690	- 531
	Cash flow from operations before changes in working capital and special items	86,765	55,245
21	Change in working capital	- 16,949	- 4,040
	Cash flow from operations before special items	69,816	51,204
	Special items, cash flow	- 1,393	- 5,997
	Cash flow from operations	68,423	45,207
	Financial income, received	1,682	3,702
	Financial expenses, paid	- 5,666	- 4,693
	Cash flow from activities before tax	64,439	44,216
	Income tax paid	- 16,239	- 12,654
	Cash flow from operating activities	**48,200**	**31,562**
22	Acquisition of businesses	- 14,337	- 207,900
12	Acquisition of intangible assets	- 96,452	- 11,591
14	Acquisition of property, plant and equipment	- 1,804	- 687
14	Sale of property, plant and equipment	16	972
	Change in other non-current assets	- 55	- 12
	Cash flow from investing activities	**- 112,632**	**- 219,219**

Note	tEUR	2022	2021
20	Repayment of borrowings	- 215,993	- 87,069
20	Proceeds from borrowings	296,665	139,373
	Lease liabilities	- 1,274	- 1,147
	Other non-current liabilities	0	- 844
	Capital increase	618	148,893
	Treasury shares	- 14,250	- 8,143
	Transaction cost	- 28	- 2,305
	Cash flow from financing activities	**65,737**	**188,759**
	Cash flows for the period	1,306	1,102
	Cash and cash equivalents at beginning	30,093	28,053
	Foreign currency translation of cash and cash equivalents	99	938
	Cash and cash equivalents period end*	**31,497**	**30,093**
	Cash and cash equivalents period end		
	Restricted cash	0	1,489
	Cash	31,497	28,603
	Cash and cash equivalents period end	**31,497**	**30,093**

Cashflow statement – specifications

Note	tEUR	2022	2021
	Acquisition of business combinations:		
22	Net Cash outflow from business combinations at acquisition	0	- 179,732
	Business Combinations deferred payments from current period	0	- 2,159
	Deferred payments - business combinations from prior periods	- 14,337	- 26,010
	Total cash flow from business combinations	**- 14,337**	**- 207,900**
	Acquisition of intangible assets:		
12	Acquisitions through asset transactions	- 144,522	- 14,297
	Deferred payments related to acquisition value	29,408	3,535
	Deferred payments - acquisitions from prior periods	- 121	- 70
	Intangible assets with no cash flow effect	24,325	0
	Other investments	- 5,541	- 759
	Total cash flow from intangible assets	**- 96,452**	**- 11,591**

Cashflow from Equity movements:	2022	2021
Equity movements with cashflow impact - from cash flow statement:		
Capital increase	618	148,893
Treasury shares	- 14,250	- 8,143
Transaction cost	- 28	- 2,305
Total equity movements with cash flow impact	**- 13,661**	**138,446**
Non-cash flow movements on equity:		
New shares for M&A payments	4,065	10,232
Treasury Shares used for payments	15,498	82
Share based payments - warrant expenses with no cash flow effect	1,713	3,688
Total equity movements with no cash flow impact	**21,275**	**14,002**
Total Transactions with owners - Consolidated statement of changes in equity	**7,615**	**152,447**

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Notes

1. Accounting policies

General
The financial statements section of the annual report for the period January 1 – December 31, 2022 comprises both the consolidated financial statements of Better Collective A/S and its subsidiaries (the Group or the Better Collective Group) and the separate parent company financial statements (the Parent). The comparative figures cover the period January 1 – December 31, 2021.

The consolidated financial statements of Better Collective A/S have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed companies. Better Collective A/S is incorporated and domiciled in Denmark.

The Board of Directors and the Executive Board have discussed and approved the annual report for Better Collective A/S on March 23, 2023. The annual report will be presented to the shareholders of Better Collective A/S for adoption at the annual general meeting on April 25, 2023.

New financial reporting standards
All new or amended standards (IFRS) and interpretations (IFRIC) as adopted by the EU and which are effective for the financial year beginning on 1 January 2022 have been adopted. The implementation of these new or amended standards and interpretations had no material impact on the financial statements.

The accounting policies have been applied consistently during the financial year and for the comparative figures. For standards implemented prospectively the comparative figures are not restated.

New financial reporting standards not yet adopted.
The IASB has issued several new or amended standards and interpretations with effective date after December 31, 2022. None of the standards are expected to have a significant effect for Better Collective A/S.

Basis for preparation
The annual report for the Group and the parent company has been prepared in accordance with IFRS as adopted by the EU and additional Danish disclosure requirements for listed companies.

Presentation currency
The Group's consolidated financial statements and parent financial statements are presented in Euro (EUR), and the parent company's functional currency is Danish Kroner (DKK). In general, rounding will occur and cause variances in sums and percentages in the consolidated and parent company financial statements.

Foreign currencies
For each of the reporting entities in the Group, including subsidiaries and foreign associates, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in currencies other than the functional currency are foreign currency transactions.

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rate on the transaction date. Foreign exchange differences arising between the rate on the transaction date and the rate on the date of settlement are recognized in profit or loss as financial income or financial expenses.

At the end of a reporting period, receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rate on the balance sheet date.

The difference between the exchange rates on the balance sheet date and on the date the receivable or payable was recognized in the latest reporting period is recognized in profit or loss as financial income or financial expenses.

In the consolidated financial statements, the statements of comprehensive income of Group entities with a functional currency other than EUR are translated at the exchange rate on the transaction date, and the balance sheet items are translated at closing rates. An average exchange rate for each month is used as the exchange rate at the transaction date in so far as this does not significantly distort the presentation of the underlying transactions. Foreign exchange differences arising on translation to the EUR presentation currency are recognized in other comprehensive income (OCI) in a separate translation reserve under equity. On disposal of a reporting entity, the component of other comprehensive income relating to that particular reporting entity is reclassified to profit or loss.

Notes

1. Accounting policies (continued)

The Parent company has provided non-current intercompany loans in USD in 2021 to fund acquisitions of assets and business combinations in US. Unrealized exchange rate gains/losses and related tax impact related to these loans are recognized in Other Comprehensive Income for the group.

Basis for consolidation

The consolidated financial statements include the parent company Better Collective A/S and its subsidiaries.

Subsidiaries are entities over which the Better Collective Group has control. The Group has control over an entity when the Group is exposed to or has rights to variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity. Only potential voting rights considered to be substantive at the balance sheet date are included in the control assessment. The Group re-assesses if it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The consolidated financial statements are prepared by combining uniform items. On consolidation, intercompany income and expenses, shareholdings, intercompany accounts and dividend as well as realized and unrealized profit and loss on transactions between the consolidated companies are eliminated.

Accounting policies

Fair value measurement

The Group uses the fair value concept in connection with certain disclosure requirements and for recognition of financial instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date ("exit price").

The fair value is a market-based and not an entity-specific measurement. The entity uses the assumptions that the market participants would use for the pricing of the asset or liability based on the current market conditions, including risk assumptions. The entity's purpose of holding the asset or settling the liability is thus not taken into account when the fair value is determined.

Accounting policies (Continued)

Fair value measurement (Continued)

The fair value measurement is based on the principal market. If a principal market does not exist, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and transport costs.

All assets and liabilities measured at fair value, or in respect of which the fair value is disclosed, are categorised into levels within the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement, see below:

Level 1: Quoted priced in an active market for identical assets or liabilities
Level 2: Inputs other than quoted prices included in Level 1 that are observable either directly or indirectly
Level 3: Inputs that are not based on observable market data (valuation techniques that use inputs that are not based on observable market data)

Cash flow statement

The Cash Flow Statement shows the cash flows of the Group for the year, distributed on operating activities, investing activities, and financing activities for the year, changes in cash and cash equivalents, and the cash and cash equivalents at the beginning and the end of the year, respectively.

The cash flow effect of acquisitions of businesses is shown separately in cash flows from investing activities. Cash flows from acquired businesses are recognised in the cash flow statement from the date of acquisition.

Cash flow from operating activities
Cash flows from operating activities are determined as profit for the year adjusted for noncash operating items, the change in working capital and income tax paid.

Cash flow from investing activities
Cash flows from investing activities comprise payments in connection with the acquisition and sale of businesses, intangible assets, property, plant and machinery and financial assets.

Cash flow from financing activities
Cash flows from financing activities comprise change in the size or composition of the Group's share capital and related costs as well as borrowing, repayment of interest-bearing debt, re-payment of lease liabilities, and payment of dividends to shareholders.

Notes

2. Significant accounting judgements, estimates and assumptions.

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key accounting judgements, estimates, and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Management based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to uncertainty about the situation in Ukraine, market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

iXBRL reporting

Better Collective A/S has filed the Annual Report for 2022 in the European Single Electronic Format (ESEF), XHTML format, that can be displayed in a standard browser. The primary statements and notes in the consolidated financial statements are tagged using extensible Business Reporting Language (iXBRL), which complies with the ESEF taxonomy included in the ESEF Regulation.

Business combinations

The Group is required to allocate the acquisition cost of entities and activities through business combinations on the basis of the fair value of the acquired assets and assumed liabilities. The Group uses external and internal valuations to determine the fair value. The valuations include management estimates and assumptions as to future cash flow projections from the acquired business and selection of models to compute the fair value of the acquired components and their depreciation period. Estimates made by Management influence the amounts of the acquired assets and assumed liabilities and the depreciation and amortization of acquired assets in profit or loss. Reference is made to note 22 of the consolidated financial statements.

Goodwill, intangible assets with indefinite useful life and impairment

Goodwill and domain names and websites are expected to have an indefinite useful life and are therefore not subject to amortization. Management believes that as long as content is being updated continuously and based on existing technology there is no foreseeable limit to the period on which the assets can generate revenues and cash flow from the underlying business activities of the operators. Consequently, Management has assessed indefinite life of domain names and websites similar to its peers in the industry. Management reviews this assessment annually to determine whether the indefinite life continues to be supportable.

Management reviews goodwill and domain names and websites for impairment at least once a year. This requires Management to make an estimate of the projected future cash flows from the continuing use of the cash-generating unit to which the assets are allocated and also to choose a suitable discount rate for those cash flows. Management has assessed that the cash generating units identified in 2021 (Atemi (Paid Media Europe & ROW), HLTV, US, Europe & ROW) continue, and that the asset acquisitions of Canada Sports Betting and Futbin are included in Europe & ROW for impairment. Performance and cash flows from domain names and websites owned by the individual cash generating units are allocated and forms the basis for impairment. Reference is made to note 13 of the consolidated financial statements.

If the events and circumstances do not continue to support a useful life assessment and the projected future cash flows from the intangible assets is less than the assets' carrying value, an impairment loss will be recognized. In addition, Management will change the indefinite useful life assessment from indefinite to finite and this change will be accounted for prospectively as a change in accounting estimate.

Revenue from agreements with variable components

The Group has agreements with customers that include variable revenue, e.g. agreements where the CPA value depends on the achievement of NDC targets. CPA revenue under these contracts is recognized with the number of NDCs delivered and the estimated CPA value based on expected performance for the contract period.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumption about them. The 2019, 2020, and 2021 warrant programs (including the Action Network MIP), as well as the 2022 LTI program include performance targets that adjust the number of instruments (Performance Stock Units, warrants, and options) that vest. The employee retention factor and performance factors are included in the expense calculation for the share-based payment programs. Reference is made to note six of the consolidated financial statements.

Notes

2. Significant accounting judgements, estimates and assumptions (continued)

Special items

Significant expenses and income, which Better Collective considers not part of ordinary business operations, are presented in the Income statement in a separate line item labelled ‘Special items’ in order to distinguish these items from other income statement items, and provide a more transparent and comparable view of Better Collective’s ongoing performance. Types of expenses and income included in special items include cost related to M&A, adjustments to Earn-out payments, cost related to restructuring, income from divestiture of non-strategic assets, and cost related to the Action Network Management Incentive Program. Reference is made to note eight of the consolidated financial statements and note six of the parent company financial statements.

Contingent consideration

Contingent consideration resulting from business combinations is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting the performance target (see Note 22 (Group) for details). The contingent liability related to the acquisition of Better Collective Tennessee was finally adjusted and settled in 2022.

Notes

3. Segment information

Better Collective reports on the geographical segments US and Europe & Rest of World (ROW), measuring and disclosing separately for Revenue, Cost and Earnings. The group also reports on the segments Publishing and Paid Media.

Publishing and Paid Media

The Publishing business segment includes revenue from Better Collective's proprietary online platforms and media partnerships where the online traffic is coming either directly or through organic search results, whereas Paid Media generates revenue through paid ad-traffic to our websites, thereby running on a significantly lower earnings margin. The segment reporting includes these two segments.

The performance for the Publishing and Paid Media Segments is presented in the below table:

	Publishing		Paid Media		Total	
tEUR	2022	2021	2022	2021	2022	2021
Revenue	**187,057**	**120,188**	**82,241**	**56,863**	**269,297**	**177,051**
Cost	115,376	68,947	68,846	52,329	184,222	121,276
Operating profit before depreciation, amortization and special items	**71,681**	**51,241**	**13,394**	**4,534**	**85,075**	**55,775**
EBITDA-Margin before special items	38%	43%	16%	8%	32%	32%
Special items, net	- 54	- 16,746	0	0	- 54	- 16,746
Operating profit before depreciation and amortization	**71,627**	**34,496**	**13,394**	**4,534**	**85,021**	**39,030**
EBITDA-Margin	38%	29%	16%	8%	32%	22%
Depreciation	2,306	1,726	15	38	2,321	1,764
Operating profit before amortization	**69,321**	**32,769**	**13,379**	**4,496**	**82,700**	**37,265**
EBITA-Margin	37%	27%	16%	8%	31%	21%

US / Europe & ROW

Since 2021, following the May 28, 2021 acquisition of Action Network, Better Collective has reported on the geographical segments US and Europe & RoW (Rest of World), measuring and disclosing separately for Revenue, Cost and Earnings.

The performance of the segments is monitored at the level of operating profit before amortization and special items, hence assets and liabilities for individual segments are not presented.

The performance for US and Europe & ROW segments is presented in the below table:

	Europe & ROW		US		Total	
tEUR	2022	2021	2022	2021	2022	2021
Revenue	**174,344**	**130,021**	**94,954**	**47,030**	**269,297**	**177,051**
Cost	115,620	91,789	68,602	29,487	184,222	121,276
Operating profit before depreciation, amortization and special items	**58,724**	**38,232**	**26,351**	**17,544**	**85,075**	**55,775**
EBITDA-Margin before special items	34%	29%	28%	37%	32%	32%
Special items, net	- 1,360	2,745	1,306	- 19,491	- 54	- 16,746
Operating profit before depreciation and amortization	**57,364**	**40,976**	**27,657**	**- 1,947**	**85,021**	**39,030**
EBITDA-Margin	33%	32%	29%	-4%	32%	22%
Depreciation	1,671	1,474	650	290	2,321	1,764
Operating profit before amortization	**55,693**	**39,502**	**27,007**	**- 2,236**	**82,700**	**37,265**
EBITA-Margin	32%	30%	28%	-5%	31%	21%

Notes

4. Revenue specification – affiliate model

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

tEUR	2022	2021
Revenue category		
Recurring revenue (Revenue share, Subscription, CPM)	123,365	79,879
CPA, Fixed Fees	145,605	96,653
Other	327	519
Total revenue	**269,297**	**177,051**
%-split		
Recurring revenue	46	45
CPA, Fixed Fees	54	55
Other	0	0
Total	**100**	**100**

tEUR	2022	2021
Revenue type		
Revenue Share	96,449	67,858
CPA	124,324	80,423
Subscription	18,003	11,770
Other	30,521	17,001
Total revenue	**269,297**	**177,051**
%-split		
Revenue Share	36	38
CPA	46	45
Subscription	7	7
Other	11	10
Total	**100**	**100**

The Group has earned 65.5 mEUR in revenues from one major customer, which represents 24% of the Group's revenue (2021: 21%).

Accounting policies

Revenue

The Group's revenue consists of four different revenue streams, that either are recognised at a point in time or over time. Further, the Group has agreements with operators that include variable consideration, which is recognized based on expected performance for the contract period.

Revenue share: In a revenue share model the Group receives a share of the revenues that a gaming operator has generated from a player betting or gambling on their IGaming website, the player initially having been referred from one of the Group's websites. Revenue is recognized at a point in time equal to the month that it is earned by the respective gaming operator.

Cost per acquisition (CPA): For CPA deals, the gaming operator pays a one-time fee for each referred player who deposits money on their IGaming website. Cost per acquisition consists of a pre-agreed rate with the gaming operator. Revenue is recognized at a point in time equal to the month in which the deposits are made.

Subscription Revenue: Subscription revenue is subscription fees received by players who subscribe to services provided by the Group's websites, primarily in the US market. Subscription revenue is recognized over time as the services under the subscription is delivered.

Affiliate Other Revenue: Other revenue primarily includes revenue from sales of banners and other marketing fees from customers related to the Group's websites and is recognized when the service is delivered. Banner revenue can both be CPM (Cost per million impressions) or based on direct fixed fee agreements with customers.

Notes

5. Staff and other costs

tEUR	2022	2021
Wages and salaries	55,656	32,681
Pensions, defined contribution	3,168	3,009
Other social security costs	3,333	2,465
Share-based payments	1,935	1,203
Other staff costs	4,548	1,455
Total staff costs	**68,639**	**40,813**
Average number of full-time employees	878	635
Remuneration to Executive Directors		
Wages and salaries	1,511	1,150
Pensions, defined contribution	133	119
Other social security costs	1	2
Share-based payments	97	205
Total	**1,742**	**1,475**
Remuneration to Board of Directors		
Wages and salaries	317	297
Share-based payments	0	27
Total	**317**	**324**

Notes

5. Staff and other costs (continued)

Board Fees

tEUR	Jens Bager	Klaus Holse	Leif Nørgaard	Petra von Rohr	Therese Hillman	Todd Dunlap	Søren Jørgensen	Total
2022	**104**	**37**	**44**	**37**	**59**	**37**	**0**	**317**
2021	105	37	44	37	27	65	9	324

Remuneration to Executive Directors

	Jesper Søgaard	Christian Kirk Rasmussen	Flemming Pedersen	Total
2022				
Wages and salaries	497	497	518	1,511
Pensions, defined contribution	34	34	64	133
Other social security costs	0	0	0	1
Share-based payments	19	19	59	97
Total	**551**	**551**	**641**	**1,742**
2021				
Wages and salaries	370	370	409	1,150
Pensions, defined contribution	31	31	57	119
Other social security costs	1	1	1	2
Share-based payments	51	51	104	205
Total	**453**	**453**	**570**	**1,475**

Accounting policies

Direct cost related to revenue
Direct cost related to revenue contains cost of running the websites and includes, content production, domain name registration, domain hosting, and external development cost.

Staff cost
Staff cost include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities. Costs related to long term employee benefits, e.g. share-based payments, are recognized in the period to which they relate.

Other external expenses
Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, etc.

Notes

6. Share-based payment plans

2017 program:

During the year 2022 the company did not grant any warrants under this program.

During the year 2022, employees have exercised warrants corresponding to 306,114 shares issued, of which 124,644 warrants were exercised by the CFO. The program is fully exercised as of December 31, 2022.

2019 program:

During the year 2022 the company did not grant any warrants under this program.

During the year 2022, employees have exercised warrants corresponding to 9,667 shares issued.

	Board of Directors	Executive directors	Other key Management personnel	Total warrants / options, numbers	Exercise price, weighted average EUR	Total Performance Stock Units	Grant price, weighted average EUR	Total Units
Share options outstanding at January 1, 2021	**25,000**	**874,644**	**1,138,744**	**2,038,388**	**6.92**	**0**	**6.92**	**2,038,388**
Granted	0	0	675,126	675,126	19.39	422,175	19.39	1,097,301
Forfeited/expired	0	0	116,031	116,031	8.52	0	8.52	116,031
Exercised	0	150,000	238,534	388,534	1.74	0	1.74	388,534
Transferred	0	0	0	0	0	0	0	0
Share options outstanding at December 31, 2021	**25,000**	**724,644**	**1,459,305**	**2,208,949**	**11.35**	**422,175**	**18.68**	**2,631,124**
Of this exercisable at the end of the period	0	124,644	182,550	307,194	1.74	0	n/a	0
Share options outstanding at January 1, 2022	**25,000**	**724,644**	**1,459,305**	**2,208,949**	**11.35**	**422,175**	**18.68**	**2,631,124**
Granted	0	0	69,022	69,022	15.46	168,423	15.74	237,445
Forfeited/expired	0	0	43,241	43,241	14.20	46,651	18.16	89,892
Exercised	0	124,644	191,137	315,781	1.96	102,793	18.68	418,574
Transferred	0	0	0	0	0	0	0	0
Share options outstanding at December 31, 2022	**25,000**	**600,000**	**1,293,949**	**1,918,949**	**12.99**	**441,154**	**17.61**	**2,360,103**
Of this exercisable at the end of the period	0	300,000	120,333	420,333	8.71	0	n/a	420,333

* The Board of Directors keeps a right to change classification of the share-based programs, to a cash-settled.

Notes
6. Share-based payment plans (continued)

2020 Warrant programs:
No grants nor exercises has taken place during 2022.

Expenses have been recognized based on the realized retention (75%) and performance factors (100%).

2021 Warrant programs:
On September 10th, 2021 422,500 new warrants were granted to certain key employees, all with the right to subscribe for one ordinary share and are classified as equity-settled share-based payment transactions*. The vesting periods range from 2022-2024 and the exercise periods range from 2024 to 2026.

Expenses for the first vesting period have been recognized based on the realized retention (75%) and performance factors (100%) and for the final two remaining vesting period expenses are recognized based on expected retention (75%) and performance factors (83%)

On October 1st, 2021, 473,563 PSUs and 201,238 share options were issued for a management incentive program related to Action Network, with the right to subscribe for one ordinary share and are classified as equity-settled share based payment transactions*. The vesting periods range from 2022-2024 and the exercise periods range from 2022 to 2026.

Expenses for the first vesting period have been recognized based on the realized retention (75%) and performance factors (100%) and for the final two remaining vesting period expenses are recognized based on expected retention (75%) and performance factors (0%)

During the year 2022, employees have exercised Performance Stock Units corresponding to 102,793 shares issued.

2022 LTI program:
On January 27th, 2022 a new LTI program consisting of Performance Stock Units and stock options was announced. Under the program 24,564 options and 73,894 PSUs were granted to certain key employees. Whereas the options have the right to subscribe for one ordinary share, the PSUs have a performance based element that can increase to two shares for one PSU – both are classified as equity-settled share-based payment transactions*. The vesting period runs from 2022-2025 and the exercise period runs from 2025 to 2027.

On March 1, 2022 a new trance was established for the Management Incentive Program for Action Network. Under the program 94,529 PSUs and 44,458 options were granted with the right to subscribe for one ordinary share and, are classified as equity-settled share-based payment transactions*.

* The Board of Directors keeps a right to change classification of the share-based programs, to a cash-settled.

Warrant programs impact in accounts:
The total share based compensation expense recognized for the full year 2022 is 2,871 tEUR (2021: 3,688 tEUR), The cost of the MIP Action program is included as special items and amounts to 936 tEUR in 2022 (2021: 2,485 tEUR).

The weighted average remaining contractual life of warrants to key employees outstanding as of December 31, 2022 and 2021 was 2.63 and 2.95 years respectively. The weighted exercise prices for outstanding instruments as of December 31, 2022 and 2021 was 13.85 EUR and 12.45 EUR.

Board of Directors, Executive Directors, and Key Employees

	2022	2021	2020	2019
Dividend yield (%)	0%	0%	0%	0%
Expected volatility (%)	50%	50%	45-50%	35%
Risk free interest rate (%)	0%	0%	0%	0%
Expected life of warrants (years)	4-5	4.4-5	5	5
Share price (EUR)	14.42 - 17.60	18.34	12.21	7.89
Exercise price (EUR)	14.42 - 17.60	19.44	13.76	8.68
Fair Value at grant date (EUR)	5.50-7.50	7.19	4.73	2.17

Notes

6. Share-based payment plans (continued)

Accounting policies

Share-based payments
Employees (including senior executives) and directors of the Group receive remuneration in the form of share-based payments, whereby they render services as consideration for equity instruments (equity-settled transactions).

The cost is recognized in staff costs, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding warrants is reflected as additional share dilution in the computation of diluted earnings per share.

When warrants are exercised, the Company issues new shares. The proceeds received are credited to share capital for the par value of the shares and share premium for the remainder.

7. Fees paid to auditors appointed at the annual general meeting

tEUR	2022	2021
Fee related to statutory audit	318	291
Fees for tax advisory services	0	0
Assurance engagements	25	20
Other assistance	0	0
Total audit fees	**343**	**311**

Notes

8. Special items

Significant income and expenses, which Better Collective considers not part of ordinary business operations are presented in the Income statement in a separate line item labelled 'Special items'. The impact of special items is specified as follows:

tEUR	2022	2021
Operating profit	**70,353**	**28,749**
Special Items related to:		
Special items related to M&A	- 1,263	- 5,991
Variable payments regarding acquisitions - cost	- 192	- 11,487
Variable payments regarding acquisitions - income	2,467	2,952
Special items related to Restructuring	- 130	- 6
Special items related to Divestiture of Assets	0	272
Special items related to Management Incentive Program	- 936	- 2,485
Special items, total	**- 54**	**- 16,746**
Operating profit (EBIT) before special items	**70,407**	**45,495**
Amortization and impairment	12,347	8,516
Operating profit before amortization and special items (EBITA before special items)	**82,754**	**54,011**
Depreciation	2,321	1,764
Operating profit before depreciation, amortization, and special items (EBITDA before special items)	85,075	55,775

Accounting policies

Special items
Significant expenses and income, which Better Collective considers not part of ordinary business operations, are presented in the Income statement in a separate line item labelled 'Special items' in order to distinguish these items from other income statement items, and provide a more transparent and comparable view of Better Collective's ongoing performance. Types of expenses and income included in special items include cost related to M&A, adjustments to Earn-out payments, cost related to restructuring, income from divestiture of non-strategic assets, and cost related to the Action Network Management Incentive Program. Reference is made to note eight of the consolidated financial statements and note six of the parent company financial statements.

Notes

9. Finance income

tEUR	2022	2021
Exchange gains	4,170	3,349
Interest Income	5	11
Other financial income	23	23
Total finance income	**4,198**	**3,383**

Accounting policies

Financial income and expenses
Financial income and expenses are recognized in the income statements at the amount that concerns the financial year. Net financials include interest income and expenses, interest expenses calculated according to IFRS16, foreign exchange adjustments, fees related to credit facilities, gains and losses on the disposal of securities, as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

10. Finance costs

tEUR	2022	2021
Exchange losses	4,543	1,957
Interest expenses	3,839	2,084
Interest - right of use assets (Leasing)	150	120
Other financial costs	1,055	1,743
Total finance costs	**9,587**	**5,905**

Notes

11. Income tax

Total tax for the year is specified as follows:

tEUR	2022	2021
Tax for the period	16,888	8,936
Tax on other comprehensive income	3,747	3,629
Total	**20,635**	**12,565**

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

tEUR	2022	2021
Deferred tax	6,785	- 38
Current tax	10,153	8,890
Adjustment from prior years	- 49	84
Total	**16,888**	**8,936**

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

tEUR	2022	2021
Specification for the period:		
Calculated 22% tax of the result before tax	14,292	5,770
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	1,563	297
Tax effect of:		
Special items	- 83	4,433
Special items - taxable items	- 243	- 2,323
Other non-taxable income	- 150	0
Other non-deductible costs	1,558	676
Adjustment of tax relating to prior periods*	- 49	84
Total	**16,888**	**8,936**
Effective tax rate	**26.0%**	**34.1%**

tEUR	2022	2021
Deferred tax liabilities		
Deferred tax January 1	60,050	24,586
Additions from business acquisitions	0	33,197
Adjustments of deferred tax in profit and loss	6,785	- 38
Exchange rate difference	2,167	2,305
Deferred tax December 31	**69,003**	**60,050**
Deferred tax is recognized in the balance sheet as:		
Deferred tax asset	9,165	9,545
Deferred tax liability	78,167	69,595
Deferred tax December 31	**69,003**	**60,050**
Deferred tax is related to:		
Intangible assets	78,235	69,649
Losses carried forward	- 9,165	- 9,545
Property, plant and equipment	- 68	- 55
Deferred tax December 31	**69,003**	**60,050**

Notes

11. Income tax (continued)

tEUR	2022	2021
Income tax payable, net		
Income tax payable January 1	1,235	1,196
Exchange differences	- 49	87
Tax on other comprehensive income	3,747	3,629
Current tax	10,153	8,890
Tax from prior year	- 49	84
Additions from business acquisitions	2	2
Income tax paid during the year	- 16,239	- 12,654
Tax payable reduction from warrant settlement	0	0
Income tax payable December 31	**- 1,202**	**1,235**
Income tax is recognized in the balance sheet as:		
Corporation tax receivable	6,423	500
Corporation tax payable	5,221	1,735
Income tax payable December 31	**- 1,202**	**1,235**

Accounting policies

The tax expense for the year, which comprises current tax and changes in deferred tax, is recognized in the income statement as regards the portion that relates to the profit/loss for the year, and directly in equity as regards the portion that relates to entries directly in equity. Tax expense relating to amounts recognized in other comprehensive income is recognized in other comprehensive income. Tax is provided on the basis of the tax rules and tax rates applicable in the individual countries where Better Collective has a tax presence.

Current and deferred tax
Current tax liabilities and current tax receivables are recognized in the balance sheet as tax computed on the year's taxable income adjusted for tax on the previous year's taxable income and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Deferred tax liabilities as well as deferred tax assets are recognized. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognized under other non-current assets at the expected value of their utilization; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Joint taxation of the parent Company and Danish subsidiaries
The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company acts as administration company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Joint taxation contributions payable and receivable are recognized in the balance sheet as corporation tax receivable or corporation tax payable.

Notes

12. Intangible assets

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation				
As of January 1, 2022	**178,182**	**329,276**	**36,827**	**544,285**
Additions	0	118,185	26,337	144,522
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
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**

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

Notes

12. Intangible assets (continued)

Accounting policies

Goodwill and intangible assets

Goodwill

Goodwill is initially recognized at cost. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized and impairment losses on goodwill are not reversed.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. Impairment is performed once a year as of December 31 or more frequently if events or changes in circumstances indicate that there is an impairment. An impairment loss is recognized if the recoverable amount of the cash-generating unit to which goodwill has been allocated is less than the carrying amount of the cash-generating unit. Identification of cash-generating units is based on the management structure and internal financial controls.

Intangible assets

Separately acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Expenditures relating to internally generated intangible assets are recognized in profit or loss when incurred.

Intangible assets with a finite useful life are amortized over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at each year end.

Agreements related to media partnerships are measured at fair value of the fixed payments related to the agreement at the starting date. The value is amortized over the lifetime of the agreement

Intangible assets with indefinite useful lives (domains and websites) are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Costs related to maintenance of intangible assets, are not capitalized on the balance sheet but recognized in Profit and Loss in the financial year they are incurred.

Amortization

The item comprises amortization of intangible asset, as well as any impairment losses recognized for these assets during the period.

The basis of amortization, which is calculated as cost less any residual value, is amortized on a straight-line basis over the expected useful life. The expected useful lives of long-lived assets are as follows:

Goodwill	Indefinite
Domains and websites	Indefinite
Other intangible assets	3-5 years

Notes

13. Goodwill and intangible assets with indefinite life

The group added intangible assets in 2022 from asset transactions of Futbin and Canada Sports Betting. For 2021, they arose from the acquisitions of business combinations Action Network Inc. and Mindway ApS as described in note 22. Domains and websites acquired in the parent company as asset transactions are also included.

Goodwill and domain names and websites arising on business combinations are not subject to amortization, but are reviewed annually for impairment, or more frequently if there are any indicators of impairment that are noted during the year.

Cash-generating units

Goodwill from a business combination is allocated to cash-generating units in which synergies are expected to be generated from the acquisition. A cash-generating unit represents the smallest identifiable group of assets that together have cash inflows that are largely independent of the cash inflows from other assets. In 2022 Better Collective continues to have four cash generating units with the asset acquisitions of Canada Sports Betting and Futbin included in Europe & ROW CGU, respectively. Performance and cash flows from domain names and websites owned by the individual cash generating units are allocated and forms the basis for impairment.

Carrying amount of goodwill and Domains and Websites for the CGUs:

2022

tEUR	US	HLTV	Atemi	Rest of BC	Total
Goodwill	97,708	17,777	41,178	27,278	183,942
Domains and Websites	221,461	20,551	0	218,500	460,513

2021

tEUR	US	HLTV	Atemi	Rest of BC	Total
Goodwill	91,949	17,777	41,178	27,278	178,182
Domains and Websites	208,407	20,551	0	100,318	329,276

As at December 31, 2021 and December 31, 2022 the directors have evaluated goodwill, domains and websites for impairment. The directors are of the view that the carrying amount of domains and goodwill is recoverable on the basis that the cashflows generated from these assets are in line, or exceed, the estimated projections made prior to the acquisitions. The directors are satisfied that the judgements made are appropriate to the circumstances.

Recoverable amount

When testing for impairment, the Group estimates a recoverable amount for goodwill and for domain names and websites. The recoverable amount is the higher of the asset or cash-generating unit's fair value less costs of disposal and its value in use. The recoverable amount is normally determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The recoverable amount of domains and websites has been determined on the level of the cash-generating units, as explained above.

Impairment test:

For all CGUs US, HLTV, Atemi and the rest of Better Collective, the Group has performed an impairment test on goodwill and domain names and websites as of December 31, 2022, on a value-in-use basis. Management has based the value in use by estimating the present value of future cash flows from a three-year forecast approved by the Board of Directors and corresponding to the Group's long-term forecast for 2023-2025. Key parameters in the forecast are trends in revenue, cost development and growth expectations. Beyond the approved forecast, EBITDA growth, cash conversion and tax-rates have been forecasted with a time horizon of 10 years until 20232, increased from 5 years used in the 2021 impairment testing. Based on expected 2032 EBITDA and cash flow, management has applied a terminal value rate of 2%. The cash flows assume a discount factor of 15% (pre-tax discount rate 18%) based on the Group's weighted average cost of capital (WACC) in all years 2023-2032, with individual tax rates per country (19-26.5%). The Board of Directors have approved the inputs to the impairment testing and are satisfied that the judgements made are appropriate.

Other domains and websites:

Further to the CGUs, acquired domains and websites with indefinite life have been individually evaluated for indicators of impairment. The evaluation is based on actual traffic on the websites, as well as actual and expected revenue and NDCs generated by the accounts with operators that are linked to the websites. In 2022 there has been no indicators for impairment

In 2021, the evaluation of acquired revenue share accounts in the Netherlands, following the regulatory development and operator decisions to discontinue old player databases, resulted in an impairment of 1.7 mEUR. The liability related to the asset, recorded as a variable payment, was reduced and the adjustment of 2.9 mEUR was included in Special items.

Notes

13. Goodwill and intangible assets with indefinite life (continued)

The results of the impairment tests for goodwill and domains and websites showed that the recoverable amount exceeded the carrying value and that there was no impairment loss to be recognized. Based on the impairment test there is significant headroom and management deems that a sensitivity analysis is not required.

Accounting policies

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The acquisition date is the date when Better Collective A/S effectively obtains control over the acquired business. Any costs directly attributable to the acquisition are expensed as Incurred.

If a put and call option exists for an acquired business combination, the put and call option is taken into consideration when assessing the ownership of the business combination.

The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognized if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognized.

The consideration paid for a business consists of the fair value of the agreed consideration in the form of the assets transferred, equity instruments issued, and liabilities assumed at the date of acquisition. If part of the consideration is contingent on future events, such consideration is recognized at fair value. Subsequent changes in the fair value of contingent consideration are recognized in the income statement as special items. A positive excess (goodwill) of the consideration transferred (including any previously held equity interests and any non-controlling interests in the acquired business) over the fair value of the identifiable net assets acquired is recorded as goodwill.

If uncertainties regarding identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration transferred exist at the acquisition date, initial recognition will be based on provisional values. Any adjustments in the provisional values, including goodwill, are adjusted retrospectively, until 12 months after the acquisition date, and comparative figures are restated.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, from the acquisition date, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired business combination are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in these circumstances is measured based on the relative fair values of the disposed operation and the portion of the cash generating unit retained.

Impairment
The carrying amounts of goodwill, intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis. Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. Furthermore, goodwill and intangible assets with indefinite useful lives are tested on an annual basis as at December 31. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. Reference is made to the section "Impairment test" for actual assumptions.

The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Impairment losses are recognized in the income statement under depreciation and amortization. Previously recognized impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Notes

14. Property, plant and equipment

tEUR	Right of use assets	Fixtures and fittings, other plant and equipment	Total
Cost or valuation			
At December 31, 2021	**5,328**	**3,216**	**8,544**
Additions	5,240	1,805	7,045
Disposals	- 811	- 50	- 862
Currency Translation	20	25	45
At December 31, 2022	**9,777**	**4,995**	**14,772**
Depreciation and impairment			
At December 31, 2021	**2,620**	**1,558**	**4,179**
Depreciation for the period	1,443	878	2,321
Depreciation on disposed assets	- 605	- 64	- 669
Currency translation	49	49	99
At December 31, 2022	**3,508**	**2,421**	**5,929**
Net book value at December 31, 2022	**6,269**	**2,574**	**8,843**

tEUR	Right of use assets	Fixtures and fittings, other plant and equipment	Total
Cost or valuation			
At December 31, 2020	**4,849**	**3,196**	**8,045**
Additions	1,072	690	1,763
Acquisitions through business combinations	0	98	98
Disposals	- 624	- 792	- 1,416
Currency Translation	31	23	54
At December 31, 2021	**5,328**	**3,216**	**8,544**
Depreciation and impairment			
At December 31, 2020	**1,623**	**1,027**	**2,650**
Depreciation for the period	1,147	621	1,768
Depreciation on disposed assets	- 219	- 110	- 330
Currency translation	70	20	90
At December 31, 2021	**2,620**	**1,558**	**4,179**
Net book value at December 31, 2021	**2,708**	**1,657**	**4,365**

Notes

14. Property, plant and equipment (continued)

Accounting policies

Property, plant and equipment
Property, plant and equipment Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains and losses from the disposal of property, plant and equipment are recognized in the income statement as depreciation. Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Depreciation
The item comprises depreciation of property, plant and equipment, and right of use assets, as well as any impairment losses recognized for these assets during the period.

The basis of depreciation, which is calculated as cost less any residual value, is amortized on a straight-line basis over the expected useful life. The expected useful lives of long-lived assets are as follows:

Land	Not depreciated
Buildings	10-50 years
Right of use assets and leasehold improvements	Up to 7 years
Fixtures and fittings, other plant and equipment	3-5 years

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately. The basis of depreciation is calculated considering the residual value at the end of the expected useful life and less any impairment. The depreciation period and residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized.

Notes

15. Trade and other receivables

tEUR	2022	2021
Trade receivables	35,825	16,718
Accrued revenue	12,197	9,384
Other receivables	5,158	3,981
Total receivables	**53,179**	**30,083**

Accounting policies

Receivables
Receivables are measured at amortized cost, which usually corresponds to nominal value.

Write-downs on trade receivables are based on the simplified expected credit loss model. Credit loss allowances on individual receivables are provided for when objective indications of credit losses occur such as customer bankruptcy and uncertainty about the customers' ability and/or willingness to pay, etc. In addition to this, allowances for expected credit losses are made on the remaining trade receivables based on a simplified approach. Reference is made to note 20 of the consolidated financial statements regarding credit risk.

Prepayments
Prepayments recognized under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash and restricted cash
Restricted cash comprise funds in escrow account and cash consist of cash and cash equivalents in financial institutions.

Notes

16. Issued capital and reserves

tEUR	2022	2021	2020	2019	2018
Share capital:					
Opening balance	546.3	469.0	464.3	404.9	68.5
Capital increase	5.2	77.2	4.8	59.4	336.4
Total	**551.5**	**546.3**	**469.0**	**464.3**	**404.9**

The share capital consists of 55,149,669 shares of nominal EUR 0.01 each.

Share buy-back-2022

Throughout 2022 the company purchased 949,870 Better Collective A/S shares at an average price of 13.3 EUR.

879,824 treasury shares were used as final payment of contingent liabilities related to the 2019 acquisition of Rotogrinders, settlement of tranche 1 of the Action Network Management Incentive Program, and final settlement of the variable payment related to the acquisition of HLTV.

Share buy-back-2021

In March 2021 the company purchased 3,532 shares at an average price of 16.5 EUR to cover board fees payable in shares.

241 treasury shares were used in April 2021 as part of variable payment together with newly issued shares.

In December 2021 a share buy-back program of up to 10 mEUR was announced. As of December 31, 2021, 445,575 shares had been purchased and was held at an average price of 18.1 EUR. The purpose of the buyback program was to cover future payments relating to completed acquisitions and to cover established Incentive Plans.

Accounting policies

Equity

Treasury shares
Treasury shares are own equity instruments that are re-acquired. They are recognized at cost as a deduction from equity in the reserve for treasury shares. The difference between par value and the acquisition price and consideration (net of directly attributable transaction costs) and dividends on treasury shares are recognized directly in equity in retained earnings.

Share premium
Share premium can be used for dividend.

Currency translation reserve
Foreign exchange differences arising on translation of Group entities and parent company to the EUR presentation currency are recognised in other comprehensive income (OCI) in a separate currency translation reserve under equity. On disposal of a reporting entity, the component of other comprehensive income relating to that particular reporting entity is reclassified to profit or loss.

Notes

17. Distributions made and proposed

tEUR	2022	2021
Declared and paid during the year on ordinary shares	0	0
Proposed dividend on ordinary shares	0	0

Accounting policies

Proposed dividends
Dividends proposed for the year are recognized as a liability when the distribution is authorized by the shareholders at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate line item under "Equity".

Proposed dividends on ordinary shares are subject to approval at the Annual General Meeting.

18. Trade and other payables

tEUR	2022	2021
Trade Payables	10,484	9,866
Other payables	11,768	8,527
Total payables	**22,252**	**18,393**

Accounting policies

Prepayments consist of payments received from customers relating to income in subsequent periods. Prepayments are mainly classified as current, as the related revenue is recognized within one year.

Trade payables are obligations to pay for goods or services acquired in the normal course of business. Trade payables are initially reported at fair value and, subsequently, at amortized cost using the effective interest method.

Other payables comprise amounts owed to staff, including wages, salaries and holiday pay; amounts owed to the public authorities, including taxes payable, VAT, excise duties, interest expenses etc.

Other financial liabilities comprise amounts payable to sellers as a result of business combinations and asset acquisitions.

Notes

19. Leasing

Right-of-use assets

tEUR	Buildings	Cars	Total
Balance at January 1, 2022	**2,707**	**- 0**	**2,707**
Additions	5,190	50	**5,240**
Disposals	- 811	0	**- 811**
Modifications	0	0	**0**
Exchange rate adjustment	- 19	0	**- 19**
Depreciation	- 1,436	- 17	**- 1,453**
Depreciation on disposed assets	605	0	**605**
Balance at December 31, 2022	**6,236**	**33**	**6,269**
Balance at January 1, 2021	**3,225**	**- 0**	**3,225**
Additions	480	0	480
Disposals	0	0	0
Modifications	127	0	127
Exchange rate adjustment	22	0	22
Depreciation	- 1,147	0	- 1,147
Depreciation on disposed assets	0	0	0
Balance at December 31, 2021	**2,707**	**- 0**	**2,707**

Lease liabilities

tEUR	2022	2021
Maturity analysis - contractual undiscounted cash flows		
Less than one year	1,685	1,283
One to five years	3,467	1,735
More than five years	2,169	0
Total undiscounted cash flows	**7,321**	**3,017**
Total lease liabilities	**6,614**	**2,868**
Current	1,653	1,347
Non-current	4,962	1,521

The total cash outflow for leases during 2022 was 1,424 tEUR (2021: 1,266 tEUR).

Amounts recognized in the consolidated income statement

tEUR	2022	2021
Interest on lease liabilities	150	120
Expenses relating to short- term lease	295	543
Expenses relating to lease of low value assets	0	2

Notes

19. Leasing (continued)

Accounting policies

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets represent the right to use the underlying assets.

Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities (due to indexation of lease payments or extension of leases). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate of 4%, at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to extend the term of lease.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes

20. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk and interest rate risk), credit risk, and liquidity risk. The Group has established principles for overall risk management, which seek to minimize potential adverse effects on the Group's performance.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For the Group, market risk comprises foreign currency risk and interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's international operating activities. The Group's revenues are mainly denominated in DKK, EUR, USD, and GBP, with limited revenues in SEK and PLN. The revenue in individual currencies is determined by the underlying betting currency at the operator level as well as the exchange rates used by operator when calculating the revenue share. The currency fluctuations impact these processes and is the inherent risk. Across the Group, expenses have a general pattern which is in line with the revenue in the individual currencies. The expenses mainly origin in DKK, EUR, GBP, and USD, with limited spending in SEK, RON and PLN. The DKK exchange rate is fixed to the EUR. For GBP and USD, the expenses are linked to and follow the revenue in the entities operating in UK and US, respectively.

The major currency exposure in Better Collective arises from the conversion of the USD and GBP denominated entities to the reporting currency, as well as the long-term loan provided from the parent company to Better Collective US Inc to finance the US acquisitions. The 2022 impact of the fluctuating USD was ~2 mEUR on an EBITDA level, vs. 2021 exchange rate, whereas the impact on the USD loan in the parent company was 17 mEUR. The exchange rate adjustments and corresponding tax impact on these loans are included in Other Comprehensive Income for the groups.

The Board of Directors has decided not to hedge currency exchange risk given the underlying inherent risk and the capital structure.

Excluding the 2022 impact from the fluctuating USD, the historic exposure to currency fluctuations has not had a material impact on the Group's financial condition or results of operations. Management deems that a sensitivity analysis showing how profit or pre-tax equity would have been impacted by changes in these foreign exchange rates is not deemed necessary.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from the club facility signed in November 2022 and deposits held by the Group. These are short-term and not material amounts. With ~200 mEUR drawn on the facility as of December 2022, an increase in the interest of 1 %-point will drive additional 2 mEUR in finance costs. However, management expects to re-pay the credit facility in the short to medium term, as the Group is generating positive cash flows, and therefore exposure to interest rate risk is considered minimal.

The Group regularly monitors its interest rate risk and considers it to be insignificant, therefore an interest rate sensitivity analysis is not deemed necessary.

Credit risk

As per January 1, 2018 the Group implemented IFRS 9 using the simplified expected credit loss model. The model implies that the expected loss over the lifetime of the asset is recognized in the profit and loss immediately and is monitored on an ongoing basis until realization. The Group has limited overdue trade receivables and historically there has been very limited losses on trade receivables. The inputs to the expected credit loss model reflects this.

As per December 31, 2022 the Group's impairment for expected loss is included in the trade receivables (ref note 15).

Notes

20. Financial risk management objectives and policies (continued)

Expected credit loss on receivables from trade receivables as of December 31, 2022:

tEUR	Expected Loss Rate	Gross Receivable	Expected loss	Net receivable
2022				
Not Due	0.4%	32,452	136	32,316
Less than 30 days	0.7%	9,563	71	9,493
Between 31 and 60 days	0.5%	4,537	24	4,513
Between 61 and 90 days	2.3%	369	8	361
More than 91 days	26.4%	1,821	481	1,340
Total	**1.5%**	**48,742**	**721**	**48,021**

No significant losses were recognized during 2022, and the overall weighted expected loss rate has been reduced compared to loss percentage recorded in 2021.

Expected credit loss on receivables from trade receivables as of December 31, 2021:

tEUR	Expected Loss Rate	Gross Receivable	Expected loss	Net receivable
2021				
Not Due	0.0%	9,638	0	9,638
Less than 30 days	0.0%	4,485	2	4,483
Between 31 and 60 days	0.6%	3,771	24	3,747
Between 61 and 90 days	1.8%	1,833	33	1,800
More than 91 days	6.7%	6,893	459	6,434
Total	**1.9%**	**26,620**	**518**	**26,102**

Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which mainly include trade payables, other payables, earn-outs and deferred M&A payments, and the credit facility. The group ensures adequate liquidity through the management of cash flow forecasts and close monitoring of cash inflows and outflows.

Notes

20. Financial risk management objectives and policies (cont'd)

The following table summarizes the maturities of the Group's financial obligations. The Group had no derivative financial instruments.

tEUR	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
2022						
Non-derivative financial instruments:						
Financial liabilities measured at fair value						
Earn-Out consideration	30,058	30,058	30,425	15,425	15,000	0
Contingent liabilities	0	0	0	0	0	0
Other financial liabilities measured at fair value	17,269	17,269	17,622	9,610	8,012	0
Financial liabilities measured at amortized costs						
Trade and other payables	22,252	22,252	22,252	22,252	0	0
Deferred payment on acquisitions	1,944	1,944	1,949	1,858	90	0
Debt to credit institutions	201,708	201,708	215,021	6,656	208,364	0
Total non-derivative financial instruments	**273,232**	**273,232**	**287,269**	**55,802**	**231,466**	**0**
Assets:						
Trade and other receivables	53,179	53,179	53,179	53,179	0	0
Cash	31,497	31,497	31,497	31,497	0	0
Total financial assets	**84,677**	**84,677**	**84,677**	**84,677**	**0**	**0**
Net	**188,555**	**188,555**	**202,592**	**- 28,875**	**231,466**	**0**

tEUR	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
2021						
Non-derivative financial instruments:						
Financial liabilities measured at fair value						
Earn-Out consideration	5,793	5,793	5,864	5,379	485	0
Contingent liabilities	19,893	19,893	19,893	19,893	0	0
Other financial liabilities measured at fair value	3,486	3,486	3,547	1,191	2,355	0
Financial liabilities measured at amortized costs						
Trade and other payables	18,393	18,393	18,393	18,393	0	0
Deferred payment on acquisitions	6,342	6,342	6,343	5,320	1,023	0
Debt to credit institutions	121,025	121,025	125,568	21,694	103,873	0
Total non-derivative financial instruments	**174,933**	**174,933**	**179,607**	**71,871**	**107,736**	**0**
Assets:						
Trade and other receivables	30,083	30,083	30,083	30,083	0	0
Restricted Cash	1,489	1,489	1,489	1,489	0	0
Cash	28,603	28,603	28,603	28,603	0	0
Total financial assets	**60,175**	**60,175**	**60,175**	**60,175**	**0**	**0**
Net	**114,758**	**114,758**	**119,432**	**11,696**	**107,736**	**0**

Notes

20. Financial risk management objectives and policies (cont'd)

Fair value of Earn-out consideration, contingent consideration, and other financial liabilities

Fair Value is measured based on level 3 - Valuation techniques, for which the lowest level input that is significant to the fair value measurement is unobservable. The Fair Value of Earn-Out consideration, and Other financial liabilities is measured based on weighted probabilities of assessed possible payments discounted to present value. For further information on the contingent liability consideration, please refer to note 22

Fair value

In all material aspects the financial liabilities are current/short termed. Non-current loans and overdraft facility are subject to a variable interest rate. Thus, the fair value of the financial assets and liabilities is considered equal to the booked value.

Capital Management

For the purpose of the Group's capital management, capital includes issued capital, share premium, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximize shareholder value and to maintain an optimal capital structure. The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new shares or return capital to shareholders.

Credit facilities

Better Collective has non-current committed bank credit facilities of total 247 mEUR, of which 203 mEUR was drawn up end of December 2022. As of December 31, 2022 cash and unused credit facilities, amounted to approximately 76 mEUR.

Net debt includes current and non-current debt to financial institutions and other financial liabilities, less cash and cash equivalents.

Change in liabilities arising from financing activity

tEUR	2020	Cash flows Net	Non cash flow changes	2021	Cash flows Net	Non cash flow changes	2022
Non-current financing liabilities	69,277	52,324	- 575	121,025	80,672	11	201,708
Leasing and other non-current liabilities (vacation fund)	2,968	- 844	- 604	1,521	0	3,441	4,962
Current financing liabilities	20	- 20	0	0	- 0		0
Leasing current liabilities	1,262	- 1,147	1,232	1,347	- 1,274	1,579	1,653
Total liabilities from financing activities	**73,528**	**50,313**	**53**	**123,893**	**79,398**	**5,031**	**208,322**

Accounting policies

Cash
Cash comprise cash at bank and on hand.

Liabilities
The Group's liabilities include prepayments from customers, trade payables and overdraft facility. Liabilities are classified as current if they fall due for payment within one year or earlier. If this condition is not met, they are classified as non-current liabilities.

Earn-out amounts are measured at fair value.

Debt to credit institutions are at initial recognition measured at fair value less transaction cost and subsequently measured at amortized cost.

Other financial liabilities comprise amounts payable to sellers as a result of business combinations and asset acquisitions.

Notes

21. Change in working capital

tEUR	2022	2021
Change in receivables	- 23,020	- 8,418
Prepaid expenses	- 1,690	- 472
Prepayment from customers	4,530	460
Change in trades payable, other debt	3,231	4,390
Change in working capital, total	**- 16,949**	**- 4,040**

22. Business combinations

During 2022 there were no acquisitions of business combinations.

Acquisition of Action Network.

On May 3, 2021 Better Collective signed an agreement to acquire the leading US sports betting media platform, Action Network, for 196 mEUR (240 mUSD), gaining market leadership within sports betting media in the US. The acquisition closed on May 28, 2021 and provides Better Collective with a strong foundation for profiting from the continuous expansion of the US sports betting market.

The transferred consideration was paid with cash and shares, and a deferred payment payable in cash.

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Sites	153,670
Accounts and other intangible assets	7,773
Deferred tax assets	9,585
Equipment	88
Deposits	183
Prepayments	237
Accounts Receivable	2,141
Other	147
Cash and cash equivalents	8,131
Deferred tax liabilities	- 42,782
External Creditors	- 1,245
Prepayment from customers	- 2,297
Other (incl VAT, payroll related, etc.)	- 1,566
Identified net assets	**134,065**
Goodwill	69,157
Total consideration	**203,221**

A goodwill of 69,157 tEUR emerged from the acquisition of Action Network 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 growth expectations for the US market with regulation for online sports betting being implemented across States. The goodwill is not tax deductible.

Transaction costs related to the acquisition of Action Network amounts to 5,519 tEUR in 2021. Transaction costs are accounted for in the income statements under “special items”.

The fair value of the trade receivables amounts to 2,141 tEUR. The gross amount of trade receivables is 2,141 tEUR and no provision has been recorded.

Notes

22. Business combinations (continued)

tEUR	
Purchase amount	203,221
Regards to:	
Cash and cash equivalents	8,131
Exchange rate diff on Cashflow	
Less Deferred payment	8,167
Less Price paid in shares	9,388
Net cash outflow	177,535

The acquisition was completed on May 28, 2021. If the transaction had been completed on January 1, 2021 the Group's revenue for 2021 would have amounted to 189,241 tEUR and result after tax would have amounted to 16,482 tEUR.

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

Acquisition of Mindway AI ApS

On January 1, 2021 Better Collective exercised its option to acquire a further 70% of the shares in Mindway AI for a total price of 2.3 mEUR (17 mDKK). The acquisition follows a preliminary investment made in 2019 where Better Collective acquired 19.99% of the company for 0.5 mEUR (4 mDKK). With the new investment, Better Collective now holds 90% of the shares in Mindway AI.

The transferred consideration was paid with cash.

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Accounts & other intangible assets	0
Equipment	3
Deposits	5
Trade and other receivables	76
Prepayments	0
Cash and cash equivalents	89
Corporate tax payables	- 2
Loans	- 555
Trade and other payables	- 197
Identified net assets	**- 581**
Goodwill	3,404
Total consideration	**2,823**

A goodwill of 3,404 tEUR emerged from the acquisition of Mindway AI as an effect of the difference between the transferred consideration and the fair value of acquired net assets. Goodwill is connected to the future growth expectations given the strong competencies and platform acquired. The goodwill is not tax deductible.

Transaction costs related to the acquisition of Mindway AI amounts to 2 tEUR in 2021. Transaction costs are accounted for in the income statements under “special items”.

The fair value of the trade receivables amounts to 76 tEUR. The gross amount of trade receivables is 76 tEUR and no provision has been recorded.

Notes

22. Business combinations (continued)

tEUR	
Purchase amount	2,823
Regards to:	
Cash and cash equivalents	89
Paid in 2020	538
Net cash outflow	2,197

The acquisition was completed on January 1, 2021 and Mindway AI has been fully consolidated from that date.

23. Related party disclosures

The Group has registered the following shareholders with 5% or more equity interest:

- J Søgaard Holding ApS, 19.54 %,Toldbodgade 12, 1253 Copenhagen, Denmark
- Chr. Dam Holding ApS, 19.54 %, Toldbodgade 12, 1253 Copenhagen, Denmark

Christian Kirk Rasmussen and Jesper Søgaard each hold 19.54% of the shares in Better Collective A/S, through respective holding companies. The remaining shares are held by other shareholders.

Leading employees

The Group's related parties with significant influence include the Group's Board of Directors, Executive Directors and Key Management in the parent company and close family members of these persons. Related parties also include companies in which this circle of persons has significant interests.

Management remuneration and warrant programs are disclosed in note 5 and 6.

Transactions with related parties have been as follows:

tEUR	2022	2021
Warrants Board member (included in board remuneration)	0	27

Notes

24. Group information –subsidiary information

The consolidated financial statements of the Group as of December 31, 2022 include the following subsidiaries:

Name	Ownership	Country	City	Currency	Capital local currency
Better Collective GmbH*	100%	Austria	Vienna	tEUR	36
Hebiva Beteiligungen GmbH	100%	Austria	Vienna	tEUR	40
Better Collective SAS	100%	France	Paris	tEUR	100
Better Collective D.o.o.	100%	Serbia	Niš	tRSD	620
Bola Webinformation GmbH	100%	Austria	Vienna	tEUR	35
Better Collective Greece P.C.	100%	Greece	Thessaloniki	tEUR	10
Kapa Media Services Ltd.	100%	Malta	Naxxar	EUR	1,200
Better Collective Sweden AB	100%	Sweden	Stockholm	tSEK	50
Better Colllective UK Ltd	100%	United Kingdom	Stoke on Trent	GBP	1
Better Collective Poland SP Z o o	100%	Poland	Krakow	tPLN	5
Moar Performance Ltd	100%	United Kingdom	London	GBP	1
Better Collective Romania SRL	100%	Romania	Bucharest	tRON	50
Better Collective USA Inc	100%	USA	New York	USD	1
Better Collective Tennessee LLC**	100%	USA	Tennessee	tUSD	2,239
Atemi Ltd	100%	Malta	St Julians	tGBP	1
Hot Media Corp****	100%	British Virgin Islands	Tortola	tGBP	0
Force Media Inc****	100%	British Virgin Islands	Tortola	tGBP	0
Pedia Publications Ltd****	100%	Guernsey	St. Peter Port	tGBP	67
5 Star Traffic Ltd****	100%	British Virgin Islands	Tortola	tGBP	0
FTD LABS Ltd****	100%	Guernsey	St. Peter Port	tGBP	0
Better Collect UK Services Ltd (Former: Your Media Ltd)****	100%	United Kingdom	Tunbridge Wells	tGBP	0
HLTV ApS	100%	Denmark	Aarhus	tDKK	50
Mindway ApS	100%	Denmark	Aarhus	tDKK	65
Action Network Inc.***	100%	USA	New York	tUSD	0
Better Collective Netherlands B.V.	100%	Netherlands	Amsterdam	tEUR	1
Better Collective Portugal, Unipessoal Lda	100%	Portugal	Lisbon	tEUR	0
Better Collective Brasil LTDA	100%	Brasil	Rio de Janeiro	tBRL	10

* Better Collective GmbH is 100% owned by Hebiva Beteiligungen GmbH.
** Better Collective Tennessee LLC was merged in to Better Collective US Inc. On July 1st, 2022

***Action Network Inc. are 100% owned by Better Collective USA Inc.
**** Subsidiaries are 100% owned by Atemi Ltd.

Notes

24. Group information –subsidiary information (continued)

The consolidated financial statements of the Group as of December 31, 2021 include the following subsidiaries:

Name	Ownership	Country	City	Currency	Local currency
Better Collective GmbH*	100%	Austria	Vienna	tEUR	36
Hebiva Beteiligungen GmbH	100%	Austria	Vienna	tEUR	40
Better Collective SAS	100%	France	Paris	tEUR	100
Better Collective D.o.o.	100%	Serbia	Niš	tRSD	620
Bola Webinformation GmbH	100%	Austria	Vienna	tEUR	35
Better Collective Greece P.C.	100%	Greece	Thessaloniki	tEUR	10
Kapa Media Services Ltd.	100%	Malta	Naxxar	EUR	1,200
Better Collective Sweden AB	100%	Sweden	Stockholm	tSEK	50
Better Colllective UK Ltd	100%	United Kingdom	Stoke on Trent	GBP	1
Better Collective Poland SP Z o o	100%	Poland	Krakow	tPLN	5
MOAR Performance Ltd	100%	United Kingdom	London	GBP	1
Better Collective Romania SRL	100%	Romania	Bucharest	tRON	50
Better Collective USA Inc	100%	USA	New York	USD	1
Better Collective Florida LLC**	100%	USA	Nashville	USD	1
Better Collective Tennessee LLC***	100%	USA	Tennessee	tUSD	2,239
Atemi Ltd	100%	Malta	St Julians	tGBP	1
Hot Media Corp****	100%	British Virgin Islands	Tortola	tGBP	0
Force Media Inc****	100%	British Virgin Islands	Tortola	tGBP	0
Pedia Publications Ltd****	100%	Guernsey	St. Peter Port	tGBP	67
5 Star Traffic Ltd****	100%	British Virgin Islands	Tortola	tGBP	0
FTD LABS Ltd****	100%	Guernsey	St. Peter Port	tGBP	0
Better Collect UK Services Ltd (Former: Your Media Ltd)****	100%	United Kingdom	Tunbridge Wells	tGBP	0
HLTV ApS	100%	Denmark	Aarhus	tDKK	50
Mindway ApS	100%	Denmark	Aarhus	tDKK	65
Action Network Inc.***	100%	USA	New York	tUSD	
Better Collective Netherlands B.V.	100%	Netherlands	Amsterdam	EUR	1

* Better Collective GmbH is 100% owned by Hebiva Beteiligungen GmbH.
** Better Collective Florida LLC was merged in to Better Collective US Inc. On May 1st, 2021

***BC Tennessee LLC and Action Network Inc. are 100% owned by Better Collective USA Inc.
**** Subsidiaries are 100% owned by Atemi Ltd.

Notes

25. Other contingent liabilities

Other contingent liabilities

There are no other contingent liabilities in 2022.

The mortgage loan from Realkredit Danmark was paid out in connection with the sales of the property on HC. Andersens Boulevard in March 2021. There are no other contingent liabilities.

26. Events after the reporting date

During the first month of 2023, Better Collective delivered growth of >40%, despite having tough comparable from 2022, where the state of New York launched. The tremendous growth was fueled by the state of Ohio launching sports betting, coupled with a strong performance by the Group.

Better Collective announced two media partnerships with the digital soccer media, Goal, and the leading Polish sports site: Wirtualna Polska.

A smaller asset deal for a sports media in an emerging market was completed for 4.3 mUSD.

Better Collective announced a share acquisition of 8.5% of Catena Media.

A new lease agreement was signed for a new HQ in Copenhagen where Better Collective will move ‘around the corner’ to a new and bigger office space. The leasing agreement runs for five years and has total rent obligation of approximately 12 mEUR during that period.

In February Better Collective announced a share buy-back program of 10 mEUR.

Parent Company

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Statement of profit and loss

Note	tEUR	2022	2021
2	**Revenue**	**65,282**	**36,961**
	Other operating income	14,797	12,748
	Direct costs related to revenue	14,292	7,407
3.4	Staff costs	25,061	13,767
14	Depreciation	540	490
5	Other external expenses	17,248	15,080
	Operating profit before amortization (EBITA) and special items	**22,939**	**12,963**
12	Amortization	3,875	3,397
	Operating profit (EBIT) before special items	**19,064**	**9,566**
6	Special items, net	- 1,168	2,776
	Operating profit	**17,896**	**12,342**
9	Financial income	72,388	47,400
10	Financial expenses	35,057	5,102
	Profit before tax	**55,227**	**54,640**
11	Tax on profit for the period	8,279	6,947
	Profit for the period	**46,949**	**47,692**

Statement of comprehensive income

Note	tEUR	2022	2021
	Profit for the period	**46,949**	**47,692**
	Other comprehensive income		
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
	Currency translation to presentation currency	22	50
11	Income tax	0	0
	Net other comprehensive income/loss	22	50
	Total other comprehensive income/(loss) for the period, net of tax	**46,970**	**47,742**

Balance sheet

Note	tEUR	2022	2021
	Assets		
	Non-current assets		
12.13	**Intangible assets**		
	Domains and websites	144,374	26,189
	Accounts and other intangible assets	13,287	3,257
	Total intangible assets	**157,662**	**29,446**
14	**Property, plant and equipment**		
	Right of use assets	334	601
	Fixtures and fittings, other plant and equipment	410	310
	Total property, plant and equipment	**744**	**911**
	Financial assets		
7	Investments in subsidiaries	190,448	189,318
8	Receivables from subsidiaries	273,515	245,349
	Deposits	174	170
	Total financial assets	**464,137**	**434,837**
	Total non-current assets	**622,542**	**465,194**
	Current assets		
16	Trade and other receivables	17,163	7,683
19	Receivables from subsidiaries	30,229	22,428
	Tax receivable	5,913	0
	Prepayments	2,519	1,331
19	Restricted Cash	0	1,489
19	Cash	8,705	5,962
	Total current assets	**64,529**	**38,894**
	Total assets	**687,071**	**504,088**

Note	tEUR	2022	2021
	Equity and liabilities		
	Equity		
	Share Capital	551	546
	Share Premium	272,550	267,873
	Currency Translation Reserve	574	552
	Treasury shares	- 7,669	- 8,074
	Retained Earnings	145,047	94,223
	Proposed Dividends	0	0
	Total equity	**411,054**	**355,121**
	Non-current Liabilities		
19	Debt to credit institutions	201,708	121,025
18	Lease liabilities	16	330
11	Deferred tax liabilities	6,141	1,996
19	Other non-current financial liabilities	19,543	4,939
	Total non-current liabilities	**227,408**	**128,290**
	Current Liabilities		
	Prepayments received from customers and deferred revenue	1,583	0
17	Trade and other payables	5,719	4,046
19	Payables to subsidiaries	20,822	9,273
11	Corporation tax payable	30	993
19	Other current financial liabilities	19,045	6,039
	Debt to credit institutions	1,055	0
18	Lease liabilities	356	328
	Total current liabilities	**48,609**	**20,678**
	Total liabilities	**276,017**	**148,967**
	Total equity and liabilities	**687,071**	**504,088**

Statement of changes in equity

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

During the period no dividend was paid.

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

During the period no dividend was paid.

Statement of cash flows parent

Note	tEUR	2022	2021
	Profit before tax	55,227	54,640
	Adjustment for finance items	- 37,331	- 42,298
	Adjustment for special items	1,168	- 2,776
	Operating Profit for the period before special items	19,064	9,566
	Depreciation and amortization	4,415	3,887
	Other adjustments of non-cash operating items	2,139	1,278
	Cash flow from operations before changes in working capital and special items	25,619	14,731
20	Change in working capital	2,253	- 24,152
	Cash flow from operations before special items	27,871	- 9,421
	Special items, cash flow	- 1,227	- 447
	Cash flow from operations	**26,644**	**- 9,868**
	Dividend received	20,088	24,407
	Other Financial income, received	2,566	5,419
	Financial expenses, paid	- 5,296	- 4,235
	Cash flow from ordinary activities before tax	44,002	15,723
	Income tax paid	- 11,011	- 4,538
	Cash flow from operating activities	**32,992**	**11,184**
7	Acquisition of businesses	- 5,252	- 9,489
12	Acquisition of intangible asset	- 92,636	- 11,591
14	Acquisition of property, plant and equipment	- 322	- 184
14	Sale of property, plant and equipment	0	971
	Non-current loans to subsidiaries	- 200	- 195,389
	Change in other non-current assets	- 4	- 10
	Cash flow from investing activities	- 98,415	- 215,691

Note	tEUR	2022	2021
19	Repayment of borrowings	- 215,993	- 87,069
19	Proceeds from borrowings	296,665	139,373
	Group Financial borrowings	0	3,520
	Lease liabilities	- 336	- 299
	Other non-current liabilities	0	- 844
	Capital increase	618	158,236
	Treasury Shares	- 14,250	- 8,143
	Transaction cost	- 28	- 2,305
	Cash flow from financing activities	**66,675**	**202,469**
	Cash flows for the period	1,252	- 2,038
	Cash and cash equivalents at beginning	7,452	9,486
	Foreign currency translation of cash and cash equivalents	1	3
	Cash and cash equivalents period end	**8,705**	**7,452**
	Cash and cash equivalents period end		
	Restricted cash	0	1,489
	Cash	8,705	5,962
	Cash and cash equivalents period end	**8,705**	**7,452**

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Notes

1. Accounting policies

Reference is made to notes to the consolidated financial statements. For the treatment of subsidiaries reference is made to note 7.

2. Revenue specification – affiliate model

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

tEUR	2022	2021
Revenue category		
Recurring revenue (Revenue share, Subscription, CPM)	57,264	30,540
CPA, Fixed Fees	8,018	6,421
Other	0	0
Total Revenue	**65,282**	**36,961**
%-split		
Recurring revenue (Revenue share, Subscription, CPM)	88	83
CPA, Fixed Fees	12	17
Other	0	0
Total Revenue	**100**	**100**

tEUR	2022	2021
Revenue		
Revenue share	48,152	30,540
CPA	2,490	3,352
Subscription revenue	572	0
Other	14,068	3,069
Total Revenue	**65,282**	**36,961**
%-split	2,022	2,021
Revenue		
Revenue share	74	83
CPA	4	9
Subscription revenue	1	0
Other	22	8
Total Revenue	**100**	**100**

The parent company has earned 37.3 mEUR in revenues from one major customer, which represents 57% of the parent company's revenue (2021: 60%).

Accounting policies

Reference is made to note 4 of the consolidation financial statement.

Other operating income: Other operating income in the Parent Company consists of management fees for subsidiaries and is recognized at the time of delivery of the management services.

3. Staff costs

tEUR	2022	2021
Wages and salaries	13,924	11,244
Pensions, defined contribution	1,116	939
Other social security costs	163	222
Share-based payments	1,935	1,203
Other staff costs	235	159
Intercompany personnel costs*	7,688	0
Total staff costs	**25,061**	**13,767**

* Intercompany staff cost were presented as external cost in 2021. Amount has not been restated.

Average number of full-time employees	134	124

For remuneration of Key Management personnel, Executive Directors and the Board of Directors, reference is made to the disclosures in note 5 of the consolidated financial statements.

4. Share-based payments

Reference is made to the disclosures in note 6 of the consolidated financial statements.

5. Fees paid to auditors appointed at the annual general meeting

tEUR	2022	2021
Fee related to statutory audit	265	237
Fees for tax advisory services	0	0
Assurance engagements	25	20
Other assistance	0	0
Total audit fees	**290**	**257**

6. Special items

Significant income and expenses, which Better Collective consider not part of ordinary business are presented in the Income statement in a separate line item labelled 'Special items'. The impact of special items is specified as follows:

tEUR	2022	2021
Operating profit	**17,896**	**12,342**
Special Items related to:		
Special items related to M&A	- 1,227	- 441
Special items related to Earn-out	59	2,952
Special items related to Restructuring	- 0	- 6
Special items related to Divestiture of Assets	0	272
Special Items, total	**- 1,168**	**2,776**
Operating profit (EBIT) before special items	**19,064**	**9,566**
Amortization	3,875	3,397
Operating profit before amortization and special items (EBITA before special items)	**22,939**	**12,963**
Depreciation	540	490
Operating profit before depreciation, amortization, and special items (EBITDA before special items)	**23,479**	**13,454**

Notes

7. Investments in subsidiaries

Name	Domicile	Interest %	2022 Equity tEUR	2022 Profit/loss tEUR	2021 Equity tEUR	2021 Profit/loss tEUR
Subsidiaries						
Better Collective D.o.o.	Serbia	100%	1,017	92	903	240
Better Collective SAS	France	100%	14,116	12,868	6,248	5,038
Hebiva Beteiligungen GmbH	Austria	100%	1,530	1,458	2,334	2,251
Better Collective GmbH*	Austria	100%	35	1,466	32	2,242
Bola Webinformation GmbH	Austria	100%	6,742	6,707	4,751	4,716
Better Collective Greece P.C.	Greece	100%	1,344	292	1,052	310
Kapa Media Services Ltd.	Malta	100%	387	57	330	63
Better Collective Sweden AB	Sweden	100%	3,198	2,069	3,210	1,944
Better Colllective UK Ltd	United Kingdom	100%	0	205	- 27	- 106
Better Collective Poland SP Z o o	Poland	100%	413	158	259	119
Moar Performance Ltd	United Kingdom	100%	2,261	2,151	183	83
Better Collective Romania SRL	Romania	100%	78	- 11	89	64
Better Collective USA Inc	USA	100%	- 18,642	- 5,888	- 13,583	- 12,659
Better Collective Florida LLC**	USA	100%			0	79
Action Network Inc.	USA	100%	17,842	7,884	9,705	955
Better Collective Tennessee LLC**	USA	100%		5,235	3,625	6,063
Atemi Ltd	Malta	100%	73	2,513	- 162	- 31
Hot Media Corp***	British Virgin Islands	100%	668	- 519	1,233	41
Force Media Inc***	British Virgin Islands	100%	1	520	- 528	- 125
Pedia Publications Ltd***	Guernsey	100%	5	385	- 386	311
5 Star Traffic Ltd***	British Virgin Islands	100%	1,872	3	3,822	584
FTD LABS Ltd***	Guernsey	100%	0	12	783	349
Better Collective UK Services Ltd (Former: Your Media Ltd)***	United Kingdom	100%	196	354	- 152	4
HLTV ApS	Denmark	100%	1,431	2,107	3,223	4,071
Mindway ApS	Denmark	100%	- 1,021	- 90	- 931	- 350
Better Collective Netherlands B.V.	Netherlands	100%	- 97	- 136	39	39
Better Collective Portugal, Unipessoal Lda	Portugal	100%	36	36		
Better Collective Canada Inc	Canada	100%	57	53		
Better Collective Brasil Ltda	Brasil	100%	- 4	- 4		

*Better Collective GmbH is 100% owned by Hebiva Beteiligungen GmbH.
** Better Collective Florida LLC was merged in to Better Collective US Inc. On May 1st, 2021
*** BC Tennessee LLC was merged in to Better Collective US Inc. On July 1st, 2022
****Subsidiaries are 100% owned by Atemi Ltd.

Notes

7. Investments in subsidiaries (continued)

tEUR	2022	2021	2020	2019
Subsidiaries				
Cost at January 1	**189,318**	**183,856**	**103,024**	**100,088**
Additions*	1,130	4,770	80,372	3,017
Exchange rate to reporting currency	0	691	460	- 81
Cost at December 31	**190,448**	**189,318**	**183,856**	**103,024**
Value adjustment at January 1	**0**	**0**	**0**	**0**
Impairment	0	0	0	0
Reversal of impairment	0	0	0	0
Value adjustment at December 31	**0**	**0**	**0**	**0**
Carrying amount at December 31	**190,448**	**189,318**	**183,856**	**103,024**

*Cash flow impact in 2022: 5,252 tEUR (2021: 9.489 tEUR)

Reference is made to note 22 of the consolidated financial statements for acquisition of businesses.

Investments in subsidiaries have been assessed for impairment in 2022 and 2021 and did not lead to any impairment in neither 2022 nor 2021.

Accounting policies

Investments in subsidiaries
Investments in subsidiaries and other investments are measured at cost. If the cost exceeds the recoverable amount, the carrying amount is reduced to such lower value. Reference is made to note 13 of the consolidated financial statement.

Notes

8. Non-current financial assets

tEUR	Receivables from Subsidiaries	Other non-current financial assets	Total
Cost at January 1, 2022	**245,349**	**0**	**245,349**
Additions	200	0	200
Exchange rate adjustment	27,966	0	27,966
Cost at December 31, 2022	**273,515**	**0**	**273,515**
Value adjustment at 1 January, 2022	**0**	**0**	**0**
Impairment	0	0	0
Value adjustment at 31 December, 2022	**0**	**0**	**0**
Carrying amount at 31 December, 2022	**273,515**	**0**	**273,515**
Cost at January 1, 2021	**36,969**	**1,146**	**38,115**
Additions	195,389	0	195,389
Disposals	0	- 1,146	- 1,146
Exchange rate adjustment	12,991	0	12,991
Cost at December 31, 2021	**245,349**	**0**	**245,349**
Value adjustment at 1 January, 2021	**0**	**0**	**0**
Impairment	0	0	0
Value adjustment at 31 December, 2021	**0**	**0**	**0**
Carrying amount at 31 December, 2021	**245,349**	**0**	**245,349**

Notes

9. Finance income

tEUR	2022	2021
Exchange gains	46,394	19,701
Interest income	0	11
Interest expenses, group entities	5,905	3,281
Dividend income	20,088	24,407
Other financial income	0	0
Total finance income	**72,388**	**47,400**

10. Finance costs

tEUR	2022	2021
Exchange losses	30,131	1,681
Interest expenses	3,712	1,664
Interest - right of use assets (Leasing)	21	32
Interest expenses, group entities	254	108
Other financial costs	939	1,617
Total finance costs	**35,057**	**5,102**

Notes

11. Income tax

Total tax for the year is specified as follows:

tEUR	2022	2021
Tax for the year	8,279	6,947
Tax on other comprehensive income	0	0
Total	**8,279**	**6,947**

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

tEUR	2022	2021
Deferred tax	4,154	833
Current tax	4,181	6,015
Adjustment from prior years	- 56	100
Total	**8,279**	**6,947**

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

tEUR	2022	2021
Specification for the period:		
Calculated 22% tax of the result before tax	12,150	12,021
Tax effect of:		
Non-taxable income	- 4,419	- 5,370
Non-deductible costs	604	197
Adjustment from prior years	- 56	100
	8,279	**6,947**
Effective tax rate	**15.0%**	**12.7%**

tEUR	2022	2021
Deferred tax liabilities		
Deferred tax liabilities January 1	**1,996**	**1,163**
Adjustments of deferred tax in profit and loss	4,154	833
Exchange rate adjustment	- 9	0
Deferred tax liabilities December 31	**6,141**	**1,996**
Deferred tax is recognized in the balance sheet as:		
Deferred tax asset	0	0
Deferred tax liability	6,141	1,996
Deferred tax liabilities December 31	**6,141**	**1,996**
Deferred tax is related to:		
Intangible assets	6,209	2,051
Property, plant and equipment	- 68	- 55
Deferred tax liabilities December 31	**6,141**	**1,996**
Income tax payable		
Income tax payable January 1	**993**	**- 583**
Current tax	4,181	6,015
Income tax paid during the year	- 11,011	- 4,538
Adjustment - Prior year	- 56	100
Tax payable reduction from warrant settlement	0	0
Exchange rate difference	11	- 1
Income tax payable December 31	**- 5,883**	**993**

Notes

12. Intangible assets

tEUR	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation			
At January 1, 2022	**26,189**	**11,179**	**37,368**
Acquisitions*	118,185	13,907	132,092
Currency Translation	- 1	0	- 1
At December 31, 2022	**144,374**	**25,086**	**169,460**
Amortization and impairment			
At January 1, 2022	**0**	**7,922**	**7,922**
Amortization for the period	0	3,875	3,875
Currency translation	0	2	2
At December 31, 2022	**0**	**11,798**	**11,798**
Net book value at December 31, 2022	**144,374**	**13,287**	**157,662**

*Cash flow impact in 2022: 92,636 tEUR

tEUR	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation			
At January 1, 2021	**15,185**	**7,878**	**23,063**
Acquisitions*	10,998	3,298	14,297
Currency Translation	5	3	8
At December 31, 2021	**26,189**	**11,179**	**37,368**
Amortization and impairment			
At January 1, 2021	**0**	**4,523**	**4,523**
Amortization for the period	0	3,397	3,397
Currency translation	0	2	2
At December 31, 2021	**0**	**7,922**	**7,922**
Net book value at December 31, 2021	**26,189**	**3,257**	**29,446**

*Cash flow impact in 2021: 11,591 tEUR

Notes

13. Intangible assets with indefinite life

The parent company's domain names and websites arise from asset acquisitions.

Domain names and websites are not subject to amortization, but are reviewed annually for impairment, or more frequently if there are any indicators of impairment that are noted during the year.

Cash-generating units

A cash-generating unit represents the smallest identifiable group of assets that together have cash inflows that are largely independent of the cash inflows from other assets. Management has concluded that the Group has only one cash-generating unit for impairment testing purposes, since cash flows to the Group are generated by the business as a whole and independent cash flows from other assets cannot be separately distinguished. Therefore, impairment testing has been done at the level of one cash-generating unit.

Carrying amount of Domains and Websites for the CGU:

tEUR	2022	2021
Domains and Websites	144,374	26,189

As at December 31, 2022 and December 31, 2021, the directors have evaluated domains and websites for impairment. The directors are of the view that the carrying amount of domains and sites is recoverable on the basis that the cash-flows generated from these assets are in line, or exceed, the estimated projections made prior to the acquisitions. The directors are satisfied that the judgements made are appropriate to the circumstances.

Recoverable amount

When testing for impairment, the parent company estimates a recoverable amount for and for domains and websites. The recoverable amount is the higher of the asset or cash-generating unit's fair value less costs of disposal and its value in use. The recoverable amount is normally determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. As Management has concluded that the individual assets do not generate cash inflows on their own, the recoverable amount of domains and websites has been determined on the level of one cash-generating unit, as explained above.

The parent company has performed an impairment test on domains and websites as of December 31, 2022 and December 31, 2021, on a value-in-use basis. Management has based the value in use by estimating the present value of future cash flows from a three-year forecast approved by the Board of Directors and corresponding to the Group's long-term forecast for 2023-2025. Key parameters in the forecast are trends in revenue, cost development and growth expectations. Beyond the approved forecast, EBITDA growth, cash conversion and tax-rates have been forecasted with a time horizon of 10 years, increased from 5 years used in the 2021 impairment testing. Based on 2032 EBITDA and cash flow, management has applied a terminal value rate of 2%. The cash flows assume a discount factor of 15% based on the Group's weighted average cost of capital (WACC) in all years 2023-2032 with an effective tax rate of 22% (pre-tax discount rate 18%). The Board of Directors have approved the inputs to the impairment testing and are satisfied that the judgements made are appropriate.

Further, acquired domains and websites with indefinite life have been individually evaluated for indicators of impairment. The evaluation is based on actual traffic on the websites, as well as actual and expected revenue and NDCs generated by the accounts with operators that are linked to the websites.

In 2022 the results of the impairment tests for goodwill and domains and websites showed that the recoverable amount exceeded the carrying value and that there was no impairment loss to be recognized.

In 2021 the evaluation of acquired revenue share accounts in the Netherlands, following the regulatory development and operator decisions to discontinue old player databases, resulted in an impairment of 1.7 mEUR. The liability related to the asset, recorded as an earn-out payable, was reduced in the assessment and the impact on P/L of the earn-out adjustment of 2.9 mEUR was included in Special items.

Notes

14. Property, plant and equipment

tEUR	Right of use assets	Fixtures and fittings, other plant and equipment	Total
Cost or valuation			
At December 31, 2021	**1,502**	**970**	**2,472**
Additions	50	322	373
Currency Translation	0	0	0
At December 31, 2022	**1,553**	**1,292**	**2,845**
Depreciation and impairment			
At December 31, 2021	**901**	**660**	**1,561**
Depreciation for the period	318	222	540
Currency translation	0	0	0
At December 31, 2022	**1,219**	**882**	**2,101**
Net book value at December 31, 2022	**334**	**410**	**744**

tEUR	Right of use assets	Fixtures and fittings, other plant and equipment	Total
Cost or valuation			
At December 31, 2020	**1,502**	**1,576**	**3,077**
Additions	0	184	184
Disposals	0	- 790	- 790
Currency Translation	1	0	1
At December 31, 2021	**1,502**	**970**	**2,472**
Depreciation and impairment			
At December 31, 2020	**605**	**555**	**1,160**
Depreciation for the period	296	195	490
Depreciation on disposed assets	0	- 91	- 91
Currency translation	0	0	1
At December 31, 2021	**901**	**660**	**1,561**
Net book value at December 31, 2021	**601**	**310**	**911**

Notes

15. Issued capital and reserves

Reference is made to the disclosures in note 16 of the consolidated financial statements.

16. Trade and other receivables

tEUR	2022	2021
Trade receivables	10,266	1,361
Accrued revenue	6,827	6,155
Other receivables	71	167
Total receivables	**17,163**	**7,683**

17. Trade and other payables

tEUR	2022	2021
Trade Payables	593	998
Other payables	5,125	3,048
Total payables	**5,719**	**4,046**

18. Leasing

Right-of-use assets

tEUR	Buildings	Cars	Total
Balance at January 1, 2022	**601**	**0**	**601**
Additions	0	50	50
Exchange rate adjustment	0	0	0
Depreciation	- 300	- 17	- 318
Balance at December 31, 2022	**301**	**33**	**334**
Balance at January 1, 2021	**896**	**0**	**896**
Exchange rate adjustment	0	0	0
Depreciation	- 295	0	- 295
Balance at December 31, 2021	**601**	**0**	**601**

Lease liabilities

tEUR	2022	2021
Maturity analysis - contractual undiscounted cash flows		
Less than one year	363	338
One to five years	16	345
More than five years	0	0
Total undiscounted cash flows	**379**	**683**
Total lease liabilities	**372**	**657**
Current	356	328
Non-current	16	330

The total cash outflow for leases in 2022 was 357 tEUR (2021: 331 tEUR).

Notes

18. Leasing (continued)

Amounts recognized in the consolidated income statement

tEUR	2022	2021
Interest on lease liabilities	21	32
Expenses relating to short- term lease	0	0
Expenses relating to lease of low value assets	0	0

19. Financial risk management objectives and policies

The parent company's activities expose it to a variety of financial risks:

market risk (including foreign currency exchange risk and interest rate risk), credit risk, and liquidity risk. The parent company has established principles for overall risk management, which seek to minimize potential adverse effects on the parent company's performance.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For the parent company, market risk comprises foreign currency risk and interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The parent company´s exposure to the risk of changes in foreign exchange rates relates primarily to the parent company's international operating activities. The parent company's revenues are mainly denominated in DKK and EUR, with limited revenues in GBP, USD, and PLN. The majority of the parent company's expenses are employee costs, which are denominated in the Group entities' functional currency, DKK together with expenses. Expenses have a pattern there is in line with the revenue. The expenses are mainly in DKK, EUR and limited GBP, USD, and PLN. The DKK rate is fixed to the EUR. Since revenues in other foreign currencies than DKK and EUR (GBP, USD, and PLN) are limited and expenses in GBP, USD, and PLN reduces the exposure, the parent company is not overly exposed to foreign currency risk for the ongoing operations.

The parent company has provided long-term intercompany loans in USD to Better Collective US, Inc. to fund the acquisitions in US. The un-realized exchange rate gains/losses are recorded in the profit and loss in the parent company. A strengthening of the USD vs. EUR of 10% will have a positive impact on the parent company of 24 mEUR, whereas a weakening of the USD vs. EUR of 10% will have a negative impact of 24 mEUR on the parent company.

Beyond the impact due to loans mentioned above, the historic exposure to currency fluctuations has not had a material impact on the parent company's financial condition or results of operations. Accordingly, Management deems that a further sensitivity analysis showing how profit or pre-tax equity would have been impacted by changes in these foreign exchange rates is not necessary.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The parent company's exposure to interest rate risk arises mainly from the club facility signed in November 2022 and deposits held. These are short-term and not material amounts. With ~200 mEUR drawn on the facility as of December 2022, an increase in the interest of 1 %-point will drive additional 2 mEUR in finance costs. However, management expects to re-pay the credit facility in the short to medium term, as the parent company is generating positive cash flows, and therefore exposure to interest rate risk is considered minimal.

The parent company regularly monitors its interest rate risk and considers it to be insignificant, therefore an interest rate sensitivity analysis is not deemed necessary.

Credit risk

As per January 1, 2018 the parent company implemented IFRS 9 using the simplified expected credit loss model. The model implies that the expected loss over the lifetime of the asset is recognized in the profit and loss immediately and is monitored on an ongoing basis until realization. The parent company has very limited overdue trade receivables and historically there has been minimal losses on trade receivables and the subsidiaries have a high liquidity ratio. The inputs to the expected credit loss model reflects this.

As per December 31, 2022 the parent company's impairment for expected loss is included in the trade receivables (ref note 16).

Notes

19. Financial risk management objectives and policies (cont'd)

Expected credit loss on receivables from trade and subsidiaries can be specified as follows:

tEUR	Expected Loss Rate	Gross Receivable	Expected loss	Net receivable
2022				
Not Due	0.0%	10,875	0	10,875
Less than 30 days	0.2%	4,067	10	4,057
Between 31 and 60 days	0.7%	1,593	11	1,582
Between 61 and 90 days	2.5%	105	3	103
More than 91 days	25.0%	1,036	259	777
Total	**1.6%**	**17,676**	**283**	**17,393**
Receivables from subsidiaries	**0.0%**	**303,744**	**0**	**303,744**

tEUR	Expected Loss Rate	Gross Receivable	Expected loss	Net receivable
2021				
Not Due	0.0%	1,645	0	1,645
Less than 30 days	0.0%	956	0	956
Between 31 and 60 days	0.3%	1,840	5	1,835
Between 61 and 90 days	0.8%	621	5	616
More than 91 days	2.7%	2,532	68	2,463
Total	**1.0%**	**7,595**	**79**	**7,516**
Receivables from subsidiaries	**0.0%**	**267,777**	**0**	**267,777**

Limited losses were recognized during 2022. Expected loss rate on long overdues has been increased, whereas increased customer follow-up has lowered the exposure compared to 2021.

Liquidity risk

The parent company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which mainly include trade payables, other payables and the credit facility. The parent company ensures adequate liquidity through the management of cash flow forecasts and close monitoring of cash inflows and outflows.

Notes

19. Financial risk management objectives and policies (cont'd)

The following table summarizes the maturities of the parent company's financial obligations. The parent company had no derivative financial instruments.

Contractual cash flows:	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
2022						
Non-derivative financial instruments:						
Financial liabilities measured at fair value						
Earn-Out consideration	30,058	30,058	30,425	15,425	15,000	0
Other financial liabilities measured at fair value	8,438		8,675	3,643	5,032	0
Financial liabilities measured at amortized costs						
Trade and other payables	5,719	5,719	5,719	5,719	0	0
Deferred payment on acquisitions	91	91	95	5	90	0
Payables to subsidiaries	3,053	3,053	3,053	3,053	0	0
Loans from subsidiaries	17,769	17,769	18,124	18,124	0	0
Debt to credit institutions	201,708	201,708	215,021	6,656	208,364	0
Total non-derivative financial instruments	**266,836**	**258,398**	**281,112**	**52,626**	**228,486**	**0**
Assets:						
Non-current financial assets, subsidiaries	273,515	273,515	300,866	5,470	295,396	0
Trade and other receivables	17,163	17,163	17,163	17,163	0	0
Receivable from subsidiaries	30,229	30,229	30,229	30,229	0	0
Cash	8,705	8,705	8,705	8,705	0	0
Total financial assets	**329,612**	**329,612**	**356,963**	**61,567**	**295,396**	**0**
Net	**- 62,776**	**- 71,214**	**- 75,851**	**- 8,941**	**- 66,910**	**0**

tEUR	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
2021						
Non-derivative financial instruments:						
Financial liabilities measured at fair value						
Earn-Out consideration	5,793	5,793	5,864	5,379	485	0
Other financial liabilities measured at fair value	3,486	3,486	3,547	1,191	2,355	0
Financial liabilities measured at amortized costs						
Trade and other payables	4,046	4,046	4,046	4,046	0	0
Deferred payment on acquisitions	1,698	1,698	1,706	1,610	95	0
Payables to subsidiaries	2,593	2,593	2,593	2,593	0	0
Loans from subsidiaries	6,680	6,680	6,814	6,814	0	0
Debt to credit institutions	121,025	121,025	125,568	21,694	103,873	0
Total non-derivative financial instruments	**145,320**	**145,320**	**150,136**	**43,327**	**106,809**	**0**
Assets:						
Non-current financial assets, subsidiaries	245,349	245,349	269,884	4,907	264,977	0
Trade and other receivables	7,683	7,683	7,683	7,683	0	0
Receivable from subsidiaries	22,428	22,428	22,428	22,428	0	0
Restricted cash	1,489	1,489	1,489	1,489	0	0
Cash	5,962	5,962	5,962	5,962	0	0
Total financial assets	**282,912**	**282,912**	**307,447**	**42,470**	**264,977**	**0**
Net	**- 137,592**	**- 137,592**	**- 157,311**	**857**	**- 158,168**	**0**

Notes

19. Financial risk management objectives and policies (continued)

Fair value of Earn-out consideration, contingent consideration, and other financial liabilities

Fair Value is measured based on level 3 - Valuation techniques, for which the lowest level input that is significant to the fair value measurement is unobservable. Fair Value of Earn Out consideration and Other financial liabilities is measured based on weighted probabilities of assessed possible payments discounted to present value.

Fair value

In all material aspects the financial liabilities are current/short termed. Non-current loans, overdraft facility and intercompany loans are subject to a variable interest rate. Thus, the fair value of the financial assets and liabilities is considered equal to the booked value.

Capital Management

For the purpose of the parent company's capital management, capital includes issued capital, share premium, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the parent company's capital management is to maximize shareholder value and to maintain an optimal capital structure. The parent company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the parent company may adjust the dividend payment to shareholders, issue new shares or return capital to shareholders.

Credit facilities

Better Collective has non-current committed bank credit facilities of total 247 mEUR, of which 203 mEUR was drawn up end of December 2022. As of December 31, 2022 cash and unused credit facilities, amounted to approximately 76 mEUR.

Net debt includes current and non-current debt to financial institutions and other financial liabilities, less cash and cash equivalents.

Change in liabilities arising from financing activity

tEUR	2020	Cash flows Net	Non cash flow changes	2021	Cash flows Net	Non cash flow changes	2022
Non-current financing liabilities	69,277	52,323	- 576	121,025	79,617	1,066	201,708
Leasing and other non-current liabilities	1,473	- 844	- 299	330	0	- 314	16
Current financing liabilities:							
Payables to subsidiaries	12,585	- 3,313	0	9,273	11,549	0	20,822
Debt to credit institutions	20	- 20		0	1,055	0	1,055
Leasing current liabilities	328	- 299	300	328	- 336	364	356
Total liabilities from financing activities	**83,683**	**47,847**	**- 575**	**130,955**	**91,885**	**1,116**	**223,956**

Notes

20. Change in working capital

tEUR	2022	2021
Change in receivables	- 9,901	- 3,033
Changes in Intercompany balances	10,086	- 22,522
Prepaid expenses	- 1,188	- 595
Prepayment - from Customers	1,583	0
Change in trades payable, other debt	1,673	1,998
Change in working capital, total	**2,253**	**- 24,152**

21. Other contingent liabilities

Other contingent liabilities

Joint taxation with HLTV ApS and Mindway AI ApS.

The Parent Company is jointly taxed with the Danish subsidiaries, HLTV ApS and Mindway Ai ApS. As administration company, the Company has unlimited joint and several liability, together with the subsidiaries, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. The jointly taxed entities' total known net receivable in respect of corporation taxes and withholding taxes payable on dividend, interest and royalties amounted to 5,909 tEUR at December 31, 2022, following a preliminary payment in November 2022 (net payable 360 tEUR at December 31, 2021). Any subsequent corrections of income subject to joint taxation and withholding taxes, etc., may entail that the entities' liability will increase.

22. Related party disclosures

In addition to the disclosures in note 23 of the consolidated financial statements, the parent company's related parties include subsidiaries, cf. note 24 to the consolidated financial statements and note 5 to the parent company's financial statements.

Transactions with related parties have been as follows:

tEUR	2022	2021
Income Statement		
Other Operating income	13,701	12,748
Intercompany revenue	- 9,175	- 5,492
Purchases	7,093	8,857
Interest expense	254	108
Interest income	5,905	3,281
Dividend income	20,088	24,407
Balance Sheet		
Long-term financial assets	273,515	245,349
Receivables from subsidiaries	30,229	22,428
Short term loans and payables to subsidiaries	20,822	9,273

Management remuneration and share option programs are disclosed in note 5 and note 6 to the consolidated financial statements.

There have not been other transactions with the Board of Directors, the Executive Directors, major shareholders or other related parties during the year.

Other

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Definitions

Application Programming Interface (API), A set of rules and specifications that enables software programs to communicate with each other.

Board The Board of Directors of the company.

Business intelligence A collection of techniques, methods and strategies used for presenting business information and analyzing data in order to support business decisions, for example user insights and behavioral analytics which enables site managers to efficiently evaluate the relevance of content for distribution.

Company Better Collective A/S, a company registered under the laws of Denmark.

Compounded average growth rate (CAGR) The annual growth rate over a specified time period.

Content site A website containing information primarily generated by journalists, writers and other professional contributors. Content sites present in-depth information on specific iGaming areas.

Cost per acquisition (CPA) A one-off payment for every referred user that creates a new profile and makes a deposit with the iGaming operator.

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).

Earnings per share Net profit for the period / (Average number of shares - Average number of treasury shares held by the company).

Equity/assets ratio Equity at the end of period in relation to total assets at the end of period.

Esports Competitive tournaments of online video games among professional gamers/cyberathletes.

Executive management Executives that are registered with the Danish Company register.

The group / Better Collective The company and its subsidiaries.

iGaming Online sports betting and online casino.

New depositing customer (NDC) A user that creates an account and makes a deposit with the iGaming operator.

Operating profit before amortization (EBITA) Operating profit plus amortization.

Organic growth Revenue growth compared to the same period previous year. Organic growth from acquired companies or assets are calculated from the date of acquisition measured against historical baseline performance.

Organic traffic The opposite of paid traffic, which defines the visits generated by paid advertisement such as PPC (see definition below).

Paid Media Marketing efforts involving a paid placement. Paid media includes PPC advertising (see definition below), branded content, and ads display.

Pay-per-click (PPC) An internet advertising model used to direct traffic to websites whereby advertisers pay to appear in the search engine results for certain search queries.

Publishing Organic traffic generated from content sites.

Recuring revenue Recurring revenue is a combined set of revenues that is defined as recurring. It includes revenue share income, CPM/Advertising and subscription revenues.

Revenue share A revenue share model is a remuneration model based on the percentage of the net revenue generated by an NDC with the iGaming operator.

Search engine optimization (SEO) The methods and techniques used to optimize the online visibility of a website through improved rankings in a web search engine's result.

Special items Cost related to IPO and acquisitions.

Sportsbook bookmaker

Sports wagering The value of bets placed by the players.

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

Alternative Performance Measures

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

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