BETTER COLLECTIVE

Annual report 2023

Better Collective's esport brand HLTV annually hosts its award show, paying tribute to and celebrate the CS:GO community. HLTV is the world's largest esport community.

March 20, 2024

Better Collective A/S
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CVR NO.: 27 65 29 13

Building Better Collective

Co-founders, Jesper Søgaard (CEO) & Christian Kirk Rasmussen (COO) at the opening of Better Collective's new headquarter in Copenhagen.

Since the incorporation of Better in 2004, it has charted a remarkable journey, evolving from a two-person initiative into a global group with more than 1,200 talented employees, 20 international offices, and nearly 400 million monthly visits across its portfolio. Throughout the years of rapid expansion, the group has still managed to maintain its visionary and entrepreneurial spirit.

Since the incorporation of Better Collective, our steadfast commitment has been to operate the business sustainably. As co-founders, we share the belief that genuine success is derived from creating something we can truly take pride in. Hence, we made the early decision to keep our headquarters and company registration in Copenhagen, reflecting our dedication to giving back to the community we call home, while ensuring that taxes are appropriately paid in all the countries we operate. The formation of a highly experienced and diverse Board of Directors has been a core focus since the early days, even preceding our listing on Nasdaq Stockholm in 2018. We are very pleased with the dual listing in Copenhagen, as we are a listed company on our home turf. Educational initiatives, such as our SEO and SEM academies, underscore our commitment to informing both our employees and the local communities we operate within. These have now become a crucial part of our talent attraction. Additionally, our emphasis on creating a secure and equitable work environment is sustained through DEI initiatives. Today, more than 45 nationalities are represented in Better Collective across 13 countries. We exclusively collaborate with licensed sportsbook partners in regulated markets, receiving recognition through numerous iGaming industry awards for our unwavering commitment to compliance. Our dedication to safer gambling is ingrained in our core values and we actively support our partners by providing them with safer gambling software, a commitment extended across our own portfolio of sports media brands. Our longstanding goal is to achieve sustainable growth, enabling high profitability while concurrently focusing on future development. Since our IPO and the initiation of our M&A strategy, we have sustained high growth with minimal dilution, seen increasing margins, and growing earnings per share. We are uniquely positioned to consolidate the digital sports media space, and there are a lot of synergies to harvest in combining strong authoritative sports media with large viewerships and Better Collective's core strengths of optimization, conversion, and diverse business models. We are proud to have retained many talented colleagues and founders onboard, which is a testament to the trust and excitement surrounding what we are building with Better Collective, the leading digital sports media group.

Jesper Søgaard & Christian Kirk Rasmussen

Co-founders, CEO & COO

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Introduction

With a vision to become the leading digital sports media group, Better Collective owns and operates global and national sports media. We are on a mission to excite sports fans through engaging content and foster passionate communities worldwide.

Our portfolio of sports media brands covers more than 30 languages and attracts 400 million monthly visits, while our combined offerings include everything from quality sports content, communities, data insights, and apps, to video content, podcasts, and innovative technology.

A word to our shareholders

Becoming the leading digital sports media group

In 2023, we continued our journey towards realizing our vision of becoming the leading digital sports media group. In doing so we led continuous development and innovation of our business and acquired seven additional businesses to further our position. We also increased our sports audience significantly from 180 million to more than 400 million monthly visits. We initiated the development of our own in-house advertising technology platform, AdVantage. With this development we can cater to the demand from advertisers wanting to reach our large audience. We have seen proof of concept and look forward to scale this during 2024.

Further, through the acquisitions we built out our knowledge on global display advertising, exclusive content creation, social media content, while acquiring several strong sports media brands. All of which builds on top of our core competencies of maximizing the value of large audiences by utilizing our unique skills and diversified business models. Remarkably, all of this was done while still growing our business organically by 13% and we have seen great leverage in our operational earnings.

Strong growth in recurring revenues

Worth highlighting in the 2023 performance is the 50% growth in recurring revenues reaching 191m EUR. This not only marked 2023 as a record-breaking revenue year but also distinguished it as the highest-quality performance to date, attributable to the recurring revenue component. Recurring revenues consist of revenue share income, subscription revenues, and advertising revenues. Throughout 2022 and 2023, we successfully referred over 3 million new depositing customers (NDCs) on revenue-share agreements which have yet to start generating revenue. This is more NDCs than we have delivered since the foundation of the group and up until 2021 – also coupled with our ongoing transition to revenue share income in North America. Furthermore, the demand to connect with our expansive sports audience has driven the development of AdVantage. Success in this endeavor holds promising prospects for revenue derived from advertising sales. Therefore, looking ahead we anticipate this positive trend to continue accelerated by our unwavering focus.

Diving into our markets

We are currently in the midst of a revenue transition, shifting towards recurring revenue share income in the North American market. This strategic change involves forgoing immediate revenue to establish a more sustainable and higher-value proposition for the future, akin to a license to SaaS transition. In Q1 of 2023, we achieved our highest quarterly revenue, driven by North America, especially the launch of sports betting in Ohio. However, this launch was influenced by CPA (upfront payments), making it a one-off event in terms of revenue growth.

With our focus on recurring revenue, we anticipate that future launches, like the upcoming sports betting launch in North Carolina during Q1, 2024, will have a smaller upfront impact while still attracting a substantial number of NDCs. These NDCs are likely to be a combination of revenue share and CPA, minimizing the short-term impact on revenues while building for the future.

Despite the ongoing North American transition, we take pride in our organic business growth during 2023, with 2024 serving as another transition year before revenue share cohorts kick in during 2025.

In Q1, a member of our management relocated to Rio de Janeiro, assembling a regional team, proving beneficial with two offices now established in Brazil — Rio de Janeiro and São Paulo. Stronger efforts in South America have enhanced our capability to integrate Playmaker Capital's South American business, "Futbol Sites," with its massive regional audience and organization in Buenos Aires, positioning us in a market-leading role as Brazilian iGaming regulation approaches.
European markets demonstrated robust growth throughout the year in both owned and operated sports brands and media partnerships. We made successful acquisitions of national sports media of which some have already been seamlessly integrated onto our tech platforms, resulting in improved Google rankings and significant audience growth, details of which are explored further in this report.

Cementing our position in the Americas

During 2023 we announced the acquisition of Playmaker Capital, which closed in February 2024. This strategic move, with a total consideration of 176 million EUR, cements our position as a market leader in South America while reinforcing our North American market presence. Playmaker Capital aligns seamlessly with our strategy, offering significant synergies that will bring the upfront 11,7x EV/EBITDA below 5x by 2026, expecting margins in line with Better Collective's publishing business.

Playmaker Capital's portfolio of digital sports media brands, garnering over 200 million monthly visits and a social media following of over 180 million, positions us to elevate our media capabilities and expand our audience across the Americas. Futbol Sites, Yardbarker, and The Nation Network are among the distinguished sports media brands now under our umbrella, contributing to our diverse and engaged audience. Coupled with the content and social media competences acquired through the acquisition of Playmaker HQ (though similar in name Playmaker HQ and Playmaker Capital are not linked), we increase our presence significantly across the Americas. We are new to podcasts, however in recent podcast rankings in the US we have taken several top positions within the “US Sports”-category, and this has made us more confident in our ability to expand our presence and diversify our offering.

The acquisition of Playmaker Capital presents a clear path to operational efficiency, as we will unlock new monetization opportunities through performance-based marketing. We extend our sincere appreciation to the Playmaker Capital team for their outstanding contributions, and we welcome all employees as we are excited about the collective success that lies ahead.

Following the seven acquisitions during 2023, we decided to go to the market during Q1 of 2024 to raise 10% of the capital or more than 1 bnDKK. Our focus remains on consolidation and integration during 2024, however this has prepared us should any M&A opportunities arise.

Thanking our colleagues

Reflecting on the remarkable performance of the past year fills us with immense pride and gratitude. Our collective efforts at Better Collective have once again proven that we are a force to be reckoned with in the industry.

Everything we do is with a sustainable mindset; we are headquartered in our home market, pay our taxes accordingly, solely work with licensed sportsbook partners in regulated markets, bring efforts to educate our audiences, have a highly professional and experienced Board of Directors, work with our partners to promote safer gambling practices, take pride in our SEO and SEM academies, focus on diversity with more than 45 nationalities present across the group and so much more. This wholesome approach is part of our DNA and has become a competitive advantage for us.

We extend our sincere thanks to every one of our colleagues for your dedication, hard work, and unwavering commitment to excellence. It is your "can-do" attitude that has propelled us to new heights. Our success is a testament to the strength of our team, and we are privileged to lead such an outstanding group of professionals. Let us carry this momentum forward into the coming year, continuing to innovate, collaborate, and achieve greatness together.

Jens Bager

Chair of the Board

Jesper Søgaard

Co-founder & CEO

Co-founder & CEO Jesper Søgaard & Chair of the Board Jens Bager

Q1

Watch the Q1 highlights

Ohio launched online sports betting, which from a regulatory perspective was a perfect state launch. The state of Massachusetts also regulated online sports betting.

Better Collective signed its first global media partnership with the digital soccer platform Goal, while also signing with the well-established Polish news portal Wirtualna Polska and with Nigeria's leading news media, PUNCH,

An asset deal for a sports media in an emerging market for 4.3 mUSD was also signed.

Better Collective's esport community HLTV hosted the world's largest esport award show, watched by more than 250.000 Counter Strike: Global Offensive fans.

The Board of Directors implemented a new Long Term Incentive Plan for key employees. The total value of the 2023 LTI grant program is 2.9 mEUR (Black-Scholes value).

Q2

Watch the Q2 highlights

Better Collective acquired Skycon Limited and in doing so expanded its efforts within digital display advertising. With the acquisition the financial targets for 2023 were upgraded.

The UK Government published a “White Paper” as part of a Gambling Act review. Better Collective welcomed the long-awaited proposed initiatives with a stronger focus on safer gambling. Given the proactive compliance measures already taken, the proposed measures were estimated to have zero to limited financial impact on the Better Collective group.

The Annual General Meeting 2023 was held electronically on April 25, 2023.

Q3

Watch the Q3 highlights

Playmaker HQ was acquired to expand competitiveness within social media and sports content production. The total consideration of the acquisition was 54 mUSD with an upfront payment of 15 mUSD.

The Brazilian sports media platform, Torcedores.com was acquired, adding the first Brazilian sports media brand to the group with an office in Sao Paulo, Brazil.

Better Collective also expanded its Swedish position towards the generalist sport fans by acquiring four of the strongest sports media brands in the market.

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

Britt Boeskov and René Rechtman were elected to the Board of Directors at an EGM on 8 August. Better Collective also opened the doors to its new headquarters in Copenhagen.

Q4

Watch the Q4 highlights

Better Collective made its second largest acquisition to date, in a transaction to acquire Playmaker Capital for a total price consideration of 176 mEUR. Playmaker Capital is a leading digital sports media group that owns and operates several strong sports media brands across the Americas.

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

BETTER COLLECTIVE

Events after

the close of 2023

Better Collective announced the completion of the Playmaker Capital acquisition, making it the second-largest acquisition to date.

Better Collective raised 10% or 1,081.9 mDKK in an accelerated book building process to prepare for future M&A. The demand in the placing was substantial and with BLS Capital Fondsmæglerselskab A/S as an anchor taking 50% of the deal making it possible to place all shares without a discount to the market price.

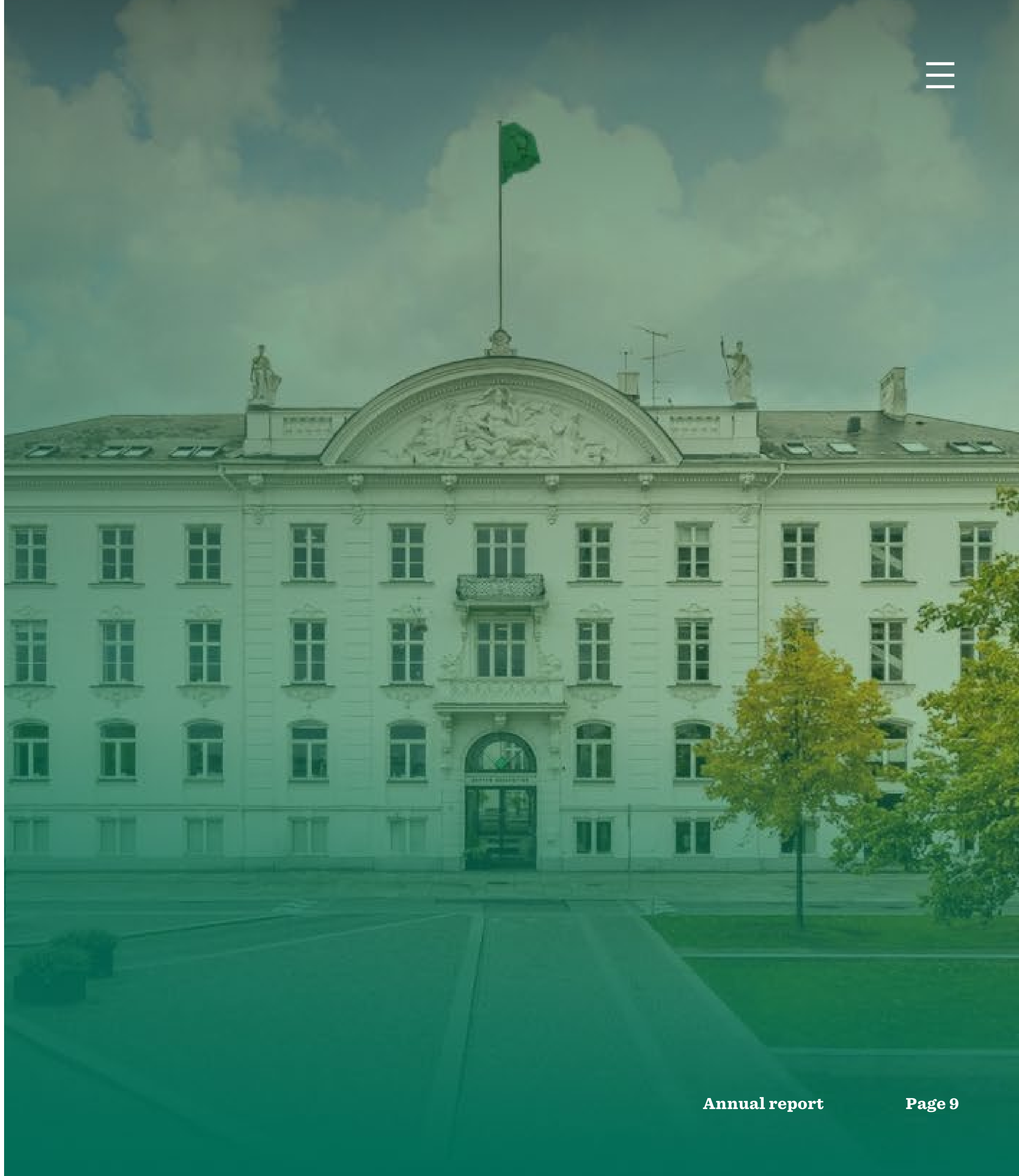
Better Collective announced a new major shareholder as BLS Capital Fondsmæglerselskab A/S now has 11.7% of the voting rights.

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

2024

what to expect

Q1 will see the launch of sports betting in North Carolina which expectedly will be a great opportunity given the size of the state. Being CPA-based (upfront payments), last year's Ohio and Massachusetts launches were strong revenue drivers for Better Collective. The upcoming launch of North Carolina will be a mix of CPA and revenue share, meaning that the impact here and now will be smaller, but will help building for the future. This means the comparisons on a year-over-year basis will be somewhat tough. There are high expectations for Q2 and Q3 due to the European Championship. Historically, most of Better Collective's share databases were sent in Europe, and these are expected to perform well together with a high revenue share NDC intake. Copa America also takes place during Q2 and Q3, which previously has not been a big event for the group. This time, Better Collective owns some of the strongest sports media in the region. However, with little experience from Copa America expectations remain conservative. Lastly, Q4 is the high season for most sports and the comparison will be normalized on a year over year basis.



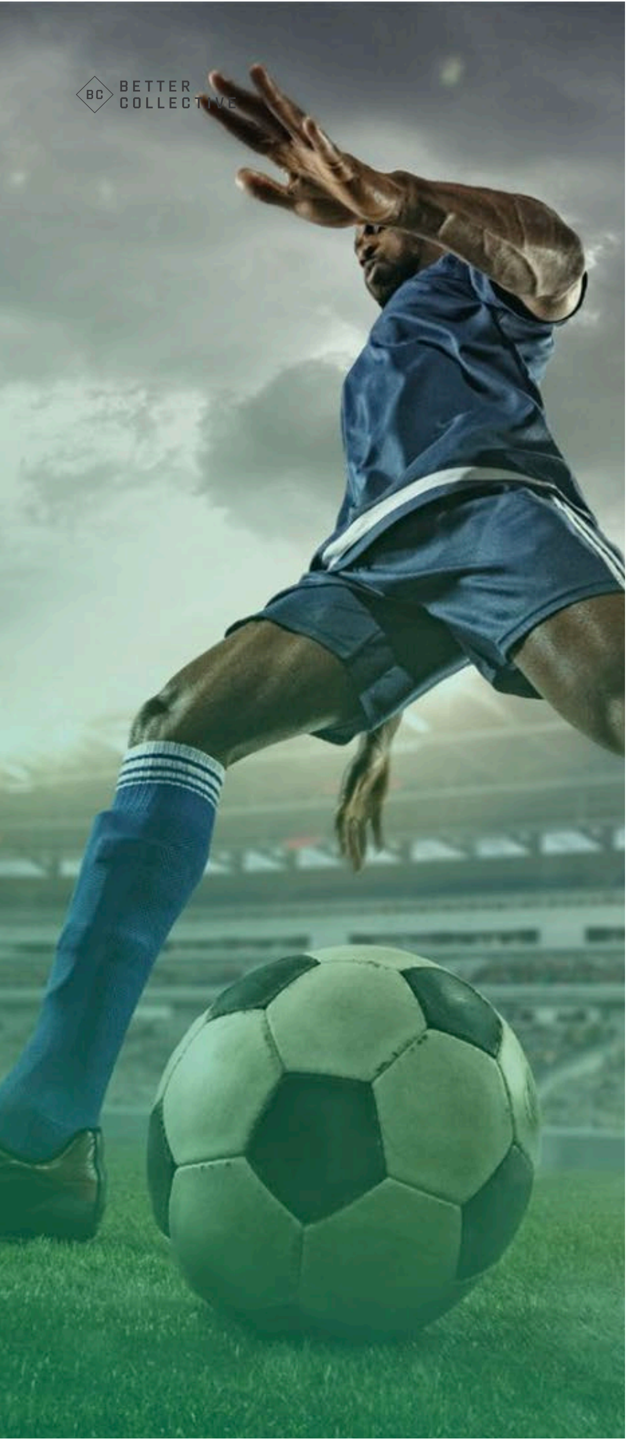
Financial highlights and key ratios

tEUR	2023	2022	2021	2020	2019
Income statements					
Revenue	326,686	269,297	177,051	91,186	67,449
Recurring revenue	191,118	127,573	79,879	59,889	49,806
Revenue Growth (%)	21%	52%	94%	35%	67%
Organic Revenue Growth (%)	13%	34%	29%	8%	26%
Operating profit before depreciation, amortization, and special items (EBITDA before special items)	111,080	85,075	55,775	38,152	28,061
Operating profit before depreciation and amortization (EBITDA)	109,132	85,021	39,030	38,272	27,446
Depreciation	3,958	2,321	1,764	1,548	831
Operating profit before amortization and special items (EBITA before special items)	107,122	82,754	54,011	36,604	27,231
Special items, net	- 1,948	- 54	- 16,746	120	- 615
Operating profit before amortization (EBITA)	105,174	82,700	37,265	36,724	26,616
Amortization and impairment	24,283	12,347	8,516	6,235	5,413
Operating profit before special items (EBIT before special items)	82,839	70,407	45,495	30,369	21,817
Operating profit (EBIT)	80,891	70,353	28,749	30,489	21,202
Result of financial items	- 22,881	- 5,389	- 2,522	- 1,778	- 2,448
Profit before tax	58,010	64,964	26,227	28,712	18,755
Profit after tax	39,835	48,075	17,292	21,927	13,944
Earnings per share (in EUR)	0.74	0.88	0.34	0.47	0.32
Diluted earnings per share (in EUR)	0.70	0.85	0.33	0.45	0.31

tEUR	2023	2022	2021	2020	2019
Balance sheet					
Balance Sheet Total	937,862	785,229	597,379	315,065	229,601
Equity	435,273	412,917	344,848	162,542	138,317
Current assets	105,812	95,025	62,898	48,555	36,035
Current liabilities	103,493	65,068	55,452	26,312	22,088
Net interest bearing debt	221,133	177,879	95,290	51,030	- 2,918
Cashflow					
Cash flow from operations before special items	119,384	69,816	51,204	38,321	26,585
Cash flow from operations	114,639	68,423	45,207	37,696	25,481
Investments in tangible assets	- 5,143	- 1,788	-285	- 460	- 955
Cash flow from investment activities	- 106,248	- 112,632	- 219,219	- 68,090	- 49,509
Cash flow from financing activities	29,334	65,737	188,759	46,790	36,365
Financial ratios					
Operating profit before depreciation, amortization (EBITDA) and special items margin (%)	34%	32%	32%	42%	42%
Operating profit before amortization margin (EBITDA) (%)	33%	32%	22%	42%	41%
Operating profit margin (%)	25%	26%	16%	33%	31%
Publishing segment - EBITDA before special items margin (%)	37%	38%	43%	48%	43%
Paid media segment - EBITDA before special items margin (%)	29%	16%	8%	16%	18%
Net interest bearing debt / EBITDA before special items	1.99	2.09	1.71	1.34	-0.10
Liquidity ratio	1.02	1.46	1.13	1.85	1.63
Equity to assets ratio (%)	46%	53%	58%	52%	60%
Cash conversion rate before special items (%)	103%	80%	92%	99%	91%
Average number of full-time employees	1,252	878	635	420	364
NDCs (thousand)	1,916	1,683	858	635	432

For definitions of terminology, please refer to the section on page 137.

Strategy



Paving the way towards becoming the leading digital sports media group

Better Collective is a strong global group of international and national sports media brands, and the group has experienced rapid expansion since 2018 and the IPO on Nasdaq Stockholm. Since then, the group has successfully positioned its brands as trusted destinations for sports fans across the world, and in 2023 further expanded its reach to more than 400 million monthly visits. Developing a global network of interconnected brands with a large and loyal audience builds the foundation for future growth. At Better Collective we are determined to keep expanding and maximizing the value of our brand portfolio organically as well as non-organically. Better Collective's strategy is built on six core pillars:

- Growing global sports audience organically and through M&A
- Expanding in new and emerging markets
- Maximizing the value of large audiences through a diversified business model
- Partnering with leading media houses worldwide
- Leveraging global benefits of scale
- Continuously invest in new technologies

We believe in the benefits of scale when creating a global sports media group, including scale benefits in content generation and distribution, best-in-class commercial agreements, audience analytics, talent attraction and retention and innovation.

Adding to the pillars, the group also has a few distinct focus areas. Better Collective has built a strong common technology platform centered around search engine optimization (SEO) and conversion rate optimization (CRO), enabling the group to not only continuously grow its global audience organically, but also creating unparalleled value for its many global partners. Better Collective excels at maximizing the value of its large global audience and optimizing revenue generation through a diversified set of business models. Since 2018, M&A has been a core pillar of the strategy and has brought significant value and scale to the group throughout the last six years. In 2023, Better Collective completed no less than seven acquisitions, equating to a total of 34 acquisitions since 2018.

With the acquisition of Playmaker Capital, Better Collective significantly expanded its footprint in South America, and now owns leading national sports media brands in all key markets in the region. M&A fits exceptionally well into the strategy as there are immediate synergies to harvest once becoming part of the Better Collective group, such as audience growth, revenue diversification, cost optimization, and much more.

With the expansion into the wider digital sports media industry, a stronger emphasis is now on audience engagement and retention. The group will continue to invest, diversify, strengthen, and develop its content offerings across its portfolio to attract and engage a broader variety of sports fans worldwide. With the foundation of its large global portfolio, Better Collective is also in the midst of building and refining its own in-house AdTech platform, AdVantage. AdVantage will allow the group to serve valuable, engaging, and contextual advertising campaigns across its global brand portfolio. Through its large audience and in combination with more direct, in-house, advertising campaigns, the group expects to yield significantly higher CPM rates across its brands.

In conclusion, Better Collective has achieved remarkable global growth in the past years, and now reaches an audience of more than 400 million monthly visits. The strategic pillars of organic and M&A-driven expansion, market and revenue diversification, strategic partnerships, and technological innovations have been key contributors to this success. The most recent addition to the strategic flywheel is the launch of AdVantage, which will strengthen the group extensively.

Steadfast execution of this strategy is what will set Better Collective even further apart from competition and enable the realization of the vision to become the leading digital sports media group.

Tech deep dives

AdVantage

What is an AdTech platform?

An AdTech platform is a technology platform designed to streamline, automate, and optimize the advertising process. AdTech platforms use advanced technologies such as advanced data analytics and machine learning algorithms that analyze user behavior to enhance the efficiency and effectiveness of advertising campaigns, while providing valuable and engaging advertising, targeting specific user needs.

What is AdVantage?

AdVantage is an owned and operated tech infrastructure to orchestrate Better Collective's global media network with advertising capabilities.

In early 2023, Better Collective announced its ambition to develop its own in-house advertising platform and branded it AdVantage. The development of an in-house AdTech platform has been an ambition for a long time and is the natural next step in Better Collective's journey towards becoming the leading digital sports media group.

With the depreciation of third-party cookies as a tool to target ads to audiences across digital channels, companies monetizing through digital marketing activities are to a significant degree becoming more reliant on zero- and first-party data from owned and operated media to serve contextual and targeted ads to their audiences. Better Collective has prepared for this transition for a long time. Since 2020, Better Collective has acquired numerous leading sports brands with loyal returning audiences, expanding its reach from 7 million monthly visits in 2018 to currently more than 400 million.

Given Better Collective's niche focus on sports and strong zero- and first-party data on its owned and operated sports brands, the company can provide targeted and contextual advertising to niche audiences which advertisers are willing to pay a premium for. This leaves Better Collective in a unique position given there are many advertising inventory companies and many AdTech companies, but only very few that combine the two without a reliance on 3rd parties. Notably, advertising sales and performance marketing aka affiliation include minimal cannibalization. The conversion of players, referred to as New Depositing Customers (NDCs), through branded display advertising is limited, indicating a highly synergistic and effective collaboration between the two.

While various third-party platforms exist, there are multiple reasons cementing the need for creating an in-house platform. AdVantage will allow Better Collective to increase CPM rates by utilizing the monetization waterfall as depicted on the next page.

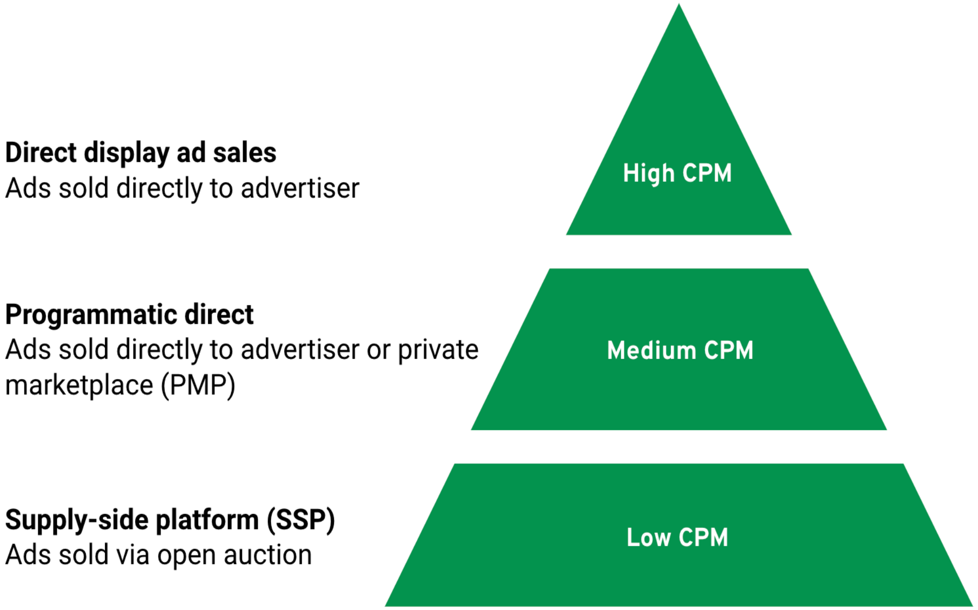
Direct display. The summit of the waterfall represents the highest CPM rates, achieved through direct display advertising. Better Collective will consolidate its inventory real-estate into one Better Collective ad network. Direct ads are negotiated via a mutual agreement between Better Collective and the advertiser. Involving negotiations on various aspects, such as pricing, the number of ads to be showcased, the specific display locations, and the duration of the ad campaign. These agreements can be forged with both individual advertisers and agencies acting on behalf of advertisers. The ad placement will be automated while the selling will be more manually handled.

Furthermore, Better Collective has also developed FanReach which enables advertisers to connect their CRM (first party data) with the group's tech stack to run high value reactivation campaigns. CPMs are usually 8-20 USD, according to market statistics.

Programmatic Direct. Descending the waterfall, we encounter programmatic advertising, a method enabling Better Collective to operate on a larger scale by leveraging AdVantage to auction available ad space. Programmatic ads offer greater flexibility compared to direct ads, allowing advertisers to display varied ads to different readers. This type of customization is based on individual user data, encompassing behavior, preferences, location, and demographic information.

Such targeted precision empowers advertisers to showcase the most relevant ads to specific readers at optimal times and locations. Campaigns are agreed directly as a private marketplace deal (PMP) between Better Collective and a limited group of advertisers. Campaigns are subsequently delivered via a connection between advertiser platform and publisher platform. Programmatic CPMs are usually 3-8 USD, according to market statistics.

Supply side platform (SSP). At the bottom of the waterfall is the open supply side platform (SSP) auction. This is where otherwise unfilled inventory is put to real-time-bidding (RTB) for a last chance of monetization of every session. This is where all demand-selling-platforms (DSP), as well as ad networks, and agencies bid



CPM = cost of one thousand ad impressions

and compete for the remaining inventory. CPMs are usually 0-2 USD, according to market statistics.

Selling everything directly is not possible, making it crucial to maximize the full waterfall. Presently, Better Collective employs third-party agencies to monetize audiences, primarily on its esport brands; FUTBIN and HLTV. These agencies take the advertising inventory to a DSP, aiming to optimize for the highest CPM rate. Throughout this process, the agency naturally takes a percentage of the deal and so does the DSP, also referred to as the “AdTech Tax”. The advertisers on the other side share their CPMs with agencies, SSPs and other middlemen. Considering the involvement of the various intermediaries, Better Collective estimates that its esport brands yield an average CPM rate significantly below 1 USD. Given the robustness of the brands and the sought-after audience they attract, there should be substantial upside if AdVantage becomes a success.

When Playmaker Capital was acquired, Better Collective also got access to their AdTech platform called Bench. This will complement what has already been built as there is significant scale available across their network. Furthermore, Playmaker Capital has also gone through the process of implementing Bench across all its brands, and the efforts within Programmatic Direct and SPP bring valuable experience and know-how to this part of the integration. Playmaker Capital can deliver campaigns at scale via the platform given they have oversight of all their impressions etc.

The most prominent opportunities with the successful development of AdVantage includes but are not limited to:

- Utilizing the full Better Collective brand network. Scaling advertising sales to all Better Collective sport brands.
- Including media partnerships. Ideally also scaling AdVantage in Media Partnerships, which would significantly increase the audience further, positioning Better Collective as the #1 monetization partner for sports media.
- Waterfall monetization. Utilizing the full monetization waterfall brings in higher CPM rates.
- Creating competition for inventory bidding. Optimizing demand partners in the low end of the waterfall making it possible to sell more inventory and at higher CPM rates.
- Optimizing or removing middleman. Better Collective has been highly acquisitive; hence the company has accumulated several third-party AdTech platforms. With AdVantage, Better Collective will either optimize or rid itself of many of the middlemen, as it will use its own AdTech platform.

Utilizing zero- and first-party data

Under the hood of AdVantage, Better Collective has developed several technologies that provide much value for advertisers. These include:

FanReach operates as a customer data platform (CDP) alongside with AdVantage, as one of the main pillars of Better Collective’s AdTech, serving as a unified system that gathers and organizes data to establish a unique user ID for each visitor on Better Collective's brands. This facilitates audience segmentation for marketing and personalization. In the future, advertisers with zero- and first-party data will have the capability to integrate their CRM system with FanReach, and consequently, AdVantage. This integration will allow Better Collective to identify when a user that is within the targeting audience of an advertiser is visiting a BC website or mobile app, enabling the display of highly targeted and contextual advertising. This feature holds significant value for advertisers, resulting in a correspondingly high CPM rate.

BetSense stands as a multifaceted advertising solution inside the BC AdTech ecosystem, alongside AdVantage. Leveraging sports data, smart facts, offers, tips, live and odds, our advertisements are customizable with components tailored to advertisers' requirements, seamlessly fitting into the context of the surrounding content. As an example, if you are reading an article about a Manchester United transfer, then the BetSense ad will automatically showcase up to date Manchester United-related odds, relevant brand products, or similar.

This curated suite of ad integration and style formats is focused on engaging the audience, adapting as users navigate through content for maximum exposure while grabbing attention and stimulating engagement. With live integration of inbuilt data and sports feeds, BetSense ensures users receive the latest live information. As a market leader, BetSense excels in contextualizing in-content, data-rich formats activated when users hover. Additionally, the intuitive nature of BetSense, fueled by our first-party data, enables us to deliver the optimal creative based on user intent and timing.

What is the status of AdVantage?

During 2023, we absorbed the project investments in building our internal AdTech platform, "AdVantage", while already having secured proof of concept. The platform's development was fueled by demand, as numerous brands sought to engage our audience. The initial AdVantage campaigns have already been executed across our portfolio of sports media brands as well as media partnerships in eight markets.

As we enter 2024, our focus shifts to scaling larger campaigns, with a potential emphasis on the European Championships. Currently, the BetSense product is being delivered via AdVantage on our owned and operated sports brands as well as media partnerships. Further, this has been implemented to now run with one large tier one customer.

Where do we want to go?

As we prepare for the widespread launch of AdVantage, we anticipate that this strategic technological leap will not only enhance our advertising capabilities, enabling global campaign expansion and ensuring high-quality brand activations but also sustain the substantial momentum gained in recent months.

Looking ahead, the overarching objective with AdVantage is to be the preferred partner for advertisers seeking exposure to sports audiences and engagement with sports enthusiasts. The integration of AdVantage into Better Collective reflects our commitment to remaining at the forefront of technological innovation, ensuring unparalleled engagement and value for both our partners and audiences. This big step forward goes beyond just using technology; it is about creating the future of digital sports media.

The Better Collective technology platform

What is a technology platform? A tech platform serves as a foundation for building and running software applications, providing the necessary tools, infrastructure, and services for developers to create and deploy their solutions.

Why is such a tool important for Better Collective? A centralized tech platform provides operational, strategic, and competitive advantages for a digital sports media group by ensuring consistency, efficiency, scalability, and the ability to adapt in persistently evolving market conditions.

Better Collective has a unique position with its cutting-edge technology platform, a robust and versatile infrastructure designed to enhance user experiences, optimize content delivery, centralize advertising placements, and ensure regulatory compliance across its global portfolio. The platform provides many capabilities as outlined below, which ensures significant impact. Most often when Better Collective acquires new brands these are onboarded to the group's technology platform, which optimizes the performance of the acquired brand, increases the audiences, improves rankings in search engines, creates opportunities for scale, cuts costs, all while staying compliant. Looking into the different segments here is an overview of what the tech platform provides:

1. **Search engine optimization (SEO).** The Better Collective technology platform places a strong emphasis on SEO, aiming to boost the group's brands across their digital presence. Through meticulous optimization strategies embedded in the platform and expertise developed over the past 20 years, the group achieves increased visibility in search results for strategically chosen value-driving keywords. This not only improves organic traffic but also ensures that the audience finds relevant content seamlessly.

2. **Product analytics.** The platform integrates robust product analytics tools, focusing on Conversion Rate Optimization (CRO) and benchmarking Key Performance Indicators (KPIs). This data-driven approach empowers Better Collective to refine its offerings, enhance user engagement, and strategically align with market demands.

3. **Technology stack.** Better Collective's technology platform boasts a state-of-the-art technology stack and a comprehensive toolbox. This empowers development teams to minimize integration time, often completing projects within a three-month time frame. The platform's agility is a testament to its commitment to staying at the forefront of technological advancements.

4. **Regulatory compliance.** Ensuring compliance with local regulations is paramount in the sports media and betting industry. The Better Collective technology platform places a strong emphasis on meeting regulatory standards across all sites, markets and countries - not only fostering legal adherence but also building trust with users in diverse global markets.

5. **Cloud hosting.** The platform leverages cloud hosting to provide central, secure, and optimized infrastructure for global and regional content delivery. This not only enhances performance but also ensures that users worldwide can access Better Collective's content with speed and reliability.

6. **Advertising platform.** Better Collective is currently refining AdVantage, delivering an impressive 5 billion yearly addressable impressions across the global brand network. This is achieved through AdVantage, Fan Reach, and BetSense, creating extensive opportunities for brand exposure and revenue generation.

7. **AI automation.** The technology platform incorporates an AI backbone, supporting optimal multi-channel content generation, which not only enhances efficiency but also ensures that the content is dynamic, personalized, and resonates effectively across various channels, languages, cultures, and formats.

8. **Channel reach.** Better Collective recognizes the importance of diverse channel reach. The platform enables multi-channel and multi-format content delivery, spanning web, app, and social media. Such a comprehensive approach ensures that content reaches audiences wherever they are, fostering a truly immersive and engaging sporting experience.

9. **Central content management.** A centralized content management system is one of the cornerstones of the platform, allowing Better Collective to leverage generated content across all channels, globally. In doing so workflows are streamlined while ensuring consistency and quality in the content presented to the users.

10. **Brand strategy fit.** The platform toolbox is a key enabler for implementing Better Collective's brand strategy. By providing a diverse set of tools and capabilities, the platform supports the strategic implementation of any brand in the group's extensive portfolio, fostering brand consistency and resonance.

In conclusion, Better Collective's technology platform underlines the group's commitment to technological excellence, user-centric experiences, and global market leadership. The integration of SEO, analytics, compliance, cloud hosting, advertising, AI, and a versatile technology stack positions the platform becomes a comprehensive solution for navigating the complexities of the digital sports media landscape.

Execution done right

Better Collective hosted its first ever Capital Markets Day in late March of 2023, during which the group presented a case example in its brand: **Soccernews**. When Soccernews was acquired, it had an audience of around 10 million monthly visits and mostly generated revenue from advertising sales. 12 months after the acquisition and the integration of Soccernews onto Better Collective's tech platform, the audience had doubled to 20 million monthly visits, and the revenue had five doubled. Since then, the direct audience traffic has increased quite a lot, the CPM rates have increased further, while we have been building a new app which will be launched during 2024. We have also partnered with ex-professional soccer player, Anouk Hoogendijk, to boost our video content creation, having already interviewed many players such as Jaap Stam.

In 2023, Better Collective acquired the Brazilian sports media, **Torcedores**, to strengthen its position in the local market. Following the acquisition, Better Collective promptly integrated Torcedores onto its tech platform, leading to noticeable improvements within just a few months, including:

- **Enhanced site performance.** The integration significantly improved the performance of Torcedores' website, ensuring a smoother and more efficient user experience.

- **Improved search engine rankings.** Better Collective's tech platform implementation resulted in improved rankings on search engines, making Torcedores' content more discoverable and accessible.

- **+170% audience growth.** The audience experienced a remarkable growth of 170% post implementation, indicating a substantial increase in user engagement and reach.

- **Increased content production.** The tech platform facilitated an increase in content production, allowing Torcedores to deliver more diverse and engaging content to its audience.

- **Uptick in future revenue generation.** The improvements led to a significant uptick in future revenue generation, attracting numerous New Depositing Customers (NDCs) and expanding the platform's financial prospects.

- **Social media following surge.** Following a 50% increase in social media (SoMe) content production, Torcedores witnessed a substantial increase in its social media following, strengthening its online community.

- **Reducing costs.** The integration onto Better Collective's tech platform resulted in a 35% reduction in Torcedores' monthly operational costs, demonstrating increased efficiency and resource optimization.

Overall, the successful integration onto the Tech Platform showcased tangible benefits, ranging from enhanced site performance and audience growth to improved revenue generation and operational cost savings. This use case exemplifies how Better Collective's Tech Platform can bring about positive transformations and drive success for acquired sports media entities.

Our business segments

North America

contributes

28%

of the group's EBITDA before special items

Europe & RoW

contributes

72%

of the group's EBITDA before special items

Contributes

73%

of the group's EBITDA before special items

Publishing

The Publishing business includes revenue from Better Collective's proprietary own and operated sports media platforms as well as media partnerships. The audience for this segment is mostly attracted direct or through organic search results

Contributes

27%

of the group's EBITDA before special items

Paid Media

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

North America

Both the US and the Canadian markets are somewhat recently regulated. The first states in the US started regulating in 2018. As both markets are young, revenues largely have been generated from one-time payments (CPA). During Q3 2022, Better Collective started its transition towards recuring revenues in the US.

Europe & ROW

The Europe & Rest of the world (ROW) business includes all markets outside of North America. The European markets consist of a blend of mature legacy markets and markets like South America which is a strong growth market. The segment further includes the esport communities HLTV and FUTBIN. Given the strong legacy in the European markets there is a lot of recurring revenue in this part of the business.

Business segments review

Historically, Better Collective has reported on the geographical segments Europe & ROW (Rest of the World) and the US. During 2023, this segmentation was altered, and the geographical business segmentation has since been between Europe & Rest of the World and North America.

Better Collective operates two different business models regarding customer acquisition both with different earnings profiles distinguished between the group's Publishing and the Paid Media businesses. Thus, reporting includes measuring and disclosing separately for Revenue, Cost and Earnings. All historical financial figures are reported accordingly.

Publishing

Revenue of 220 mEUR grew 18%, of which 15% was organic. Publishing accounted for 67% of the group's total revenue in 2023. Additionally, the cost grew to 140 mEUR resulting in EBITDA before special items of 81 mEUR, a growth of 13% with an EBITDA-margin of 37%. Better Collective continued to see very strong performance from this business area that on the one hand includes media partnerships with authoritative news outlets like The Daily Telegraph, the New York Post and Goal.com and on the other hand in owned and operated sports brands like Betarades, Soccernews, and many other local heroes.

Paid Media

Revenue was 106 mEUR which equals growth of 29% of which 13% was organic, hence growth came from own operations as well as a successful acquisition of Skycon Limited. Since acquiring the Atemi group in 2020, the group's focus has been to heavily invest 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.

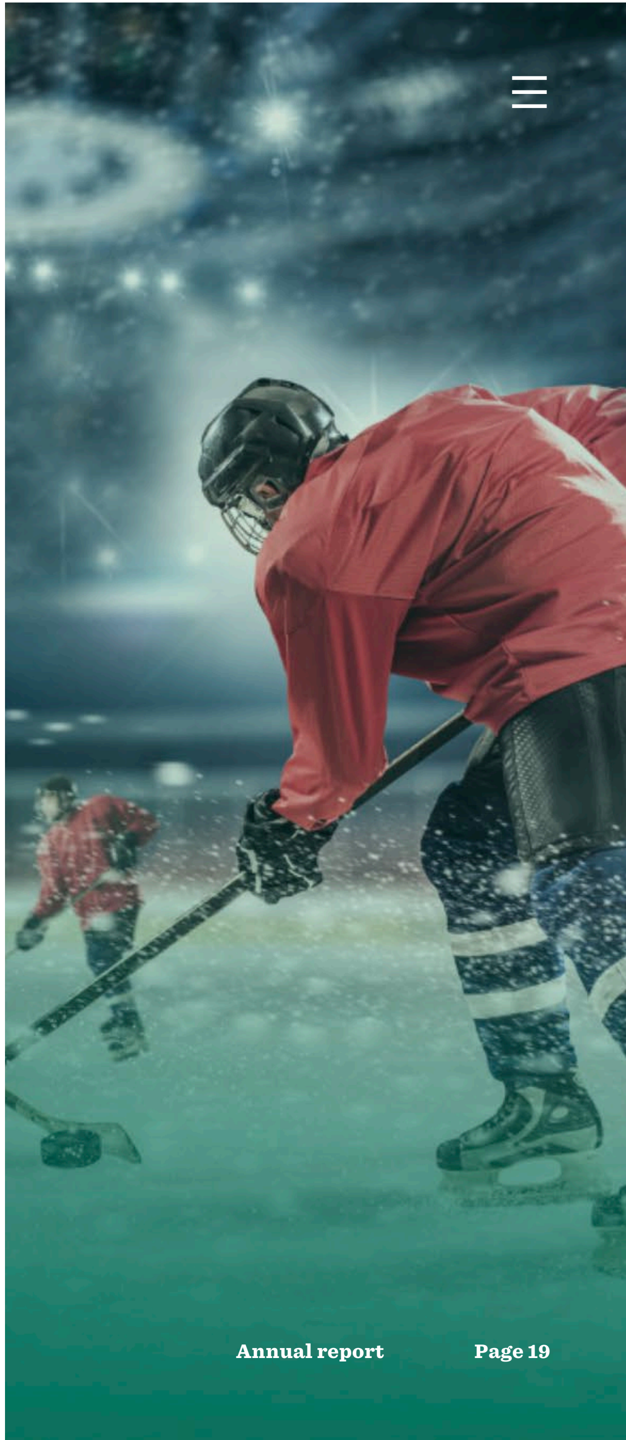
Due to the extensive topline growth and scaling opportunities the Paid Media business delivered an EBITDA before special items of 30 mEUR growing 127% (on top of growing 112% in 2022) with an EBITDA margin of 29% (versus 16% last year). Paid Media delivered 33% of the Group's revenue in 2023, and 27% of EBITDA.

Europe & Rest of the World

Revenue was 218 mEUR in 2023, which is a growth of 29% of which 17% was organic. The growth was mainly driven by good underlying performance in most markets, while media partnerships and South America continued to be the main drivers of the performance. The EBITDA ended at 80 mEUR implying a margin before special items of 37%. Europe & ROW delivered 67% of the group's revenue and 72% of EBITDA before special items. The Europe & ROW market is most sensitive to fluctuations in the sports win margin as this segment operates most of the revenue share accounts.

North America

Overall, the North American business delivered a solid performance with revenue of 109 mEUR implying growth of 9% of which 5% was organic. EBITDA before special items was flat at 31 mEUR and the EBITDA-margin was 28%. North America delivered 33% of the group's revenue, and 28% of EBITDA. The transition from CPA to recurring revenue share income continues to impact the short-term performance while building future sustainable revenue.



Financial performance

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

Revenue showed strong growth versus 2022 of 21% and amounted to 327 mEUR (2022: 269 mEUR). Revenue share accounted for 50% of the revenue with 32% coming from CPA, 5% from subscription sales, and 13% from other income.

Cost of 216 mEUR - up from 184 mEUR

The increase in costs is primarily driven by personnel costs increasing 20 mEUR corresponding to an increase of 17%. The increase is driven by an increase in average number of employees increasing from average 878 in 2022 to 1,252 in 2023. Direct costs related to media partnerships and Paid Media increased as well, however in line with overall growth in revenue. The cost base excluding depreciation and amortization grew 32 mEUR, up to 216 mEUR (2022: 184 mEUR).

Total direct cost relating to revenue increased by 7 mEUR to 99 mEUR (2022: 92 mEUR) with the growth coming from increased cost in Paid Media, and direct costs related to media partnerships. Beyond the cost of paid traffic, this includes hosting fees of websites, content generation, and external development.

Personnel cost increased 31% from 2022 to 89 mEUR 2023 (2022: 69 mEUR). The average number of employees increased 43% to 1,252 (2022: 878). Personnel costs include costs related to warrants of 3 mEUR (2022: 2 mEUR).

Other external costs increased 4 mEUR or 17% to 27 mEUR (2022: 23 mEUR). Depreciation and amortization amounted to 28 mEUR (2022: 15 mEUR). The increase is primarily due to amortization related to the acquisition of FUTBIN, and the acquisitions during 2023 Skycon, Playmaker HQ, Digital Sportmedia I Norden AB (SvenskaFans.com, Hockeysverige.se, Fotbolldirekt.se and Innebandymagazinet.se), Goalmedia Technologia E Marketing Digital (Torcedores) and Tipsbladet as well as new media partnerships.

Special items

Special items amounted to an expense of 2 mEUR (2022: 54 tEUR). The net expense of 2 mEUR is primarily related to M&A expenses of 10 mEUR, dual listing in Copenhagen of 1 mEUR and restructuring of 1 mEUR as well as an income related to reversal of an earn-out of 10 mEUR. The earn-out was related to certain extraordinarily high-performance criteria that will not be met.

Earnings

Operational earnings (EBITDA) before special items grew 31% to 111 mEUR (2022: 85 mEUR). The EBITDA-margin before special items was 34% (2022: 32%). Including special items, the reported EBITDA was 109 mEUR. (2022: 85 mEUR).

EBIT before special items increased 19% to 83 mEUR (2022: 70 mEUR). Including special items, the reported EBIT was 81 mEUR (2022: 70 mEUR).

Net financial items

Net financial costs amounted to 23 mEUR (2022: 5 mEUR) and included net interest, fees relating to bank credit lines, unrealized losses on shares and exchange rate adjustments. Interest expenses amounted to 13 mEUR and included non-payable, calculated interest expenses on certain balance sheet items. Out of the net interest 11 mEUR is paid.

Net financial costs are impacted by an unrealized loss of 8 mEUR on Catena Media shares and financing fees of 1 mEUR whereas net exchange rate loss amounted to 1 mEUR.

Income tax

Better Collective has a tax presence in the places where the company is incorporated. These places count Denmark (where the parent company is incorporated), Austria, France, Greece, Malta, Netherlands, Poland, Portugal, Romania, Serbia, Sweden, UK, Canada, Brazil, and the US. Income tax amounted to 18 mEUR (2022: 17 mEUR). The Effective Tax Rate (ETR) was 31% (2022: 26%).

Net profit

Net profit after tax was 40 mEUR (2022: 48 mEUR). Earnings per share (EPS) decreased by nearly 16% to 0.74 EUR/share versus 0.88 EUR/share 2022.

Equity

The equity increased to 435 mEUR as per December 31, 2023, from 413 mEUR on December 31, 2022. Besides the net profit of 40 mEUR, the equity has been impacted by the acquisition of treasury shares of 13 mEUR and share-based payments of 3 mEUR. The decrease in USD versus EUR has impacted the equity by 8 mEUR.

Balance sheet

Total assets amounted to 938 mEUR (2022: 785 mEUR), with an equity of 435 mEUR (2022: 413 mEUR). This corresponds to an equity to assets ratio of 46% (2022: 53%). The liquidity ratio was 1.02 resulting from current assets of 106 mEUR and current liabilities of 104 mEUR. The ratio of net interest-bearing debt to EBITDA before special items was 1.99 at the end of December.

Investments

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

On July 3, 2023, Better Collective US, Inc. completed the acquisition of Playmaker HQ for up to 51 mEUR (54 mUSD) with an initial consideration of 14 mEUR (15 mUSD) on a cash and debt-free basis.

On August 15, 2023, Better Collective announced the acquisition of four brands SvenskaFans.com, Hockeysverige.se, Fotbolldirekt.se and Innebandymagazinet.se from Everysport Group to further expand its position within the Swedish sports media ecosystem for a total consideration of 4 mEUR on a cash and debt-free basis.

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

On September 18, 2023, Better Collective announced the acquisition of Tipsbladet.dk ApS to further expand its position in Denmark for a total consideration of 7 mEUR on a cash and debt-free basis with closing 2 October 2023. During the period investments in accounts and other intangible assets amounted to 8 mEUR.

Cash flow and financing

Cash flow from operations before special items was 119 mEUR (2022: 70 mEUR) with a cash conversion of 103%. In August Better Collective extended the bank-financing by three years to October 2026 as well as executing the accordion option and thereby increasing the available facilities with 72 mEUR, leaving the group with a total financing of 319 mEUR where 247 mEUR has been utilized by the end of December. By the end of 2023, capital reserves stood at 122 mEUR of which cash of 43 mEUR, and other current financial assets of 7 mEUR in form of listed shares and unused credit facilities of 72 mEUR.

The parent company

Better Collective A/S, is the parent company of the group. Revenue grew by 52% to 99 mEUR (2022: 65 mEUR). Total costs including depreciation and amortization was 94 mEUR (2022: 61 mEUR). Profit after tax was 39 mEUR (2022: 47 mEUR). The change in profit after tax is primarily due to differences in dividend payments from subsidiaries, exchange rate adjustments, financial expenses, and corporate tax. Total equity ended at 443 mEUR by December 31, 2023 (2022: 411 mEUR). The equity in the parent company was impacted by treasury share transactions (13 mEUR), cost of warrants of 3 mEUR and HLTV merger (3 mEUR).

Financial targets

2023

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

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

2024

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

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

2024 implications

The targets factor in an eleven-month impact from the Playmaker Capital acquisition with the deal closing on February 6. The acquisition is expected to ramp up over time with expected flat revenue and earnings for 2024. More factors are continued investment in developing the AdTech platform, several AI-projects and scaling commercial development. Further the continued North American recurring revenue share transition to invest in future sustainable growth coupled with high expectations for the men's European Championship this summer.

2023- 2027

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

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

2023-2027 implications

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

Disclaimer

This report contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events. Such statements or opinions pertaining to the future, for example wording like; "believes", "deems", "estimates", "anticipates", "aims', and "forecasts" or similar expressions are intended to identify a statement as forward-looking. This applies to statements and opinions concerning the future financial returns, plans and expectations with respect to the business and management of the group, future growth, profitability, general economic and regulatory environment, and other matters affecting Better Collective. Forward-looking statements are based on current estimates and assumptions made according to the best of the group's knowledge. These statements are inherently associated with both known and unknown risks, uncertainties, and other factors that could cause the results, including the group's cash flow, financial condition, and operations, to differ materially from the results, or fail to meet expectations expressly or implicitly, assumed or described in those statements or to turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Better Collective can give no assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments and/or targets. Considering the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that certain future events may not occur.

Moreover, forward-looking estimates derived from third-party studies may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements e.g. due to changes in general economic conditions, in particular economic conditions in the markets in which the group operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or environmental damages and systematic delivery failures. We undertake no obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except to the extent required by law.

Corporate governance

BECOMING THE LEADING
DIGITAL SPORTS MEDIA GROUP

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 headquarter is situated in Copenhagen, Denmark. Better Collective has been listed on Nasdaq Stockholm since June 8, 2018, and on Nasdaq Copenhagen since November 17, 2023.

Corporate governance framework

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 group's corporate governance is based on applicable Danish legislation and other external rules and instructions, including the Danish Companies Act, Nasdaq Stockholm's Rulebook, Nasdaq Copenhagen 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.

Following the dual listing on Nasdaq Stockholm and Nasdaq Copenhagen Better Collective has resolved that it will comply with the Swedish Code instead of the Danish Recommendations on Corporate Governance. 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 largely materially similar to the corresponding Swedish rules that would apply for a Swedish public limited liability company under the same circumstances.

Cross-listing and corporate governance

Better Collective is a Danish limited liability company and accordingly follows the rules, regulations, and guidelines as described above. As a dual listed company on Nasdaq Stockholm and Nasdaq Copenhagen, Better Collective is required each year to provide an overview of the main differences between the Swedish Code and the Danish Recommendations.

Shareholder engagement

Election of Chair of the annual general meeting

The Code stipulates the Chair of the annual general meeting shall be appointed by the Nomination Committee. In a Danish context, the Board of Directors will usually appoint a Chair of the general meeting, and this is not regulated in the Recommendations.

Minutes of the annual general meeting

The Code recommends that a shareholder who is independent from the company and its Board of Directors is appointed to verify and sign the minutes of general meetings. Such practice does not exist in Denmark and the minutes are approved and signed by the Chair of the general meeting in accordance with Danish Company Law.

Policies

Pursuant to the Recommendations, listed companies are to adopt certain policies and procedures, such as policies regarding communication and investor relations, a tax policy as well as contingency procedures in case of a public takeover of the company. Such recommendations are not included in the Code. However, Better Collective has adopted an information policy which governs both internal and external communications, including in relation to investors.

Procedures and tasks of the Board of Directors

Participation in daily management

Pursuant to the Recommendations, any participation by a member of the Board of Directors in the daily management of Better Collective must be approved by the Board and publicly disclosed. No equivalent recommendation is a part of the Code. However, none of the members of the Board of Directors currently participate in the daily management of Better Collective.

Board composition and Board Committees

Independence of Board members

The Code distinguishes between Board members' independence from Better Collective and its executive management and independence from the group´s major shareholders in two separate recommendations. Independence in relation to major shareholders is not a part of the Recommendations. However, to be considered independent a Board member should not be a representative of or be associated with a controlling shareholder.

Chair of the Board

The Code stipulates that the Chair of the Board shall be elected by the general meeting. This is not the case in a Danish context. Further, the specific tasks of the Chair are more detailed in the Code. However, Danish practice is in line with the tasks and responsibilities of the Code. The Recommendations stipulate that a deputy Chair shall be elected, which is not included in the Code.

Board Committees

Both the Code and the Recommendations stipulate that a company should have an Audit Committee, a Remuneration Committee, and a Nomination Committee. The main difference between the Code and the Recommendations is that pursuant to the Code, a Nomination Committee is not a Board Committee but instead consists of members elected directly by the shareholders. Whereas pursuant to the Recommendations, the Nomination Committee is a Board Committee elected by and among members of the Board of Directors. The tasks of the Nomination Committee in a Swedish context are also more comprehensive than the tasks of the Nomination Committee in a Danish context.

The Company follows the Swedish practice pursuant to the Code, and accordingly the Nomination Committee consist of shareholder elected Committee members and the tasks carried out are in line with the Recommendations of the Code.

Management remuneration

The Recommendations contain provisions relating to management remuneration criteria, Board compensation as well as incentive programs.

The Code does not include equivalent recommendations as the Swedish Corporate Governance Board has issued the separate "Rules on Remuneration of the Board of Directors and Executive Management and on Incentive Programs" (the "Remuneration Rules"). The Remuneration Rules came into force on 1 January 2021 and contain extensive provisions on remuneration to the Board of Directors, executive management, and incentive programs. However, the Remuneration Rules only apply to Swedish companies whose shares are admitted to trading on a Swedish-regulated market (and to some extent companies whose shares are traded on other trading platforms) and are therefore not formally applicable to Better Collective.

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.

The share and shareholders

Better Collective A/S was listed on Nasdaq Stockholm on June 8, 2018. As of November 17, 2023, Better Collective is dual listed on Nasdaq Copenhagen. The number of shares outstanding on December 31, 2023, was 55,367,418. Each share entitles the holder to one vote. The number of shareholders on December 31, 2023, was 4,821 which is an increase from the 3,669 shareholders on December 31, 2022.

The largest shareholders on December 31, 2023, were Chr. Dam Holding and J. Søgaard Holding (the Cofounders of Better Collective) with 10,671,179 shares each and each representing 19.27% of the votes and share capital in the company. Further information on the Better Collective share and shareholders is available in the section Share and shareholders on page 42 as well as on the group's website.

General meeting

Pursuant to the Danish Companies Act, the general meeting is the group's superior decision-making body. The general meeting may resolve every issue for Better Collective which does not specifically fall within the scope of the exclusive powers of another corporate body. For example, the power to appoint 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 Better Collective's Articles of Association, approval of the annual report, appropriation of the group'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.

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 Better Collective Articles of Association, general meetings must be held in Greater Copenhagen, Gothenburg, or Stockholm.

Notice

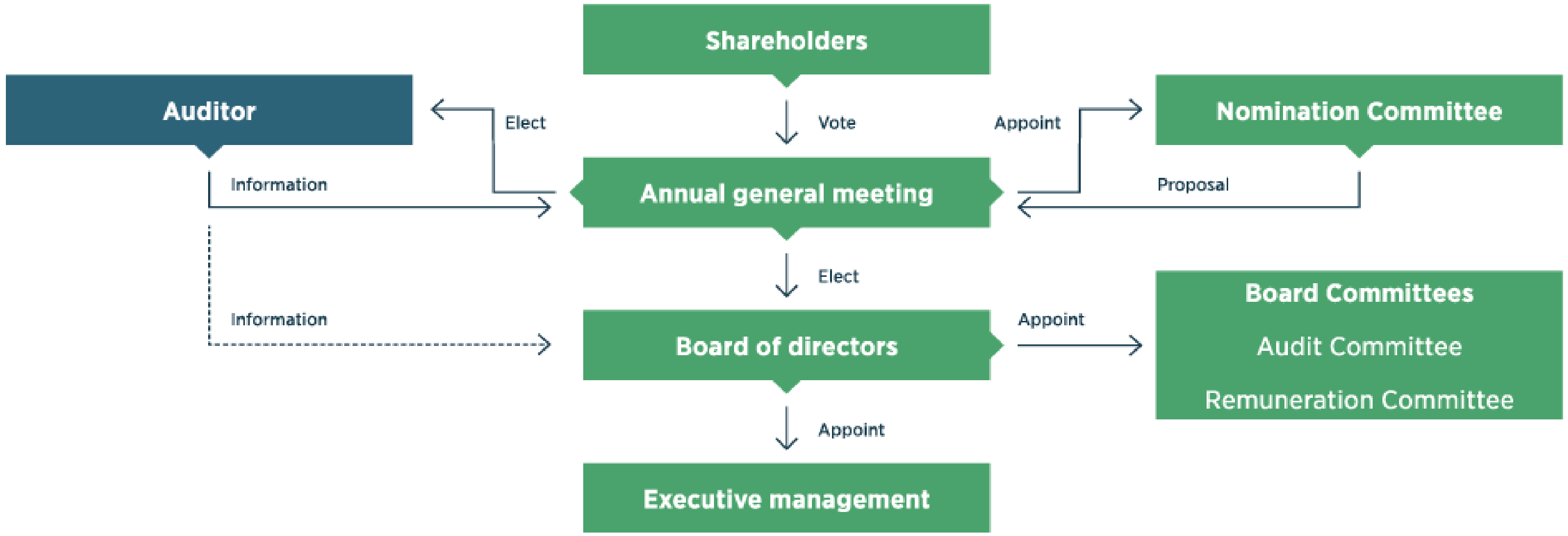
According to Better Collective's Articles of Association, general meetings must be convened by the Board of Directors giving written notice no earlier than five weeks and no later than three weeks prior to the general meeting. Pursuant to the Danish Companies Act, notices convening general meetings shall be made public on the group's corporate website. If requested, shareholders shall receive written notice of the general meetings.

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 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 group's Articles of Association is to be resolved 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.

Right to attend general meetings

A shareholder's right to attend a general meeting and to vote on their shares is determined based on 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 group's share register maintained by Euroclear Sweden as well as any notifications of ownership received by Better Collective 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 Better Collective of attendance no later than three days prior to the date of the general meeting, as stipulated by Better Collective'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.



Voting rights & 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 Better Collective'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 group's Articles of Association. Shareholders who wish to have a specific matter brought before the general meeting must submit a written request to the group'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 2023

The annual general meeting 2023 was held on April 25, 2023, and approved the 2022 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 group's share capital without pre-emption rights for the existing shareholders and to authorize the BBoard of Directors to acquire treasury shares. The shareholders adopted the remuneration report based on an advisory vote.

On August 8, 2023, an extraordinary general meeting was held during which shareholders approved the proposals from the Nomination Committee regarding the election of Britt Boeskov and René Rechtman as the new members of the Board of Directors. During the meeting the shareholders were informed that the Board member Klaud Holse wished to resign as a member of the Board of Directors with effect as of the extraordinary general meeting.

Electronic general meetings

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

Annual general meeting 2024

The annual general meeting 2024 will take place on April 22, 2024, at 2.00 p.m. For more information, please see the section on the annual general meeting on the Better Collective's corporate website.

Nomination Committee

According to the Code, the group must have a Nomination Committee, the duties of which must 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 group'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 Better Collective no later than six months prior to the annual general meeting.

On August 31, 2023, 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
- Michael Knutsson, appointed by Knutsson Holding AB
- Jens Bager, Chair of the Board of Directors, Better Collective

In all, the Nomination Committee represented 49.5% of the total number of shares in Better Collective, based on ownership data as per August 31, 2023.

Independence of Nomination Committee

The Code requires the majority of the Nomination Committee's members to be independent in relation to the group and its management and that at least one of these shall also be independent in relation to the group's largest shareholder in terms of voting power. All members are independent in relation to Better Collective and the group'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.

Meetings of the Nomination Committee

Ahead of the AGM 2024, the Nomination Committee has held three meetings. One member was not present during the third meeting. 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 group. The duties of the Board are set forth in the Danish Companies Act, the group'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 group, 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.

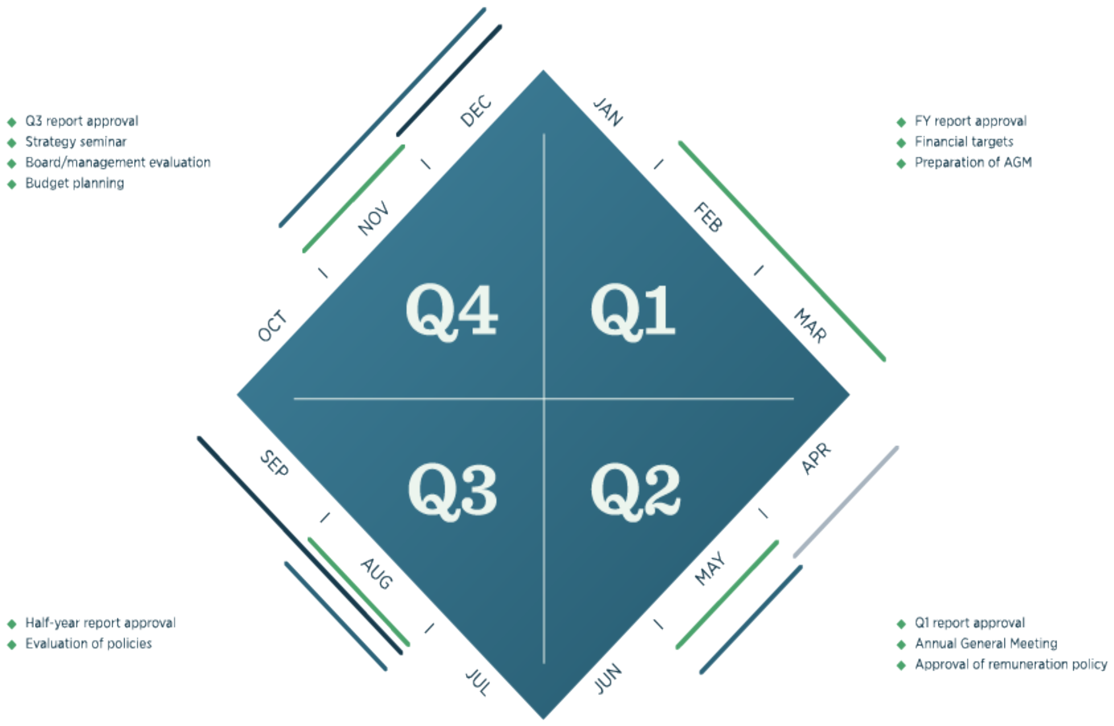
The Board meets according to a predetermined annual schedule. At least five ordinary Board meetings must be held between each annual general meeting. In addition to these meetings, extraordinary meetings can be convened for processing matters which cannot be referred to any of the ordinary meetings. In 2023, 10 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 group'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 seven ordinary Board members elected by the general meeting: Jens Bager (Chair), Todd Dunlap, Therese Hillman (Vice Chair), Britt Boeskov, René Rechtman Leif Nørgaard, and Petra von Rohr. The Board attended Nasdaq's stock market training course prior to the listing in 2018. Todd Dunlap and Britt Boeskov received Nasdaq training after joining the Board. For information about the Board members see page 36.

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 2023, 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 group's operations, phase of development, and must collectively exhibit diversity regarding gender, age, nationality, experience, professional background, and business expertise. In 2023, the Board had an equal gender distribution and met the group's policy on additional diversity criteria based on age, nationality, and educational background.

Gender distribution in management, cf. §99b

Better Collective has set a target for the Board of Directors of 40% of the underrepresented gender. The Board is made up of three women (43%) and four men (57%) whereby the split exceeds the 40% in a Board consisting of seven members. This is considered an equal gender distribution by the Danish Business Authority. 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 across Better Collective, the gender split in 2023 was 15% women and 85% men. This is an increase from 2022 (12% women and 88% men.) In the 2023 reporting, other management levels include the executive management and their direct reports, whereas in the 2022 reporting the other management level was included in the top management percentage.

Although new members of the other management level joined Better Collective in 2023 the target of underrepresented gender was not reached. Better Collective recognizes that gender distribution at the other management level is unsatisfactory. 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.

Gender diversity top management

In 2023 Better Collective achieved gender equality in the top management level. Therefore, no new targets have been set. In contrast, in the 2022 annual report, Better Collective disclosed that the combined percentage of underrepresented genders in both top management and other levels of management amounted to 12%.

Gender diversity other management levels

Other management levels include the executive management and their direct reports, (executive management and SVP/VP) which equals 13 members in total. To improve the percentage of the underrepresented gender in the other management level, the company has included a representative of both genders in the recruitment processes and will continue to do so in order to reach the target of 25 % by 2027.

Top managerial position (Board of Directors)	2023	2024	2025	2026	2027
Total number of members	7				
Underrepresented gender in pct.	43%				
Target figure in pct.	40%	-	-	-	-
Year for fulfilment of target figure	-	-	-	-	-

Other Managerial positions (1 and 2)	2023	2024	2025	2026	2027
Total number of members	13				
Underrepresented gender in pct.	15%				
Target figure in pct.	25%	25%	25%	25%	25%
Year for fulfilment of target figure	2027	2027	2027	2027	2027

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 group's financial position, to monitor the effectiveness of the group'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 group's compliance with law and regulations related to financial matters. The Audit Committee has an annual work plan and has held five meetings in 2023.

Remuneration Committee

The Remuneration Committee consists of Jens Bager (Chair), Todd Dunlap, and Britt Boeskov, who has replaced 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 group'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 three meetings in 2023.

Executive management

According to the Danish Companies Act and Better Collective'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 group. 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 40.

The duties and responsibilities of the executive management are governed by the Danish Companies Act, Better Collective'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 group maintains adequate accounting records and procedures, that the Board of Directors' resolutions are implemented in the daily management of the group, that the Board of Directors are up to date on all matters of importance to the group and that the day-to-day management of the group is carried out.

Attendance at Board and Committee meetings

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

◆ Attendance ◇ Non-attendance

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 25, 2023, it was resolved that a fee of EUR 135,000 is to be paid to the Chair and 90,000 EUR to the vice chair and that fees of EUR 45,000 is to be paid to each of the other Board members. 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 group. Following approval at the Annual General Meeting on April 25, 2023, the Board fee in 2023 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 2023, the Board of Directors received remuneration as set out in note 5 on page 85. For additional details, see also the remuneration report for 2023 available from bettercollective.com.

Remuneration to 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 2023, the executive management received remuneration as set out in note 5 on page 85.

Remuneration policy

The current remuneration policy was adopted at the annual general meeting on April 25, 2023, in compliance with section 139 and 139a in the Danish Companies Act

Members of Better Collective'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 group and other possible personal targets for

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	247,275
Flemming Pedersen, CFO	311,966	0	0	311,966	7,229
Christian Kirk Rasmussen, COO	10,671,179	0	0	10,671,179	247,275
Executive management, total	**21,654,324**	**0**	**0**	**21,654,324**	**501,778**

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	23,201
Therese Hillman, Vice Chair	1,375	0	0	1,375	32
Todd Dunlap, member	475	0	0	475	11
Klaus Holse, member	171,059	0	0	171,059	3,964
Leif Nørgaard, member	440,656	6,644	0	447,300	10,365
Petra von Rohr, member	22,037	0	0	22,037	511
René Efraim Rechtman, member	0	11,000	0	11,000	255
Britt Ingrid Boeskov, member	0	13,027	0	13,027	302
Board of directors, total	**1,636,831**	**30,671**	**0**	**1,667,502**	**38,640**
Total	**23,291,155**	**30,671**	**0**	**23,321,826**	**540,418**

* The end-of-year market values are based on the official share prices prevailing December 31, 2023.

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 management. Payment of a 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 group. The main purpose of the internal control is to ensure that the Better Collective's strategies and objectives can be implemented within the business, that there are effective systems for monitoring and control of the group's business and the risks associated with the group 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.

Control environment

To create and maintain a functioning control environment, the Board of Directors has adopted several 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. Better Collective 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 Better Collective's risks. The Board of Directors has also established an Audit Committee whose main task is to monitor the effectiveness of the group'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 2023, given the size of the company, it was decided that an internal audit function is not currently needed.

Better Collective 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 group. The group has furthermore established an IT governance structure to ensure that all major IT projects support Better Collective's business goals, and that existing IT systems and resources are used optimally. The group has implemented a whistle-blower scheme providing the ability to easily and anonymously report any observations of potentially destructive, unethical, or illegal activities related to Better Collective.

Risk assessment

Risk assessment includes identifying risks pertaining to the group'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 group's risks.

Annually, the executive management must 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 group'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 group's CEO holds the overall responsibility for the handling of matters regarding insider information.

The group's investor relations function is led and supervised by the CFO and the Senior 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 group's activities, including the group'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.

External audit

The group'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 group's auditor reports its observations from the audit and its assessment of the group's internal control to the Board of Directors.

At the annual general meeting held on April 25, 2023, EY Godkendt Revisionspartnerselskab was re-elected as the group'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 group's auditor for the financial year 2023 amounted to 581 tEUR, all of which regarded the audit assignment.

Risk management

Better Collective's management monitors and accesses risk development in the Better Collective group, continuously.

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.

Risk control

The risk evaluation is presented to the Board of Directors for discussion of and any further mitigating actions required, on an annual basis. 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's 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.

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.

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.

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.

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.

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.

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.

Board of Directors

Jens Bager

Chair of the Board and of the Remuneration Committee
Born, 1959
Nationality, DK
Present position since 2016

Education: 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 served as EVP of Chr. Hansen A/S. Jens Bager is an Industrial Partner at Impilo AB, the Chair 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, Tandlægen.dk and Symmetry Administration ApS.

Previous assignments: Board Chair of Ambu A/S, Heatex AB and Poul Due Jensens Fond. CEO of ALK-Abelló A/S.

Independence in relation to:

– Shareholders	Yes
– The company	Yes

Therese Hillman

Vice Chair and member of the Audit Committee
Born, 1980
Nationality, SE
Present position since 2021

Education: 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 Chair of String Furniture AB, Nordic eTrade AB, Grythyttan Stålmöbler, Kasthall AB and Sweden Concepts AB. Board member of Byarums Bruk, Cooee Design, Wall of Art and Norling Cavalin.

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.

Independence in relation to:

– Shareholders	Yes
– The company	Yes

Britt Boeskov

Board member and member of the Remuneration Committee
Born, 1978
Nationality, DK
Present position since 2023

Education: holds a M.Sc. in Intercultural Communication and Management from Copenhagen Business School

Professional background: Britt Boeskov has held positions in global companies such as Chief Experience Officer for Kindred Group, one of the largest gambling companies in the world. Until September 2022, Britt was SVP of Group Strategy and Execution in Better Collective.

Other assignments: Serves on the Boards of MAG Interactive, Mindway AI, GAMING1 and Racecourse Media Group while she is also the principal owner of her own consultancy.

Previous assignments: Being with Kindred from 2005 to 2022 Britt has held various positions, including Chief Program Officer and Chief Operating Officer, during which time she led and transformed the business through fundamental industry changes, in terms of regulation, user expectations and technology advances.

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: holds two Bachelor of Science degrees (aerospace engineering and business administration), with a graduate in Business and International Management from Stanford University and Thunderbird School of Global Management.

Professional background: Todd Dunlap is the current CEO and Board Chair of the startup OfferUp, one of the Seattle region's only tech startups valued at more than 1 bnUSD. 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 investor in Seattle-area SaaS AI/ML, data and eCommerce startups as a founding LP of Ascend.vc.

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

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 authorized 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 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, Zerv Aps, DM Greenkeeping Danmark A/S and K/S Sunset Boulevard, Esbjerg. He is a member of the executive board of AnnoAnno ApS, Ooono A/S, Hubb Aps 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

René Rechtman

Board member and member of the Remuneration Committee
Born, 1970
Nationality, DK
Present position since 2023

Education: holds a M.Sc. in Politics and International Relations from the University of Copenhagen.

Professional background: René Rechtman is co-founder and CEO of Moonbug Entertainment, an award-winning global entertainment company behind some of the most popular childrens' titles including CoComelon, Blippi, Little Angel and Morphle.

Other assignments: Board member of The Guardian, Blast Aps, as well as Podimo and until recently also of JP/Politikens Hus.

Previous assignments: Prior to setting up Moonbug, Rechtman was Head of Non-Linear Media at The Walt Disney Company, which he joined through the 2014 acquisition of Maker Studios, where he served as both investor and President. Prior to this, Rechtman held senior leadership positions at AOL, GoViral. and TradeDoubler.

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 from Stockholm School of Economics and McGill University in Montreal, Canada.

Professional background: Petra von Rohr recently stepped down as the CEO of Biocool AB and she has experience from executive management positions both from the finance industry and the communications industry. Most recently, she was Head of Group Communications at Com Hem AB. Previous experience includes working as an equity analyst in London and Stockholm. She has extensive experience from working with corporate communication and investor relations.

Other assignments: Board member of Webrock Ventures

Previous assignments: Member of the Executive Management team of Com Hem AB, Partner of Kreab AB, Board member of LinkFire, the Global Vector Control Standard, Lauritz.com A/S, Lauritz.com Group A/S, Novare Human Capital Aktiebolag 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 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: Member of the executive board of Naapster ApS.

Previous assignments (past five years): Chair of the Board Mindway AI ApS

The BETCO share and shareholders

Better Collective A/S has been listed since June 8, 2018, and is traded on the Nasdaq Stockholm and Nasdaq Copenhagen The group's ticker is BETCO and BETCO DKK, respectively.

Share price and trading

The closing price on December 31, 2023, for the BETCO share was 256.50 SEK and BETCO DKK 172,20 DKK corresponding to a total market cap of approximately 14,201 mSEK/ 9,534 mDKK. During the period from January 1, 2023, to December 31, 2023, a total of 13.296.909 BETCO shares and a total of 973.808 BETCO DKK shares were traded at a total value of 1,029 mSEK/154 mDKK. The average number of shares traded per trading day was approximately 52.976 (BETCO) and 33580 (BETCO DKK), corresponding to a total value of 20 mSEK/13mDKK. An average of BETCO 52,976 and BETCO DKK 175 trades were completed per trading day. The highest price paid for BETCO during the period January 1, 2023, to December 31, 2023 was BETCO 299.00 SEK on November 7, 2023 and BETCO DKK 180.00 on December 27,2023. The lowest price paid for BETCO was 127.10 SEK on January 2, 2023 and BETCO DKK 139.20 on November 17, 2023. During the period from January 1, 2023, to December 31, 2023, BETCO share price increased by 101.6% and BETCO DKK price increased by 22.2%, while the OMX Large Cap list increased by 16.4%.

Shareholders

On December 31, 2023, 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, 2023, Better Collective had 4,821 known shareholders, corresponding to a 31% increase from January 1, 2023. The ten largest shareholders accounted for 62% of the votes and share capital. The members of Better Collective's Board of Directors held a total of 1,508,416 Better Collective shares. The executive management held a total of 21,654,324 Better Collective shares. The individual holdings can be found on page 35.

Share capital and capital structure

On 31 December 2023, the share capital amounted to 553,674.18 EUR, and the total number of issued shares was 55,367,418. The company has one (1) class of shares. Each share entitles the holder to one vote at the general meetings. All shares in the market hold equal voting rights and equal rights to the company's earnings and capital.

Share price and trading

Closing price 2023 BETCO	256.50 SEK
Closing price 2023 BETCO DKK	172.20 DKK
Corresponding MCAP	14,202 mSEK
Total number of shares traded on Nasdaq Stockholm exchange	9,546 mDKK
Total number of shares traded on Nasdaq Copenhagen exchange	13.296.864
Traded total value on Nasdaq Stockholm exchange	973.808
Traded total value on Nasdaq Copenhagen exchange	1.029.976.589
Avg. shares traded on Nasdaq Stockholm exchange per day	52.967
Avg. shares traded on Nasdaq Copenhagen exchange per day	33.579
Avg. traded total value per day Nasdaq Stockholm exchange (SEK)	12.151.556
Avg. traded total value per day Nasdaq Copenhagen exchange (DKK)	5.328.932
Total number of trades on Nasdaq Stockholm exchange	139.151
Total number of trades on Nasdaq Copenhagen exchange	5.082
Avg. trades per day on Nasdaq Stockholm exchange	554
Avg. trades per day on Nasdaq Copenhagen exchange	175
Highest price paid between 2023-01-01 to 2023-12-31: (2023-11-07) BETCO (SEK)	299
Highest price paid between 2023-01-01 to 2023-12-31: (2023-12-27) BETCO DKK (DKK)	180
Lowest price paid between 2023-01-01 to 2023-12-31 : (2023-01-02) BETCO (SEK)	126.3
Lowest price paid between 2023-01-01 to 2023-12-31 (2023-11-17) BETCO DKK (DKK)	139.2
Share price change from closing 2022-12-30 to 2023-12-29 BETCO	101.6%
Share price change from closing 2022-12-30 to 2023-12-29 BETCO DKK	22.2%
OMX Large Cap list (OMXSLCGI) change from closing 2022-12-30 to 2023-12-31	16.4%

Shareholders:

Known shareholders December 2023	4.821
Change in number of known shareholders between 2023-01-01 to 2023-12-31: (3.669 -->4821)	31%
Top 10 largest shareholders %	62%

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

Top 10 largest shareholders as of December 31, 2023

Owners	Num. of shares	Capital and votes
Jesper Søgaard	10.671.179	19,27%
Christian Kirk Rasmussen	10.671.179	19,27%
Chr. Augustinus Fabrikker A/S	2.523.000	4.56%
Andra AP-fonden	2.170.724	3.92%
Danica Pension	1.804.353	3.26%
Tredje AP-fonden	1.480.092	2.67%
Teacher Retirement System of Texas	1.474.446	2.67%
Better Collective A/S	1.387.580	2.51%
Deka Investments	1.268.300	2.30%
Knutsson Holdings AB	1.090.000	1.98%
Top 10 largest shareholders	**34.540.853**	**62.41%**
Other shareholders	20.826.565	37.59%
Total number of shares	**55.367.418**	**100%**

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

Dividend policy

Better Collective has successfully executed an acquisition strategy since 2017, completing more than 30 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 2023.

Individuals with 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.

Investor relations

Better Collective shall provide correct, relevant, and clear information to all its shareholders, the capital market, 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 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.

Analysts covering Better Collective

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Sustainability Report

BECOMING THE LEADING
DIGITAL SPORTS MEDIA GROUP

Founder statement

We are pleased to present Better Collective's Sustainability Report for the year 2023, which showcases our ongoing commitment to sustainable environmental, social and governance practices.

Since the inception of Better Collective, our unwavering commitment has been to deliver compelling and immersive sports content to our users. This commitment has helped shape our vision to become the leading digital sports media group along with our mission to excite sports fans through engaging content and foster passionate communities worldwide. Positioned as a leader at the crossroads of media, entertainment, and iGaming, we reach hundreds of millions of sports fans and enthusiasts, bringing with it the obligation to ensure a responsible and sustainable offering including editorial guidelines, proper segmentation, and safer gambling resources.

Offering transparency

Championing transparency is a cornerstone of our sustainable growth strategy. As we are continually growing our business and rapidly adding new entities, we dedicate our attention to initiatives that allow us to grow sustainably. Perhaps most importantly we want to guide sports fans towards Better Collective brands before they embark on their sports betting journey. By doing so we ensure that we can educate the user before they embark on a potential sports betting venture. In this journey we offer transparency in what licensed partners there are and how their offers differ.

Safer gambling initiatives

Better Collective plays a pivotal role in channeling sports fans responsibly to licensed sportsbooks in regulated markets. In the online marketplace, users are met with a multitude of offers, some of which are in markets without regulations, meaning that user protection measures may not be in place and marketing practices non-compliant. Positioned strategically in the value chain, our objective is not only to educate sports fans but also to direct them towards licensed sportsbooks to safeguard their interests.

As always, safer gambling is a key element in our sustainability efforts, and our subsidiary Mindway AI has once again been an industry lighthouse within this field. In late 2023, the National Council on Problem Gambling partnered with Mindway AI to enhance safer gambling initiatives. We are extremely proud of the exciting partnership with NCPG nationwide in the US. This collaboration is a testament to our commitment to innovation in safer gambling and a shared vision of creating a safer future, paving the way for industry transformation and redefining what is possible.

Sustainability commitment

Our dedication to sustainability is not confined to our business operations but extends to supporting the broader sustainable development of our world and industry. In 2019, Better Collective committed to incorporate the UN Global Compact and its 10 principles into our strategy, culture, and day-to-day operations. With this report, which is also our Communication on Progress, we renew our ongoing commitment to the initiative as well as our continued support for the Sustainable Development Goals (SDGs).

As a result of our commitment, we persistently 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 a constant work in progress which each year gets better, and we strive to supply the data to support transparency of our efforts.

Better together

In early 2023, Better Collective joined the All-In Diversity Project, which is an industry-driven initiative to benchmark diversity, equity, and inclusion for the global sports media industry. We are proud to join as the first non-sportsbook founding member to provide guidance and support sharing best practices and resources. Working to further our DEI agenda during 2023, an advanced and updated DEI framework was developed for the group together with new DEI targets for the ongoing year. Better Collective marked International Women's Day (IWD) by teaming up with the All-in Diversity project to pay tribute to women around the world. Unfortunately, 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 such initiatives Better Collective takes part in identifying and making businesses more diverse.

Being a big international group with 45 nationalities represented across 20 offices across the world, we decided to roll out unconscious bias training across the group for all employees to participate in during 2023. We have also put in place practices in our recruitment process to minimize the gender gap within the group, and 2023 initiatives included awareness of possible bias in our recruitment processes, including training for hiring managers, job ad terminology, screening, and the development of a recruitment policy stating that every job interview should have minimum two genders represented in the first interview.

Developing talents

Another year has gone by, and we cannot fail to mention our successful in-house academies. Since 2021, Better Collective has been running its academies in Niš, Serbia, which targets the local youth by encouraging them to enroll in one of our education programs tailored by Better Collective.

Having our own, specially designed training delivered in the form of SEO- (search engine optimization), SEM- (search engine marketing), WordPress-, Full Stack-, 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 to hit the ground running.

Not only are the academies beneficial to Better Collective, but they also provide an alternative education and subsequent career opportunity for the youth in Niš. In 2023, we enrolled a total of 73 participants across 14 academies, and we are proud to share that 75% of the enrolled candidates today are part of the Better Collective group.

Environmental responsibility

Environmental responsibility remains a core facet of our sustainability approach. Rigorous tracking of carbon emissions for five consecutive years underscores our commitment to minimizing our environmental impact. While our online business inherently limits our carbon footprint, we take proactive measures to address travel-related emissions. 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 2023, we have continued to update and develop our policies, systems, and processes to manage and mitigate social, governance and environmental risks.

Looking ahead

Our commitment to forging a more sustainable future for our group and stakeholders remains unwavering, and we look forward to setting new benchmarks in the years to come.

We continue to let our mission lead us in our efforts to become an even more sustainable group with trusted products and brands, while our framework and strategy steer us to be and do better.

Christian Kirk Rasmussen
Co-founder & COO

Jesper Søgaard
Co-founder & CEO

Reporting framework

The present report covers the financial year January 1, 2023, to December 31, 2023, and constitutes our statutory reporting cf. the Danish Financial Statements Act, Sections 99a and 99d and 107d as well as the EU Taxonomy regulation.

Framework and commitments

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.

To operationalize 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, 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 2024.

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

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 2023, 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 as well as sustainability are ingrained elements of Better Collective's business model and have been the cornerstone of our group since our incorporation in 2004.

Social

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

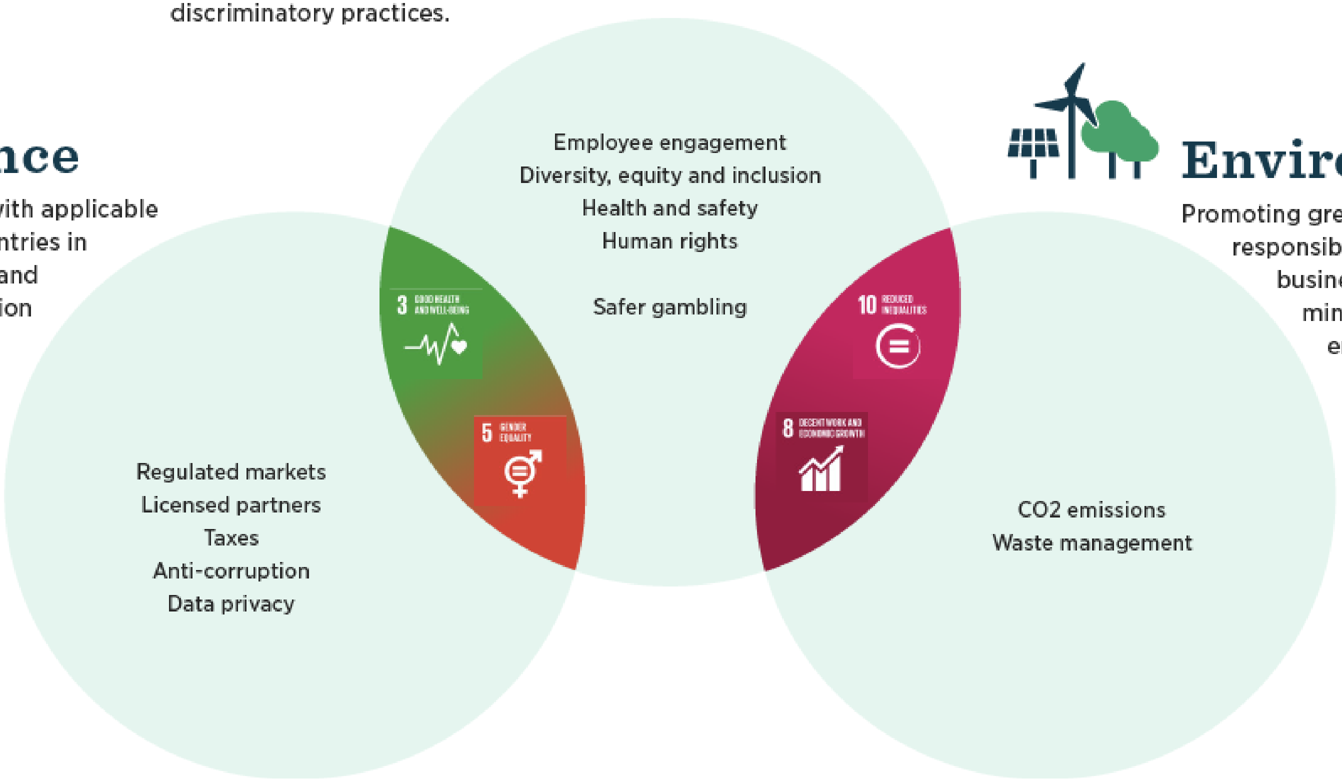
Our users: To promote safer gambling through education of users

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 and reliable governance is essential to run a business responsibly while also being able to realize our ambitious strategic goals.

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 page 35 for sustainability risks.

Social

Our people

It is our long-term commitment to foster and uphold an inclusive and diverse workplace by implementation of socially responsible conducts and elimination of 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. In October 2023, we initiated our leadership training program, delivering four modules across various local Better Collective offices. A total of 80 managers actively participated in this initiative. Notably, unlike the 2021-2022 program, the 2023 program was conducted in-person, facilitating more direct interaction and engagement.

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 2023 results indicated a healthy and effective work environment with engaged and highly motivated employees. Our engagement score of 84% (2022: 83%) 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 (10 in 2023 against 11 in 2022). 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 unconscious bias 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 provide employees with internet allowance, IT equipment and office furniture. In this way, we make sure they have the best physical condition at their home office. We had 3 reported cases of workplace injuries in 2023 (2022: 0).

We place strong emphasis on promoting the physical health and well-being of our employees, which we promoted through various initiatives during 2023, including meditations, humanitarian races, and various sports tournaments. Better Collective's office located in Niš, Serbia, encouraged health and safety at work through an initiative to also help others by participating in an IT race "*Stafeta Srcem*". 16 employees participated in the race and raised funds which were donated to the Clinical Center for Anesthesiology. The **humanitarian race** was a dynamic blend of teamwork and innovation, with diverse teams coming together to make a real difference. A reminder that when we work together creatively, we can achieve incredible things, and Better Collective's team placed second in the race. During 2023 other initiatives supporting the physical wellbeing of the group include an **IT Basketball League and a Football League**.

Movin' May was a month-long campaign for the North American business created during the Mental Health Awareness month. This included a step count challenge throughout the month utilizing an app called to track steps on one's smartphone. All participants were formed in teams; hence collaboration was greatly encouraged. From the initial fitness challenge to newly formed teams, every aspect of the campaign was designed to inspire and motivate employees to incorporate physical activity into their daily routines.

The project was met with positive reactions resulting in a high engagement rate of 49% participation from the total number of employees. At first, the goal was set at 18,000,000 collective steps, however the teams exceeded the goal by 201% and amassed remarkable results of 36,228,125 steps.
Acknowledging the importance of **mental health** and its impact on work, Better Collective also implemented **meditation** classes during 2023. Meditation has turned out to be one of the most effective ways to decrease stress, improve concentration and provide calmness, which is why virtual meditation sessions were hosted during October in honor of World Mental Health Awareness. These sessions garnered an impressive turnout, with over 100 participants, and the sessions were led by Michael Rich, the founder of GoodWork Coaching. Sessions provided attendees with valuable lessons on how to cultivate mindfulness, resulting in overwhelmingly positive feedback from employees.

Diversity, Equity & Inclusion, cf. §107d

In our operational ethos and concerning the structure of our leadership, we strive to foster equity through awareness of age, educational background, professional and international experience in recruitment and staff retention processes, ensuring equal pay and access to training opportunities, while maintaining a steadfast zero-tolerance stance against workplace harassment. As outlined in our diversity manifesto, we are dedicated to cultivating a varied workforce and inclusive environment. Diversity encompasses numerous dimensions ethnicity, Better Collective is committed to providing equitable opportunities to all members of management throughout our organization, supported by robust policies and benefits aimed at promoting diversity and equality.

Our Diversity, Equity, and Inclusion (DEI) Board actively engages our employees in these endeavors through employee resource groups. Management affirms that these policies are upheld, as diversity and inclusion criteria have been integral in the selection processes for both the Board of Directors and other managerial positions in 2023.

At Better Collective we strive to foster diverse teams and we see this as essential for driving innovation, productivity, creativity, and the ability to attract top talent. Working to further our DEI agenda during 2023, an advanced and updated DEI framework was developed. With the new framework co-founder and CEO, Jesper Søgaard was announced as the new Chair of the DEI Board and new DEI targets for the ongoing year were developed. Structural changes of the DEI framework brought significant success, with enhanced collaboration and efficiency. With its agenda and new updated DEI targets, Better Collective marked International Women's Day (IWD) by teaming up with the All-in Diversity project to pay tribute to women around the world. Additionally, the group also rolled out unconscious bias training to the entire organization during 2023 and reached an impressive participation rate of 89%. In celebration of United Nations Day on October 24, Better Collective put together the Better Collective Cookbook to unite and celebrate the rich tapestry of diversity and cultures within the entire group.

Gender distribution

Better Collective operates within an industry predominantly led by men, encompassing both technology and sports betting. Recognizing this disparity and aiming to contribute positively to Sustainable Development Goal 5, initiatives promoting diversity and inclusion were prioritized in our agenda for 2023. These initiatives focused on raising awareness of potential biases in our recruitment processes, which included training for hiring managers, refining job ad language, and implementing screening measures.

Despite these efforts, by the end of 2023, the proportion of underrepresented gender (women) within the Better Collective group stood at 31%, a marginal increase from the 29% recorded in 2022. This lack of progress indicates a deviation from our target of achieving 35% representation by 2030.

Collaboration and commitment to further the gender equality agenda

In early 2023, Better Collective joined the All-In Diversity Project, which is an industry-driven initiative to benchmark diversity, equity, and inclusion for the global iGaming sector. We are proud to join as the first non-

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office 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 Better Collective takes part in identifying and making businesses more diverse.

The 2023 initiatives included awareness of possible bias in our recruitment processes, including training for hiring managers, job ad terminology, screening, and the development of a recruitment policy stating that every job interview should have minimum two genders represented in the first interview. By the end of the year Better Collective group counted 31% of the underrepresented gender (women) against 29% in 2022 which means we have not made progress towards our goal of reaching 35% by 2030.

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 continue to commit to our human rights policy. We continue to work on human rights due diligence processes to move us from commitment to action. So far, we consider our salient human rights issues to relate to our own workforce. During the current accounting period, all new employees have been trained in human rights, which helps minimize the risk of potential misconduct. No human rights issues were identified during the 2023 financial year.

Developing talents

Since 2021, Better Collective has been running its 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 are the academies beneficial to Better Collective, but they also provide an alternative education and Eurocleasubsequently 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 advantage. In 2023, we enrolled a total of 73 participants across 14 academies. 75% of the candidates are today part of the Better Collective group.

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 June 2023, Better Collective implemented mandatory safer gambling training for all employees within the group.

Safer gambling resources

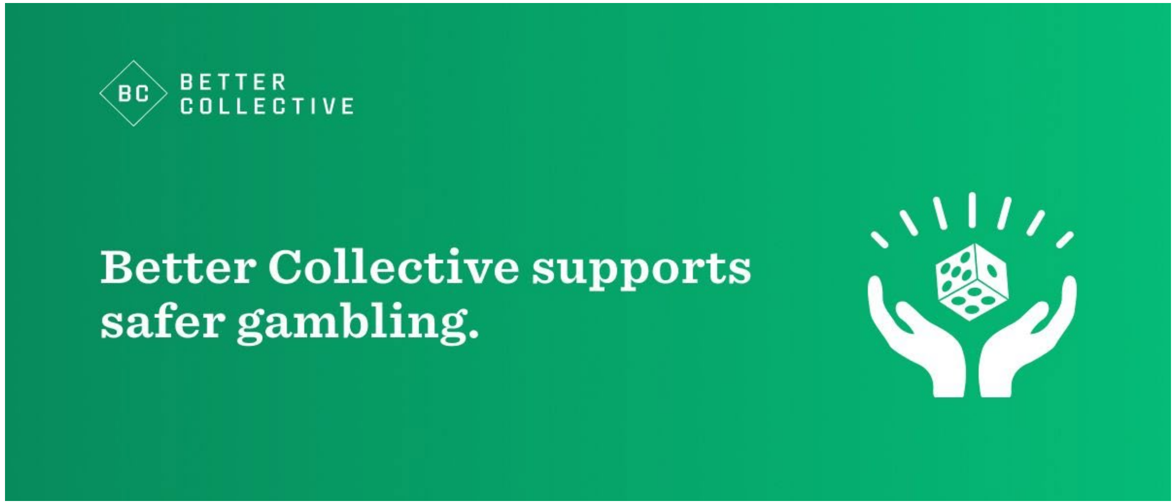
We want to ensure that our users are better suited to navigate the iGaming world by visiting a Better Collective website before registering an account with a sportsbook. We focus on the teaching of strategies and the presentation of insightful information and data to make our users more confident in 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 sportsbooks 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 aa Betting Academy to educate users. To ensure that safer gambling is well coded to our business practice Better Collective deployed two policies on safer gambling, one internal policy and one external policy both available on the corporate website. The policies are revised on an annual basis. Additionally, Better Collective uses the Gamalyze software on its internal employee platform and encourages all employees to take the test annually. The Gamalyze self-test is also rolled out across the group's sports media portfolio for external use.

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 user experiences with Mindway AI

Better Collective's subsidiary, Mindway AI [Mindway] specializes in supporting the iGaming industry with various safer gambling tools and solutions. Mindway 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. In 2023, Mindway celebrated its five-year anniversary, and continues to play an increasingly important role in the iGaming ecosystem supporting sportsbooks on a global scale to create safer iGaming experiences.

While we cannot control what sportsbooks do, we support them by holding them to high standards during the customer acquisition and ongoing CRM process and by providing them with a chance to set the bar higher and take initiative in developing sustainable gaming through Mindway AI's tools and software. As such, Mindway is extending its influence in the value chain rather than focusing only on its own playing field.

During the year 2023, Mindway has secured many strategic partnerships allowing it to grow even further. The first partnership was entered with Australian operator Tabcorp which also marked the entry into a completely new market. Hereafter, Mindway partnered with AnonyMind, a treatment provider network in the UK, allowing Mindway AI to offer AnonyMind's users a complete solution for dealing with problem gambling. A groundbreaking partnership was formed with the United States' National Council on Problem Gambling (NCPG), which has incorporated Mindway's Gamalyze solution into NCPG's safer gambling website ResponsiblePlay.org, making Gamalyze the first ever safer gambling tool to go nationwide in the US. Another noteworthy partnership of the year was entered with the Dutch operator BetCity.nl, which aims to enhance user protection and promote safer gambling practices for Dutch sportsbooks.

In 2023, Mindway was awarded no less than six industry awards for its efforts within safer gambling. These include awards for innovation within safer gambling, best implementation of safer gambling tools and being the best safer gambling supplier.

Early detection

Mindway partners with sportsbooks and leading industry organizations with a clear mission to improve player protection in the industry. By combining neuroscience, AI and human expert assessment, the safer gambling software helps sportsbooks and other types of 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 sportsbooks to reach out to sports fans before unhealthy gambling habits escalate. As such, Mindway makes a real difference for millions of users around the world. GameScanner is already running in nearly 61 jurisdictions in 37 countries boosting sportsbooks' player protection, scanning a total of 7.7 million active players per month.

Gamified 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 insights from neuroimaging, Gamalyze analyzes each player'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.

Making good use of Mindway

Mindway and Better Collective share common goals for safer gambling, and while Mindway 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 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 helps to create awareness on safer gambling at internal events and on Better Collective's Safer Gambling Board.

mindway AI
YOU BET WE CARE

Governance

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 regulations 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

Better Collective was awarded for its efforts within compliance at the Vixio Global Regulatory Awards for the fifth consecutive year. 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 sportsbooks 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.

Better Collective discontinued its business activities related to the Russian market which was predominantly advertising 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 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, vendors, and shareholders to speak up if they find something to be in breach of our policies.

During 2023, Better Collective conducted mandatory anti-corruption training sessions for all employees, covering topics such as recognizing and reporting corrupt practices, emphasizing our zero-tolerance policy. During 2023, the group did not receive any reports about bribery, facilitation payment, or other forms of corruption nor have we received any other whistleblower reports. Better Collective persistently works to strengthen its compliance measures by regularly reviewing and updating its anti-corruption policies to align with evolving laws and best practices.

Code of Conduct

Throughout the group we promote our Code of Conduct as a guide for all employees to 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 report

Better Collective has adopted a data ethics policy in accordance with Section 99d of the Danish Financial Statements Act. This section stands as our data ethics report for the fiscal year 2023. 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 2023 we established a process and governance setup to handle and evaluate data ethics reporting.

Environment

Since its inception, Better Collective has been committed to making responsible decisions across all operations – this is also the case when it comes to the group's 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.

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.

Social metrics

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

Average number of full-time work force (FTE)

The average number of full-time employees as stated in the annual accounts 2023.

Total headcount (HC)

The total headcount by the end of 2023.

Gender diversity

The percentage of the underrepresented gender (women) in the workforce at the end of 2023.

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 exclude 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 2023 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 2023.

Reported cases of harassment

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

Reported workplace injuries

The number of reported workplace injuries as reported to HR.

Nationalities

Number of nationalities represented in the group.

Corporate income tax

Total income tax for 2023.

In 2023, Better Collective contributed with direct as corporate ***taxes*** in more than 15 countries. Corporate ***tax*** payments amounted to 15 mEUR. Better Collective believes in contributing to the societies and communities it is doing business in. One of the ways to do so is through global ***tax*** payments. In all ***tax*** matters, the group acts in a fair, compliant, and responsible way.

Social	Unit	Target	2023	2022	2021	2020	2019
Average number of FTE	FTE		1,252	878	635	420	364
Total headcount	HC		1,312	949	781	476	428
Gender diversity	%	35	31	29	30	30	31
Gender pay ratio	Times	1	2	1	1	1	1
Employee turnover ratio	%		15	18	17	21	14
- Resignations	%		5	12	15	10	9
- Dismissals	%		9	6	2	11	4
Sickness absence	Days per HC		2	2	1	1	2
Employee engagement	%	80	84	83	87	85	-
Employee engagement response rate	%	80	71	75	91	-	-
Reported cases of harassment	Number	0	11	11	9	12	-
Reported workplace injuries	Number	0	3	0	0	0	-
Nationalities	Number		45	43	35	30	30
Corporate income tax	mEUR		15.41	16.89	12.60	6.00	5.00

Governance metrics

Gender diversity at the Board

Percentage of the underrepresented gender (women) on the Board of Directors elected at the Annual General Meeting. The Board has a 57% (men) and 43% (women) consisting of seven members and thereby considered an equal gender distribution by the Danish Business Authority. The target figure of 40% was reached in 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 2023.

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	2023	2022	2021	2020	2019
Gender diversity, board	%	40	43%	33	33	17	20
Board meeting attendance rate	%	>95	99	99	96	97	100
Breaches of customer privacy	Number	0	0	0	0	-	-
Reported cases of bribery or corruption	Number	0	0	0	0	-	-
Whistleblower reports	Number		0	0	0	0	0
CEO pay ratio	Times		9	13	10	8	9

Our carbon emissions

Direct Emissions from Operations

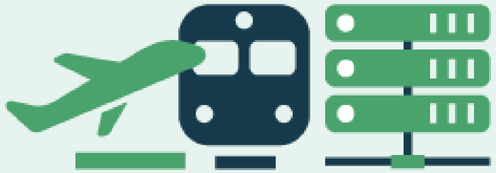
site gas, company car travel

Scope 1

Indirect Emissions from purchased electricity

electricity generation,
district heating generation

Scope 2



All other emissions in the company value-chain

flights, commuting, server hosting

Scope 3

Environmental metrics

The GHG emissions accounting is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognized international standard for measuring greenhouse gas emissions on a company level, and is the basis for the ISO standard 14064-I.

The input is based on consumption data from internal and external sources, which has then been converted into tons CO2 equivalents (tCO2e) using generic and/or specific emission factors. The carbon footprint appraisal is derived from a combination of our own data collection and data computation by Carbon Footprint's analysts.

CO_2 emissions scope 1

Scope 1 comprises CO_2 emissions from heating using oil and gas refrigerants to cool the crafting facilities 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 2023.

The overall increase in CO_2 emissions has risen compared to previous years due to multiple mergers and acquisitions, a larger number of employees, an increased number of offices globally, and a more detailed level of reporting. These factors have led to increased emissions across all scopes.

Environmental	Unit	Target	2023	2022	2021	2020	2019
CO_2 e, scope 1	Metric tons		71.40	10.00	73.88	73.54	13.96
CO_2 e, scope 2	Metric tons		247.40	50.32	70.09	49.99	215.14
CO_2 e, scope 3	Metric tons		2,596.10	1,278.34	346.42	176.88	730.14
Total tons of CO_2e	**Metric tons**		**2,914.90**	**1,338.66**	**490.39**	**300.41**	**959.24**
Tons of CO_2e per employee	Times		2.33	1.52	0.77	0.72	2.92
Tons of CO_2e per mEUR turnover	Times		8.92	4.97	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, 35% response rate. Apportioned to account for the employees which did not respond.

Commuting
Employee survey, 35% 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.

Purchased goods and services
GHG emissions associated with the Group's purchase of goods and services, are calculated as
the amount of direct cost including VAT associated with a specific type.

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 (tCO_2e)		2023	2022	2021	2020	2019
Scope 1	Site gas	6.50	9.43	67.50	65.68	1.84
	Refrigerants	22.00	-	-	-	-
	Company car travel	42.90	0.57	6.38	7.86	12.12
Scope 1 total		**71.40**	**10.00**	**73.88**	**73.54**	**13.96**
Scope 2	Electricity generation	173.60	50.32	66.77	49.99	215.14
	Heat fuel	42.00	-	-	-	-
	District heating generation	31.80	-	3.32	-	-
Scope 2 total		**247.40**	**50.32**	**70.09**	**49.99**	**215.14**
Scope 3	Flights	1,948.10	915.48	164.38	126.67	711.84
	Home-workers	65.50	144.68	103.69	42.39	-
	Commuting	501.30	198.47	62.52	-	-
	Rail travel	7.40	3.74	8.81	2.34	3.24
	Taxi travel	20.00	5.36	1.43	1.81	1.68
	Bus travel	3.10	3.64	0.08	0.01	1.01
	Hotel accommodation	42.40	-	-	-	
	Electricity transmission & distribution	-	4.76	5.34	2.52	12.37
	District heating distribution	-	-	0.17	-	-
	Purchased goods and services	8.30	1.60	-	-	-
	Company electric vehicles (charged off-site)	-	0.61	-	-	-
Scope 3 total		**2,596.10**	**1,278.34**	**346.42**	**176.88**	**730.14**
Total		**2,914.90**	**1,338.66**	**490.39**	**300.41**	**959.24**

EU Taxonomy

KPI for revenue

Better Collective's main activities within sports media and entertainment are 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).

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 (Y/N)								
Revenue	Absolute Revenue tEUR	Proportion of Revenue	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned Revenue	Category
Taxonomy aligned activities - none	0	0%															
Taxonomy eligible but not aligned activities - none	0	0%															
Taxonomy non-eligible activities	326,686	100%															
Total	**326,686**	**100%**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

CAPEX	Absolute CAPEX tEUR	Proportion of CAPEX	Substantial contributions % Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Do no significant harm (Y/N) Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned CAPEX	Category
Taxonomy aligned activities - none	0	0%															
Taxonomy eligible but not aligned activities	17,410	23%															
Taxonomy non-eligible activities	57,326	77%															
Total	**74,736**	100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

OPEX	Absolute OPEX tEUR	Proportion of OPEX	Substantial contributions % Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Do no significant harm (Y/N) Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned OPEX	Category
Taxonomy aligned activities - none	0	0%															
Taxonomy eligible but not aligned activities - none	0	0%															
Taxonomy non-eligible activities	215,605	100%															
Total	**215,605**	100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Statements

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 2023.

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, 2023 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, 2023.

Further, in our opinion, the management's review gives a fair review of the development in the group's and the parent company's 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.

In our opinion, the annual report for the financial year January 1 – December 31, 2023 with the file name bettercollective-2023-12-31-en.zip , is prepared, in all material respects, in compliance with the ESEF Regulation.

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

Copenhagen, March 20, 2024

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

Therese Hillman
Vice Chair

Britt Boeskov

Todd Dunlap

Leif Nørgaard

René Rechtman

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, 2023, 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 IFRS Accounting 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, 2023 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, 2023 in accordance with IFRS Accounting 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 5 years up until and including the financial year 2023.

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 2023. 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 of the four identified cash-generating units. 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.

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 for comparable companies.
- Evaluation of main principles and assumptions for Management's identification and assessment of CGUs.
- Evaluation of the value-in-use model used by Management, including consideration of the cash-generation units defined by Management 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.
- 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 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 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 on a sample basis recognised revenue and related variable considerations to agreements with 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.

Accounting for acquisitions

The Group has in 2023 completed five business combinations. Management has determined the fair value of the identifiable assets and liabilities acquired. The total consideration for the five business combinations amounts to EUR 115 million.

Due to the significant level of management judgement involved in the estimation of the contingent consideration and estimating the fair value of especially the intangible assets acquired, we considered the accounting for acquisitions of most significance in our audit.

For details on the acquisitions, reference is made to note 22 in the consolidated financial statements.

How our audit addressed the above key audit matter

Our audit procedures included:

- Assessment of the assumptions and methodology applied by management to calculate the fair value of intangible assets acquired as well as the contingent consideration. We have considered the approach taken by Management, assessed key assumptions, and obtained evidence for the explanations provided, by comparing key assumptions to market data, where available, underlying accounting records, past performance of the acquired businesses and Management's forecasts supporting the acquisitions.
- Assessment of the adequacy of the disclosures in note 22 related to the acquisitions, including the fair value of acquired intangible assets, compared 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 by relevant law and regulations.

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 relevant law and regulations. 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 IFRS Accounting 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, 2023 with the file name bettercollective-2023-12-31-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, 2023 with the file name bettercollective-2023-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, March 20, 2024

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

Financial Statements

Consolidated statement of profit and loss

Note	tEUR	2023	2022
3, 4	Revenue	326,686	269,297
	Direct costs related to revenue	99,296	92,227
5, 6	Staff costs	88,921	68,639
7	Other external expenses	27,389	23,356
	Operating profit before depreciation and amortization (EBITDA) and special items	**111,080**	**85,075**
14	Depreciation	3,958	2,321
	Operating profit before amortization (EBITA) and special items	**107,122**	**82,754**
12	Amortization and impairment	24,283	12,347
	Operating profit (EBIT) before special items	**82,839**	**70,407**
8	Special items, net	- 1,948	- 54
	Operating profit	**80,891**	**70,353**
9	Financial income	5,987	4,198
10	Financial expenses	28,868	9,587
	Profit before tax	**58,010**	**64,964**
11	Tax on profit for the period	18,175	16,888
	Profit for the period	**39,835**	**48,075**
	Earnings per share attributable to equity holders of the company		
	Average number of shares	55,186,772	54,363,312
	Average number of warrants - converted to number of shares	2,658,571	2,495,614
	Earnings per share (in EUR)	0.74	0.88
	Diluted earnings per share (in EUR)	0.70	0.85

Consolidated statement of comprehensive income

Note	tEUR	2023	2022
	Profit for the period	39,835	48,075
	Other comprehensive income		
	Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
	Fair value adjustment of hedges for the year	- 483	0
	Currency translation to presentation currency	1,318	- 905
	Currency translation of non-current intercompany loans	- 9,440	17,030
11	Income tax	0	- 3,747
	Net other comprehensive income/loss	- 8,605	12,379
	Total comprehensive income/(loss) for the period, net of tax	**31,230**	**60,454**
	Attributable to:		
	Shareholders of the parent	31,230	60,454

Consolidated balance sheet

Note	tEUR	2023	2022
	Assets		
	Non-current assets		
12, 13	**Intangible assets**		
	Goodwill	255,074	183,942
	Domains and websites	466,615	460,513
	Accounts and other intangible assets	79,740	27,016
	Total intangible assets	**801,429**	**671,471**
14	**Property, plant and equipment**		
	Right of use assets	15,575	6,269
	Leasehold improvements, Fixtures and fittings, other plant and equipment	6,006	2,574
	Total property, plant and equipment	**21,582**	**8,843**
	Other non-current assets		
	Deposits	1,803	726
11	Deferred tax asset	7,236	9,165
	Total other non-current assets	**9,039**	**9,891**
	Total non-current assets	**832,050**	**690,204**
	Current assets		
15	Trade and other receivables	48,954	53,179
	Corporation tax receivable	2,252	6,423
	Prepayments	4,250	3,926
20	Other current financial assets	6,804	0
20	Cash	43,552	31,497
	Total current assets	**105,812**	**95,025**
	Total assets	**937,862**	**785,229**

Note	tEUR	2023	2022
	Equity and liabilities		
16, 17	**Equity**		
	Share Capital	554	551
	Share Premium	274,580	272,550
	Currency Translation Reserve	15,055	23,177
	Hedging reserves	- 483	0
	Treasury Shares	- 21,057	- 7,669
	Retained Earnings	166,624	124,307
	Total equity	**435,273**	**412,917**
	Non-current Liabilities		
20	Debt to credit institutions	248,657	201,708
19	Lease liabilities	13,326	4,962
11	Deferred tax liabilities	84,670	78,167
20	Other long-term financial liabilities	52,443	22,407
	Total non-current liabilities	**399,096**	**307,244**
	Current Liabilities		
	Prepayments received from customers and deferred revenue	4,262	8,023
18	Trade and other payables	27,838	22,252
	Corporation tax payable	6,754	5,221
20	Other financial liabilities	61,938	26,865
20	Debt to credit institutions	0	1,055
19	Lease liabilities	2,702	1,653
	Total current liabilities	**103,493**	**65,068**
	Total liabilities	**502,589**	**372,312**
	Total Equity and liabilities	**937,862**	**785,229**

Consolidated statement of changes in equity

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

During the period no dividend was paid.

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

During the period no dividend was paid.

Consolidated statement of cash flow

Note	tEUR	2023	2022
	Profit before tax	58,010	64,964
	Adjustment for finance items	22,882	5,389
	Adjustment for special items	1,947	54
	Operating Profit for the period before special items	82,839	70,407
	Depreciation and amortization	28,241	14,668
	Other adjustments of non-cash operating items	2,581	1,690
	Cash flow from operations before changes in working capital and special items	113,661	86,765
21	Change in working capital	5,722	- 16,949
	Cash flow from operations before special items	119,384	69,816
	Special items, cash flow	- 4,744	- 1,393
	Cash flow from operations	114,639	68,423
	Financial income, received	493	1,682
	Financial expenses, paid	- 10,712	- 5,666
	Cash flow from activities before tax	104,420	64,439
	Income tax paid	- 15,411	- 16,239
	Cash flow from operating activities	**89,009**	**48,200**
22	Acquisition of businesses	- 57,282	- 14,337
	Acquisition of intangible assets	- 27,469	- 96,452
	Acquisition of property, plant and equipment	- 5,143	- 1,804
	Sale of property, plant and equipment	3	16
	Acquisition of other financial assets	- 14,930	0
	Change in other non-current assets	- 1,427	- 55
	Cash flow from investing activities	**- 106,248**	**- 112,632**

Note	tEUR	2023	2022
	Repayment of borrowings	- 1,486	- 215,993
	Proceeds from borrowings	45,490	296,665
	Lease liabilities	- 2,814	- 1,274
	Other non-current liabilities	- 483	0
	Capital increase	2,033	618
	Treasury shares	- 13,381	- 14,250
	Transaction cost	- 26	- 28
	Warrant settlement, sale of warrants	0	0
	Cash flow from financing activities	**29,334**	**65,737**
	Cash flows for the period	12,095	1,306
	Cash and cash equivalents at beginning	31,497	30,093
	Foreign currency translation of cash and cash equivalents	- 41	99
	Cash and cash equivalents period end	**43,552**	**31,497**
	Cash and cash equivalents period end		
	Cash	43,552	31,497
	Cash and cash equivalents period end	**43,552**	**31,497**

Cashflow statement – specifications

Note	tEUR	2023	2022
	Acquisition of business combinations:		
22	Net Cash outflow from business combinations at acquisition	- 57,282	0
	Business Combinations - deferred payments from current period	0	0
	Deferred payments - business combinations from prior periods	0	- 14,337
	Total cash flow from business combinations	**- 57,282**	**- 14,337**
	Acquisition of intangible assets:		
13	Acquisitions through asset transactions	- 50,639	- 144,522
	Deferred payments related to acquisition value	- 494	29,408
	Deferred payments - acquisitions from prior periods	- 9,745	- 121
	Intangible assets with no cash flow effect	33,613	24,325
	Other investments	- 203	- 5,541
	Total cash flow from intangible assets	**- 27,469**	**- 96,452**

Note	tEUR	2023	2022
	Equity movements with cashflow impact - from cash flow statement:		
	Capital increase	2,033	618
	Treasury shares	- 13,381	- 14,250
	Transaction cost	- 26	- 28
	Total equity movements with cash flow impact	**- 11,374**	**- 13,661**
	Non-cash flow movements on equity:		
	New shares for M&A payments	0	4,065
	Treasury Shares used for payments	0	15,498
	Share based payments - warrant expenses with no cash flow effect	2,495	1,713
	Total equity movements with no cash flow impact	**2,495**	**21,275**
	Total Transactions with owners - Consolidated statement of changes in equity	**- 8,879**	**7,615**

Notes to the consolidated financial statements

Notes

1. Accounting policies

General
The financial statements section of the annual report for the period January 1 – December 31, 2023 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, 2022.

Basis for preparation
The consolidated financial statements of Better Collective A/S have been prepared in accordance with IFRS Accounting 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 20, 2024. The annual report will be presented to the shareholders of Better Collective A/S for adoption at the annual general meeting on April 22, 2024.

The accounting policies have been applied consistently during the financial year and for the comparative figures, except for the scope of operating segments, "Other current assets" and financial instruments.

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

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 2023 have been adopted. The implementation of these new or amended standards and interpretations had no material impact on the financial statements. 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, 2023. None of the standards are expected to have a significant effect for Better Collective A/S.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. However, this legislation does not apply to the Group as it has not had a consolidated revenue of more than EUR 750million for two out of the last four years. Due to revenue expectations, an overall assessment was made, which concluded that this will not have any material impact on the Group.

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. 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.

Notes

1. Accounting policies (continued)

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.

iXBRL reporting

Better Collective A/S has filed the Annual Report for 2023 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.

Accounting policies

Fair value measurement

The Group uses the fair value concept in connection with certain disclosure requirements and for recognition of derivative and business combinations. 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.

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 categorized 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)

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

Derivative financial instruments

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

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

Fair value changes in the part of the derivative financial instruments which is classified as and qualifies for recognition as a future cash flow hedge and which effectively hedges against changes in the value of the hedged item are recognized in other comprehensive income as a separate hedging reserve. When the underlying hedged item is realized, any gain or loss on the hedging transaction is transferred from equity and recognized together with the hedged item. Fair value changes that do not meet the criteria for treatment as hedging instruments are recognized on an ongoing basis in the statement of profit or loss under financial items.

Notes

1. Accounting policies (continued)

Business combinations (common-control)
The modified uniting-of-interest method is applied to vertical mergers in which the participating entities are subject to the Parent's control. Under this method, assets and liabilities of the participating entities are recognized at the amounts at which they are recognized in the consolidated financial statements of the parent forming part of the merger. Vertical mergers are recognized at the merger date without restatement of comparative figures.

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 recognized 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, 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 shareholder.

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.

Climate change and sustainability risks

To Better Collective, the key ESG/sustainability risks lie within the social and governance spaces and less within the environment space. While minimizing emissions is an embedded part of the Group's targets, management does not consider climate change to have a material impact on the accounting estimates and judgements prepared by management in relation to the 2023 consolidated and parent company financial statements.

In preparing the consolidated financial statements for 2023, management has also considered the impact of social and governance to the extent possible. As always, safer gambling is a key element in our sustainability efforts, as the focus on safer gambling and being a responsible business is what grants us our social license to operate. As sports betting becomes more widespread, more countries are amending or implementing new gambling laws and regulations. We have processes for being continuously updated on regulation, and accounting estimates (e.g. estimate of fair value and value in use) are based on information available to management. At 31 December 2023, it is assessed that social and governance risks have not had a material impact on accounting estimates.

Notes

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

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 sportsbooks. 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 (Paid Media (Paid Media Europe & ROW)), HLTV, US, Europe & ROW) continue, and that the asset and business acquisitions of Skycon is included in Paid Media, Playmaker HQ is included in US and Sporty Solutionz Private Limited(India), Digital Sport media I Norden AB, Torcedores.com and Tipsbladet ApS are included in Rest of Better Collective, 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. 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 and hybrid deals 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.

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 dual listing, 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 8 of the consolidated financial statements and note 6 of the parent company financial statements.

Deferred tax

Management applies significant estimates when recognizing and measuring deferred tax assets. Deferred tax assets, including the tax base of tax loss carryforwards, are recognized if it is assessed that there will be sufficient future taxable income against which the temporary differences and unutilised tax losses can be utilised.

This assessment is based on budgets and business plans for the following years, including planned business initiatives. Deferred tax assets are tested annually and are only recognized if it is probable that future taxable profit will allow the deferred tax asset to be recovered.

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).

Notes

3. Segment information

Better Collective reports on the geographical segments North America (NA) 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		Group	
tEUR	2023**	2022	2023	2022	2023**	2022
Revenue Share	120,776	83,750	41,049	17,868	161,825	101,618
CPA	40,590	55,398	63,371	63,757	103,960	119,155
Subscription	17,959	17,042	0	0	17,959	17,042
Other revenue	41,004	30,867	1,937	615	42,941	31,482
Revenue	**220,328**	**187,057**	**106,358**	**82,241**	**326,686**	**269,297**
Cost	139,685	115,376	75,920	68,846	215,605	184,222
Operating profit before depreciation, amortization and special items	**80,642**	**71,681**	**30,438**	**13,394**	**111,080**	**85,075**
EBITDA-Margin before special items	37%	38%	29%	16%	34%	32%
Special items, net	- 1,948	- 54	0	0	- 1,948	- 54
Operating profit before depreciation and amortization	**78,695**	**71,627**	**30,438**	**13,394**	**109,132**	**85,021**
EBITDA-Margin	36%	38%	29%	16%	33%	32%
Depreciation	3,909	2,306	49	15	3,958	2,321
Operating profit before amortization	**74,785**	**69,321**	**30,389**	**13,379**	**105,174**	**82,700**
EBITA-Margin	34%	37%	29%	16%	32%	31%

Europe & ROW / North America

Better Collective has reported on the geographical segments North America and Europe & RoW (Rest of World), measuring and disclosing separately for Revenue, Cost and Earnings. The scope of operating segments has been modified following changes in management responsibilities as from January 1, 2023. US has been renamed to North America (NA) and will now cover both USA and Canada. Canada was previously included in the operating segment "Europe and RoW". 2022 comparative information has been restated.

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 North America and Europe & ROW segments is presented in the below table:

	Europe & RoW		North America		Group	
tEUR	2023	2022*	2023**	2022*	2023**	2022
Revenue Share	136,211	90,874	25,614	10,745	161,825	101,618
CPA	49,173	54,061	54,788	65,094	103,960	119,155
Subscription	2,461	1,539	15,499	16,464	17,959	17,042
Other revenue	30,241	22,802	12,700	7,719	42,941	31,482
Revenue	**218,085**	**169,275**	**108,600**	**100,022**	**326,686**	**269,297**
Cost	137,902	115,620	77,703	68,602	215,605	184,222
Operating profit before depreciation, amortization and special items	**80,183**	**53,656**	**30,897**	**31,420**	**111,080**	**85,075**
EBITDA-Margin before special items	37%	32%	28%	31%	34%	32%
Special items, net	- 1,060	- 1,360	- 888	1,306	- 1,948	- 54
Operating profit before depreciation and amortization	**79,123**	**52,296**	**30,009**	**32,725**	**109,132**	**85,021**
EBITDA-Margin	36%	31%	28%	33%	33%	32%
Depreciation	2,947	1,671	1,011	650	3,958	2,321
Operating profit before amortization	**76,176**	**50,625**	**28,998**	**32,075**	**105,174**	**82,700**
EBITA-Margin	35%	30%	27%	32%	32%	31%

*2022 figures have been restated for the transfer of Canada and renaming USA to North America (NA) (3,6 mEUR) and for Revenue Share and CPA because of the reclassification of upfront payments related to hybrid revenue share contracts impacting 5.9 mEUR.

**Reclassification has been made on 1,851 tEUR in 2023 figures for North America since publishing Q4 report. The effected lines are revenue share and Other. Recurring revenue has been adjusted accordingly.

Notes

4. Revenue specification

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	2023**	2022*
Revenue category		
Recurring revenue (Revenue share, Subscription, CPM)	191,118	127,573
CPA, Fixed Fees	135,385	140,436
Other	183	1,288
Total revenue	**326,686**	**269,297**
%-split		
Recurring revenue	58	48
CPA, Fixed Fees	42	52
Other	0	0
Total	**100**	**100**

tEUR	2023**	2022*
Revenue type		
Revenue Share	161,825	101,618
CPA	103,960	119,155
Subscription	17,959	17,042
Other revenue	42,941	31,482
Total revenue	**326,686**	**269,297**
%-split		
Revenue Share	50	38
CPA	32	44
Subscription	5	6
Other revenue	13	12
Total	**100**	**100**

The Group has earned 92.5 mEUR (2022: 65.5 mEur) in revenues from one major customer, which represents 28 % of the Group's revenue (2022:24%). The revenue is related to all operating segments.

Accounting policies

Revenue
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 sportsbooks 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 sportsbook has generated from a player betting or gambling on their platform, 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 sportsbook.

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

Cost per acquisition (CPA): For CPA deals, the sportsbook pays a one-time upfront fee for each referred player who deposits money on their platform. Cost per acquisition consists of a pre-agreed rate with the sportsbook. 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.

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.

*2022 figures have been restated for the transfer of Canada and renaming USA to North America (NA) (3,6 mEUR) and for Revenue Share and CPA because of the reclassification of upfront payments related to hybrid revenue share contracts impacting 5.9 mEUR.

**Reclassification has been made on 1,851 tEUR in 2023 figures for North America since publishing Q4 report. The effected lines are revenue share and Other. Recurring revenue has been adjusted accordingly.

Notes

5. Staff and other costs

tEUR	2023	2022
Wages and salaries	72,447	55,656
Pensions, defined contribution	3,894	3,168
Other social security costs	4,641	3,333
Share-based payments	2,510	1,935
Other staff costs	5,429	4,548
Total staff cost	**88,921**	**68,639**
Average number of full-time employees	1,252	878
Remuneration to Executive Management		
Wages and salaries	1,592	1,512
Pensions, defined contribution	169	132
Other social security costs	6	0
Share-based payments	618	97
Total	**2,385**	**1,741**
Remuneration to Board of Directors		
Wages and salaries	480	317
Share-based payments	0	0
Total	**480**	**317**

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

5. Staff and other costs (continued)

Board & Committee Fees

tEUR	Jens Bager	Klaus Holse	Leif Nørgaard	Petra von Rohr	Therese Hillman	Todd Dunlap	Rene Rechtman	Britt Boeskov	Total
2023	**149**	**30**	**59**	**52**	**97**	**52**	**19**	**22**	**480**
2022	104	37	44	37	59	37	0	0	317

Remuneration to Executive Management	Jesper Søgaard	Christian Kirk Rasmussen	Flemming Pedersen	Total
2023				
Wages and salaries	516	516	560	1.592
Pensions, defined contribution	45	45	79	169
Other social security costs	1	1	4	6
Share-based payments	177	177	264	618
Total	**739**	**739**	**907**	**2.385**
2022				
Wages and salaries	497	497	518	1.512
Pensions, defined contribution	34	34	64	132
Other social security costs	0	0	0	0
Share-based payments	19	19	59	97
Total	**550**	**550**	**641**	**1.741**

Notes

6. Share-based payment plans

2019 program:

During the year 2023 the company did not grant any warrants under this program.

During the year 2023, employees have exercised warrants corresponding to 191,081 shares issued.

2020 program:

During the year 2023 the company did not grant any warrants under this program.

During the year 2023, employees have exercised warrants corresponding to 26,668 shares issued.

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

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 2023, employees have exercised Performance Stock Units corresponding to 0 shares issued.

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

2022 LTI program:

On January 27, 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.

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

Management Incentive Program:

On March 1, 2022, a new tranche 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*.

During the year 2023, employees have exercised Performance Stock Units corresponding to 34,531 shares issued.

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

2023 LTI program:

On January 3, 2023, a new LTI program consisting of Performance Stock Units and stock options was announced. Under the program 240,927 options and 137,819 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 2023-2026 and the exercise period runs from 2026 to 2028.

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

2023 CXO program:

On April 25th, 2023, a new CXO program consisting of stock options was approved by the board of directors. Under the program 300,000 options were granted to the chief executive management. Each option granted gives the participants the right to subscribe for one ordinary share subject to a performance-based element. Transactions under the CXO program are classified as equity-settled share-based payment transactions*. The vesting period runs from 2023-2026 and the exercise period runs from 2026 to 2028.

* 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)

Warrant programs impact in the consolidated financial statements:

The total share-based compensation expense recognized for the full year 2023 is 2,509 tEUR (2022: 2,871 tEUR), The cost of the MIP Action program is included as special items and amounts to 0 EUR in 2023 (2022: 936 tEUR). The weighted average remaining contractual life of warrants to key employees outstanding as of December 31, 2023, and 2022 was 2.38 and 2.63 years respectively. The weighted exercise prices for outstanding instruments as of December 31, 2023 and 2022 were 14.51 EUR and 13.85 EUR.

	Board of Directors	Executive Management	Key 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, 2023	**25,000**	**600,000**	**1,293,949**	**1,918,949**	**13**	**441,154**	**18**	**2,360,103**
Granted	0	300,000	240,932	540,932	12	137,819	12	678,751
Forfeited/expired	0	0	194,509	194,509	17	345,855	17	540,364
Exercised	0	0	217,749	217,749	9	34,531	14	252,280
Transferred	0	0	0	0	0	0	0	0
Share options outstanding at December 31, 2023	**25,000**	**900,000**	**1,122,623**	**2,047,623**	**15**	**198,587**	**14**	**2,246,210**
Of this exercisable at the end of the period	25,000	600,000	425,181	1,050,181	10	0	n/a	1,050,181
Share options outstanding at January 1, 2022	**25,000**	**724,644**	**1,459,305**	**2,208,949**	**11**	**422,175**	**19**	**2,631,124**
Granted	0	0	69,022	69,022	15	168,423	16	237,445
Forfeited/expired	0	0	43,241	43,241	14	46,651	18	89,892
Exercised	0	124,644	191,137	315,781	2	102,793	19	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**	**13**	**441,154**	**18**	**2,360,103**
Of this exercisable at the end of the period	0	300,000	120,333	420,333	9	0	n/a	420,333

Notes

6. Share-based payment plans (continued)

	2023	2022	2021	2020	2019
Dividend yield (%)	0%	0%	0%	0%	0%
Expected volatility (%)	50%	50%	50%	45-50%	35%
Risk free interest rate (%)	1,75%	0%	0%	0%	0%
Expected life of warrants (years)	4-5	4-5	4.4-5	5	5
Share price (EUR)	11.78 - 19.42	14.42 - 17.60	18,34	12.21	7.89
Exercise price (EUR)	11.78 - 19.42	14.42 - 17.60	19.44	13.76	8.68
Fair Value at grant date (EUR)	5.35 - 8.91	5.50-7.50	7.19	4.73	2.17

Accounting policies

Share-based payments
Key employees (including the Executive Management 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	2023	2022
Fee related to statutory audit	433	318
Fees for tax advisory services	0	0
Assurance engagements	72	25
Other assistance	76	0
Total audit fees	**581**	**343**

Non-audit services provided by EY amounted to 76 tEUR in 2023, relating to advisory services in relation to assurance and advisory in relation to ESG, various tax advisory services, due diligence services and other advisory services. Non-audit services provided by EY did not exceed 70% of the audit fees in accordance with EU audit legislation.

Notes

8. Special items

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

Note	tEUR	2023	2022
	Operating profit	80,891	70,353
	Special Items related to:		
	Special items related to dual listing	- 1,129	0
	Special items related to M&A	- 10,224	- 1,263
	Variable payments regarding acquisitions - cost	0	- 192
	Variable payments regarding acquisitions - income	9,924	2,467
	Special items related to Restructuring	- 519	- 130
	Special items related to Management Incentive Program	0	- 936
	Special items, total	**- 1,948**	**- 54**
	Operating profit (EBIT) before special items	**82,839**	**70,407**
	Amortization and impairment	24,283	12,347
	Operating profit before amortization and special items (EBITA before special items)	**107,122**	**82,754**
	Depreciation	3,958	2,321
	Operating profit before depreciation, amortization, and special items (EBITDA before special items)	**111,080**	**85,075**

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 dual listing, M&A, adjustments to Earn-out payments, cost related to restructuring, income from divestiture of non-strategic assets, dual listing and cost related to the Action Network Management Incentive Program.

Notes

9. Finance income

tEUR	2023	2022
Exchange gains	3,090	4,170
Interest income	251	5
Other financial income	2,647	23
Total finance income	**5,987**	**4,198**

10. Finance costs

tEUR	2023	2022
Exchange losses	4,432	4,543
Interest expenses	12,146	3,839
Interest - right of use assets (Leasing)	425	150
Fair value adjustment	8,126	0
Other financial costs	3,739	1,055
Total finance costs	**28,868**	**9,587**

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.

Notes

11. Income tax

Total tax for the year is specified as follows:

tEUR	2023	2022
Tax for the period	18,175	16,888
Tax on other comprehensive income	0	3,747
Total	**18,175**	**20,635**

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

tEUR	2023	2022
Deferred tax	3,641	6,785
Current tax	16,400	10,153
Adjustment from prior years	- 1,867	- 49
Total	**18,175**	**16,888**

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

tEUR	2023	2022
Specification for the period:		
Calculated 22% tax of the result before tax	12,762	14,292
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	1,955	1,563
Tax effect of:		
Special items	868	- 83
Special items - taxable items	- 233	- 243
Other non-taxable income	- 410	- 150
Other non-deductible costs	3,461	1,558
Unrecognized tax losses carried forward	2,010	0
Tax deductable	- 371	0
Adjustment of tax relating to prior periods	-1,867	-49
Total	**18,175**	**16,888**
Effective tax rate	**31.3%**	**26.0%**

tEUR	2023	2022
Deferred tax liabilities		
Deferred tax January 1	69,002	60,050
Additions from business acquisitions	6,120	0
Adjustments of deferred tax in profit and loss	3,641	6,785
Exchange rate difference	- 1,329	2,166
Deferred tax December 31	**77,434**	**69,002**
Deferred tax is recognized in the balance sheet as:		
Deferred tax asset	7,236	9,165
Deferred tax liability	84,670	78,167
Deferred tax December 31	**77,434**	**69,002**
Deferred tax is related to:		
Intangible assets	90,130	78,235
Property, plant and equipment	322	- 68
Liabilities	1,040	0
Other	- 4,196	0
Tax losses carried forward	- 9,862	- 9,165
Deferred tax December 31	**77,434**	**69,002**

The group has total tax asset of 2,010t EUR related to tax losses carried forward, which are not recognized in the financial statement due to the uncertainty of utilizing the tax asset. Of not recognized tax losses carry forwards 2,010t EUR, may be carried forward for up to 3 years.

Notes

11. Income tax (continued)

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, 2023	**183,942**	**460,513**	**63,705**	**708,159**
Additions	0	3,412	53,914	57,326
Acquisitions through business combinations	75,335	10,842	29,579	115,756
Disposals	0	0	- 6,531	- 6,531
Currency Translation	- 4,203	- 8,151	- 602	- 12,956
At December 31, 2023	**255,074**	**466,615**	**140,065**	**861,754**
Amortization and impairment				
As of January 1, 2023	**0**	**0**	**36,688**	**36,688**
Amortization for the period	0	0	24,283	24,283
Currency translation	0	0	- 646	- 646
At December 31, 2023	**0**	**0**	**60,325**	**60,325**
Net book value at December 31, 2023	**255,074**	**466,615**	**79,740**	**801,429**

*Accounts and other intangible assets consist of accounts (30,474 tEUR), Media Partnerships (48,769 tEUR) and software and others (497 tEUR).

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

*Accounts and other intangible assets consist of accounts (10,659 tEUR), Media Partnerships (15,794 tEUR) and software and others (563 tEUR).

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 or asset acquisitions 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
Accounts	3 years
Media Partnerships	1-10 years
Software	3 years

Notes

13. Goodwill and intangible assets with indefinite life

The Group added intangible assets in 2023 from asset transactions of Sporty Solutionz Private Limited (India) and acquisitions from business combinations of Skycon Limited, Playmaker HQ, Digital Sport media I Norden AB, Torcedores.com and Tipsbladet ApS, as described in note 22. For 2022, they arose from asset transactions of FUTBIN and Canada Sports Betting. 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 2023 Better Collective continues to have four cash generating units with the asset and business acquisitions of Skycon included in Paid Media, Playmaker HQ included in US and Sporty Solutionz Private Limited (India), Digital Sport media I Norden AB, Torcedores.com and Tipsbladet ApS are included in Rest of Better Collective, respectively. Performance and cash flows from domain names and websites owned by the individual cash generating units are allocated and form the basis for impairment.

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

2023

tEUR	US	HLTV	Paid Media	Rest of BC	Total
Goodwill	126.399	17.812	73.771	37.092	255.074
Domains and Websites	213.764	20.551	0	232.300	466.615

2022

tEUR	US	HLTV	Paid Media	Rest of BC	Total
Goodwill	97.708	17.777	41.178	27.279	183.942
Domains and Websites	221.462	20.551	0	218.500	460.513

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, Paid Media and the rest of Better Collective, the Group has performed an impairment test on goodwill and domain names and websites as of December 31, 2023, on a value-in-use basis. Key estimates in the impairment test are growth in revenue, gross profits, discount rate and growth expectations in the terminal period. These are based on current and future development in the four CGUs and on historical data, including expected long-term market growths. Data is based on both internal and external data sources.

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 corresponding to the Group's long-term forecast for 2024-2026. The forecast indicates an average annual gross profit growth of 23% during the forecast period, predicated on market development assumptions and communicated long-term target. Beyond the approved forecast, EBITDA growth, cash conversion and tax-rates have been projected with a time horizon of 7 years until 2033. From 2027 onward, the average gross profit growth rate is estimated to decline. In 2027, the average growth rate is projected to be 15% and the decline continues, reaching 3% by 2033, stabilizing thereafter at a theoretical steady state level in the terminal period. Based on expected 2033 EBITDA and cash flow, management has applied a terminal value rate of 2%. The cash flows assume a discount factor of 12% (pre-tax discount rate 15%) based on the Group's weighted average cost of capital (WACC) in all years 2024-2033, with individual tax rates per country (22-25%).

As at December 31, 2022 and December 31, 2023 the Board of Directors have evaluated goodwill, domains and websites for impairment. 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. The Board of Directors have approved the inputs to the impairment testing and are satisfied that the judgements made are appropriate.

Notes

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

Sensitivity test

The sensitivity of the impairment results has been assessed to test the impact of changes in cash flows and discount rate. The test concludes that even negative changes will not result in impairment of any of the cash-generating units (CGUs). The sensitivity test shows the lowest possible growth rate must be 0% or the highest possible discount rate must be 30 % before any of the CGUs becomes impaired, which are unlikely to occur.

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 sportsbooks that are linked to the websites. In 2023 there has been no indicators for impairment.

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 exist, the put and call option is taken into consideration when assessing the ownership of the business. If a put and call option exist, the put and call option is taken into consideration when assessing the ownership of the business.

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 January 1, 2023	**9,777**	**4,995**	**14,772**
Additions	12,368	5,042	17,410
Acquisitions through business combinations	0	0	0
Disposals	- 2,536	- 70	- 2,606
Currency Translation	- 72	- 29	- 100
At December 31, 2023	**19,537**	**9,939**	**29,476**
Depreciation and impairment			
At January 1, 2023	**3,508**	**2,421**	**5,929**
Depreciation for the period	2,671	1,287	3,958
Depreciation on disposed assets	- 2,200	220	- 1,980
Currency translation	- 17	5	- 12
At December 31, 2023	**3,962**	**3,933**	**7,894**
Net book value at December 31, 2023	**15,575**	**6,006**	**21,582**

tEUR	Right of use assets	Fixtures and fittings, other plant and equipment	Total
Cost or valuation			
At January 1, 2022	**5,328**	**3,216**	**8,544**
Additions	5,240	1,805	7,045
Acquisitions through business combinations	0	0	0
Disposals	- 811	- 50	- 861
Currency Translation	20	25	45
At December 31, 2022	**9,777**	**4,995**	**14,772**
Depreciation and impairment			
At January 1, 2022	**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**

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:

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	2023	2022
Trade receivables	42,086	35,824
Accrued revenue	4,723	12,197
Other receivables	2,144	5,158
Total receivables	**48,954**	**53,179**

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
Cash consist of cash and cash equivalents in financial institutions.

Notes

16. Issued capital and reserves

tEUR	2023	2022	2021	2020	2019
Share capital:					
Opening balance	551.5	546.3	469.0	464.3	404.9
Capital increase	2.2	5.2	77.2	4.8	59.4
Total	**553.7**	**551.5**	**546.3**	**469.0**	**464.3**

The share capital consists of 55,367,418 shares of nominal EUR 0.01 each.

Share buy-back-2023

Throughout 2023 the company purchased 784,952 Better Collective A/S shares at an average price of 17.1 EUR. After the completion of the 2023 share buy-back programs Better Collective A/S had 1,387,580 treasury shares.

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 were 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 recognized 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 reporting entity is reclassified to profit or loss.

Notes

17. Distributions made and proposed

tEUR	2023	2022
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 will be 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	2023	2022
Trade payables	10,936	10,484
Other payables	16,902	11,768
Total payables	**27,838**	**22,252**

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, 2023	**6,236**	**33**	**6,269**
Additions	12,368	0	12,368
Disposals	- 2,485	- 50	- 2,536
Modifications	73	0	73
Exchange rate adjustment	- 135	0	- 135
Depreciation	- 2,660	- 3	- 2,663
Depreciation on disposed assets	2,180	20	2,200
Balance at December 31, 2023	**15,575**	**0**	**15,576**
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**

Lease liabilities

tEUR	2023	2022
Maturity analysis - contractual undiscounted cash flows		
Less than one year	1,714	1,685
One to five years	15,262	3,467
More than five years	702	2,169
Total undiscounted cash flows	**17,678**	**7,321**
Total lease liabilities	**16,028**	**6,614**
Current	2,702	1,653
Non-current	13,326	4,962

The total cash outflow for leases during 2023 was 2,814 tEUR (2022: 1,424 tEUR).

Amounts recognized in the consolidated income statement

tEUR	2023	2022
Interest on lease liabilities	425	150
Expenses relating to short- term lease	457	295
Expenses relating to lease of low value assets	82	0

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 recognized, 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 recognizes 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 recognized 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 sportsbook level as well as the exchange rates used by the sportsbook 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, PLN and BRL. 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 2023 impact of the fluctuating USD was 4.7 mEUR on an EBITDA level, vs. 2022 exchange rate, whereas the impact on the USD loan in the parent company was -9.4 mEUR. The exchange rate adjustments and corresponding tax impact on these loans are included in Other Comprehensive Income for the group if any.

The Board of Directors has in general decided not to hedge currency exchange risk given the underlying inherent risk and the capital structure, however The Board of Directors has in 2023 decided to hedge currency exchange risk related to the acquisition of Playmaker Capital and the consideration to be transferred consisting of 55 mCAD and 29 mUSD.

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 club financing with floating interest signed in October 2022 and in august 2023 extended by 3 years to October 2026. The interest rate risk arising from deposits held are short-term and non-material. With ~248.7 mEUR drawn on the facility as of December 2023, an increase in the interest of 1 %-point will drive an additional 2 mEUR in finance costs. However, management expects to reduce 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

The Group's credit risks mainly relate to receivables. The risks are monitored on an ongoing basis and customers are individually assessed for credit limits and exposure. Based on this the exposure is in general considered insignificant.

As per December 31, 2023, 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, 2023:

tEUR	Expected Loss Rate	Gross Receivable	Expected loss	Net receivable
2023				
Not Due	0.5%	28,997	134	28,863
Less than 30 days	0.2%	8,786	22	8,764
Between 31 and 60 days	0.7%	2,936	20	2,916
Between 61 and 90 days	2.5%	1,704	43	1,661
More than 91 days	18.4%	5,644	1,039	4,605
Total	**2.6%**	**48,067**	**1,258**	**46,809**

Limited losses were recognized during 2023 and the weighted credit loss has slightly increased compared to 2022.

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**

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.

tEUR	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
2023						
Non-derivative financial instruments:						
Financial liabilities measured at fair value through profit and loss						
Earn-out consideration	60,491	60,491	60,491	35,985	24,506	0
Other financial liabilities measured at fair value	51,367	51,367	51,367	24,382	26,985	0
Financial liabilities measured at amortized costs						
Lease liabilities	16,028	16,028	17,678	1,714	15,262	702
Trade and other payables	27,838	27,838	27,838	27,838	0	0
Deferred payment on acquisitions	2,524	2,524	2,524	1,571	952	0
Debt to credit institutions	248,657	248,657	287,829	13,825	274,003	0
Derivative financial instruments:						
Financial liabilities measured at fair value						
Derivates used as hedging instrument	- 483	- 483	- 483	- 483	0	0
Total financial instruments	**406,421**	**406,421**	**447,242**	**104,832**	**341,708**	**702**
Assets:						
Trade and other receivables	48,954	48,954	48,954	48,954	0	0
Other current financial assets	6,804	6,804	6,804	6,804	0	0
Cash	43,552	43,552	43,552	43,552	0	0
Total financial assets	**99,310**	**99,310**	**99,310**	**99,310**	**0**	**0**

tEUR	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
2022						
Non-derivative financial instruments:						
Financial liabilities measured at fair value through profit and loss						
Earn-out consideration	30,058	30,058	30,425	15,425	15,000	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						
Lease liabilities	6,614	6,614	7,321	1,685	3,467	2,169
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
Derivative financial instruments:						
Financial liabilities measured at fair value						
Derivates used as hedging instrument	0	0	0	0	0	0
Total financial instruments	**279,846**	**279,846**	**294,589**	**57,487**	**234,933**	**2,169**
Assets:						
Trade and other receivables	53,179	53,179	53,179	53,179	0	0
Other current financial assets	0	0	0	0	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**

Notes

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

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

All liabilities measured at fair value, or in respect of which the fair value is disclosed, are categorized 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)

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 (level 3). Derivates are measured at fair value based on generally accepted valuation methods using available observable market data (level 2).

Fair value of short term liabilities and financial assets

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 liabilities is considered equal to the booked value.

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

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

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

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	2021	Cash flows Net	Non cash flow changes	2022	Cash flows Net	Non cash flow changes	2023
Non-current financing liabilities	121,025	80,672	11	201,708	44,004	2,945	248,657
Leasing and other non-current liabilities	1,521	0	3,441	4,962	- 483	8,847	13,326
Current financing liabilities	0	0	0	0	0	0	0
Leasing current liabilities	1,347	- 1,274	1,579	1,653	- 2,814	3,863	2,702
Total liabilities from financing activities	**123,893**	**79,398**	**5,031**	**208,322**	**40,708**	**15,655**	**264,685**

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 through profit and loss.

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 as well as media partnerships.

Notes

21. Change in working capital

tEUR	2023	2022
Change in receivables	4,224	- 23,020
Prepaid expenses	- 325	- 1,690
Prepayment from customers	- 3,762	4,530
Change in trades payable, other debt	5,585	3,231
Change in working capital, total	**5,722**	**- 16,949**

22. Business combinations

Acquisition of Skycon Limited

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

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

The transferred consideration was in cash and a earn out payable in cash.

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

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

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

Notes

22. Business combinations (continued)

Acquisition of Playmaker HQ

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

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

The transferred consideration was in cash and a earn out payable in cash.

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

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

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

Other acquisitions 2023

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

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

Acquired net assets at the time of acquisition	tEUR
Domains	6,650
Contingent liabilities	- 1,902
Deferred tax liabilities	- 1,308
Net assets (other)	- 1,099
Total net assets	2,341
Goodwill	6,614
Total consideration	**8,955**

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

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

Notes

22. Business combinations (continued)

Acquisition of Tipsbladet.dk

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

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

The transferred consideration was in cash and a earn out payable in cash.

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

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

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

Earn-out considerations

Earn-out considerations are related acquisitions and is at the acquisition date recognised at a fair value.

The fair value of the earn-out considerations are measured based on weighted probabilities of assessed possible payments discounted to present value. Management expects that the conditions will be met.

The difference between fair value and future payments of the earn-out considerations and other financial liabilities will be recognised in the profit and loss.

Acquisition after the balance sheet date

Acquisition of Playmaker Capital

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

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

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

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

23. Related party disclosures

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

- J Søgaard Holding ApS, 19.27 %,Sankt Annæ plads 26-28, 1250 Copenhagen, Denmark
- Chr. Dam Holding ApS, 19.27 %, Sankt Annæ plads 26-28, 1250 Copenhagen, Denmark

Christian Kirk Rasmussen and Jesper Søgaard each hold 19.27% 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 Management and Key Employees 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	2023	2022
Capital increase - gross	0	0
Sale of warrants	0	0
Warrants settled, net of tax	0	0
Warrants Board member (included in board remuneration)	0	0

Notes

24. Group information –subsidiary information

The consolidated financial statements of the Group as of December 31, 2023 include the following subsidiaries:

Name *	Ownership	Country	City	Currency	Capital local currency
Better Collective D.o.o.	100%	Serbia	Niš	tRSD	620
Better Collective SAS	100%	France	Paris	tEUR	100
Hebiva Beteiligungen GmbH	100%	Austria	Vienna	tEUR	40
Better Collective GmbH**	100%	Austria	Vienna	tEUR	19
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	240
Better Collective Sweden AB	100%	Sweden	Stockholm	tSEK	50
Digital Sportmedia i Norden AB	100%	Sweden	Stockholm	tSEK	25
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	tUSD	2,239
Skycon Ltd	100%	United Kingdom	London	tGBP	1
Atemi Ltd	100%	Malta	St Julians	tGBP	1
Better Collective UK Services Ltd (Former: Your Media Ltd)	100%	United Kingdom	Tunbridge Wells	GBP	2
Mindway ApS	90%	Denmark	Aarhus	tDKK	65
Better Collective Netherlands B.V.	100%	Netherlands	Amsterdam	EUR	1
Better Collective Portugal, Unipessoal Lda	100%	Portugal	Lisbon	EUR	1
Better Collective Canada Inc	100%	Canada	Vancouver	tUSD	0
Austin Holding Co	100%	Toronto	Canada	tUSD	0
Better Collective Brasil Ltda	100%	Brasil	Rio de Janeiro	tBRL	625
Goalmedia Tecnologia E Marketing Digital S.A.	100%	Brasil	São Paulo	tBRL	10,122
Tipsbladet ApS	100%	Denmark	Copenhagen	tDKK	80
Better Collective Operational Services India Private Limited	100%	India	Mumbai	tINR	100

* HLTV ApS has been merged with the parent company as the continuing company and has thus been removed from the list.
** Better Collective GmbH is 100% owned by Hebiva Beteilgungen GmbH.
*** Subsidiaries are 100% owned by Moar Performance Ltd
**** Action Network has been merged with Better Collective USA Inc. as the continuing company as of 31.12.2023

Notes

24. Group information –subsidiary information (continued)

The consolidated financial statements of the Group as of December 31, 2022 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	tGBP	1
Better Collective Poland SP Z o o	100%	Poland	Krakow	tPLN	5
MOAR Performance Ltd	100%	United Kingdom	London	tGBP	1
Better Collective Romania SRL	100%	Romania	Bucharest	tRON	50
Better Collective USA Inc	100%	USA	New York	tUSD	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

25. Other contingent liabilities

Other contingent liabilities

There are no other contingent liabilities in 2023.

26. Events after the reporting date

The transaction of Playmaker Capital closed on February 6, 2024, following which Playmaker Capital has been consolidated into the Better Collective group.

Better Collective raised 10% or 1,081.9 mDKK in an accelerated book building process to prepare for future M&A. The demand in the placing was substantial and with BLS Capital Fondsmæglerselskab A/S as an anchor taking 50% of the deal making it possible to place all shares without a discount to the market price.

Better Collective announced a new major shareholder as BLS Capital Fondsmæglerselskab A/S now has 11.7% of the voting rights.

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

Parent Company

Financial Statements

Statement of profit and loss

Note	tEUR	2023	2022
2	**Revenue**	**98,513**	**65,282**
	Other operating income	12,516	14,797
	Direct costs related to revenue	23,071	14,292
3, 4	Staff costs	40,796	25,061
12	Depreciation	1,438	540
5	Other external expenses	18,632	17,248
	Operating profit before amortization (EBITA) and special items	**27,091**	**22,939**
10	Amortization	9,908	3,875
	Operating profit (EBIT) before special items	**17,182**	**19,064**
6	Special items, net	312	- 1,168
	Operating profit	**17,494**	**17,896**
7	Financial income	70,010	72,388
8	Financial expenses	45,054	35,057
	Profit before tax	**42,450**	**55,227**
9	Tax on profit for the period	3,181	8,279
	Profit for the period	**39,269**	**46,949**

Statement of comprehensive income

Note	tEUR	2023	2022
	Profit for the period	**39,269**	**46,949**
	Other comprehensive income		
	Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
	Fair value adjustment of hedges for the year	- 483	0
	Currency translation to presentation currency	- 910	22
	Currency translation of non-current intercompany loans	0	0
9	Income tax	0	0
	Net other comprehensive income/loss	**- 1,393**	**22**
	Total comprehensive income/(loss) for the period, net of tax	**37,877**	**46,970**

Balance sheet

Note	tEUR	2023	2022
	Assets		
	Non-current assets		
10, 11	**Intangible assets**		
	Goodwill	17,812	0
	Domains and websites	167,831	144,374
	Accounts and other intangible assets	50,418	13,287
	Total intangible assets	**236,061**	**157,661**
12	**Property, plant and equipment**		
	Right of use assets	7,469	334
	Fixtures and fittings, other plant and equipment	2,494	410
	Total property, plant and equipment	**9,962**	**744**
	Financial assets		
13	Investments in subsidiaries	234,330	190,448
14	Receivables from subsidiaries	282,016	273,515
	Deposits	940	174
	Total financial assets	**517,285**	**464,137**
	Total non-current assets	**763,308**	**622,542**
	Current assets		
16	Trade and other receivables	15,735	17,163
19	Receivables from subsidiaries	13,153	30,229
	Tax receivable	1,479	5,913
	Prepayments	2,453	2,519
	Other current financial assets	6,804	0
19	Cash	17,825	8,705
	Total current assets	**57,450**	**64,529**
	Total assets	**820,758**	**687,071**

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

Statement of changes in equity

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

During the period no dividend was paid.

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

During the period no dividend was paid.

Statement of cash flows parent

Note	tEUR	2023	2022
	Profit before tax	42,450	55,227
	Adjustment for finance items	- 24,956	- 37,331
	Adjustment for special items	- 312	1,168
	Operating Profit for the period before special items	17,182	19,064
	Depreciation and amortization	11,346	4,415
	Other adjustments of non-cash operating items	1,380	2,139
	Cash flow from operations before changes in working capital and special items	29,908	25,619
20	Change in working capital	14,246	2,253
	Cash flow from operations before special items	44,154	27,871
	Special items, cash flow	- 4,744	- 1,227
	Cash flow from operations	39,410	26,644
	Dividend received	51,698	20,088
	Other Financial income, received	2,471	2,566
	Financial expenses, paid	- 10,712	- 5,296
	Cash flow from ordinary activities before tax	82,867	44,002
	Income tax paid	4,398	- 11,011
	Cash flow from operating activities	**87,265**	**32,992**
10	Acquisition of businesses	- 54,203	- 5,252
10	Acquisition of intangible asset	- 24,928	- 92,636
12	Acquisition of property, plant and equipment	- 2,527	- 322
12	Sale of property, plant and equipment	0	0
	Non-current loans to subsidiaries	- 13,000	- 200
	Acquisition of other financial assets	- 14,930	0
	Change in other non-current assets	- 766	- 4
	Cash flow from investing activities	**- 110,354**	**- 98,415**

Note	tEUR	2023	2022
19	Repayment of borrowings	- 1,055	- 215,993
19	Proceeds from borrowings	45,490	296,665
	Lease liabilities	- 1,273	- 336
	Other non-current liabilities	460	0
	Capital increase	2,033	618
	Treasury Shares	- 13,375	- 14,250
	Transaction cost	- 26	- 28
	Cash flow from financing activities	**32,254**	**66,675**
	Cash flows for the period	9,165	1,252
	Cash and cash equivalents at beginning	8,705	7,452
	Foreign currency translation of cash and cash equivalents	- 45	1
	Cash and cash equivalents period end	**17,825**	**8,705**
	Cash and cash equivalents period end		
	Cash	17,825	8,705
	Cash and cash equivalents period end	**17,825**	**8,705**

Notes to the parent financial statement

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

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	2023	2022
Revenue category		
Recurring revenue (Revenue share, Subscription, CPM)	78,907	57,264
CPA, Fixed Fees	19,329	8,018
Other	276	0
Total revenue	**98,513**	**65,282**
%-split		
Recurring revenue	80	88
CPA, Fixed Fees	20	12
Other	0	0
Total	**100**	**100**

tEUR	2023	2022
Revenue type		
Revenue Share	66,709	48,152
CPA	737	2,490
Subscription	1,014	572
Other	30,051	14,068
Total revenue	**98,513**	**65,282**
%-split		
Revenue Share	68	74
CPA	1	4
Subscription	1	1
Other	30	21
Total	**100**	**100**

The parent company has earned 46.0 mEUR in revenues from one major customer, which represents 47% of the parent company's revenue (2022: 57%). The revenue is related to all operating segments.

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 rent income from subsidiaries and external. Other operating income is recognized at the time of delivery of the services.

Notes

3. Staff costs

tEUR	2023	2022
Wages and salaries	17,620	13,924
Pensions, defined contribution	1,265	1,116
Other social security costs	242	163
Share-based payments	1,380	1,935
Other staff costs	92	235
Intercompany personnel costs	20,197	7,688
Total staff cost	**40,796**	**25,061**
Average number of full-time employees	160	134

*Average number of full-time employees does not include recharged personal cost.

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

4. Share-based payments

Better Collective A/S has issued share options to key employees and members of the Executive Board of the Company. Refer to note 6 to the consolidated financial statements for a list of current incentive share option schemes and a description of the assumptions used for the valuation of the share options granted in 2023. Total costs recognized in 2023 amounted 1,380 tEUR (2022: 1,935 tEUR)

The volume-weighted average share price for options exercised in the financial year was 20.7 EUR per share at the date of exercise.

Notes

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

tEUR	2023	2022
Fee related to statutory audit	360	265
Fees for tax advisory services	0	0
Assurance engagements	72	25
Other assistance	76	0
Total audit fees	**508**	**290**

Non-audit services provided by EY amounted 76 tEUR in 2023, relating to advisory services in relation to assurance and advisory in relation to ESG, various tax advisory services, due diligence services and other advisory services. Non-audit services provided by EY did not exceed 70% of the audit fees in accordance with EU audit legislation.

Notes

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	2023	2022
Operating profit	17,494	17,896
Special Items related to:		
Special items related to dual listing	- 1,129	0
Special items related to M&A	- 8,484	- 1,227
Variable payments regarding acquisitions - cost	0	59
Variable payments regarding acquisitions - income	9,924	0
Special items, total	**312**	**- 1,168**
Operating profit (EBIT) before special items	**17,182**	**19,064**
Amortization and impairment	9,908	3,875
Operating profit before amortization and special items (EBITA before special items)	**27,091**	**22,939**
Depreciation	1,438	540
Operating profit before depreciation, amortization, and special items (EBITDA before special items)	**28,529**	**23,479**

Notes

7. Finance income

tEUR	2023	2022
Exchange gains	10,000	46,394
Interest Income	61	0
Interest income, group entities	5,841	5,905
Dividend income	51,698	20,088
Other financial income	2,410	0
Total finance income	**70,010**	**72,388**

8. Finance costs

tEUR	2023	2022
Exchange losses	20,804	30,131
Interest expenses	12,041	3,712
Interest - right of use assets (Leasing)	159	21
Interest expenses, group entities	374	254
Fair value adjustment	8,126	0
Other financial costs	3,550	939
Total finance costs	**45,054**	**35,057**

Notes

9. Income tax

Total tax for the year is specified as follows:

tEUR	2023	2022
Tax for the period	3,181	8,279
Tax on other comprehensive income	0	0
Total	**3,181**	**8,279**

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

tEUR	2023	2022
Deferred tax	2,993	4,154
Current tax	205	4,181
Adjustment from prior years	- 17	- 56
Total	**3,181**	**8,279**

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

tEUR	2023	2022
Specification for the period:		
Calculated 22% tax of the result before tax	9,339	12,150
Tax effect of:		
Non-taxable income	- 11,785	- 4,419
Non-deductible costs	3,634	604
Unrecognized tax losses carried forward	2,010	0
Adjustment from prior years	- 17	- 56
Total	**3,181**	**8,279**
Effective tax rate	**7.5%**	**15.0%**

tEUR	2023	2022
Deferred tax liabilities		
Deferred tax liabilities January 1*	**10,672**	**1,996**
Adjustments of deferred tax in profit and loss	2,993	4,154
Exchange rate adjustment	167	- 9
Deferred tax liabilities December 31	**13,832**	**6,141**
Deferred tax is recognized in the balance sheet as:		
Deferred tax asset	0	0
Deferred tax liability	13,832	6,141
Deferred tax liabilities December 31	**13,832**	**6,141**
Deferred tax is related to:		
Intangible assets	14,536	6,209
Property, plant and equipment	- 2	- 68
Liabilities	2,056	0
Tax loss carry forward	- 2,758	0
Deferred tax liabilities December 31	**13,832**	**6,141**

*Deferred tax liability at January 1 2023 was adjusted by 4,5 tEUR due to the HLTV merger in 2023.

Notes

10. Intangible assets

tEUR	Goodwill**	Domains and websites***	Accounts and other intangible assets*	Total
Cost or valuation				
As of January 1, 2023	**17,812**	**164,966**	**25,086**	**207,863**
Additions	0	3,183	52,022	55,205
Disposals	0	0	- 4,302	- 4,302
Currency Translation	0	- 318	- 52	- 369
At December 31, 2023	**17,812**	**167,831**	**72,754**	**258,397**
Amortization and impairment				
As of January 1, 2023	**0**	**0**	**11,798**	**11,798**
Amortization for the period	0	0	10,558	10,558
Amortization on disposed assets	0	0	- 650	- 650
Currency translation	0	0	630	630
At December 31, 2023	**0**	**0**	**22,336**	**22,336**
Net book value at December 31, 2023	**17,812**	**167,831**	**50,418**	**236,061**

*Accounts and other intangible assets consist of accounts amounted to (3,927 tEUR), Media Partnerships (45,994 tEUR) and software and others amounted to 497 tEUR.

**Goodwill cost at the January 1, 2023 was adjusted with 17,812 tEUR due to HLTV merger in 2023

*** Domains and websites l cost at the January 1, 2023 was adjusted with 20,592 tEUR due to HLTV merger in 2023

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

*Accounts and other intangible assets consist of accounts (5,550 tEUR), Media Partnerships (7,174 tEUR), and software and others (563 tEUR).

Notes

11. Intangible assets with indefinite life

Intangible assets consist of goodwill and domains and websites. The parent company's domains and websites arise from asset acquisitions. Goodwill arises from the merger of HLTV in 2023.

Goodwill, domains, and websites are not subject to amortization, but are reviewed annually for impairment, or more frequently if there are any indicators of impairment 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. Previously, management concluded that the Parent Company comprised a single cash-generating unit. However, following the merger between Better Collective and HLTV in 2023, management has determined that HLTV constitutes an independent CGU. As a result, the Management has decided to include a separate CGU for HLTV.

Performance and cash flows from goodwill, domains and websites owned by the individual cash generating units are allocated and form the basis for impairment.

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

2023

tEUR	HLTV	Rest of BC	Total
Goodwill	17,812	0	17,812
Domains and Websites	20,551	147,280	167,831

2022

tEUR	HLTV	Rest of BC	Total
Goodwill	0	0	0
Domains and Websites	0	144,374	144,374

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 number 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, Paid Media and the rest of Better Collective, the Group has performed an impairment test on goodwill and domain names and websites as of December 31, 2023, on a value-in-use basis. Key estimates in the impairment test are growth in revenue, gross profits, discount rate and growth expectations in the terminal period. These are based on current and future development in the four CGUs and on historical data, including expected long-term market growths. Data is based on both internal and external data sources.

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 corresponding to the Group's long-term forecast for 2024-2026. The forecast indicates an average annual gross profit growth of 23% during the forecast period, predicated on market development assumptions and communicated long-term target. Beyond the approved forecast, EBITDA growth, cash conversion and tax-rates have been projected with a time horizon of 7 years until 2033. From 2027 onward, the average gross profit growth rate is estimated to decline. In 2027, the average growth rate is projected to be 15% and the decline continues, reaching 3% by 2033, stabilizing thereafter at a theoretical steady state level in the terminal period. Based on expected 2033 EBITDA and cash flow, management has applied a terminal value rate of 2%. The cash flows assume a discount factor of 12% (pre-tax discount rate 15%) based on the Group's weighted average cost of capital (WACC) in all years 2024-2033, with individual tax rates per country (22-25%).

As at December 31, 2022 and December 31, 2023 the Board of Directors have evaluated goodwill, domains and websites for impairment. 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. The Board of Directors have approved the inputs to the impairment testing and are satisfied that the judgements made are appropriate.

Notes

12. Property, plant and equipment

tEUR	Right of use assets	Fixtures and fittings, other plant and equipment	Total
Cost or valuation			
At January 1, 2023	**1,553**	**1,292**	**2,845**
Additions	8,299	2,527	10,826
Disposals	- 1,585	0	- 1,585
Currency Translation	156	- 3	153
At December 31, 2023	**8,422**	**3,817**	**12,239**
Depreciation and impairment			
At January 1, 2023	**1,219**	**882**	**2,101**
Depreciation for the period	1,040	398	1,438
Depreciation on disposed assets	- 1,387	0	- 1,387
Currency translation	82	43	125
At December 31, 2023	**954**	**1,323**	**2,277**
Net book value at December 31, 2023	**7,469**	**2,494**	**9,962**

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

Notes

13. Investments in subsidiaries

Name*	Domicile	Interest %	Equity tEUR	Profit/loss tEUR	Equity tEUR	Profit/loss tEUR
Subsidiaries						
Better Collective D.o.o.	Serbia	100%	1,637	615	1,017	92
Better Collective SAS	France	100%	13,007	15,381	14,116	12,868
Hebiva Beteiligungen GmbH	Austria	100%	1,140	1,058	1,530	1,458
Better Collective GmbH**	Austria	100%	1,108	1,066	35	1,466
Bola Webinformation GmbH	Austria	100%	6,226	6,182	6,742	6,707
Better Collective Greece P.C.	Greece	100%	2,289	923	1,344	292
Kapa Media Services Ltd.	Malta	100%	70	63	387	57
Better Collective Sweden AB	Sweden	100%	3,102	2,079	3,198	2,069
Digital Sportmedia i Norden AB	Sweden	100%	181	113		
Better Collective Poland SP Z o o	Poland	100%	708	231	413	158
Moar Performance Ltd	United Kingdom	100%	7,082	8,218	2,261	2,151
Better Collective Romania SRL	Romania	100%	104	26	78	- 11
Better Collective USA Inc***	USA	100%	8,843	6,408	- 18,642	- 5,888
Skycon Ltd	United Kingdom	100%	772	7,092	0	0
Atemi Ltd	Malta	100%	932	279	73	2,513
Better Collective UK Services Ltd (Former: Your Media Ltd)****	United Kingdom	100%	879	462	196	354
Mindway ApS	Denmark	90%	- 1,375	- 357	- 1,021	- 90
Better Collective Netherlands B.V.	Netherlands	100%	- 42	44	- 97	- 136
Better Collective Portugal, Unipessoal Lda	Portugal	100%	141	105	36	36
Better Collective Canada Inc	Canada	100%	115	48	57	53
Austin Holding Co	Canada	100%	- 23	0	- 23	- 23
Better Collective Brasil Ltda	Brazil	100%	503	399	- 4	- 4
Goalmedia Tecnologia E Marketing Digital S.A.	Brazil	100%	- 855	- 381	0	0
Tipsbladet ApS	Denmark	100%	933	- 138	0	0
Better Collective Operational Services India Private Limited	India	100%	- 1,317	- 1,353	0	0

* HLTV ApS has been merged with the parent company as the continuing company and has thus been removed from the list.
** Better Collective GmbH is 100% owned by Hebiva Beteilgungen GmbH.
*** Subsidiaries are 100% owned by Moar Performance Ltd
**** Action Network has been merged with Better Collective USA Inc. as the continuing company as of 31.12.2023

Notes

13. Investments in subsidiaries (continued)

tEUR	2023	2022
Subsidiaries		
Cost at January 1**	**156,715**	**189,318**
Additions*	78,034	1,130
Exchange rate to reporting currency	- 419	0
Cost at December 31	**234,330**	**190,448**
Value adjustment at January 1	**0**	**0**
Impairment	0	0
Reversal of impairment	0	0
Value adjustment at December 31	**0**	**0**
Carrying amount at December 31	**234,330**	**190,448**

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

Investments in subsidiaries have been assessed for impairment in 2023 and 2022 and did not lead to any impairment in neither 2023 nor 2022. Reference is made to note 13 of the consolidated financial statement.

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.

14. Non-current financial assets

tEUR	Receivables from Subsidiar-ies	Other non-current financial assets	Total
Cost at January 1, 2023	**273,515**	**0**	**273,515**
Additions	18,024	0	18,024
Disposals	0	0	0
Exchange rate adjustment	- 9,523	0	- 9,523
Cost at December 31, 2023	**282,016**	**0**	**282,016**
Value adjustment at 1 January, 2023	**0**	**0**	**0**
Impairment	0	0	0
Value adjustment at 31 December, 2023	**0**	**0**	**0**
Carrying amount at 31 December, 2023	**282,016**	**0**	**282,016**
Cost at January 1, 2022	**245,349**	**0**	**245,349**
Additions	200	0	200
Disposals	0	0	0
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**

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	2023	2022
Trade receivables	12,571	10,266
Accrued revenue	2,267	6,827
Other receivables	898	71
Total receivables	**15,735**	**17,163**

17. Trade and other payables

tEUR	2023	2022
Trade Payables	3,966	593
Other payables	7,529	5,125
Total payables	**11,495**	**5,719**

18. Leasing

Right-of-use assets

tEUR	Buildings	Cars	Total
Balance at January 1, 2023	**301**	**33**	**334**
Additions	8,299	0	8,299
Disposals	- 1,534	- 50	- 1,585
Modifications	34	0	34
Exchange rate adjustment	39	0	39
Depreciation	- 1,037	- 3	- 1,040
Depreciation on disposed assets	1,367	20	1,387
Balance at December 31, 2023	**7,469**	**0**	**7,469**
Balance at January 1, 2022	**601**	**0**	**601**
Additions	0	50	50
Disposals	0	0	0
Modifications	0	0	0
Exchange rate adjustment	0	0	0
Depreciation	- 300	- 17	- 317
Depreciation on disposed assets	0	0	0
Balance at December 31, 2022	**301**	**33**	**334**

Lease liabilities

tEUR	2023	2022
Maturity analysis - contractual undiscounted cash flows		
Less than one year	1,758	363
One to five years	6,428	16
More than five years	0	0
Total undiscounted cash flows	**8,186**	**379**
Total lease liabilities	**7,507**	**372**
Current	1,483	356
Non-current	6,024	16

The total cash outflow for leases in 2023 was 1.276 tEUR (2022: 336 tEUR).

Notes

18. Leasing (continued)

Amounts recognized in the consolidated income statement

tEUR	2023	2022
Interest on lease liabilities	159	21
Expenses relating to short- term lease	0	0
Expenses relating to lease of low value assets	43	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 the US. The unrealized 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 28 mEUR, whereas a weakening of the USD vs. EUR of 10% will have a negative impact of 28 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 club financing signed in October 2022 and in august 2023 extended by 3 years to October 2026. Interest rate risk arising from deposits held are short-term and non-material. With ~246.8 mEUR drawn on the facility as of December 2023, 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, 2023 the parent company's impairment for expected loss is included in the trade receivables (ref note 15).

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
2023				
Not Due	0.0%	9,326	1	9,325
Less than 30 days	0.3%	3,770	9	3,761
Between 31 and 60 days	0.7%	478	3	475
Between 61 and 90 days	2.5%	268	7	261
More than 91 days	25.0%	1,753	438	1,315
Total	**2.9%**	**15,596**	**458**	**15,137**
Receivables from subsidiaries	**0%**	**295,169**	**0**	**295,169**

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%**	**303,744**	**0**	**303,744**

Limited losses were recognized during 2023 and the weighted credit loss has slightly increased compared to 2022.

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.

Contractual cash flows:	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
2023						
Non-derivative financial instruments:						
Financial liabilities measured at fair value through profit and loss						
Earn-out consideration	34,184	34,184	34,184	33,951	233	0
Other financial liabilities measured at fair value	46,848	46,848	46,848	22,772	24,076	0
Financial liabilities measured at amortized costs						
Lease liabilities	7,507	7,507	8,186	1,758	6,428	0
Trade and other payables	11,495	11,495	11,495	11,495	0	0
Deferred payment on acquisitions	2,524	2,524	2,524	1,571	952	0
Payables to subsidiaries	4,055	4,055	4,055	4,055	0	0
Loans from subsidiaries	7,937	7,937	8,096	8,096	0	0
Debt to credit institutions	248,657	248,657	287,829	13,825	274,003	0
Derivative financial instruments:						
Financial liabilities measured at fair value						
Derivatives used as hedging instrument	- 483	- 483	- 483	- 483	0	0
Total financial instruments	**362,725**	**362,725**	**402,734**	**97,041**	**305,693**	**0**
Assets:						
Non-current financial assets, subsidiaries	282,016	282,016	304,577	5,640	298,937	0
Trade and other receivables	15,735	15,735	15,735	15,735	0	0
Receivable from subsidiaries	13,153	13,153	13,153	13,153	0	0
Other current financial assets	6,804	6,804	6,804	6,804	0	0
Cash	17,825	17,825	17,825	17,825	0	0
Total financial assets	**335,533**	**335,533**	**358,094**	**59,157**	**298,937**	**0**

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 through profit and loss						
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						
Lease liabilities	372	372	379	363	16	0
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
Derivative financial instruments:						
Financial liabilities measured at fair value						
Derivatives used as hedging instrument	0	0	0	0	0	0
Total financial instruments	**267,208**	**258,770**	**281,492**	**52,989**	**228,503**	**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
Other current financial assets	0	0	0	0	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**

Notes

19. Financial risk management objectives and policies (continued)

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

All liabilities measured at fair value, or in respect of which the fair value is disclosed, are categorized 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)

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 (level 3). Derivates are measured at fair value based on generally accepted valuation methods using available observable market data (level 2).

Fair value of short term liabilities and financial assets

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 liabilities is considered equal to the booked value.

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

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

As per December 31, 2023, Better Collective has drawn 248.7 mEUR (2022: 201.7) out of the total committed club facility of 319 mEUR established with Nordea, Nykredit, and Citibank. In August Better Collective extended the club-financing from October 2022 with Nordea, Nykredit and Citibank by 3 years to October 2026 as well as executing the accordion option increasing available facilities with 72 mEUR, leaving the group with a total financing of 319 mEUR where aforementioned 248.7 mEUR has been utilized. 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	2021	Cash flows Net	Non cash flow changes	2022	Cash flows Net	Non cash flow changes	2023
Non-current financing liabilities	121,025	79,617	1,066	201,708	44,435	2,514	248,657
Leasing and other non-current liabilities	330	0	- 314	16	461	5,547	6,024
Current financing liabilities							
Payables to subsidiaries	9,273	11,549	0	20,822	- 8,829	0	11,993
Debt to credit institutions	0	1,055	0	1,055	0	- 1,055	0
Leasing current liabilities	328	- 336	364	356	- 1,273	2,400	1,483
Total liabilities from financing activities	**130,955**	**91,885**	**1,116**	**223,956**	**34,794**	**9,406**	**268,156**

Notes

20. Change in working capital

tEUR	2023	2022
Change in receivables	1,428	- 9,901
Changes in Intercompany balances	8,247	10,086
Prepaid expenses	66	- 1,188
Prepayment - from Customers	- 1,271	1,583
Change in trades payable, other debt	5,776	1,673
Change in working capital, total	**14,246**	**2,253**

21. Other contingent liabilities

Other contingent liabilities

The Parent Company is jointly taxed with the Danish subsidiaries, Tipsbladet ApS and Mindway AI ApS. HLTV Aps was merged into Better Collective A/S as of 01.01.2023 and is no longer under joint taxation. 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. 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	2023	2022
Income Statement		
Other Operating income	12,516	13,701
Intercompany revenue	- 7,849	- 9,175
Purchases	4,149	7,093
Interest expense	374	254
Interest income	5,841	5,905
Dividend income	51,698	20,088
Balance Sheet		
Long-term financial assets	282,016	273,515
Receivables from subsidiaries	13,153	30,229
Short term loans and payables to subsidiaries	11,993	20,822

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

Alternative Performance Measures and Definitions

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

Alternative Performance Measures

Alternative Performance Measure	Description	SCOPE
Earnings per share (EPS)	Net Profit for the period / (Average number of shares - Average number of treasury shares held by the company)	The group reports this APM for users to monitor development in the net profit per share.
Diluted earnings per share	Net profit for the period / (Average number of shares + Average number of outstanding warrants - Average number of treasury shares held by the company)	The group reports this APM for users to monitor development in the net profit per share, assuming full dilution from active warrant programs.
Operating profit before amortization (EBITA)	Operating profit plus amortizations	Better Collective reports this APM to allow monitoring and evaluation of the Group's operational profitability.

Alternative Performance Measure	Description	SCOPE
Operating profit before amortizations margin (%)	Operating profit before amortizations / revenue	This APM supports the assessment and monitoring of the Group's performance and profitability
EBITDA before special items	EBITDA adjusted for special items	This APM supports the assessment and monitoring of the Group's performance as well as profitability excluding special items that do no stem from ongoing operations, providing a more comparable measure over time.
Operating profit before amortizations and special items margin (%)	Operating profit before amortizations and special items / revenue	This APM supports the assessment and monitoring of the Group's performance as well as profitability excluding special items that do no stem from ongoing operations, providing a more comparable measure over time.
Special items	Items that are considered not part of ongoing business	Items that are not part of ongoing business, e.g. cost related to M&A and restructuring, adjustments of earn-out payments.
Net Debt / EBITDA before special items*	(Interest bearing debt, minus cash and cash equivalents) / EBITDA before special items on rolling twelve months basis	This ratio is used to describe the horizon for pay back of the interest-bearing debt and measures the leverage of the funding.
Liquidity ratio	Current Assets / Current Liabilities	Measures the ability of the group to pay its current liabilities using current assets.
Equity to assets ratio	Equity / Total Assets	Reported to show how much of the assets in the company is funded by equity
Cash conversion rate before special items	(Cash flow from operations before special items + Cash from CAPEX) / EBITDA before special items	This APM is reported to illustrate the Group's ability to convert profits to cash
NDC	New depositing customers	A key figure to reflect the Group's ability to fuel long-term revenue and organic growth

Alternative Performance Measure	Description	SCOPE
Organic Growth	Revenue growth as compared to the same period previous year. Organic growth from acquired companies or assets are calculated from the date of acquisition measured against the historical baseline performance.	Reported to measure the ability to generate growth from existing business
Recurring revenue	Recurring revenue is a combined set of revenues that is defined as recurring as management considers that the sources of these revenue streams will continuously generate revenue over a variable period of time and size e.g. if players continue to bet with sportsbooks with which BC has revenue share agreements, customers continue current subscriptions or if BC on a current basis receive revenues from customers having current marketing agreements in respect of banners, etc. on the group's websites. Accordingly, it includes Revenue share income, CPM /Advertising and subscription revenues.	The group reports this APM to distinguish between what management consider as recurring revenue streams and what management consider as non-recurring revenue streams, e.g. revenues reflecting one-time settlements with sportsbooks.

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

Definitions

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

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