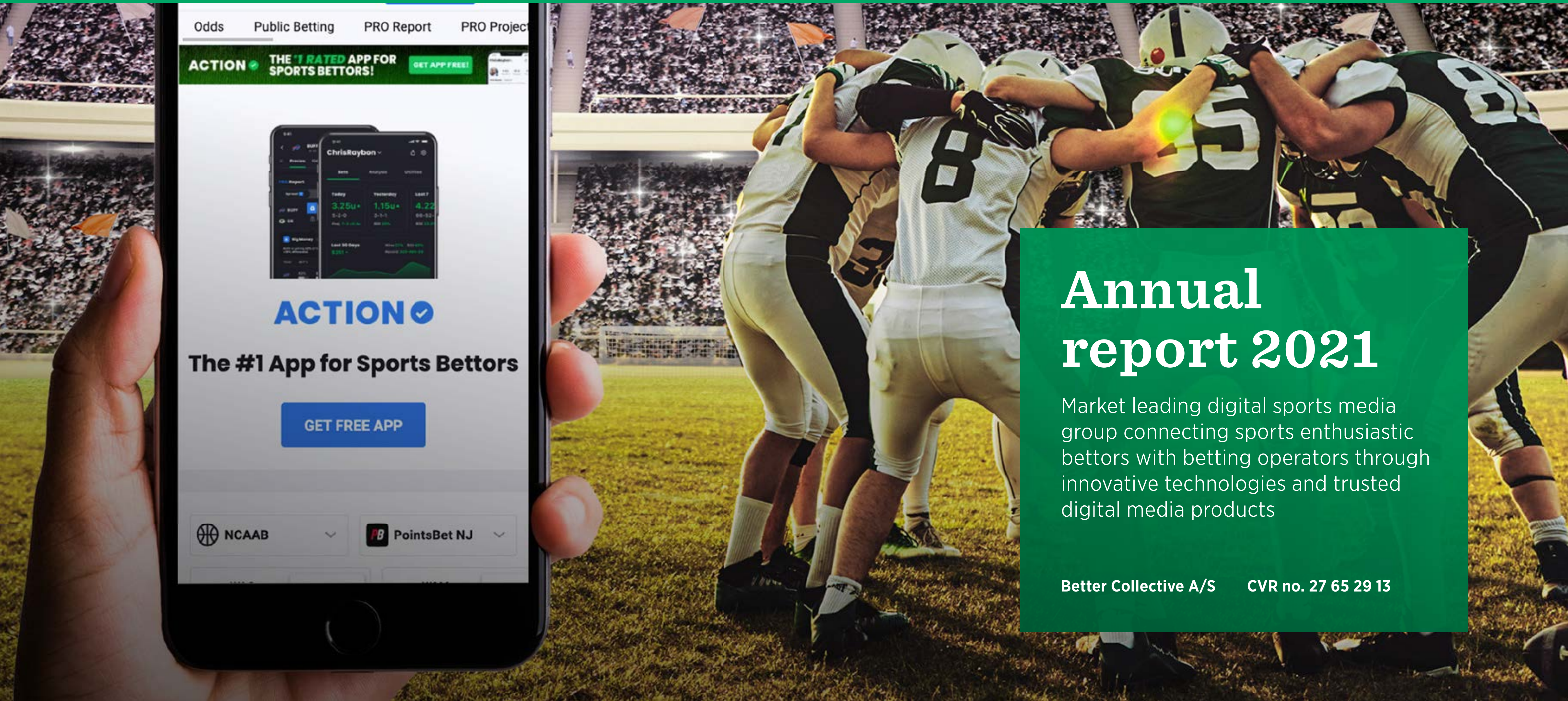
BETTER
COLLECTIVE

Annual report 2021

Market leading digital sports media group connecting sports enthusiastic bettors with betting operators through innovative technologies and trusted digital media products



Better Collective A/S CVR no. 27 65 29 13

Building BC

Since its inception in 2004, Better Collective has experienced a rich history transforming the company from a two-man project to an international organisation with +750 employees, 16 international offices, and more than 70 million monthly visits across websites all while maintaining its visionary and entrepreneurial spirit.

In 2002, the Danish high school friends Jesper Søgaard and Christian Kirk Rasmussen took a sabbatical in Germany where a shared passion for iGaming made them establish the website CasinoVerdiener. The website, whose purpose was to support iGamers by providing knowledge and insight on bookmakers' bonus structures, distinctively fulfilled a market need and quickly became popular. While gaining success with the German endeavour, Jesper and Christian went on to establish Better Collective A/S in 2004 - an iGaming universe built upon products delivering educational tools and iGaming content.

In 2006, Better Collective made its first of many acquisitions and took ownership of Bettingexpert. With this acquisition, sports betting became the main focus of Better Collective. The site hastily became Better Collective's flagship product, and to this day, remains the biggest social network for sports betting tipsters across the world. From here onwards the company grew at an increasing pace. In 2011, Better Collective earned its first "Gazelle" award as a testament to the rapid growth and went on to the ninth consecutive Gazelle Award in 2019.

To execute a more global vision for Better Collective, 2016 became the year that Better Collective physically moved beyond its Danish borders and established an office in Nis, Serbia. Since then, Better Collective has established 16 offices, most of which are from acquisitions, while Better Collective currently counts +750 employees, and offers products and content in more than 30 languages. Throughout the years, the iGaming industry has matured and in 2017 Better Collective became a key player in the consolidation of the industry through its M&A strategy. In 2018, this strategy also laid the cornerstone in the decision to IPO the company on the Nasdaq Stockholm – the hub for listed iGaming companies in Europe. To further cultivate a strong growth path, Better Collective intensively started to invest in the US market through acquisitions of multiple US mega brands during 2019.

Presently, 17 years after its foundation, Jesper, as the CEO, and Christian, as the COO, continue their deep engagement in Better Collective. A few years back, the duo also decided to invest in and share their insights with start-ups through the co-founded venture fund, Dreamcraft Ventures.

Christian Kirk Rasmussen
Co-founder & COO

Jesper Søgaard
Co-founder & CEO

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Sustainability Report 2021

Remuneration Report 2021

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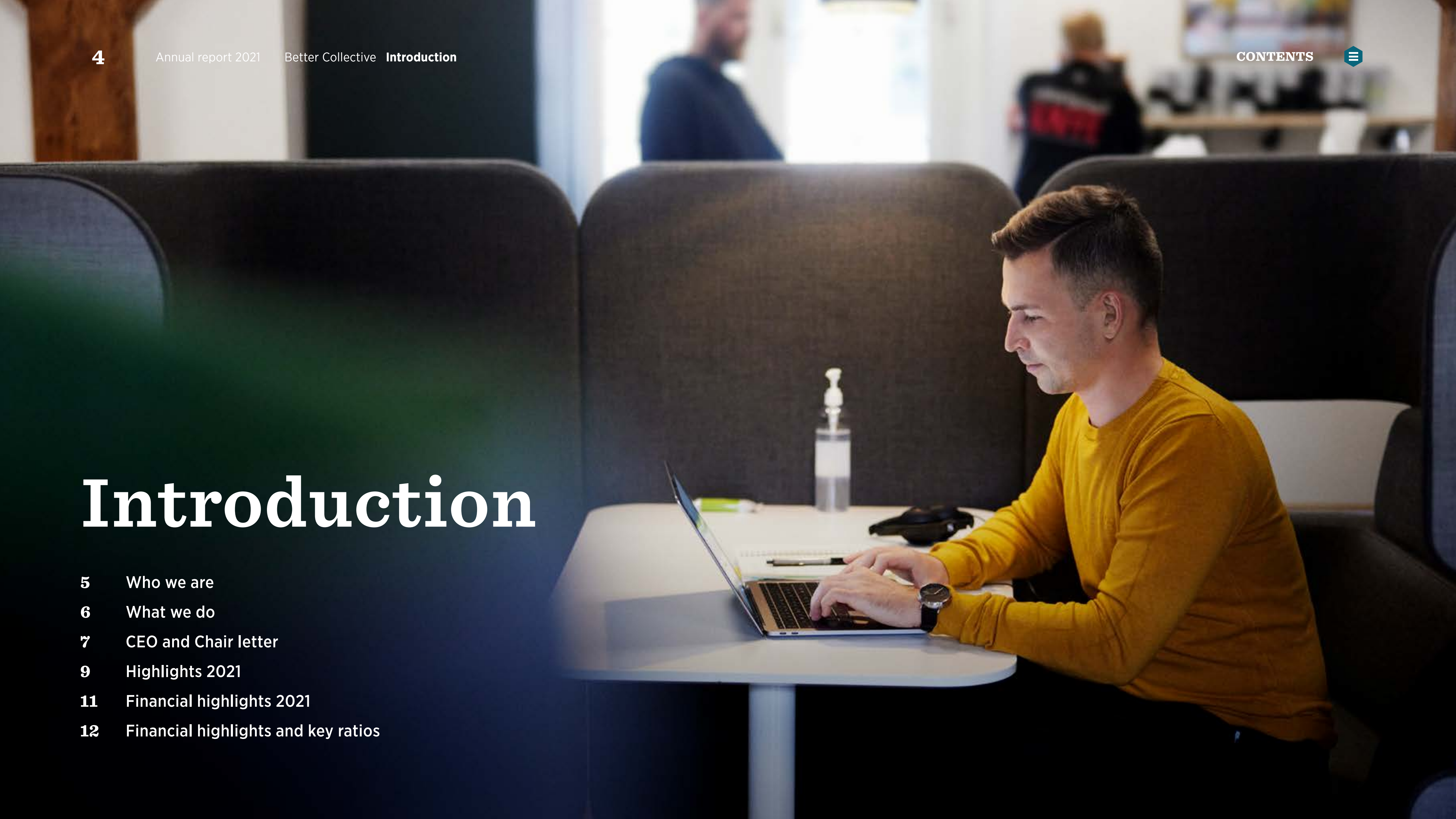


Introduction

Who we are

Better Collective is a leading digital sports media group within the iGaming industry. Through our products we aim to make sports entertainment, more engaging, fun, and transparent for the global network of online bettors.

2004
Founded

750+
Employees

2018
Listed on Nasdaq Stockholm (STO:BETCO)

>42%
Shares owned by founders and management

Better Collective's locations

CONTENTS

North America

Fort Lauderdale
Nashville

Europe

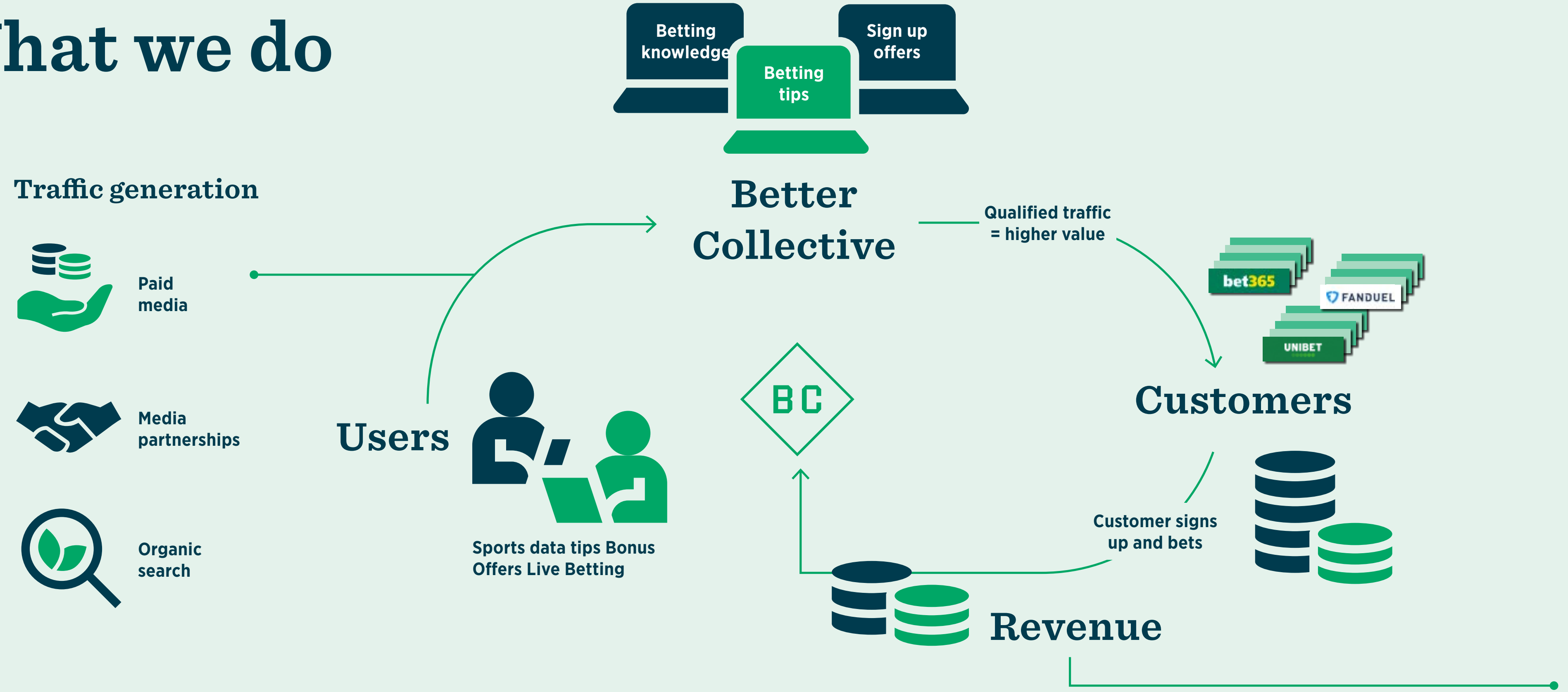
Amsterdam
Belgrade
Copenhagen HQ
Groningen
Krakow
Lisbon
Lodz
London
NiŠ
Paris
Stockholm
Stoke-on-trent
Thessaloniki
Vienna

Responsible betting & sustainable practices

BETTER FOR BETTORS

BETTER COMMUNITY

What we do



Better Collective is a leading digital sports media group that connects sports enthusiastic bettors with betting operators through innovative technologies and trusted digital products centred on educational, transparent, and responsible sports betting content. We see it as our purpose to empower online bettors by creating a more fair, entertaining and safer betting experience in a growing and more complex entertainment industry. This is why our products cover more than 30 languages and attract millions of users worldwide. At our websites users can get access to educational content around sports betting, compare odds and bookmakers, while they can also share analysis, tips and the excitement when their favourite team or athlete competes. On the one hand we aid users to navigate safely among bookmakers that match their individual needs, and on the other hand we also provide leading online bookmakers with targeted user acquisition and engagement. These operations make Better Collective an important and integral part of the evolving iGaming universe.

CEO & Chair letter

A word to our shareholders

A year of solid growth, a momentous breakthrough in the US, and the acceleration of media partnership.

> *I am pleased with the strong breakthroughs in the US market and in the media partnerships. Both operations have become cornerstones in our sports betting media group strategy"*
>
> **Jens Bager**
> Chair of the board

2021 marks a year of solid growth, as we record all time highs in revenue, earnings and customers sent to our partners. While we are still somewhat affected by the COVID-19 pandemic, we have largely managed to get the business back on track the past year - though, we continue to operate the business partly from our home offices. By the end of 2021, we experienced a serious breakthrough in the US market, particularly for the Action Network, and for our new strategic business leg; the media partnerships. All of this has accelerated into the new year, where the month of January marked the much awaited opening of online sports betting in the state of New York, which resulted in an unprecedented business performance.

For the full year 2021, we delivered an annual growth of 94% of which 29% was organic, along with a record high number of New Depositing Customers (NDCs), double the level of the year 2020. We increased our EBITDA (before special items) by 46%, reaching an EBITDA-margin of 32%. Considering the short term dampening effect on revenue and earnings from the large number of NDCs sent in the second half of 2021, combined with low sports win margins in the same period, this year's performance makes us particularly satisfied.

The COVID-19 pandemic's decreasing impact on Better Collective

Following the significant downturn in 2020 where the COVID-19 pandemic put a halt to major sports events and thereby also online sports betting, 2021 was to a large extent back on track with many big sports events that again allowed fans and spectators to meet at the stadiums to enjoy the games.

M&A builds market leadership in the US

On May 3, 2021, we signed an agreement to acquire the Action Network, a premium sports betting media platform. We consider the Action Network to be the absolute best and most complete product in the US market, and we were thrilled to welcome Action Network and its employees to Better Collective. The acquisition, which was the largest in Better Collective's history, gave us a leading position within sports betting media in the US, and created a strong foundation for benefitting from the continuous regulation of the US betting market.

M&A continues to shape our business and performance as we strive to become the leading sports betting aggregator in the world. With 25 completede acquisitions, we believe that we have the right setup for acquiring and integrating companies. We continue to have a strong M&A-pipeline as we see many opportunities to keep building our position in key markets.

Our M&A-pipeline is strong and we see the opportunity to keep building our position in key markets"

Jesper Søgaard
Co-founder & CEO

Sports and business performance speeding up in the US

We remain highly dedicated to taking part in the emerging US market, where more and more states are opening up for online gambling, either just sports betting or also online casino games. The US market is already the single biggest market for Better Collective and is approaching the same profitability as our European publishing business. We have established ourselves with strong American sports betting brands, including the recently acquired Action Network. Since the time of consolidation, the Action Network has been growing its audience significantly and has persistently delivered strong results across all main KPIs. Overall, our US business delivered prime results following the start of the NFL season, and in Q4 our US revenue reached 20 mEUR or almost 40% of the total Group revenue. For the full year 2022, we expect revenues above 100 mUSD (91 mEUR) from our US business.

Shaping a sustainable business

For the iGaming industry to be sustainable, responsible gambling needs to be at the top of the agenda and embedded into our business operations. In the beginning of 2021, we dedicated resources to responsible gambling by significantly increasing our investment in Mindway AI, which specialises in innovative and advanced software solutions for the identification of at-risk gambling and problem gambling behaviour. We are very proud that we have played a role in bringing Mindway AI's software solutions from academic research into commercial products that are now being sold to operators around the world.

Breakthrough for our media partnerships

In 2019, we signed two media partnerships with The Telegraph, in the UK, and with nj.com in New Jersey, the first-to-regulate state in the US. In 2021, we saw a real breakthrough as the partnerships delivered high numbers of NDCs. We are very pleased to see that our strategy and efforts have paid off, and we truly believe that Better Collective has a unique set of competences in this area. We can now provide relevant content under an external media's strict editorial guidelines, and at the same time provide betting information that support the sign-up process with online sportsbooks. On this basis, we have decided to seek more partnerships with big online media around the world, recently resulting in a partnership with the New York Post entered in January 2022.

Uncertainty in the world

As we write this report, we follow the situation in Ukraine closely. We are deeply saddened by the events. While the current situation has no significant impact on our business, we have a number of employees who have personal ties to the region and with whom we share our deepest sympathies. With this uncertainty in the world, circumstances may change, including market changes beyond our control.

We rely on our people

We want to thank everyone at Better Collective for their dedicated effort and contributions to our success. We had a prosperous 2021, and our employees persistently delivered an outstanding performance during the year. We would also like to thank all our business partners, operators, users, shareholders and other partners that all together constitute an ever developing strong network.

Jens Bager
Chair of the board

Jesper Søgaard
Co-founder & CEO

Highlights 2021

Q1

Watch presentation of Q1 2021

mindway AI

Better Collective exercised its option to acquire a further 70% of the shares in Mindway AI for a total price of 2.3 mEUR. Mindway AI specialises in software solutions based on artificial intelligence and neuroscience for identifying, preventing and intervening in at-risk and problem gambling. The acquisition followed a preliminary investment made in 2019, and Better Collective now holds 90% of the shares in Mindway AI.

Better Collective also strengthened its position in the Swedish sports betting market by acquiring the online sports betting media platform, Rekatochklart.com for 3.8 mEUR.

Q2

Watch presentation of Q2 2021

ACTION

Better Collective acquired the US sports betting media platform, the Action Network, for 196 mEUR. With the acquisition of the Action Network, Better Collective gained a clear market leadership within sports betting media and affiliation in the US. Following Better Collective's largest acquisition to date, revenue from the US business is expected to increase to more than 100 mUSD (91 mEUR) by 2022.

In connection with the acquisition of the Action Network, Better Collective resolved on a directed share issue of 6.9 million shares, raising proceeds of 145 mEUR to maintain financial flexibility.

Media partnerships saw breakthrough performance as the partnerships delivered more than 38.000 NDCs. Better Collective also signed three new partnerships during Q2. With this strategy Better Collective has developed a unique set of competences; providing relevant content under an external media's strict editorial guidelines, while also providing betting information that support the sign-up process with online sportsbooks.

At the AGM in April, Therese Hillman, CEO of NOD and former Group CEO of NetEnt, was elected to the board of directors.

Q3

Watch presentation of Q3 2021

Voetbalwedden.net

Better Collective acquired Soccernews.nl and Voetbalwedden.net for total 5.9 mEUR upfront payments plus deferred and earn-out payments of up to 3.75 mEUR, to gain a leading position in the newly regulated Dutch online sports betting market.

In Germany, a long-awaited gambling regulation came into force on July 1, which Better Collective jointly had prepared for with their partners during 2021. A focus on sports betting and licensed operators proved beneficial and the German market developed as expected with September revenues on par with the monthly average in H1.

Better Collective's US business performed strongly with revenue for September reaching >10 mUSD. The US business outperformed expectations both in terms of NDCs and revenue. The Action Network was consolidated into the Group for the first full quarter, and delivered the anticipated acceleration of the business around the start of the NFL.

Q4

Watch presentation of Q4 2021

SBC SBCAWARDS2021 WINNER Sports Affiliate of the Year

Better Collective announced the decision to launch Gamalyze on all its main sports betting media brands. The self assessment tool from Mindway AI makes it possible for visitors to conduct a test that can help detect problem gambling.

Better Collective completed the acquisition of the remaining 40% shares in the US based RotoGrinders Network at a total price of 33 mEUR. Since the initial share acquisition Rotogrinders has shown strong performance with expected 2021 revenue more than doubling since 2019, with a CAGR of 47%.

Better Collective initiated a share buyback program to cover future payments relating to completed acquisitions and incentive programs for up to 10 mEUR.

At the SBC Award show in London Better Collective received the 'Sports Affiliate of the Year' award for the third time

For the third consecutive year Better Collective was awarded for its efforts within compliance and received the 'Commitment to Compliance by an Affiliate Company' at the Vixio Global Regulatory Award.

Events after the period

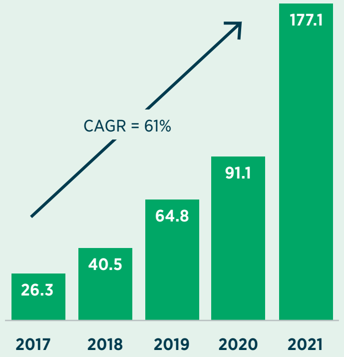
On January 21, 2022 Better Collective entered into a media partnership with the New York Post to bring the best in commercial sports betting content to the publication's readership of more than 92 million unique users. The agreement is for the delivery of content, data, and statistics for the betting section of the New York Post.

On January 11, 2022 the share buyback program of 10 mEUR initiated on December 8, 2021 was completed with 532,482 shares accumulated under the program.

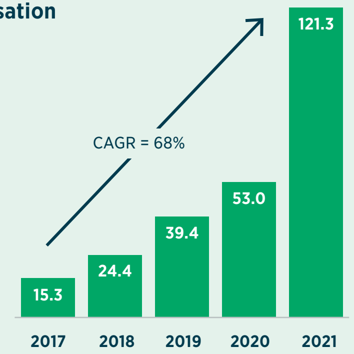
New York state opened for online sports betting on January 8, 2022. Better Collective is off to a great start across all assets, in particular with the Action Network.

Financial highlights 2021

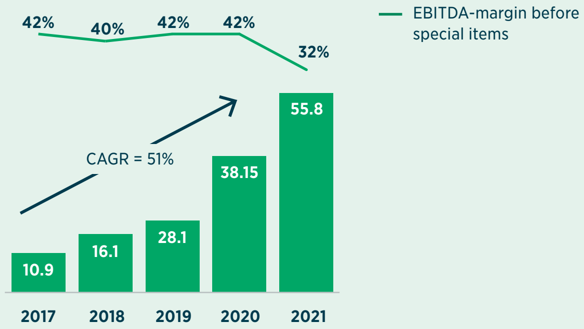
Revenue
mEUR



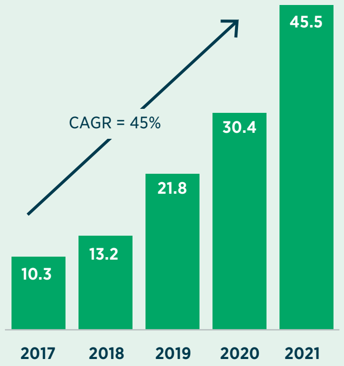
Costs – excl. depreciation /amortisation
mEUR



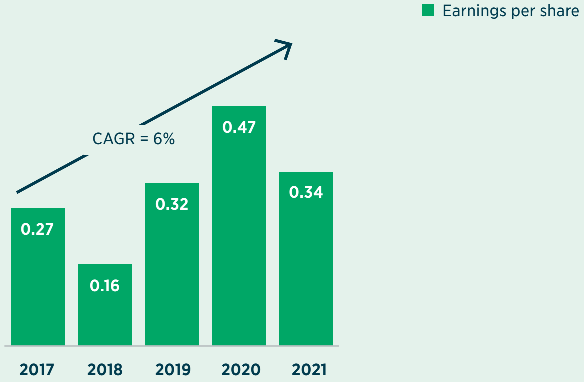
EBITDA before special items
mEUR



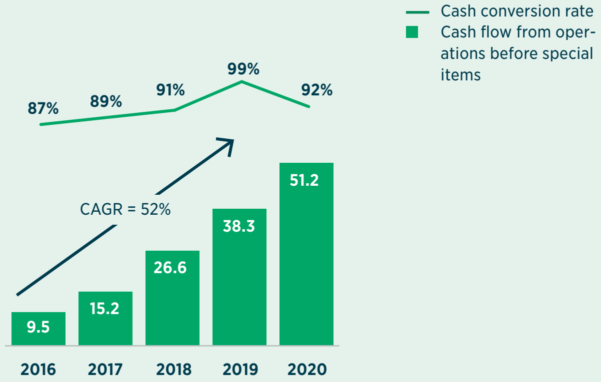
EBIT before special items
mEUR



Earnings per share
EUR



Cash flow from operations before special items
mEUR



Financial highlights and key ratios

tEUR	2021	2020	2019	2018	2017
Income statement					
Revenue	177,051	91,186	67,449	40,483	26,257
Revenue Growth (%)	94%	35%	67%	54%	51%
Organic Revenue Growth (%)	29%	8%	26%	9%	28%
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	55,775	38,152	28,061	16,241	10,979
Operating profit before depreciation and amortisations (EBITDA)	39,029	38,272	27,446	12,160	10,594
Depreciation	1,764	1,548	831	169	45
Special items, net	-16,746	120	-615	-4,080	-385
Amortisation and impairment	8,516	6,235	5,413	2,924	677
Operating profit before special items (EBIT before special items)	45,495	30,369	21,817	13,148	10,257
Operating profit (EBIT)	28,749	30,489	21,202	9,068	9,873
Result of financial items	-2,522	-1,777	-2,448	-618	-87
Profit before tax	26,227	28,712	18,755	8,450	9,786
Profit after tax	17,292	21,927	13,944	5,446	7,446
Earnings per share (in EUR)	0.34	0.47	0.32	0.16	0.27
Diluted earnings per share (in EUR)	0.33	0.45	0.31	0.15	0.26
Balance sheet					
Balance Sheet Total	597,379	315,065	229,601	148,636	38,705
Equity	344,848	162,542	138,317	85,858	14,775
Current assets	62,898	48,555	36,035	24,942	6,860
Current liabilities	55,451	26,312	22,088	24,263	17,660
Net interest bearing debt	109,422	63,275	13,646	22,270	11,535

*Historic numbers updated with share-split 1:54 in 2018

tEUR	2021	2020	2019	2018	2017
Cash flow					
Cash flow from operations before special items	51,204	38,321	26,585	15,158	9,492
Cash flow from operations	45,207	37,696	25,481	11,078	9,107
Investments in tangible assets	-687	-460	-955	-657	16
Cash flow from investment activities	-219,219	-68,090	-49,509	-60,629	-18,519
Cash flow from financing activities	188,759	46,790	36,365	67,895	6,932
FINANCIAL RATIOS					
Operating profit before depreciation, amortisations (EBITDA) and special items margin (%)	32%	42%	42%	40%	42%
Operating profit before amortisations margin (EBITDA) (%)	22%	42%	41%	30%	40%
Operating profit margin (%)	16%	33%	31%	22%	38%
Net interest bearing debt / EBITDA before special items	1.96	1.66	0.49	1.37	1.05
Liquidity ratio	1.13	1.85	1.63	1.03	0.39
Equity to assets ratio (%)	58%	52%	60%	58%	38%
Cash conversion rate before special items (%)	92%	99%	91%	89%	87%
Average number of full-time employees	635	420	364	198	116
NDCs (thousand)	858	437	432	260	117

For definitions of financial ratios, see definitions section in the end of the report. Comparative numbers have not been re-stated following the implementation of IFRS9 and IFRS15 in 2018, and IFRS16 in 2019.

* Segment reporting in accordance with IFRS8 has been introduced from Q4-2020 and Q2-2021. Numbers for 2019 and 2020 have been restated accordingly.

Strategy

Strategy

Building a digital sports media group

Over the last couple of years, Better Collective has transitioned from a classic affiliate business to becoming a digital sports media group.

Over the last couple of years, Better Collective has transitioned from a classic affiliate business to becoming a digital sports media group. We have diversified our portfolio of activities, extended our reach, and we have added new brands, media partnerships, and new revenue streams. While affiliation and performance marketing continue to be part of our core business, we are actively seeking and adding new assets and business models to solidify our position as a leading sports betting media. Transformational steps in this direction include:

Media partnerships

In 2019 we signed media partnerships with The Telegraph, in the UK, and with nj.com in New Jersey, the first-to-regulate state in the US. The vision of the partnerships was to combine traditional high quality media traffic with Better Collective's competences within sports betting, and thereby utilise different online traffic channels to direct customers to our partners. Since then, we have reached proof-of-concept and entered more media partnerships, the most recent with the New York Post.

Esports community HLTV

In February 2020, Better Collective established a strong position within the esports betting market through the acquisition of HLTV.org. The main business model of the platforms is display sales. The HLTV. org site is committed to the strong user community it has built over the years. Much effort is put into maintaining the popularity and building the brand, which is also the brand behind the recognised CS:GO World Ranking as well as the CS:GO Player of the Year Award.

Paid Media

In October 2020, we acquired the Atemi Group, one of the World's largest companies specialised within lead generation for iGaming through paid media (PPC) and social media advertising. The acquisition was a major strategic move with significant synergistic opportunities. The Paid Media business provides Better Collective with additional channels of traffic, sourcing high intent customers at large scale.

The Action Network

The acquisition of the Action Network was completed in May, 2021. The acquisition gave us a leading position within sports betting media in the US and a strong foundation for the continuous expansion of the US betting market. Action is uniquely positioned in the US market as the premium sports content and product destination for US sports bettors. With Action, we added a subscription model which further diversifies our product offering. A trusted source for sports fans, Action's media platforms provide an enhanced experience for its users through original sports news content, premium insights, deep menus of odds and proprietary betting tools and data.

Position in the value chain

Our aim is to be first in mind for bettors and sports fans and to increasingly be present on relevant platforms such as news sites, apps and social media as well as our

Mission

Make sports entertainment more engaging and fun

Vision

The world´s leading digital sports media group

Strategic goal

The world leader in digital sports betting media and related services variety of websites. We create communities that invite and incentivise expert tipsters to prove their betting knowledge by sharing tips with all our users. We create transparency by comparing odds across bookmakers, to ensure our users get the most value from their bets. We create in-depth, educational iGaming guides so that our users can gain insights and be confident that their betting is supported by knowledge.

We operate several community-based websites. On some of these, our users actively generate informational content, such as on bettingexpert.com. In addition, we operate a range of products, which provide our users with various information to improve their betting experience. This portfolio of websites and apps drive a monthly average of 70M+ visitors, not counting the vast readership of the media we have entered partnerships with for our delivery of sports betting content, and we continue to build ways to engage and monetise these visitors.

Better Collective has built long standing customer relationships with many of the iGaming industry's strongest operators. While the core strength of connecting engaged and valuable users with the right betting opportunities remain, Better Collective increasingly builds deep, relevant and engaging content and user experiences which allows a longer term relation with the user, and the opportunity to build services and data-layers. This will drive opportunities for further value-add services to customers, and support our journey towards becoming the world leading digital sports media group.

Proven acquisition model

The M&A-strategy was the cornerstone of the decision to IPO Better Collective in 2018, and we have been a key player in the consolidation of the market. Better Collective has completed 25 acquisitions since 2017, with a majority of targets focused on online sports betting.

In this period, acquisitions of assets and business combinations were close to a total value of 495 mEUR.

Due to our strong technological platform and scale benefits, we believe that we can improve the offering of acquisition targets and add value through both revenue and cost synergies. Our M&A-pipeline is strong and there are several relevant companies that we can see would fit well into the Better Collective Group.

Strategic focus areas

The iGaming industry continues to show a shift towards online gaming compared to the traditional land-based operations and this creates a strong underlying market growth. In order to strengthen our position as a digital sports media group we work with the following strategic focus areas for 2022:

1 Consolidate no. 1 US position

Consolidate no. 1 US position as an online sports betting media through already strong brands and a wide collaboration with operators as new states open for online sports betting.

2 Grow media partnerships

Grow media partnerships from the current base to cover more markets and keep refining the business model and offering to partner media.

3 Strengthen paid media position

Strengthen paid media position by reaching the necessary scale through the development of new traffic channels and entering new markets.

4 Enhance esports position

Enhance esports position by building the brand and growing organically as well as potentially through acquisitions.

5 Expand market footprint

Expand market footprint by acquisitions and by creating strong positions in new markets as they regulate and open for online sports betting.

6 Stronger group

Stronger group and organisation to drive and support the growth ambitions by being an attractive employer for talented employees.

US growth

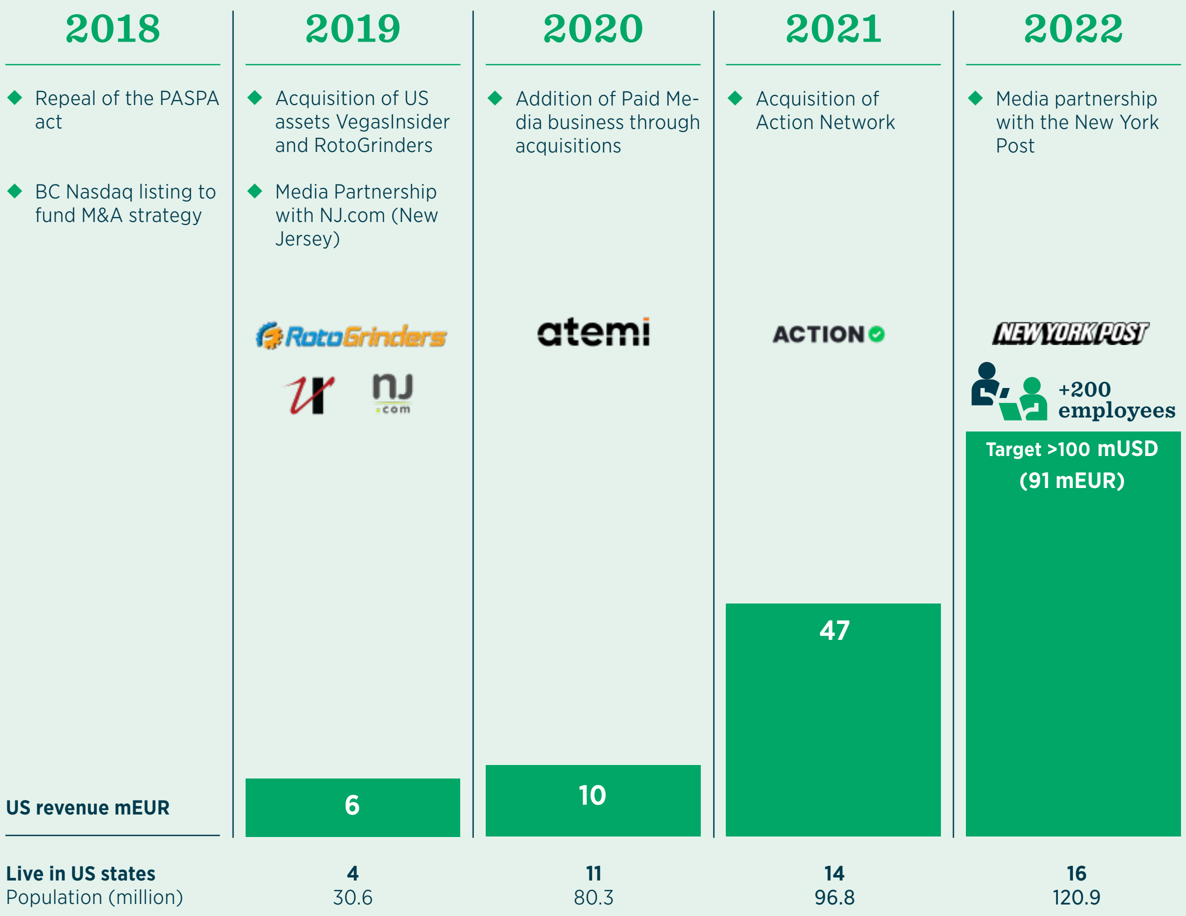
Better Collective became a licensed vendor in New Jersey in 2014, and since then the US presence has grown tremendously. At present Better Collective is live in 16 states and expects more to open in the coming years. In less than three years the US market has become the single largest market for Better Collective.

The US sports betting market opened almost at the same time as Better Collective was listed on Nasdaq Stockholm in the summer of 2018. The M&A efforts were quickly directed towards this new opportunity, and by mid-2019 Rotogrinders Network, VegasInsider and Scores&Odds were acquired. The US focus also turned into the first media partnership which was entered with the New Jersey media nj.com.

As for most other businesses, 2020 was significantly impacted by the COVID-pandemic. Still, we acquired Atemi and laid the foundation for our Paid Media business which offers opportunities also in the US market.

2021 resulted in a strong comeback with high growth and the acquisition of the Action Network for 218 mEUR in a competitive bidding process. The Action Network was acquired just as the business was turning profitable, and just in time for important new state openings including Arizona in September 2021, and then New York in January 2022 where we also signed a media partnership with The New York Post.

Better Collective has more than 200 employees in the US, with offices in New York, Miami and Nashville Tennessee.



Markets

Megatrends driving growth

The iGaming market is a highly attractive growth market. Fundamentally, it has been supported by technological advances and regulation, as well as increased online and mobile penetration.

Megatrends driving our growth

The developing technology and growing use of mobile devices have made iGaming accessible to a wider audience and have also resulted in increasing demand from users with regards to their iGaming experience. These trends have also entailed growth in market participants, both among operators as well as their affiliates partners.

As iGaming becomes increasingly more widespread, many countries are amending or implementing new iGaming laws and regulations, often referred to as re-regulation. The overall impact of regulation on the iGaming market is generally believed to be positive as the awareness of and the demand for iGaming increases. However, implementing restrictions with an aim to protect consumers is a balancing act; in some cases it has led to decreased channelisation to licensed operators which is counterproductive in that consumers turn to the unregulated market. We use our position and insight to help educate legislators through industry collaborations and Wwe welcome regulation as it creates visibility and a level playing field.

Changing dynamics globally

Globally, the highest penetration of online sports betting and casino is currently seen on the European market, which is also the stronghold of Better Collective, where more than half of the activity is online.

In line with increased digitalisation and new products becoming available for betting, the use of mobile devices means that users can bet anytime and anywhere, and this also drives the in-game betting which is currently on the rise.

Regulatory changes and new opportunities

Better Collective became a licensed vendor in New Jersey in 2014, and since then our US presence has grown tremendously. Out of being live in 16 states the most recent launches count New York, Arizona, and Louisiana. Given the continued pace of new states regulating, Better Collective expects the US market to continue growing fast, with increasing revenue and operating profit.

Since October 2021, online gambling has been legal in the Netherlands. This has led to new online gambling platforms and more operators are expected to go live in 2022. Following acquisitions prior to the market opening, Better Collective is well positioned to build a strong position.

Germany introduced a new regulatory framework in July 2021. As a result of preparation and adaptation of our business models in collaboration with partners, the impact for Better Collective was limited to neutral and German player behaviour was not notably affected by the new regulation. While some market adjustments are to be expected in the short-term following the implementation of the new interstate treaty, the overall market outlook for Better Collective is promising.

Markets expected to regulate in 2022 include Brazil and Canada. Better Collective is preparing to roll out key US and international brands as soon as relevant licences are acquired and regulation allows.

Digitalisation

Mobile use

Regulations

Sports turnover

Industry sustainability

Our business areas

Contributes

92%

of the Group's EBITDA before special items

Publishing

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

Contributes

8%

of the Group's EBITDA before special items

Paid Media

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

Rest of the world

Contributes

69%

of the Group's EBITDA before special items

The US

Contributes

31%

of the Group's EBITDA before special items

The US

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

ROW

The Rest of World segment includes all other markets of which the European market is a historically strong but also more mature market. New opportunities in focus include LATAM, and Canada as upcoming regulations of these markets offer new opportunities.

Business review

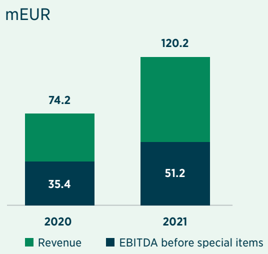
From Q2, 2021, and following the acquisition of the Action Network (included in Group accounts from the time of closing on May 28, 2021), Better Collective reports on the geographical segments US and RoW (Rest of World).

Additionally, Better Collective operates two different business models regarding customer acquisition with different earnings-profiles. The segments Publishing (organic traffic) and Paid Media. Reporting includes measuring and disclosing separately for Revenue, Cost and Earnings. Historical financial figures are reported accordingly.

Financial statements
See this years financial figures.

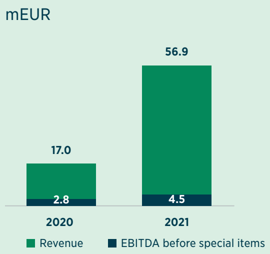
Publishing

Revenue grew 62%, of which 41% was organic growth, to 120.2 mEUR. Publishing accounted for 68 % of the Group's revenue in 2021. Cost grew to 68.9 mEUR with the majority of the growth coming from the acquisition of Action Network and further investments in US, resulting in EBITDA of 51.2 mEUR, a growth of 45% with an EBITDA-margin of 43%. Following the proof of concept for our media partnership strategy last year, we continue to see very strong performance from this business area that includes partnerships with The Daily Telegraph, nj.com, and three new partnerships signed during the year. Upon closing the quarter, Better Collective signed an agreement with the New York Post to deliver innovative technology and commercial content for online sports betting through its proprietary sports betting platform, Action Network.



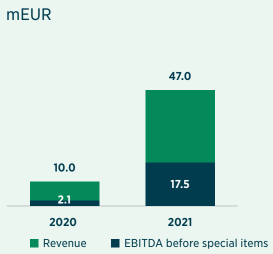
Paid Media

The revenue in the Paid Media segment was 56.9 mEUR in 2021, and the organic growth was 9%. In addition to the negative impact from the loss of a major customer and challenges from an iOS update, the Paid Media segment continues to be impacted by our decision to switch more NDCs from pure CPA to revenue share contracts or hybrid revenue models (mix of CPA and revenue share). Whereas the switch is expected to have a positive impact in the longer run, the revenue and EBITDA margins are impacted negatively in the short term with EBITDA for 2021 of 4.5 mEUR, and an EBITDA margin of 8%. Paid Media delivered 32% of the Group's revenue in 2021, and 8% of EBITDA. Whereas 2021 performance was not in line with expectations, we have seen a significant improvement in performance in the latter part of Q4 and continuing into January 2022.



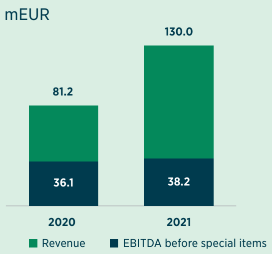
US

After having acquired the Action Network in 2021, Better Collective is in a leading position within sports betting media in the US, creating a strong foundation for benefitting from the continuous regulation of the US betting market. The performance of Action since the time of consolidation has been strong across KPIs including a significant audience growth. Overall, the US business delivered a strong performance with the start of the NFL season in September, and EBITDA exceeding expectations. Revenue in the US business was 47.0 mEUR in 2021, which is about five times the revenue in 2020. The EBITDA-margin was 37%. The US delivered 27% of the Group's revenue in 2021, and 31% of EBITDA. As highlighted in the Publishing section, our media partnerships continue to deliver a very strong performance - also in the US.



RoW

Revenue in the Rest of World markets was 130.0 mEUR in 2021, which is a growth of 60% compared to 2020. Towards the end of 2021, RoW showed a flat development, mainly impacted by the significant growth in NDCs and the sports results in October, driving a low sports win margin in the quarter. The EBITDA margin of 29% decreased from 44% in 2020. Beyond the impact on revenue, the EBITDA margin was also affected by a comparably lower cost base in 2020 vs. 2021 as part of the cost-savings program implemented in 2020 to mitigate the COVID-19 impact on the business. RoW delivered 73% of the Group's revenue in 2021, and 29% of EBITDA. New opportunities include LATAM and Canada, pending regulations of these markets.



Financial review

Financial performance

Revenue

Growth of 94% to 177 mEUR – organic growth of 29%

2021 Revenue showed strong growth vs. 2020 with 94% and amounted to 177.1 mEUR (2020: 91.2 mEUR).

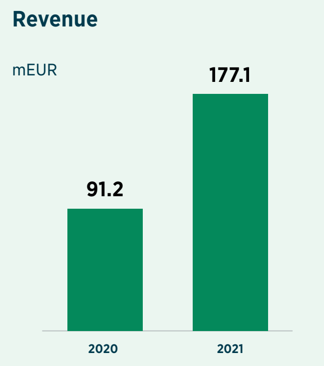
Revenue share accounted for 38% of the revenue (42% of player-related revenue) with 45% coming from CPA, 7% from subscription sales, and 10% from other income.

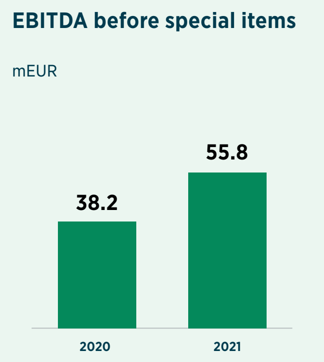
The October 2020 acquisition of Atemi significantly increased the share of revenue coming from CPA, and the acquisition of Action Network in May 2021 has further driven an increase in the share of revenue coming from CPA as well as revenue coming from subscription sales.

Cost

Increase of 58 mEUR to 121 mEUR – Full year impact and 2021 acquisitions.

Overall, the cost base is impacted by increases following the 2020 acquisitions of HLTV and Atemi, as well as the addition of Mindway as of January 1, 2021, and Action Network as of May 2021. The cost base excluding depreciation and amortisation grew 68.2 mEUR, up to 121.3 mEUR YTD vs. 2020 with the majority coming from the acquisitions.





Total direct cost relating to revenue increased due to the addition of Atemi to 64.9 mEUR (2020: 20.5 mEUR). Beyond the cost of paid traffic, this includes hosting fees of websites, content generation, and external development.

Personnel cost in 2021 increased 69% from 2020 to 40.8 mEUR (2020: 24.2 mEUR). The average number of employees increased 51% to 635 (2020: 420). Personnel costs include costs related to long-term incentive programs of 1.2 mEUR (2020: 1.0 mEUR).

Other external costs increased 7.2 mEUR or 86% to 15.6 mEUR (2020: 8.4 mEUR). Depreciation and amortisation amounted to 10.3 mEUR (2020: 7.8 mEUR). The increase is primarily due to an impairment of acquired revenue share accounts in the Netherlands, following the regulatory development and operator decisions to discontinue old player databases.

Special items

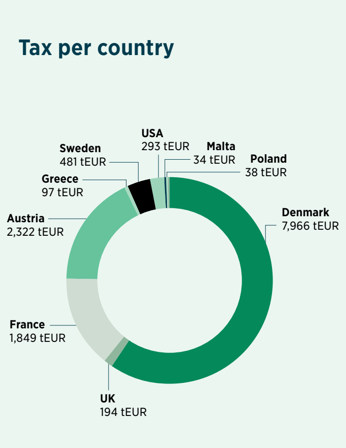
Special Items amounted to a cost of 16.7 mEUR (2020 0.1 mEUR). Cost of 6.0 mEUR is related to M&A activities where cost related to the acquisition of Action Network amounts to 5.5 mEUR. M&A cost are primarily cost for advisors used in connection with the potential M&A transactions for negotiations, due diligence, legal advice, etc. On November 4, 2021 Better Collective announced the acquisition of the remaining ~40% shareholding in Better Collective Tennessee at an expected price of 33 mEUR. Better Collective acquired 60% of Rical LLC (Better Collective Tennessee) in 2019. In connection with the final acquisition, the difference of 11.5 mEUR between the originally booked contingent liability and the final purchase price was charged to Special Items. Special items also include a reduction of the variable payment related to Dutch assets of 3.0 mEUR and the cost of the Management Incentive Program implemented in connection with the acquisition of Action Network of 2.5 mEUR.

Earnings

Operational earnings (EBITDA) before special items grew 46% to 55.8 mEUR (2020: 38.2 mEUR). The EBITDA-margin before special items was 32% (2020: 42%). The margin is significantly impacted by the full year effect of the acquisition of the Paid Media business in Q4 2020.

Including special items, the reported EBITDA was 39.0 mEUR. (2020: 38.3 mEUR)

EBIT before special items increased 50% to 45.5 mEUR (2020: 30.4 mEUR). Including special items, the reported EBIT was 28.8 mEUR (2020: 30.5 mEUR).



Net financial items

Net financial costs amounted to 2.5 mEUR (2020: 1.8 mEUR) and included net interest, fees relating to bank credit lines and exchange rate adjustments. Interest expenses amounted to 2.2 mEUR and included non-payable, calculated interest expenses on certain balance sheet items, whereas financial fees and net exchange rate gain amounted to 1.7 mEUR and 1.3 mEUR respectively. The financial fees included fees related to financing obtained in connection with the acquisition of Action Network.

Income tax

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

Income tax YTD amounted to 8.9 mEUR (2020: 6.8 mEUR). The Effective Tax Rate was (ETR) 34.1% (YTD 2020: 23.6%). The increase in the Effective tax rate from 2020 to 2021 is due to an increase in tax non-deductable special items.

The majority of the Group's tax are paid in Denmark (incl. tax on other comprehensive income of 3.6 mEUR), followed by Austria and France.

Net profit

Net profit after tax was 17.3 mEUR (2020: 21.9 mEUR).

Equity

The equity increased to 344.8 mEUR as per December 31, 2021 from 162.6 mEUR on December 31, 2020. Besides the YTD profit of 17.3 mEUR, the equity has been impacted by capital increases (159.1 mEUR) and related transaction costs (-2.3 mEUR), treasury share transactions (8.1 mEUR), and warrant related transactions (3.7 mEUR).

Balance sheet

Total assets amounted to 597.4 mEUR (2020: 315.1 mEUR), with an equity of 344.9 mEUR (2020: 162.5 mEUR). This corresponds to an Equity to assets ratio of 58% (2020: 52%). The liquidity ratio was 1.13 resulting from current assets of 62.9 mEUR and current liabilities of 55.5 mEUR. The ratio of Net interest bearing debt to EBITDA before special items was 1.96 in 2021, slightly increasing from 1.66 in 2020, and well below the target of 3.0.

Investments

On May 28, 2021, the acquisition of the Action Network was completed at a price of 196 mEUR (240 mUSD) at a cash and debt-free basis. The net cash flow impact in connection with the acquisition was 177.5 mEUR, taking into account deferred payments and payment in Better Collective shares. On January 1, 2021, Better Collective increased its ownership to 90% of the shares in Mindway AI that specialises in software solutions based on artificial intelligence and neuroscience for identifying, preventing, and intervening in at-risk and problem gambling. The price for the additional 70% was 2.3 mEUR (17 mDKK) paid in cash. In addition to the investment in Action Network and Mindway AI, 6.0 mEUR (5.0 mGBP) was paid on the deferred payment related to the acquisition of Atemi, and a payment of 1.2 mEUR was made related to variable payment and adjustment of closing net working capital related to the acquisition of HLTV. In March 2021, Better Collective completed the asset acquisition of online sports betting media platform, Rekatochklart.com for 3.8 mEUR and in September the transactions for the Dutch assets Soccernews.nl and Voetbalwedden.net were completed at a total purchase price of 10 mEUR. As a consequence of regulatory clarification of accounts containing old players in the Netherlands, the value of accounts has been impaired and the related variable payment has been adjusted by 1.7 mEUR. The total cash flow impact from investments in business combinations and intangible assets in 2021 was -207.9 mEUR and -11.6 mEUR respectively. Investments in tangible assets were 0.7 mEUR.

Cash flow and financing

Cash Flow from operations before special items 2021 was 51.2 mEUR (2020: 38.3 mEUR). Acquisitions and other investments reduced cash flow with 219.2 mEUR in 2021 (2020: 68.1 mEUR).

In November 2021 Better Collective and Nordea agreed on a new 3-year committed credit facility of 124 mEUR, replacing the bridge financing taken up in connection with the acquisition of Action Network. At the end of 2021, 121 mEUR was drawn up, and cash and unused credit facilities amounted to 30.1 mEUR.

On May 26, 2021, the board of directors resolved on a directed share issue of 6.9 million shares, raising net proceeds of 145 mEUR to maintain financial flexibility.

The parent company

Better Collective A/S, Denmark, is the parent company of the Group.

Revenue for 2021 grew by 37% to 37.0 mEUR (2020: 26.9 mEUR).

Total costs including depreciation and amortisation was 40.1 mEUR (2020: 26.1 mEUR). Profit after tax was 47.7 mEUR (2020: 15.7 mEUR).

The difference in profit before tax is primarily driven by differences in dividend payments from subsidiaries and exchange rate adjustments.

Total equity ended at 355.1 mEUR by December 31, 2021 (2020: 154.9 mEUR). The equity in the parent company was impacted by capital increases (159.1 mEUR) and related transaction costs (2.3 mEUR), treasury share transactions (8.1 mEUR), and cost of warrants of 3.7 mEUR.

Significant events after the closure of the period

- January revenue reached >26 mEUR, more than double vs. January 2021, of which 69% was organic growth. Earnings (EBITDA before special items) were >11 mEUR. Performance was boosted by the market opening in the state of New York and related CPA income.
- On January 21, 2022, Better Collective entered into a media partnership with the New York Post to bring the best in commercial sports betting content to the publication's readership of more than 92 million unique users. The agreement covers the delivery of content, data, and statistics for the betting section of the New York Post. New York state opened for online sports betting on January 8, 2022. Better Collective is off to a great start across all assets, in particular Action Network.
- On January 11, 2022, the share buyback program of 10 mEUR initiated on December 8, 2021, was completed with 532,482 shares accumulated under the program.
- The board of directors have implemented a new Long Term Incentive Plan (LTI) for key employees in the Better Collective group (excluding the executive management). Grants under the new LTI will be in the form of performance share units and share options vesting over a 3-year period. The total value of the 2022 LTI grant program is 1.4 mEUR (Black-Scholes value) measured at the target level.

Financial review

Financial targets

Financial targets and drivers for shareholder return

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

2021 performance

The Board of Directors decided on targets for the financial year 2021 as announced in the full year report and updated in the Q2 report following the acquisition of the Action Network. The Group targets for organic growth, EBITDA margin and capital structure were all met, whereas the revenue growth target came in a bit below, mainly as a result of the high number of NDCs sent throughout the year, dampening short term revenue recognition. Compounded annual growth rates (CAGR) for revenue in the period 2018-2021 was 62% of which 21% organic growth. In the two business segments, Paid Media performed lower than expected, whereas Publishing performed significantly better.

Financial targets for 2022

Better Collective has historically disclosed financial targets for the coming year(s). The Financial targets have focused on growth, profitability and debt leverage. This has allowed management to stay focused and communicate both on the organic development of the company, how profitability is being managed and how the M&A-strategy has been value accretive. The target relating to debt leverage has facilitated communication on how to finance the M&A-strategy.

For the year 2022, the focus will be on the same aspects including executing value accretive acquisitions and from an operational perspective staying focused on organic growth and profitability.

Major assumptions and additional comments:
The Financial targets do not include new potential acquisitions. Excluding any new acquisitions the debt leverage (Net debt/EBITDA) will expectedly be <1,0 by end of 2022.

Included in the financial targets is assumed continued strong performance in the US-business including continued market openings by ways of additional US states allowing online sports betting.

The financial targets are based upon the assumption that the US-market will still mainly be a CPA-market. Better Collective however experiences more operators being open to work fully or partly on revenue share, which will be preferred pending deal terms. If Better Collective is successful in reaching attractive revenue share agreements in the US, this may impact revenue and earnings short term. If this will be implemented, the financial targets may be adjusted and communicated accordingly.

Disclaimer

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

Financial targets and actuals for 2021

	Target Group	Actual 2021	Target publishing	Actual 2021	Target paid media	Actual 2021
Revenue / revenue growth	>180 mEUR	177 mEUR	>40%	62%	Full year effect	234%
Organic growth	>25%	29%	>25%	41%	>30%	9%
EBITDA / EBITDA margin (before special items)	>55 mEUR	56 mEUR	>40%	43%	>10%	8%
Net interest bearing debt/EBITDA	<3.0	1.7	-	-	-	-

Financial targets for 2022

		Target Group	Actual 2021
Organic revenue growth (%)		15-25%	29%
EBITDA (before special items)	Approx.	75 mEUR	56 mEUR
Net interest bearing debt/EBITDA		<3.0	1.7

Corporate Matters

Corporate Governance Report

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

Framework for corporate governance in Better Collective

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

The share and shareholders

Better Collective A/S was listed on Nasdaq Stockholm in the Mid Cap segment on June 8, 2018. The number of shares outstanding on December 31, 2021 was 54,625,157. Each share entitles the holder to one vote. The number of shareholders on December 31, 2021 was 4,149 which is an increase from the 2,983 shareholders at December 31, 2020. The largest shareholders on December 31, 2021 were Chr. Dam Holding and J. Søgaard Holding (the co-founders of Better Collective) with each 10,671,179 shares and each representing 19.5% percent of the votes and share capital in the company. Further information on the Better Collective share and shareholders are available in the section Share and shareholders on page 39 as well as on the company's website.

General meeting

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

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.

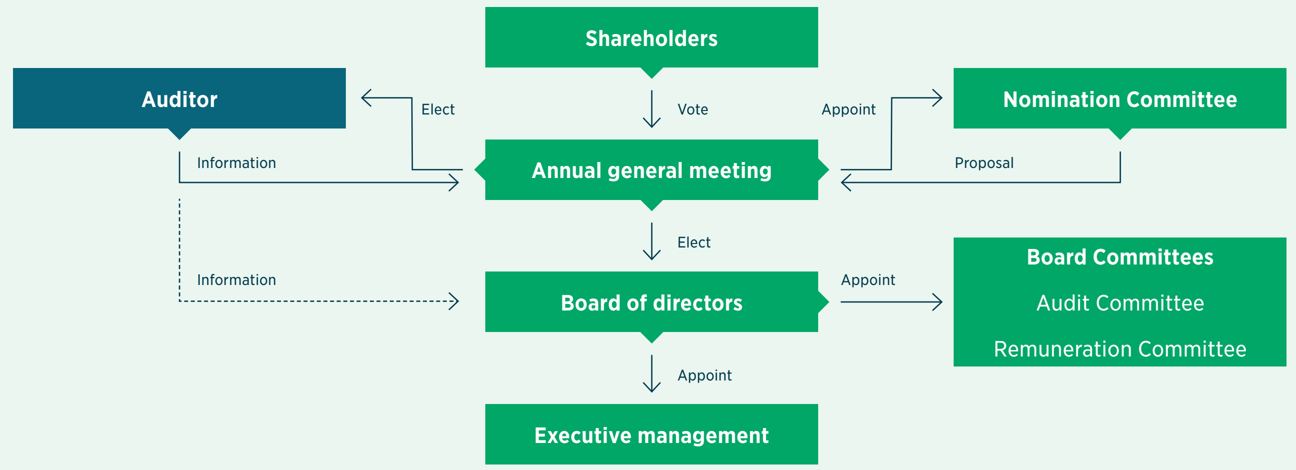
The respective reports on corporate governance and sustainability do not include a part of the auditor's report covering the specific reports, as these subjects are not individually addressed in the auditor's report.

These deviations are due to differences between Danish and Swedish laws and practices.

the board of directors in limited liability companies that are managed by a board of directors.

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

Better Collective Corporate Governance Structure



Time and place

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

Notice

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

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

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

Electronic general meetings

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

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

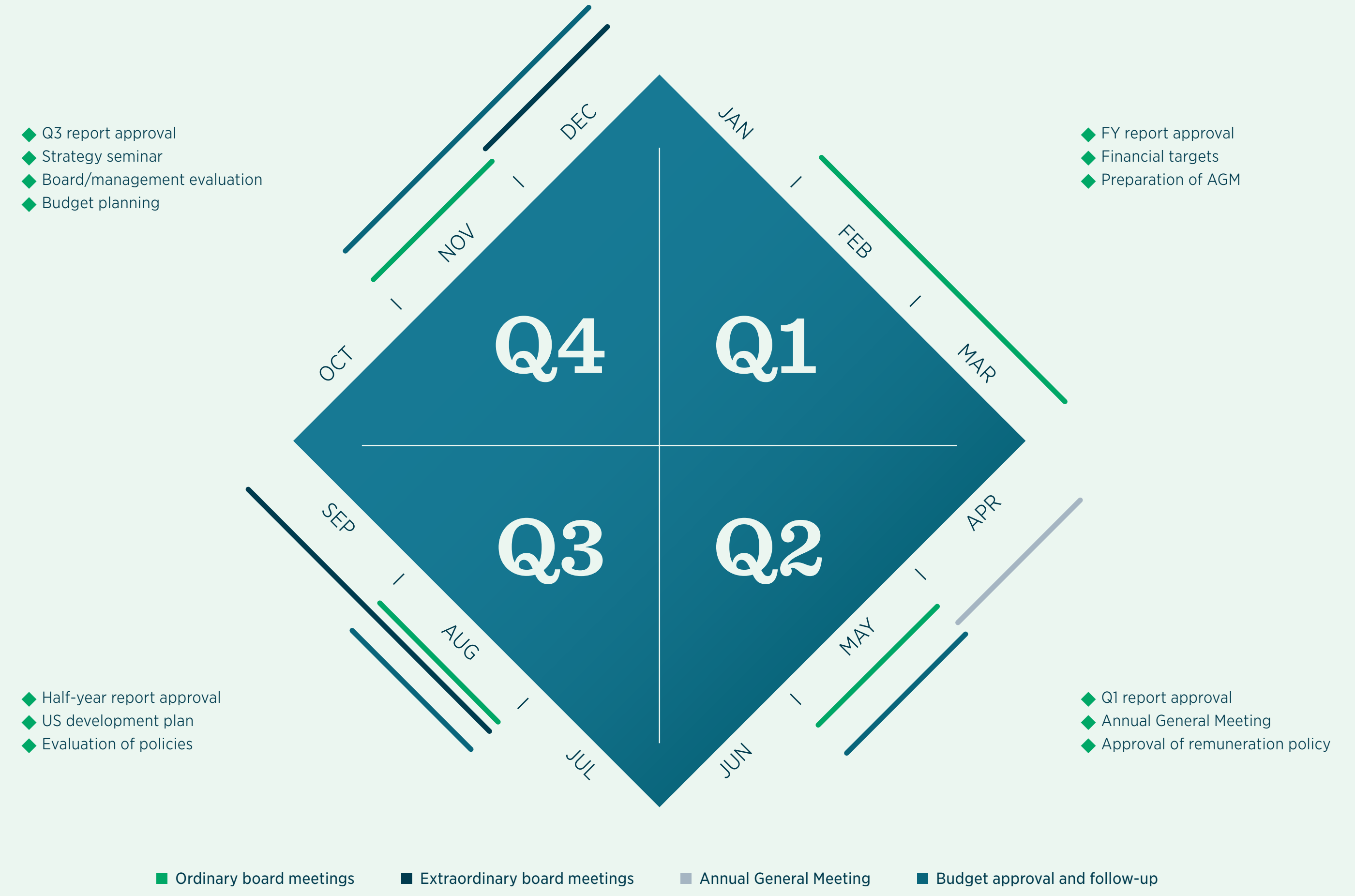
A shareholder's right to attend a general meeting and to vote on their shares is determined on the basis of the shares held by the shareholder at the date of registration. The date of registration is one week before the general meeting is held. The holdings of each individual shareholder is based on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

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

Voting rights and shareholders initiatives

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

A year with the board of directors



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

General meetings in 2021

The annual general meeting 2021 was held on April 26, 2021 and approved the 2020 annual report, discharged the board and executive management, and re-elected five out of six board members, elected one new board member, and re-elected the current auditor. The shareholders further approved the proposals from the board of directors to authorise the board of directors to increase the company's share capital without pre-emption rights for the existing shareholders and to authorise the board of directors to acquire treasury shares. The shareholders adopted the remuneration report based on an advisory vote. Additionally, the board was authorised to convene and conduct general meetings as a complete or partially electronic meeting. No extraordinary general meetings were held in 2021.

Annual general meeting 2022

The annual general meeting 2022 will take place on April 26, 2022 at 2.00 p.m. For more information, please see the section on annual general meeting on the company's website.

Nomination committee

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

On August 31, 2021, the two largest shareholders were Chr. Dam Holding and J. Søgaard Holding which are grouped. In accordance with shareholders' decision, the nomination committee was appointed and is composed by four members in total:

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

In all, the nomination committee represented 49,5% of the total number of shares in Better Collective, based on ownership data as per August 31, 2021.

Independence of the nomination committee

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

Nomination Committee meeting with board members

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

Gender diversity at the BoD in 2021

Meetings of the nomination committee

Ahead of the AGM 2022, the nomination committee has held four meetings, all of which with full attendance. No fees have been paid for work on the committee.

Board of directors

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

The board of directors meets according to a predetermined annual schedule. At least five ordinary board meetings shall be held between each annual general meeting. In addition to these meetings, extraordinary meetings can be convened for processing matters which cannot be referred to any of the ordinary meetings. In 2021, 8 meetings were held.

Composition of the board

The members of the board of directors are elected annually at the annual general meeting for the period until the end of the next annual general meeting. According to the Company's articles of association, the board of directors shall consist of no less than three and no more than seven board members. Furthermore, the Code stipulates that no deputy members may be appointed. Currently, the board of directors is composed of six ordinary board members elected by the general meeting: Jens Bager (chair), Todd Dunlap, Therese Hillman, Klaus Holse, Leif Nørgaard, and Petra von Rohr. The board attended Nasdaq's stock market training course for board and management prior to the listing in 2018. Todd Dunlap received Nasdaq training in 2020 after joining the board. For information about the board members see page 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 2021, an external management consultancy conducted an assessment of the board's work, including the collaboration with the executive management. The assessment was based on individual interviews with each board member and the executive management as well as a questionnaire. The evaluation was presented to and discussed by the board and subsequently the nomination committee. In addition, the nomination committee conducted individual interviews with the board members leading up to the AGM. The overall conclusion was that the board's performance and efficiency is found to be satisfactory and that the board has a well-balanced mix of competencies.

Diversity

The board composition must be set with appropriateness to the Company's operations, phase of development, and must collectively exhibit diversity regarding gender, age, nationality, experience, professional background, and business expertise. Regarding gender diversity at the board of directors' level, the company has set a target for the board to consist of five to seven members of which at least 35% must be the underrepresented gender. In 2021, a change to the composition of the board was made as Therese Hillman joined the Better Collective's board of directors and Søren Jørgensen left. The candidate was chosen due to her specific capabilities and knowledge from the iGaming industry. Currently, the board has a 67% (men) and 33% (women) split, why the target figure was reached in 2021.

Better Collective aims to offer equal opportunities to men and women across our organisation, as well as promoting equal opportunities regardless of gender, ethnicity, race, religion, and sexual orientation. The executive management is made up of three men. For the other management levels in the company, the gender split in 2021 was 77% men and 23% women, which is an improvement from 2020 (83% men and 17% women). Recruitment and promotion of managers in 2021 was performed with an aim of increasing diversity, resulting in new managers of both genders. We will continually work to increase the share of the underrepresented gender at all management levels, on average, aiming for a Group and management target of 35% to consist of the underrepresented gender over the coming years and by 2030 at the latest.

Attendance at board and committee meetings

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

◆ Attendance ◇ Non-attendance

* Following the annual general meeting on April 26, 2021, Therese Hillman joined the board and the audit committee, Søren Jørgensen left the board and the audit committee, and Todd Dunlap joined the remuneration committee

Find Better Collective's statutory reporting cf. §99a, §99b, and §107d, in the Sustainability report 2021:
http://bettercollective.com/wp-content/uploads/2022/03/BetterCollective_SR21_web.pdf

Board committees

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

Audit committee

The audit committee consists of Leif Nørgaard (chair), Therese Hillman, and Petra von Rohr. The audit committee's role is mainly to monitor the Company's financial position, to monitor the effectiveness of the Company's internal control and risk management, to be informed about the audit of the annual report and the consolidated financial statements, to monitor the quality of the external audit, to review and monitor the auditor's impartiality and independence and to monitor the Company's compliance with law and regulations related to financial matters. The audit committee has an annual work plan and has held five meetings in 2021.

Remuneration committee

The remuneration committee consists of Jens Bager (chair), Todd Dunlap, and Klaus Holse. The remuneration committee's role is primarily to prepare matters regarding remuneration and other terms of employment for the executive management and other key employees. The remuneration committee shall also monitor and evaluate ongoing and completed programs for variable remuneration to the Company's management and monitor and evaluate the implementation of the guidelines for remuneration to the executive management which the annual general meeting has adopted. The remuneration committee has an annual work plan and has held four meetings in 2021.

Executive management

According to the Danish Companies Act and the Company's articles of association, the board of directors appoints and removes the members of the executive management. The executive management is responsible for the day-to-day management of the Company. Currently, the executive management consists of Jesper Søgaard as CEO, Flemming Pedersen as CFO and Christian Kirk Rasmussen as COO. The members of the executive management are presented in further detail on page 38.

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

Remuneration to the board of directors and the executive management

Remuneration to the board of directors

Fees and other remuneration to board members elected by the general meeting are resolved at the annual general meeting. At the annual general meeting held on April 26, 2021, it was resolved that a fee of EUR 90,000 is to be paid to the chairman and that fees of EUR 30,000 is to be paid to each of the other board members. The work in a board committee is remunerated with EUR

13,500 for a chair position and EUR 6,750 for a regular member. In addition, the AGM resolved that 1/3 of the total remuneration payable to the chair of the board of directors, the members of the board of directors and to members and chairs of the remuneration and audit committee is paid in shares in the Company.

For the financial year 2021, the board of directors received remuneration as set out in note 5 on page 63 For additional detail, see also the remuneration report for 2021 available from bettercollective.com.

Remuneration report 2021
http://bettercollective.com/wp-content/uploads/2022/03/BetterCollective_Remuneration21_web.pdf

Remuneration policy
https://bettercollective.com/wp-content/uploads/2020/07/Remuneration_Policy_approved_2020.04.22.pdf

Remuneration to the executive management

Remuneration to the executive management consists of basic salary, variable remuneration, pension benefits, share related incentive programs and other benefits. For the financial year 2021, the executive management received remuneration as set out in note 5 on page 63.

Remuneration policy

The current Remuneration Policy was adopted at the annual general meeting on April 22, 2020 in compliance with section 139 and 139a in the Danish Companies Act.

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

Cash bonus schemes for executive management may consist of an annual bonus, which the individual member of the executive management can receive if specific targets of the Company and other possible personal targets for the relevant year are met. The maximum cash bonus shall be equivalent to 100 percent of the fixed base salary of each eligible participant of the executive management. Payment of bonus is only relevant when conditions and targets have been fully or partly met (as determined by the board of directors). If no targets are met, no bonus is paid out. Targets for the executive management shall be agreed upon by the board of directors and the executive management. The general meeting will decide whether to establish a long-term incentive program (LTI program).

Internal controls

The board of directors has the overall responsibility for the internal control of the Company. The main purpose of the internal control is to ensure that the Company's strategies and objectives can be implemented within the

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

Name and position	Holdings at beginning of year	Bought during the year	Sold during the year	Holdings at end of the year	Market value[1] tEUR
Jesper Søgaard, CEO	10,671,179	-	-	10,671,179	160,527
Flemming Pedersen, CFO	37,322	150,000	-	187,322	2,818
Christian Kirk Rasmussen, COO	10,671,179	-	-	10,671,179	160,527
Executive management, total	21,379,680	150,000	-	21,379,680	323,873
Jens Bager, Chair	1,000,000	1,229	-	1,001,229	15,062
Todd Dunlap, member	-	475	-	475	7
Therese Hillman, member[2]	-	1,375		1,375	21
Klaus Holse, member	170,622	437	-	171,059	2,573
Søren Jørgensen, member[3]	218,594	437	-	219,031	5,165
Leif Nørgaard, member	440,139	517	-	440,656	6,629
Petra von Rohr, member	21,600	437	-	22,037	332
Board of directors, total	1,850,955	4,907	-	1,855,862	29,788
Total	23,230,635	154,907	-	23,235,542	353,661

[1] The end-of-year market values are based on the official share prices prevailing 2021.12.31
[2] Therese Hillman joined the board at the AGM in 2021
[3] Søren Jørgensen left the BoD in connection with the AGM in 2021, holdings ultimo is recorded as of April 26, 2021

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

Control environment

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

The division of roles and responsibilities within the rules of procedure for the board of directors and the executive management aim to facilitate an effective management of the Company's risks. The board of directors has also established an audit committee whose main task is to monitor the effectiveness of the Company's internal control, internal audit and risk management, to be informed about the audit of the annual report and consolidated financial statements, and to review and monitor the auditor's impartiality and independence. The board evaluates the need for an internal audit function annually. In 2021, given the size of the company, it was decided that an internal audit function is not currently needed.

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

Risk management

Through an Enterprise Risk Management process, a number of gross risks in Better Collective are identified. Each risk is described, including current risk mitigation in place, or planned mitigating actions.

The subsequent analysis of the identified risks includes an inherent risk evaluation based on two main parameters: probability of occurrence and impact on future Earnings and Cash Flow.

Better Collective's management continuously monitors risk development in the Better Collective Group. The Risk Evaluation is presented to the Board of Directors annually, for discussion of and any further mitigating actions required.

The Board evaluates risk dynamically to cater for this variation in risk impact. The policies and guidelines in place stipulate how Better Collective management must work with risk management.

Risk assessment

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

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

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

Control activities

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

Information and communication

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

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

Monitoring

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

The board of directors and the audit committee examines the annual report and the interim reports and conducts financial evaluations based on established business plans. The audit committee reviews any changes in accounting policies to determine the appropriateness of the accounting policies and financial disclosure practises. 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 summarising the performed evaluations and accounting for any deviations that must be managed. In 2021, a review of internal controls was performed with the purpose of reviewing compliance with processes and internal controls covering key areas and process flows according to the Company's group accounting manual. The review concluded that the Company's financial internal controls were deemed appropriate. Furthermore, the Group's policies are subject to at least one annual review by the board of directors.

External audit

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

At the annual general meeting held on April 26, 2021, EY Godkendt Revisionspartnerselskab was re-elected as the Company's auditor with Jan C. Olsen as the lead auditor. It was also resolved that the fees to the auditor should be paid in accordance with normal charging standards and approved invoice.

The total fee paid to the Company's auditor for the financial year 2021 amounted to 312 tEUR, all of which regarded the audit assignment.

Key risk factors

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

The risk evaluation is presented to the board of directors annually, for discussion of and any further mitigating actions required. The board evaluates risk dynamically to cater for this variation in risk impact.

Risk management framework

Through an enterprise risk management process, a number of 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 profile following US acquisitions

With the acquisitions in the US, the overall risk profile of Better Collective has changed, and regulatory as well as financial risk has increased. Better Collective has mitigated the additional risks in US in a number of ways:

- Regulatory and compliance risk through involvement of regulatory bodies in our licensing process for newly established entities
- Financial risk through a performance based valuation of the acquired entities)
- Organisational risk through establishment of local governance/management, and finance, HR, and Legal organisation dedicated to the US operations.

	Market regulation	Legal	Cybercrime	Recruitment and retention
Description	Changes to applicable laws and regulations could lead to an increased burden of compliance, which could be costly and time-consuming to maintain efficiently. Socially responsible marketing of gambling products and a safer gambling environment for consumers either through regulation or voluntary measures will add to the long-term sustainability and growth of the iGaming industry	Better Collective believes contractual risk as well as legal risk related to regulatory requirements are critical. Failure to meet or implement regulatory requirements, in a timely fashion concerning, for instance, data protection, confidentiality agreements, IPR, and fraud constitutes a 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 unauthorised 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.	People remain the key drivers in everything that we do at Better Collective since our business is based on specialised expertise and innovation. Failure to attract, develop, and retain the most skilled employees and management talent constitutes a risk to the company.
Risk Management	Changes in regulation may involve imposing licence requirements, marketing restrictions and local taxation, although it can also imply a liberalisation of the market. iGaming regulation provides transparency to the legal framework, which in turn enhances predictability. Through our sustainability efforts, our focus on responsible gambling, and our collaborations we promote a socially responsible approach across the industry.	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.	Better Collective's IT department continuously monitors its global technical infrastructure, aiming to identify and minimise risk to the company's production and performance. Through well-established procedures and solutions, Better Collective can quickly restore critical business operations.	Better Collective's values and the notion of a work-life balance serve as strong tools for recruitment of talent. Naturally, we have found that talented people are happy to stay with a company that treats them with respect and gives them freedom.

Board of directors

Jens Bager

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

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

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

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

Previous assignments: Board chairman 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

Todd Dunlap

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

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

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

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

Previous assignments: Todd Dunlap has served as the 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

Therese Hillmann

Board member and member of the audit committee
Born, 1980
Nationality, SE
Present position since 2021

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

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

Other assignments: Board member of Actic since 2018.

Previous assignments: Prior to joining NetEnt in 2017, Therese Hillman worked at Gymgrossisten.com for 10 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

Board of directors

Klaus Holse

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

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

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

Other assignments Board chairman of EG Group A/S, Macrobond AB, SuperOffice AS, Vizrt AB and Zenegy A/S. Vice chairman of the Supervisory Board of the Confederation of Danish Industry**.**

Previous assignments: Board chairman of AX IV EG Holding III ApS, Danske Lønsystemer A/S, Lessor A/S, EG A/S, Ipayroll Holding ApS, Lessor Group ApS, Lessor Holding ApS and Delegate BE Holding ApS. Former member of the board of directors of The Scandinavian ApS.

Independence in relation to:

– shareholders	Yes
– the company	Yes

Leif Nørgaard

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

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

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

Other assignments: Leif Nørgaard is currently the board chairman of MuteBox ApS, Myselfie Aps, and K/S Sunset Boulevard, Esbjerg. He is a member of the executive board of Dialægt/Citatplakat ApS, AnnoAnno ApS, Ooono A/S, Nøller Invest ApS, 2XL2016 ApS, Komplementarsel. Landshut ApS, Sunset Boulevard, Esbjerg Komplementar ApS and Robo Invest 2020 ApS.

Previous assignments: Board member of Komplementarsel. Landshut ApS and Teklatech A/S, Actimo LATAM Holdco ApS and DTU Science Park A/S. Chairman of the board of K/S SDR. Fasanvej, Frederiksberg. Partner of ApS Komplementarselskabet SDR. Fasanvej, Frederiksberg.

Independence in relation to:

– shareholders	Yes
– the company	Yes

Petra von Rohr

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

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

Professional background: Petra von Rohr is currently the CEO of Biocool AB and she has experience from executive management positions both from the finance industry and the communications industry. 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 The Global Vector Control Standard and Webrock Ventures.

Previous assignments: Member of the Executive Management team of Com Hem AB, Partner of Kreab AB, Board member of 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 and VIGGA.us A/S. Member of the executive board Bumble Ventures SPV ApS.

Christian Kirk Rasmussen

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

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

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

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

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

Flemming Pedersen

CFO
Born, 1965
Nationality, DK
Present position since 2018

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

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

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

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

Shareholder information

The BETCO share and shareholders

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

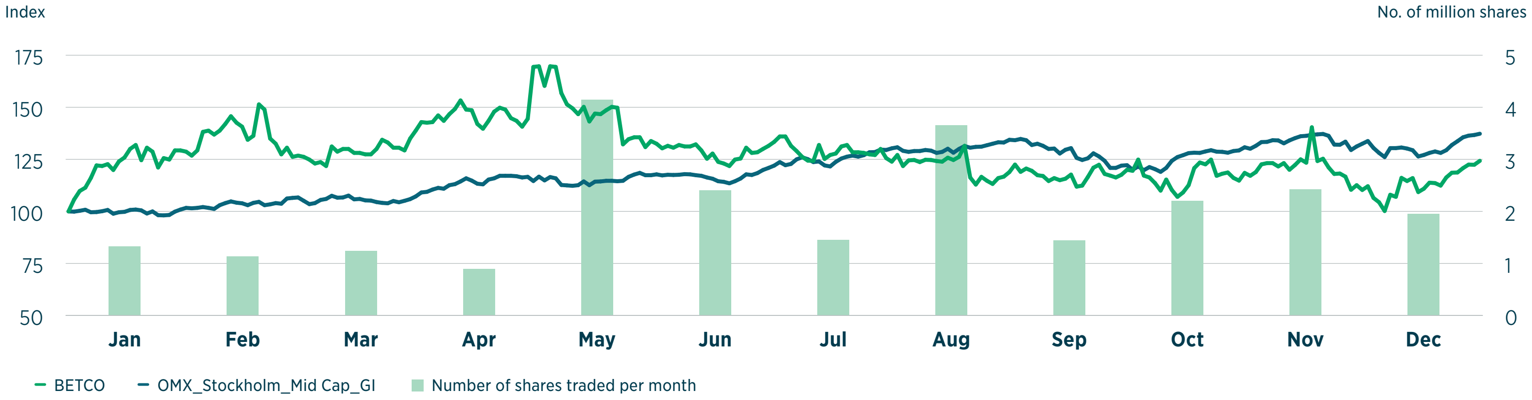
Share price and trading

The closing price for the BETCO share on December 31, 2021 was 197,00 SEK, corresponding to a market cap of approximately 9,240 mSEK. During the period from January 1, 2021 to December 31, 2021, a total of 24,275,023 BETCO shares were traded on the Nasdaq Stockholm exchange at a total value of 4,882 mSEK, corresponding to 44% percent of the total number of BETCO shares on the Nasdaq Stockholm exchange at the end of the period. The average number of shares traded per trading day was approximately 95,900, corresponding to a value of 19.3 mSEK. An average of 839 trades were completed per trading day. The highest price paid during the period January 1, 2021 to December 31, 2021 was 269.00 SEK on May 9, 2021 and the lowest price paid was 158.50 SEK on January 4, 2021. During the period from January 1, 2021 to December 31, 2021, Better Collective's share price increased 30.0%, while the OMX Mid Cap list increased by 38.5%.

Shareholders

On December 31, 2021, 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, 2021, Better Collective had 4,149 shareholders, corresponding to a 39% increase from January 1, 2021. The ten largest shareholders accounted for 63.6% of the votes and share capital. The members of Better Collective's board of directors held a total of 1,855,862

Share price performance



Share data

Marketplace	Nasdaq Stockholm
Date of listing	June 8, 2018
Segment	Mid Cap
Sector	Media
Ticker symbol	BETCO
ISIN code	DK0060952240
Currency	SEK
Standard trading unit	1 share
No. of shares outstanding	54,625,157 shares
Highest closing price paid in 2021	269.00 SEK (May 9)
Lowest closing price paid in 2021	158.50 (Jan 4)
Last price paid 2021	151.50 SEK
Share price development in 2021	+30%

Analysts

ABG Sundal Collier

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Nordea Markets

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Redeye

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BETCO shares. The executive management held a total of 21,379,680 BETCO shares. The holdings of the individual board members and members of the executive management can be found on page 32.

Share capital and capital structure

On 31 December 2021, the share capital amounted to 546,251.57 EUR. The total number of shares amounted to 54,625,157. All shares in the market hold equal voting rights and equal rights to the company's earnings and capital.

Dividend policy

Better Collective has successfully executed an acquisition strategy since 2017, completing 25 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 2021.

Top 10 largest shareholders as at December 31, 2020

Owner	Number of shares	Capital and votes
Jesper Søgaard	10,671,179	19.54%
Christian Kirk Rasmussen	10,671,179	19.54%
Chr. Augustinus Fabrikker A/S	2,523,000	4.62%
Third Swedish National Pension Fund	2,465,982	4.52%
Second Swedish National Pension Fund	1,937,139	3.55%
Danica Pension	1,838,839	3.37%
Avanza Pension	1,352,665	2.48%
Jesper Ribacka	1,200,000	2.20%
Knutsson Holdings AB	1,095,871	2.01%
Top 10 largest shareholders	**33,755,854**	**61.83%**
Other shareholders	20,869,303	38.17%
Total number of shares	**54,625,157**	**100.00%**

Individuals with an insider position

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

Annual General Meeting 2022

The Annual General Meeting 2022 will take place on April 26, 2022 at 2.00 p.m. For more information, see the section on General Meetings on the company's website.

Investor relations

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

Financial calendar

April 26, 2022
AGM

May 18, 2022
Interim Financial report Q1

August 23, 2022
Interim Financial report Q2

November 17, 2022
Interim Financial report Q3

IR contact

Christina Bastius Thomsen,
Head of Investor Relations & CSR
Phone: +45 2363 8844
e-mail: investor@bettercollective.com

Our approach

Our framework and sustainability strategy

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

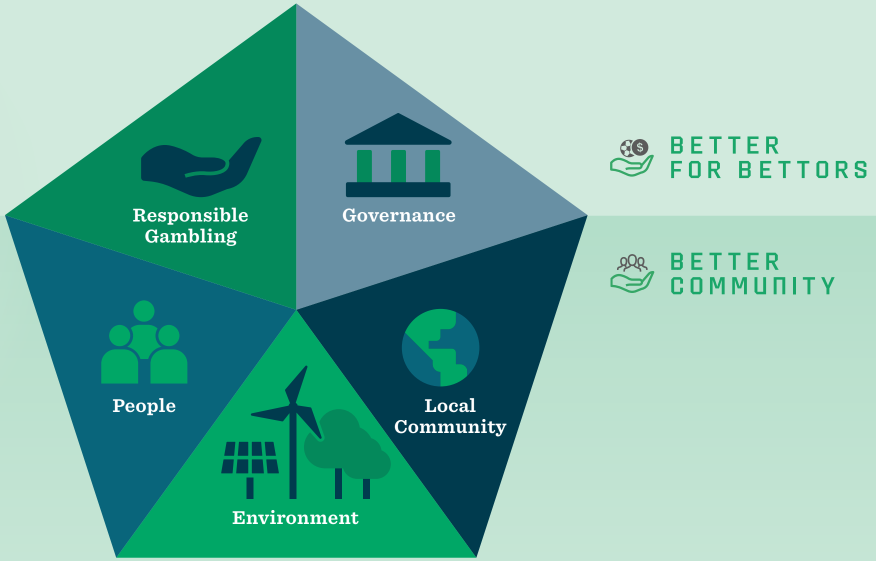
The United Nations Global Compact (UNGC) is a non-binding pact encouraging all businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementations and operational impacts. By incorporating the Ten Principles into our strategies, policies, and procedures, we are establishing a culture of integrity where we uphold our basic responsibilities to society and the planet, while we also set the stage for our long-term success. We adhere to the UNGC and understand it as a normative and morally guiding codex to be followed in all of Better Collective's endeavours. In doing so, we stay committed to improving our business practises in four areas that ultimately can aid globalisation to be more inclusive for all: human rights, labour rights, environmental rights and, anti-corruption laws. Though the UNGC constitutes the overall framework for our sustainability strategy and reporting, we also implement into our strategy the UN Sustainable Development Goals (SDGs) that we find the most pertinent to our operations.

In 2021, the CSR team enrolled in a six months long SDG Ambition programme hosted by the UNGP. So far, the program has challenged us to accelerate our integration of the SDGs, while it has taught us how to align corporate goals and KPIs with the SDG ambition benchmarks. By strategically expanding our SDG focus and efforts we can unlock even more business value, improve resilience, and enable long term sustainable growth. In summation, our expanded effort now revolves around

Sustainability and ESG report 2021
http://bettercollective.com/wp-content/uploads/2022/03/BetterCollective_SR21_web.pdf

Our approach

Our five focus areas



contributing to the positive development of SDG 3 on good health and well-being, SDG 5 on gender equality, SDG 8 on decent work and economic growth, and SDG 10 on reduced inequalities. As part of this exercise, we also initiated a process of redefining our KPIs so they better align with the SDGs, and we expect to continue this work in 2022. Most importantly, we ensured that the SDGs could also be embedded into our corporate strategy and aspiration to be the #1 sports betting aggregator in the world.

Roughly 17 years ago Better Collective was founded in Denmark, and our headquarters remain in Copenhagen. However, we proudly engage in the local communities where we are active, by paying our taxes and initiating local projects, partnering with local stakeholders. We persistently strive to be a socially responsible sports betting media group while we aspire to strengthen the standards of the iGaming industry to empower users. We believe that as a business we have an increasingly important role to play in securing a sustainable future. We also strongly believe that operating in a responsible way, across all business verticals while adding value to the surrounding communities, positively affects our business and competitiveness. Our sustainability strategy and reporting are built around five strategic priorities core to Better Collective's business: Responsible gambling (RG), Governance, People, Local community, and Environment. Our sustainability strategy is a natural part of our overall business strategy, and operationally, the strategy is rolled out through our sustainability programmes "Better for Bettors" and "Better Community". Most importantly, our sustainability strategy and approach are deeply rooted in our core values, which have remained the same since the birth of Better Collective.

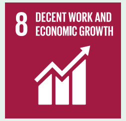
Sustainable Development Goals

Ensure healthy lives and promote well-being for all at all ages

Read more

Achieve gender equality and empower all women and girls

Read more



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Read more

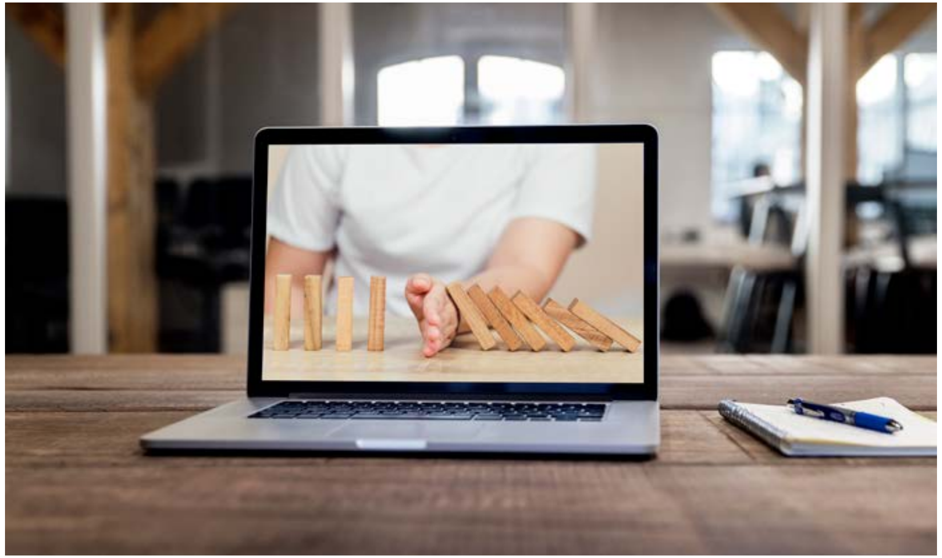
Reduce inequality within and among countries

Read more

BETTER FOR BETTORS

Creating a safer and more responsible iGaming universe

Better Collective's long-term commitment is prevention of problem gambling through the education of our users. Ultimately, the focus on safer gambling and being a responsible business is what grants us our social licence to operate.



Better Collective views sports betting and gambling purely as a form of entertainment, and wants to make sure that users' and employees' iGaming experiences remain as a form of fun and entertainment. This includes awareness of the fact that gambling should not be seen as a source of income, but only be practised as a fun activity. When gambling, the sole purpose should not be to increase one's initial stake but to set aside a stake that one is willing to lose for the sake of entertainment. This view of betting is the reason why we strongly endorse responsible gaming. When creating content or new websites, we always have responsible gambling in mind.

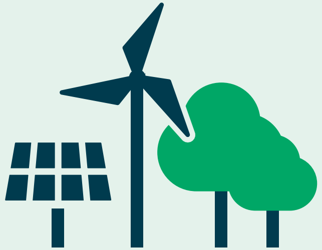
We want to ensure that our users are better suited to navigate the iGaming world by visiting a Better Collective website before registering an account with a sports betting or gambling operator. We focus on the teaching of gambling strategies and the presentation of insightful information and data to 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 sports betting or gambling operator, we rely on our partner operators to scan for user behaviour and take action when a user shows signs of at-risk or problem gambling behaviour. We can educate users, e.g. by making sure that they know the legal gambling age, of possible adverse effects of gambling, and prevention.

Taking action on problem gambling prevention

At Better Collective, we are fully aware that there are users for whom gambling surpasses entertainment and becomes a form of addiction. As a result, we have increased our resources by expanding our responsible gambling team during 2021. On November 1, we announced the decision to launch Gamalyze on key websites, a process which we have already finalised. Gamalyze is a self-test developed by Mindway AI. Throughout 2021, we have continued to offer RG resources on our websites, as well as a Betting Academy to educate users. For our employees, we recently updated our responsible gambling policy, which is expected to be fully rolled out during 2022. To take action on problem gambling prevention, we implemented the Gamalyze software on our internal employee platform during 2021. For 2022, we plan to implement RG training for all employees across the Better Collective Group.

We want to continue our implementation of RG resources on all of our websites, and it remains our wish to have an even stronger collaboration across the iGaming industry to promote and advance responsible gambling. 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.

ESG key metrics



Environment

Social

Governance

Environment data	Unit	2021	2020	2019
CO_2e, scope 1	Metric tonnes	73.88	73.53	13.95
CO_2e, scope 2	Metric tonnes	70.08	49.99	215.14
CO_2e, scope 3	Metric tonnes	346.42	176.88	730.14
Total tonnes of CO_2e	Metric tonnes	490.38	300.41	1,063.69
Tonnes of CO_2e per employee	Times	0.77	0.72	2.92
Tonnes of CO_2e per mEUR turnover	Times	2.77	3.30	15.76

Social data	Unit	Target	2021	2020	2019
Average number of FTE	FTE	-	635	420	364
Total headcount	HC	-	781	476	428
Gender diversity	%	35	30	30	31
Gender diversity top management	%	35	17	17	17
Gender pay ratio	Times	-	1.19	1.20	1.19
Employee turnover ratio	%	-	16.86	21.15	13.79
Sickness absence	Days per HC	-	1.12	1.13	2.04
Corporate income tax	mEUR		12.6	6.0	5.0

Governance data	Unit	Target	2021	2020	2019
Gender diversity, board	%	35	33.3	17	20
Board meeting attendance rate	%	-	96	97	100
CEO pay ratio	Times	-	10.27	8.27	9.12

Sustainability and ESG report 2021
http://bettercollective.com/wp-content/uploads/2022/03/BetterCollective_SR21_web.pdf

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 2021.

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, 2021 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, 2021.

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

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

Copenhagen, March 23, 2022

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
Chairman

Todd Dunlap

Therese Hillman

Klaus Holse

Leif Nørgaard

Petra von Rohr

Independent Auditors' Report

To the shareholders of Better Collective A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Better Collective A/S for the financial year January 1 – December 31, 2021, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at December 31, 2021 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, 2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

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

Basis for opinion

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

On June 8, 2018, Better Collective A/S completed its Initial Public Offering and was admitted to trading and official listing on Nasdaq Stockholm. Subsequent to Better Collective A/S being listed on Nasdaq Stockholm, we were initially appointed as auditor of Better Collective A/S on April 25, 2019 for the financial year 2019. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 3 years up until and including the financial year 2021.

Key audit matters

Key audit matters are those matters that, in our 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 2021. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Valuation of goodwill, domains and websites

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

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

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

How our audit addressed the above key audit matter

Our audit procedures included:

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

Accounting for acquisitions

The Group has in 2021 completed two business combinations. Management has determined the fair value of the identifiable assets and liabilities acquired. The total consideration for the two business combinations amounts to EUR 206 million.

Due to the significant level of management judgement involved in 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 compared to generally applied valuation methodologies. 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, our past experience of similar transactions and Management's forecasts supporting the acquisition.
- Assessment of the fair value of the contingent consideration including key assumptions applied by management to calculate the fair value.
- 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 under the Danish Financial Statements Act.

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We communicate with those charged with gov-
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 or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the financial statements of Better Collective A/S we performed procedures to express an opinion on whether the annual report for the financial year January 1 – December 31, 2021 with the file name bettercollective-2021-12-31-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.

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 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:

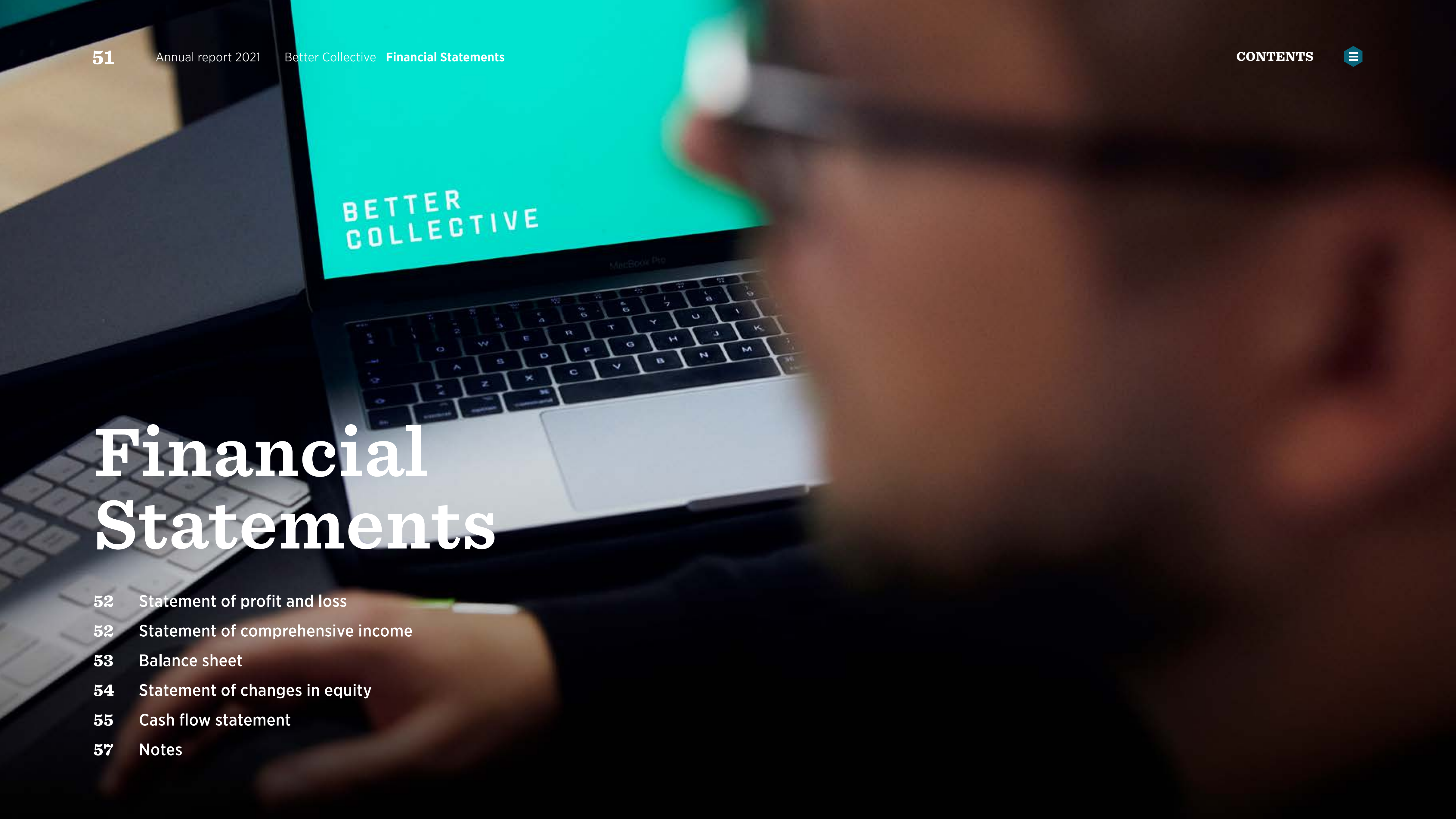
- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements;
- Evaluating the appropriateness 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, 2021 with the file name bettercollective-2021-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, March 23, 2022

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	2021	2020
4	**Revenue**	**177,051**	**91,186**
	Direct costs related to revenue	64,863	20,471
5, 6	Staff costs	40,813	24,156
14	Depreciation	1,764	1,548
7	Other external expenses	15,600	8,407
	Operating profit before amortisations (EBITA) and special items	**54,011**	**36,604**
12	Amortisation and impairment	8,516	6,235
	Operating profit (EBIT) before special items	**45,495**	**30,369**
8	Special items, net	-16,746	120
	Operating profit	**28,749**	**30,489**
9	Financial income	3,383	1,965
10	Financial expenses	5,905	3,742
	Profit before tax	**26,227**	**28,712**
11	Tax on profit for the period	8,935	6,785
	Profit for the period	**17,292**	**21,927**
	Earnings per share attributable to equity holders of the company		
	Average number of shares	50,541,901	46,664,615
	Average number of warrants – converted to number of shares	2,334,756	2,043,366
	Earnings per share (in EUR	0.34	0.47
	Diluted earnings per share (in EUR)	0.33	0.45

Consolidated statement of comprehensive income

Note	tEUR	2021	2020
	Profit for the period	17,292	21,927
	Other comprehensive income		
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
	Currency translation to presentation currency	-300	68
	Currency translation of non-current intercompany loans	16,497	-3,414
11	Income tax	-3,629	751
	Net other comprehensive income/loss	12,568	-2,595
	Total other comprehensive income/(loss) for the period, net of tax	**29,860**	**19,332**
	Attributable to:		
	Shareholders of the parent	29,860	19,332

Consolidated balance sheet

Note	tEUR	2021	2020
	Assets		
	Non-current assets		
12, 13	**Intangible assets**		
	Goodwill	178,182	99,315
	Domains and websites	329,276	150,274
	Accounts and other intangible assets	12,453	9,378
		519,911	258,967
14	**Property, plant and equipment**		
	Land and buildings	47	721
	Right of use assets	2,708	3,225
	Fixtures and fittings, other plant and equipment	1,610	1,449
		4,365	5,395
	Other non-current assets		
20	Other non-current financial assets	0	1,093
	Deposits	660	434
11	Deferred tax asset	9,545	621
		10,205	2,148
	Total non-current assets	**534,481**	**266,510**
	Current assets		
15	Trade and other receivables	30,083	18,248
11	Corporation tax receivable	500	788
	Prepayments	2,223	1,466
20	Restricted Cash	1,489	6,926
20	Cash	28,603	21,127
	Total current assets	**62,898**	**48,555**
	Total assets	**597,379**	**315,065**

Note	tEUR	2021	2020
	Equity and liabilities		
16	**Equity**		
	Share Capital	546	469
	Share Premium	267,873	108,826
	Currency Translation Reserve	10,798	-1,770
	Treasury Shares	-8,074	-2
	Retained Earnings	73,705	55,019
17	Proposed Dividends	0	0
	Total equity	**344,848**	**162,542**
	Non-current Liabilities		
20	Debt to mortgage credit institutions	0	507
20	Debt to credit institutions	121,025	68,770
19	Lease liabilities	1,521	2,124
11	Deferred tax liabilities	69,595	25,207
20	Other long-term financial liabilities	4,939	8,796
20	Contingent Consideration	0	20,807
	Total non-current liabilities	**197,080**	**126,211**
	Current Liabilities		
	Prepayments received from customers and deferred revenue	3,400	450
18	Trade and other payables	18,393	10,247
11	Corporation tax payable	1,735	1,985
20	Other financial liabilities	10,683	9,850
20	Contingent Consideration	19,893	2,498
20	Debt to mortgage credit institutions	0	20
19	Lease liabilities	1,347	1,262
	Total current liabilities	**55,451**	**26,312**
	Total liabilities	**252,531**	**152,523**
	Total equity and liabilities	**597,379**	**315,065**

Consolidated statement of changes in equity

tEUR	Share capital	Share premium	Currency trans-lation reserve	Treasury shares	Retained earnings	Proposed Dividend	Total equity
As of January 1, 2021	**469**	**108,826**	**-1,770**	**-2**	**55,019**	**0**	**162,542**
Result for the period	0	0	0	0	17,292	0	17,292
Other comprehensive income							
Currency translation to presentation currency	0	0	16,197	0	0	0	16,197
Tax on other comprehensive income	0	0	-3,629	0	0	0	-3,629
Total other comprehensive income	0	0	12,568	0	0	0	12,568
Total comprehensive income for the year	**0**	**0**	**12,568**	**0**	**17,292**	**0**	**29,860**
Transactions with owners							
Capital Increase	77	159,047	0	0	0	0	159,124
Acquisition of treasury shares	0	0	0	-8,135	0	0	-8,135
Disposal of treasury shares	0	0	0	71	11	0	82
Share based payments	0	0	0	0	3,688	0	3,688
Transaction cost	0	0	0	-8	-2,305	0	-2,313
Total transactions with owners	**77**	**159,047**	**0**	**-8,072**	**1,394**	**0**	**152,446**
At December 31, 2021	**546**	**267,873**	**10,798**	**-8,074**	**73,705**	**0**	**344,848**

During the period no dividend was paid.

tEUR	Share capital	Share premium	Currency trans-lation reserve	Treasury shares	Retained earnings	Proposed Dividend	Total equity
As of January 1, 2020	**464**	**106,296**	**825**	**0**	**30,732**	**0**	**138,317**
Result for the period	0	0	0	0	21,927	0	21,927
Other comprehensive income							
Currency translation to presentation currency	0	0	-3,346	0	0	0	-3,346
Tax on other comprehensive income	0	0	751	0	0	0	751
Total other comprehensive income	0	0	-2,595	0	0	0	-2,595
Total comprehensive income for the year	**0**	**0**	**-2,595**	**0**	**21,927**	**0**	**19,332**
Transactions with owners							
Capital Increase	5	2,530	0	0	0	0	2,535
Acquisition of treasury shares	0	0	0	-4,903	0	0	-4,903
Disposal of treasury shares	0	0	0	4,901	1,438	0	6,339
Share based payments	0	0	0	0	955	0	955
Transaction cost	0	0	0	0	-33	0	-33
Total transactions with owners	**5**	**2,530**	**0**	**-2**	**2,360**	**0**	**4,893**
At December 31, 2020	**469**	**108,826**	**-1,770**	**-2**	**55,019**	**0**	**162,542**

During the period no dividend was paid.

Consolidated statement of cash flow

Note	tEUR	2021	2020
	Profit before tax	26,227	28,712
	Adjustment for finance items	2,522	1,777
	Adjustment for special items	16,746	-120
	Operating Profit for the period before special items	45,495	30,369
	Depreciation and amortisation	10,280	7,783
	Other adjustments of non cash operating items	-531	955
	Cash flow from operations before changes in working capital and special items	55,244	39,107
21	Change in working capital	-4,040	-786
	Cash flow from operations before special items	51,204	38,321
	Special items, cash flow	-5,997	-625
	Cash flow from operations	45,207	37,696
	Financial income, received	3,702	1,415
	Financial expenses, paid	-4,693	-2,496
	Cash flow from activities before tax	44,216	36,615
11	Income tax paid	-12,654	-9,940
	Cash flow from operating activities	**31,562**	**26,675**
22	Acquisition of businesses	-207,900	-65,792
12	Acquisition of intangible assets	-11,591	-1,802
14	Acquisition of property, plant and equipment	-687	-460
14	Sale of property, plant and equipment	972	1
	Change in non-current assets	-13	-37
	Cash flow from investing activities	**-219,219**	**-68,090**

Note	tEUR	2021	2020
20	Repayment of borrowings	-87,069	-22,756
20	Proceeds from borrowings	139,373	74,629
	Lease liabilities	-1,147	-1,025
	Other non-current liabilities	-843	485
	Capital increase	148,893	393
	Treasury shares	-8,143	-4,903
	Transaction cost	-2,305	-33
	Cash flow from financing activities	**188,759**	**46,790**
	Cash flows for the period	1,102	5,375
	Cash and cash equivalents at beginning	28,053	22,755
	Foreign currency translation of cash and cash equivalents	937	-77
	Cash and cash equivalents period end*	**30,092**	**28,053**
	***Cash and cash equivalents period end**		
	Restricted cash	1,489	6,926
	Cash	28,603	21,127
	Cash and cash equivalents period end	**30,092**	**28,053**

Cashflow statement – specifications

Note	tEUR	2021	2020
	Acquisition of business combinations:		
22	Net Cash outflow from business combinations at acquisition	-179,732	-53,429
	Business Combinations deferred payments from current period	-2,158	-1,384
	Deferred payments – business combinations from prior periods	-26,010	-10,979
	Total cashflow from business combinations	**-207,900**	**-65,792**
	Acquisition of intangible assets:		
12	Acquisitions through asset transactions	-14,297	-1,070
	Deferred payments related to acquisition value	3,535	0
	Deferred payments - acquisitions from prior periods	-70	0
	Other investments	-759	-732
	Total cash flow from intangible assets	**-11,591**	**-1,802**
	Cashflow from Equity movements:		
	Equity movements with cashflow impact – from cash flow statement:		
	Capital increase	148,893	393
	Treasury shares	-8,143	-4,903
	Transaction cost	-2,305	-33
	Total equity movements with cashflow impact	**138,445**	**-4,543**
	Non-cash flow movements on equity:		
	New shares for M&A payments	10,231	2,142
	Treasury shares used for M&A payments	82	6,339
	Share based payments – warrant expenses with no cash flow effect	3,688	955
	Total non-cash flow movements on equity	**14,001**	**9,436**
	Total Transactions with owners – Consolidated statement of changes in equity	**152,446**	**4,893**

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, 2021 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, 2020.

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

The Board of Directors and the Executive Board have discussed and approved the annual report for Better Collective A/S on March 24, 2022. The annual report will be presented to the shareholders of Better Collective A/S for adoption at the annual general meeting on April 26, 2022.

New segment reporting
Following the acquisition of Action Network in May 2021 Better Collective has reported on the geographical segments US and RoW (Rest of World), measuring and disclosing separately for Revenue, Cost and Earnings. The additional segment reporting is in addition to the segment reporting on Publishing and Paid Media introduced in 2020.

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 2021 have been adopted. The implementation of these new or amended standards and interpretations had no material impact on the financial statements.

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

New financial reporting standards not yet adopted
The IASB has issued a number of new or amended standards and interpretations with effective date after December 31, 2021. None of the standards are expected to have a significant effect for Better Collective A/S.

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

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

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

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rate on the transaction date. Foreign exchange differences arising between the rate on the transaction date and the rate on the date of settlement are recognised 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 recognised in the latest reporting period is recognised 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 recognised 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 to fund acquisitions of assets and business combinations in US. Unrealised exchange rate gains/losses and related tax impact related to these loans are recognised in Other Comprehensive Income for the group.

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

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

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

Notes

1 Accounting policies (continued)

Accounting principles:

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

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

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

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

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

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

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

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

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

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

Notes

2 Significant accounting judgements, estimates and assumptions

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

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 amortisation 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 amortisation. Management believes that as long as content is being updated continuously and based on existing technology there is no foreseeable limit to the period on which the assets can generate revenues and cash flow from the underlying business activities of the operators. Consequently, Management has assessed indefinite life of domain names and websites similar to its peers in the industry. Management reviews this assessment annually to determine whether the indefinite life continues to be supportable.

Management reviews goodwill and domain names and websites for impairment at least once a year. This requires Management to make an estimate of the projected future cash flows from the continuing use of the cash-generating unit to which the assets are allocated and also to choose a suitable discount rate for those cash flows. Management has assessed that the cash generating units identified in 2020 continue (Atemi, HLTV, US, and the rest of Better Collective), and that the 2021 acquisitions of Action Network Inc. and Mindway are included in US and Rest, respectively for impairment. Performance and cash flows from domain names and websites owned by the individual cash generating units are allocated and forms the basis for impairment. Reference is made to note 13 of the consolidated financial statements.

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

Revenue from agreements with variable components

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

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumption about them. The 2020 and 2021 warrant programs (including the Action Network MIP) include performance targets that adjust the number of warrants vested. The employee retention factor and performance factors are included in the expense calculation. Reference is made to note 6 of the consolidated financial statements.

Special items

Significant expenses and income, which Better Collective consider non-recurring, are presented in the Income statement in a separate line item labelled 'Special items' in order to distinguish these items from other income statement items and provide a more transparent and comparable view of Better Collective's ongoing performance. Types of expenses and income included in special items include cost related to M&A, adjustments to Earn-out payments, cost related to restructuring, income from divestiture of non-strategic assets, and cost related to the Action Network Management Incentive Program. The cost relating to the Action Network MIP is considered Special Items as the program was agreed in connection with the acquisition. Reference is made to note 8 of the consolidated financial statements and note 6 of the parent company financial statements.

Contingent consideration

Contingent consideration resulting from business combinations is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting the performance target (see Note 22 (Group) for details). The contingent liability related to the acquisition of Better Collective Tennessee has been re-assessed in connection with the November 4, 2021 agreement to pay the remaining 40% of the shares.

Notes

3 Segment information

Paid / Publishing

From Q4, 2020, and following the acquisition of the Atemi Group on October 1, 2020, Better Collective has operated two different business-models regarding customer acquisition with different earnings-profiles.

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

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

	Publishing		Paid Media		Total	
tEUR	**2021**	2020	**2021**	2020	**2021**	2020
Revenue	**120,188**	**74,184**	**56,863**	**17,002**	**177,051**	**91,186**
Cost	68,947	38,820	52,329	14,214	121,276	53,034
Operating profit before depreciation, amortisations and special items	**51,241**	**35,364**	**4,534**	**2,788**	**55,775**	**38,152**
EBITDA-Margin before special items	43%	48%	8%	16%	32%	42%
Special items, net	-16,746	563	0	-443	-16,746	120
Operating profit before depreciation and amortisations	**34,496**	**35,927**	**4,534**	**2,345**	**39,030**	**38,272**
Depreciation	1,726	1,532	38	16	1,764	1,548
Operating profit before amortisations	**32,769**	**34,395**	**4,496**	**2,329**	**37,265**	**36,724**
EBITA-Margin	27%	46%	8%	14%	21%	40%

Notes

3 Segment information (continued)

US / Rest of World

In 2021, Following the acquisition of Action Network (included in Group accounts from the time of closing on May 28, 2021), Better Collective has reported on the geographical segments US and RoW (Rest of World), measuring and disclosing separately for Revenue, Cost and Earnings.

Comparative figures have been re-stated according to the new segment reporting.

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

The performance for US and Rest of World segments is presented in the below table:

	Rest of world		US		Total	
tEUR	**2021**	2020	**2021**	2020	**2021**	2020
Revenue	**130,021**	**81,181**	**47,030**	**10,005**	**177,051**	**91,186**
Cost	91,789	45,127	29,487	7,907	121,276	53,034
Operating profit before depreciation, amortisations and special items	**38,232**	**36,054**	**17,544**	**2,098**	**55,775**	**38,152**
EBITDA-Margin before special items	29%	44%	37%	21%	32%	42%
Special items, net	2,745	-366	-19,491	486	-16,746	120
Operating profit before depreciation and amortisations	**40,976**	**35,688**	**-1,947**	**2,584**	**39,030**	**38,272**
Depreciation	1,474	1,104	290	444	1,764	1,548
Operating profit before amortisations	**39,502**	**34,584**	**-2,236**	**2,140**	**37,265**	**36,724**
EBITA-Margin	30%	43%	-5%	21%	21%	40%

Notes

4 Revenue specification – affiliate model

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

tEUR	2021	2020
Revenue		
Revenue Share	67,858	53,697
CPA	80,423	22,251
Revenue - Subscription	11,770	5,645
Aff. Revenue Other	17,001	9,593
Total Revenue	**177,051**	**91,186**

%-split	2021	2020
Revenue		
Revenue Share	38	59
CPA	45	24
Revenue - Subscription	7	6
Aff. Revenue Other	10	11
Total Revenue	**100**	**100**

The Group has earned 37.8 mEUR in revenues from one major customer, which represents 21 % of the Group's revenue (2020: 36%). The effect of consolidating new acquisitions on a full year basis will be a further decline of this percentage.

◆ Accounting principles:

Revenue
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The Group's revenue is derived from affiliate marketing activities and subscription services, as follows:

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

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

Aff. 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 recognised when the service is delivered.

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

5 Staff and other costs

tEUR	2021	2020
Wages and salaries	32,681	19,188
Pensions, defined contribution	3,009	1,974
Other social security costs	2,465	1,521
Share-based payments	1,203	955
Other staff costs	1,455	518
Total staff costs	**40,813**	**24,156**
Average number of full-time employees	635	420
Remuneration to Executive Directors		
Wages and salaries	1,150	765
Pensions, defined contribution	119	87
Other social security costs	2	2
Share-based payments	205	455
Total	**1,475**	**1,308**
Remuneration to Board of Directors		
Wages and salaries	297	195
Share-based payments	27	32
Total	**324**	**226**

Notes

5 Staff and other costs (continued)

Board Fees

tEUR	Jens Bager	Klaus Holse	Leif Nørgaard	Petra von Rohr	Therese Hillman	Todd Dunlap	Søren Jørgensen	Total
2021	**105**	**37**	**44**	**37**	**27**	**65**	**9**	**324**
2020	69	25	29	25	0	56	25	228

Remuneration to executive directors

tEUR	Jesper Søgaard	Christian Kirk Rasmussen	Flemming Pedersen	Total
2021				
Wages and salaries	370	370	409	1,150
Pensions, defined contribution	31	31	57	119
Other social security costs	1	1	1	2
Share-based payments	51	51	104	205
Total	**453**	**453**	**570**	**1,475**
2020				
Wages and salaries	216	216	332	765
Pensions, defined contribution	22	22	43	87
Other social security costs	1	1	1	2
Share-based payments	121	121	213	455
Total	**360**	**360**	**589**	**1,308**

◆ **Accounting principles:**

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 recognised in the period to which they relate.

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

Notes

6 Share-based payment plans

2017 Warrant program:
During the year 2021 the company did not grant any warrants under this program.

During the year 2021, employees have exercised warrants corresponding to 388,534 shares issued.

Expenses for the first vesting period are recognised based on expected retention rates and performance factors.

2019 Warrant program:
No grants nor exercises has taken place during the year.

Expenses for the first vesting period are recognised based on expected retention (75%) and the performance factor, which is 83% for 2021.

2020 Warrant programs:

2020 KE warrant program
No grants nor exercises has taken place during the year.

Expenses for the first vesting period are recognised based on expected retention (75%/100%) and the performance factor, which is 83% for 2021.

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 sharebased payment transactions*. The vesting periods range from 2022-2024 and the exercise periods range from 2024 to 2026.

Expenses for the first vesting period are recognised based on expected retention (75%) and the performance factor, which is 83% for 2021.

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 sharebased payment transactions*. The vesting periods

	Board of Directors	Executive directors	Other key Management personnel	Total, numbers	Exercise price, weighted average EUR
Share options outstanding at January 1, 2020	**0**	**874,644**	**1,173,700**	**2,048,344**	**5.40**
Granted	25,000	0	260,000	285,000	13.76
Forfeited/expired	0	0	68,840	68,840	6.90
Exercised	0	0	226,116	226,116	1.74
Transferred	0	0	0	0	0
Share options outstanding at December 31, 2020	**25,000**	**874,644**	**1,138,744**	**2,038,388**	**6.92**
Of this exercisable at the end of the period	0	91,530	162,208	253,738	1.74
Share options outstanding at January 1, 2021	**25,000**	**874,644**	**1,138,744**	**2,038,388**	**6.92**
Granted	0	0	1,097,301	1,097,301	19.39
Forfeited/expired	0	0	116,031	116,031	8.52
Exercised	0	150,000	238,534	388,534	1.74
Transferred	0	0	0	0	0
Share options outstanding at December 31, 2021	**25,000**	**724,644**	**1,881,480**	**2,631,124**	**8.72**
Of this exercisable at the end of the period	0	124,644	182,550	307,194	1.74

* The Board of Directors maintains the right to settle the incentive programs in cash.

Notes

6 Share-based payment plans (continued)

range from 2022-2024 and the exercise periods range from 2024 to 2026.

Expenses for the first vesting period are recognised based on expected retention (75%) and the performance factor, which is 100% for 2021.

Warrant programs impact in accounts:
The total share based compensation expense recognised for the full year 2021 is 3,688 tEUR (2020: 955 tEUR), of which the 2019 program is 376 tEUR, 2020 Key Employees program is 501 tEUR, 2020 Board Member program is 27 tEUR, 2021 Key Employees program is 299 tEUR, 2021 MIP PSU program is 2,124 tEUR, and 2021 MIP Share Options program is 360 tEUR. The cost of the MIP Action program is included as special items in total (2,485 tEUR).

The weighted average remaining contractual life of warrants to key employees outstanding as of December 31, 2021 and 2020 was 2.95 and 3.27 years respectively. The weighted exercise prices for outstanding warrants as of December 31, 2021 and 2020 was EUR 8.72 and EUR 6.92.

Board of Directors, Executive Directors, and Key Employees

	2021	2020	2019	2018
Dividend yield (%)	0%	0%	0%	6%
Expected volatility (%)*	50%	45-50%	35%	30%
Risk free interest rate (%)	0%	0%	0%	1%
Expected life of warrants (years)	4.4-5	5	5	5
Share price (EUR)	18.34	12.21	7.89	2.59-5.22
Exercise price (EUR)	19.44	13.76	8.68	1.74
Fair Value at grant date (EUR)	7.19	4.73	2.17	0.41 - 2.32

* Based on analysis of historical market data for Better Collective A/S and peers

Accounting principles:

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

The cost is recognised 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 recognised 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 recognised as at the beginning and end of that period.

The non-employee directors that have been granted warrants are entitled to the total number of warrants immediately. Accordingly, these awards are considered to vest immediately and therefore the related compensation expense is recognised in full on the date the warrants are granted.

No expense is recognised 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

	Group	
tEUR	2021	2020
Fee related to statutory audit	291	198
Fees for tax advisory services	0	0
Assurance engagements	20	22
Other assistance	0	48
	311	**268**

Notes

8 Special items

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

tEUR	2021	2020
Operating profit	**28,749**	**30,489**
Special Items related to:		
Special items related to M&A	-5,991	-676
Variable payments regarding acquisitions - cost	-11,487	0
Variable payments regarding acquisitions - income	2,952	658
Special items related to Restructuring	-6	-493
Special items related to Divestiture of Assets	272	632
Special items related to Management Incentive Program	-2,485	0
Special items, total	**-16,746**	**120**
Operating profit (EBIT) before special items	**45,495**	**30,369**
Amortisations	8,516	6,235
Operating profit before amortisations and special items (EBITA before special items)	**54,011**	**36,604**
Depreciation	1,764	1,548
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	**55,775**	**38,152**

Accounting principles:

Special items
Significant expenses and income, which Better Collective consider non-recurring, 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. The income statement and key figures include the subtotals 'Operating profit before depreciation, amortisations, and special items', 'Operating profit before amortisations and special items' and 'Operating profit before special items", as these are assessed to provide a more transparent and comparable view of Better Collective's ongoing performance. Better Collective considers items related to M&A, adjustments to Earn-out payments, cost related to restructuring, income from divestiture of non-strategic assets, and cost related to the Action Network Management Incentive Program, as special items. ◆

9 Finance income

tEUR	2021	2020
Exchange gains	3,349	1,925
Interest Income	11	40
Other financial income	23	0
Total finance income	**3,383**	**1,965**

10 Finance costs

tEUR	2021	2020
Exchange losses	1,957	1,688
Interest expenses	2,084	1,460
Interest - right of use assets (Leasing)	120	156
Other financial costs	1,743	438
Total finance costs	**5,905**	**3,742**

Accounting principles:

Financial income and expenses
Financial income and expenses are recognised 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	2021	2020
Tax for the period	8,935	6,785
Tax on other comprehensive income	3,629	-751
Total	**12,564**	**6,034**

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

tEUR	2021	2020
Deferred tax	-38	-1,036
Current tax	8,890	7,848
Adjustment from prior years	84	-27
Total	**8,935**	**6,785**

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

tEUR	2021	2020
Specification for the year:		
Calculated 22% tax of the result before tax	5,770	6,317
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	297	376
Tax effect of:		
Special Items - non tax-deductable	2,110	0
Other Non-taxable income	0	-388
Other Non-deductible costs	676	507
Adjustment of tax relating to prior years	84	-27
Total	**8,935**	**6,785**
Effective tax rate	**34.1%**	**23.6%**

tEUR	2021	2020
Deferred tax liabilities		
Deferred tax liabilities January 1	24,586	20,360
Additions from business acquisitions	33,197	5,262
Adjustments of deferred tax in profit and loss	-38	-1,036
Exchange rate adjustments	2,305	0
Deferred tax liabilities December 31	**60,050**	**24,586**
Deferred tax is recognised in the balance sheet as:		
Deferred tax asset*	9,545	621
Deferred tax liability	69,595	25,207
Deferred tax liabilities December 31	**60,050**	**24,586**
Deferred tax is related to:		
Intangible assets	69,649	25,263
Losses carried forward	-9,545	-621
Property, plant and equipment	-55	-55
Deferred tax liabilities December 31	**60,050**	**24,586**

*Relates to brought forward tax losses in BC US to be used within the coming 3-5 years.

tEUR	2021	2020
Income tax payable, net		
Income tax payable January 1	1,196	3,280
Exchange differences	87	85
Tax on other comprehensive income	3,629	-751
Current tax	8,890	7,848
Tax from prior year	84	-27
Additions from business acquisitions	2	702
Income tax paid during the year	-12,654	-9,940
Income tax payable December 31	**1,235**	**1,196**
Income tax is recognised in the balance sheet as:		
Corporation tax receivable	500	788
Corporation tax payable	1,735	1,985
Income tax payable December 31	**1,235**	**1,196**

Notes

11 Income tax (continued)

Accounting principles:

The tax expense for the year, which comprises current tax and changes in deferred tax, is recognised 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 recognised in other comprehensive income is recognised 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 recognised 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 recognised. However, deferred tax is not recognised 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 recognised under other non-current assets at the expected value of their utilisation; 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 crystallise 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 recognised in the balance sheet as corporation tax receivable or corporation tax payable. ◆

Notes

12 Intangible assets

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

	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation				
As of January 1, 2020	**41,968**	**132,848**	**20,963**	**195,779**
Additions	0	761	309	1,070
Acquisitions through business combinations	58,955	20,551	3,900	83,406
Transfer	0	0	0	0
Disposals	0	0	0	0
Currency Translation	-1,609	-3,887	4	-5,492
At December 31, 2020	**99,315**	**150,274**	**25,175**	**274,764**
Amortisation and impairment				
As of January 1, 2020	**0**	**0**	**9,008**	**9,008**
Amortisation for the period	0	0	6,235	6,235
Impairment included in Special items	0	0	558	558
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	-4	-4
At December 31, 2020	**0**	**0**	**15,797**	**15,797**
Net book value at December 31, 2020	**99,315**	**150,274**	**9,378**	**258,967**

Notes

12 Intangible assets (continued)

Accounting principles:

Goodwill and intangible assets

Goodwill

Goodwill is initially recognised at cost. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised 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 recognised if the recoverable amount of the cash-generating unit to which goodwill has been allocated is less than the carrying amount of the cash-generating unit. Identification of cash-generating units is based on the management structure and internal financial controls.

Intangible assets

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

Intangible assets with a finite useful life are amortised over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation 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 amortised over the lifetime of the agreement

Intangible assets with indefinite useful lives (domains and websites) are not amortised, 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 recognised in the statement of profit or loss when the asset is derecognised.

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

Amortisation

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

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

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

13 Goodwill and intangible assets with indefinite life

The Group's addition of goodwill and domain names and websites for 2021 arise from the acquisitions of business combinations Action Network Inc. and Mindway ApS as described in note 22. Domains and websites acquired in the parent company as asset transactions are also included.

Goodwill and domain names and websites arising on business combinations are not subject to amortisation, 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. Better Collective continues to have four cash generating units with the 2021 acquisitions of Action Network Inc. and Mindway ApS included in US CGU and Rest CGU, respectively. Performance and cash flows from domain names and websites owned by the individual cash generating units are allocated and forms the basis for impairment.

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

2021

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

2020

tEUR	US	HLTV	Atemi	Rest	Total
Goodwill	16,485	17,777	41,178	23,875	99,315
Domains and Websites	40,407	20,551	0	89,315	150,274

As at December 31, 2020 and December 31, 2021 the directors have evaluated goodwill, domains and websites for impairment. The directors are of the view that the carrying amount of domains and goodwill is recoverable on the basis that the cashflows generated from these assets are in line, or exceed, the estimated projections made prior to the acquisitions. The directors are satisfied that the judgements made are appropriate to the circumstances.

Notes

13 Goodwill and intangible assets with indefinite life (continued)

Recoverable amount

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

Impairment test:

For all CGUs US, HLTV, Atemi and the rest of Better Collective, the Group has performed an impairment test on goodwill and domain names and websites as of December 31, 2021, on a value-in-use basis. Management has based the value in use by estimating the present value of future cash flows from a three-year forecast approved by the Board of Directors and corresponding to the Group's long-term forecast for 2022-2024. Key parameters in the forecast are trends in revenue, cost development and growth expectations. Beyond this, 2025 and 2026 has been forecasted with a declining growth margin. The time horizon in the forecast has been increased from three to five years compared to the 2020 impairment testing. Based on 2026 EBITDA and cash flow Management has applied a terminal value rate of 2%. The cash flows assume a discount factor of 15% based on the Group's weighted average cost of capital (WACC) in all years 2022-2026, with individual tax rates per country (19-26.5%). The Board of Directors have approved the inputs to the impairment testing and are satisfied that the judgements made are appropriate.

Other domains and websites:

Further to the CGUs, acquired domains and websites with indefinite life have been individually evaluated for indicators of impairment. The evaluation is based on actual traffic on the websites, as well as actual and expected revenue and NDCs generated by the accounts with operators that are linked to the websites. The evaluation of acquired revenue share accounts in the Netherlands, following the regulatory development and operator decisions to discontinue old player databases, resulted in an impairment of 1.7 mEUR. The liability related to the asset, recorded as a variable payment, was reduced and the adjustment of 2.9 mEUR was included in Special items.

In 2020, the evaluation of one of the intangible assets resulted in an impairment of 558 tEUR. The liability related to the asset was reduced in the assessment and the net impact (profit) on P/L was included in Special items.

Besides the impairment mentioned above, 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 recognised.

◆ Accounting principles:

Business combinations and goodwill

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

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

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

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 recognised at fair value. Subsequent changes in the fair value of contingent consideration are recognised 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.

Notes

13 Goodwill and intangible assets with indefinite life (continued)

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

14 Property, plant and equipment

tEUR	Land and buildings	Right of use assets	Fixtures and fittings, other plant and equipment	Total
Cost or valuation				
At December 31, 2020	**813**	**4,849**	**2,383**	**8,045**
Additions	35	1,072	655	1,762
Acquisitions through business combinations	0	0	98	98
Disposals	-790	-624	-2	-1,416
Currency Translation	1	31	23	54
At December 31, 2021	**59**	**5,328**	**3,157**	**8,544**
Depreciation and impairment				
At December 31, 2020	**92**	**1,623**	**935**	**2,650**
Depreciation for the period	8	1,147	613	1,768
Depreciation on disposed assets	-91	-219	-20	-330
Currency translation	3	70	17	90
At December 31, 2021	**13**	**2,620**	**1,546**	**4,179**
Net book value at December 31, 2021	**47**	**2,708**	**1,610**	**4,365**

Notes

14 Property, plant and equipment (continued)

tEUR	Land and buildings	Right of use assets	Fixtures and fittings, other plant and equipment	Total
Cost or valuation				
At December 31, 2019	787	3,570	1,894	6,250
Additions	24	1,269	453	1,746
Acquisitions through business combinations	0	61	61	
Disposals	0	0	-6	-6
Currency Translation	3	10	-19	-6
At December 31, 2020	**813**	**4,849**	**2,383**	**8,045**
Depreciation and impairment				
At December 31, 2019	**68**	**565**	**487**	**1,119**
Depreciation for the period	21	1,061	437	1,519
Depreciation on disposed assets	0	0	-6	-6
Currency translation	3	-2	17	18
At December 31, 2020	**92**	**1,623**	**935**	**2,650**
Net book value at December 31, 2020	**721**	**3,225**	**1,449**	**5,395**

◆ Accounting principles:

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 recognised 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 recognised for these assets during the period.

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

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

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

Notes

15 Trade and other receivables

tEUR	2021	2020
Trade receivables	26,102	17,401
Other receivables	3,981	847
Total receivables	**30,083**	**18,248**

Accounting principles:

Receivables
Receivables are measured at amortised 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 recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

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

16 Issued capital and reserves

tEUR	2021	2020	2019	2018	2017	2016
Share capital:						
Opening balance	469.0	464.3	404.9	68.5	68.4	67.9
Capital increase	77.2	4.8	59.4	336.4	0.1	0.6
Total	**546.2**	**469.0**	**464.3**	**404.9**	**68.5**	**68.4**

The share capital consists of 54,625,157 shares of nominal EUR 0.01 each.

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

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

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

Share buy-back-2020
During March-June 2020 the company purchased 625,964 shares at an average price of 8 EUR. The buy-back was approved by the Board of Directors with the purpose to cover existing and future deferred aquisition related payment obligations with 180,458 and 445,265 shares respectively.

241 treasury shares remained as of December 31, 2020.

Accounting principles:

Equity

Treasury shares
Treasury shares are own equity instruments that are re-acquired. They are recognised 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 recognised directly in equity in retained earnings.

Share premium
Share premium can be used for dividend.

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

17 Distributions made and proposed

tEUR	2021	2020
Declared and paid during the year on ordinary shares	0	0
Proposed dividend on ordinary shares	0	0

Accounting principles:

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

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

Notes

18 Trade and other payables

tEUR	2021	2020
Trade Payables	9,866	7,166
Other payables	8,527	3,080
Total payables	**18,393**	**10,247**

Accounting principles:

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

19 Leasing

Right-of-use assets

tEUR	Buildings	Cars	Total
Balance at January 1, 2021	**3,225**	**0**	**3,225**
Additions	480	0	480
Additions from acquisitions	0	0	0
Modifications	127	0	127
Exchange rate adjustment	22	0	22
Depreciation	1,147	0	1,147
Balance at December 31, 2021	**2,707**	**0**	**2,707**
Balance at January 1, 2020	**2,982**	**23**	**3,005**
Additions	314	0	314
Additions from acquisitions	931	0	931
Modifications	51	-23	28
Exchange rate adjustment	6	0	6
Depreciation	1,059	0	1,059
Balance at December 31, 2020	**3,225**	**0**	**3,225**

Lease liabilities

tEUR	2021	2020
Maturity analysis - contractual undiscounted cash flows		
Less than one year	1,283	1,193
One to five years	1,735	2,386
More than five years	-	-
Total undiscounted cash flows	**3,017**	**3,579**
Total lease liabilities	**2,868**	**3,386**
Current	1,347	1,262
Non-current	1,521	2,124

The total cash outflow for leases during 2021 was 1,266 tEUR.

Amounts recognised in the consolidated income statement

tEUR	2021	2020
Interest on lease liabilities	120	156
Expenses relating to short-term lease	543	169
Expenses relating to lease of low value assets	2	1

Accounting principles:

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 recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes

19 Leasing (continued)

Right-of-use assets

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

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 minimise 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. With the 2020 and 2021 acquisitions of Atemi Ltd. and Action Network Inc., the group's currency risk has spread as these companies operate in GBP and US with both revenue and expenses denominated in these currencies. Across the Group, expenses have a general pattern which is in line with the revenue in the individual currencies. The expenses are mainly in DKK, EUR, GBP, and USD, with limited spending in SEK, RON and PLN. The DKK exchange rate is fixed to the EUR. For GBP and USD, the expenses are linked to and follow the revenue in the entities operating in UK and US, respectively. Since revenues in other foreign currencies than DKK, EUR, GBP, and USD (SEK and PLN) are limited and expenses in SEK, PLN, and RON reduces the exposure, the Group is not overly exposed to foreign currency risk.

Within the group, the US acquisitions are funded from the parent company through a long-term loan in USD to Better Collectiv eUS, Inc. The exchange rate adjustments and corresponding tax impact on these loans are included in Other Comprehensive Income.

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from the credit facility with Nordea and deposits held by the Group. These are short-term and not material amounts. Management expects to re-pay the credit facility in the short term, as the Group is generating positive cash flows. Therefore, exposure to interest rate risk is considered minimal.

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

Credit risk

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

As per December 31, 2021 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, 2021 can be specified as follows:

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

As no significant losses were recognised during 2021, expected loss rate has been reduced compared to loss percentage recorded in 2020:

Expected credit loss on receivables from trade recievables as of December 31, 2020 were:

tEUR	Expected Loss Rate	Gross receivable	Expected loss	Net receivable
2020				
Not Due	0.0%	8,769	0	8,769
Less than 30 days	0.2%	3,883	8	3,875
Between 31 and 60 days	3.4%	765	26	739
Between 61 and 90 days	10.6%	361	38	323
More than 91 days	16.8%	4,437	744	3,694
Total		**18,217**	**816**	**17,401**

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, contingent consideration, 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 (continued)

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

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

Notes

20 Financial risk management objectives and policies (continued)

Contractual cash flows:	Carrying amount	Fair Value	Total	< 1 year	2-5 years	> 5 years
2020						
Non-derivative financial instruments:						
Financial liabilities measured at fair value						
Earn-Out consideration	7,882	7,882	8,173	2,688	5,484	0
Contingent consideration	23,305	23,305	24,346	11,770	12,576	0
Other financial liabilities measured at fair value	4,237	4,237	4,373	744	3,629	0
Financial liabilities measured at amortised costs						
Trade and other payables	3,422	3,422	3,422	3,422	0	0
Deferred payment on acquisitions	6,526	6,526	6,559	5,176	1,384	0
Debt to mortgage credit institutions	527	527	536	26	100	410
Debt to credit institutions	68,770	68,770	71,672	963	70,709	0
Total non-derivative financial instruments	**114,669**	**114,669**	**119,081**	**24,788**	**93,883**	**410**
Assets:						
Financial assets measured at amortised costs						
Non-current financial assets*	555	555	572	572	0	0
Trade and other receivables	18,248	18,248	18,248	18,248	0	0
Restricted Cash	6,926	6,926	6,926	6,926	0	0
Cash	21,127	21,127	21,127	21,127	0	0
Total financial assets	**46,857**	**46,857**	**46,873**	**46,873**	**0**	**0**
Net	67,812	67,812	72,209	-22,085	93,883	410

*Non-current financial assets consist of a subordinated loan to Mindway Ai.

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

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

Fair value

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

Capital Management

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

Credit facilities

Better Collective has non-current bank credit facilities of total 124 mEUR, of which 121 mEUR was drawn up end of December 2021. As of December 31, 2021 cash and unused credit facilities, amounted to approximately 33 mEUR.

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

Notes

20 Financial risk management objectives and policies (continued)

Change in liabilities arising from financing activity

tEUR	2019	Cash flows Net	Non cash flow changes	2020	Cash flows Net	Non cash flow changes	**2021**
Non-current financing liabilities	17,259	51,893	125	69,277	52,323	-575	121,025
Leasing and other non-current liabilities (vacation fund)	2,607	484	-122	2,968	-844	-603	1,521
Current financing liabilities	20	-20	20	20	-20	0	0
Leasing and other non-current liabilities	846	-1,025	1,441	1,262	-1,147	1,231	1,347
Total liabilities from financing activities	**20,731**	**51,332**	**1,464**	**73,527**	**50,303**	**53**	**123,894**

Accounting principles:

Cash
Cash comprise cash at bank and on hand.

Restricted Cash
Restricted cash comprise cash in escrow account.

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

Earn-out amounts are measured at fair value.

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

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

Notes

21 Change in working capital

tEUR	2021	2020
Change in receivables	-8,418	-1,653
Prepaid expenses	-472	-26
Prepayment from customers	460	97
Change in trades payable, other debt	4,390	796
Change in working capital, total	**-4,040**	**-786**

22 Business combinations

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

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

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Sites	153,670
Accounts and other intangible assets	7,773
Deferred tax assets	9,585
Equipment	88
Deposits	183
Prepayments	237
Trade receivables	2,141
Other receivables	147
Cash and cash equivalents	8,131
Deferred tax liabilities	-42,782
Trade payables	-1,245
Prepayments from customers	-2,297
Other payables	-1,566
Identified net assets	**134,054**
Goodwill	69,157
Total consideration	**203,221**

A goodwill of 69,157 tEUR emerged from the acquisition of Action Network as an effect of the difference between the transferred consideration and the fair value of acquired net assets. Goodwill is connected to the future growth expectations given the strong platform and growth expectations for the US market with regulation for online sports betting being implemented across States. The goodwill is not tax deductible.

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

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

tEUR	
Purchase amount	203,221
Regards to:	
Cash and cash equivalents	8,131
Less deferred payment	8,167
Less price paid in shares	9,388
Net cash outflow	177,535

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

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

Notes

22 Business combinations (continued)

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

The transferred consideration was paid with cash.

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

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

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

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

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

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

Business Combinations 2020

Acquisition of Atemi Ltd.
On October 1st, 2020, Better Collective completed the acquisition of Atemi Group for 44 mEUR net of cash and working capital. Atemi Group is one of the World’s largest companies specialised within lead generation for iGaming through paid media (PPC) and social media advertising. The acquisition is a major strategic move for Better Collective with significant synergistic opportunities.

The transferred consideration is paid with cash and treasury shares and a deferred payment payable in cash.

Atemi Ltd.

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Accounts & other intangible assets	3,900
Equipment	61
Deposits	81
Trade and other receivables	4,993
Prepayments	195
Cash and cash equivalents	2,442
Deferred tax liabilities	-741
Corporate tax payables	-122
Trade and other payables	-5,869
Identified net assets	**4,940**
Goodwill	41,178
Total consideration	**46,118**

Notes

22 Business combinations (continued)

A goodwill of 41,178 tEUR emerged from the acquisition of Atemi Ltd. as an effect of the difference between the transferred consideration and the fair value of acquired net assets. Goodwill is connected to the future growth expectations given the strong competencies and brands acquired, and leveraging Better Collective's existing operator agreements and monetisation models. The goodwill is not tax deductible.

Transaction costs related to the acquisition of Atemi Ltd. amounts to 443 tEUR in 2020. Transaction costs are accounted for in the income statements under "special items".

The fair value of the trade receivables amounts to 4,914 tEUR. The gross amount of trade receivables is 5,282 tEUR and a provision of 367 tEUR has been recorded in accordance with IFRS9.

tEUR	
Purchase amount	46,118
Regards to:	
Cash and cash equivalents	2,442
Deferred Payment - adjustment of et Working Capital opening balance	59
Deferred Payment - payable in shares	5,210
Deferred Payment - payable in cash instalments	8,293
Net cash outflow	30,113

The acquisition was completed on October 1, 2020. If the acquisition would have taken place on January 1, 2020 the Group's revenue YTD would have amounted to 126,739 tEUR and result after tax YTD would have amounted to 25,878 tEUR.

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

Acquisition of HLTV ApS.
On February 28, 2020, Better Collective acquired HLTV, which owns the website HLTV.org, thereby establishing a strong position within the esport betting market. HLTV ApS in incorporated in Denmark

The transferred consideration is paid with cash, a deferred payment payable with shares, and an estimated conditional purchase amount.

HLTV ApS

tEUR	**Fair value determined at acquisition**
Acquired net assets at the time of the acquisition	
Domains and websites	20,551
Deposits	5
Trade and other receivables	54
Cash and cash equivalents	396
Deferred tax liabilities	-4,521
Corporate tax payables	-580
Trade and other payables	-98
Identified net assets	**15,808**
Goodwill	17,777
Total consideration	**33,585**

A goodwill of 17,777 tEUR emerged from the acquisition of HLTV as an effect of the difference between the transferred consideration and the fair value of acquired net assets. Goodwill is primarily connected to the future growth expectations given the strong brand acquired, and leveraging Better Collective's existing operator agreements and monetisation models. The goodwill is not tax deductible.

Transaction costs related to the acquisition of HLTV amounts to 77 tEUR in 2020. Transaction costs are accounted for in the income statements under "special items".

The fair value of the trade receivables amounts to 28 tEUR. The gross amount of trade receivables is 28 tEUR and no impairment has been recorded.

tEUR	
Purchase amount	33,585
Regards to:	
Cash and cash equivalents	396
Deferred return payment - adjustment of Net Working Capital opening balance	-542
Deferred Payment - payable in shares	2,678
Estimated conditional purchase amount (at fair value)	7,737
Net cash outflow	23,316

An additional conditional consideration depends on the development of the results in the acquired company. At the date of the acquisition, the debt assigned to the conditional consideration amounted to 8 mEUR (fair value of 7,7 mEUR). The maximum amount of the conditional payment is 8 mEUR.

The acquisition was completed on February 28, 2020. If the acquisition would have taken place on January 1, 2020 the Group's revenue YTD would have amounted to 92,058 tEUR and result after tax YTD would have amounted to 22,268 tEUR.

Notes

23 Related party disclosures

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

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

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

Leading employees

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

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

Transactions with related parties have been as follows:

tEUR	**2021**	2020
Capital increase – gross	0	0
Sale of warrants	0	0
Warrants settled, net of tax	0	0
Warrants board member (included in board remuneration)	27	32

Notes

24 Group information

Information about subsidiaries
The consolidated financial statements of the Group include the following subsidiaries:

December 31, 2021

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

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

Notes

24 Group information

Information about subsidiaries (Contiued)
The consolidated financial statements of the Group include the following subsidiaries:

December 31, 2021

				Capital	
Name	**Ownership**	**Country**	**City**	**Currency**	**Local currency**
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	3
Better Collective Netherlands B.V.	100%	Netherlands	Amsterdam	EUR	1

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

Notes

24 Group information

Information about subsidiaries

The consolidated financial statements of the Group include the following subsidiaries:

December 31, 2020

Name	Ownership	Country	City	Capital Currency	Capital Local currency
Better Collective GmbH*	100%	Austria	Vienna	tEUR	36
Hebiva Beteiligungen GmbH	100%	Austria	Vienna	tEUR	40
Better Collective SAS	100%	France	Paris	tEUR	100
Better Collective D.o.o.	100%	Serbia	Niš	tRSD	620
Bola Webinformation GmbH	100%	Austria	Vienna	tEUR	35
Better Collective Greece P.C.	100%	Greece	Thessaloniki	tEUR	10
Kapa Media Services Ltd.	100%	Malta	Naxxar	EUR	1,200
Better Collective Sweden AB	100%	Sweden	Stockholm	tSEK	50
Better Colllective UK Ltd	100%	United Kingdom	Stoke on Trent	GBP	1
Better Collective Poland SP Z o o	100%	Poland	Krakow	tPLN	5
Moar Performance Ltd	100%	United Kingdom	London	GBP	1
Better Collective Romania SRL	100%	Romania	Bucharest	tRON	50
Better Collective USA Inc	100%	USA	New York	USD	1
Better Collective Florida LLC**	100%	USA	Nashville	USD	1
Better Collective Tennessee LLC***	60%	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
Your Media Ltd****	100%	United Kingdom	Tunbridge wells	tGBP	0
HLTV ApS	100%	Denmark	Aarhus	tDKK	50

* Better Collective GmbH is 100% owned by Hebiva Beteiligungen GmbH. **Better Collective Florida LLC is 100% owned by Better Colective USA Inc.
*** Better Collective Tennessee LLC is 60% owned by Better Collective USA Inc. ****Subsidiaries are 100% owned by Atemi Ltd

Notes

25 Other contingent liabilities

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

26 Events after the reporting date

- January revenue reached >26 mEUR, more than double vs. January 2021, of which 69% was organic growth. Earnings (EBITDA before special items) were >11 mEUR. Performance was boosted by the market opening in the state of New York and related CPA income.

- On January 21, 2022, Better Collective entered into a media partnership with the New York Post to bring the best in commercial sports betting content to the publication's readership of more than 92 million unique users. The agreement covers the delivery of content, data, and statistics for the betting section of the New York Post. New York state opened for online sports betting on January 8, 2022. Better Collective is off to a great start across all assets, in particular Action Network.

- On January 11, 2022, the share buyback program of 10 mEUR initiated on December 8, 2021, was completed with 532,482 shares accumulated under the program.

- The board of directors have implemented a new Long Term Incentive Plan (LTI) for key employees in the Better Collective group (excluding the executive management). Grants under the new LTI will be in the form of performance share units and share options vesting over a 3-year period. The total value of the 2022 LTI grant program is 1.4 mEUR (Black-Scholes value) measured at the target level.

Parent Company financial statements

Statement of profit and loss

Note	tEUR	2021	2020
2	**Revenue**	**36,961**	**26,940**
	Other operating income	12,748	8,878
	Direct costs related to revenue	7,407	3,546
3,4	Staff costs	13,767	10,958
14	Depreciation	490	482
5	Other external expenses	15,080	9,129
	Operating profit before amortisations (EBITA) and special items	**12,963**	**11,702**
12	Amortisation	3,397	1,974
	Operating profit (EBIT) before special items	**9,566**	**9,728**
6	Special items, net	2,776	266
	Operating profit	**12,342**	**9,994**
9	Financial income	47,400	13,860
10	Financial expenses	5,102	6,573
	Profit before tax	**54,640**	**17,280**
11	Tax on profit for the period	6,947	1,563
	Profit for the period	**47,692**	**15,717**

Statement of comprehensive income

Note	tEUR	2021	2020
	Profit for the period	**47,692**	**15,717**
	Other comprehensive income		
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
	Currency translation to presentation currency	50	601
11	Income tax	0	0
	Net other comprehensive income/loss	50	601
	Total other comprehensive income/(loss) for the period, net of tax	**47,742**	**16,319**

Balance sheet

Note	tEUR	2021	2020
	ASSETS		
	Non-current assets		
12,13	**Intangible assets**		
	Domains and websites	26,189	15,185
	Accounts and other intangible assets	3,257	3,355
		29,446	**18,540**
14	**Property, plant and equipment**		
	Land and building	0	704
	Right of use assets	601	896
	Fixtures and fittings, other plant and equipment	310	317
		911	**1,917**
	Financial assets		
7	Investments in subsidiaries	189,318	183,856
8	Receivables from subsidiaries	245,349	36,969
8	Other non-current financial assets	0	1,146
	Deposits	170	160
		434,837	**222,131**
	Total non-current assets	**465,194**	**242,588**
	Current assets		
16	Trade and other receivables	7,683	4,648
19	Receivables from subsidiaries	22,428	1,657
	Tax receivable	0	653
	Prepayments	1,332	735
19	Restricted Cash	1,489	6,926
19	Cash	5,962	2,560
	Total current assets	**38,894**	**17,179**
	Total assets	**504,088**	**259,767**

Note	tEUR	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
	Share Capital	546	469
	Share Premium	267,873	108,826
	Currency Translation Reserve	554	494
	Treasury shares	-8,074	-2
	Retained Earnings	94,222	45,136
	Total equity	**355,121**	**154,923**
	Non-current Liabilities		
19	Debt to mortgage credit institutions	0	507
19	Debt to credit institutions	121,025	68,770
18	Lease liabilities	330	629
11	Deferred tax liabilities	1,996	1,163
19	Other non-current financial liabilities	4,939	8,795
	Total non-current liabilities	**128,290**	**79,864**
	Current Liabilities		
17	Trade and other payables	4,046	2,127
19	Payables to subsidiaries	9,273	12,585
11	Corporation tax payable	993	70
19	Other current financial liabilities	6,037	9,850
19	Debt to mortgage credit institutions	0	20
18	Lease liabilities	328	328
	Total current liabilities	**20,677**	**24,980**
	Total liabilities	**148,967**	**104,844**
	Total equity and liabilities	**504,088**	**259,767**

Statement of changes in equity

tEUR	Share capital	Share premium	Currency trans-lation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2021	**469**	**108,826**	**494**	**-2**	**45,136**	**0**	**154,923**
Result for the period	0	0	0	0	47,692	0	47,692
Other comprehensive income							
Currency translation to presentation currency	0	0	50	0	0	0	50
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	50	0	0	0	50
Total comprehensive income for the year	**0**	**0**	**50**	**0**	**47,692**	**0**	**47,742**
Transactions with owners							
Capital Increase	77	159,047	10	0	0	0	159,134
Acquisition of treasury shares	0	0	0	-8,135	0	0	-8,135
Disposal of treasury shares	0	0	0	71	11	0	82
Share based payments	0	0	0	0	3,688	0	3,688
Transaction cost	0	0	0	-8	-2,305	0	-2,313
Total transactions with owners	**77**	**159,047**	**10**	**-8,072**	**1,394**	**0**	**152,456**
At December 31, 2021	**546**	**267,873**	**554**	**-8,074**	**94,222**	**0**	**355,121**

During the period no dividend was paid.

tEUR	Share capital	Share premium	Currency trans-lation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As of January 1, 2020	**464**	**106,296**	**-108**	**0**	**27,060**	**0**	**133,712**
Result for the period	0	0	0	0	15,717	0	15,717
Other comprehensive income							
Currency translation to presentation currency	0	0	602	0	0	0	602
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	602	0	0	0	602
Total comprehensive income for the year	**0**	**0**	**602**	**0**	**15,717**	**0**	**16,319**
Transactions with owners							
Capital Increase	5	2,530	0	0	0	0	2,535
Acquisition of treasury shares	0	0	0	-4,903	0	0	-4,903
Disposal of treasury shares	0	0	0	4,901	1,437	0	6,338
Shared based payments	0	0	0	0	955	0	955
Transaction costs	0	0	0	0	-33	0	-33
Total transactions with owners	**5**	**2,530**	**0**	**-2**	**2,359**	**0**	**4,892**
At December 31, 2020	**469**	**108,826**	**494**	**-2**	**45,136**	**0**	**154,923**

During the period no dividend was paid.

Statement of cash flows parent

Note	tEUR	2021	2020
	Profit before tax	54,640	17,280
	Adjustment for finance items	-42,298	-7,286
	Adjustment for special items	-2,776	-266
	Operating Profit for the period before special items	9,566	9,728
	Depreciation and amortisation	3,887	2,456
	Other adjustments of non cash operating items	1,278	955
	Cash flow from operations before changes in working capital and special items	14,731	13,140
20	Change in working capital	-24,152	3,710
	Cash flow from operations before special items	-9,421	16,850
	Special items, cash flow	-447	-479
	Cash flow from operations	-9,868	16,371
	Dividend received	24,407	10,733
	Other Financial income, received	5,419	1,883
	Financial expenses, paid	-4,235	-1,713
	Cash flow from ordinary activities before tax	15,723	27,274
11	Income tax paid	-4,539	-2,105
	Cash flow from operating activities	**11,184**	**25,169**
7	Acquisition of businesses*	-9,489	-67,555
12	Acquisition of intangible asset	-11,591	-1,850
14	Acquisition of property, plant and equipment	-184	-75
14	Sale of property, plant and equipment	971	0
	Non-current loans to subsidiaries	-195,389	0
	Change in other non-current assets	-9	49
	Cash flow from investing activities	**-215,691**	**-69,431**

*Includes payment for Mindway Ai (2.3 mEUR), and deferred payments for Atemi and HLTV (7.2 mEUR)

Note	tEUR	2021	2020
19	Repayment of borrowings	-87,069	-22,756
19	Proceeds from borrowings	139,373	74,629
	Group Financial borrowings	3,520	-3,515
	Lease liabilities	-299	-281
	Other non-current liabilities	-844	486
	Capital increase	158,236	393
	Treasury Shares	-8,143	-4,903
	Transaction cost	-2,305	-33
	Cash flow from financing activities	**202,469**	**44,020**
	Cash flows for the period	-2,038	-242
	Cash and cash equivalents at beginning	9,486	9,704
	Foreign currency translation of cash and cash equivalents	3	24
	Cash and cash equivalents period end	**7,451**	**9,486**
	*** Cash and cash equivalents period end**		
	Restricted cash	1,489	6,926
	Cash	5,962	2,560
	Cash and cash equivalents period end	**7,451**	**9,486**

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 – affiliate model

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

tEUR	2021	2020
Revenue		
Revenue share	30,540	23,523
CPA	3,352	1,098
Other	3,069	2,320
Total Revenue	**36,961**	**26,940**

%-split	2021	2020
Revenue		
Revenue share	83	87
CPA	9	4
Other	8	9
Total Revenue	**100**	**100**

The parent company has earned 22.3 mEUR in revenues from one major customer, which represents 60% of the parent company's revenue (2020: 65%).

3 Staff costs

tEUR	2021	2020
Wages and salaries	11.244	9.035
Pensions, defined contribution	939	722
Other social security costs	222	140
Share-based payments	1.203	955
Other staff costs	159	106
Total staff costs	**13.767**	**10.958**
Average number of full-time employees	124	122

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

4 Share-based payments

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

5 Fees paid to auditors appointed at the annual general meeting

tEUR	2021	2020
Fee related to statutory audit	237	171
Fees for tax advisory services	0	0
Assurance engagements	20	22
Other assistance	0	48
	257	**241**

6 Special items

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

tEUR	2021	2020
Operating profit	**12,342**	**9,994**
Special items related to M&A	-441	-122
Special items related to variable payment	2,952	744
Special items related to Restructuring	-6	-356
Special items related to Divestiture of Assets	272	0
Special Items, total	**2,776**	**266**
Operating profit (EBIT) before special items	**9,566**	**9,728**
Amortisations	3,397	1,974
Operating profit before amortisations and special items (EBITA before special items)	**12,963**	**11,702**
Depreciation	490	482
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	**13,454**	**12,184**

Notes

7 Investments in subsidiaries

Subsidiaries

Name	Domicile	Interest %	2021 Equity tEUR	2021 Profit/loss tEUR	2020 Equity tEUR	2020 Profit/loss tEUR
Better Collective D.o.o.	Serbia	100%	903	240	665	(342)
Better Collective SAS	France	100%	6,248	5,038	10,709	4,165
Hebiva Beteiligungen GmbH	Austria	100%	2,334	2,251	4,822	2,353
Better Collective GmbH*	Austria	100%	32	2,242	32	2,346
Bola Webinformation GmbH	Austria	100%	4,751	4,716	4,067	4,032
Better Collective Greece P.C.	Greece	100%	1,052	310	1,573	660
Kapa Media Services Ltd.	Malta	100%	330	63	267	86
Better Collective Sweden AB	Sweden	100%	3,210	1,944	3,633	2,155
Better Colllective UK Ltd	United Kingdom	100%	(27)	(106)	74	56
Better Collective Poland SP Z o o	Poland	100%	259	119	142	96
Moar Performance Ltd	United Kingdom	100%	183	83	90	243
Better Collective Romania SRL	Romania	100%	89	64	26	12
Better Collective USA Inc	USA	100%	(13,583)	(12,659)	(459)	913
Better Collective Florida LLC**	USA	100%		79	(2,280)	(1,776)
Better Collective Tennessee LLC***	USA	100%	3,625	6,063	2,801	3,772
Atemi Ltd	Malta	100%	(162)	(31)	(120)	(16)
Hot Media Corp****	British Virgin Islands	100%	1,233	41	902	(939)
Force Media Inc****	British Virgin Islands	100%	(528)	(125)	(374)	1,481
Pedia Publications Ltd****	Guernsey	100%	(386)	311	(650)	147
5 Star Traffic Ltd****	British Virgin Islands	100%	3,822	584	3,004	909
FTD LABS Ltd****	Guernsey	100%	783	349	401	243
Better Collective UK Services Ltd (Former: Your Media Ltd)****	United Kingdom	100%	(152)	4	(145)	(457)
HLTV ApS	Denmark	100%	3,223	4,071	2,148	2,367
Mindway ApS	Denmark	100%	(931)	(350)		
Action Network Inc.	USA	100%	9,705	955		
Better Collective Netherlands B.V.	Netherlands	100%	39	39		

* Better Collective GmbH is 100% owned by Hebiva Beteiligungen GmbH. ** Better Collective Florida LLC was merged in to Better Collective US Inc. On May 1st, 2021
*** Better Collective Tennessee LLC is 60% owned by Better Collective USA Inc. **** Subsidiaries are 100% owned by Atemi Ltd.

Notes

7 Investments in subsidiaries (continued)

tEUR	2021	2020
Subsidiaries		
Cost at January 1	**183,856**	**103,024**
Additions*	4,770	80,372
Exchange rate to reporting currency	691	460
Cost at December 31	189,318	183,856
Carrying amount at December 31	**189,318**	**183,856**

* Cash flow impact in 2021: 9,489 tEUR (2020: 67,555 tEUR)

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

Investments in subsidiaries have been assessed for impairment in 2020 and 2021 and did not lead to any impairment in neither 2020 nor 2021.

◆ **Accounting principles:**

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

8 Non-current financial assets

tEUR	Receivables from Subsidiaries	Other non-current financial assets	Total
Cost at January 1, 2021	**36,969**	**1,146**	**38,115**
Additions	195,389	0	195,389
Disposals	0	-1,146	-1,146
Exchange rate adjustment	12,991	0	12,991
Cost at December 31, 2021	**245,349**	**0**	**245,349**
Carrying amount at 31 December, 2021	**245,349**	**0**	**245,349**
Cost at January 1, 2020	**36,714**	**1,175**	**37,889**
Additions	0	0	0
Disposals	0	-37	-37
Exchange rate adjustment	255	9	263
Cost at December 31, 2020	**36,969**	**1,146**	**38,115**
Carrying amount at 31 December, 2020	**36,969**	**1,146**	**38,115**

9 Finance income

tEUR	2021	2020
Exchange gains	19,701	2,325
Interest income	11	40
Interest expenses, group entities	3,281	781
Dividend income	24,407	10,714
Other financial income	0	0
Total finance income	**47,400**	**13,860**

10 Finance costs

tEUR	2021	2020
Exchange losses	1,681	5,096
Interest expenses	1,664	926
Interest - right of use assets (Leasing)	32	43
Interest expenses, group entities	108	164
Other financial costs	1,617	344
Total finance costs	**5,102**	**6,574**

Notes

11 Income tax

Total tax for the year is specified as follows:

tEUR	2021	2020
Tax for the year	6,948	1,563
Tax on other comprehensive income	0	0
Total	**6,948**	**1,563**

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

tEUR	2021	2020
Deferred tax	833	275
Current tax	6,015	1,297
Adjustment from prior years	100	-8
Total	**6,948**	**1,563**

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

tEUR	2021	2020
Specification for the year:		
Calculated 22% tax of the result before tax	12,021	3,802
Tax effect of:		
Non-taxable income (dividend)	-5,370	-2,440
Non-deductible costs	197	210
Adjustment from prior years	100	-8
	6,948	**1,563**
Effective tax rate	**12.7%**	**9.0%**

tEUR	2021	2020
Deferred tax liabilities		
Deferred tax liabilities January 1	**1,163**	**884**
Adjustments of deferred tax in profit and loss	833	279
Deferred tax December 31	**1,996**	**1,163**
Deferred tax is recognised in the balance sheet as:		
Deferred tax asset	0	0
Deferred tax liability	1,996	1,163
Deferred tax liabilities December 31	**1,996**	**1,163**
Deferred tax is related to:		
Intangible assets	2,051	1,218
Property, plant and equipment	-55	-55
Deferred tax liabilities December 31	**1,996**	**1,163**
Income tax payable		
Income tax payable January 1	**-583**	**233**
Current tax	6,015	1,297
Income tax paid during the year	-4,539	-2,105
Adjustment - Prior year	100	-8
Exchange rate difference	-1	2
Income tax payable December 31	**993**	**-583**

Notes

12 Intangible assets

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

tEUR	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation			
At January 1, 2020	**14,319**	**7,542**	**21,861**
Acquisitions*	807	305	1,113
Disposals	0	0	0
Currency Translation	58	31	88
At December 31, 2020	**15,185**	**7,878**	**23,063**
Amortisation and impairment			
At January 1, 2020	**0**	**1,982**	**1,982**
Amortisation for the period	0	2,533	2,533
Amortisation on disposed assets	0	0	0
Currency translation	0	8	8
At December 31, 2020	**0**	**4,523**	**4,523**
Net book value at December 31, 2020	**15,185**	**3,355**	**18,540**

*Cash flow impact in 2021: 11,591 tEUR (2020: 1,850 tEUR)

Notes

13 Intangible assets with indefinite life

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

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

Cash-generating units

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

Carrying amount of Domains and Websites for the CGU:

tEUR	**2021**	2020
Domains and Websites	26,189	15,185

As at December 31, 2020 and December 31, 2021, the directors have evaluated domains and websites for impairment. The directors are of the view that the carrying amount of domains and sites is recoverable on the basis that the cashflows generated from these assets are in line, or exceed, the estimated projections made prior to the acquisitions. The directors are satisfied that the judgements made are appropriate to the circumstances.

Recoverable amount

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

The parent company has performed an impairment test on domains and websites as of December 31, 2020 and December 31, 2021, on a value-in-use basis. Management has based the value in use by estimating the present value of future cash flows from a three-year forecast approved by the Board of Directors and corresponding to the Group's long-term forecast for 2022-2024. Key parameters in the forecast are trends in revenue, cost development and growth expectations. Beyond this, 2025 and 2026 has been forecasted with a declining growth margin. Based on 2026 EBITDA and cash flow Management has applied a terminal value rate of 2%. The cash flows assume a discount factor of 15% based on the Group's weighted average cost of capital (WACC) in all years 2022-2024 with an effective tax rate of 22% (pre-tax discount rate 18.5%). The Board of Directors have approved the inputs to the impairment testing and are satisfied that the judgements made are appropriate.

Further, acquired domains and websites with indefinite life have been individually evaluated for indicators of impairment. The evaluation is based on actual traffic on the websites, as well as actual and expected revenue and NDCs generated by the accounts with operators that are linked to the websites. The evaluation of acquired revenue share accounts in the Netherlands, following the regulatory development and operator decisions to discontinue old player databases, resulted in an impairment of 1.7 mEUR. The liability related to the asset, recorded as an earn-out payable, was reduced in the assessment and the impact on P/L of the earn-out adjustment of 2.9 mEUR was included in Special items.

Besides the impairment mentioned above, 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 recognised.

Notes

14 Property, plant and equipment

tEUR	Land and buildings	Right of use assets	Fixtures and fittings, other plant and equipment	Total
Cost or valuation				
At December 31, 2020	**790**	**1,502**	**786**	**3,077**
Additions	0	0	184	184
Disposals	-790	0	0	-790
Currency Translation	0	1	0	1
At December 31, 2021	**0**	**1,502**	**970**	**2,472**
Depreciation and impairment				
At December 31, 2020	**86**	**605**	**469**	**1,160**
Depreciation for the period	4	296	190	490
Depreciation on disposed assets	-91	0	0	-91
Currency translation	0	0	0	1
At December 31, 2021	**0**	**901**	**660**	**1,561**
Net book value at December 31, 2021	**0**	**601**	**310**	**911**

tEUR	Land and buildings	Right of use assets	Fixtures and fittings, other plant and equipment	Total
Cost or valuation				
At December 31, 2019	**787**	**1,495**	**713**	**2,995**
Additions	0	0	75	75
Disposals	0	0	-5	-5
Currency Translation	3	6	3	12
At December 31, 2020	**790**	**1,502**	**786**	**3,077**
Depreciation and impairment				
At December 31, 2019	**68**	**299**	**312**	**680**
Depreciation for the period	18	305	161	483
Currency translation	0	1	1	3
At December 31, 2020	**86**	**605**	**469**	**1,160**
Net book value at December 31, 2020	**704**	**896**	**317**	**1,917**

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	2021	2020
Trade receivables	7,516	4,647
Other receivables	167	1
Total receivables	**7,683**	**4,648**

17 Trade and other payables

tEUR	2021	2020
Trade Payables	998	473
Other payables	3,048	1,655
Total payables	**4,046**	**2,127**

18 Leasing

Right-of-use assets

tEUR	Buildings	Cars	Total
Balance at January 1, 2021	**896**	**0**	**896**
Depreciation	295	0	295
Balance at December 31, 2021	**601**	**0**	**601**

tEUR	Buildings	Cars	Total
Balance at January 1, 2020	**1,196**	**0**	**1,196**
Exchange rate adjustment	5	0	5
Depreciation	305	0	305
Balance at December 31, 2020	**896**	**0**	**896**

Lease liabilities

tEUR	2021	2020
Maturity analysis - contractual undiscounted cash flows		
Less than one year	338	331
One to five years	345	683
More than five years	0	0
Total undiscounted cash flows	**683**	**1,014**
Total lease liabilities	**657**	**957**
Current	328	328
Non-current	330	629

The total cash outflow for leases in 2021 was 331 tEUR (2020: 324 tEUR).

Amounts recognised in the consolidated income statement

tEUR	2021	2020
Interest on lease liabilities	32	43
Expenses relating to short-term lease	0	0
Expenses relating to lease of low value assets	0	0

19 Financial risk management objectives and policies

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

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

Market Risk

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

Foreign currency risk

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

The parent company has provided long-term intercompany loans in USD to Better Collective US, Inc.,to fund the acquisitions in US. The un-realized exchange rate gains/losses are recorded in the profit and loss in the parent company. As strengthening of the USD vs. EUR of 10% will have a positive impact on the parent company of 24 mEUR, whereas a weakening of the USD vs. EUR of 10% will have a negative impact of 24 mEUR on the parent company. In connection with the agrement for media sites, the parent company has recorded a liability in GBP, covering the fixed payments to Telegraph. A strengthening of GBP vs. EUR of 10% will have

Notes

19 Financial risk management objectives and-policies (continued)

a negative impact of 0.3 mEUR, whereas a weakening of GBP vs. EUR will have a positive impact of 0.3 mEUR on the parent company.

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The parent company's exposure to interest rate risk arises mainly from the revolving credit facility and deposits held by the parent company. These are short-term and not material amounts. Management expects to re-pay the credit facility in the short term, as the parent company is generating positive cash flows. 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 recognised in the profit and loss immediately and is monitored on an ongoing basis until realisation. 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, 2021 the parent company's impairment for expected loss is included in the trade receivables (ref note 15).

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

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

As very limited losses were recognised during 2021, expected loss rate has been reduced compared to 2020.

tEUR	Exp. loss rate	Gross receivable	Expected loss	Net receivable
2020				
Not Due	0.0%	2,476	0	2,476
Less than 30 days	0.1%	1,008	1	1,007
Between 31 and 60 days	1.5%	-2	0	-2
Between 61 and 90 days	3.7%	94	3	91
More than 91 days	7.1%	1,151	75	1,077
Total		**4,726**	**79**	**4,647**
Receivables from subsidiaries	**0.0%**	**38,626**	**0**	**38,626**

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

Notes

19 Financial risk management objectives and policies (continued)

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

Contractual cash flows:	Carrying amount	Fair Value	Total	< 1 year	2-5 years	> 5 years
2020						
Non-derivative financial instruments:						
Financial liabilities measured at fair value						
Earn-Out consideration	7,882	7,882	8,173	2,688	5,484	0
Other financial liabilities measured at fair value	4,237	4,237	4,373	744	3,629	0
Financial liabilities measured at amortised costs						
Trade and other payables	2,127	2,127	2,127	2,127	0	0
Deferred payment on acqusitions	6,526	6,526	6,559	5,176	1,384	0
Payables to subsidiaries	742	742	742	742	0	0
Loans from subsidiaries	11,843	11,843	12,080	12,080	0	0
Debt to mortgage credit institutions	527	527	536	26	100	410
Debt to credit institutions	68,770	68,770	71,672	963	70,709	0
Total non-derivative financial instruments	**102,655**	**102,655**	**106,263**	**24,546**	**81,307**	**410**
Assets:						
Non-current financial assets, subsidiaries	36,969	36,969	40,666	739	39,927	0
Non-current financial assets, loan*	555	555	572	572	0	0
Trade and other receivables	4,648	4,648	4,648	4,648	0	0
Receivable from subsidiaries	1,657	1,657	1,657	1,657	0	0
Restricted Cash	6,926	6,926	6,926	6,926	0	0
Receivables from subsidiaries	3,095	3,095	3,095	3,095	0	0
Cash	2,560	2,560	2,560	2,560	0	0
Total financial assets	**53,316**	**53,316**	**57,029**	**17,102**	**39,927**	**0**
Net	**49,339**	**49,339**	**49,234**	**7,444**	**41,380**	**410**

* Non-current financial assets consist of a subordinated loan to Mindway AI

Notes

19 Financial risk management objectives and policies (continued)

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

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

Fair value

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

Capital Management

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

Credit facilities

Better Collective has non-current bank credit facilities of total 124 mEUR, of which 121 mEUR was drawn up end of December 2021. As of December 31, 2021 cash and unused credit facilities, amounted to approximately 33 mEUR.

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

Change in liabilities arising from financing activity

tEUR	2019	Cash flows Net	Non cash flow changes	2020	Cash flows Net	Non cash flow changes	2021
Non-current financing liabilities	17,259	51,893	125	69,277	52,323	-575	121,025
Leasing and other non-current liabilities	1,259	484	-270	1,473	-844	-300	329
Current financing liabilities:							
Payables to subsidiaries	9,991	2,595	0	12,585	-3,313	0	9,273
Debt to credit institutions	20	-20	20	20	-20	0	0
Leasing current liabilities	323	-281	285	328	-299	300	328
Total liabilities from financing activities	**28,852**	**54,671**	**160**	**83,683**	**47,847**	**-575**	**130,955**

Notes

20 Change in working capital

tEUR	2021	2020
Change in receivables	-3,033	-161
Changes in Intercompany balances	-22,522	3,695
Prepaid expenses	-595	39
Prepayment - from Customers	0	0
Change in trades payable, other debt	1,998	138
Change in working capital, total	**-24,152**	**3,710**

21 Other contingent liabilities

Other contingent liabilities

Joint taxation with HLTV ApS and Mindway AI ApS

The Parent Company is jointly taxed with the Danish subsidiaries, HLTV ApS and Mindway Ai ApS. As administration company, the Company has unlimited joint and several liability, together with the subsidiaries, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. The jointly taxed entities' total known net payable in respect of corporation taxes and withholding taxes payable on dividend, interest and royalties amounted to 360 tEUR at December 31, 2020 (net receivable 575 tEUR at December 31, 2020). 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	2021	2020
Income Statement		
Other Operating income	12,748	8,878
Intercompany revenue	-5,492	-2,403
Purchases	8,857	4,670
Interest expense	108	164
Interest income	3,281	781
Dividend income	24,407	10,714
Balance Sheet		
Long-term financial assets	245,349	36,969
Receivables from subsidiaries	22,428	1,657
Short term loans and payables to subsidiaries	9,273	12,585

Management remuneration and share option programs are disclosed in note 2 and note 3 to the parent company 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

Definitions

Affiliate A company providing a performance-based marketing service for its customers, in this context the customers are operators

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

Board The Board of Directors of the company

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

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

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

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

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

Diluted Earnings per share Net profit for the period / (Average number of shares + Average number of outstanding warrants - Average number of treaury shares held by the company)

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

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

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

Executive management Executives that are registered with the Danish Company register

The group / Better Collective The company and its subsidiaries

iGaming Online sports betting and online casino

iGaming affiliates Affiliates in the iGaming market

iGaming operator Online sports betting and online casino operators

Mobile (-sports betting/casino) iGaming activities on mobile devices, such as smartphones and tablets

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

Operating profit before amortisations (EBITA) Operating profit plus amortisations

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

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

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

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

Publishing Organic traffic generated from content sites

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

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

Special items Cost related to IPO and acquisitions

Sports wagering The value of bets placed by the players

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

Alternative performance measures

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

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