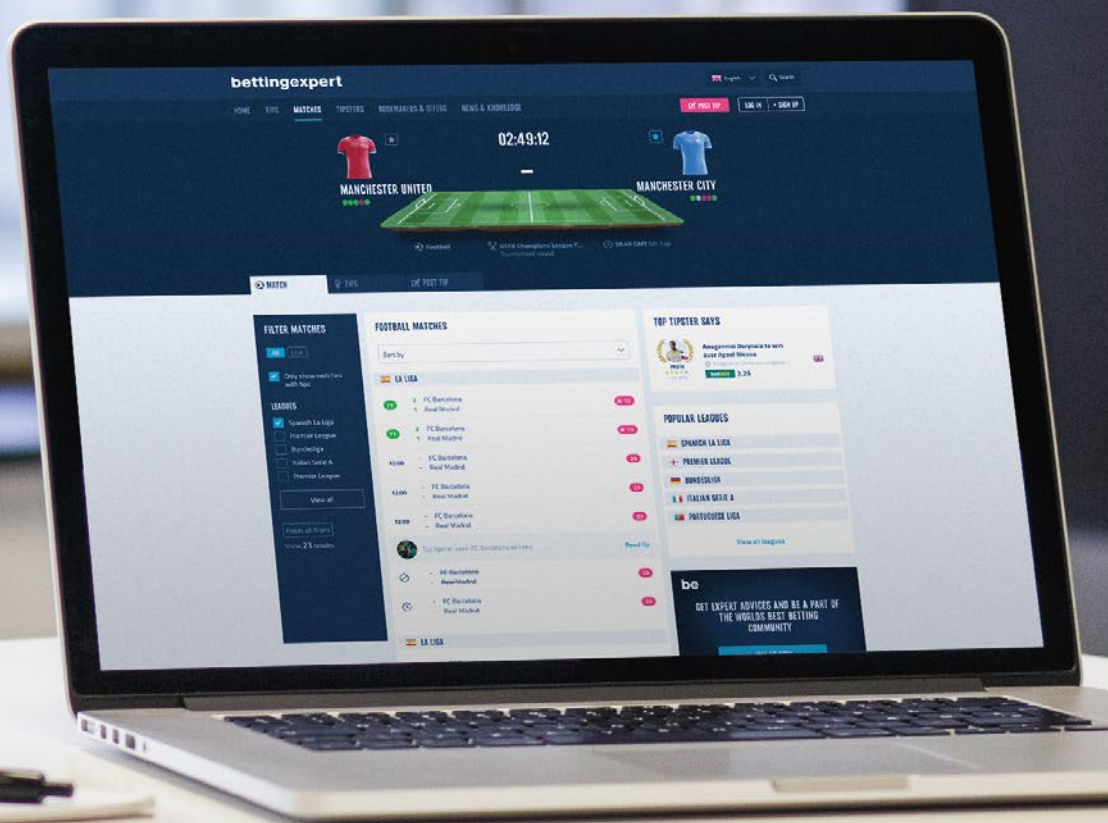




BETTER  
COLLECTIVE

# INVITATION TO ACQUIRE SHARES IN BETTER COLLECTIVE A/S



JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

Nordea

S|E|B

### IMPORTANT INFORMATION TO INVESTORS

This prospectus (the “**Prospectus**”) has been prepared in connection with the offering to the public in Sweden as well as to institutional investors in Sweden and abroad to acquire new and existing shares in Better Collective A/S (a Danish public limited liability company), and admission to trading of said shares on Nasdaq Stockholm (the “**Offering**”). In the Prospectus, “**Better Collective**”, the “**Company**”, or the “**Group**”, depending on the context, refers to Better Collective A/S, the group in which Better Collective is the parent company or a subsidiary of the group. The “**Selling Shareholder**” refers to Bumble Ventures A/S. The “**Principal Shareholders**” refer to Jesper Søgaard and Christian Kirk Rasmussen. Nordea Bank AB (publ) (“**Nordea**”) and Skandinaviska Enskilda Banken AB (publ) (“**SEB**”) act as Joint Global Coordinators and Joint Bookrunners (jointly referred to as “**Joint Global Coordinators**”). For definitions of other terms used in this Prospectus, please see the section *Definitions*.

This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority in accordance with the provisions of Chapter 2, §§ 25 and 26 of the Swedish Financial Instruments Trading Act (1991:980) following the Danish Financial Supervisory Authority ceding the authority to review and approve the prospectus to the Swedish Financial Supervisory Authority. Neither the approval nor registration implies a guarantee from the Swedish Financial Supervisory Authority that the factual information in the Prospectus is accurate or complete. The Prospectus has been prepared in an English version only. The Offering and the Prospectus are governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with the Offering or the Prospectus.

#### Offering structure

The Offering is not directed to the general public in any other country than Sweden. Nor is the Offering directed to persons whose participation would require additional prospectuses, registration measures other than those that follow Swedish law. No measures has been taken, or will be taken, in any jurisdiction other than Sweden, which might permit the shares to be offered to the public, or which might permit holding or distribution of this Prospectus or any other documents pertaining to the Company, or its shares in such jurisdiction. Applications to acquire shares that violate such regulations may be declared invalid. Persons who receive copies of the Prospectus are required, by the Company and the Joint Global Coordinators, to inform themselves of, and comply with, such restrictions. Neither the Company nor any of the Joint Global Coordinators assume any legal liability for any violation of such restrictions by any person, whether or not a prospective investor.

The shares in the Offering have not and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any other securities regulatory authority of any state within the United States of America and the District of Columbia (the “**United States**”) and the shares may not be subscribed for, offered, acquired or sold within the United States unless the shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. All offers and sales of shares will be made in compliance with Regulation S under the Securities Act. The shares may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Any reproduction or distribution of the Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. The shares in the Offering have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Prospectus. Any representation to the contrary is a criminal offence in the United States. The Company has not taken, and will not take, any actions to register any of its shares or any part of the Offering in the United States or to conduct a public offering in the United States or in any other jurisdiction other than Sweden. This Prospectus is not an offer to sell, or a solicitation to an offer to acquire or subscribe for any other securities than shares. The Offering to subscribe for shares is not made to persons resident in the United States, Australia, Canada, Japan or any jurisdiction where it would be unlawful or would require registration or other measures.

#### Information to investors in the European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each a “**Relevant Member State**”) (with the exception of Sweden), no offer of the shares in the Offering may be made to the public in that Relevant Member State, except that offers of the shares in the Offering may be made under the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares in the Offering shall result in a requirement for the publication by the Company, the Selling Shareholder or any Joint Global Coordinator of a prospectus pursuant to Article 3 of the Prospectus Directive or of a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression “offered to the public” in relation to any shares in the Offering in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the shares in the Offering so as to enable an investor to decide to purchase any shares in the Offering, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression “**Prospectus Directive**” means Directive 2003/71/EC (with amendments thereto) and includes any relevant implementing measure in each Relevant Member State.

#### Information to investors in the United Kingdom

The Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom, or (ii) to qualified investors who are (a) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (the “**Order**”) or (b) high net-worth entities falling within Articles 49(2)(a) to (d) of the Order (all such persons together being referred to as “**Relevant Persons**”). In the United Kingdom, any investment activity to which this Prospectus relates is only available to, and will be engaged in only with, Relevant Persons. Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not act or rely on it.

#### Stabilisation

In connection with the Offering, the Joint Global Coordinators may carry out transactions aimed at keeping the market price of the shares at levels above those which might otherwise prevail in the market. Such stabilisation transactions may be carried out on Nasdaq Stockholm, the OTC market or otherwise, and may be carried out at any time during the period beginning on the first day of trading in the shares on Nasdaq Stockholm and ending no later than 30 calendar days thereafter. However, the Joint Global Coordinators are under no obligation to carry out stabilisation of any kind, nor is there any guarantee that stabilisation will be carried out. See also the section *Legal considerations and supplementary information – Stabilisation*.

The fact that the Joint Global Coordinators have the opportunity to implement stabilisation measures does not mean that such measures will necessarily be taken. Any such stabilisation measures may also be discontinued at any time without prior notice. No later than by the end of the seventh trading day after stabilisation transactions have been undertaken, the Joint Global Coordinators shall disclose that stabilisation transactions have been undertaken in accordance with article 5(4) in the Market Abuse Regulation 596/2014. Within one week of the end of the stabilisation period, the Joint Global Coordinators will, through the Company, make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred and the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out.

#### Forward-looking statements

The Prospectus contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, for example, contain wording such as “believes”, “deems”, “estimates”, “anticipates”, “aims”, “expects”, “assumes”, “forecasts”, “targets”, “intends”, “could”, “will”, “should”, “would”, “according to estimates”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “to the knowledge of” or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Prospectus concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company’s knowledge. Forward-looking statements are inherently associated with both known and unknown risks, uncertainties, and other factors that could cause the actual results, including the Company’s cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favourable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read the Prospectus, including the following sections: *Summary, Risk factors, Business overview and Operating and financial review*, which include more detailed descriptions of factors that might have an impact on the Company’s business and the market in which it operates. None of the Company, the Selling Shareholder or any of the Joint Global Coordinators can give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Prospectus may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Prospectus may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets on which the Company operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or environmental damages and systematic delivery failures.

After the date of the Prospectus, none of the Company, the Selling Shareholder or any of the Joint Global Coordinators assume any obligation, except as required by applicable legislation or Nasdaq Stockholm’s Rule Book for issuers, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

#### Industry and market information

The Prospectus contains industry and market data pertaining to Better Collective’s business and market. Unless otherwise stated, such information is based on the Company’s analysis of several different sources, including statistics and information from H2 Gambling Capital, other external industry or market publications, publicly available information and commercial publications. Other sources are indicated where required. Such information as originates from third parties has been accurately reproduced herein and, as far as the Company is aware and can confirm through comparison with other information published by the relevant third party, no information has been omitted in any way which could render the reproduced information inaccurate or misleading. As a rule, industry and market publications state that, while the information in the publication has been obtained from sources deemed reliable, the accuracy and completeness of such information cannot be assured. The Company has not independently verified, and cannot therefore give any assurances to the accuracy of the market information that is contained in this Prospectus and which has been taken from or derived such industry and market publications. In their nature, market information and statistics are forward-looking, subject to uncertainty, may be interpreted subjectively, and may therefore not necessarily reflect actual or future market conditions. Such information and statistics are based on market surveys, which in turn are based on selections, subjective interpretations and assessments, including assessments of the types of products and transactions which should be covered by the relevant market, both by those carrying out the surveys and the respondents. As a result, potential investors should be aware of the fact that the financial information, market information, as well as the forecasts and estimates of market information contained in this Prospectus, do not necessarily represent reliable indicators of Better Collective’s future performance.

The content of the Company’s website, the website of any member of the Group and any third-party websites referred to herein do not form any part of the Prospectus.

#### Presentation of financial information

Unless otherwise indicated, all financial amounts are expressed in euro (“**EUR**”). “**EUR thousand**” means thousands of euro and “**EUR million**” means millions of euro. “**SEK**” means Swedish kronor, “**SEK thousand**” means thousands of kronor and “**SEK million**” means millions of kronor. “**DKK**” means Danish kroner, “**DKK thousand**” means thousands of kroner and “**DKK million**” means millions of kroner. Certain financial information and other information presented in this Prospectus have been rounded to make information easily accessible to the reader. As a consequence, the figures in certain columns do not tally with the totals stated. Unless otherwise stated herein, no financial information in this Prospectus has been audited or reviewed by the Company’s auditor. Financial information relating to the Company in this Prospectus, and that is not a part of the information that has been audited or reviewed by the Company’s auditor as stated herein, has been derived from the Company’s internal accounting and reporting system.

#### Information about the possibility to sell shares acquired in the Offering

Notifications about allotment to the general public in Sweden will be made through distribution of contract notes, expected to be distributed on or around 8 June 2018. Institutional investors are expected to receive notification of allotment on or about 8 June 2018 in particular order, whereupon contract notes are dispatched. Once payment for the allocated shares has been processed by Nordea, the shares paid will be transferred to the securities depository account, securities account or the service account designated by the acquirer. The time required for the transfer of payment and the transfer of paid shares to the acquirers of shares in Better Collective, may mean that such acquirers will not have shares available in the designated securities depository account, securities account or service account earlier than 12 June 2018. Trading in Better Collective’s shares on Nasdaq Stockholm is expected to commence on or around 8 June 2018. Accordingly, if shares are not available in the acquirer’s securities depository account, securities account or service account on 8 June 2018, the acquirer may not be able to sell these shares on the stock exchange as from the time trading in the shares commences. Instead, they will be able to do so when the shares are available in their securities depository account, securities account or service account.

# TABLE OF CONTENTS

Summary .....	4
Risk factors .....	18
Invitation to acquire shares in Better Collective .....	28
Background and reasons.....	30
Terms and conditions .....	32
Market overview .....	38
Business overview .....	46
Selected historical financial information.....	58
Operating and financial review.....	70
Capitalisation, indebtedness and other financial information.....	80
Unaudited consolidated pro forma financial information for 2017 .....	84
Board of directors, executive management and auditors .....	90
Corporate governance .....	96
Share capital and ownership structure.....	104
Articles of association.....	112
Legal considerations and supplementary information.....	118
Certain tax considerations.....	124
Historical financial information.....	130
Definitions .....	182
Addresses.....	186

## SUMMARY OF THE OFFERING

Price range	SEK 48 – 58
Application period for the general public	29 May – 5 June 2018
Application period for institutional investors	29 May – 7 June 2018
Publication of the share price and the outcome of the Offering	8 June 2018
First day of trading	8 June 2018
Settlement date	12 June 2018

## OTHER INFORMATION

Market	Nasdaq Stockholm
Ticker symbol	BETCO
ISIN code	DK0060952240

## FINANCIAL CALENDAR

Interim report for the period January – June 2018	28 August 2018
Interim report for the period January – September 2018	23 November 2018
Year-end report for the financial year 2018	19 February 2019

# SUMMARY

# SUMMARY

The summary of the Prospectus consists of information requirements set out in “Items”. The items are numbered in the sections A–E (A.1–E.7).

The summary in the Prospectus contains all the items required in a summary for the relevant type of security and issuer. However, since some items do not apply to all types of prospectuses, there may be gaps in the item numbering.

While it is required that an item is to be included in the summary of the relevant securities and issuers, it is possible that no relevant information can be given on that item. In that case, the information is replaced with a brief description of the item, along with the comment “Not applicable”.

## SECTION A – INTRODUCTIONS AND WARNINGS

<b>A.1</b>	Introductions and warnings	<p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in Better Collective should be based on an assessment of the Prospectus in its entirety by the investor.</p> <p>Where statements in respect of information contained in a prospectus are challenged in a court of law, the plaintiff investor may, in accordance with member states' national legislation, be forced to pay the costs of translating the Prospectus before legal proceedings are initiated.</p> <p>Under civil law, only those individuals who have produced the summary, including translations thereof, may be enjoined, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if it does not, together with other parts of the Prospectus, provide key information to help investors when considering whether to invest in Better Collective.</p>
<b>A.2</b>	Consent to use the prospectus	Not applicable. Financial intermediaries are not entitled to use the Prospectus for subsequent trading or final placement of securities.

## SECTION B – ISSUER

<b>B.1</b>	Corporate name and trading name	Better Collective A/S, corporate registration number 27652913.
<b>B.2</b>	Domicile, legal form and country of incorporation	Better Collective's registered office is in the municipality of Copenhagen, Denmark. The Company is a public limited liability company founded and incorporated under Danish law. The Company's form of association is governed by the Danish Companies Act.
<b>B.3</b>	Description of the Company's operations	<p>Better Collective is one of the leading affiliates on the European iGaming<sup>1</sup> affiliate market.<sup>2</sup> The business model is based on referring users to iGaming operators. Revenue is generated from iGaming operators and based on a revenue share or a cost per acquisition (“CPA”) model or a combination of the two. Revenue share and CPA represented 89 percent and 11 percent of revenue respectively in 2017. Approximately 367,000 new depositing customers (“NDC”) were referred to iGaming operators during the period 2015 through 2017.</p> <p>The Group offers iGaming operators an attractive performance-based marketing service. Revenue share agreements allow the iGaming operators to acquire NDCs at a low risk. The educational element of the product portfolio helps users identify iGaming strategies to improve the iGaming experience. In addition iGaming operators have the opportunity to market their brand through enhanced visibility on the sites and apps of the product portfolio. Better Collective has active partnerships with more than 250 iGaming operators.</p> <p>The Group is primarily focused on online sports betting which represented 69 percent of revenue during 2017, while it also has a strong presence within online casino which represented 25 percent of revenue during the period.<sup>3</sup></p> <p>Better Collective strives to provide a broad product portfolio with high relevance for a wide variety of user preferences. Community sites and apps present a wide range of interactive functionality catering to the more advanced user. Content sites present in-depth information on specific iGaming areas and generally appeal to less advanced users. As of 31 December 2017, the product portfolio consisted of four community sites and apps and more than 2,000 content sites.</p> <p><sup>1</sup> iGaming refers to online sports betting and casino.  <sup>2</sup> Based on revenues in 2017, Better Collective was one of the five largest iGaming affiliates in Europe.  <sup>3</sup> For the financial year ended 31 December 2017, online sports betting represented 69 percent of revenue, online casino represented 25 percent of revenue and other, including bingo, poker and lotteries, represented 6 percent of revenue.</p>



**SECTION B – ISSUER****B.4a** Description of significant trends in the industry

The global iGaming market is expected to represent an increasing portion of the global sports betting and casino market. In the European sports betting and casino market, iGaming penetration is expected to increase from 46.1 percent in 2017 to 51.7 percent in 2020, with both the online sports betting market and the online casino market contributing to the increase. The shift towards iGaming is primarily driven by increasing usability and convenience as a result of technological developments.<sup>1</sup>

Growing use of smartphones and tablets is changing the accessibility of, and the user demographics within, iGaming. Developments in mobile technology have enabled users to access iGaming operators and iGaming affiliates more easily, which underpins the growth of the iGaming market. Enhanced flexibility brought about by mobile technology also makes iGaming accessible to new demographics of users. Demographic development, whereby generations using mobile technology to a higher degree will represent an increasing share of the adult population, supports iGaming market growth.

The transition from land based sports betting and casino to iGaming has led many jurisdictions to adopt new, or amend existing, legislation related to iGaming. Changes in regulation may involve imposing license requirements, marketing restrictions and local taxation on iGaming operators, but can also imply a liberalisation of the market. iGaming regulation provides transparency to the legal framework, which in turn enhances predictability for iGaming operators and iGaming affiliates. Better Collective believes that iGaming regulation typically has a positive impact on the growth of the iGaming market.

Online and search engine advertising is becoming an increasingly important marketing tool at the expense of traditional marketing methods such as TV and printed publications. Total spend on search engine marketing surpassed that of TV advertising in Sweden in 2015.<sup>2</sup> Better Collective believes that spend on online and search engine marketing by iGaming operators will continue to grow. The performance based marketing model, applied by leading iGaming affiliates, is a widely applied user acquisition method among iGaming operators.

Technological advancements and the rise of social media are changing how users interact and engage in recreational activities. Within iGaming, users are putting more emphasis on the entertainment and social experience. Social applications are increasing in popularity as users seek to interact and socialise with others. This is particularly apparent in sports betting, where users can share tips and insights and compete in their social network, further supporting the emergence of social features within iGaming.

<sup>1</sup> Based on market data from H2 Gambling Capital as of 1 March 2018.

<sup>2</sup> Based on data from IRM Media.

**B.5** Group structure

The Group comprises the parent company Better Collective A/S and six directly and indirectly owned subsidiaries.

**B.6** Notifiable parties, major shareholders, and control of the Company

Per the date of this Prospectus, Better Collective has 18 shareholders. The table below shows all shareholders which, per the day of this Prospectus, have more than 5 percent of the shares of the Company.

Shareholder	Number of shares	Shareholding
Bumble Ventures A/S <sup>1</sup>	19,813,572	71.9%
Better Partners ApS <sup>2</sup>	5,660,982	20.5%

<sup>1</sup> Better Collective's founders Jesper Søgaard (CEO) and Christian Kirk Rasmussen (COO) each hold 50 percent of the shares in Bumble Ventures A/S through wholly-owned companies.

<sup>2</sup> Bumble Ventures A/S holds 80 percent of Better Partners ApS.

Certain members of the board of directors have undertaken to acquire shares in the Offering equivalent to SEK 39.5 million. Based on full subscription of the Offering, that the Over-allotment Option is not exercised and assuming that the price in the Offering corresponds to the midpoint in the price range (SEK 53), the commitment equates to 745,282 shares, which corresponds to 6.6 percent of the number of shares in the Offering, and 1.9 percent of the total number of shares in the Company after the Offering. The participating members of the board of directors will not receive any compensation for their respective undertakings and their investments are made on the same terms and conditions as those applicable for other investors in the Offering.

The Joint Global Coordinators, the Selling Shareholder and the Company are of the opinion that the creditworthiness of the board members that have undertaken to acquire shares in the Offering is sound and that they will be able to meet their respective undertakings. The commitments are however not covered by any bank guarantee, blocked funds or pledging or similar arrangement. The commitments are also subject to certain conditions.

On the date of the Prospectus, there is a shareholders' agreement in place between Bumble Ventures A/S, Better Partners ApS and MotivatedWeb ApS. The shareholders' agreement will terminate in connection with the listing on Nasdaq Stockholm.

## SECTION B – ISSUER

**B.7** Selected historical financial information

The selected historical financial information presented below comprising financial information from the Consolidated Statement of profit and loss, Consolidated Statement of comprehensive income, Consolidated balance sheet, Consolidated Statement of changes in equity and Cash flow statement have been derived from Better Collective A/S:

- Audited consolidated financial statements as of 31 December 2017 and for the twelve months ended 31 December 2017 with comparative figures as of 31 December 2016 and 31 December 2015 and for the twelve months ended 31 December 2016 and 31 December 2015 prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (the “**Audited Financial Statements**”).
- Reviewed consolidated unaudited condensed interim financial statements as of 31 March 2018 and for the three months ended 31 March 2018 with unaudited and non-reviewed comparative figures as of 31 March 2017 and for the three months ended 31 March 2017 prepared in accordance with International Accounting Standard 34, “*Interim Financial Reporting*” as adopted by EU (the “**Unaudited Interim Financial Statements**”).

**CONSOLIDATED INCOME STATEMENT**

	LTM ended 31 March <sup>1</sup>	Twelve months ended 31 December <sup>2</sup>			Three months ended 31 March <sup>3</sup>	
EUR million	2018	2017	2016	2015	2018	2017
<b>Revenue</b>	<b>28.6</b>	<b>26.3</b>	<b>17.4</b>	<b>11.4</b>	<b>7.6</b>	<b>5.2</b>
Direct costs related to revenue	-3.2	-3.0	-2.5	-1.5	-0.9	-0.6
<b>Gross profit</b>	<b>25.4</b>	<b>23.3</b>	<b>14.9</b>	<b>9.8</b>	<b>6.7</b>	<b>4.6</b>
Staff costs	-9.2	-7.6	-5.6	-4.6	-3.1	-1.5
Amortisation/depreciation and impairment	-1.1	-0.7	-0.0	-0.0	-0.4	-0.0
Other external expenses	-6.1	-5.1	-2.2	-1.5	-1.6	-0.6
<b>Operating profit (EBIT)</b>	<b>8.9</b>	<b>9.9</b>	<b>7.1</b>	<b>3.8</b>	<b>1.6</b>	<b>2.5</b>
Share of profit after tax of associates	-	-	-	-	-	-
Financial income	0.0	0.0	-	-	0.0	-
Financial expenses	-0.1	-0.1	-0.3	-0.1	-0.1	-0.1
<b>Profit before tax</b>	<b>8.8</b>	<b>9.8</b>	<b>6.8</b>	<b>3.7</b>	<b>1.5</b>	<b>2.5</b>
Tax on profit for the year	-2.1	-2.3	-1.6	-0.9	-0.4	-0.6
<b>Profit for the year</b>	<b>6.7</b>	<b>7.4</b>	<b>5.2</b>	<b>2.9</b>	<b>1.1</b>	<b>1.9</b>

1 Reflects unaudited and non-reviewed financial figures calculated as the full year 2017 financial figures as per the Audited Financial Statements subtracted by the financial figures for the three months ended 31 March 2017 as per the Unaudited Interim Financial Statements and added with the financial figures for the three months ended 31 March 2018 as per the Unaudited Interim Financial Statements.

2 Extracted from the Audited Financial Statements.

3 Extracted from the Unaudited Interim Financial Statements.

## SECTION B – ISSUER

B.7 Selected historical financial information (continued)

## CONSOLIDATED BALANCE SHEET

EUR million	As of 31 December <sup>1</sup>			As of 31 March <sup>2</sup>	
	2017	2016	2015	2018	2017
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Intangible assets</b>					
Goodwill	7.2	-	-	7.2	-
Domains and websites	20.1	0.3	0.2	22.8	0.3
Accounts and other intangible assets	3.5	0.0	0.0	4.1	0.0
	<b>30.7</b>	<b>0.3</b>	<b>0.2</b>	<b>34.0</b>	<b>0.3</b>
<b>Property, plant and equipment</b>					
Land and buildings	0.8	0.8	-	0.8	0.8
Fixtures and fittings, other plant and equipment	0.1	0.0	0.0	0.4	0.0
	<b>0.9</b>	<b>0.8</b>	<b>0.0</b>	<b>1.2</b>	<b>0.8</b>
<b>Other non-current assets</b>					
Investments in associates	-	-	-	-	-
Receivables from associates	-	-	0.1	-	-
Deposits	0.2	0.1	0.1	0.2	0.1
Deferred tax assets	-	-	-	-	-
Other non-current investments	-	-	1.2	-	-
Other non-current receivables	-	-	0.3	-	-
	<b>0.2</b>	<b>0.1</b>	<b>1.7</b>	<b>0.2</b>	<b>0.1</b>
<b>Total non-current assets</b>	<b>31.8</b>	<b>1.2</b>	<b>2.0</b>	<b>35.4</b>	<b>1.2</b>
<b>Current assets</b>					
Trade and other receivables	4.4	1.1	1.1	4.3	1.9
Receivables from associates	-	0.0	-	-	0.0
Corporation tax receivables	-	0.5	0.0	0.1	0.7
Prepayments	0.3	0.0	0.0	0.3	0.1
Other securities and investments	-	0.0	0.0	-	0.0
Cash	2.1	5.5	2.6	1.3	6.6
<b>Total current assets</b>	<b>6.9</b>	<b>7.1</b>	<b>3.8</b>	<b>6.1</b>	<b>9.4</b>
<b>Total assets</b>	<b>38.7</b>	<b>8.3</b>	<b>5.7</b>	<b>41.5</b>	<b>10.6</b>

1 Extracted from the Audited Financial Statements.

2 Extracted from the Unaudited Interim Financial Statements.



## SECTION B – ISSUER

## B.7 Selected historical financial information (continued)

## CONSOLIDATED BALANCE SHEET

EUR million	As of 31 December <sup>1</sup>			As of 31 March <sup>2</sup>	
	2017	2016	2015	2018	2017
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	0.1	0.1	0.1	0.1	0.1
Share premium	0.4	0.2	0.2	0.4	0.2
Translation reserve	0.0	0.0	-0.0	0.0	0.0
Treasury shares	-0.0	-0.3	-	-0.0	-0.3
Retained earnings	14.3	6.0	2.8	15.6	7.9
Proposed dividends	-	-	1.6	-	-
<b>Total equity</b>	<b>14.8</b>	<b>6.0</b>	<b>4.6</b>	<b>16.0</b>	<b>7.9</b>
<b>Non-current liabilities</b>					
Debt to mortgage credit institutions	0.6	-	-	0.6	-
Debt to credit institutions	-	-	-	4.6	-
Deferred tax liabilities	5.7	0.0	0.0	5.7	0.0
Other long-term financial liabilities	0.1	-	-	0.0	-
<b>Total non-current liabilities</b>	<b>6.3</b>	<b>0.0</b>	<b>0.0</b>	<b>10.9</b>	<b>0.0</b>
<b>Current liabilities</b>					
Prepayments received from customers	1.0	1.0	0.3	0.9	0.7
Trade and other payables	1.9	1.2	0.8	2.2	1.3
Corporation tax payable	1.7	-	-	1.9	0.6
Other financial liabilities	7.7	-	-	4.9	-
Debt to mortgage credit institutions	0.0	-	-	0.0	-
Debt to credit institutions	5.3	-	-	4.6	-
<b>Total current liabilities</b>	<b>17.7</b>	<b>2.2</b>	<b>1.1</b>	<b>14.5</b>	<b>2.6</b>
<b>Total liabilities</b>	<b>23.9</b>	<b>2.2</b>	<b>1.1</b>	<b>25.4</b>	<b>2.6</b>
<b>Total equity and liabilities</b>	<b>38.7</b>	<b>8.3</b>	<b>5.7</b>	<b>41.5</b>	<b>10.6</b>

1 Extracted from the Audited Financial Statements.

2 Extracted from the Unaudited Interim Financial Statements.

## SECTION B – ISSUER

## B.7 Selected historical financial information (continued)

## CONSOLIDATED STATEMENT OF CASH FLOWS

	LTM ended 31 March <sup>1</sup>	Twelve months ended 31 December <sup>2</sup>			Three months ended 31 March <sup>3</sup>	
EUR million	2018	2017	2016	2015	2018	2017
Operating profit	8.9	9.9	7.1	3.8	1.6	2.5
Depreciation and amortisation	1.1	0.7	0.0	0.0	0.4	0.0
Other adjustments of non-cash operating items	0.4	0.3	0.0	0.0	0.1	0.0
<b>Cash flow from operations before changes in working capital</b>	<b>10.4</b>	<b>10.9</b>	<b>7.1</b>	<b>3.8</b>	<b>2.1</b>	<b>2.5</b>
Change in working capital	-0.4	-1.8	1.1	-0.0	0.3	-1.1
<b>Cash flow from operations</b>	<b>10.0</b>	<b>9.1</b>	<b>8.2</b>	<b>3.8</b>	<b>2.4</b>	<b>1.4</b>
Interest income received	0.0	0.0	-	-	0.0	-
Interest expenses paid	-0.3	-0.2	-0.1	-0.0	-0.1	-0.1
<b>Cash flow from ordinary activities before tax</b>	<b>9.8</b>	<b>8.9</b>	<b>8.1</b>	<b>3.8</b>	<b>2.3</b>	<b>1.4</b>
Income tax paid	-0.7	-0.6	-2.0	-0.8	-0.2	-0.2
<b>Cash flow from operating activities</b>	<b>9.1</b>	<b>8.2</b>	<b>6.1</b>	<b>3.0</b>	<b>2.1</b>	<b>1.2</b>
Acquisition of subsidiaries	-19.3	-14.7	-	-	-4.5	-
Acquisition of intangible assets	-5.9	-3.9	-0.0	0.0	-2.0	0.0
Acquisition of property, plant and equipment	-0.4	-0.1	-0.8	-0.0	-0.3	-0.0
Sale of property, plant and equipment	0.1	0.1	-	-	-	-
Acquisition and disposal of associates, net	0.1	0.1	1.4	-1.1	-	-
Change in rental deposits	-0.1	-0.1	-0.0	-0.0	-0.0	-0.0
<b>Cash flow from investing activities</b>	<b>-25.3</b>	<b>-18.5</b>	<b>0.6</b>	<b>-1.2</b>	<b>-6.8</b>	<b>-0.0</b>
Repayment of borrowings	-0.7	-	-	-	-0.7	-
Proceeds from borrowings	10.5	5.9	-	-	4.6	-
Other financial borrowings	-	-	-	-	-	-
Treasury shares and sale of warrants	1.0	1.0	-0.2	0.2	0.0	-
Dividend paid	-	-	-3.6	-1.2	-	-
<b>Cash flow from financing activities</b>	<b>10.9</b>	<b>6.9</b>	<b>-3.9</b>	<b>-1.0</b>	<b>3.9</b>	<b>-</b>
Cash flows for the year	-5.3	-3.3	2.9	0.8	-0.8	1.2
Cash and cash equivalents at beginning	6.7	5.5	2.6	1.8	2.1	5.5
Foreign currency translation of cash and cash equivalents	-0.0	-0.0	0.0	-0.0	0.0	-0.0
<b>Cash and cash equivalents at end</b>	<b>1.3</b>	<b>2.1</b>	<b>5.5</b>	<b>2.6</b>	<b>1.3</b>	<b>6.7</b>

1 Reflects unaudited and non-reviewed financial figures calculated as the full year 2017 financial figures as per the Audited Financial Statements subtracted by the financial figures for the three months ended 31 March 2017 as per the Unaudited Interim Financial Statements and added with the financial figures for the three months ended 31 March 2018 as per the Unaudited Interim Financial Statements.

2 Extracted from the Audited Financial Statement.

3 Extracted from the Unaudited Interim Financial Statements.

**SECTION B – ISSUER**

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**Significant events during the period 1 January 2015 - 31 March 2018**

- In 2016, an office was established in Niš, Serbia. The office mainly employs site managers and developers.
- In May 2017, the Austrian company Sportfreunde Informationsdienste GmbH was acquired for a purchase price of approximately EUR 12.7 million.
- In August 2017, the French company Pull Media SAS was acquired for a purchase price of approximately EUR 11.0 million, including a cash settlement of EUR 1.4 million and an earn-out which has been settled for EUR 1.2 million.
- During the period May 2017 to March 2018, the Group made nine acquisitions, including seven asset deals as well as the acquisitions of Sportfreunde Informationsdienste GmbH and Pull Media SAS. The total purchase price paid for the acquisitions during the period amounts to EUR 25.1 million.

**Significant events after 31 March 2018**

- On 26 April 2018, additional bank credit facilities of DKK 225 million were obtained with Nordea Bank.
- On 3 April 2018, the Danish brand SpilXperten.com was acquired together with other assets owned by XpertenL Ltd and Xpert Ltd. The purchase price of the acquisition amounts to EUR fixed purchase price of 4.5 million paid up front and a variable payment of up to EUR 4.9 million payable during 2019.
- The Company's board of directors has resolved to offer a cash settlement to the holders of 9,185 outstanding warrants, meaning all outstanding warrants under the warrant programs I-II, which is to be settled in connection with the Listing. The estimated settlement amount is EUR 3-4 million.
- In April 2018, the Company entered into two Letters of intent for the potential acquisition of two separate European iGaming affiliates.

Except as stated above, there have not been any material changes to the Company's financial position or market position since 31 March 2018.

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## SECTION B – ISSUER

## B.8 Pro forma financial information

The Company has prepared the following consolidated pro forma financial information for the year ended 31 December 2017 to show the hypothetical effect that the Company's business combinations could have had on the Group's results if such acquisitions had taken place on 1 January 2017. The consolidated pro forma financial information includes a pro forma income statement only, as the business combinations have been reflected in full in the Group's consolidated balance sheet as of 31 December 2017. The consolidated pro forma income statement is prepared and presented for illustrative purposes only and in accordance with Annex II of the Prospectus Directive Regulation. Because of its nature, the consolidated pro forma financial information addresses a hypothetical situation and therefore does not represent the actual results of the Group following the business combinations, nor is the consolidated pro forma financial information considered a forecast of the Group's results for any given period. Accordingly, investors should not place undue reliance on the consolidated pro forma financial information presented and should read the consolidated pro forma financial information in conjunction with other information in the Prospectus.

On 31 May 2017, the Company entered into a share purchase agreement to acquire 100 percent of the shares in Hebiva Beteiligungen GmbH and (indirectly) its subsidiary Sportfreunde Informationsdienste GmbH ("**Sportfreunde**"), a significant online sports betting affiliate with a product portfolio in the German speaking online sports betting markets. The purchase price amounted to EUR 12.667 million, whereof approximately 80 percent of the purchase price was paid in connection with the closing of the transaction and the remaining part of the purchase price will fall due on 31 May 2018.

On 31 August 2017, the Company entered into a share purchase agreement to acquire 100 percent of the shares in Pull Media SAS ("**Pull Media**"). The purchase price consisted of a fixed purchase price of EUR 8.397 million, an estimated earn-out of EUR 1.2 million and a cash settlement of EUR 1.378 million. The total estimated purchase price amounts to EUR 10.975 million. 40 percent of the fixed purchase price was paid through a promissory note. As security for the payment of the promissory note, the Company pledged its shares in Pull Media. On 13 March 2018, the sellers and the Company entered into an addendum to the share purchase agreement whereby the earn-out was settled to a fixed amount of EUR 1.2 million, the repayment of the promissory note was accelerated and immediately paid and the share pledge was released.

These acquisitions are expected to have a positive effect on the Group's operating performance. For accounting purposes they have been treated as business combinations and accounted for in accordance with IFRS 3, Business Combinations. Accordingly, Better Collective, as acquirer, obtains control of the businesses on the closing date of the transaction, which is the date when the Company takes over the assets and assumes the liabilities of the acquired businesses. The pro forma consolidated income statement illustrates an effect of the acquisitions of Sportfreunde and Pull Media on the Group's operating performance as if the acquisitions had taken place on 1 January 2017, instead of on the respective closing dates of the transactions, 31 May 2017 for Sportfreunde and 31 August 2017 for Pull Media.

The consolidated pro forma financial information is prepared in a manner consistent with the accounting policies adopted by the Group, which is IFRS as adopted by the EU. These accounting policies, as well as significant estimates, judgments and assumptions are described in the Group's consolidated financial statements included in this Prospectus. When preparing the pro forma income statement, Management has made an analysis to determine whether there are any material differences between the accounting principles applied by the Group and those applied by the individual businesses acquired (Austrian GAAP with regards to Sportfreunde and French GAAP with regards to Pull Media). There were no such material differences identified. The data used as a basis for the pro forma adjustments related to the two business combinations is based on the unaudited accounting records of the individual businesses as maintained before the acquisition.

## SECTION B – ISSUER

**B.8** Pro forma financial information (continued)

Based on the compilation of data and analysis of accounting policies, etc., the unaudited consolidated pro forma income statement for 2017 has been compiled as follows reflecting an effect of the acquisitions of Sportfreunde and Pull Media as if they were acquired as of 1 January 2017:

EUR million	Group income statement for 2017 <sup>1</sup>	Sportfreunde, unaudited <sup>2</sup>	Pull Media, unaudited <sup>3</sup>	Pro forma adjustments related to acquisitions	Pro forma income statement for 2017	
<b>Revenue</b>	<b>26.3</b>	<b>1.6</b>	<b>2.6</b>	<b>-</b>	<b>30.5</b>	
Direct costs related to revenue	-3.0	-0.2	-0.3	-	-3.4	
Staff costs	-7.6	-0.2	-1.4	-	-9.2	
Amortisation/depreciation and impairment	-0.7	-0.0	-0.0	-0.5	-1.3	(a)
Other external expenses	-5.1	-0.1	-0.6	-	-5.9	
<b>Operating profit</b>	<b>9.9</b>	<b>1.1</b>	<b>0.2</b>	<b>-0.5</b>	<b>10.7</b>	
Share of profit after tax of associates	-	-	-	-	-	
Financial income	0.0	0.0	0.1	-	0.1	
Financial expenses	-0.1	-	0.0	-0.1	-0.2	(b)
<b>Profit before tax</b>	<b>9.8</b>	<b>1.1</b>	<b>0.3</b>	<b>-0.7</b>	<b>10.5</b>	
Tax on profit for the year	-2.3	-0.3	-0.0	0.2	-2.5	(a), (b), (c)
<b>Profit for the year</b>	<b>7.4</b>	<b>0.8</b>	<b>0.3</b>	<b>-0.5</b>	<b>8.1</b>	

1 Extracted from the Audited Financial Statements.

2 Extracted from the unaudited internal accounting records of Sportfreunde for the period 1 January to 31 May 2017.

3 Extracted from the unaudited internal accounting records of Pull Media for the period 1 January to 31 August 2017.

The following pro forma adjustments have been made:

- a) As a result of the purchase price allocation, the Company has identified accounts which it has assessed with a useful life of 3 years. The corresponding amortisation of these accounts is included as a pro forma adjustment for the period from 1 January through the respective acquisition dates. The pro forma adjustments has a continuing impact.
- b) The Company incurred a revolving credit facility in order to finance the acquisitions and this pro forma adjustment reflects the interest expense from 1 January through the respective acquisition dates. The pro forma adjustments has a continuing impact.
- c) This is the calculated tax effect of the pro forma adjustments made. The pro forma adjustments has a continuing impact.

<b>B.9</b>	Profit forecast	Not applicable. The Company has not presented any profit/loss forecast.
<b>B.10</b>	Remarks in the audit report	Not applicable. There are no qualifications in the audit report covering the period of the historical financial information.
<b>B.11</b>	Working capital	Better Collective believes that the existing net working capital is sufficient to meet the needs of the Group over the coming twelve month period.

## SECTION C – SECURITIES

<b>C.1</b>	Securities offered	Shares in Better Collective A/S, corporate registration number 27652913. ISIN number DK0060952240. Better Collective has not issued shares of different class or category.
<b>C.2</b>	Currency	The shares are denominated in EUR.
<b>C.3</b>	Shares issued	The registered share capital of the Company as per the date of the Prospectus is EUR 275,498.28, divided between 27,549,828 shares, each with a quota value of EUR 0.01. The Company's shares have been issued in accordance with Danish law, have been fully paid and are freely transferable.

**SECTION C – SECURITIES**

<b>C.4</b>	Rights associated with the securities	Each share entitles the holder to one vote at the general meeting and every shareholder is entitled to vote with the full number of shares owned and represented by him or her. If the Company resolves to issue new shares, warrants or convertible bonds by means of a cash issue or offset issue, the shareholders generally have pre-emptive rights to subscribe for such securities in proportion to the number of shares held prior to such issue. Nothing in the Company's articles of association restricts the Company's ability to issue new shares, warrants or convertible bonds with deviation from the shareholders' preferential rights as provided for in the Danish Companies Act. The shares carry a right to dividend for the first time on the record date for dividends that occurs immediately after completion of the Offering. All shares will have equal rights to the Company's assets upon distribution of dividends and to any surplus in the event of liquidation.
<b>C.5</b>	Transferability restrictions	Not applicable. The shares are not subject to any restrictions on transferability.
<b>C.6</b>	Admission for trading on a regulated market	On 14 May 2018, Nasdaq Stockholm's Listing Committee decided to admit the shares to trading subject to certain conditions, including that customary conditions regarding distribution of shares are met not later than the first day of trading, which is expected to be 8 June 2018.
<b>C.7</b>	Dividend policy	<p>Better Collective aims to have an annual dividend of more than 50 percent of its profit for the year. However, as the Group intends to raise equity capital to expand its acquisition strategy, the Group expects no dividend before the year 2020<sup>1</sup>. Thereafter the board of directors will revisit the capital structure of the Group and evaluate whether to pay dividends. The decision to pay dividends will be based on the Group'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.</p> <p>1 Pay-out in 2021.</p>

**SECTION D – RISKS**

<b>D.1</b>	Principal risks related to the Company and the industry	<p>The main risks related to Better Collective, its industry and operations are presented below in no order of significance.</p> <ul style="list-style-type: none"> <li>■ The Group is exposed to risks related to the iGaming industry and its operations can therefore be affected by changes in the regulatory environment for iGaming</li> <li>■ The Group may be subject to legislation that limits or restricts the marketing of iGaming services and the Group could come to be in breach of such legislation</li> <li>■ The Group is dependent on iGaming operators' ability to attract and maintain users as well as the continued popularity of iGaming, industry trends and other macro-economic conditions</li> <li>■ The gambling industry is subject to negative publicity which could affect the Group's reputation and operations</li> <li>■ The Group operates in a young industry that is subject to change and greater uncertainties than more established industries</li> <li>■ The Group operates in a highly competitive industry and must continuously develop its technology and offering to be profitable</li> <li>■ The Group is dependent on search engine optimisation and pay-per-click marketing</li> <li>■ The Group may experience technical errors and disruptions to its IT infrastructure which can have severe negative impacts on the Group's operations</li> <li>■ The Group publishes third-party content on its websites which it cannot always monitor and control</li> <li>■ The Group is highly dependent on its customer agreements which can be terminated with short notice and its largest customer accounts for a significant part of the Group's revenue</li> <li>■ A large part of the Group's revenue depends on its customers' calculated revenue and costs and could therefore vary or be subject to miscalculations or other errors</li> <li>■ The Group may be unable to comply with applicable privacy legislation regarding the processing of personal data</li> </ul>
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## SECTION D – RISKS

<b>D.3</b>	Principal risks related to securities	<p>The main risks related to the shares and the Offering are presented below in no order of significance.</p> <ul style="list-style-type: none"> <li>■ An active, liquid and orderly trading market for Better Collective's shares may not develop, the price of the shares may be volatile, and potential investors could lose parts or all of their investment</li> <li>■ The Principal Shareholders will continue to have a significant influence over the Group following the Offering</li> <li>■ Large sales of shares by major shareholders could negatively affect the share price</li> <li>■ Undertakings to acquire shares in the Offering are not secured and may therefore not be fulfilled</li> <li>■ Shareholders could be diluted due to new issues or upon utilisation of warrants</li> <li>■ Currency exchange rate fluctuation could negatively affect the value of shares held by shareholders outside Sweden</li> <li>■ Potential future dividend payments by the Company may vary or not occur at all, and if paid, will be in EUR</li> <li>■ Potential participation limitations for shareholders outside of Sweden and Denmark</li> </ul>
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## SECTION E – THE OFFERING

<b>E.1</b>	Proceeds and costs relating to the Offering	<p>In connection with the Offering, the Company will issue new shares which is expected to provide Better Collective with approximately SEK 600 million before deduction of transaction costs.</p> <p>The total transaction costs are estimated to approximately SEK 50 million and consequently, Better Collective expects to receive net proceeds of approximately SEK 550 million as a result of the Offering.</p>
<b>E.2a</b>	Reasons for the Offering	<p>The board of directors of Better Collective's and the Principal Shareholders believe that now is an appropriate time to broaden the shareholder base and apply for a listing of the Company's shares on Nasdaq Stockholm. The Group is taking an active role in the ongoing consolidation of the iGaming affiliate industry. Exposure and access to the Swedish and international capital markets is a natural next step in this development.</p> <p>The issue of new shares in connection with the Offering is expected to provide Better Collective with net proceeds of approximately SEK 550 million. Better Collective intends to use the net proceeds to finance future acquisitions. Better Collective will not receive any proceeds from the sale of existing shares.</p>
<b>E.3</b>	Terms and conditions of the Offering	<p><b>The Offering:</b> The Offering is made to the public in Sweden and to institutional investors in Sweden and abroad. The Offering comprises a minimum of 10,344,827 new shares and a maximum of 12,500,000 new shares issued by the Company. The final number of shares issued will be determined based on the final Offering Price. In addition, the Selling Shareholder has reserved the right to increase the Offering by offering up to 3,044,732 existing shares in the Company.<sup>1</sup> To cover any over-allotments in the Offering, the Company will grant the Joint Global Coordinators an option to request that the Company issues up to additionally 2,331,709 shares, corresponding to maximum 15 percent of the total number of shares in the Offering, including, as applicable, additional shares following an increase of the Offering. The Over-allotment Option is exercisable, in whole or in part, for a period of 30 days from the first day of trading of the shares on Nasdaq Stockholm.</p> <p><b>The Offering Price:</b> The Offering Price is expected to be set within the Price Range of SEK 48-58 per share. The Offering Price will be set by the board of directors of Better Collective in consultation with the Joint Global Coordinators, based on discussions with certain institutional investors, current market conditions and a comparison with the market price of other comparable listed companies. The Offering Price to the general public will not exceed SEK 58 per share. Brokerage commission will not be charged. The Offering Price is expected to be made public through a press release around 8 June 2018.</p> <p><b>Application:</b> Applications for acquisition of shares within the Offering to the general public in Sweden should be made during the period 29 May 2018 up to and including 5 June 2018 and relate to a minimum of 200 shares and a maximum of 24,000 shares, in even lots of 100 shares each. Application is binding. Institutional investors in Sweden or abroad apply for subscription in accordance with specific instructions.</p> <p><b>Distribution:</b> Distribution of shares will be determined by the Company's board of directors and the Selling Shareholder in consultation with the Joint Global Coordinators.</p> <p><b>Settlement:</b> Settlement is expected to occur on 12 June 2018.</p> <p><sup>1</sup> If the Offering is increased in full, the sale of existing shares by the Selling Shareholder will include own shares as well as shares acquired from certain employees in connection with the completion of the Offering.</p>

**SECTION E – THE OFFERING**

<b>E.4</b>	Interests and conflicts of interest	<p>The Joint Global Coordinators provide financial advice and other services to the Company and the Selling Shareholder in connection with the Offering and will upon a successful completion of the Offering receive an advisory fee from the Company and the Selling Shareholder. The size of the advisory fee will be based on the amount of gross proceeds received from investors, and the Joint Global Coordinators have therefore, as such, an interest in the Offering.</p> <p>Nordea has provided the Company with a credit facility of DKK 225 million in accordance with a loan agreement dated 26 April 2018. The Joint Global Coordinators or their affiliates may from time to time have business relations with the Company and the Selling Shareholder, including lending activities, or may perform services for the Company and the Selling Shareholder in the ordinary course of business. None of the Joint Global Coordinators own shares in the Company.</p>
<b>E.5</b>	Selling Shareholder/ Lock-up agreements	<p>Bumble Ventures A/S is the Selling Shareholder.</p> <p>Pursuant to the placing agreement which is expected to be entered into on or around 7 June 2018, members of the board of directors, members of the executive management, members of the VP Group and certain employees holding shares in the Company, will undertake not to sell their respective holdings during a period of 360 days from the first day of trading on Nasdaq Stockholm (the "<b>Lock-Up Period</b>"). In total, approximately 72 percent of the shares in the Company after the Offering are covered, assuming that the final price in the Offering corresponds to the midpoint in the price range (SEK 53), that the Offering is fully subscribed and that the Over-allotment Option is not exercised. Pursuant to the placing agreement, the Company will undertake not to issue any shares or other securities during the first 180 days of the Lock-Up Period. The Joint Global Coordinators may grant exceptions from the lock-up undertakings.</p>
<b>E.6</b>	Dilution	<p>The new share issue in the Offering can result in an increase in the number of shares up to 11,320,754 corresponding to a dilution of 29.1 percent, assuming that the final price in the Offering corresponds to the midpoint in the price range (SEK 53) and that the Over-allotment Option is not exercised. If the Offering is increased in full and the Over-allotment Option is fully exercised, and assuming that the final price in the Offering corresponds to the midpoint in the price range (SEK 53), the total number of shares will increase by 13,475,576, corresponding to a dilution of 32.8 percent.</p>
<b>E.7</b>	Costs for the investor	Not applicable. Brokerage commission will not be charged.



BETTER  
COLLECTIVE

# RISK FACTORS

# RISK FACTORS

Any investment in securities is associated with risk. When considering a possible investment decision, it is important to carefully analyse the risk factors considered to be of significance to the Group and the share's future development. The following describes risk factors considered to be of importance for the Group, without any specific ranking. This applies for risks regarding circumstances that are attributable to the Group and its industry as well as those of a more general nature and risks associated with the shares and the Offering. Certain risks relate to factors beyond the Group's control. The following account does not claim to be complete and all risk factors can naturally not be predicted or described in detail, which is why an overall assessment must also include other information in the Prospectus as well as a general assessment. The risks and uncertainty factors below can have a significant negative impact on the Group's business, results of operations and financial position. They can also cause the shares of the Company to decrease in value, which could lead to shareholders in the Company losing all or part of their investment. Additional factors that are not currently known to the Group, or that are currently not deemed to pose risks, may also negatively impact the Group.

The Prospectus contains forward-looking statements that may be affected by future events, risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements for a variety of factors, including but not limited to, those described below and elsewhere in the Prospectus.

## RISKS RELATED TO THE COMPANY AND ITS INDUSTRY

### **The Group is exposed to risks related to the iGaming industry and its operations can therefore be affected by changes in the regulatory environment for iGaming**

Better Collective is an affiliate in the online gambling ("iGaming") industry. As such, the Group generates its income by directing users that visit the Group's various websites to its customers that are online sports betting and online casino operators ("iGaming operators"), for example Bet365, Unibet and Matchbook. The Group does not conduct any iGaming operations of its own but is dependent on the iGaming industry as its principal customers are iGaming operators. Therefore, iGaming legislation has a significant impact on the Group's business; directly in situations where the Group's marketing activities fall within the scope of applicable iGaming legislation, and indirectly as it affects the businesses of iGaming operators. Any regulatory development that could harm the financial performance or otherwise be commercial disadvantageous for iGaming operators could in turn affect the Group's revenue if the Group experiences lower revenue streams from affected iGaming operators that are customers of the Group.

The legal framework for gambling in general, and iGaming in particular, is complex and characterised by a high degree of variation between different jurisdictions. In most jurisdictions, gambling is highly regulated and in some cases restricted, limited or even prohibited. In addition, the legal position of iGaming is in many cases uncertain and subject to debate and continuous development. For example, several European countries have introduced, or are in the process of introducing, new laws and regulations that concern iGaming, such as licensing regimes. Such laws and regulations may impose licensing conditions that could present operational challenges to iGaming operators, for example requirements to maintain technical infrastructure within the relevant geographical territory or to maintain and disclose records of gambling statistics

with relevant authorities. Regulatory changes could also include additional tax burdens for iGaming activities.

Changes to applicable laws and regulations could lead to an increased burden of compliance for iGaming operators, which could be costly and time-consuming to maintain efficiently. In addition, the uncertainty that characterises the legal framework for iGaming means that iGaming operators must devote significant time and resources to monitor the regulatory development. Such developments can thus affect the financial performance of iGaming operators and consequently the Group's revenue if iGaming operators that are customers of the Group are negatively affected by any regulatory changes.

If iGaming operators are found to be in breach of applicable laws and regulations by any court or other relevant authority, they may be subject to civil or criminal penalties or other regulatory actions which could adversely affect their operations in one or several jurisdictions and lead to increased costs or that their operations are restricted. There is also a risk that similar actions can be brought against any third party having promoted the business of such iGaming operator, including the Group. In some jurisdictions, such as the United Kingdom, iGaming operators are liable for marketing performed through affiliates. Consequently, should an iGaming operator that is a customer of the Group be found in breach of applicable legislation due to the Group's marketing or conduct, the iGaming operator might claim damages or a right of recourse against the Group if the conduct in question breaches the iGaming operator's terms and conditions for the affiliate program.

Furthermore, there is a risk that the Group's current and future innovations and technical features are considered to be overstepping the regulatory lines between an affiliate and an iGaming operator thus potentially exposing the Group to iGaming operator or betting intermediary legislation. This could for example include technical features such as bet placement functionalities allowing users to connect, place or modify bets

with a third party iGaming operator via, or seemingly without leaving, the affiliate website. Any such uncertainties as to the regulatory status of existing and new technical features could lead to launching delays or delays when entering new markets.

Any development such as the above-mentioned could have a material adverse effect on the Group's business, results of operations and financial position.

**The Group may be subject to legislation that limits or restricts the marketing of iGaming services and the Group could come to be in breach of such legislation**

In certain jurisdictions, such as Romania, the Group's activities are subject to license requirements. In other jurisdictions, the Group must comply with regulations and standards aimed at marketing of iGaming services, for example the Code of Non-broadcast Advertising and Direct & Promotional Marketing (the so-called CAP Code) in the United Kingdom and the Danish Gambling Authority's guidelines regarding compulsory disclosure of conditions when marketing a bonus offer in Denmark. In addition, the Group is subject to general marketing legislation in all jurisdictions that the Group operates.

In the future, the Group may be subject to additional regulatory requirements aimed at the promotion of iGaming services, for example if the Group enters new geographical markets, if laws and regulations are changed or extended to include the Group's operations or if new laws and regulations are enacted in the jurisdictions that the Group operates. Any regulatory development that would restrict or prevent the Group from conducting its business activities in any given territory could have a material adverse effect on the Group's business, results of operations and financial position.

There are a number of jurisdictions that have limited or prohibited gambling in general, or iGaming in particular, including the marketing thereof, and have made it illegal for its residents to engage in such activities. The Group's ability to prevent such users from accessing the Group's websites and subsequently being directed to the websites of iGaming operators is limited. Consequently, there is a risk that jurisdictions in which such users are resident seeks to argue that an iGaming operator that is a customer of the Group, or the Group itself, has acted in breach of applicable legislation and have actions brought against it, which could have negative financial and reputational effects for the Group. Furthermore, as the Group operates more than 2,000 websites there is a risk that the Group is unable to maintain all sites fully compliant with marketing laws and regulations, as applicable from time to time. As an example, the Group is currently contesting a claim regarding the potential infringement of gambling regulations on certain inactive websites of the Group. Any similar situations occurring in the future could entail increased costs as well as reputational damage to the Group.

Regulatory compliance is costly and time-consuming. The Group dedicates significant time and financial resources to monitor its regulatory compliance and expects that it will continue to do so in the future. The Group cannot predict the regulatory development in the iGaming industry, neither whether new laws and regulations will be enacted, nor the potential effects it may have on the Group's operations. As such, there is a risk that the Group in the future will have to dedicate additional financial resources to its compliance functions than originally envisaged. There is also a risk that the Group fails to

comply with all applicable laws and regulations which could result in penalties or other sanctions from relevant authorities, lead to increased costs or otherwise have a negative impact on the Group's operations.

Any development such as the above-mentioned could have a material adverse effect on the Group's business, results of operations and financial position.

**The Group is dependent on iGaming operators' ability to attract and maintain users as well as the continued popularity of iGaming, industry trends and other macro-economic conditions**

The Group's revenue is affected by its customers', the iGaming operators, ability to attract and maintain users on their iGaming platforms as well as by the general popularity of iGaming, including user trends and preferences, for example in terms of preferred or popular games and services. Low user activity for iGaming operators that are customers of the Group, for any reason, could thus affect the Group's revenue negatively.

The Group's customer agreements are based on performance-based commission models; a so-called cost per acquisition ("**CPA**") model, a revenue share model, or a combination of both. Under a CPA model, the Group receives a one-off payment for every user that, is directed to the iGaming operator, creates a new profile and makes a deposit, thereby becoming a "new depositing customer" ("**NDC**"). Under a revenue share model, the Group is instead entitled to a certain percentage of the iGaming operator's net revenue generated by the NDC on the iGaming operators' platform during a certain period or throughout the "lifetime" of the NDC's membership. The Group's revenue therefore depends not only on the number of NDCs that the Group manages to direct to iGaming operators, but also on the iGaming operators' ability to keep the NDCs active on their websites. The iGaming industry is characterised by high competition, innovation and rapid development in terms of technology as well as games and services provided. As such, it could be challenging for iGaming operators to keep NDCs active if they are unable to maintain a competitive iGaming platform, strong brand and reputation in relation to competing iGaming operators. To that end, iGaming operators are required to devote significant resources to continuously develop their offerings. If the Group's customers experience lower user activity or fail to attract NDCs for reasons such as the above-mentioned, the Group's revenue may decline.

User activity could also be affected by the general popularity and demand of iGaming, which in turn is affected by several external factors that are difficult to predict and adapt to. Factors that could affect the general popularity of iGaming include the social acceptance of gambling, industry trends, seasonal variations and the occurrence of large sporting events, regulatory environments and other macro-economic conditions. Furthermore, the Group cannot anticipate the development of financial markets, the economic and political climate or foresee macro-economic events, and an economic down-turn or an otherwise weak or declining economy could strain the iGaming industry and lead users to cut back on personal consumption and recreational spending, potentially lowering the popularity of iGaming in general, including the websites of the Group and its customers. Such developments may also increase pressure on iGaming operators to lower



their costs, including the fees paid out to affiliates such as the Group.

Any development such as the above-mentioned could have a material adverse effect on the Group's business, results of operations and financial position.

**The gambling industry is subject to negative publicity which could affect the Group's reputation and operations**

The gambling industry in general is subject to negative publicity relating to perceptions of underage gambling, gambling addiction, exploitation of vulnerable users and the historic link of the gambling industry to criminal enterprise. The Group does not conduct any gambling operations of its own, but as a service provider to the iGaming industry, the Group's reputation could be affected by such negative publicity, in particular if the market has difficulties distinguishing service providers from iGaming operators. For example, the Group's websites or its customers' websites could be accessed by minors or users who experience gambling problems which could affect the Group's reputation and brand negatively. iGaming operators could also be exposed to fraud or money-laundering activities, which also could give rise to negative publicity affecting the Group. In that respect, the Group could be negatively affected if any of its customers fail to maintain sufficient internal controls and processes to monitor fraudulent or harmful user behaviour. Negative publicity relating to gambling in general, or iGaming in particular, could also give rise to political measures and calls for restrictive legislation affecting the industry and the Group's operations.

Any development such as the above-mentioned could have a material adverse effect on the Group's business, results of operations and financial position.

**The Group operates in a young industry that is subject to change and greater uncertainties than more established industries**

The iGaming affiliate industry in which the Group operates is a relatively young industry, and the Group is thereby subject to greater risks and uncertainties than companies operating in more established industries. As the industry is young it is subject to change and the access to historic data is limited, rendering it difficult to establish long-term projections and estimate the effects and impact of, inter alia, a global financial crisis, new or amended legislation, new marketing methods or technology, or greater competition and new participants entering the market. Consequently, there is a risk that changes in market conditions can have sudden or unanticipated implications that in turn could have a material adverse effect on the Group's business, results of operations and financial position as well as on the Group's market valuation.

**The Group operates in a highly competitive industry and must continuously develop its technology and offering to be profitable**

The Group operates in a highly competitive industry characterised by innovation and rapid technical development. In order to be profitable, the Group must constantly develop its technology and services, including websites and content, in order to attract new visitors to its websites and to be able to generate user traffic to iGaming operators. In terms of competition, the Group faces competition not only from other companies within the online marketing industry but also from

traditional marketing methods such as TV, print publications and radio.

Competitors could be more successful than the Group, for example by having significantly larger financial resources, larger development and marketing organisations, by developing better technologies and services or in any other way attracting more users. As the Group's technology is a key aspect of its business, the Group has devoted, and expects to continue to devote, significant resources to developing its technology platform. As such, there is a risk that the Group is not able to follow technology trends, meet customer demands or otherwise develop and maintain its technology platform at a competitive level. If the Group is unable to effectively compete with its competitors it could lead to a decline of the NDCs directed to iGaming operators that are customers of the Group, which in turn could lead to a reduction of the Group's revenue. A reduced ability to generate NDCs could also impact the Group's ability to partner with new iGaming operators.

Competition may also cause iGaming operators to negotiate lower payments, revenue sharing arrangements or other fees received by the Group. Furthermore, iGaming operators often conduct extensive marketing activities of their own to attract new users and if such marketing activities extend to include the scope of the Group's business, there is a risk that the Group experiences a decline in the demand of its services.

Any development such as the above-mentioned could have a material adverse effect on the Group's business, results of operations and financial position.

**The Group is dependent on search engine optimisation and pay-per-click marketing**

The Group's business is dependent on its ability to maintain efficient search engine optimisation ("SEO") and online marketing in order to drive organic user traffic to its websites. The Group's SEO operations rely on search engines, such as Google, Bing and Yahoo, using specific algorithms to rank search results in terms of significance. Any material update to those algorithms made by search engines may damage the search result ranking of the Group's sites, and could require the Group to make technical adjustments in order to restore its search result ranking. Any delay in the Group making a full recovery of search result rankings, or an inability to fully recover following such an update could have a negative impact on the Group's short-term and/or long-term user traffic. Furthermore, regulatory requirements could present challenges to the Group's SEO strategy as the use of certain high-ranking keywords could be considered misleading or inappropriate according to applicable marketing regulations, guidelines and standards. The use of alternative keywords, disclaimers or other measures to ensure regulatory compliance may therefore lead to lower search result rankings.

Search engines and other market participants could implement strategies aimed at preventing or restricting SEO or online marketing carried out by independent parties, including the Group. Search engines such as Google already enforces certain SEO guidelines by penalising practices found in breach of those guidelines, as a result of manual reviews as well as updates to the search engines algorithms. Such penalties could result in the drop of rankings for a site, for a specific keyword, or for a specific page, potentially causing a drop of traffic and a reduced ability to attract users.

To a lesser extent, the Group utilises pay-per-click (“PPC”) campaigns operated by search engines, as a complement to SEO marketing. If such services are changed, withdrawn or become materially more expensive it may impact the Group’s marketing reach, potentially causing a drop of traffic and reduced ability to attract users, in particular if the Group would to increase its use of PPC campaigns in the future.

Any development such as the above-mentioned could have a material adverse effect on the Group’s business, results of operations and financial position.

**The Group may experience technical errors and disruptions to its IT infrastructure which can have severe negative impacts on the Group’s operations**

The Group is dependent on maintaining a secure and well-functioning IT environment for all aspects of its operations. There is a risk that the Group’s IT environment, as well as contracted third-parties’ IT environment, can be affected by problems with software, hardware, computer viruses, improper or negligent operation of the Group’s IT systems by the Group’s employees or contractors, attacks or physical damages due to, for example, fire, flood and other natural disasters as well as other unforeseen events which are out of the Group’s control. Such failures and interruptions can lead to delays, increased costs and negatively impact the Group’s operations.

An increasing number of companies are experiencing cyber-attacks, some of which are highly sophisticated targeted attacks on the computer networks that may shut down, disable, slow down, or otherwise disrupt operations, business processes, or website access or functionality. Current and former employees with access to sensitive data, such as website credentials, are also in position to harm the Group by gross in acts similar to hacking. Because the techniques used to sabotage system or obtain unauthorised access, disable or degrade services develop constantly, and are often unknown or not recognised until launched against a target, the Group may be unable to anticipate these techniques or implement effective and efficient countermeasures in a timely manner. A cybersecurity breach could result in the loss or theft of customer data, the inability to access electronic systems (so-called denial of services), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). Furthermore, the Group uses open-source software which can be riskier to use than third-party commercial software because open-source licensors generally do not provide contractual protections with respect to the software, nor are they obliged to maintain their software or provide any support. In addition, open-source software could present additional security risks as the source code for open-source software is publicly available, making it easier for hackers and other third parties to determine how to breach the Company’s sites and systems. Such incidents could cause the Group to incur regulatory penalties, reputational damage and additional compliance costs.

Any development such as the above-mentioned could have a material adverse effect on the Group’s business, results of operations and financial position.

**The Group publishes third-party content on its websites which it cannot always monitor and control**

The Group publishes third-party content on its websites, including real time odds data and operator sign up bonus information, amongst other data, some of which are published and continuously updated automatically through pre-programmed scripts, plugins and website widgets. The Group’s terms and conditions states that the Group does not assume any liability for this third party content, but the Group may be unable to acquit itself of its responsibility for the content and may be found and liable for damages caused thereof potentially resulting in the Group’s brand and reputation may be materially and adversely affected.

Furthermore, the Group also allow for users to post content on its website, particularly the Group’s community sites. The Group’s terms and conditions for users prohibit certain behaviour, but the websites may be misused by users engaged in inappropriate, fraudulent or illegal activities. The Group has teams in place to monitor content posted on websites but does not pre-approve content posted. The monitoring procedures aim to detect, block or delete illegal, fraudulent or inappropriate content or activities conducted through the misuse of the Group’s sites, particularly misuses that violate applicable laws and regulations. However, they may not be able to detect, block, or delete all such content or activities in real time due to the time lag between content posting and the inspection by the Group’s monitoring teams. Furthermore, new user features and site functions may cause it to become more difficult to timely detect and block illegal or inappropriate content or activities in the future. The Group’s brand and reputation may be materially and adversely affected by such misuse and the Group may also be found liable for illegal or inappropriate content posted by users and face governmental or regulatory actions.

Any development such as the above-mentioned could have a material adverse effect on the Group’s business, results of operations and financial position.

**The Group is highly dependent on its customer agreements which can be terminated with short notice and its largest customer accounts for a significant part of the Group’s revenue**

The Group has customer agreements with a large number of iGaming operators, most of which are based upon a revenue share model, where the Group receives a part of iGaming operator’s revenue, as long as the players transferred are active and generates revenue to the iGaming operator. In addition to the revenue share agreements, some of the Group’s agreements are based on CPA and some are a mix of revenue share and CPA.

In general, the iGaming operators can terminate the customer agreements with short notice or at will. NDCs that have already been transferred on revenue share agreements cannot be terminated, as the term typically covers the users’ life time or at least several years. There is a risk that some iGaming operators might seek early termination in this regard and argue that the revenue share shall not stay in effect past the point of termination of the agreement, which may lead to extensive legal proceedings. Should the Group be unable to enforce contractual engagements with its customers or should customers choose to terminate such agreements, this could have an immediate and material adverse effect on the Group’s business, results of operations and financial position.

The Group has one single customer that account for a significant part of the Group's revenue. As the Group is primarily focused on online sports betting, a market segment that is characterised by the presence of several large and well-established operators that account for a significant share of the market and attract many users, the Group is naturally exposed to having one or a few number of operators as its customers. For the financial years ended on 31 December 2015, 2016 and 2017, the Group's largest customer accounted for approximately 61 percent, 81 percent and 64 percent, respectively, of the Group's generated revenue. In Q4 2017, the Group's largest customer accounted for approximately 50 percent of the Group's generated revenue. Consequently, the Group is highly dependent on the relationship with its largest customer and if the agreement was to be terminated or if the customer would otherwise resolve to decrease its cooperation with the Group or if the customer would suffer from financial difficulties, the Group would be required to redirect traffic to other customers. If the Group is unable to successfully redirect traffic, its revenues could be negatively affected.

Any development such as the above-mentioned could have a material adverse effect on the Group's business, results of operations and financial position.

**A large part of the Group's revenue depends on its customers' calculated revenue and costs and could therefore vary or be subject to miscalculations or other errors**

The majority of the Group's customer agreements are based on a revenue share model whereby the Group is entitled to a certain percentage of the iGaming operator's net revenue generated by a directed user with an iGaming operator during a certain period or throughout the lifetime of the user's membership. For the financial year ended 31 December 2017, revenue share agreements accounted for approximately 89 percent of the Group's revenue.<sup>1</sup>

Under the revenue share agreements, the net revenues are calculated as the total revenues for a user, adjusted for direct costs, such as transaction fees and bonuses. The iGaming operator's direct cost may increase as a result of various factors, including increased taxation or transaction fees. Many European jurisdictions have implemented or are in the process of implementing new tax regulations, general as well as tax regulations especially targeting iGaming operators, for example the so-called *point of consumption tax*. Due to the majority of the Group's customer agreements being based on a revenue share model, increased direct costs for iGaming operators that are customers of the Group could significantly impact the Group's revenue.

Once the Group has directed user to an iGaming operator, the Group cannot track the user's activities in the iGaming operator's system. To determine the fees to invoice, the Group is solely dependent on the net revenue calculations provided by the iGaming operators themselves. Consequently, there is a risk of miscalculation, including but not limited to miscalculations as a result of fraudulent or negligent behaviour by iGaming operators, or due to human error. Should miscalculations occur without being detected or subsequently remedied alternatively retroactively adjusted, the Group may receive a lower fee than entitled to under the customer agreements.

Any development such as the above-mentioned could have a material adverse effect on the Group's business, results of operations and financial position.

**The Group is dependent on its key employees and its ability to retain and hire qualified personnel**

The Group is dependent on its executive management and other key employees. It is important to the Group's operations and growth that the Group is able to attract, hire, develop and retain members to its executive management as well as other key employees. The loss of any member of the executive management or any other key employee could affect the Group's business due to the time and resources that could be required to finding suitable replacements. If the Group would fail to attract or retain such personnel, it could have a material adverse effect on the Group's business, results of operations and financial position.

**The Group may not be able to maintain a sufficient level of protection for its intellectual property rights and trade secrets**

The Group considers its brands, domain names, customer data, copyrights, trade secrets, and similar proprietary technology to be a key aspect of the Group's operations. For protection of such rights, the Group relies on trademark registrations, domain registrations, copyright and trade secret protection, as well as agreements with employees and others. If the Group is unable to achieve and maintain sufficient protection for its proprietary rights, its operations may be negatively affected.

A large part of the Group's brand names, such as Bettingexpert or Bonus Code Bets, are in many jurisdictions considered generic and descriptive from a trademark perspective and it is therefore difficult to obtain trademark protection for such brand names. The Group therefore also relies on registered domain names for protection. Some of the Group's brand names, domain names or other intellectual property might be held by third parties in jurisdictions, impeding, limiting or otherwise delaying a potential expansion or a new market entry by the Group. If the Group should fail to establish, manage and protect its intellectual property, such as key domain names, and if the Group becomes subject to claims or demands related to brand names, domain names, trademarks or other intellectual property that limit the use of such intellectual property or entail significant costs, the Group could lose competitive advantages.

Furthermore, the Group could be subject to infringement by third parties. As an example, the Group has previously encountered competing affiliate websites in Romania harvesting and reposting the Group's content as its own. The Group could experience similar conduct in the future and may be unable to successfully stop any such infringing conduct, which could damage the Group and its operations.

Any development such as the above-mentioned could have a material adverse effect on the Group's business, results of operations and financial position.

<sup>1</sup> Revenue share includes hybrid models, a combination of revenue share and CPA.

**The Group could be subject to claims and proceedings regarding third-party intellectual property rights**

The Group could become involved in disputes in the normal course of business and risks being subject to various claims. For example, the Group markets iGaming operators and products under the names provided by the iGaming operator and there is a risk that names of the products or iGaming operators are trademarked by third parties in other certain jurisdiction, which could entail claims against the Group. In addition, the Group engages freelance contributors who in breach of their freelance agreements might engage in plagiarism, which could entail significant costs or reputational damage for the Group.

Any development such as the above-mentioned could have a material adverse effect on the Group's business, results of operations and financial position.

**The Group may be unable to comply with applicable privacy legislation regarding the processing of personal data**

The Group's operations involves the processing of personal data, which means that the Groups is required to comply with applicable privacy legislation regarding the collection and processing of information regarding the visitors to the Group's website. If the Group is unable to comply with such legislation, sanctions or other penalties may be imposed, which could entail increased costs and reputational damage to the Group.

As of 25 May 2018, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of private individuals with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) ("GDPR") has direct effect in all EU member states and has as such replaced all previous national personal data legislation. GDPR entails extensive changes to the EU personal data regulation, with a strengthening of individual rights, stricter requirements on companies handling personal data and stricter sanctions with considerable administrative fines.

The Group has taken preparatory measures and updated policies and processes, focusing on compliance aspects in the key areas key areas related to the Group's operations, for example the processing of user data from the Group's websites. The Group will continue to devote significant resources to monitor the development of GDPR and continuously evaluate the need for additional compliance measures. As GDPR has recently entered into effect, it is yet too early to draw any conclusions as to the long-term impact on the Group's operations, if the Group's preparations to date are sufficient or how the new legislation will be interpreted and enforced by authorities. Furthermore, at this point the Group cannot assess the level of additional financial resources that its compliance operations might require, or whether the Group will be able to dedicate such resources if and when the need arises. As such, there is a risk that the Group may not be able to ensure compliance in the short-term or the long-term, which may result in sanctions or other penalties.

Any development such as the above-mentioned could have a material adverse effect on the Group's business, results of operations and financial position.

**The Group could be involved in legal proceedings that could be costly and time-consuming and disrupt the Group's ordinary operations**

The Group (or Executive management, board members or employees) could be involved in disputes, claims, investigations and legal proceedings that could put a strain on the Group's operations and lead to the Group having to pay damages or cease operations. The Group may, from time to time, become involved in disputes as part of its ordinary business operations and there is a risk that the Group becomes subject to legal claims concerning, for example, intellectual property, marketing activities, regulatory non-compliance, agreements or labour issues. Such disputes, claims and legal proceedings can be complex and the outcome difficult to predict, as well as disrupt ordinary business operations and be costly and time-consuming.

If the Group would become involved in disputes or legal proceedings, there is a risk that it could have a material adverse effect on the Group's business, results of operations and financial position.

**The Group is subject to risks related to past and potential future business acquisitions**

The Group has historically acquired other businesses including legal entities in different jurisdictions, in particular during the last couple of years. A key aspect of the Group's strategy is to grow organically as well as through business acquisitions, why the Group may contemplate future acquisitions if the board of directors' believe that such acquisitions would support the Group's strategy, growth and long-term profitability. Such activities are however associated with significant risks that can have a material adverse effect on the Group's business, results of operations and financial position.

There is a risk that the Group is unable to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms, obtain required licenses and authorisations and ultimately complete such acquisitions and integrate them into the Group. There is also a risk that the Group makes, or has made, incorrect assumptions about the acquisition targets, that the actual development of the acquired businesses differs significantly from the expectations or that anticipated benefits otherwise do not occur or exceed costs, for example in terms of cash flow, growth or synergies. Acquiring new business furthermore requires that the Group devotes significant time and resources into the processes which can place significant strain on the Group's organisation and disrupt ordinary operations.

Any such developments could have a material adverse effect on the Group's business, results of operations and financial position.

**The Group could be unable to successfully manage growth**

The Group has experienced significant growth since the start of its operations and has the ambition to continue to grow in the future. In order to achieve its growth and revenue targets, the Group must manage all aspects of its operations and increase its capacity while maintaining the same service level to current and potential new iGaming operators. Growth is likely to lead to increased complexity of operations and could place additional requirements on the Group's organisation, internal controls, procedures and technology. As such, there is a risk that the Group's current and planned organisation, procedures

and technology will not be adequate to support the Group's future operations, and if so, that the Group is unable to make the necessary organisational, technological or procedural changes to adapt to new requirements as they arise. If the Group is unable to successfully manage such operational and organisational development or otherwise adapt to new requirements resulting from growth, it could have a material adverse effect on the Group's business, results of operations and financial position.

**The financial targets included in the Prospectus may differ materially from the Group's actual results**

The financial targets set forth in this Prospectus and elsewhere are the Group's expectations concerning growth and profitability. These objectives are based on a number of factors, which are inherently subject to significant business, operational, economic and other risks, many of which are outside the Group's control. The Group has detailed the assumptions the senior management and the board of directors have made when setting out its targets, but there is a risk that these assumptions may not continue to reflect the commercial, regulatory and economic environment in which the Group operates. Accordingly, such assumptions may change or may not materialize at all. In addition, unanticipated events may adversely affect the actual results that the Group achieves in future periods whether or not its assumptions otherwise prove to be correct. As a result, the Group's actual result may vary materially from these targets and investors should not place undue reliance on them.

**The Group may not show profitability in subsequent periods and may experience uneven cash flows, for example due to seasonality in iGaming or declining currency rates**

The Group has historically incurred significant costs for the development of its current operations and the Group expects that it will continue to incur significant costs in the future, including for acquisition activities. Such activities, together with anticipated general and administrative expenses and the anticipated increase of costs and expenses associated with the expected growth of the Group, could result in the Group sustaining significant losses and/or operating costs for the foreseeable future. There is a risk that the Group will not earn sufficient revenues or maintain profitability to conduct its operations in accordance with set goals and strategies, which could impair the Group's ability to sustain operations or obtain any required additional funding.

Furthermore, the Group may not be able to sustain profitability in subsequent periods. In addition, the Group may experience uneven cash flows, including due to seasonality in iGaming, for example due to the occurrence of big sporting events. In addition, since the majority of the Group's agreements with iGaming operators are based on a revenue share model, the Group is also exposed to risks relating to "unlikely winners". The betting on, for example, a football game is divided in different odds, based on the probability of the result. A more unlikely outcome has higher odds (i.e. higher returns) than a more probable outcome. Should an unpredictable number of users bet on unlikely outcomes, or should an unpredictable amount of game results with unlikely outcomes occur, and should the iGaming operators internal monitoring systems fail to detect any unusual or abnormal betting patterns, the iGaming operators will be obliged to pay out higher prizes to its users betting on such games than expected which will impact the iGaming operators' results and thereby the Group's revenue share in a given period.

Furthermore, the Group's revenue share could also be affected by declining currency rates. For example, for 2017, the Group estimates that 44 percent of its revenue was derived from the UK market, where users play in GBP. The Group typically receives payments from iGaming operators in DKK or EUR, but the revenue share itself is calculated in the local currency and is thereafter translated to DKK or EUR. Hence a decline in the local currency rate vis-à-vis DKK or EUR could impact the Group's revenues negatively.

As a result, period-to-period comparisons of financial results are not necessarily meaningful and results of operations in prior periods should not be relied upon as an indication of future performance. Any future deviations in results of operations expected by securities analysts or investors could have a material adverse effect on the market price of the Group's shares.

**The Group is exposed to tax-related risks**

The tax considerations made by the Group are based on interpretations of the current tax laws, tax treaties and other tax regulations and the requirements of the relevant tax authorities. There is a risk that tax audits and reviews may result in the Group having additional tax imposed or deductions denied, for example due to financings or intra group transactions. With the Group's structure and current activities in mind, such risk could for example relate to tax authorities in foreign jurisdictions considering a permanent establishment being in place and tax risks relating to the acquisitions of entities and assets abroad.

In the event that the Group's interpretation of tax laws, treaties and other tax regulations or their applicability is incorrect, if one or more governmental authorities successfully make negative tax adjustment with regard to the Group, or if the applicable tax laws, tax treaties, regulations or governmental interpretations thereof or administrative practice in relation thereto change, including with retroactive effect, the Group's past or current tax positions may be reassessed. In the event of tax authorities succeeding with such claims, an increased tax cost could result, including tax charges and interest costs which could have a material adverse effect on the Group's business, results of operations and financial position.

Laws, treaties and other regulations on taxation have historically been subject to frequent changes and future changes could have a significant impact on the Group's tax burden, as well as a material adverse effect on the Group's business, results of operations and financial position. As an example, there could be changes to the taxation of tech companies, including changes in allocation of taxable income relating to web and device based services. In March 2018, the EU commission proposed new rules for taxation of digital business activities. The current proposal targets groups and companies with business activities far exceeding the current activities of the Group, but the Group's activities could fall within the scope of such legislation in the future, for example if the any legislation adopted based on the EU commission's proposal includes lower thresholds or if the Group's operations grows, which could impose additional tax burden on the Group.

**The Group could require additional financing or be required to refinance existing loans and may not get such financing on acceptable terms or at all**

The Group may have to turn to the capital market to finance the Group's business. If additional financing cannot be raised



when needed, if financing cannot be raised on terms favourable to the Group, or if such financing should prove insufficient to fund the Group's operations this could have a material adverse effect on the Group's business, results of operations and financial position.

#### **The Group is exposed to 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 operating activities due to the international activities of the Group. The Group's revenues are mainly denominated in DKK and EUR, with limited revenue in GBP and USD. The majority of the Group's expenses are employee costs, which are denominated in the Group entities' functional currency DKK together with expenses. The expenses are mainly in DKK, EUR and to a limited extent GBP and USD. Currency fluctuations could cause currency transaction losses or gains which the Group cannot predict and if the currency fluctuations are detrimental to the Group, it could have a material adverse effect on the Group's business, results of operations and financial position.

#### **The Group is exposed to 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 interest rate markets. The Group's exposure to interest rate risk arises mainly from its revolving credit facility and deposits held by the Group. The interest rate risk can lead to negative changes in fair values, negative changes in cash flows and negative fluctuations in the Group's profit and changes in interest rates could hence have a material adverse effect on the Group's business, results of operations and financial position.

#### **The Group is exposed to credit risks**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables and cash and cash at hand. If the Group's counterparties fail to meet their payment obligations, it will affect the Group's cash flow and could have a material adverse effect on the Group's business, results of operations and financial position.

#### **The Group is exposed to liquidity risk**

The Group is subject to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which normally include trade payables, other payables and credit facilities. The Group could have insufficient liquidity to fulfil its obligations when due. In case the Group should experience a liquidity shortfall, there is a risk that additional capital cannot be raised when needed, that capital cannot be raised on terms favourable to the Group, or that the capital raised should prove insufficient to cover the Group's liquidity needs which could have a material adverse effect on the Group's business, results of operations and financial position.

## **RISKS RELATED TO THE SHARE AND THE OFFERING**

### **An active, liquid and orderly trading market for Better Collective's shares may not develop, the price of the shares may be volatile, and potential investors could lose parts or all of their investment**

Share ownership is always associated with risk and risk-taking. Since an investment in shares can both rise and fall in value, there is a risk that investors will not get back the capital invested. Both the general development on the stock market and the Company's share price depend on a number of factors, including the development of the Group's operations, changes in the Group's earnings and financial position, changes in the market's expectations of future profits and dividends, as well as supply and demand for the Company's shares. The price of the Company's share may also to some extent be affected by factors which may be beyond the Group's control, such as relative market position and competitors' activities.

Prior to the planned listing on Nasdaq Stockholm, there has been no public market for Better Collective's shares. The Group cannot predict the investors' interest in the Group, and there is therefore a risk that an active and liquid market will not develop or, if developed, that it will not be sustained after the completion of the Offering. The price of the Company's shares may from time to time be subject to significant fluctuations in the stock market in general, which may occur regardless of the Group's performance. Conditions associated with the Group's industry, such as regulatory developments and economic and political changes in relevant jurisdictions may also be impacting factors.

Furthermore, the price of the Company's share is affected by monitoring and reporting on the Group by equity and industry analysts. If one or more of these analysts ceases to follow the Group or does not publish periodic reports, the Group may become less visible in the financial markets, which in turn can lead to fluctuations in share price and/or trading volumes.

If any of the aforementioned risks would occur, it may result in a decline in the price or the trading volume of the Company's share.

### **The Principal Shareholders will continue to have a significant influence over the Group following the Offering**

Following the completion of the Offering, the Principal Shareholders will together hold approximately 62.6 percent of the shares, assuming that the final price in the Offering corresponds to the midpoint of the price range (SEK 53), that the Offering is fully subscribed and that the Over-allotment Option is not exercised. Under the same conditions, but with the Offering being increased in full and the Over-allotment Option being fully exercised, the Principal Shareholders will together hold approximately 54.5 percent of the shares.

The Principal Shareholders are therefore likely to continue to have a significant influence over the Group in matters that are subject to the shareholders' approval at the general meeting, including resolutions for paying dividends, the election of directors, mergers, consolidations, and the sale of all or substantially all of the Group's assets or other corporate actions. The interests of the Principal Shareholders may differ significantly from those of other shareholders. The Principal Shareholders



could thus exercise its influence in a manner that may conflict with the interests of other shareholders.

**Large sales of shares by major shareholder could negatively affect the share price**

Significant sales of shares which are made by major shareholders, the Group's directors or the senior executives, as well as a general market expectation that further sales will be carried out, could have a negative effect on the price of the Company's shares.

Pursuant to the placing agreement which is expected to be entered into on or around 7 June 2018, members of the board of directors, members of the executive management, members of the VP Group and certain employees holding shares in the Company, will undertake not to sell their respective holdings during a period of 360 days from the first day of trading on Nasdaq Stockholm (the "**Lock-Up Period**"). In total, approximately 72 percent of the shares in the Company after the Offering are covered, assuming that the final price in the Offering corresponds to the midpoint in the price range (SEK 53), that the Offering is fully subscribed and that the Over-allotment Option is not exercised. Pursuant to the placing agreement, the Company will undertake not to issue any shares or other securities during the first 180 days of the Lock-Up Period. The Joint Global Coordinators may grant exceptions from the lock-up undertakings.

**Undertakings to acquire shares in the Offering are not secured and may therefore not be fulfilled**

Certain members of the Company's board of directors have undertaken to acquire shares in the Offering equivalent to SEK 39.5 million. Based on full subscription of the Offering, that the Over-allotment Option is not exercised and assuming that the final price in the Offering corresponds to the midpoint in the price range (SEK 53), the commitment equates to 745,282 shares, which corresponds to 6.6 percent of the number of shares in the Offering, and 1.9 of the total number of shares in the Company after the Offering. The commitments are not covered by any bank guarantee, blocked funds or pledging or similar arrangement, why there is a risk that these undertakings will not be fulfilled. The commitments are also subject to conditions. In the event that any of these conditions are not met, there is a risk that the undertakings will not be fulfilled, which could have an adverse effect on the execution of the Offering.

**Shareholders could be diluted due to new issues or upon utilisation of warrants**

If the Company decides to raise additional capital, for example through an issue of new shares or other securities, there is a risk that shareholders who cannot participate in such an issue, or choose not to participate, could have their ownership interests diluted. The same applies if an issue is directed to persons other than the Company's shareholder.

Furthermore, the Company has issued warrants for several incentive programs. The utilisation of such warrants, if and when that occurs, will entail a dilution for other shareholders. If the maximum possible number of warrants is exercised it would correspond to a dilution of approximately 5.0 percent of the total number of shares in the Company after the completion of the Offering assuming that the price in the Offering corresponds to the midpoint of the price range (SEK 53), that

the Offering is fully subscribed and that the Over-allotment Option is not exercised.

**Currency exchange rate fluctuation could negatively affect the value of shares held by shareholders outside Sweden**

As the Company will be listed on Nasdaq Stockholm, its shares will be quoted in SEK only. If the SEK depreciates against foreign currencies, it could result in adverse consequences for the valuation of foreign investors' holdings in the Company.

**Potential future dividend payments by the Company may vary or not occur at all, and if paid, will be in EUR**

Investors who participate in the Offering may be eligible for future dividends that are decided after the listing on Nasdaq Stockholm. The amount of future dividends that the Company will pay, if any, will depend on a number of factors, such as future earnings, its financial condition, cash flows, working capital requirements, compliance with debt covenants, legal and financial constraints and other factors. The Company may also not have sufficient distributable funds and the Company's shareholders may not resolve to pay dividends in the future. Accordingly, a dividend may not be proposed or declared in any given year or at all. Any potential future dividends will, if paid, be paid in EUR which could have a negative effect for shareholders who wants to convert dividends received to another currency.

**Risks related to participation limitations for shareholders outside of Sweden and Denmark**

If Better Collective issues new shares in a rights offering, as a general rule, the shareholders have pre-emptive rights to subscribe for new shares in proportion to the number of shares held prior to the issue. Shareholders in certain other jurisdictions than Sweden and Denmark may however be subject to limitations that prevent them from participating in such rights offerings, or that otherwise makes participation difficult or limited.

For example, shareholders in the US may be prevented from exercising their rights to subscribe for new securities which are not registered under the Securities Act if no exemptions from the registration requirements are applicable.

Shareholders in other jurisdictions outside of Sweden and Denmark may be prevented from exercising their rights to subscribe for new securities which are not registered with the relevant authorities in such jurisdictions. The Company has no obligation to investigate the registration requirements under the applicable legislation in jurisdictions other than Sweden and Denmark, and no obligation to apply for registration of the Company's securities or the sale of the Company's securities in accordance with such legislation outside of Sweden and Denmark, and doing so in the future may be impractical and costly. The potential restrictions for shareholders in jurisdictions outside of Sweden and Denmark to participate in rights issues may result in their ownership being diluted and decreased in value.

# INVITATION TO ACQUIRE SHARES IN BETTER COLLECTIVE

# INVITATION TO ACQUIRE SHARES IN BETTER COLLECTIVE

The Company and the Principal Shareholders have resolved to diversify the Company's shareholder base through a new issue of shares as well as a sale of existing shares. Better Collective's board of directors has therefore applied for a listing of the Company's shares on Nasdaq Stockholm. On 14 May 2018, Nasdaq Stockholm's Listing Committee decided to admit the shares to trading subject to certain conditions, including that customary conditions regarding distribution of shares are met not later than the first day of trading, which is expected to be 8 June 2018.

The Offering comprises two parts: an offering to the general public in Sweden and an offering to institutional investors in Sweden and abroad. Better Collective is offering investors, in accordance with the terms and conditions of this Prospectus, to acquire a maximum of 12,500,000 newly issued shares in the Company. In addition thereto, the Selling Shareholder has reserved the right to increase the Offering by offering up to 3,044,732 existing shares.<sup>1</sup> To cover any over-allotment in connection with the Offering, the Company will also commit to issue, at the request of the Joint Global Coordinators, additional shares equal to 15 per cent of the maximum total number of shares encompassed by the Offering, including, as applicable, additional shares following an increase of the Offering, at the Offering Price (the "**Over-allotment Option**"). Provided that the Offering is increased in full, the Over-allotment Option will include an additional maximum of 2,331,709 shares. The Over-allotment Option may be exercised in full or in part for a period of 30 calendar days from the first day of trading in the shares on Nasdaq Stockholm. See also the section *Legal considerations and supplementary information – Placing agreement* for a further description of the Over-allotment Option.

The final price per share in the Offering (the "**Offering Price**") will be set by the board of directors of Better Collective in consultation with the Joint Global Coordinators, based on discussions with certain institutional investors, current market conditions and a comparison with the market price of other comparable listed companies, and will be established within the price range SEK 48-58 (the "**Price Range**"). The Offering Price is expected to be made public through a press release around 8 June 2018.

The Offering Price in the Offering to the general public in Sweden will not exceed SEK 58.

The board members Jens Bager, Leif Nørgaard, Søren Jørgensen and Klaus Holse have undertaken to acquire shares in the Offering, corresponding to a total of SEK 39.5 million.

Following completion of the Offering and the issue of new shares that is intended to take place in conjunction with the Offering, assuming that the issue of new shares is effected at a subscription price per share that corresponds to the midpoint of the Price Range (SEK 53) and that the Over-allotment Option is not exercised, the number of outstanding shares will amount to 38,870,582, which represents a dilution effect of 29.1 percent. If the Offering is increased in full and the Over-allotment Option is fully exercised, the number of outstanding shares will amount to 41,025,404, which represents a dilution effect of 32.8 percent. Following completion of the Offering, Better Collective will have a total number of 40,917,776 shares on a fully diluted basis if the Over-allotment Option is not exercised, and 43,072,598 if the Offering is increased in full and the Over-allotment Option is fully exercised.

The total value of the Offering will amount to approximately SEK 600 million (approximately SEK 876 million if the Offering is increased in full, the Over-allotment Option is fully exercised and assuming that the Offering Price corresponds to the midpoint in the Price Range). The costs incurred by the Company for the Offering are expected to amount to approximately SEK 50 million.

*In other respects, reference is made to the full particulars of the Prospectus, which has been prepared by the board of directors of Better Collective in connection with the application for listing of the Company's shares on Nasdaq Stockholm and the Offering made in connection therewith.*

Copenhagen on 28 May 2018

**Better Collective A/S**  
The Board of Directors

**Selling Shareholder<sup>2</sup>**

<sup>1</sup> For further information see section *Share capital and ownership structure – Sale of shares by existing shareholders*.

<sup>2</sup> Bumble Ventures A/S, CVR no. 34721211, is the Selling Shareholder. The Selling Shareholder's address is Toldbodgade 12, 2, bagh., 1253 København K, Denmark

# BACKGROUND AND REASONS

# BACKGROUND AND REASONS

Better Collective is one of the leading affiliates on the European iGaming affiliate market. The Group is primarily focused on sports betting which represented 69 percent of revenue during 2017 while it also has a strong presence within casino which represented 25 percent of revenue during the period. Better Collective is a Danish registered company headquartered in Copenhagen. The Group was founded in 2002 by Jesper Søgaard and Christian Kirk Rasmussen who remain part of the executive management team as CEO and COO.

The Group reported revenue of EUR 26.3 million in 2017 which represented an annual growth rate of 51 percent. The average annual organic growth rate between 2015 and 2017 amounted to 44.3 percent. Reported EBITA amounted to EUR 10.5 million in 2017 which represented an EBITA margin of 40.2 percent. The EBITA margin has increased by 6.9 percentage points between 2015 and 2017. Better Collective believes that the Group is well-positioned to continue to grow faster than the iGaming market through organic growth as well as through acquisitive growth.<sup>1 2</sup>

The board of directors of Better Collective's and the Principal Shareholders believe that now is an appropriate time to broaden the shareholder base and apply for a listing of the Company's shares on Nasdaq Stockholm. The Group is taking an active role in the ongoing consolidation of the iGaming affiliate industry. Exposure and access to the Swedish and international capital markets is a natural next step in this development.

The Offering will comprise of a issue of new shares and a sale of existing shares if the Offering is increased – see also the section *Invitation to acquire shares in Better Collective*. The issue of new shares is expected to provide Better Collective with approximately SEK 600 million before deduction of transaction costs of approximately SEK 50 million. Consequently, Better Collective expects to receive net proceeds of approximately SEK 550 million as a result of the Offering. If the Offering is increased in full and the Over-allotment Option is fully exercised, Better Collective expects to receive additional net proceeds of up to approximately SEK 116 million.

Better Collective intends to use the net proceeds to finance future acquisitions. Better Collective will not receive any proceeds from the sale of existing shares if the Offering is increased.

*In other respects, reference should be made to the full particulars of this Prospectus, which has been prepared by the board of directors of Better Collective in connection with the application for listing of the Company's shares on Nasdaq Stockholm and the Offering made in connection therewith.*

*The Board of Directors of Better Collective is responsible for the contents of the Prospectus. It is hereby assured that all reasonable precautionary measures have been taken to ensure that the information contained in the Prospectus, as far as the Board of Directors is aware, corresponds to the facts and that nothing has been omitted that would affect its import.*

Copenhagen on 28 May 2018

**Better Collective A/S**

*The Board of Directors*

*The Selling Shareholder confirm its commitment to the terms and conditions of the Offering in accordance with what is set out in the section "Terms and conditions".*

Copenhagen on 28 May 2018

**Selling Shareholder**

<sup>1</sup> Organic growth in a given period is defined as (total revenue period 2 – acquired revenue period 2)/total revenue period 1. Acquired revenue is defined as run rate revenue for the target at the time of acquisition × the percentage of period 2 that the target has been consolidated. See also the section *Selected historical financial information – Selected financial definitions*.

<sup>2</sup> For definitions of key financial ratios that are not audited or defined according to IFRS, see the section *Selected historical financial information – Key performance measures*.

# TERMS AND CONDITIONS



# TERMS AND CONDITIONS

## THE OFFERING

The Offering comprises a minimum of 10,344,827 new shares and a maximum of 12,500,000 new shares issued by the Company. The final number of shares issued will be determined based on the final Offering Price. In addition, the Selling Shareholder has reserved the right to increase the Offering by offering up to 3,044,732 existing shares in the Company.

The Offering is divided into two parts:

- (a) the offering to institutional investors in Sweden and abroad<sup>1</sup>, and
- (b) the offering to the general public in Sweden<sup>2</sup>.

Employees of Better Collective in Austria, Denmark and France may also be allowed to acquire shares in the Offering. The outcome of the Offering is expected to be announced through a press release on 8 June 2018.

### Over-allotment Option

To cover any over-allotments in the Offering, the Company has committed to issue, upon the request of the Joint Global Coordinators, up to an additional 2,331,709 shares, corresponding to maximum 15 percent of the total number of shares in the Offering, including, as applicable, additional shares following an increase of the Offering. The Over-allotment Option is exercisable, in whole or in part, for a period of 30 days from the first day of trading of the shares on Nasdaq Stockholm. For further information about the Over-allotment Option, refer to the section *Legal considerations and supplementary information – Placing agreement*.

## DISTRIBUTION OF SHARES

Distribution of shares will be determined by the Company's board of directors and the Selling Shareholder in consultation with the Joint Global Coordinators.

## BOOK-BUILDING PROCESS

To achieve a market-based pricing of the shares in the Offering, institutional investors will be provided the opportunity to participate in a form of book-building process by submitting expressions of interest. The book-building process will commence on 29 May 2018 and continue until 7 June 2018. The Offering Price for all shares in the Offering will be determined through this process. The book-building process for institutional investors may either be terminated prior to or be extended after the date indicated herein. Announcement of such termination or extension will be made through a press release. See also the section *Information regarding allotment and payment – The institutional offering* below.

## THE OFFERING PRICE

The Offering Price is expected to be set within the Price Range of SEK 48-58 per share. The Offering Price will be set by the board of directors of Better Collective in consultation with the Joint Global Coordinators, based on discussions with certain institutional investors, current market conditions and a comparison with the market price of other comparable listed companies. The Offering Price to the general public will not exceed SEK 58 per share. Brokerage commission will not be charged. The Offering Price is expected to be made public through a press release around 8 June 2018.

## APPLICATION

### The offering to the general public in Sweden

Applications for acquisition of shares within the Offering to the general public in Sweden should be made during the period 29 May 2018 up to and including 5 June 2018 and relate to a minimum of 200 shares and a maximum of 24,000 shares<sup>3</sup>, in even lots of 100 shares each.

The Selling Shareholder and the Company's board of directors in consultation with the Joint Global Coordinators, reserve the right to extend the application period after the date indicated herein. Such extension will be announced through a press release prior to expiry of the application period.

### Application via Nordea

Customers of Nordea's online services can apply for the acquisition of shares in Nordea Investor during the period 29 May 2018 up to and including 5 June 2018 at 17.00 CET. Persons who apply for the acquisition of shares through Nordea must at the time of submitting the application have (i) a bank account (transaction account) at Nordea and a VP account or service account at Nordea, or (ii) a securities depository account or investment savings account (ISK) at Nordea. Please note that the bank account under (i) must be a transaction account, that is, Personkonto, Aktielikvidkonto, Checkkonto privatperson, Externt konto/Loro II or Private Bankingskonto. Only one bank account can be entered for payment and the account holder and the customer who applies for the acquisition of shares must be the same customer. Those who do not have any of the specified options under (i) - (ii) above must open one of these before submitting the application. More information regarding the application process is available at [www.nordea.se](http://www.nordea.se).

The balance of the bank account or the securities depository account/investment savings account stated in the application must during the period 5 June 2018 at 17.00 CET until 12 June 2018 at 23.59 CET correspond to at least the amount the application concerns, calculated based on the highest price in the Price Range. This means that the account holder undertakes

<sup>1</sup> The institutional offering refers to private individuals and legal entities who apply to acquire more than 24,000 shares in the Offering.

<sup>2</sup> The public offering refers to private individuals and legal entities in Sweden who apply to acquire a maximum of 24,000 shares in the Offering.

<sup>3</sup> Anyone who wishes to acquire more than 24,000 shares should contact the Joint Global Coordinators in accordance with what is described in the section *Application – The institutional offering*.

to keep the amount available on the specified bank account or securities deposit/investment savings account during that period and that the holder is aware that the allotment of shares may be omitted if the amount is insufficient during the above-mentioned period. Note that the amount, except for certain account types, will not be available during the specified time period, and that the final date for when funds should be available on the account may be adjusted if the application period changes. As soon as possible after the allotment has been made, the funds will be freely available to those who do not receive allotment. Funds that are not available will also be eligible for interest in the specified period in accordance with the terms of the bank account or the securities depository account/investment savings account specified in the application.

For investment savings account with Nordea the following applies: If the application results in allotment, Nordea will acquire the corresponding number of shares and resell the shares to the customer at the Offering Price. The customer will buy the shares from Nordea by using the funds held available on the investment savings account.

#### **Application via Nordnet**

Persons who are account customers at Nordnet Bank AB ("**Nordnet**") may apply for the acquisition of shares through Nordnet's Online Service. Application with Nordnet can be made up until 23:59 CET on 5 June 2018. In order not to lose the right to allotment, account customers at Nordnet are to have enough cash equivalents available at the account during the period from 23:59 CET on 5 June 2018 until the settlement day which is estimated to be 12 June 2018. More information regarding the application process is available at [www.nordnet.se](http://www.nordnet.se).

#### **The institutional offering**

Institutional investors in Sweden and from abroad are invited to participate in a form of book-building process that will commence on 29 May 2018 and continue until 7 June 2018. The Selling Shareholder and the Company's board of directors in consultation with the Joint Global Coordinators, reserve the right to terminate the application period prior to or extend the application period after the date indicated herein. Such termination or extension will be announced through a press release prior to expiry of the application period. Applications from institutional investors in Sweden and from abroad shall be submitted to the Joint Global Coordinators.

#### **Certain employees of Better Collective**

Employees of Better Collective in Austria, Denmark and France that wish to apply for the acquisition of shares in the Offering must follow separate instructions from the Company.

### **ALLOTMENT**

Decision on allotment of shares in the Offering will be made by the Selling Shareholder and the Company's board of directors in consultation with the Joint Global Coordinators, whereby the goal will be to achieve a strong institutional ownership base and a broad distribution of the shares among the general public, in order to facilitate a regular and liquid trading in the Company's shares on Nasdaq Stockholm. The allotment does not depend on when the application is submitted during the application period. Only one application per investor will be considered.

#### **The offering to the general public in Sweden**

In the event of oversubscription, allotment may take place with a lower number of shares than the application concerns, at which allotment wholly or partly may take place by random selection. Note that to qualify for allotment, the balance of the bank account, the securities depository account or the investment savings account with Nordea and Nordnet stated in the application, must correspond to at least the amount the application concerns, calculated based on the highest price in the Price Range. In addition, certain related parties to the Selling Shareholder and Better Collective as well as customers of Nordea, SEB and Nordnet may be considered separately during allotment. Allotment may also be made to employees of the Joint Global Coordinators, however, without prioritizing them. In such cases, the allotment takes place in accordance with the rules of the Swedish Securities Dealers Association and the Swedish Financial Supervisory Authority's regulations.

#### **The institutional offering**

Decision on the allotment of shares within the framework of the Offering to institutional investors in Sweden and abroad will, as mentioned above, be made with the aim of achieving a good institutional ownership base in Better Collective. Allotment to the institutions submitting expressions of interest will take place on a fully discretionary basis. The board members that have undertaken to acquire shares in the Offering are however guaranteed allotment in accordance with their respective commitments.

#### **Employees of Better Collective**

Employees of Better Collective in Austria, Denmark and France who have applied to acquire shares in the Offering may be considered separately during allotment.

### **INFORMATION REGARDING ALLOTMENT AND PAYMENT**

#### **The offering to the general public in Sweden**

Allotment is expected to take place on or about 8 June 2018. As soon as possible thereafter, contract notes will be dispatched to those who have received allotment in the Offering. Those who have not been allotted shares in the Offering will not be notified.

#### **Applications received by Nordea**

Those who signed up via Nordea are expected to be able to receive a notification of allotment via Nordea's online services as of about 9:00 on 8 June 2018. Information about the allotment is also expected to be available around 09:00 on 8 June 2018 on telephone number +46 (0)10 156 98 00. To receive a notification by phone, the following must be entered: name, personal registration number/organisation number as well as account number for the VP account, service account, securities depository account number or investment savings account.

Funds are estimated to be deducted from the bank account or securities deposit/investment savings account around 12 June 2018. For Nordea customers, funds are required to be available on the specified bank account or securities deposit/investment savings account during the period from 5 June 2018 at 17:00 CET to 12 June 2018 at 23:59 CET.

**Applications received by Nordnet**

Customers who have applied for the acquisition of shares through Nordnet's Online Service will receive the decision on the allotment of shares by the delivery of the allotted shares to the account designated by the customer. Payment for the allotted shares will be charged simultaneously from the account designated by the customer. This is estimated to occur approximately at 09:00 CET on 8 June 2018.

Allotted shares will be delivered to the account designated by the customer against payment for the allotted shares, which will be charged from the account designated by the customer. This is estimated to occur around 8 June 2018.

**Insufficient or incorrect payment**

If sufficient funds are not available on the bank account, securities depository account or investment savings account on the settlement date or if full payment is not made in due time, allotted shares may be transferred and sold to another party. The party who initially received allotment of shares in the Offering may bear the difference, should the selling price in the event of such a transfer be less than the Offering Price.

**The institutional offering**

Institutional investors are expected to receive information on 8 June 2018 in a particular order regarding allotment, whereupon contract notes will be distributed. Full payment for allotted shares shall be made in cash no later than 12 June 2018 in accordance with instructions set out in the distributed contract note. Note that if full payment is not made in due time, allotted shares may be transferred to another party. Should the price in the event of such transfer be less than the Offering Price, the investor who originally received allotment of shares in the Offering may have to bear the difference.

**IMPORTANT INFORMATION REGARDING THE POSSIBILITY TO SELL ALLOTTED SHARES**

Please note that notification of allocation to the general public in Sweden will be made through distribution of contract notes. Such contract notes are expected to be distributed on 8 June 2018. After payment has been received for allotted shares by Nordea and Nordnet, the shares duly paid for will be transferred to the securities account, service account, securities depository account or investment savings account designated by the investor. Due to the time required for distribution of contract notes, transfer of funds and transfer of shares acquired to investors, the shares acquired in the Offering will not be available for the investors on the designated securities account, service account, securities depository account or investment savings account until 12 June 2018 or some days thereafter.

Trading in Better Collective's shares on Nasdaq Stockholm is expected to commence on 8 June 2018. The fact that the shares will not be available on the investor's securities account, service account, securities depository account or investment savings account before, at the earliest, 12 June 2018 may result in the investor being unable to sell the allotted shares on Nasdaq Stockholm on the first day of trading. Instead they may only be able to sell the shares once they are available on the securities account, service account, securities depository account or investment savings account.

**REGISTRATION AND RECOGNITION OF ALLOTTED SHARES**

Registration of allotted shares with Euroclear Sweden is, for both institutional investors and the general public in Sweden, expected to be effected on 12 June 2018, after which Euroclear Sweden will distribute a VP notice stating the number of shares that have been registered in the receiver's securities account or service account. Notification to shareholders whose holdings are nominee-registered will take place in accordance with the practices of the respective nominee.

**LISTING ON THE STOCK EXCHANGE**

The board of directors of Better Collective has applied for a listing of the Company's shares on Nasdaq Stockholm. On 14 May 2018, Nasdaq Stockholm's listing committee decided to admit Better Collective to trading provided that the dispersion requirement in respect of the shares is fulfilled not later than on the first day of trading. Trading is expected to begin around 8 June 2018. The trading symbol of the Company's share on Nasdaq Stockholm will be BETCO.

The circumstance that shares are not available on the acquirer's VP account, service account, securities depository account or investment savings account 8 June 2018, could mean that the acquirer cannot sell these shares on Nasdaq Stockholm on the day the trading in the shares begins, i.e. around 8 June 2018, but at the earliest when the shares are available on the VP account, service account, securities depository account or investment savings account. Moreover, trading will commence before the terms and conditions for the completion of the Offering have been fulfilled. Trading will be conditional on completion of the Offering and should the Offering not be completed, any shares supplied shall be returned and any payments cancelled. Trading which takes place on 8 June 2018 is expected to occur with delivery and settlement on 12 June 2018.

**STABILISATION**

In connection with the Offering, the Joint Global Coordinators may carry out transactions on Nasdaq Stockholm which stabilise the market price of the share or maintain the price at a level that deviates from what would otherwise prevail in the market, refer to the section *Legal considerations and supplementary information – Stabilisation*.

**ANNOUNCEMENT OF THE OUTCOME OF THE OFFERING**

The final outcome of the Offering will be announced through a press release which will be available on Better Collective's website [www.bettercollective.com](http://www.bettercollective.com) on or about 8 June 2018.

**RIGHT TO DIVIDEND**

For acquirers, the shares carry a right to dividend for the first time on the record date for dividends that occurs immediately after completion of the Offering. Payment will be administered by Euroclear Sweden or in the case of nominee-registered

holdings, in accordance with the practices of each nominee. Right to dividend accrues to persons registered as owners in the share register maintained by Euroclear Sweden on the record date determined by the general meeting of shareholders. Any future dividend is expected to be resolved and distributed in EUR. Holders of shares registered in the shareholders' register maintained by Euroclear Sweden as of the record date of dividend, and that have income/cash accounts eligible for EUR payments linked to the securities accounts will receive the dividends in EUR, and otherwise in SEK. Regarding deduction of preliminary tax, refer to the section *Certain tax considerations*.

## CONDITIONS FOR COMPLETION OF THE OFFERING

The Offering is conditional upon the Offering, according to the Joint Global Coordinators' assessment, is sufficient to achieve effective trading in the shares, that the Selling Shareholder, Better Collective and the Joint Global Coordinators enter into an agreement on the placing of shares (**"The Placing Agreement"**), which is expected to take place on or around 7 June 2018, that certain terms of the Placing Agreement are met and that the Placing Agreement is not terminated, which may take place until the settlement date 12 June 2018. When assessing if interest is sufficient to achieve appropriate trading in the shares, for example, the number of applications received and the aggregate amount under those will be taken into account. This assessment is made at the discretion of the Joint Global Coordinators. The conditions of the Placing Agreement include, among others, the issuance of customary opinions from legal advisors and auditors, as well as Nasdaq Stockholm's final approval of the Company's application for admission to trading. If these conditions are not met or if the agreement is cancelled, the Offering can be cancelled. In such case, no delivery or payment of shares will be made under the Offering. Refer also to the section *Legal considerations and supplementary information – Placing agreement*.

## INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (**"MiFID II"**); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the **"MiFID II Product Governance Requirements"**), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in the Offering have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the **"Positive Target Market"**); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the **"Appropriate Channels for Distribution"**). Distributors should note that: the price of the shares may decline and investors could lose all or part of their investment; the shares offer no guaranteed income and no capital protection; and an

investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the **"Negative Target Market"** and, together with the Positive Target Market, the **"Target Market Assessment"**).

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the shares in the Offering and determining appropriate distribution channels.

## NATIONAL CLIENT IDENTIFIER AND LEGAL ENTITY IDENTIFIER

In order to participate in the Offering, applicants need a global identification code. Physical persons need a so-called National Client Identifier (**"NCI"**) and legal entities need a so-called Legal Entity Identifier (**"LEI"**).

### NCI code for physical persons

As of 3 January 2018, physical persons will need a NCI code to participate in a financial market transaction, that is a global identification code for physical persons. For physical persons with only a Swedish citizenship, the NCI code is SE followed by the personal identity number. If the person in question has multiple citizenships or another citizenship than Swedish, the NCI code can be any other type of number.

### LEI code for legal entities

As of 3 January 2018, legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorised LEI issuer, which can take some time. Investors should obtain a LEI code in time for the application.

## INFORMATION ABOUT HANDLING OF PERSONAL INFORMATION

Anyone acquiring shares in the Offering will submit information to Joint Global Coordinators and Nordnet. Personal information submitted to Joint Global Coordinators and Nordnet will be processed in data systems to the extent required to provide services and administer customer arrangements.

Personal information obtained from sources other than the customer may also be processed. The personal information may also be processed in the data systems of companies or organisations with which Joint Global Coordinators and Nordnet cooperate. Information pertaining to the treatment of personal information can be obtained from Joint Global Coordinators and Nordnet, which also accept requests for the correction of personal information. Address details may be obtained by Joint Global Coordinators and Nordnet through an automatic procedure executed by Euroclear.

## MISCELLANEOUS

The fact that Nordea and SEB are Joint Global Coordinators does not necessarily imply that the respective bank considers

the applicant in the Offering as a client of the bank. The investor is considered as a client for the Offering with the respective bank only if the bank has advised the investor regarding the Offering or otherwise has contacted the investor individually regarding the Offering or if the investor has applied through the respective bank's branch offices or online services. The consequence of the respective bank not viewing an investor of the Offering as a client is that the rules regarding protection of investors under the Swedish Securities Markets Act (Sw. *lagen (2007:528) om värdepappersmarknaden*) will not be applied to the investment. This means that neither the so-called client classification nor the suitability assessment or appropriateness assessment will be applicable regarding the investment. The investor is thus solely responsible for having sufficient experience and knowledge to understand the risks involved with the investment.



# MARKET OVERVIEW





# MARKET OVERVIEW

The Prospectus contains industry and market data pertaining to Better Collective's business and market. The primary source providing the basis for Better Collective's assessment is H2 Gambling Capital. H2 Gambling Capital is a third-party industry supplier of data and consultancy regarding the global gambling industry. Other sources are indicated where required. Such information as originates from third parties has been accurately reproduced herein and, and as far as Better Collective is aware and can confirm through comparison with other information published by the relevant third party, no information has been omitted in any way which could render the reproduced information inaccurate or misleading. As a rule, industry and market publications state that, while the information in the publication has been obtained from sources deemed reliable, the accuracy and completeness of such information cannot be guaranteed. Better Collective has not independently verified, and cannot therefore guarantee the accuracy of the market information that is contained in this Prospectus and which has been taken from or derived from such industry and market publications.

In addition, Better Collective has made several assumptions in the Prospectus about the industry and its competitive position within the industry. These assumptions are based on Better Collective's and its managements' experience. As the information has not been verified by independent sources which may have estimates or views of industry related information that differ from the Company's, Better Collective cannot guarantee that any of these assumptions are correct, nor that they accurately reflect its market position in the industry.

In their nature, market information and statistics are forward-looking, subject to uncertainty, may be interpreted subjectively, and may therefore not necessarily reflect actual or future market conditions. Such information and statistics are based on market surveys, which in turn are based on selections, subjective interpretations and assessments, including assessments of the types of products and transactions which should be covered by the relevant market, both by those carrying out the surveys and the respondents. As a result, potential investors should be aware of the fact that the financial information, market information, as well as the forecasts and estimates of market information contained in this Prospectus, do not necessarily represent reliable indicators of Better Collective's future performance.

## INTRODUCTION

Better Collective is one of the leading affiliates on the online sports betting and online casino ("**iGaming**") market in Europe<sup>1</sup>. Affiliates on the iGaming market ("**iGaming affiliates**") refer users to online sports betting and online casino operators ("**iGaming operators**"). Revenue of iGaming affiliates is generated from iGaming operators and based on a revenue share model ("**revenue share**"), a cost per acquisition model ("**CPA**") or a combination of the two. During 2017, the European markets represented approximately 90 percent<sup>2</sup> of the revenue generated by the Group and thus the European iGaming affiliate market constitutes its main market.

The iGaming affiliate market, defined as total revenue generated by iGaming affiliates, is closely linked to the iGaming market, defined as the total gross revenue of iGaming operators.

The European iGaming market is expected to grow at a compound annual growth rate ("**CAGR**") of 8.7 percent between 2017 and 2020. During the same period, the online sports

betting market and the online casino market are expected to grow at a CAGR of 8.0 percent and 9.5 percent, respectively. The mobile sports betting market and mobile casino market are expected to grow at a CAGR of 14.0 percent and 20.9 percent, respectively, between 2017 and 2020.<sup>3 4</sup>

Better Collective estimates that the European iGaming affiliate market amounted to EUR 1.8 billion in 2017 and that it will grow at least in line with the European iGaming market.

## THE IGAMING MARKET

### Overview of the iGaming market

The global sports betting and casino market amounted to EUR 185.8 billion in 2017, of which iGaming accounted for EUR 30.8 billion. The European sports betting and casino market amounted to EUR 33.3 billion in 2017, of which iGaming accounted for EUR 15.4 billion, which consisted of online sports betting and online casino market amounting to EUR 8.8 billion and EUR 6.6 billion, respectively.<sup>5</sup>

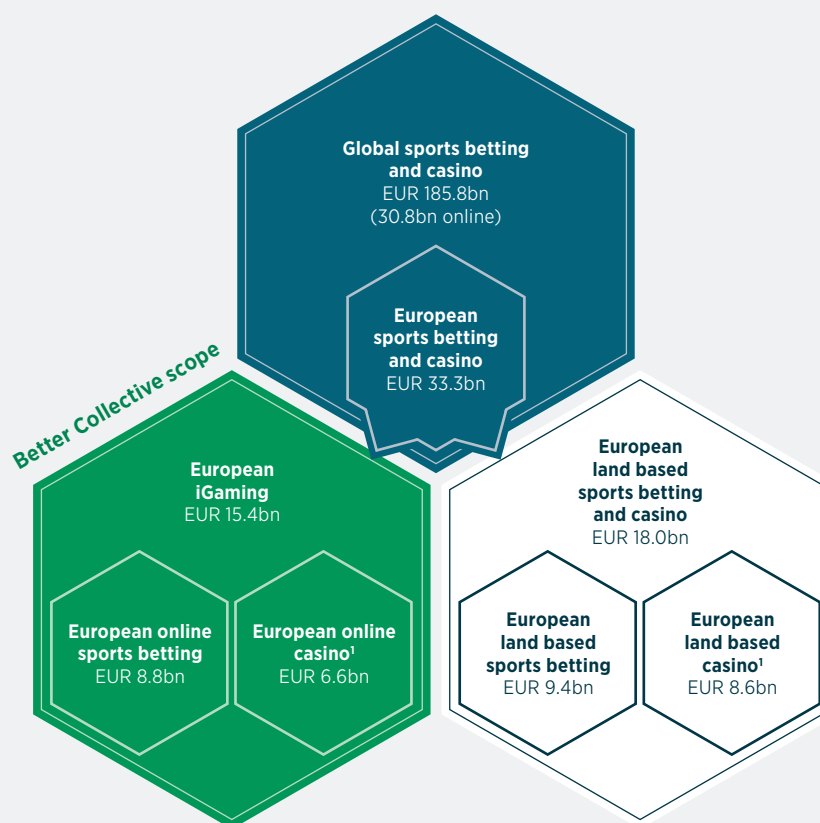
<sup>1</sup> Based on revenues in 2017, Better Collective was one of the five largest iGaming affiliates on the European market.

<sup>2</sup> Based on Company estimate.

<sup>3</sup> CAGR for mobile casino including poker and bingo. For further description see the section *Online casino market* below.

<sup>4</sup> For source, see Figure 1.

<sup>5</sup> For source, see Figure 1.

**FIGURE 1: OVERVIEW OF THE SPORTS BETTING AND CASINO MARKET, 2017 (EUR BILLION)**

1 The European land based casino market includes poker, which is not included in the European online casino market  
Source: H2 Gambling Capital as of 1 March 2018.

### European sports betting and casino market

The European sports betting and casino market consists of land based sports betting and casino and iGaming as illustrated in figure 2.

The European sports betting and casino market amounted to EUR 33.3 billion in 2017 and is expected to grow at a CAGR of 4.6 percent from 2017 through 2020, reaching EUR 38.1 billion

in 2020. The European iGaming market amounted to EUR 15.4 billion in 2017 and is expected to grow at a CAGR of 8.7 percent from 2017 through 2020 to reach EUR 19.7 billion in 2020.<sup>1</sup>

### European sports betting market

The European sports betting market consists of land based sports betting and online sports betting, including mobile as illustrated in figure 3.

1 For source, see Figure 2.

**FIGURE 2: EUROPEAN SPORTS BETTING AND CASINO MARKET DEVELOPMENT**

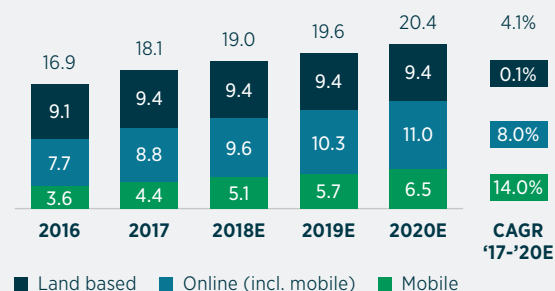
EUR billion



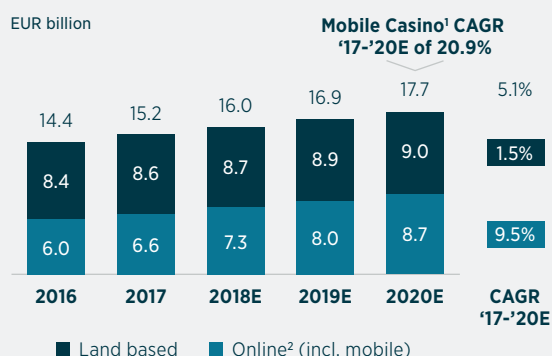
Source: H2 Gambling Capital as of 1 March 2018.

**FIGURE 3: EUROPEAN SPORTS BETTING MARKET DEVELOPMENT**

EUR billion



Source: H2 Gambling Capital as of 1 March 2018.

**FIGURE 4: EUROPEAN CASINO MARKET DEVELOPMENT**

1 Including casino, poker and bingo.

2 Poker is excluded from online casino but included in land based casino.

Source: H2 Gambling Capital as of 1 March 2018.

The European sports betting market amounted to EUR 18.1 billion in 2017 and is expected to grow at a CAGR of 4.1 percent from 2017 through 2020, reaching EUR 20.4 billion in 2020.

The online sports betting market amounted to EUR 8.8 billion in 2017 and is expected to grow at a CAGR of 8.0 percent from 2017 through 2020 to reach EUR 11.0 billion in 2020. The mobile sports betting market amounted to EUR 4.4 billion in 2017 and is expected to grow at a CAGR of 14.0 percent from 2017 through 2020 to reach EUR 6.5 billion in 2020.<sup>1</sup>

#### European casino market

The European casino market consists of land based casino and online casino, including mobile as illustrated in figure 4.

The European casino market amounted to EUR 15.2 billion in 2017 and is expected to grow at a CAGR of 5.1 percent from 2017 through 2020, reaching EUR 17.7 billion in 2020. The online casino market amounted to EUR 6.6 billion in 2017 and is expected to grow at a CAGR of 9.5 percent from 2017 through 2020 to reach EUR 8.7 billion in 2020. The mobile casino market is expected to grow at a CAGR of 20.9 percent from 2017 through 2020.<sup>2</sup>

#### Key market trends and drivers

Better Collective considers the following trends and drivers to be significant to the future development of the iGaming market and the iGaming affiliate market.

#### Shift from land based sports betting and casino to iGaming

The global iGaming market is expected to represent an increasing portion of the global sports betting and casino market. In the European sports betting and casino market, iGaming penetration is expected to increase from 46.1 percent in 2017 to 51.7 percent in 2020, with both the online sports betting market and the online casino market contributing to the increase. The shift towards iGaming is primarily driven by increasing usability and convenience as a result of technological developments.<sup>3</sup>

#### Mobile technology and use of mobile devices

Growing use of smartphones and tablets is changing the accessibility of, and the user demographics within, iGaming.

Developments in mobile technology have enabled users to access iGaming operators and iGaming affiliates more easily, which underpins the growth of the iGaming market.

Enhanced flexibility brought about by mobile technology also makes iGaming accessible to new demographics of users. Demographic development, whereby generations using mobile technology to a higher degree will represent an increasing share of the adult population, supports iGaming market growth.

#### Regulation

The transition from land based sports betting and casino to iGaming has led many jurisdictions to adopt new, or amend existing, legislation related to iGaming. Changes in regulation may involve imposing license requirements, marketing restrictions and local taxation on iGaming operators, but can also imply a liberalisation of the market. iGaming regulation provides transparency to the legal framework, which in turn enhances predictability for iGaming operators and iGaming affiliates. Better Collective believes that iGaming regulation typically has a positive impact on the growth of the iGaming market.

#### Increasing spend on online marketing

Online and search engine advertising is becoming an increasingly important marketing tool at the expense of traditional marketing methods such as TV and printed publications. Total spend on search engine marketing surpassed that of TV advertising in Sweden in 2015.<sup>4</sup> Better Collective believes that spend on online and search engine marketing by iGaming operators will continue to grow. The performance based marketing model, applied by leading iGaming affiliates, is a widely applied user acquisition method among iGaming operators.

#### Interactive online behaviour

Technological advancements and the rise of social media are changing how users interact and engage in recreational activities. Within iGaming, users are putting more emphasis on the entertainment and social experience. Social applications are increasing in popularity as users seek to interact and socialise with others. This is particularly apparent in sports betting, where users can share tips and insights and compete in their social network, further supporting the emergence of social features within iGaming.

## THE IGAMING AFFILIATE MARKET

#### Overview of the European iGaming affiliate market

The iGaming affiliate market is closely linked to the iGaming market in terms of size, development and underlying market trends. The size of the iGaming market is defined as the total gross revenue of iGaming operators and the size of the iGaming affiliate market is defined as the total revenue for iGaming

1 For source, see Figure 3.

2 Data on the mobile casino market standalone is not available. Mobile casino growth rates include casino, poker & skills and bingo and defined as mobile gaming by H2 Gambling Capital.

3 Based on market data from H2 Gambling Capital as of 1 March 2018.

4 Based on data from IRM Media.

affiliates. The link between the iGaming market and iGaming affiliate market follows the steps below:

- Gross revenue of iGaming operators: Total gross iGaming operator winnings (player bets less player winnings) from all users.
- Net revenue of iGaming operators: Is defined as gross revenue for iGaming operators less direct costs for iGaming operators. iGaming affiliates are compensated by iGaming operators based on net revenue. Typically net revenue represents 60 percent of gross revenue.
- Percentage of net revenue generated by iGaming affiliate users: iGaming affiliates are remunerated for net revenue generated by the users referred by them. It is estimated that users referred by iGaming affiliates generate 40 percent of net revenue of iGaming operators.
- Share of net revenue paid to iGaming affiliates: iGaming affiliates are compensated through a share of net revenue generated by the users referred by them. Typically the share amounts to 50 percent of net revenue.

The iGaming affiliate market is estimated by Better Collective to have amounted to approximately 12 percent of the iGaming market or EUR 1.8 billion in 2017.<sup>1</sup> The Group expects the iGaming affiliate market to grow at least in line with the iGaming market going forward.

### Characteristics of the iGaming affiliate market

Better Collective considers the following to be key characteristics of the iGaming affiliate market:

- Content and content compilation
- Relevant content display and SEO
- Referral of NDCs and user activation

### Content and content compilation

Content displayed by iGaming affiliates is categorised into public content, editorial content and user generated content. Public content is publicly available data either bought from third parties or compiled in-house. Editorial content is proprietary data generated by journalists for a fee. User generated content is proprietary data created for free from user activity on social networks.

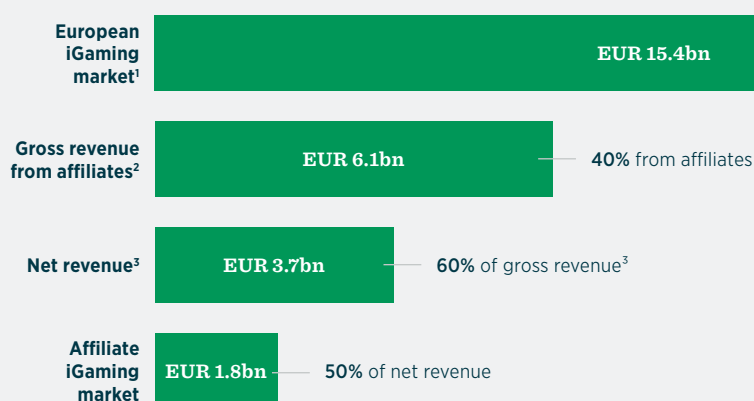
Public content in online sports betting is complex and includes millions of odds that change in real time. Public content in online casino is less complex and includes bonus offers and payments methods provided by each iGaming operator.

The complexity of public content in online sports betting creates a need for editorial content and user generated content to cover the market with high relevance. User generated content is efficient and scalable as it is created at limited or no direct cost.

Better Collective believes that development of technology platforms that allow for compilation of user generated content will be a key success factor for iGaming affiliates going forward.

<sup>1</sup> For further details, see Figure 5.

**FIGURE 5: BREAKDOWN OF THE ESTIMATED EUROPEAN IGAMING AFFILIATE MARKET, 2017 (EUR BILLION)**



<sup>1</sup> Better Collective estimates, based on agreements with iGaming operators, that gross revenue from affiliates amounts to 40 percent of the European iGaming market.

<sup>2</sup> Better Collective estimates, based on historical information, that direct costs, including mainly bonus offers and transaction fees, amount to 40 percent of the iGaming operators' revenue (gross revenue from affiliates).

<sup>3</sup> Better Collective estimates, based on agreements with iGaming operators, that affiliates receive 50 percent of net revenue generated by the users referred by them.

Source: Company information, H2 Gambling Capital as of 1 March 2018.

### Relevant content display and SEO

iGaming affiliates strive to increase relevance by using technology to display content and by employing SEO to secure high rankings in search engine result overviews.

iGaming affiliates attract users through organic traffic and through paid media. Organic traffic is non-paid and driven through search engines, browsers or applications. Paid media includes display ads or pay-per-click traffic. A high share of organic traffic is a strong indicator of a high degree of relevance.

Better Collective believes that development of technology platforms that allow for relevant display of content will be a key success factor going forward.

### Referral of NDCs and user activation

The online sports betting market is consolidated in terms of iGaming operators. Economies of scale allow large iGaming operators to present wide offerings with features such as streaming of live events. The products of online sports betting affiliates typically help users compare odds in an educational and entertaining environment.

Better Collective believes that the ability to provide a product portfolio that activates, retains and engages users will be a key success factor particularly in the online sports betting market going forward.

The online casino market is relatively fragmented in terms of iGaming operators. A limited amount of online casino game providers such as NetEnt and Playtech allows for frequent

market entries of new players. iGaming affiliates typically provide products that allow users to discover and compare bonus offers from online casino operators.

Better Collective believes that the ability to provide a product portfolio that refers NDCs will be a key success factor particularly in the online casino market going forward.

### Competitive landscape

The European iGaming affiliate market is fragmented and categorised into small to medium iGaming affiliates and large iGaming affiliates.

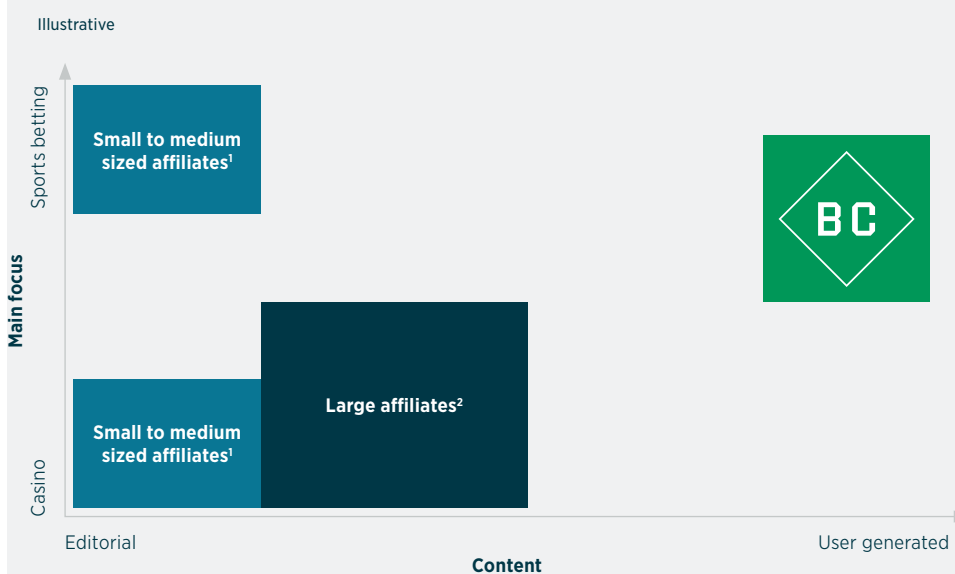
Small to medium iGaming affiliates are defined as having annual revenue of up to EUR 10 million. The category consists of approximately 2,000 companies accounting for approximately 80 percent of the European iGaming affiliate market during 2017.<sup>1</sup> Small to medium iGaming affiliates generally focus on either online sports betting or online casino. Content provided in this category is primarily of a public or editorial nature.

Large iGaming affiliates are defined as having annual revenue of more than EUR 10 million. The category consists of approximately 20 companies accounting for approximately 20 percent of the European iGaming affiliate market during 2017.<sup>2</sup> Large iGaming affiliates are typically focused on the online casino market or have a presence in many markets including the online casino market and online sports betting market.

While being part of the group large iGaming affiliates, Better Collective stands out as the only player with a primary focus on sports betting.

- 1 For further details, see Figure 6.
- 2 For further details, see Figure 6.

**FIGURE 6: OVERVIEW OF COMPETITIVE LANDSCAPE ON THE EUROPEAN IGAMING AFFILIATE MARKET**



- 1 Better Collective defines small to medium iGaming affiliates as having annual revenue up to EUR 10 million. Better Collective estimates the number of small to medium iGaming affiliates on the European iGaming affiliate market to be approximately 2,000. Better Collective estimates that small to medium iGaming affiliates accounted for approximately 80 percent of the European iGaming affiliate market in 2017.
- 2 Better Collective defines large iGaming affiliates as having annual revenue exceeding EUR 10 million and estimates the number of large iGaming affiliates on the European iGaming affiliate market to be approximately 20. Better Collective estimates that large iGaming affiliates accounted for approximately 20 percent of the European iGaming affiliate market in 2017.

Source: Company information, H2 Gambling Capital as of 1 March 2018.

Large iGaming affiliates are better positioned than small to medium iGaming affiliates to invest in technology and compliance due to scale benefits. Better Collective expects large iGaming affiliates to grow faster than the iGaming affiliate market based on these advantages.

Better Collective believes it is well-positioned among large iGaming affiliates due to its focus on sports betting and its ability to generate proprietary user generated content, which is efficient and scalable as it is created at limited or no direct cost.<sup>1</sup>

## REGULATORY ENVIRONMENT

As service providers to iGaming operators, iGaming affiliates are normally not subject to laws and regulations regarding iGaming. However, some jurisdictions restrict the marketing of iGaming services targeted to residents, thus affecting iGaming operators as well as iGaming affiliates.

In general, most jurisdictions have adopted laws and regulations that restrict, prohibit or regulate sports betting and casino, both land based and iGaming. Although there is no common specific iGaming regulation for the member states in the European Union (“EU”), regulations of the member states need to comply with EU regulation, including the free trade policy. The transition from land based to iGaming has led several member states to adopt new legislation or make changes to existing legislation. There are several jurisdictions with legislation covering only land based operations and not iGaming specifically. Markets where legislation allows iGaming are considered to be regulated.

Regulation of a market usually introduces license requirements for iGaming operators. Such licenses may come with additional requirements, such as compliance and specific taxes on iGaming operations. While these increased requirements for iGaming operators do not directly apply to iGaming

affiliates it affects them indirectly and in some cases directly due to regulations on the marketing of iGaming services. Large iGaming affiliates typically benefit from increasing regulations due to having better compliance capacity than small to medium iGaming affiliates. Better Collective believes that regulation, in general, is positive for iGaming markets, as regulation increases transparency, provides predictable rules and increases awareness and demand for iGaming.

Better Collective operates in regulated as well as unregulated markets, with a majority of Group revenue stemming from regulated markets. Set out below is a summary of the current regulatory position in selected European markets where Better Collective operates.

Certain markets might have regulation that imposes total prohibition on iGaming, or rules and regulations that in effect translates into a monopoly for one or few actors, often controlled by local authorities. In such jurisdictions, changes to regulation in the form of a move from prohibition or restrictive monopolies to a more open market approach would likely enable accelerated growth of the local iGaming market. Historically, iGaming penetration and growth has remained low in jurisdictions with prohibition or monopoly regimes. For example, iGaming represented 4.2 percent of the total North American sports betting and casino market in 2017, in comparison iGaming represented 43.8 percent of the total European sports betting and casino market in the same year. The total North American sports betting and casino market is estimated to amount to EUR 70.2 billion in 2017.<sup>2</sup>

On 14 May 2018, the US Supreme Court repealed the Professional and Amateur Sports Protection (PASPA) Act, making the legal status of sports betting a discretion of state legislation, rather than federal. Better Collective expects multiple states, including New Jersey, to legalise sports betting within their state in the near future, opening up new opportunities for operators and affiliates.

<sup>1</sup> For further description, see the section *Characteristics of the iGaming affiliate market* above.

<sup>2</sup> Based on data from H2 Gambling Capital as of 1 March 2018. For further details, see Figure 10.



FIGURE 7: OVERVIEW OF REGULATION IN SELECTED EUROPEAN MARKETS

Market	Regulatory status	Marketing	Taxation	Regulatory debate
<b>United Kingdom</b>	Regulated market – iGaming operators require a license.	Licensed iGaming operators are generally permitted to advertise subject to certain marketing limitations. Marketing guidelines have been introduced which operators as well their affiliates must adhere to.	iGaming operators must pay gross gaming revenues of 15 % on all transactions with users whose usual place of residence is in the UK. In May 2018, the UK government announced that taxes on online gambling could be raised in the future.	Some ongoing regulatory debate, for example in relation to social responsible advertising codes of practice as well as anti-money laundering control. Still considered a low risk market.
<b>Germany</b>	On a federal level Germany is a regulated market (with a ban on online casinos), however, due to the imposed requirements on commercial operators and the licensing procedure, the federal regime is in effect a monopoly regime found incompliant with EU laws. Nonetheless, a number of commercial iGaming operators are licensed on a state level in Schleswig-Holstein. The licensing regime of Schleswig-Holstein was abolished in 2013 but the liberal licenses awarded before the abolishment, which include online casinos, remain in force.	Marketing restrictions apply although licensed iGaming operators are eligible for certain exceptions.	The type of taxes imposed on iGaming operators depends on the gambling product in question and to what extent state legislation will be of relevance. Any iGaming operator offering licensed or unlicensed sports betting or horse race betting to German customers is generally subject to a 5% federal tax on turnover. Online casino operators targeting German customers are generally subject to 19% VAT.	Proposed new federal licensing regime. Heavy ongoing regulatory debate with states opposing proposed federal re-regulation and discussions as to if the current and proposed legislation is compliant with EU law.
<b>Denmark</b>	Regulated market with few categories subject to monopoly regimes – iGaming operators require a license.	Licensed iGaming operators are generally permitted to advertise although subject to certain restrictive marketing limitations.	iGaming operators are generally subject to a tax rate of 20% of gross gaming revenues.	No significant ongoing regulatory debate and thus considered a low risk market.
<b>France</b>	Regulated market – iGaming operators require a license. Online casinos are prohibited.	Licensed iGaming operators are generally permitted to advertise although subject to certain restrictive marketing limitations.	Different taxes apply depending on the betting and gambling activities, based on wagers or gross gaming revenues, for example online sports betting is subject to a pay-out ratio and 8.5% tax on turnover, including a 1% levy for sport development. In addition, the fees received by operators of certain iGaming activities are subject to VAT at a rate of 20%.	Ongoing regulatory debate with discussions regarding pool liquidity and the reconsideration of the tax regime. Still considered a low risk market.
<b>Sweden</b>	Restrictive monopoly regime where iGaming operators require a license – In all practical aspects an unregulated market.	Unlicensed iGaming operators generally prohibited from marketing. Regardless of marketing limitations, international iGaming operators are advertising extensively to Swedish users through for example TV channels broadcasted from other countries. The licensed monopoly operators are subject to certain marketing limitations.	According to the proposed legislation, iGaming operators will be subject to a tax rate of 18% of gross gaming revenues.	Ongoing regulatory debate. Regulation of the Swedish iGaming market is proposed to come into force in 2019 inducing a license system for iGaming operators.

Source: Company information, H2 Gambling Capital as of 1 March 2018.

# BUSINESS OVERVIEW



# BUSINESS OVERVIEW

## INTRODUCTION

Better Collective is one of the leading affiliates on the European iGaming affiliate market.<sup>1</sup> The Group is primarily focused on online sports betting which represented 69 percent of revenue during 2017, while it also has a strong presence within online casino which represented 25 percent of revenue during the period.<sup>2</sup> Better Collective is a Danish-registered company headquartered in Copenhagen. The Group was founded in 2002 by Jesper Søgaard and Christian Kirk Rasmussen who remain part of the executive management team as CEO and COO, respectively.

The business model is based on referring users to iGaming operators. Revenue is generated from iGaming operators and based on revenue share or CPA or a combination of the two. Revenue share and CPA represented 89 percent and 11 percent of revenue respectively in 2017.<sup>3</sup> Approximately 367,000 new depositing customers (“NDCs”) were referred to iGaming operators during the period 2015 through 2017.

Better Collective strives to provide a broad product portfolio with high relevance for a wide variety of user preferences. As of 31 December 2017, the product portfolio consisted of four community sites and apps and more than 2,000 content sites. Community sites and apps present a wide range of interactive functionality catering to the more advanced user. Content sites present in-depth information on specific iGaming areas and generally appeal to less advanced users. During Q4 2017 the Group attracted a monthly average of approximately 3.0 million unique visitors throughout its product portfolio.<sup>4</sup> As of 31 December 2017 the Group had products in

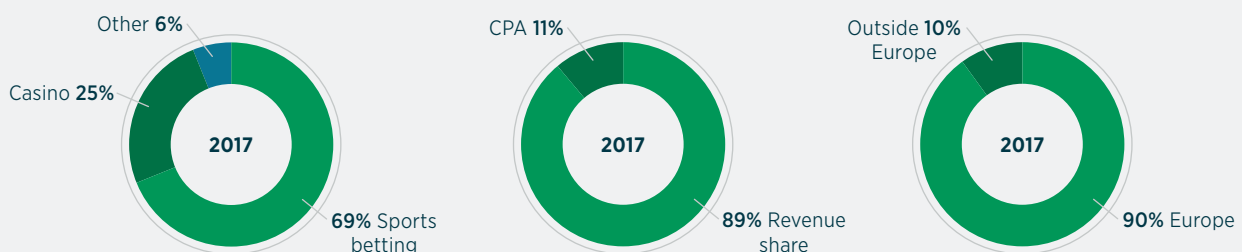
38 languages giving it an international footprint. During 2017, the European markets represented approximately 90 percent of revenue with the United Kingdom and Germany being the two largest with 44 percent and 23 percent of total revenue respectively.<sup>5 6</sup>

The Group offers iGaming operators an attractive performance-based marketing service. Revenue share agreements allow the iGaming operators to acquire NDCs at a low risk. The educational element of the product portfolio helps users identify iGaming strategies to improve the iGaming experience. In addition iGaming operators have the opportunity to market their brand through enhanced visibility on the sites and apps of the product portfolio. Better Collective has active partnerships with more than 250 iGaming operators.

Better Collective continuously develops its technology platform to efficiently increase the amount of content it generates and to display it with the highest possible degree of relevance. The community sites and apps enable it to compile large amounts of proprietary user generated content. The technology platform allows the content to be distributed across the product portfolio for maximised relevance. The technology platform is scalable both in terms of in-house development and acquisitions.

The Group reported revenue of EUR 26 million in 2017 which represented a yearly growth rate of 51 percent. The average yearly organic growth rate of 2016 and 2017 amounted to 41 percent. Reported EBITA amounted to EUR 11 million in 2017 which represented an EBITA margin of 40 percent.<sup>7</sup> The EBITA margin has increased by 7 percentage points between 2015

**FIGURE 8: REVENUE SPLITS, 2017**



Source: Company information.

Hybrid models (i.e. combination of revenue share and CPA) are included in revenue share.

<sup>1</sup> Based on revenues in 2017, Better Collective was one of the five largest iGaming affiliates in Europe.

<sup>2</sup> For the financial year ended 31 December 2017, online sports betting represented 69 percent of revenue, online casino represented 25 percent of revenue and other, including bingo, poker and lotteries, represented 6 percent of revenue.

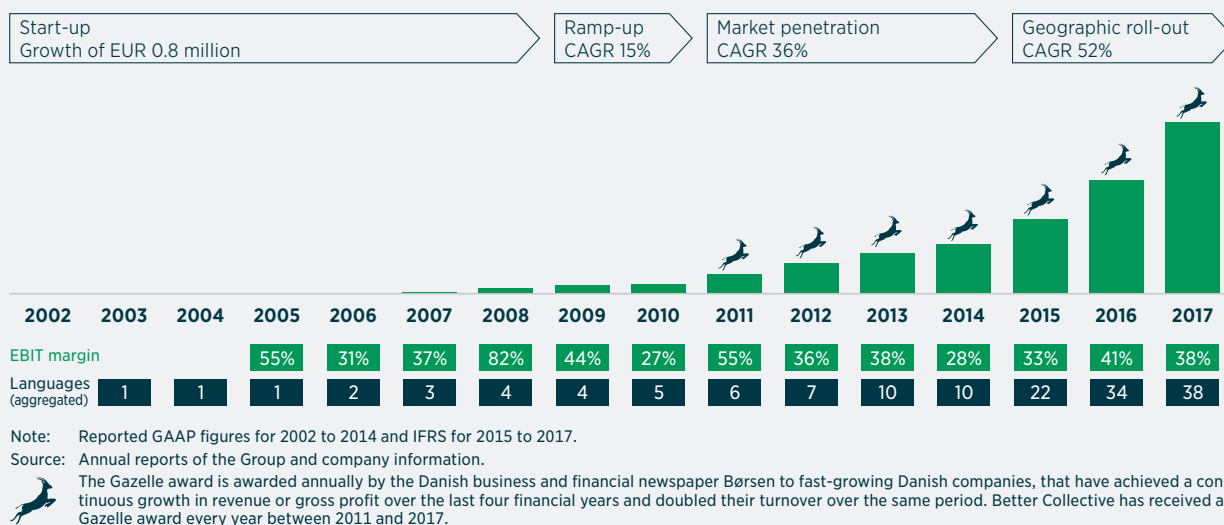
<sup>3</sup> Revenue share includes hybrid models, a combination of revenue share and CPA.

<sup>4</sup> Unique monthly visitors are based on unique IP addresses registered on a Better Collective product per month.

<sup>5</sup> Based on Company estimates.

<sup>6</sup> The Group's functional currency is DKK and its revenues are mainly denominated in EUR and DKK, with limited revenues in GBP and USD. See also note 20 in the section *Historical financial information* regarding the Group's foreign currency risk.

<sup>7</sup> For definitions of key financial ratios that are not audited or defined according to IFRS, see the section *Selected historical financial information - Key performance measures*.

**FIGURE 9: HISTORY OF BETTER COLLECTIVE**

and 2017.<sup>1</sup> Better Collective believes that it is well-positioned to continue to grow faster than the iGaming affiliate market through organic as well as through acquisitive growth.<sup>2</sup>

## COMPANY HISTORY

Better Collective was founded by Jesper Søgaard and Christian Kirk Rasmussen in 2002. At the time the iGaming market was in its infancy with the iGaming penetration rate in Europe standing at 6 percent compared to 46 percent in 2017.<sup>3</sup> The Group has grown significantly since its inception and has consistently reported high profitability. In addition, the Group has received several prestigious awards as recognition of its strong performance over the years.

### Start-up (2002–2008)

Better Collective was founded in 2002 and incorporated as a Danish company in 2004 operating in German speaking markets. In 2006 a second language was added. By 2008 the Group had products in four languages. Revenue in 2008 amounted to EUR 0.8 million, having increased from EUR 17 thousand in 2004, with the vast majority of growth driven organically.<sup>4</sup> A partnership with Bet365 was initiated in 2006 with the acquisition of the site bettingexpert.com.

### Ramp-up (2009–2010)

In 2009 the Group moved into a new and larger office in Copenhagen. The following two years were characterised by investments in capacity expansion in terms of increased personnel. Significant resources were invested in the devel-

opment of the technology platform, which foundation was established during the period. Revenue in 2010 amounted to EUR 1.4 million representing a growth rate over 2009 of 15 percent, with the entire growth driven organically.<sup>6</sup>

### Market penetration (2011–2014)

With a strengthened organisation and technology platform, the Group increased its growth efforts. Presence was strengthened in existing markets and the product portfolio expanded by five additional languages during 2011 to 2014. Better Collective received its first Gazelle award in 2011 from the Danish business newspaper Dagbladet Børsen in recognition of its outstanding growth rate. The Group has since received the award seven years in a row. Revenue in 2014 amounted to EUR 7.4 million representing a CAGR of 36 percent since 2011, with the entire growth driven organically.<sup>7</sup>

### Geographic roll-out and acquisitions (2015–2017)

Having proved the viability of the business model, Better Collective made a strategic decision to expand its geographical footprint in 2015. During the coming two years the product portfolio was expanded by 28 new languages giving the Group an international footprint. In 2016, an office was established in Niš, Serbia significantly improving the ability to attract qualified talent for technological development.

The Group made 10 acquisitions during the period May 2017 to April 2018. Offices in Vienna and Paris were added through two of these acquisitions. Revenue in 2017 amounted to EUR 26 million representing a CAGR of 52 percent since 2015. The

1 For definitions of key financial ratios that are not audited or defined according to IFRS, see the section *Selected historical financial information - Key performance measures*.

2 Organic growth in a given period is defined as (total revenue period 2 – acquired revenue period 2)/total revenue period 1. Acquired revenue is defined as run rate revenue for the target at the time of acquisition × the percentage of period 2 that the target has been consolidated. See also the section *Selected historical financial information - Selected financial definitions*.

3 Source: H2 Gambling Capital as of 1 March 2018.

4 Based on annual reports of the Group, audited according to Danish GAAP. Figures have been converted from DKK to EUR using the FX rate as of 1 March 2018 (1 DKK = 0.1329 EUR).

5 Organic growth in a given period is defined as (total revenue period 2 – acquired revenue period 2)/total revenue period 1. Acquired revenue is defined as run rate revenue for the target at the time of acquisition × the percentage of period 2 that the target has been consolidated. See also the section *Selected historical financial information - Selected financial definitions*.

6 Based on annual reports of the Group, audited according to Danish GAAP. Figures have been converted from DKK to EUR using the FX rate as of 1 March 2018 (1 DKK = 0.1329 EUR).

7 Based on annual reports of the Group, audited according to Danish GAAP. Figures have been converted from DKK to EUR using the FX rate as of 1 March 2018 (1 DKK = 0.1329 EUR).



entire growth for the period 2015 to 2016 was driven organically, while organic growth amounted to 28 percent in 2017.<sup>1</sup>

## STRENGTHS AND COMPETITIVE ADVANTAGES

The Group benefits from the following key strengths and competitive advantages:

- Present on a highly attractive growth market
- Industry leading and award winning product portfolio
- Generating low risk and high flexibility for the iGaming operator
- Innovative technology developing the affiliate market
- Attractive financial profile

### Present in a highly attractive growth market

Better Collective operates in a market with high growth. The Group is primarily present in jurisdictions where iGaming is regulated, which enhances predictability. The European iGaming affiliate market is fragmented with ample opportunities for consolidation. Recently, the Supreme Court of the United States repealed the PASPA act, making the legal status of sports betting a discretion of state legislation, rather than federal. Multiple states who have been in favour of repealing the act, including New Jersey, are expected to legalise sports betting within their state in the near future, opening up new opportunities for operators and affiliates.

### High growth in the large European iGaming market

Better Collective has benefited and expects to continue to benefit from operating in a market with high growth. The Group expects the European iGaming affiliate market to grow at least in line with the European iGaming market and for both markets to be driven by the same trends.

The European iGaming market amounted to EUR 15.4 billion in 2017.<sup>2</sup> The market is expected to continue to grow at a CAGR of 8.7 percent over the period 2017 to 2020.<sup>3</sup> iGaming penetration is estimated to reach 51.7 percent in 2020 leaving potential for further migration from land based to iGaming.<sup>4</sup>

The mobile sports betting market and mobile casino market are expected to grow at a CAGR of 14.0 percent and 20.9 percent respectively over the period 2017 to 2020.<sup>5</sup> During Q4 2017, the traffic from mobile devices accounted for 74 percent of total traffic to bettingexpert.com.

### Attractive presence in regulated markets

Better Collective believes that jurisdictions where iGaming is regulated are subject to a higher degree of predictability than unregulated jurisdictions. In 2017, approximately 63 percent of Group revenue was generated from regulated jurisdictions.<sup>6</sup> The Group expects the revenue generated in regulated jurisdictions to increase going forward, both in current and new regulated markets.

### Large potential global opportunity

iGaming penetration varies considerably across regions. Variations are primarily driven by regulation and differences in mobile and online penetration.

While it is uncertain if such events will take place, Better Collective believes that iGaming penetration in both the US and Asia & Oceania would converge to European levels if regulation would be equal in those jurisdictions. This would imply a market opportunity of EUR 68 billion, or more than 4 times what the European iGaming market amounted to in 2017.<sup>7</sup>

Better Collective already has US specific products in place and the US is among the top five countries in terms of traffic on bettingexpert.com. Due to its strong focus on online sports betting, Better Collective believes it is well positioned to grow in the US if online sports betting is legalised.

### Leading position in a fragmented market

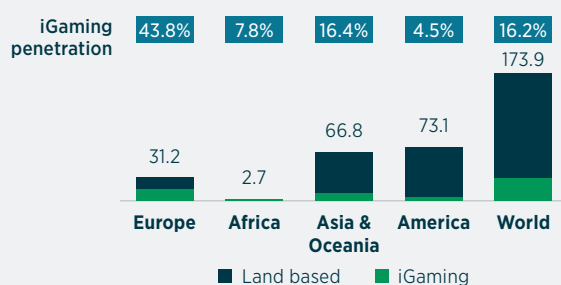
The European iGaming affiliate market is fragmented with an estimated 2,000 small to medium iGaming affiliates accounting for 80 percent of the market.<sup>8</sup>

Large iGaming affiliates are better positioned than small to medium iGaming affiliates to invest in technology and compliance due to scale benefits. Better Collective expects large iGaming affiliates to grow faster than the iGaming affiliate market based on these advantages.

Better Collective believes it is well-positioned among large iGaming affiliates due to its focus on sports betting and its ability to generate proprietary user generated content through its community sites and apps. Other large iGaming affiliates are generally focused on online casino and utilise user-generated content to a lesser extent.

**FIGURE 10: GLOBAL IGAMING PENETRATION, 2017**

EUR billion



Source: H2 Gambling Capital as of 1 March 2018.

<sup>1</sup> Organic growth in a given period is defined as (total revenue period 2 – acquired revenue period 2)/total revenue period 1. Acquired revenue is defined as run rate revenue for the target at the time of acquisition × the percentage of period 2 that the target has been consolidated. See also the section *Selected historical financial information – Selected financial definitions*.

<sup>2</sup> For source, see Figure 1.

<sup>3</sup> For source, see Figure 2.

<sup>4</sup> For source, see Figure 2.

<sup>5</sup> For source, see Figure 3 and 4.

<sup>6</sup> Based on Company estimates.

<sup>7</sup> For further details, see Figure 10.

<sup>8</sup> For further details, see Figure 6.

### Industry leading and award winning product portfolio

As of 31 December 2017, Better Collective's product portfolio consisted of four community sites and apps and more than 2,000 content sites, with products spanning 38 languages. The broad product portfolio offers relevant content to a wide variety of user preferences, helping users discover new betting opportunities and confirm betting ideas.

The industry leading community sites and apps comprise a wide variety of often interactive functionality to cater to more advanced users.<sup>1</sup> Community sites and apps enable users to customise, compare and to varying degree share information on iGaming, enhancing entertainment for users.

Content sites present in-depth information on specific iGaming areas and generally appeal to less advanced users. The content sites are customised to meet a wide range of user preferences and are typically accessed by users directed through search engines.

During Q4 2017, the Group attracted a monthly average of approximately 3.0 million unique visitors, of which community sites and apps accounted for 54 percent.<sup>2</sup> All products are primarily developed for mobile. During Q4 2017, the traffic from mobile devices accounted for 74 percent of total traffic to the Group's community site and app bettingexpert.com.

### Generating low risk and high flexibility for the operator

Better Collective offers iGaming operators an attractive performance-based marketing service by showcasing their products to a broad user base through the Group's product portfolio.

iGaming operators remunerate the Group based on NDC referrals. In 2017, 89 percent of Group revenue was generated through revenue share.<sup>3</sup> Revenue share implies low risk for iGaming operators, as remuneration takes place when and if a referred NDC generates net revenue for the operator. At the same time, revenue share implies an attractive long-term revenue stream for the affiliate, often throughout the lifetime of the referred NDCs.

Better Collective's product portfolio offers an educational element and enhances entertainment for users, inspiring them to explore a variety of iGaming strategies. iGaming operators benefit from high user satisfaction.

In addition to performance-based marketing, Better Collective offers display marketing services through their product portfolio, providing brand strengthening visibility for iGaming operators in exchange for a marketing fee.

From 2015 to 2017, Better Collective referred a total of approximately 367,000 NDCs to iGaming operators. The Group has active partnerships with more than 250 iGaming operators including most of the leading European iGaming operators.

### Innovative technology developing the affiliate market

Better Collective continuously develops its technology platform to efficiently increase the amount of content it generates and to display it with the highest possible degree of relevance.

Content is characterised by public content, editorial content and user generated content. The community sites and apps enable the Group to compile large amounts of proprietary and scalable user generated content.

Site managers continuously evaluate and distribute content to maximise relevance for its product portfolio. In-house developed software for Business Intelligence, and application programming interfaces ("APIs") with plugin functionality, enable site managers to efficiently evaluate and distribute content across a broad product portfolio.

In addition, Better Collective enhances relevance using SEO. The Group employs SEO to monitor and secure high rankings in search engine result overviews.

A high share of organic traffic is a strong indicator of a high degree of relevance. Organic traffic accounted for more than 90 percent of the total traffic to the Group during 2017.<sup>4</sup>

The technology platform is scalable both in terms of in-house development and acquisitions. APIs and plugin functionality enable the Group to create new products and integrate acquired targets efficiently.

### Attractive financial profile

The Group has historically generated organic growth exceeding the growth of the European iGaming market. Better Collective believes it is well-positioned to sustain this trend through a strong position vis-à-vis small to medium iGaming affiliates, and by leveraging its global footprint with products spanning 38 languages.<sup>5</sup>

Better Collective added EUR 4.0 million of revenue through acquisitions during 2017 corresponding to 22.7 percent acquired growth before full-year effect of acquisitions made during the year. The fragmented iGaming affiliate market presents ample opportunities to continue to acquire small to medium iGaming affiliates in the short to medium-term.

During 2017, 89 percent of Group revenue was based on revenue share.<sup>6</sup> A significant portion of this revenue stems from NDCs accumulated over the history of the Group. The accumulated base of NDCs makes Group revenue more stable and resilient.

The Group has been profitable since 2005.<sup>7</sup> The cost base comprises primarily variable and semi-variable costs which can be adjusted to reflect deviations in revenue.

As of 31 December 2017, net working capital amounted to 0.5 percent of revenue in 2017. During 2017 capital expenditure amounted to less than 0.5 percent of revenue and comprises

<sup>1</sup> Based on several prestigious industry awards.

<sup>2</sup> Unique monthly visitors are based on unique IP addresses registered on a Better Collective product per month.

<sup>3</sup> Revenue share includes hybrid models, a combination of revenue share and CPA. The remaining 11 percent was generated through CPA agreements. Under CPA, the Group receives a one-off payment for every user that, is directed to the operator, creates a new profile and makes a deposit, thereby becoming a "new depositing customer".

<sup>4</sup> Non-paid traffic as share of total traffic to the Group's product portfolio.

<sup>5</sup> As of 31 December 2017.

<sup>6</sup> Revenue share includes hybrid models, a combination of revenue share and CPA. For source, see Figure 8.

<sup>7</sup> Based on annual reports of the Group.

mainly office equipment and office refurbishment. During the period 2015 to 2017 average cash conversion was 94 percent.<sup>1</sup>

## STRATEGY

Better Collective has an experienced management team and board of directors to develop and execute on its strategy to grow both organically and through acquisitions. Better Collective expects to continue to make acquisitions that enhance and accelerate the growth of the Group.

### Organic growth

Organic growth is expected to stem from:

- Strong underlying market growth
- Excellent position vis-à-vis small to medium iGaming affiliates
- Leverage position with products in 38 languages
- New market entries

### Strong underlying market growth

Between 2015 and 2017, the average annual organic growth rate of the Group amounted to 44 percent, exceeding the European iGaming market which grew by an average annual growth rate of 13 percent during the corresponding period.<sup>2</sup> Better Collective believes that this development has been driven primarily by its strong position compared to small to medium sized affiliates and its ability to roll out its product portfolio in new languages. The European iGaming market is expected to continue to grow by a CAGR of 8.7 percent between 2017 and 2020.<sup>3</sup>

As online and search engine advertising is becoming an increasingly important marketing tool, and iGaming operators are expected to increase their spend on online marketing, Better Collective believes the iGaming affiliate market will grow at least in line with the underlying European iGaming market.

Increased mobile usage and technological innovation are expected to further drive market growth.

### Attractive position vis-à-vis small to medium iGaming affiliates

Better Collective benefits from its scale and international presence in navigating the complex regulatory framework for iGaming in various jurisdictions. iGaming operators in regulated jurisdictions typically favour large iGaming affiliates, with established processes for compliance, to ensure their brands are not associated with regulatory breaches. Better Collective believes that small to medium iGaming affiliates will find it difficult to make the necessary technological investments to compete with large iGaming affiliates.

### Leverage position with products spanning 38 languages

Through its products spanning 38 languages, Better Collective reaches a wide audience internationally. The Group gains extensive user insights through its community sites and apps. User insights from community sites and apps stem from behavioural analytics as well as user generated content. User generated content is relevant, as it is created by, and for, the users themselves. As this content is created with limited or no direct cost for the Group, it enables Better Collective to have access to relevant content, across markets and verticals, in a scalable manner. Insights are then leveraged by the Group to further enhance the relevance of its editorial content on all sites and apps. Relevant content and high page rankings drive organic, non-paid, traffic. These increases in traffic further fuel the growth strategy of the Group.

### New market entries

Better Collective continuously evaluates potential new market entries. When an attractive market opportunity is identified, Better Collective launches content sites in the local language. The content sites are tailored to local market trends and preferences. By entering markets through content sites, Better Collective can enter new markets at relatively low cost and risk. Better Collective uses market insights to produce targeted editorial content. In markets where Better Collective experiences strong traction, it establishes community sites and apps to further penetrate the market. Community sites and apps enable the Group to gain further insights into the local market through analysis of user generated content and behaviour.

**FIGURE 11: COMPLETED ACQUISITIONS FROM MAY 2017 TO APRIL 2018**

Date	Target	Affiliate focus	Main language
May 2017	Wheretobet	Online sports betting	English
May 2017	Sportfreunde	Online sports betting	German
August 2017	Spielautomaten-online.info	Online casino	German
August 2017	CasinoLounge	Online casino	English
August 2017	Wettportal	Online sports betting	German
September 2017	Pull Media	Online sports betting	French
October 2017	PariuriX	Online sports betting	Romanian
December 2017	Goal.pl Group	Online sports betting	Polish
March 2018	Premium Administration	Online sports betting and online casino	Finnish
April 2018	Xperten & Xpert (Danish activities)	Online sports betting	Danish

Source: Company information

<sup>1</sup> For definitions of key financial ratios that are not audited or defined according to IFRS, see the section *Selected historical financial information - Key performance measures*.

<sup>2</sup> For source, see Figure 2.

<sup>3</sup> For source, see Figure 2.



### **Acquisitive growth**

The European iGaming affiliate market is fragmented and offers ample acquisition opportunities. Better Collective continuously evaluates potential acquisition targets based on specified characteristics. Due to its strong technological platform and scale benefits, the Group is able to create revenue and cost synergies from acquisitions. During the period May 2017 to April 2018 Better Collective completed 10 acquisitions.<sup>1</sup> Better Collective believes it is well-positioned to continue growing through acquisitions.

### **Continuous monitoring of a fragmented market**

There are approximately 2,000 small to medium iGaming affiliates in Europe, representing approximately 80 percent of the European iGaming affiliate market.<sup>2</sup>

Better Collective continuously evaluates new acquisition opportunities on the European iGaming affiliate market, resulting in a strong acquisition pipeline. Better Collective expects to acquire a wide range of small to medium iGaming affiliates going forward, however, the Group is currently focusing on targets with a strong market position in regulated markets.

Furthermore, Better Collective considers itself to have a strong reputation within the iGaming affiliate market, typically enabling a constructive dialogue with potential targets.

### **Revenue and cost synergies**

Due to its strong technological platform and scale benefits, the Group believes that it can improve the offering of acquisition targets and add value through both revenue and cost synergies.

Better Collective's API allows for seamless integration to the technological platform. Once a target has been integrated, Better Collective utilises its broad range of relevant content and other technological features to accelerate the growth of the acquired target. Better Collective strives to increase revenue through:

- More relevant content
- Enhanced performance monitoring
- Improved agreements with iGaming operators

In addition, Better Collective is typically able to improve the profitability of the acquired targets by eliminating overlapping cost items and rationalise internal processes.

### **Proven acquisition model**

The Group has completed 10 acquisitions during the period May 2017 to April 2018. 8 of the acquired targets are focused on online sports betting and 2 targets are focused on online casino. The total purchase price paid for the acquisitions during the period amounts to EUR 30,9 million. The two most recent acquisitions were asset deals and occurred in March and April 2018 respectively. Based on information from the respective sellers, the Group has assessed that the two most recent acquired operations during the financial year 2017 accounted for combined revenue of approximately EUR 2.4 million and a combined EBITA of approximately EUR 1 million.

### **Acquisition of SportFreunde**

In May 2017, Better Collective acquired Austria-based SportFreunde, a significant online sports betting affiliate with a product portfolio in the German speaking online sports betting markets. The acquisition of SportFreunde represents a relevant example of a completed acquisition due to its size and timing. The acquisition further strengthened the presence of the Group and its product portfolio in the German speaking online sports betting markets.

Since the acquisition, implementation of development measures has contributed to a significant growth acceleration for SportFreunde. By integrating SportFreunde to its business intelligence, Better Collective has been able to improve performance monitoring and increase revenue. Further measures aimed at optimising the agreements with the existing iGaming operator partners of SportFreunde have also resulted in revenue synergies. In addition, the Group has been able to eliminate costs and increase profitability.

### **Ongoing acquisitions**

Better Collective has on 4 April 2018 entered into a letter of intent (the "**LOI**") forming the basis for continued discussions regarding Better Collective's potential acquisition of a European iGaming affiliate (the "**Target**"). The completion of the acquisition of the Target is subject to Better Collective having conducted a customary due diligence to the satisfaction of Better Collective and that the parties have agreed and executed final agreements governing the acquisition. The Target is active within online sports betting on the European market. For the financial year ending on 31 December, 2017, and after divestment of certain business that will not be overtaken by Better Collective, the Target had adjusted revenues of approximately EUR 9 million and an adjusted EBIT of approximately EUR 6.5 million (the figures are disclosed by the seller and have currently not been verified). Pursuant to the LOI, the purchase price in case a final agreement for the acquisition of the Target is reached is expected to be approximately EUR 36 million (on a cash and debt free basis) whereof approximately 85 percent is expected to be paid on closing of the transaction and the remaining part being paid on the first anniversary of the closing date. The LOI includes an exclusivity clause pursuant to which the sellers undertake to negotiate exclusively with Better Collective until 31 August 2018. Better Collective has initiated the first phases of due diligence investigation of the Target. Assuming that the parties agree on the final terms for the transaction, signing of definitive agreements and closing of the acquisition is expected to occur before the end of the third quarter of 2018. As noted above, closing of the transaction is however conditional upon that Better Collective has conducted the due diligence to the satisfaction of Better Collective and that the parties have agreed and executed final agreements governing the acquisition, there is hence no certainty that the acquisition will close and the terms indicated in the LOI may also be subject to changes.

Furthermore, Better Collective has on 12 April 2018 entered into a separate letter of intent forming the basis for continued discussions regarding the potential acquisition of another European iGaming affiliate focused on sports betting. The purchase price in case a final agreement is reached is expected to be approximately EUR 4 million with the possibility for an

<sup>1</sup> For further details, see Figure 11.

<sup>2</sup> For further details, see Figure 6.

earn-out of up to EUR 0.40 million. For the financial year ending on 31 December, 2017, the target had adjusted revenues of approximately EUR 1 million and an adjusted EBIT of approximately EUR 0.73 million (the figures are disclosed by the seller and have currently not been verified). The indicative time plan and other terms of the letter of intent are materially similar to those of the LOI described above, including expected signing of definitive agreements and closing of the acquisition occurring before the end of the third quarter of 2018.

## FINANCIAL TARGETS AND DIVIDEND POLICY

*Certain statements in the sections “Strategy” and “Financial targets and dividend policy”, including in particular the financial targets described immediately below, and the statements with respect to dividend policy, constitute forward-looking statements. These forward-looking statements are not guarantees of future financial performance or dividends, and Better Collective’s actual results or dividends could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described under the sections “Important information to investors – Forward-looking statements” and “Risk factors”. Investors are urged not to place undue reliance on any of such statements referred to above.*

### Financial targets

The board of directors of Better Collective has established certain financials targets as set forth below.

### Growth target

In the short to medium-term (2018–2020), the Group’s target is to deliver an average annual revenue growth in the range of 30 to 50 percent, including impact from acquisitions. The timing of acquisitions is uncertain by nature, growth may fluctuate between years.

The Group’s target is to deliver an annual organic revenue growth in excess of the underlying market growth. Based on

the historical and forecasted growth in the European iGaming market the Group expects organic growth to be double-digit in the short to medium-term.

### Margin target

The Group’s target is to deliver an EBITA margin in excess of 40 percent before non-recurring costs. The Group will continuously invest in its core assets in order to ensure a long term sustainable business.

### Capital structure

Net Debt (defined as interest bearing debt, including earn-outs from acquisitions, minus cash and cash equivalents) in relation to EBITDA before items affecting comparability (on a rolling 12-month basis), excluding temporary deviations, must normally not exceed 2.5 times. The board of directors may decide to deviate from this temporarily if it is believed to be justified.

### Key assumptions included in the financial targets

The assumptions on which the Group has based its short to long-term financial targets include that:

- the underlying European iGaming market develops in accordance with the estimated market growth. The online sports betting and online casino markets are expected to grow by a CAGR of 8.0 percent and 9.5 percent respectively for the period 2017 to 2020. Mobile sports betting and mobile casino are expected to grow by a CAGR of 14.0 percent and 20.9 percent respectively, for the period 2017 to 2020;
- the Group is able to maintain its current partnerships with iGaming operators, particularly with respect to its largest partnership in terms of revenue and that iGaming operators in existing partnerships with the Group continue to invest in online lead generation marketing;
- the Group is able to improve and develop its product portfolio to attract new iGaming operators and users and

**FIGURE 12: OVERVIEW OF THE BETTER COLLECTIVE BUSINESS MODEL**



Source: Company information

remain an attractive partner for its existing iGaming operators and their users; and

- in preparing the short to long-term financial targets, the Group has assumed that no significant change will occur in the following key areas:
  - the strategies of the Group's iGaming operators in sourcing and marketing towards potential users, including their use of iGaming affiliates, and renewing contracts covering services for online lead generation currently provided by the Group;
  - the competitive landscape in the iGaming affiliate market and the iGaming market, including competitive pricing pressure, general developments in the market or among competitors, and the Group's ability to adapt and continue to deliver attractive products and services for users; and
  - the existing political, fiscal, market or economic conditions, and the administrative, regulatory or tax treatment of the Group.

The Group's financial targets set forth above constitute forward looking statements that is subject to considerable uncertainty. The financial targets are based upon a number of assumptions relating to, among others, the development of the Group's industry, business, results of operations and financial position. The Group's business, results of operations and financial position, and the industry and macroeconomic environment in which the Group operates, may differ materially from, and be more negative than, those assumed by the Group when preparing the financial targets set out above. As a result, the Group's ability to reach these financial targets is subject to uncertainties and contingencies, some of which are beyond its control, and no assurance can be given that the Group will be able to reach these targets or that the Group's financial position or results of operations will not be materially different from these financial targets. See the sections *Important information to investors – Forward-looking statements* and *Important information to investors – Presentation of financial information*.

#### Dividend policy

Better Collective aims to pay dividends of more than 50 percent of its profit for the year. However, as the Group intends to raise equity capital to expand its acquisition strategy, the Group expects no dividend before the year 2020<sup>1</sup>. Thereafter the board of directors will revisit the capital structure of the Group and evaluate whether to pay dividends. The decision to pay dividends will be based on the Group'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.

## BUSINESS MODEL

### Overview of the business model

The business model of Better Collective is based on attracting users to its product portfolio and referring them to iGaming operators. The Group offers iGaming operators an attractive performance based marketing service and is remunerated for the user referrals that make a first deposit to iGaming operators, or NDCs.

Better Collective develops its product portfolio through a user centric model. The Group strives to provide a broad product portfolio with high relevance for a wide variety of user preferences. During Q4 2017, the Group attracted a monthly average of approximately 3.0 million unique visitors.<sup>2</sup>

From 2015 to 2017 Better Collective referred approximately 367,000 NDCs to iGaming operators. Better Collective is remunerated mainly based on revenue share, enabling iGaming operators to acquire users at a low risk. Better Collective's product portfolio offers an educational element to its users, increasing the level of entertainment, which acts as an advantage for iGaming operators who benefit from high user satisfaction.

The business model of Better Collective is supported by an efficient and scalable technology platform, enabling the Group to create large amounts of content and illustrate it to users in various ways. The technology platform is scalable both in terms of in-house development and acquisitions.

### Value proposition to users

As of 31 December 2017, the product portfolio consisted of four community sites and apps and more than 2,000 content sites, with products spanning 38 languages. All products are primarily developed for mobile. Throughout its product portfolio the Group aims to make iGaming entertaining, transparent and fair. During Q4 2017, the traffic from mobile devices accounted for 74 percent of total traffic to bettingexpert.com.

The Group's strong market position enables it to make exclusive agreements with operators and provide its users with exclusive deals including bonus offers.

### Community sites and apps

Community sites and apps comprise a wide variety of often interactive functionality to cater to more advanced user. Community sites and apps enable users to customise, compare and, to a varying degree, share information on iGaming. As a result, users are typically recurring, with direct traffic accounting for a large share of visits.

The community sites and apps included the following products as of 31 December 2017:

- **bettingexpert.com** is the largest social network for sports betting tips in the world.<sup>3</sup> Tipsters on bettingexpert.com share tips to millions of users across 25 sports. Users are able to follow the performance and ranking of each individual tipster. Tipsters compete for cash prizes up to EUR 1,000 per month, granted by Better Collective, based on parameters such as betting accuracy.

<sup>1</sup> Pay-out in 2021.

<sup>2</sup> Unique monthly visitors are based on unique IP addresses registered on a Better Collective product per month.

<sup>3</sup> The Company estimates bettingexpert.com to be the largest social network for sports betting tips.

- **bettingexpert LIVE** is the first in-play tipping app in the world, allowing users to both place bets at iGaming operators through the app, and share tips while watching a sports event live. Tipsters compete for cash prizes up to EUR 1,000 per month, granted by Better Collective, based on parameters such as betting accuracy.
- **SmartBets** is the first customisable odds comparison site and app within online sports betting. SmartBets features in-depth analyses and personalised statistics on sports teams and sports events, real-time odds comparison, and full transparency on online sports betting operator pay outs. Furthermore, Better Collective has launched a functionality enabling users to discover and place bets with iGaming operators directly through SmartBets.<sup>1</sup>
- **BetBehind** offers users automated bet placement with iGaming operators. The users follow tipsters from betting-expert.com, customise filters and limitation and place bets automatically on iGaming operators. BetBehind has not been launched.<sup>2</sup>

#### Content sites

As of 31 December 2017, Better Collective operated more than 2,000 content sites. Content sites present in-depth information on specific iGaming areas and generally appeal to less advanced users. The content sites are customised to meet a wide range of user preferences and are typically characterised by less frequent users that are directed to the content sites through search engines.

Examples of content sites in the product portfolio include:

- **Bonus Code Bets** recommends the bonus offers most suitable for the user. Bonus Code Bets features educational content, such as reviews of iGaming operators, aggregation of bonus offers, and previews from Premier League legend John Barnes.
- **Discover Slots** helps the users filter and find the best online casinos based on a variety of parameters. As of 31 December 2017, the content site featured over 4,000 online casinos.
- **CasinoVerdiener** is one of Better Collective's first products for online casino, providing in-depth casino content in Germany. Users interact and discuss the performance of online casino operators based on bonus offers, payment methods and game offerings.
- **Roulette Geeks** features educational content on casino strategies. Through strategy simulators, the users can learn and practice different roulette strategies before placing a real bet.

#### Value propositions to iGaming operators

Better Collective offers iGaming operators an attractive performance based marketing service. The operator and its products are showcased to a broad user base through the product portfolio.

Better Collective's strong value proposition has enabled it to establish partnerships with more than 250 iGaming operators, including most of the leading European iGaming operators. During Q4 2017, the ten largest partnerships with iGaming operators in terms of revenue accounted for 52 percent of NDCs. The Group's largest partnership in terms of revenue is with Bet365 and dates back to 2006.

#### Low risk revenue model

The Group generates revenue by referring users to iGaming operators. When a user is directed to an iGaming operator, creates a new profile and makes a deposit, thereby becoming a NCD, the Group is entitled to remuneration through its agreements with the operator. Agreements are either based on revenue share, CPA or a combination of both:

- Revenue share entitles the Group to a certain percentage of the net revenue generated by the referred NDC on the platform of the iGaming operator. The vast majority of the agreements based on revenue share are for the entire lifetime of the NDC. Net revenue is calculated as total revenue generated by the NDC for the iGaming operator less direct costs such as transaction fees and bonus offers.
- CPA entitles the Group to a one-off payment for every NDC referred to the iGaming operator by the Group. CPA is typically applied by the Group for agreements with small operators whose long-term reliability is considered uncertain and where an upfront remuneration thus is preferred.

In 2017, 89 percent of revenue was generated through revenue share agreements<sup>3</sup>. Revenue share implies low risk for iGaming operators, as remuneration takes place when and if a referred NDC generates net revenue for the operator. As opposed to traditional marketing, the agreements only incur costs for the operators if new NDCs are attracted. In addition, the cost of a specific NDC is proportionate to the revenue generated by the NDC further reducing operator risk.

#### User activation

The products of Better Collective help both existing and potential new users to compare offerings in an educational and entertaining environment and provide them with access to information and discussion forums that help identify and execute iGaming strategies. Pursuing an iGaming strategy may enhance entertainment for the user, which is advantageous for iGaming operators benefiting from high user satisfaction. iGaming operators may thus benefit from Better Collective's products not only by the attraction of new users, but also by activation of its existing user base.

#### Marketing

In addition to performance based marketing, Better Collective offers display marketing services through its product portfolio, providing brand strengthening visibility for iGaming operators in exchange for a marketing fee. Marketing features typically comprises display ads, enlarged logos, positioning of logos or other features to enhance visibility and strengthen the brand of the iGaming operator.

<sup>1</sup> Bets are placed by the user with iGaming operators only. Better Collective does not conduct any iGaming operations and only facilitates bet placing with the iGaming operator.

<sup>2</sup> Bets are placed by the user with iGaming operators only. Better Collective does not conduct any iGaming operations and only facilitates bet placing with the iGaming operator.

<sup>3</sup> Revenue share includes hybrid models, a combination of revenue share and CPA.

### Technology

Better Collective continuously develops its technology platform to efficiently increase the amount of content it generates and to display it with the highest possible degree of relevance. The community sites and apps enable it to compile large amounts of proprietary user generated content. The technology platform allows the content to be distributed across the product portfolio for maximised relevance. The technology platform is scalable both in terms of in-house development and acquisitions.

### *Creating content in a scalable and efficient way*

Better Collective aims to provide relevant content to its users. The content is characterised by public content, editorial content and user-generated content.

Public content is either bought from third parties or compiled in-house and comprises mainly odds, statistics and information on iGaming. The public content is continuously updated to maintain relevant for users.

Editorial content comprises proprietary analyses related to iGaming, generated by journalists. The journalists produce articles with in-depth analysis which enables the users to increase their knowledge. Better Collective has developed software that efficiently composes relevant reviews based on blocks of editorial content produced by journalists.

In addition, Better Collective operates interactive community sites and apps, enticing users to generate content. User-generated content is scalable and proprietary for Better Collective, and comprises mainly independent analyses, tips and user preferences. Content generated by users is non-sponsored and may to a larger extent viewed as unbiased by other users.

### *Earning traffic through relevant and broad content offering*

Better Collective strives to maximise relevance for its product portfolio. The Group employs site managers, assigned the responsibility for relevance of the product portfolio. Site managers continuously evaluate the relevance of content and efficiently distribute it.

Site managers monitor and improve the performance of the product portfolio using proprietary software for business intelligence. The in-house developed software efficiently processes large volumes of user behaviour data and provides site managers with user insights, leveraged to evaluate the relevance of content.

The Group has developed APIs with plugin functionality on its technology platform, enabling site managers to efficiently distribute relevant content across a broad product portfolio.

In addition to maximising relevance, Better Collective enhances traffic through search engines using SEO. The Group employs SEO to monitor and secure high rankings in search engine result overviews.

A large share of organic traffic<sup>1</sup> is a strong indicator of a high degree of relevance. Organic traffic accounted for more than 90 percent of the total traffic to the Group during 2017.

### *Platform enabling scalability*

The technology platform of Better Collective is built using modern technical infrastructure. It enables high modularity, scalability, stability and reusability. The technical infrastructure further gives the Group a higher degree of control of its data. Each service constitutes a standalone application that is facilitated through an API.

The technical infrastructure serves as the backbone of the Group product portfolio. It helps expedite the product development process, as products already in production can be used to create new products users. By leveraging the products already in place, the Group avoids redundant development phases, thereby accelerating development significantly. Although a number of services are already in place, the Group is continuously adding more services to the existing stack of APIs.

Additionally, the APIs allow for synergies between developers handling the products, as they are largely following the same technological API stacks and coding standards. This makes it easier to respond quickly to market needs by letting developers extend the services that are creating most value. It further reduces both the costs and complications that occur when developing products from the ground up.

Better Collective distributes technological features and content across its product portfolio using APIs and plugins that are based on these APIs. The APIs have been created to have universal application capabilities; meaning that they can be deployed on any technology or content management system (CMS). This allows the technology platform to be easily scalable, not only for in-house production, but also for both third-party partnerships and acquisitions. The use of this service infrastructure has proven positive for the purpose of enabling quick integration and improvement of newly acquired products and product portfolios.

The technology platform includes functionality for integration directly with iGaming operators. Selected iGaming operators can access specific APIs, such as the API for tips, to distribute content from Better Collective to their own sites, increasing relevance. The functionality has been launched together with matchbook.com and increases the availability of the Group as well as its value proposition to iGaming operators.

## ORGANISATIONAL OVERVIEW

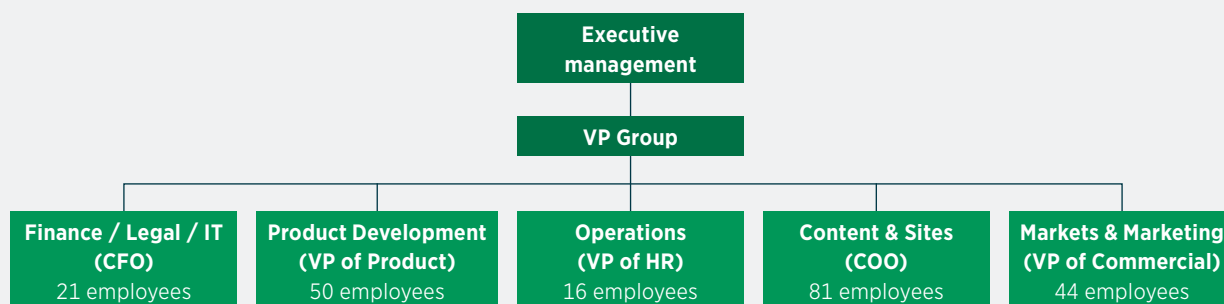
### Organisation

Better Collective was founded in 2002 by Jesper Søgaard and Christian Kirk Rasmussen who remain part of the executive management team as CEO and COO. The executive management team consists of the CEO, CFO and the COO, respectively. The executive management team handles the day-to-day management of the Group and ensures compliance with the guidelines and directions as issued by the board of directors. The VP Group reports directly to the executive management and includes the VP of Human Resources, VP of Commercial and VP of Product.

The Group is based in Copenhagen with offices located in Niš, Paris and Vienna. Management, central functions and the

<sup>1</sup> Organic traffic is defined as non-paid traffic.



**FIGURE 13: OVERVIEW OF ORGANISATION**

Source: Company information

majority of the Group's employees are based in the head office in Copenhagen. In 2016 Better Collective established the office in Niš to improve the ability to attract qualified tech talent. The office in Niš employs mainly site managers and developers. Offices in Vienna and Paris were added in 2017 through acquisitions and mainly employ journalists and site managers.

### Employees

As of 31 December 2017 the Group had 193 employees working for the Group, of which 32 percent were women. Of these 193 employees:

- 117 were based in Copenhagen
- 36 were based in Niš
- 31 were based in Paris
- 9 were based in Vienna

Better Collective is an equal opportunity employer, offering equal opportunities for employees, regardless of gender, ethnicity, race, religion or sexual orientation. Over 30 nationalities are represented among the Group's employees and the average age was 31 as of 31 December 2017. Table below shows the average number of full-time employees during the years 2015 to 2017.

	2017	2016	2015
Average number of full-time employees during the period	116	75	61

### Legal and compliance operations

The legal team of Better Collective includes 5 employees situated in the Copenhagen and Niš offices. Better Collective handles all legal tasks within the Group and coordinates interactions with external legal counsel. The legal team works together with marketing and product development operations to ensure a stage-gate approach when new contracts are made or new regulation and compliance requirements are imposed. The key tasks for the legal team are:

- Monitoring GDPR compliance and developing, reviewing and updating data protection policies;
- Monitoring the development of iGaming and marketing regulations in relevant jurisdictions, for example through

regulatory databases and interactions with external legal counsel, government bodies, legislatures and other relevant bodies when required;

- Implementing and coordinating the use of global marketing compliance guidelines as well as reviewing marketing operations when required;
- Leading legal workstreams and due diligence in acquisition processes; and
- Negotiating of commercial contracts.

### CORPORATE SOCIAL RESPONSIBILITY

The mission of the Group is to make iGaming entertaining, transparent and fair. Better Collective is aware of the impact of iGaming on society and recognises its responsibility to endorse responsible gambling, actively support research against gambling addiction and adhere to relevant compliance requirements.

Better Collective views iGaming as a form of entertainment and strives to ensure that users and employees experience iGaming as fun and entertaining. Hence, the Group strongly endorses responsible iGaming. When creating content, Better Collective ensures that the users are informed of the legal iGaming age, the possible negative effects and how to prevent these.

Better Collective donates money to support research aiming to prevent individuals from transforming the act of gambling as entertainment into an unhealthy activity. This contribution is facilitated through Gamble Aware, where Better Collective donates a minimum of 0.1 percent of its annual iGaming related income to support the initiatives of the Responsible Gambling Strategy Board. Donations can be made to a variety of organisations in multiple countries.

As an iGaming affiliate, Better Collective adheres to compliance regulations across the different countries that the Group operates in. Bringing transparency and honesty to iGaming is high priority in all operations and pursued in part through compliance with iGaming operator regulations.

# SELECTED HISTORICAL FINANCIAL INFORMATION



# SELECTED HISTORICAL FINANCIAL INFORMATION

The following information should be read in conjunction with the “Operating and financial overview” and the Company’s audited consolidated financial statements including notes in the section “Historical financial information”.

## PRESENTATION OF THE SELECTED HISTORICAL FINANCIAL INFORMATION

The selected historical financial information presented below comprising financial information from the Consolidated Statement of profit and loss, Consolidated Statement of comprehensive income, Consolidated balance sheet, Consolidated Statement of changes in equity and Cash flow statement have been derived from Better Collective A/S’:

- Audited consolidated financial statements as of 31 December 2017 and for the twelve months ended 31 December 2017 with comparative figures as of 31 December 2016 and 31 December 2015 and for the twelve months ended 31 December 2016 and 31 December 2015 prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“**IFRS**”) as included in the section *Historical financial information – Audited consolidated historical financial statements for the financial years ended 31 December 2017, 2016 and 2015* (the “**Audited Financial Statements**”).
- Reviewed consolidated unaudited condensed interim financial statements as of 31 March 2018 and for the three months ended 31 March 2018 with unaudited and non-reviewed comparative figures as of 31 March 2017 and for the three months ended 31 March 2017 prepared in accordance with International Accounting Standard 34, “*Interim Financial Reporting*” as adopted by EU (“**IAS 34**”) as included in the section *Historical financial information – Reviewed consolidated unaudited condensed interim financial statements as of 31 March 2018* (the “**Unaudited Interim Financial Statements**”).

The above mentioned consolidated financial statements have been audited or reviewed, as applicable, by Better Collective’s independent auditors Ernst & Young Godkendt Revisionspar-

tnerselskab to the extent stated in their independent reports appearing therein, see the section *Historical financial information*. The parent Company Better Collective A/S’ functional currency is Danish Kroner (DKK). The Group’s consolidated financial statements are presented in EURO (EUR).

In addition to the conventional financial performance measures established by IFRS, this Prospectus presents certain alternative performance measures that are not defined measures of financial performance or liquidity in accordance with IFRS nor audited or reviewed. Better Collective believes that these non-IFRS measures provide an important supplement measure of its performance and that they are widely used by investors comparing performance between companies. A financial measure that has not been defined in accordance with IFRS is defined as a measure, which measures historical or future financial results, financial position or cash flows, but excludes or includes amounts that would not be adjusted in the same way as the closest comparable IFRS measure. These financial measures should not be considered in isolation from or as substitute for the performance measures computed in accordance with IFRS. Since not all companies compute these or other non-IFRS financial measures in the same way, such measures, as defined by the Company, may not be comparable with similarly defined terms used by other companies. For a description of the calculation of non-IFRS measures and the reasons for use, see sections *Selected financial definitions and Definitions of alternative performance measures and certain selected financial definitions* below.

The following measures that are referred to in the sections *Key performance measures, Reconciliation tables and Selected financial definitions* below are derived from the internal reporting system of the Company: Capital expenditures as a percent of revenue, net working capital as a percent of revenue, cash flow from operations, cash conversion (%), Equity to asset ratio (%), Net debt and Net debt to EBITDA ratio (times).

## CONSOLIDATED INCOME STATEMENT

	LTM ended 31 March <sup>1</sup>	Twelve months ended 31 December <sup>2</sup>			Three months ended 31 March <sup>3</sup>	
EUR million	2018	2017	2016	2015	2018	2017
<b>Revenue</b>	<b>28.6</b>	<b>26.3</b>	<b>17.4</b>	<b>11.4</b>	<b>7.6</b>	<b>5.2</b>
Direct costs related to revenue	-3.2	-3.0	-2.5	-1.5	-0.9	-0.6
<b>Gross profit</b>	<b>25.4</b>	<b>23.3</b>	<b>14.9</b>	<b>9.8</b>	<b>6.7</b>	<b>4.6</b>
Staff costs	-9.2	-7.6	-5.6	-4.6	-3.1	-1.5
Amortisation/depreciation and impairment	-1.1	-0.7	-0.0	-0.0	-0.4	-0.0
Other external expenses	-6.1	-5.1	-2.2	-1.5	-1.6	-0.6
<b>Operating profit (EBIT)</b>	<b>8.9</b>	<b>9.9</b>	<b>7.1</b>	<b>3.8</b>	<b>1.6</b>	<b>2.5</b>
Share of profit after tax of associates	-	-	-	-	-	-
Financial income	0.0	0.0	-	-	0.0	-
Financial expenses	-0.1	-0.1	-0.3	-0.1	-0.1	-0.1
<b>Profit before tax</b>	<b>8.8</b>	<b>9.8</b>	<b>6.8</b>	<b>3.7</b>	<b>1.5</b>	<b>2.5</b>
Tax on profit for the year	-2.1	-2.3	-1.6	-0.9	.0.4	-0.6
<b>Profit for the year</b>	<b>6.7</b>	<b>7.4</b>	<b>5.2</b>	<b>2.9</b>	<b>1.1</b>	<b>1.9</b>

1 Reflects unaudited and non-reviewed financial figures calculated as the full year 2017 financial figures as per the Audited Financial Statements subtracted by the financial figures for the three months ended 31 March 2017 as per the Unaudited Interim Financial Statements and added with the financial figures for the three months ended 31 March 2018 as per the Unaudited Interim Financial Statements.

2 Extracted from the Audited Financial Statements.

3 Extracted from the Unaudited Interim Financial Statements.

## CONSOLIDATED BALANCE SHEET

EUR million	As of 31 December <sup>1</sup>			As of 31 March <sup>2</sup>	
	2017	2016	2015	2018	2017
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Intangible assets</b>					
Goodwill	7.2	-	-	7.2	-
Domains and websites	20.1	0.3	0.2	22.8	0.3
Accounts and other intangible assets	3.5	0.0	0.0	4.1	0.0
	<b>30.7</b>	<b>0.3</b>	<b>0.2</b>	<b>34.0</b>	<b>0.3</b>
<b>Property, plant and equipment</b>					
Land and buildings	0.8	0.8	-	0.8	0.8
Fixtures and fittings, other plant and equipment	0.1	0.0	0.0	0.4	0.0
	<b>0.9</b>	<b>0.8</b>	<b>0.0</b>	<b>1.2</b>	<b>0.8</b>
<b>Other non-current assets</b>					
Investments in associates	-	-	-	-	-
Receivables from associates	-	-	0.1	-	-
Deposits	0.2	0.1	0.1	0.2	0.1
Deferred tax assets	-	-	-	-	-
Other non-current investments	-	-	1.2	-	-
Other non-current receivables	-	-	0.3	-	-
	<b>0.2</b>	<b>0.1</b>	<b>1.7</b>	<b>0.2</b>	<b>0.1</b>
<b>Total non-current assets</b>	<b>31.8</b>	<b>1.2</b>	<b>2.0</b>	<b>35.4</b>	<b>1.2</b>
<b>Current assets</b>					
Trade and other receivables	4.4	1.1	1.1	4.3	1.9
Receivables from associates	-	0.0	-	-	0.0
Corporation tax receivables	-	0.5	0.0	0.1	0.7
Prepayments	0.3	0.0	0.0	0.3	0.1
Other securities and investments	-	0.0	0.0	-	0.0
Cash	2.1	5.5	2.6	1.3	6.6
<b>Total current assets</b>	<b>6.9</b>	<b>7.1</b>	<b>3.8</b>	<b>6.1</b>	<b>9.4</b>
<b>Total assets</b>	<b>38.7</b>	<b>8.3</b>	<b>5.7</b>	<b>41.5</b>	<b>10.6</b>

1 Extracted from the Audited Financial Statements.

2 Extracted from the Unaudited Interim Financial Statements.

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

EUR million	As of 31 December <sup>1</sup>			As of 31 March <sup>2</sup>	
	2017	2016	2015	2018	2017
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	0.1	0.1	0.1	0.1	0.1
Share premium	0.4	0.2	0.2	0.4	0.2
Translation reserve	0.0	0.0	-0.0	0.0	0.0
Treasury shares	-0.0	-0.3	-	-0.0	-0.3
Retained earnings	14.3	6.0	2.8	15.6	7.9
Proposed dividends	-	-	1.6	-	-
<b>Total equity</b>	<b>14.8</b>	<b>6.0</b>	<b>4.6</b>	<b>16.0</b>	<b>7.9</b>
<b>Non-current liabilities</b>					
Debt to mortgage credit institutions	0.6	-	-	0.6	-
Debt to credit institutions	-	-	-	4.6	-
Deferred tax liabilities	5.7	0.0	0.0	5.7	0.0
Other long-term financial liabilities	0.1	-	-	0.0	-
<b>Total non-current liabilities</b>	<b>6.3</b>	<b>0.0</b>	<b>0.0</b>	<b>10.9</b>	<b>0.0</b>
<b>Current liabilities</b>					
Prepayments received from customers	1.0	1.0	0.3	0.9	0.7
Trade and other payables	1.9	1.2	0.8	2.2	1.3
Corporation tax payable	1.7	-	-	1.9	0.6
Other financial liabilities	7.7	-	-	4.9	-
Debt to mortgage credit institutions	0.0	-	-	0.0	-
Debt to credit institutions	5.3	-	-	4.6	-
<b>Total current liabilities</b>	<b>17.7</b>	<b>2.2</b>	<b>1.1</b>	<b>14.5</b>	<b>2.6</b>
<b>Total liabilities</b>	<b>23.9</b>	<b>2.2</b>	<b>1.1</b>	<b>25.4</b>	<b>2.6</b>
<b>Total equity and liabilities</b>	<b>38.7</b>	<b>8.3</b>	<b>5.7</b>	<b>41.5</b>	<b>10.6</b>

1 Extracted from the Audited Financial Statements.

2 Extracted from the Unaudited Interim Financial Statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	LTM ended 31 March <sup>1</sup>	Twelve months ended 31 December <sup>2</sup>			Three months ended 31 March <sup>3</sup>	
EUR million	2018	2017	2016	2015	2018	2017
Operating profit	8.9	9.9	7.1	3.8	1.6	2.5
Depreciation and amortisation	1.1	0.7	0.0	0.0	0.4	0.0
Other adjustments of non-cash operating items	0.4	0.3	0.0	0.0	0.1	0.0
<b>Cash flow from operations before changes in working capital</b>	<b>10.4</b>	<b>10.9</b>	<b>7.1</b>	<b>3.8</b>	<b>2.1</b>	<b>2.5</b>
Change in working capital	-0.4	-1.8	1.1	-0.0	0.3	-1.1
<b>Cash flow from operations</b>	<b>10.0</b>	<b>9.1</b>	<b>8.2</b>	<b>3.8</b>	<b>2.4</b>	<b>1.4</b>
Interest income received	0.0	0.0	-	-	0.0	-
Interest expenses paid	-0.3	-0.2	-0.1	-0.0	-0.1	-0.1
<b>Cash flow from ordinary activities before tax</b>	<b>9.8</b>	<b>8.9</b>	<b>8.1</b>	<b>3.8</b>	<b>2.3</b>	<b>1.4</b>
Income tax paid	-0.7	-0.6	-2.0	-0.8	-0.2	-0.2
<b>Cash flow from operating activities</b>	<b>9.1</b>	<b>8.2</b>	<b>6.1</b>	<b>3.0</b>	<b>2.1</b>	<b>1.2</b>
Acquisition of subsidiaries	-19.3	-14.7	-	-	-4.5	-
Acquisition of intangible assets	-5.9	-3.9	-0.0	0.0	-2.0	0.0
Acquisition of property, plant and equipment	-0.4	-0.1	-0.8	-0.0	-0.3	-0.0
Sale of property, plant and equipment	0.1	0.1	-	-	-	-
Acquisition and disposal of associates, net	0.1	0.1	1.4	-1.1	-	-
Change in rental deposits	-0.1	-0.1	-0.0	-0.0	-0.0	-0.0
<b>Cash flow from investing activities</b>	<b>-25.3</b>	<b>-18.5</b>	<b>0.6</b>	<b>-1.2</b>	<b>-6.8</b>	<b>-0.0</b>
Repayment of borrowings	-0.7	-	-	-	-0.7	-
Proceeds from borrowings	10.5	5.9	-	-	4.6	-
Other financial borrowings	-	-	-	-	-	-
Treasury shares and sale of warrants	1.0	1.0	-0.2	0.2	0.0	-
Dividend paid	-	-	-3.6	-1.2	-	-
<b>Cash flow from financing activities</b>	<b>10.9</b>	<b>6.9</b>	<b>-3.9</b>	<b>-1.0</b>	<b>3.9</b>	<b>-</b>
Cash flows for the year	-5.3	-3.3	2.9	0.8	-0.8	1.2
Cash and cash equivalents at beginning	6.7	5.5	2.6	1.8	2.1	5.5
Foreign currency translation of cash and cash equivalents	-0.0	-0.0	0.0	-0.0	0.0	-0.0
<b>Cash and cash equivalents at end</b>	<b>1.3</b>	<b>2.1</b>	<b>5.5</b>	<b>2.6</b>	<b>1.3</b>	<b>6.7</b>

1 Reflects unaudited and non-reviewed financial figures calculated as the full year 2017 financial figures as per the Audited Financial Statements subtracted by the financial figures for the three months ended 31 March 2017 as per the Unaudited Interim Financial Statements and added with the financial figures for the three months ended 31 March 2018 as per the Unaudited Interim Financial Statements.

2 Extracted from the Audited Financial Statement.

3 Extracted from the Unaudited Interim Financial Statements.

## KEY PERFORMANCE MEASURES

	LTM ended 31 March	Twelve months ended 31 December			Three months ended 31 March	
EUR million	2018	2017	2016	2015	2018	2017
Revenue	28.6	26.3	17.4	11.4	7.6	5.2
Revenue growth, %	n.a.	50.8%	53.1%	51.8%	44.0%	28.0%
Organic revenue growth <sup>1</sup> , %	n.a.	28.1%	53.1%	51.8%	1.0%	28.0%
Operating profit before amortisations (EBITA) <sup>1 2</sup>	10.0	10.5	7.1	3.8	2.0	2.5
Operating profit before amortisations margin <sup>1 2</sup> , %	34.9%	40.2%	40.6%	33.3%	25.9%	48.4%
Operating profit	8.9	9.9	7.1	3.8	1.6	2.5
Operating profit margin, %	31.2%	37.6%	40.6%	33.3%	20.8%	48.4%
Profit before tax	8.8	9.8	6.8	3.7	1.5	2.5
Profit after tax	6.7	7.4	5.2	2.9	1.1	1.9
<b>Balance sheet</b>						
Balance sheet total	41.5	38.7	8.3	5.7	41.5	10.6
Equity	16.0	14.8	6.0	4.6	16.0	7.9
<b>Cash flow</b>						
Cash flow from operations <sup>1 2</sup>	10.0	9.1	8.2	3.8	2.4	1.4
Cash conversion rate <sup>1 2</sup> , %	97.6%	86.1%	104.7%	98.5%	104.5%	55.2%
Cash flow from investing activities	-25.3	-18.5	0.6	-1.2	-6.8	-0.0
<b>Financial ratios</b>						
Liquidity ratio <sup>1</sup>	0.4	0.4	3.2	3.4	0.4	3.6
Equity to asset ratio <sup>1</sup> , %	38.7%	38.2%	73.0%	80.5%	38.7%	75.2%
Average number of full-time employees	n.a.	116	75	61	151	79

1 Unaudited and non-reviewed information. For definitions, see section *Selected financial definitions and Definitions of alternative performance measures and certain selected financial definitions* below.

2 For reconciliation, see section *Reconciliation tables* below.

## RECONCILIATION TABLES

The following section presents the reconciliation of the operating profit (EBIT), EBITA and EBITDA for the Group, and operating cash flow. For a description of the calculation of non-IFRS measures and the reason for use, see the sections *Selected financial definitions* and *Definitions of alternative performance measures and certain selected financial definitions* below.

### EBIT, EBITA and EBITDA for the Group

	LTM ended 31 March	Twelve months ended 31 December			Three months ended 31 March	
EUR million	2018	2017	2016	2015	2018	2017
<b>Profit for the year<sup>1</sup></b>	<b>6.7</b>	<b>7.4</b>	<b>5.2</b>	<b>2.9</b>	<b>1.1</b>	<b>1.9</b>
Tax on profit for the period <sup>1</sup>	2.1	2.3	1.6	0.9	0.4	0.6
Share of profit after tax of associates <sup>1</sup>	-	-	-	-	-	-
Financial income <sup>1</sup>	-0.0	-0.0	-	-	-0.0	-
Financial expenses <sup>1</sup>	0.1	0.1	0.3	0.1	0.1	0.1
<b>Operating profit (EBIT)<sup>1</sup></b>	<b>8.9</b>	<b>9.9</b>	<b>7.1</b>	<b>3.8</b>	<b>1.6</b>	<b>2.5</b>
Operating profit margin (EBIT), %	31.2%	37.6%	40.6%	33.3%	20.8%	48.4%
Amortisation <sup>1</sup>	1.1	0.7	0.0	0.0	0.4	-
<b>EBITA<sup>2</sup></b>	<b>10.0</b>	<b>10.5</b>	<b>7.1</b>	<b>3.8</b>	<b>2.0</b>	<b>2.5</b>
EBITA margin <sup>2</sup> , %	34.9%	40.2%	40.6%	33.3%	25.9%	48.4%
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA<sup>2</sup></b>	<b>10.0</b>	<b>10.6</b>	<b>7.1</b>	<b>3.8</b>	<b>2.0</b>	<b>2.5</b>

1 Derived from the table in the section *Consolidated income statement* above.

2 Unaudited and non-reviewed information. For definitions, see the sections *Selected financial definitions* and *Definitions of alternative performance measures and certain selected financial definitions* below.

### Operating cash flow

	LTM ended 31 March	Twelve months ended 31 December			Three months ended 31 March	
EUR million	2018	2017	2016	2015	2018	2017
<b>Profit for the year<sup>1</sup></b>	<b>6.7</b>	<b>7.4</b>	<b>5.2</b>	<b>2.9</b>	<b>1.1</b>	<b>1.9</b>
Tax on profit for the period <sup>1</sup>	2.1	2.3	1.6	0.9	0.4	0.6
Share of profit after tax of associates <sup>1</sup>	-	-	-	-	-	-
Financial income <sup>1</sup>	-0.0	-0.0	-	-	-0.0	-
Financial expenses <sup>1</sup>	0.1	0.1	0.3	0.1	0.1	0.1
<b>Operating profit (EBIT)<sup>1</sup></b>	<b>8.9</b>	<b>9.9</b>	<b>7.1</b>	<b>3.8</b>	<b>1.6</b>	<b>2.5</b>
Amortisation, depreciation and impairments <sup>1</sup>	1.1	0.7	0.0	0.0	0.4	0.0
Other adjustments of non-cash operating items <sup>1</sup>	0.4	0.3	0.0	0.0	0.1	0.0
Capital expenditures <sup>2</sup>	-0.3	0.0	-0.8	-0.0	-0.3	-0.0
<b>Operating cash flow before changes in working capital<sup>2</sup></b>	<b>10.2</b>	<b>10.9</b>	<b>6.3</b>	<b>3.8</b>	<b>1.8</b>	<b>2.5</b>
Changes in working capital	-0.4	-1.8	1.1	-0.0	0.3	-1.1
<b>Operating cash flow<sup>3</sup></b>	<b>9.8</b>	<b>9.1</b>	<b>7.4</b>	<b>3.7</b>	<b>2.1</b>	<b>1.4</b>

1 Derived from the table in the section *Consolidated income statement* above.

2 Unaudited and non-reviewed information. For definitions, see the sections *Selected financial definitions* below.

3 Unaudited and non-reviewed information. For definitions, see the sections *Selected financial definitions* and *Definitions of alternative performance measures and certain selected financial definitions* below.

### Cash conversion

	LTM ended 31 March	Twelve months ended 31 December			Three months ended 31 March	
EUR million	2018	2017	2016	2015	2018	2017
Operating cash flow <sup>1</sup>	9.8	9.1	7.4	3.7	2.1	1.4
EBITDA <sup>2</sup>	10.0	10.6	7.1	3.8	2.0	2.5
<b>Cash conversion<sup>3</sup>, %</b>	<b>97.6%</b>	<b>86.1%</b>	<b>104.7%</b>	<b>98.5%</b>	<b>104.5%</b>	<b>55.2%</b>

1 Derived from the table in section *Operating cash flow* above.

2 Derived from the table in section *EBIT, EBITA and EBITDA for the Group* above.

3 Unaudited and non-reviewed information. For definitions, see *Selected financial definitions* and *Definitions of alternative performance measures and certain selected financial definitions* below.



## SELECTED FINANCIAL DEFINITIONS

### Amortisation/depreciation and impairment

	LTM ended 31 March	Twelve months ended 31 December			Three months ended 31 March	
EUR million	2018	2017	2016	2015	2018	2017
Amortisation <sup>1</sup>	1.1	0.7	0.0	0.0	0.4	-
Depreciation <sup>1</sup>	0.0	0.0	0.0	0.0	0.0	0.0
<b>Amortisation/depreciation and impairment<sup>2</sup></b>	<b>1.1</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>0.0</b>

1 Extracted from the Audited Financial Statements and Unaudited Interim Financial Statements as applicable. In respect of LTM such reflects unaudited and non-reviewed financial figures calculated as the full year 2017 financial figures as per the Audited Financial Statements subtracted by the financial figures for the three months ended 31 March 2017 as per the Unaudited Interim Financial Statements and added with the financial figures for the three months ended 31 March 2018 as per the Unaudited Interim Financial Statements.

2 Extracted from the table in section *Consolidated income statement* above.

### Capital expenditures

	LTM ended 31 March	Twelve months ended 31 December			Three months ended 31 March	
EUR million	2018	2017	2016	2015	2018	2017
Acquisition of property, plant and equipment <sup>1</sup>	-0.4	-0.1	-0.8	-0.0	-0.3	-0.0
Sale of property, plant and equipment <sup>1</sup>	0.1	0.1	-	-	-	-
<b>Capital expenditures<sup>2</sup></b>	<b>-0.3</b>	<b>0.0</b>	<b>-0.8</b>	<b>-0.0</b>	<b>-0.3</b>	<b>-0.0</b>
Capital expenditures, as a % of revenue	-0.9%	0.1%	-4.6%	-0.3%	-3.7%	-0.1%

1 Extracted from the Audited Financial Statements and Unaudited Interim Financial Statements as applicable. In respect of LTM such reflects unaudited and non-reviewed financial figures calculated as the full year 2017 financial figures as per the Audited Financial Statements subtracted by the financial figures for the three months ended 31 March 2017 as per the Unaudited Interim Financial Statements and added with the financial figures for the three months ended 31 March 2018 as per the Unaudited Interim Financial Statements.

2 Unaudited and non-reviewed information. For definitions, see *Selected financial definitions* and *Definitions of alternative performance measures and certain selected financial definitions* below.

### Net working capital

	Twelve months ended 31 December			Three months ended 31 March	
EUR million	2017	2016	2015	2018	2017
<b>Revenue<sup>1</sup></b>	<b>26.3</b>	<b>17.4</b>	<b>11.4</b>	<b>7.6</b>	<b>5.2</b>
Trade and other receivables <sup>2</sup>	4.4	1.1	1.1	4.3	1.9
Receivables from associates <sup>2</sup>	-	0.0	-	-	0.0
Corporate tax receivable <sup>2</sup>	-	0.5	0.0	0.1	0.7
Prepayments <sup>2</sup>	0.3	0.0	0.0	0.3	0.1
<b>Net working capital assets<sup>3</sup></b>	<b>4.7</b>	<b>1.6</b>	<b>1.2</b>	<b>4.7</b>	<b>2.7</b>
Prepayments received from customers <sup>2</sup>	-1.0	-1.0	-0.3	-0.9	-0.7
Trade and other payables <sup>2</sup>	-1.9	-1.2	-0.8	-2.2	-1.3
Corporate tax payable <sup>2</sup>	-1.7	-	-	-1.9	-0.6
<b>Net working capital liabilities<sup>3</sup></b>	<b>-4.6</b>	<b>-2.2</b>	<b>-1.1</b>	<b>-5.0</b>	<b>-2.6</b>
<b>Net working capital<sup>3</sup></b>	<b>0.1</b>	<b>-0.6</b>	<b>0.1</b>	<b>-0.2</b>	<b>0.1</b>
Net working capital, as a % of revenue	0.5%	-3.7%	0.5%	-2.9%	2.0%

1 Extracted from the table in section *Consolidated income statement* above.

2 Extracted from the table in section *Consolidated balance sheet* above.

3 Unaudited and non-reviewed information. For definitions, see *Selected financial definitions* and *Definitions of alternative performance measures and certain selected financial definitions* below.

**SELECTED FINANCIAL DEFINITIONS (CONTINUED)****Net debt**

	Twelve months ended 31 December			Three months ended 31 March	
EUR million	2017	2016	2015	2018	2017
Cash <sup>1</sup>	2.1	5.5	2.6	1.3	6.6
Debt to credit institutions, current <sup>1</sup>	5.3	-	-	4.6	-
Debt to credit institutions, non-current <sup>1</sup>	-	-	-	4.6	-
Other financial liabilities, current <sup>1</sup>	7.7	-	-	4.9	-
Debt to mortgage credit institutions <sup>1</sup>	0.6	-	-	0.6	-
Other long-term financial liabilities <sup>1</sup>	0.1	-	-	0.0	-
<b>Net debt<sup>2</sup></b>	<b>11.5</b>	<b>-5.5</b>	<b>-2.6</b>	<b>13.4</b>	<b>-6.6</b>
<b>EBITDA (last twelve months)<sup>3</sup></b>	<b>10.6</b>	<b>7.1</b>	<b>3.8</b>	<b>10.0</b>	<b>n.a.</b>
Net debt to EBITDA ratio (times) <sup>2</sup>	1.1	-0.8	-0.7	1.3	n.a.

1 Extracted from the table in the section *Consolidated balance sheet* above.

2 Unaudited and non-reviewed information. For definitions, see the sections *Selected financial information* and *Definitions of alternative performance measures and certain selected financial definitions* below.

3 Extracted from the table in the section *EBIT, EBITA and EBITDA for the Group* above.

**Liquidity ratio**

	Twelve months ended 31 December			Three months ended 31 March	
EUR million	2017	2016	2015	2018	2017
Current assets <sup>1</sup>	6.9	7.1	3.8	6.1	9.4
Current liabilities <sup>1</sup>	17.7	2.2	1.1	14.5	2.6
<b>Liquidity ratio<sup>2</sup></b>	<b>0.4</b>	<b>3.2</b>	<b>3.4</b>	<b>0.4</b>	<b>3.6</b>

1 Extracted from the table in the section *Consolidated balance sheet* above.

2 Unaudited and non-reviewed information. For definitions, see the sections *Selected financial information* and *Definitions of alternative performance measures and certain selected financial definitions* below.

**Equity to asset ratio**

	Twelve months ended 31 December			Three months ended 31 March	
EUR million	2017	2016	2015	2018	2017
Total equity <sup>1</sup>	14.8	6.0	4.6	16.0	7.9
Total assets <sup>1</sup>	38.7	8.3	5.7	41.5	10.6
<b>Equity to asset ratio<sup>2</sup>, %</b>	<b>38.2%</b>	<b>73.0%</b>	<b>80.5%</b>	<b>38.7%</b>	<b>75.2%</b>

1 Extracted from the table in the section *Consolidated balance sheet* above.

2 Unaudited and non-reviewed information. For definitions, see the sections *Selected financial information* and *Definitions of alternative performance measures and certain selected financial definitions* below.

**Calculation of organic and acquired growth in revenue**

	LTM ended <sup>1</sup> 31 March	Twelve months ended <sup>1</sup> 31 December			Three months ended <sup>1</sup> 31 March	
EUR million	2018	2017	2016	2015	2018	2017
<b>Revenue</b>	<b>28.6</b>	<b>26.3</b>	<b>17.4</b>	<b>11.4</b>	<b>7.6</b>	<b>5.2</b>
Organic growth	n.a.	4.9	6.0	3.9	0.1	1.1
Acquired growth	n.a.	4.0	-	-	2.3	-
<b>Total growth</b>	<b>n.a.</b>	<b>8.8</b>	<b>6.0</b>	<b>3.9</b>	<b>2.3</b>	<b>1.1</b>
Organic growth rate, %	n.a.	28.1%	53.1%	51.8%	1.0%	28.0%
Acquired growth rate, %	n.a.	22.7%	-	-	43.0%	-
<b>Total growth rate, %</b>	<b>n.a.</b>	<b>50.8%</b>	<b>53.1%</b>	<b>51.8%</b>	<b>44.0%</b>	<b>28.0%</b>

<sup>1</sup> Unaudited and non-reviewed information derived from the Group's internal financial reporting system. For definitions, see the section *Definitions of alternative performance measures* below.

## DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES AND CERTAIN SELECTED FINANCIAL DEFINITIONS

Financial measures	Description	Reason for use of the measure
<b>Organic growth</b>	Percentage change in revenue during the past period compared to the same period the previous year. Organic growth in a given period is defined as (total revenue period 2 – acquired revenue period 2)/total revenue period 1.	The measure is used by the management on monitoring the Group's underlying sales growth in its current activities by excluding the effect of acquisitions.
<b>Acquired growth</b>	Percentage change in revenue during the past period from acquired revenue during the past 12 months compared to the revenue of the same period the previous year. Acquired revenue is defined as run rate revenue for the target at the time of acquisition × the percentage of period 2 that the target has been consolidated.	The measure is used by the Group on monitoring the Group's growth as generated by acquisitions.
<b>CAGR</b>	Compound Annual Growth Rate is a measure to calculate the average annual growth rate over a specified period of time. The measure is mathematical and can be applied in different contexts, for example to calculate company specific financial or operational metrics such as revenue or number of beds and market specific metrics such as market size. The formula to calculate CAGR is: $((\text{Ending value} / \text{Beginning value})^{(1/\text{number of years between ending value and beginning value})}) - 1$ .	The Group uses the measure CAGR to show development over time.
<b>Operating margin (EBIT), %</b>	Operating profit as a percentage of revenue.	Operating margin provides an understanding for the profit generated by the operating activities.
<b>EBITA</b>	Operating profit/loss before amortisation of acquisition related intangible assets, financial items and tax.	EBITA provides an overall picture of profit/loss generated by the operating activities.
<b>EBITA margin, %</b>	EBITA as a percentage of revenue.	Better Collective considers that the EBITA margin is a useful measure together with sales growth and net working capital on monitoring value creation.
<b>EBITDA</b>	Operating profit/loss before depreciations and amortisations.	EBITDA together with EBITA provide an overall picture of profit/loss generation in the operating activities.
<b>Operating cash flow</b>	Cash flows that are based on business operations, excluding financial transactions, taxes and acquisitions and divestments of operations.	Operating cash flow is used by the Group to monitor business performance.
<b>Cash conversion, %</b>	Operating cash flow in relation to EBITDA.	Cash conversion is used to understand how effectively tied up net working capital is used.
<b>Capital expenditure</b>	Expenditure related to the operating activities.	Capital expenditures provide a picture of the ongoing requirement for investments in the operation.
<b>Net working capital assets</b>	Trade and other receivables, receivables from associates, corporate tax receivables and prepayments.	This measure shows how much net working capital assets are locked up in the operations.
<b>Net working capital liabilities</b>	Prepayment received from customers, trade and other payables and corporate tax payable.	This measure shows how much net working capital liabilities are locked up in the operations.
<b>Net working capital</b>	Net working capital assets reduced by net working capital liabilities.	This measure shows how much net working capital is locked up in the operations and can be related to revenue in order to understand how effectively restricted net working capital is used.
<b>Liquidity ratio (times)</b>	Current assets in relation to current liabilities.	The measure shows the Group's ability to meet short-term financial obligations.
<b>Equity to asset ratio, %</b>	Equity in relation to balance sheet total.	The measure shows which proportion of the balance sheet total that is financed by equity and is used by the management to monitor the Company's long-term financial strength and ability to withstand losses.
<b>Net debt</b>	Interest-bearing debts minus cash and cash equivalence.	Net debt is a measure to show the Group's total indebtedness.
<b>Net debt to EBITDA (times)</b>	Net debt in relation to EBITDA.	This measure helps to show the financial risk and is a useful measure for the management on monitoring the level of the Group's indebtedness.
<b>Number of employees 31 December</b>	Number of people who have received a salary in December.	Gives the management an understanding of the number of full time employees of the Group.

# OPERATING AND FINANCIAL REVIEW



# OPERATING AND FINANCIAL REVIEW

The following commentary should be read together with the sections “Selected financial information” and “Historical financial information – Audited consolidated historical financial statements for the financial years ended 31 December 2017, 2016 and 2015” and the related notes thereto, and “Historical financial information – Reviewed consolidated unaudited condensed interim financial statements as of 31 March 2018 and for the three months ended 31 March 2018”, included elsewhere in this Prospectus. This section may contain “forward-looking statements”. Such statements are subject to risks, uncertainties and other factors, including those set forth under the heading “Risk factors”, which could cause the Company’s future results of operations, financial position or cash flows to differ materially from the results of operations, financial position or cash flows expressed or implied in such forward-looking statements. See “Important information to Investors – Forward-looking statements” for information about such forward-looking statements and the risks associated with reliance thereon.

## OVERVIEW OF THE COMPANY’S OPERATIONS

Better Collective is one of the leading affiliates on the European iGaming affiliate market.<sup>1</sup> The Group is primarily focused on online sports betting, which represented 69 percent of revenue during 2017. The Group also has a strong presence within casino which represented 25 percent of revenue during the period.<sup>2</sup> Better Collective is headquartered in Copenhagen and a Danish registered company. The Group was founded in 2002 by Jesper Søgaard and Christian Kirk Rasmussen who remain part of the executive management team as CEO and COO, respectively.

The business model of the Group is based on referring users to iGaming operators. Approximately 367,000 new depositing customers (“NDCs”) were referred to iGaming operators during the period 2015 through 2017. Revenue is generated from iGaming operators and based on revenue share or CPA or a combination of the two. Revenue share and CPA represented 89 percent and 11 percent of revenue respectively in 2017.

The Group reported revenue of EUR 26 million in 2017 which represented a yearly growth rate of 51 percent, of which organic growth accounted for 28 percent. Reported EBITA amounted to EUR 11 million in 2017 which represented an EBITA margin of 40 percent.<sup>3</sup> The EBITA margin has increased by 7 percentage points between 2015 and 2017.<sup>4</sup> Better Collective believes that it is well-positioned to continue to grow faster than the iGaming affiliate market organically. In addition, Better Collective also intends to grow through acquisitions.

## FACTORS AFFECTING THE COMPANY’S RESULT

Better Collective’s results of operations and financial position have been, and are expected to continue to be, affected by certain key factors including, in particular, market growth, organic and acquisitive revenue growth, operational and capital efficiency, goodwill and acquisition driven intangible assets, tax, interest rates, currency effects and seasonality. Each of these factors is discussed in more detail below.

### Market growth

Better Collective’s results of operations and financial position are affected by the underlying growth in the European iGaming affiliate market, which is closely linked to the European iGaming market.

Better Collective operates in a market with high growth. The Group is primarily present in jurisdictions where iGaming is regulated, which enhances predictability. The European iGaming market and iGaming affiliate market have been resilient to changes in overall economic activity, evidenced by historical development.

### European iGaming market growth

Better Collective has benefitted and expects to continue to benefit from operating in a market with high growth. The Group expects the European iGaming affiliate market to grow at least in line with the European iGaming market and for both markets to be driven by the same trends.

The European iGaming market amounted to EUR 15.4 billion in 2017.<sup>5</sup> The market is expected to continue to grow at a CAGR of 8.7 percent over the period 2017 to 2020.<sup>6</sup> iGaming penetration is estimated to reach 51.7 percent in 2020 leaving potential for further migration from land based to iGaming.<sup>7</sup>

<sup>1</sup> Based on revenues in 2017, Better Collective was one of the five largest iGaming affiliates in Europe.

<sup>2</sup> For the financial year ended 31 December 2017, online sports betting represented 69 percent of revenue, online casino represented 25 percent of revenue and other, including bingo, poker and lotteries, represented 6 percent of revenue.

<sup>3</sup> For definitions of key financial ratios that are not audited or defined according to IFRS, see the section *Selected historical financial information - Key performance measures*.

<sup>4</sup> For definitions of key financial ratios that are not audited or defined according to IFRS, see the section *Selected historical financial information - Key Performance measures*.

<sup>5</sup> For source, see Figure 1.

<sup>6</sup> For source, see Figure 2.

<sup>7</sup> For source, see Figure 2.

The mobile sports betting market and mobile casino market are expected to grow at a CAGR of 14.0 percent and 20.9 percent respectively over the period 2017 to 2020.<sup>1</sup> During Q4 2017, the traffic from mobile devices accounted for 74 percent of total traffic to bettingexpert.com.

Growth in the European iGaming and iGaming affiliate markets is supported by developments in mobile technology and an increased use of mobile devices. Online and search engine advertising is becoming an increasingly important marketing tool, and Better Collective believes that the spend on online and search engine marketing by iGaming operators will continue to grow.

### **Regulation**

The transition from land based sports betting and casino to iGaming has led many jurisdictions to adopt new or amend existing legislation related to iGaming. Changes in regulation may involve imposing license requirements, marketing restrictions and local taxation on iGaming operators, but can also imply a liberalisation of the market.

iGaming regulation provides transparency to the legal framework, which in turn enhances predictability for iGaming operators and iGaming affiliates. Better Collective believes that iGaming regulation typically has a positive impact on the growth of the iGaming market in general and on the revenue of the Group. In 2017, approximately 63 percent of Group revenue was generated from regulated jurisdictions. The Group expects revenue generated in regulated jurisdictions to increase going forward.

### **Resilience**

From 2006 to 2016 the European iGaming market grew by a CAGR of 16.1 percent and by more than 10 percent every single year. The European iGaming market is largely non-cyclical, as manifested by the growth during the financial crisis. While European GDP<sup>2</sup> decreased by 5.8 percent between 2008 and 2009, the European iGaming market increased by 16.4 percent during the same period.

### **Group revenue growth**

Better Collective's results of operations and financial position are affected by its ability to drive organic growth and acquisitive growth, which are both key elements in the Group's growth strategy.

Between 2016 and 2017, the average annual organic growth rate of the Group amounted to 41 percent, exceeding the European iGaming market which grew by an average annual growth rate of 12 percent during the corresponding period. The European iGaming affiliate market is fragmented and offers ample acquisition opportunities. Better Collective added EUR 4.0 million of revenue or 23 percent of growth through a total of 8 acquisitions during 2017, before full-year effect of acquisitions made during the year.

### **Organic growth**

As Better Collective is remunerated based on NDC referrals, the Group's operational result and financial position are affected by its ability to attract users to its product portfolio and refer them to iGaming operators as well as to maintain good relations and attractive agreements with a large number of iGaming operators.

### **Drive new users and NDCs**

In order to continuously refer NDCs to iGaming operators, Better Collective must attract a large number of users to its product portfolio. Better Collective strives to provide a broad product portfolio with high relevance for a wide variety of user preferences. During Q4 2017 the Group attracted a monthly average of approximately 3.0 million unique visitors<sup>3</sup> throughout its product portfolio. Approximately 367,000 NDCs were referred to iGaming operators during the period 2015 through 2017.

As of 31 December 2017, the product portfolio consisted of four community sites and apps and more than 2,000 content sites. Community sites and apps present a wide range of interactive functionality catering to the more advanced user. Content sites present in-depth information on specific iGaming areas and generally appeal to less advanced users.

Better Collective continuously develops its technology platform to efficiently increase the amount of content it generates and to display it with the highest possible degree of relevance. The community sites and apps enable the Group to compile large amounts of proprietary user generated content. The technology platform allows the content to be distributed across the product portfolio for maximised relevance. The technology platform is scalable both in terms of in-house development and acquisitions.

Due to scale benefits, Better Collective is better positioned than small to medium iGaming affiliates to invest in technology and compliance. iGaming operators in regulated jurisdictions typically favour large iGaming affiliates with established processes for compliance. The Group therefore believes that it is well-positioned to gain market share from small to medium iGaming affiliates, attract more users and refer more NDCs. In addition, through its product portfolio spanning 38 languages,<sup>4</sup> the Group can leverage its broad reach and user insights to further enhance relevance and increase market penetration.

### **Pricing of services and revenue model**

Better Collective is remunerated by iGaming operators. Therefore, it is important for the Group to maintain good relations and terms with a broad set of iGaming operators. The Group has active partnerships with more than 250 iGaming operators, including most of the leading European iGaming operators.

The Group is entitled to remuneration through its agreements with the iGaming operators. Agreements are either based on revenue share, CPA or a combination of both, determining the revenue received for each NDC referral. Revenue share

<sup>1</sup> For source, see Figure 3 and 4.

<sup>2</sup> Source: Eurostat. GDP development for EU-28.

<sup>3</sup> Unique monthly visitors are based on unique IP addresses registered on a Better Collective product per month.

<sup>4</sup> As of 31 December 2017.

and CPA represented 89 percent and 11 percent of revenue respectively in 2017.

Revenue share entitles the Group to a certain percentage of net revenue generated by NDCs referred to iGaming operators, for the lifetime of the NDC on the iGaming operator's platform. Net revenue is calculated as total revenue generated by the NDC less direct costs<sup>1</sup>. An increased level of direct costs lowers net revenue and impacts the Group's revenue adversely, and vice versa. CPA entitles the Group to a one-off payment for every NDC referred to the iGaming operator by the Group. CPA is typically applied by the Group for agreements with small iGaming operators whose long-term reliability is considered uncertain and where an upfront remuneration thus is preferred. CPA may also be preferred in certain unregulated markets. Better Collective's revenue is impacted by:

■ **Pricing:**

- **Revenue share:** The definition of net revenue as well as the percentage of net revenue received by Better Collective vary between agreements and may change over time.
- **CPA:** The size of the one-off payment received by Better Collective varies between agreements and is subject to change over time.

- **Mix between revenue share and CPA:** All else equal, an increased share of CPA will lead to higher revenue in the short term, and vice versa.

A large share of revenue share enables an iGaming affiliate to receive a significant part of its revenue from NDCs accumulated over its history, which supports stability and resilience.

**Acquisitive growth**

The fragmented European iGaming affiliate market presents ample opportunities to continue to acquire small to medium iGaming affiliates in the short to medium-term. There are approximately 2,000 small to medium iGaming affiliates in Europe, representing approximately 80 percent of the European iGaming affiliate market.<sup>2</sup>

Better Collective added EUR 4.0 million of revenue or growth of 23 percent through acquisitions during 2017. During the period May 2017 to April 2018 Better Collective completed 10 acquisitions<sup>3</sup>. Better Collective continuously evaluates potential targets on the European iGaming affiliate market and believes it is well-positioned to continue growing through acquisitions.

Better Collective utilises its technological platform, API and scale benefits to accelerate the growth of the acquired targets. Better Collective strives to increase revenue through more relevant content, enhanced performance monitoring and more favourable agreements with iGaming operators. In addition, the Group is typically able to improve profitability by eliminating overlapping cost items and rationalising internal processes.

**Operational efficiency**

Better Collective's results of operations and financial position are affected by its ability to operate with high and sustained operational efficiency.

During the period 2015 to 2017 the EBITA margin of the Group increased from 33 percent to 40 percent. Better Collective believes that it will be able to continue to grow its revenue without increasing its cost base at the corresponding rate. The operational cost base is divided into direct costs related to revenue, staff costs, other external expenses and depreciation.

- Direct costs related to revenue amounted to EUR 3.0 million in 2017. As a percentage of revenue it has decreased from 13.4 percent in 2015 to 11.2 percent in 2017. Direct costs are primarily driven by marketing costs such as display ads and pay-per-click. An increasing share of organic traffic, which has no direct costs, results in lower direct costs as percent of revenue. Better Collective can promptly adjust spending on direct cost related to revenue, having an impact on quarterly profitability.
- Staff cost amounted to EUR 7.6 million in 2017. As a percentage of revenue it has decreased from 40.2 percent in 2015 to 28.8 percent in 2017. Staff costs are primarily driven by the number of employees that are required to sustain the quality and growth of the Group.
- Other external expenses amounted to EUR 5.1 million in 2017. As a percentage of revenue it has increased from 13.0 percent in 2015 to 19.6 percent in 2017. Other external expenses are primarily driven by costs for external developers and costs for acquisitions. Short term the cost line will include costs related to the IPO.
- Depreciation amounted to EUR 0.0 million in 2017. The Group has historically reported limited depreciation of tangible assets. The main drivers are capital expenditure in office supplies and office refurbishment. The Company believes depreciation of tangible assets will continue to be limited.

**Capital efficiency**

Better Collective's results of operations and financial position are affected by its ability to operate with high and sustained capital efficiency.

During the period 2015 to 2017 the average cash conversion<sup>4</sup> of the group amounted to 94 percent. Better Collective believes that it will be able to continue to operate with low levels of capital expenditure and net working capital going forward.

**Capital expenditure**

During the period 2015 to 2017 the average capital expenditure as a percentage of revenue amounted to 2 percent. Capital expenditure is primarily driven by office supplies and office refurbishments. Better Collective has historically expensed all its development costs. The Company expects capital

<sup>1</sup> Including transactions costs and bonus offers.

<sup>2</sup> For further details, see Figure 6.

<sup>3</sup> For further details, see Figure 11.

<sup>4</sup> For definitions of key financial ratios that are not audited or defined according to IFRS, see the section *Selected historical financial information - Key performance measures*.

expenditure as a percentage of revenue to remain in line with historical levels going forward. The Company does not have any ongoing or planned significant future investment.

#### Net working capital

During the period 2015 to 2017 the average net working capital of the Group as a percentage of revenue was negative and amounted to -1 percent. The Company expects net working capital as a percentage of revenue to remain in line with historical levels going forward.

Net working capital assets amounted to EUR 4.7 million as of December 31 2017 representing 18% of revenue in 2017. Key items in net working capital assets include trade and other receivables, corporation tax receivable and prepayments.

Net working capital liabilities amounted to EUR 4.6 million as of December 31 2017 representing 18% of revenue in 2017. Key items in net working capital liabilities include prepayments received from customers and trade and other payables.

#### Goodwill and other acquisition driven intangible assets

Better Collective's results of operations and financial position are affected by accounting effects resulting from its acquisitions. As of December 31, 2017 goodwill on the balance sheet amounted to EUR 7.2 million. Goodwill is allocated to cash-generating units when testing for impairment. For more information on the Group's impairment testing see Notes 1 and 12 in the section *Audited consolidated historical financial statements for the financial years ended 31 December 2017, 2016 and 2015 – Notes*.

Additionally the Group had intangible assets, primarily relating to acquisitions, amounting to EUR 23.6 million as of 31 December 2017.

#### Tax

Better Collective pays corporate tax according to local legislation in each jurisdiction where it is incorporated. Thus Better Collective's results of operations and financial position are dependent on local tax rates and changes in these tax rates and of the results of operations in each individual jurisdiction. Better Collective expects the effective tax rate for the Group to amount to approximately 22 to 25 percent going forward and represent the corporate tax rate weighted according to earnings before tax in each respective country.

#### Interest

Better Collective is partially funded with bank loans, and accordingly the results of operations and financial position are

affected by changes in interest rates. For more information regarding Better Collective's loan agreements see the section *Capitalisation, indebtedness and other financial information – External financing*.

#### Currency

Better Collective receives the majority of its revenue from its customers in DKK and EUR. The revenue of the customers is however generated in the local currency where deposits are made. Thus, Better Collective's results of operations and financial position is affected by changes in currency exchange rates between DKK, EUR and the local currencies of the customers. During 2017, the United Kingdom and Germany constituted Better Collective's two largest markets, representing 44 percent and 23 percent of revenue respectively. The Group is also, to a limited extent, exposed to USD and SEK. The Group's functional currency is DKK and the consolidated financial statements are presented in EUR.

#### Seasonality

The summer months reduces iGaming activity across products. The reduction is correlated to weather and thus a sunny summer would in general result in lower iGaming activity compared to a rainy one as prospective players are spending more time outside and therefore not having access to their computers – something that could be partially bridged by increased mobile penetration and mobile iGaming availability.

For sports betting summers constitute a break between seasons in many sport leagues reducing the amount of available games to bet on. However, this is occasionally offset by large sports events such as FIFA World Cup, UEFA Euro Cup and summer Olympics. These events have a significant impact on betting volumes and can result in Q2 being the highest grossing quarter of the year. Since sports betting is based on odds and outcomes of real life events outside of the control of the iGaming operators, these events could have substantial financial impact for iGaming operators depending on the outcome of those games. In extension, this also affects Better Collective's financial performance.

The table below sets forth Better Collective's revenue and EBITA for the last five quarters (2017 and 2018). For reconciliation of the Group's EBITA, see the section *Selected financial information – Reconciliation tables*. EBITA in Q1 2018 and Q4 2017 were affected by non-recurring IPO costs.

EUR million	Three months ended				
	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Revenue	7.6	9.4	6.6	5.0	5.2
EBITA	2.0	3.4	2.5	2.0	2.5

### KEY ITEMS INCLUDED IN THE PERIOD TO PERIOD COMPARISON

#### Revenue

Revenue from online sports betting and online casino operators

#### Direct costs related to revenue

Direct costs related to revenue comprises of direct marketing costs such as display ads and pay-per-click

**Gross profit**

Gross profit is the revenue less direct costs related to revenue

**Staff costs**

Staff costs include wages, pension and social security contributions to the employees of the Group

**Other external expenses**

Other external expenses include costs related to acquisitions, administration, external development, hosting and sales

**Depreciation**

Depreciation of tangible assets comprising primarily of office equipment

**EBITA**

EBITA is the operating profit and excluding amortisation

**Amortisation**

Amortisation of intangible assets which are primarily driven by acquisitions

**Operating profit (EBIT)**

Operating profit is the Group's gross profit less staff costs, other external expenses, depreciation and amortisation

**Share of profit after tax of associates**

Share of profits from associates net of any tax paid

**Financial income**

Financial income relates to interest paid to the Group

**Financial expenses**

Financial expenses relates to interest paid by the Group

**Profit before tax**

Profit before tax consists of operating profit (EBIT) less financial income and financial expenses

**Income tax**

Income tax consists of taxes on profit

**Profit for the period**

Profit for the period consists of profit before tax less income tax

**PERIOD TO PERIOD COMPARISON****Twelve months ended 31 December 2016 compared the same period in 2015**

The table below shows Better Collective's results of operations in EUR as well as the cumulative annual growth and percentage change between the two periods.

EUR million	For the year ended 31 December			
	2016	2015	+/-	+/- %
<b>Revenue</b>	<b>17.4</b>	<b>11.4</b>	<b>6.0</b>	<b>53%</b>
Direct costs related to revenue	-2.5	-1.5	-1.0	67%
<b>Gross profit</b>	<b>14.9</b>	<b>9.8</b>	<b>5.0</b>	<b>51%</b>
Staff costs	-5.6	-4.6	-1.0	23%
Other external expenses	-2.2	-1.5	-0.7	45%
Depreciation	-0.0	-0.0	-0.0	189%
<b>EBITA</b>	<b>7.1</b>	<b>3.8</b>	<b>3.3</b>	<b>87%</b>
Amortisation	-0.0	-0.0	-0.0	0%
<b>Operating profit (EBIT)</b>	<b>7.1</b>	<b>3.8</b>	<b>3.3</b>	<b>87%</b>
Share of profit after tax of associates	-	-	-	n.a.
Financial income	-	-	-	n.a.
Financial expenses	-0.3	-0.1	-0.2	n.a.
<b>Profit before tax</b>	<b>6.8</b>	<b>3.7</b>	<b>3.1</b>	<b>83%</b>
Tax on profit for the year	-1.6	-0.9	-0.7	82%
<b>Profit for the period</b>	<b>5.2</b>	<b>2.9</b>	<b>2.4</b>	<b>84%</b>

**Revenue**

Better Collective increased its revenue by EUR 6.0 million, or 53 percent, from EUR 11.4 million in the year ended 31 December 2015 to EUR 17.4 million in the year ended 31 December 2016. The growth was purely organic, stemming from growth in existing markets as well as new market entries.

**Direct costs related to revenue**

Direct costs related to revenue increased by EUR 1.0 million or 67 percent, from EUR 1.5 million in the year ended 31 December 2015 to EUR 2.5 million in the year ended 31 December

2016. This represents an increase in relation to revenue, from 13.4 percent in the year ended 31 December 2015 to 14.6 percent in the year ended 31 December 2016.

**Staff costs**

Staff costs increased by EUR 1.0 million, or 23 percent, from EUR 4.6 million in the year ended 31 December 2015 to EUR 5.6 million in the year ended 31 December 2016. As a percentage of revenue, staff costs decreased from 40.2 percent to 32.3 percent. The increase in staff costs was driven primarily by new hires done during the year, as well the as acquisitions



made. The decrease in staff costs in relation to revenue was primarily due to the scalability of the business model.

#### **Other external expenses**

Other external expenses increased by EUR 0.7 million or 45 percent, from EUR 1.5 million in the year ended 31 December 2015 to EUR 2.2 million in the year ended 31 December 2016.

#### **Depreciation**

Depreciation increased by EUR 17 thousand, or 189 percent, from EUR 9 thousand in the year ended 31 December 2015 to EUR 26 thousand in the year ended 31 December 2016. This represents a slight increase in depreciation in relation to revenue, from 0.08 percent in the period ended 31 December 2015, to 0.15 percent in the year ended 31 December 2016. The increase in depreciation stems from an increase of property, plant and equipment, consisting largely of office equipment.

#### **EBITA**

EBITA increased from EUR 3.8 million in the year ended 31 December 2015 to EUR 7.1 million in the year ended 31 December 2016. This corresponds to an increase of EUR 3.3 million or 87 percent. EBITA in relation to revenue increased, from 33 to 41 percent. The increase was driven by increase of revenue as well as a decrease in costs in relation to revenue.

#### **Amortisation**

Amortisation was nil in both periods.

#### **Financial income**

Financial income was nil in both periods.

#### **Financial expense**

Financial expense increased by EUR 0.2 million, from EUR 0.1 million in the year ended 31 December 2015 to EUR 0.3 million in the year ended 31 December 2016.

#### **Tax**

The tax for the year ended 31 December 2016 amounted to EUR 1.6 million, up from EUR 0.9 million for the previous period, representing an increase of EUR 0.7 million. The increase in tax was primarily driven by increased profits before tax. Tax during the two periods corresponds to an effective tax rate of 23.0 percent and 23.1 percent for the year ended 31 December 2016 and 31 December 2015, respectively.

#### **Profit for the period**

The Group recognised a profit of EUR 2.9 million for the year ended 31 December 2015 and a profit of EUR 5.2 million for the year ended 31 December 2016, an increase of EUR 2.4 million or 84 percent.

### **Twelve months ended 31 December 2017 compared to the same period in 2016**

The table below shows Better Collective's results of operations in EUR as well as the cumulative annual growth and percentage change between the two periods.

EUR million	For the year ended 31 December			
	2017	2016	+/-	+/- %
<b>Revenue</b>	<b>26.3</b>	<b>17.4</b>	<b>8.8</b>	<b>51%</b>
Direct costs related to revenue	-3.0	-2.5	-0.4	16%
<b>Gross profit</b>	<b>23.3</b>	<b>14.9</b>	<b>8.4</b>	<b>57%</b>
Staff costs	-7.6	-5.6	-2.0	35%
Other external expenses	-5.1	-2.2	-3.0	139%
Depreciation	-0.0	-0.0	-0.0	73%
<b>EBITA</b>	<b>10.5</b>	<b>7.1</b>	<b>3.5</b>	<b>49%</b>
Amortisation	-0.7	-0.0	-0.7	n.a.
<b>Operating profit (EBIT)</b>	<b>9.9</b>	<b>7.1</b>	<b>2.8</b>	<b>40%</b>
Share of profit after tax of associates	-	-	-	n.a.
Financial income	0.0	-	0.0	n.a.
Financial expenses	-0.1	-0.3	0.2	-65%
<b>Profit before tax</b>	<b>9.8</b>	<b>6.8</b>	<b>3.0</b>	<b>44%</b>
Tax on profit for the year	-2.3	-1.6	-0.8	50%
<b>Profit for the year</b>	<b>7.4</b>	<b>5.2</b>	<b>2.2</b>	<b>42%</b>

#### **Revenue**

Better Collective increased its revenue by EUR 8.8 million, or 51 percent, from EUR 17.4 million in the year ended 31 December 2016 to EUR 26.3 million in the year ended 31 December 2017. Part of the growth in 2017 was attributable to the acquisitions made during the year, with the remainder stemming from organic growth in existing markets as well as new market entries.

#### **Direct costs related to revenue**

Direct costs related to revenue increased by EUR 0.4 million or 16 percent, from EUR 2.5 million in the year ended 31 December 2016 to EUR 3.0 million in the year ended 31 December 2017. This represents a decrease in relation to revenue, from 15 percent of revenue in the year ended 31 December 2016 to 11 percent of revenue in the year ended 31 December 2017. The decrease was primarily driven by an increase in the share of organic traffic and economies of scale.

**Staff costs**

Staff costs of the Group increased by EUR 2.0 million, or 35 percent, from EUR 5.6 million in the year ended 31 December 2016 to EUR 7.6 million in the year ended 31 December 2017. The increase in staff costs was driven primarily by new hires made during the year, as well as the existing staff of acquired companies. As a percentage of revenue, staff costs decreased from 32 percent to 29 percent. The decrease in staff costs in relation to revenue was primarily due to the scalability of the business model.

**Other external expenses**

Other external expenses increased by EUR 3.0 million, or 139 percent, from EUR 2.2 million in the year ended 31 December 2016 to EUR 5.1 million in the year ended 31 December 2017. The increase was primarily attributable to external development, acquisition costs and non-recurring IPO costs of which acquisition costs and non-recurring IPO costs amounted to approximately EUR 1 million.

**Depreciation**

Depreciation increased by EUR 17 thousand, or 73 percent, from EUR 26 thousand in the year ended 31 December 2016 to EUR 45 thousand in the year ended 31 December 2017. Representing a stable depreciation in relation to revenue of 0.15 percent and 0.17 percent for the year ended 31 December 2016 and the year ended 31 December 2017 respectively. Depreciation is mainly related to small property, plant and equipment assets such as office equipment.

**EBITA**

EBITA increased from EUR 7.1 million in the year ended 31 December 2016 to EUR 10.5 million in the year ended 31 December 2017.

ber 2017. This corresponds to an increase of EUR 3.5 million or 49 percent. EBITA in relation to revenue decreased slightly, from 41 to 40 percent. The increase in EBITA was mainly driven by increase in revenue.

**Amortisation**

Amortisation increased from nil in the year ended 31 December 2016 to EUR 0.7 million for the year ended 31 December 2017. The increase in amortisation relates to acquisitions.

**Financial income**

Financial income increased from nil in the year ended 31 December 2016 to EUR 7 thousand in the year ended 31 December 2017.

**Financial expense**

Financial expense decreased from EUR 0.3 million in the year ended 31 December 2016 to EUR 0.1 million in the year ended 31 December 2017, representing a decrease by EUR 0.2 million.

**Tax**

The tax for the year ended 31 December 2017 amounted to EUR 2.3 million, up from EUR 1.6 million for the previous period. This corresponds to an effective tax rate of 23.9 percent and 23.0 percent, respectively. The increase in tax was primarily driven by increased profits before tax.

**Profit for the period**

Profits increased EUR 2.2 million, or 42 percent, during the period. Up from EUR 5.2 million for the year ended 31 December 2016 to EUR 7.4 million for the year ended 31 December 2017.

**Three months ended 31 March 2018 compared to three months ended 31 March 2017**

The table below shows Better Collective's results of operations in EUR as well as the percentage change between the two periods.

EUR million	For three months ending 31 March			
	2018	2017	+/-	+/- %
<b>Revenue</b>	<b>7.6</b>	<b>5.2</b>	<b>2.3</b>	<b>44%</b>
Direct costs related to revenue	-0.9	-0.6	-0.3	42%
<b>Gross profit</b>	<b>6.7</b>	<b>4.6</b>	<b>2.6</b>	<b>55%</b>
Staff costs	-3.1	-1.5	-1.7	113%
Other external expenses	-1.6	-0.6	-1.0	156%
Depreciation	-0.0	-0.0	-0.0	n.a.
<b>EBITA</b>	<b>2.0</b>	<b>2.5</b>	<b>-0.6</b>	<b>-23%</b>
Amortisation	-0.4	-	-0.4	n.a.
<b>Operating profit (EBIT)</b>	<b>1.6</b>	<b>2.5</b>	<b>-1.0</b>	<b>-38%</b>
Share of profit after tax of associates	-	-	-	n.a.
Financial income	0.0	-	0.0	n.a.
Financial expenses	-0.1	-0.1	-0.0	67%
<b>Profit before tax</b>	<b>1.5</b>	<b>2.5</b>	<b>-1.0</b>	<b>-40%</b>
Tax on profit for the year	-0.4	-0.6	0.2	-38%
<b>Profit for the period</b>	<b>1.1</b>	<b>1.9</b>	<b>-0.8</b>	<b>-41%</b>

**Revenue**

Better Collective increased its revenue by EUR 2.3 million, or 44 percent, from EUR 5.2 million in the three month period ended 31 March 2017 to EUR 7.6 million in the three month period ended 31 March 2018. Growth was primarily driven by

acquisitions. Growth was negatively impacted by the outcome of major sports events and large bonus campaigns from certain iGaming operators. Currency effects from GBP/DKK and contractual changes in BC France, whereby contracts were changed from CPA to revenue share, also had a negative

impact on revenue, reducing growth by approximately 2 and 4 percentage points respectively. Furthermore, casino operator Stargames shut down all of its online business, reducing growth by approximately 3 percentage points.

#### **Direct costs related to revenue**

Direct costs related to revenue increased by EUR 0.3 million, or 42 percent, from EUR 0.6 million in the three month period ended 31 March 2017 to EUR 0.9 million in the three month period ended 31 March 2018. This represents a slight decrease in relation to revenue, from 11.7 percent in the three month period ended 31 March 2017 to 11.5 percent in the three month period ended 31 March 2018.

#### **Staff costs**

Staff costs increased by EUR 1.7 million, or 113 percent, from EUR 1.5 million in the three month period ended 31 March 2017 to EUR 3.1 million in the three month period ended 31 March 2018. As a percentage of revenue, staff costs increased from 28 percent to 41 percent. The increase in staff costs was driven primarily by a significant increase in the number of employees and increased salaries for executive management.

#### **Other external expenses**

Other external expenses increased by EUR 1.0 million, or 156 percent, from EUR 0.6 million in the three month period ended 31 March 2017 to EUR 1.6 million in the three month period ended 31 March 2018. The increase was primarily attributable to costs related to the Offering and investments in the organisation.

#### **Depreciation**

Depreciation increased by EUR 17 thousand, from EUR 8 thousand in the three month period ended 31 March 2017 to EUR 25 thousand in the three month period ended 31 March 2018. This represents an increase in depreciation in relation to revenue, from 0.1 percent in the three month period ended 31 March 2017 to 0.3 percent in the three month period ended 31 March 2018. Depreciation is mainly related to small property, plant and equipment assets such as office equipment.

#### **EBITA**

EBITA decreased from EUR 2.5 million in the three month period ended 31 March 2017 to EUR 2.0 million in the three month period ended 31 March 2018. This corresponds to a decrease of EUR 0.6 million or 23 percent. EBITA in relation to revenue decreased, from 48 percent to 26 percent. The decrease was driven by an increased cost base in order to prepare the Group for the next growth phase. EBITA was also negatively impacted by IPO costs. Adjusted for IPO costs, the EBITA margin amounted to 28 percent. In addition, factors that negatively impacted revenue also had an impact on EBITA and EBITA margin.

#### **Amortisation**

Amortisation increased from nil in the three month period ended 31 March 2017 to EUR 0.4 million for the three month period ended 31 March 2018. The increase in amortisation relates to acquisitions.

#### **Financial income**

Financial income increased from nil in the three month period ended 31 March 2017 to EUR 14 thousand in the three month period ended 31 March 2018.

#### **Financial expense**

Financial expense increased by EUR 38 thousand, from EUR 57 thousand in the three month period ended 31 March 2017 to EUR 95 thousand in the three month period ended 31 March 2018.

#### **Tax**

The tax for the three month period ended 31 March 2018 amounted to EUR 0.4 million, down from EUR 0.6 million for the previous period, representing a decrease of EUR 0.2 million. The decrease in tax was primarily driven by decreased profits before tax. Tax during the two periods corresponded to an effective tax rate of 24.1 percent and 23.1 percent, respectively.

#### **Profit for the period**

The Group recognised a profit of EUR 1.1 million for the three month period ended 31 March 2018 and a profit of EUR 1.9 million for the three month period ended 31 March 2017, a decrease of EUR 0.8 million or 41 percent.

## **LIQUIDITY AND CAPITAL RESOURCES**

Better Collective's principal sources of liquidity are in its net cash generated from ongoing operating activities. The Company's ability to generate cash from its operations depends on its future operating performance. The operating performance in turn is dependent to some extent on certain economic, financial, competitive, regulatory and other factors, as described above in this section, as well as in the section *Risk factors*.

#### **Statement regarding net working capital**

Better Collective believes that the existing net working capital is sufficient to meet the needs of the Group over the coming twelve month period.

#### **Cash flows**

The following table sets forth the principal components of Better Collective's cash flows for the year ended on 31 December 2017, 2016 and 2015, the three month period ended 31 March 2018 and 31 March 2017 as well as the twelve month period ended 31 March 2018.

	LTM 31 March		Year ended 31 December		Three months ended 31 March	
EUR million	2018	2017	2016	2015	2018	2017
Cash flow from operations before changes in working capital	10.4	10.9	7.1	3.8	2.1	2.5
Cash flow from operations	10.0	9.1	8.2	3.8	2.4	1.4
Cash flow from ordinary activities before tax	9.8	8.9	8.1	3.8	2.3	1.4
Cash flow from operating activities	9.1	8.2	6.1	3.0	2.1	1.2
Cash flow from investing activities	-25.3	-18.5	0.6	-1.2	-6.8	-0.0
Cash flow from financing activities	10.9	6.9	-3.9	-1.0	3.9	-
<b>Cash and cash equivalents at end</b>	<b>1.3</b>	<b>2.1</b>	<b>5.5</b>	<b>2.6</b>	<b>1.3</b>	<b>6.7</b>

#### **Cash flow from operations**

Better Collective's cash flow from operations increased by EUR 0.9 million, from EUR 8.2 million in the year ended 31 December 2016 to EUR 9.1 million in the year ended 31 December 2017. The Group's cash flow from operations increased by EUR 4.5 million, from EUR 3.8 million in the year ended 31 December 2015 to EUR 8.2 million in the year ended 31 December 2016. The increase in cash flow from operations is primarily attributable to an increase in operating profit, from EUR 3.8 million in the year ended 31 December 2015 to EUR 9.9 million in the year ended 31 December 2017.

#### **Cash flow from investing activities**

The Group's cash flow from investing activities decreased by EUR 19.1 million, from a cash inflow of EUR 0.6 million in the year ended 31 December 2016 to a cash outflow of EUR 18.5 million in the year ended 31 December 2017. The cash flow from investing activities amounted to an outflow of EUR 1.2

million for the year ended 31 December 2015. The decrease in the year ended 31 December 2017 is almost fully attributable to the acquisition of businesses and intangible assets.

#### **Cash flow from financing activities**

The Group's cash flow from financing activities increased by EUR 10.8 million, from a cash outflow of EUR 3.9 million in the year ended 31 December 2016 to a cash inflow of EUR 6.9 million in the year ended 31 December 2017. The cash flow from financing activities amounted to an outflow of EUR 1.0 million in the year ended 31 December 2015. The increase in the year ended 31 December 2017 is partly driven by proceeds from and repayment of borrowings of EUR 5.9 million. The Group issued a dividend of EUR 3.6 million in the year ended 31 December 2016 and a dividend of EUR 1.2 million in the year ended 31 December 2015. No dividend was paid in the year ended 31 December 2017.

# CAPITALISATION, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION

# CAPITALISATION, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION

The tables in this section show the Company's capitalisation and indebtedness at the Group level as of 31 March 2018. See the section "Share capital and ownership structure" for further information about the Company's share capital and shares. The tables below should be read in conjunction with the sections "Operating and financial review" and "Historical financial information", which are found elsewhere in this Prospectus.

## CAPITALISATION

EUR million	As of 31 March 2018
<b>Current liabilities</b>	
Guaranteed	0.0
Secured <sup>1</sup>	2.7
Unguaranteed/unsecured	11.8
<b>Total current liabilities</b>	<b>14.5</b>
<b>Non-current liabilities</b>	
Guaranteed	0.0
Secured <sup>2</sup>	0.6
Unguaranteed/unsecured	4.6
<b>Total non-current liabilities (excluding the current portion of non-current liabilities)</b>	<b>5.2</b>
<b>Equity</b>	
Share capital	0.1
Share Premium	0.4
Reserves	0.0
Retained earnings, including profits or loss for the period	15.6
<b>Total capitalisation</b>	<b>16.0</b>

1) Company float of DKK 20 million for overdraft facility.

2) Company apartment placed as secured mortgage loan.

## NET INDEBTEDNESS

The net indebtedness of Better Collective as of 31 March 2018 is presented in the table below. The table includes interest bearing debt and indirect indebtedness relating to earn-outs in acquisitions. Other than what is stated in note 9 of the Unaudited Interim Financial Statements and note 19 of the Audited Financial Statements in the section *Historical financial information*, the Company does not have any contingent indebtedness.

EUR million	As of 31 March 2018
(A) Cash	1.3
(B) Cash equivalents	0.0
(C) Securities	0.0
<b>(D) Liquidity (A) + (B) + (C)</b>	<b>1.3</b>
<b>(E) Current receivables</b>	<b>0.0</b>
(F) Current bank debt	4.6
(G) Current interest-bearing liabilities	0.0
(H) Other current liabilities	4.9
<b>(I) Current liabilities (F) + (G) + (H)</b>	<b>9.5</b>
<b>(J) Net current financial indebtedness (I) – (E) – (D)</b>	<b>8.2</b>
(K) Non-current bank debt	4.6
(L) Bonds issued	0.0
(M) Other non-current financial debt	0.6
<b>(N) Non-current liabilities (K) + (L) + (M)</b>	<b>5.2</b>
<b>(O) Net indebtedness (J) + (N)</b>	<b>13.4</b>



## EXTERNAL FINANCING

As of the date of the Prospectus, the Group maintains the following material credit facilities listed below. As of the same date, the Group has utilized approximately DKK 100 million of the total amount of DKK 340 million available under the credit facilities.

### **DKK 200 million multicurrency revolving credit facility and DKK 25 million overdraft credit facility provided by Nordea Denmark, Filial af Nordea Bank AB (publ), Sverige**

The Company has an unsecured multicurrency revolving credit facility of DKK 200 million provided by Nordea Denmark, Filial af Nordea Bank AB (publ) in accordance with a loan agreement dated 26 April 2018. Amounts borrowed under the facility shall be used for general corporate purposes including acquisition and capital expenditures. The final maturity date for the loans under the loan agreement is 26 April 2021. Loans under the facility can be drawn in DKK and EUR and such additional currencies that the lender may agree to and the loans are subject to a variable interest in accordance with an interest rate ratchet tied to the Group's leverage ratio. The loan agreement contains a customary obligation to maintain a certain financial ratio related to the Group's leverage. The loan agreement also includes other commitments, which among other things include a negative clause regarding the provision of collateral and guarantees (with some exceptions) but the loan agreement does not include any restrictions related to payment of dividends following the completion of the Offering. The loan agreement includes customary termination events including a termination right for the lender in connection with a change of control of the Company.

Furthermore, in connection with entering into the agreement for the above-mentioned revolving credit facility, Nordea Denmark, Filial af Nordea Bank AB (publ) and the Company have also entered into an agreement regarding an unsecured overdraft credit facility of DKK 25 million based on the lender's ordinary general terms and conditions. Loans under the overdraft credit facility is subject to a variable interest and the facility expires on 31 May 2019 but will be renewed for periods of twelve months at each time unless the lender has given notice of termination prior to the expiration of the current term. However, the overdraft credit facility is uncommitted meaning that the lender can terminate the loans at any time.

### **DKK 40 million credit facility provided by Danske Bank A/S**

The Company has a credit facility of DKK 40 million provided by Danske Bank A/S in accordance with a loan agreement dated 29 August 2017 containing customary terms and conditions

based on the lender's ordinary general terms and conditions. The loan is subject to a variable interest and the facility expires on 29 June 2018. However, the facility is uncommitted meaning that the lender can terminate the loan at any time. As security for the loan, the Company has undertaken a floating charge of DKK 20,000,000 in favour of the lender. The floating charge covers IPR rights, trade receivables and operating equipment.

### **DKK 75 million credit facility provided by Danske Andelskassers Bank A/S**

The Company has an unsecured credit facility of DKK 75 million provided by Danske Andelskassers Bank A/S in accordance with a loan agreement dated 8 February 2018 and amended on 22 March 2018 containing customary terms and conditions. The loan agreement contains customary terms and conditions. The loan is subject to a variable interest. DKK 50 million of the facility expires on 30 June 2019 and the remaining DKK 25 million expires on 31 December 2019. However, the credit facility is uncommitted meaning that the lender can terminate the loan at any time.

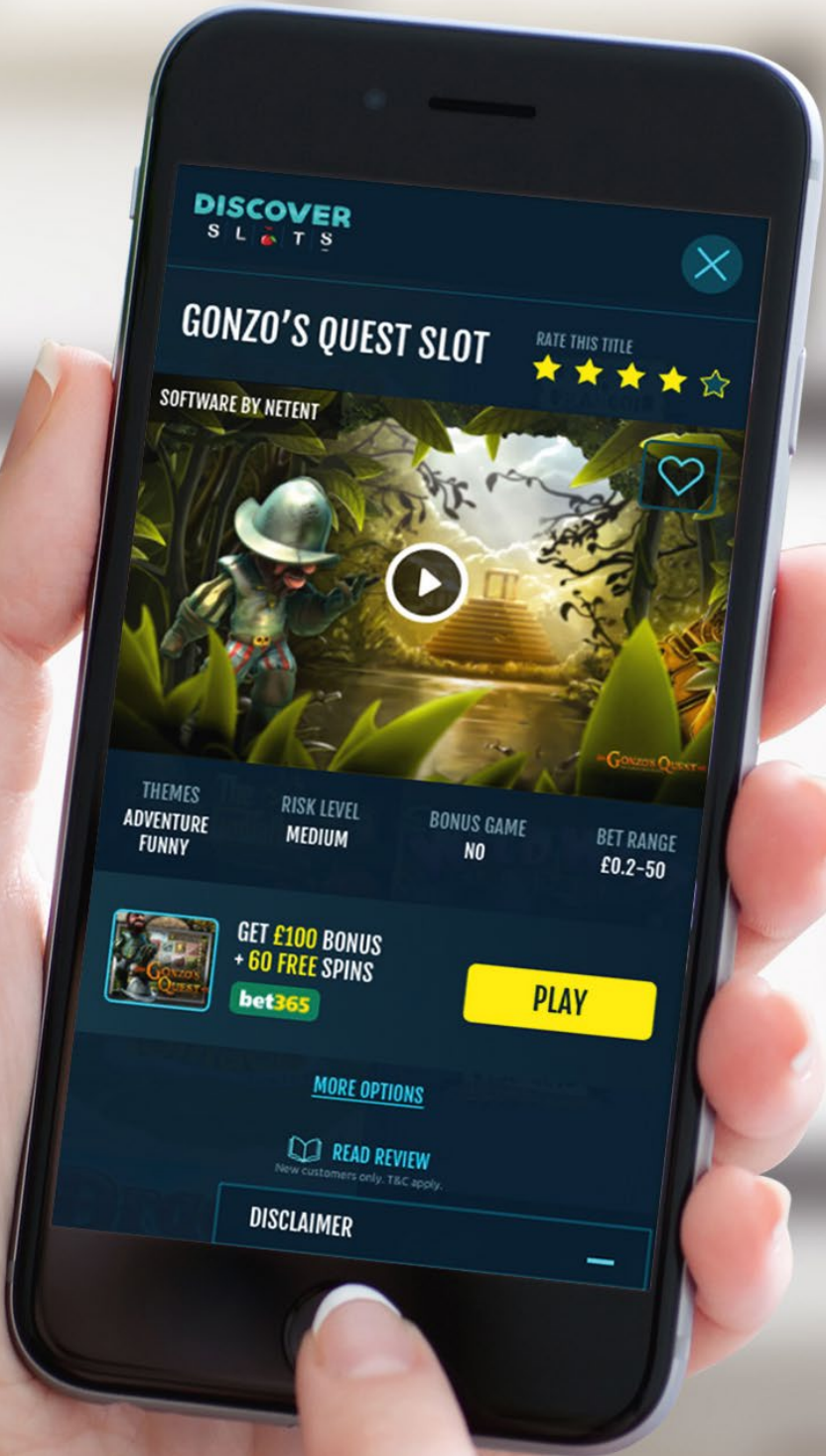
## SIGNIFICANT EVENTS AFTER 31 MARCH 2018

- On 26 April 2018, additional bank credit facilities of DKK 225 million were obtained with Nordea Bank.
- On 3 April 2018, the Danish brand SpilXperten.com was acquired together with other assets owned by XpertenL Ltd and Xpert Ltd. The purchase price of the acquisition amounts to EUR fixed purchase price of 4.5 million paid up front and a variable payment of up to EUR 4.9 million payable during 2019.
- The Company's board of directors has resolved to offer a cash settlement to the holders of 9,185 outstanding warrants, meaning all outstanding warrants under the warrant programs I-II, which is to be settled in connection with the Listing. The estimated settlement amount is EUR 3-4 million.<sup>1</sup>
- In April 2018, the Company entered into two Letters of intent for the potential acquisition of two separate European iGaming affiliates.<sup>2</sup>

Except as stated above, there have not been any material changes to the Company's financial position or market position since 31 March 2018.

<sup>1</sup> For further information on the cash settlement of warrants, see the section *Share capital and ownership structure – Incentive programs*.

<sup>2</sup> For further information, see the section *Business Overview – Strategy – Acquisitive growth*.



# UNAUDITED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION FOR 2017

# UNAUDITED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION FOR 2017

The Company has prepared the following consolidated pro forma financial information for the year ended 31 December 2017 to show the hypothetical effect that the Company's business combinations could have had on the Group's results if such acquisitions had taken place on 1 January 2017. The consolidated pro forma financial information includes a pro forma income statement only, as the business combinations have been reflected in full in the Group's consolidated balance sheet as of 31 December 2017. The consolidated pro forma income statement is prepared and presented for illustrative purposes only and in accordance with Annex II of the Prospectus Directive Regulation. Because of its nature, the consolidated pro forma financial information addresses a hypothetical situation and therefore does not represent the actual results of the Group following the business combinations, nor is the consolidated pro forma financial information considered a forecast of the Group's results for any given period. Accordingly, investors should not place undue reliance on the consolidated pro forma financial information presented and should read the consolidated pro forma financial information in conjunction with other information in the Prospectus.

## TRANSACTIONS INCLUDED IN THE UNAUDITED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION FOR 2017

On 31 May 2017, the Company entered into a share purchase agreement to acquire 100 percent of the shares in Hebiva Beteiligungen GmbH and (indirectly) its subsidiary Sportfreunde Informationsdienste GmbH ("**Sportfreunde**"), a significant online sports betting affiliate with a product portfolio in the German speaking online sports betting markets. The purchase price amounted to EUR 12.667 million, whereof approximately 80 percent of the purchase price was paid in connection with the closing of the transaction and the remaining part of the purchase price will fall due on 31 May 2018.

On 31 August 2017, the Company entered into a share purchase agreement to acquire 100 percent of the shares in Pull Media SAS ("**Pull Media**"). The purchase price consisted of a fixed purchase price of EUR 8.397 million, an estimated earn-out of EUR 1.2 million and a cash settlement of EUR 1.378 million. The total estimated purchase price amounts to EUR 10.975 million. 40 percent of the fixed purchase price was paid through a promissory note. As security for the payment of the promissory note, the Company pledged its shares in Pull Media. On 13 March 2018, the sellers and the Company entered into an addendum to the share purchase agreement whereby the earn-out was settled to a fixed amount of EUR 1.2 million, the repayment of the promissory note was accelerated and immediately paid and the share pledge was released.

These acquisitions are expected to have a positive effect on the Group's operating performance. For accounting purposes they have been treated as business combinations and

accounted for in accordance with IFRS 3, Business Combinations. Accordingly, Better Collective, as acquirer, obtains control of the businesses on the closing date of the transaction, which is the date when the Company takes over the assets and assumes the liabilities of the acquired businesses. The pro forma consolidated income statement illustrates an effect of the acquisitions of Sportfreunde and Pull Media on the Group's operating performance as if the acquisitions had taken place on 1 January 2017, instead of on the respective closing dates of the transactions, 31 May 2017 for Sportfreunde and 31 August 2017 for Pull Media.

## ACCOUNTING POLICIES AND SOURCE OF FINANCIAL INFORMATION

The consolidated pro forma financial information is prepared in a manner consistent with the accounting policies adopted by the Group, which is IFRS as adopted by the EU. These accounting policies, as well as significant estimates, judgments and assumptions are described in the Group's consolidated financial statements included in this Prospectus. When preparing the pro forma income statement, Management has made an analysis to determine whether there are any material differences between the accounting principles applied by the Group and those applied by the individual businesses acquired (Austrian GAAP with regards to Sportfreunde and French GAAP with regards to Pull Media). There were no such material differences identified. The data used as a basis for the pro forma adjustments related to the two business combinations is based on the unaudited accounting records of the individual businesses as maintained before the acquisition.

## THE UNAUDITED CONSOLIDATED PRO FORMA INCOME STATEMENT FOR 2017

Based on the compilation of data and analysis of accounting policies, etc., the unaudited consolidated pro forma income statement for 2017 has been compiled as follows reflecting an effect of the acquisitions of Sportfreunde and Pull Media as if they were acquired as of 1 January 2017:

EUR million	Group income statement for 2017 <sup>1</sup>	Sportfreunde, unaudited <sup>2</sup>	Pull Media, unaudited <sup>3</sup>	Pro forma adjustments related to acquisitions	Pro forma income statement for 2017	
<b>Revenue</b>	<b>26.3</b>	<b>1.6</b>	<b>2.6</b>	<b>-</b>	<b>30.5</b>	
Direct costs related to revenue	-3.0	-0.2	-0.3	-	-3.4	
Staff costs	-7.6	-0.2	-1.4	-	-9.2	
Amortisation/depreciation and impairment	-0.7	-0.0	-0.0	-0.5	-1.3	(a)
Other external expenses	-5.1	-0.1	-0.6	-	-5.9	
<b>Operating profit</b>	<b>9.9</b>	<b>1.1</b>	<b>0.2</b>	<b>-0.5</b>	<b>10.7</b>	
Share of profit after tax of associates	-	-	-	-	-	
Financial income	0.0	0.0	0.1	-	0.1	
Financial expenses	-0.1	-	0.0	-0.1	-0.2	(b)
<b>Profit before tax</b>	<b>9.8</b>	<b>1.1</b>	<b>0.3</b>	<b>-0.7</b>	<b>10.5</b>	
Tax on profit for the year	-2.3	-0.3	-0.0	0.2	-2.5	(a), (b), (c)
<b>Profit for the year</b>	<b>7.4</b>	<b>0.8</b>	<b>0.3</b>	<b>-0.5</b>	<b>8.1</b>	

1 Extracted from the section Historical financial information – Audited consolidated historical financial statements for the financial years ended 31 December 2017, 2016 and 2015.

2 Extracted from the unaudited internal accounting records of Sportfreunde for the period 1 January to 31 May 2017.

3 Extracted from the unaudited internal accounting records of Pull Media for the period 1 January to 31 August 2017.

The following pro forma adjustments have been made:

- a) As a result of the purchase price allocation, the Company has identified accounts which it has assessed with a useful life of 3 years. The corresponding amortisation of these accounts is included as a pro forma adjustment for the period from 1 January through the respective acquisition dates. The pro forma adjustment has a continuing impact.
- b) The Company incurred a revolving credit facility in order to finance the acquisitions and this pro forma adjustment reflects the interest expense from 1 January through the respective acquisition dates. The pro forma adjustment has a continuing impact.
- c) This is the calculated tax effect of the pro forma adjustments made. The pro forma adjustment has a continuing impact.

## STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT OF BETTER COLLECTIVE A/S ON THE UNAUDITED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION FOR 2017

We have prepared the accompanying unaudited pro forma financial information in respect of the Group for 2017, including the method for preparing the unaudited pro forma financial information and the assumptions applied.

The preparation has been carried out in accordance with the descriptions above in this section *Unaudited consolidated pro forma financial information for 2017*.

The unaudited pro forma financial information comprises the unaudited pro forma consolidated Statement of profit and loss for the financial year 2017. As all the acquired entities are fully consolidated at 31 December 2017 no pro forma Statement of financial position (Balance sheet) has been prepared.

The unaudited pro forma financial information have been prepared on a basis which, after the application of the illustrative unaudited pro forma adjustments, based on information avail-

able is consistent in all material respect with the accounting policies of the Group.

The unaudited pro forma financial information in respect of the Group is prepared and included in the prospectus only in accordance with the requirements in the Commission regulation (EC) no. 809/2004 of 29 April 2004 and is based on a number of hypothetical assumptions. In our opinion, the critical assumptions applied are properly presented and described.

Because of its nature, the unaudited pro forma financial information addresses a hypothetical situation that does not reflect the Group's actual results of operations. Therefore, it does not reflect the Group's results of operations for 2017 or as these would have been if the acquisitions had been completed as at 1 January 2017. Accordingly, significant limitations are applicable to the use of the unaudited pro forma financial information. See the introduction paragraph above.

Copenhagen, 28 May 2018

### Executive Management

Jesper Søgaard  
Chief Executive Officer

Christian Kirk Rasmussen  
Chief Operating Officer

Flemming Pedersen  
Chief Financial Officer

### Board of Directors

Jens Bager  
Chairman

Søren Jørgensen  
Board member

Klaus Holse  
Board member

Leif Nørgaard  
Board member

Petra von Rohr  
Board member



## INDEPENDENT AUDITORS' REPORT ON THE UNAUDITED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION FOR 2017

*To the shareholders and potential shareholders*

We have examined whether the consolidated pro forma financial information for Better Collective A/S (the **"Company"**) has been properly compiled on the basis stated and whether this basis is consistent with the company's accounting policies. The applicable criteria to be applied in the compilation of consolidated pro forma financial information is set out in commission regulation (EC) no. 809/2004 with subsequent amendment, Annex I, "Minimum Disclosure Requirements for the Share Registration Document (schedule)" Section 20.2, "Pro forma financial information" and Annex II, "Pro forma financial information building block" (the **"Commission Regulation"**).

The consolidated pro forma financial information is set out on pages 85-86 of the Prospectus. The basis on which the Company has compiled the pro forma financial information is described in section *Unaudited consolidated pro forma financial information for 2017*.

The consolidated pro forma financial information has been compiled by the Company to illustrate an impact of the transactions set out in section on the Company's Statement of profit and loss for the financial year 2017 as if the transactions had taken place at 1 January 2017. As part of this process, the Company has extracted information from the relevant entities unaudited internal accounting records for the period 1 January 2017 until their respective acquisition dates as set out in section *Transactions included in the unaudited consolidated pro forma financial information for 2017*.

In this engagement to report on the consolidated pro forma financial information the term "properly compiled" means that given the nature of available data such have been collected, classified and summarised as well as presented appropriately on the basis described in sections *Accounting policies and source of financial information and The unaudited consolidated pro forma income statement for 2017*.

In this engagement to report on the pro forma financial information the term "consistent with the Company's accounting policies" means that the pro forma financial adjustments where relevant and to the extent possible in respect of recognition and measurement (including necessary adjustments) have been prepared consistently with the accounting policies disclosed in the consolidated financial statements of the Company for the financial year 2017.

The purpose of the consolidated pro forma financial information included in a prospectus is solely to illustrate an impact of significant transactions on the historical unadjusted financial information of the Company as if the transactions had been completed at an earlier date selected for the purpose of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transactions being completed at 1 January 2017 would have been as presented.

The consolidated pro forma financial information and the accompanying reports have been prepared solely for the

purpose of inclusion in the Prospectus prepared in accordance with the Commission Regulation. Accordingly, the consolidated pro forma financial information may not be suitable for any other purposes.

### Management's responsibility

The Board of Directors and the Executive Management are responsible for the proper compilation of the consolidated pro forma financial information on the basis stated and assuring that this basis is consistent with the company's accounting policies, and that the consolidated pro forma financial information comply with the criteria set out in the Commission Regulation.

### Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by IESBA, and additional requirements applicable in Denmark, which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We are subject to International Standard on Quality Control (ISQC) 1, and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibility

Our responsibility is, in accordance with the Commission Regulation Annex II Section 7, to express an opinion about whether the consolidated pro forma financial information has been properly compiled on the basis stated and applicable criteria, and that this basis is consistent with the company's accounting policies.

We conducted our examinations in accordance with (ISAE) 3420, "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", and additional requirements under Danish audit regulation. This standard requires that the auditor plans and perform actions in order to obtain a high level of assurance as to whether consolidated pro forma financial information in all material respects is properly compiled on the basis stated, and that this basis based on available data is consistent with the company's accounting policies.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the consolidated pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of consolidated pro forma financial information contained in a prospectus is to illustrate an effect of a significant event or transaction on the Company's unadjusted financial information as if the event had occurred or the transaction was completed at an earlier date chosen for use in the illustration. We thus provide no assurance that the actual

result of the transactions if completed 1 January 2017 on the Company's Statement of profit and loss would have been as specified.

An opinion with high degree of assurance as to whether consolidated pro forma financial information has been compiled in all material respects on the basis stated, and whether the basis is consistent with the Company's accounting policies include performing procedures in order to assess whether the relevant criteria used by management in compiling the consolidated pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, as well as obtaining sufficient and appropriate evidence of whether:

The related pro forma adjustments give appropriate effect to this criteria; and

The pro forma financial information reflects the proper application of those adjustments to the historical unadjusted financial information.

Copenhagen, 28 May 2018

**Ernst & Young**

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

The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the Company, the transactions in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The assignment also includes evaluating the overall presentation of the consolidated pro forma financial information.

It is our opinion that the evidence obtained is sufficient and appropriate as basis for our conclusion.

**Conclusion**

In our opinion, the pro forma financial information has in all material aspects been properly compiled based on the applicable criteria and the basis stated, and in accordance with the accounting policies as described in the audited consolidated financial statements of the Company for the financial year ended 31 December 2017.

# BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITORS





# BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITORS

## BOARD OF DIRECTORS

Better Collective's board of directors comprises five ordinary members, including the chairman of the board of directors, with no deputy board members, all of whom were appointed by the annual general meeting held on 26 April 2018 for the period until the end of the annual general meeting to be held in 2019.

Name	Position	Member since	Independent <sup>1</sup> in relation to			Holdings in Better Collective <sup>2</sup>
			The Company and the management	Major shareholders		
Jens Bager	Chairman	2016	Yes	Yes		326,160 SH / 5,086 W
Søren Jørgensen	Board member	2014	Yes	Yes		134,406 SH / 2,543 W
Klaus Holse	Board member	2017	Yes	Yes		2,543 W
Leif Nørgaard	Board member	2014	Yes	Yes		134,406 SH / 2,543 W
Petra von Rohr	Board member	2018	Yes	Yes		600 W

1 In this regard, independence refers to the requirements of the Swedish Corporate Governance Code. See also the section Corporate Governance.

2 Refers to shares ("SH") and warrants ("W") held in their own name as well as by affiliated natural and legal persons. Each warrant entitles the holder to subscribe for 54 new shares in the Company. See also the section *Share capital and ownership structure – Incentive programs*.



### JENS BAGER

Born 1959. Chairman of the board of directors since 2017, board member since 2016.

#### 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 Executive Vice President of Chr. Hansen A/S. He is an Industrial Partner at Impilo AB and he has served on various boards in Denmark, Sweden, and France. He has extensive experience of general management of international and listed companies.

#### Education

M.Sc. in Economics and Business Administration from Copenhagen Business School.

#### Other ongoing assignments

Chairman of the board of directors of Ambu A/S and Poul Due Jensens Fond (Grundfos Foundation). Member of the executive board of Bukkebalte Invest ApS, Jens Bager Advisory ApS and 56\* NORTH Equity Partners ApS.

#### Previous assignments (past five years)

Chairman of the board of directors of Heatex AB. CEO of ALK-Abelló A/S.

#### Holdings in Better Collective

326,160 shares and 5,086 warrants.

#### Independence

Independent in relation to the Company and the management as well as in relation to major shareholders.



### SØREN JØRGENSEN

Born 1970. Member of the board of directors since 2014.

#### Professional background

Søren Jørgensen joined Better Collective in 2014 and served as chairman of the board until 2017, before stepping down and continuing in the capacity as board member. He has practiced law for 20 years in two large Danish law firms, with the last 12 years as an M&A partner advising clients on M&A transactions. He has served as a professional board member in a range of Danish and foreign companies within various industries for more than 15 years. He has extensive experience from working with M&A and capital markets.

#### Education

LL.M. from the University of Aarhus and the University of London.

#### Other ongoing assignments

Chairman of the board of directors of Rostra Kommunikation og Research A/S, Rostra Holding 2010 ApS, ToTec Holdings ApS, Orlo ApS, BHS Logistics A/S, Studsgaard Holding A/S and BHS Service Center A/S. Member of the board of directors of Totaltec Oilfield Services Ltd. Member of the executive board of Emmamo ApS and Eupry Invest ApS.

#### Previous assignments (past five years)

Chairman of the board of directors of Welltec A/S, Ibstic International A/S, JH Holding, Ailerød, ApS, Ibstic Technologies Denmark A/S, Welltec Holding ApS, Welltec International ApS and Spektral Experience ApS. Member of the board of directors of Klampenborg Galopbane A/S, Vips Transport ApS, Klampenborg Venues Holding ApS and Nordic Seaweed ApS. Partner of Bruun & Hjejle I/S.

#### Holdings in Better Collective

134,406 shares and 2,543 warrants

#### Independence

Independent in relation to the Company and the management as well as in relation to major shareholders.



### KLAUS HOLSE

Born 1961. Member of the board of directors since 2017.

#### Professional background

Klaus Holse is currently the CEO of SimCorp and has previously been a Corporate Vice President at Microsoft, and Senior President at Oracle. At Microsoft, Klaus was President of Western Europe, leading the largest area outside of the US. He has extensive experience from the IT and software industry.

#### Education

M.Sc. in Computer Science from the University of Copenhagen, Graduate Diploma in Business Administration (HD) from Copenhagen Business School

#### Other ongoing assignments

Chairman of the board of directors of EG A/S, Delegate A/S, AX IV EG Holding III ApS and Lessor Group ApS. Member of the board of director of The Scandinavian ApS. CEO of Simcorp A/S. Member of the executive board of Khaboom Aps.

#### Previous assignments (past five years)

Chairman of the board of directors of Danske Lønsystemer A/S, Lessor A/S, EG Holding A/S, Ipayroll Holding ApS and Lessor Holding ApS. Member of the executive board of Tenacity ApS.

#### Holdings in Better Collective

2,543 warrants.

#### Independence

Independent in relation to the Company and the management as well as in relation to major shareholders.



### LEIF NØRGAARD

Born 1955. Member of the board of directors since 2014.

#### Professional background

For 20 years, Leif Nørgaard has held senior and management positions in various global companies, including the positions as CFO for Chr. Hansen Group, CFO for Dako Group, CFO for Teleca Group, and has served on various boards in several countries. Since 2013, Leif has been a professional investor and part-time CFO in start-up companies. He is certified as a State Authorized Public Auditor. He has extensive experience in finance, start-ups and growth companies.

#### Education

M.Sc in Economics and Business Administration from Aarhus Business School and State Authorised Accountant from Erhvervsministeriet.

#### Other ongoing assignments

Chairman of the board of directors of K/S Sunset Boulevard, Esbjerg. Deputy chairman of the board of directors of Scion DTU A/S. Member of the executive board of Nøller Invest ApS, 2XL2016 ApS, Komplementarsel. Landshut ApS and Sunset Boulevard, Esbjerg Komplementar ApS.

#### Previous assignments (past five years)

Member of the board of directors of Komplementarsel. Landshut ApS and Teklatech A/S. Chairman of the board of K/S SDR. Fasanvej, Frederiksberg. Partner of ApS Komplementarselskabet SDR. Fasanvej, Frederiksberg.

#### Holdings in Better Collective

134,406 shares and 2,543 warrants.

#### Independence

Independent in relation to the Company and the management as well as in relation to major shareholders.



### PETRA VON ROHR

Born 1972. Member of the board of directors since 2018.

#### Professional background

Petra von Rohr has more than 20 years of experience from executive management positions both from the finance industry and the communications industry. She is currently 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.

#### Education

M.Sc. in Economics from Stockholm School of Economics.

#### Other ongoing assignments

-

#### Previous assignments (past five years)

Member of the board of directors of Lauritz.com A/S, Lauritz.com Group A/S, Novare Human Capital Aktiebolag, Takkei Trainingsystems AB and Bostadsrättsföreningen Vildsvinet 25.

#### Holdings in Better Collective

600 warrants.

#### Independence

Independent in relation to the Company and the management as well as in relation to major shareholders.

## EXECUTIVE MANAGEMENT

Name	Position	Member of the executive management since	Employed in the Company since	Holdings in Better Collective <sup>1</sup>
Jesper Søgaard	Chief Executive Officer	2004	2004	12,171,168 SH <sup>2</sup>
Flemming Pedersen	Chief Financial Officer	2018	2018	137,322 SH / 5,086 W
Christian Kirk Rasmussen	Chief Operating Officer	2004	2004	12,171,168 SH <sup>2</sup>

- 1 Refers to shares ("SH") and warrants ("W") held in their own name as well as by affiliated natural and legal persons. Each warrant entitles the holder to subscribe for 54 new shares in the Company. See also the section *Share capital and ownership structure – Incentive programs*.
- 2 The number of shares held is estimated based on indirect holdings in the Company. Jesper Søgaard and Christian Kirk Rasmussen each hold 50 percent of the shares in Bumble Ventures A/S through separate wholly-owned companies. Bumble Ventures A/S holds 19,813,572 shares in the Company. Furthermore, Bumble Ventures A/S holds 80 percent of the shares in Better Partners ApS, which in turns owns 5,660,982 shares in the Company.



### JESPER SØGAARD

Born 1983. Chief Executive Officer since 2004.

#### Professional background

Jesper Søgaard founded Better Collective together with Christian Kirk Rasmussen in 2002 and has been working with and developing the Group's operations since the beginning.

#### Education

M.Sc. in Political Science from the University of Copenhagen.

#### Other ongoing assignments

Member of the board of directors of Ejendomselskabet Algade 30-32 A/S, Scatter Web ApS, MM Properties, BetterNow Worldwide ApS and Ploomo ApS. CEO of J. Søgaard Holding ApS. Member of the executive board of Bumble Ventures A/S and Better Partners ApS.

#### Previous assignments (past five years)

Board member of Shirs Danmark ApS and VIGGA.us A/S.

#### Holdings in Better Collective

12,171,168 shares (see also the footnotes to the table above).



### FLEMMING PEDERSEN

Born 1965. Chief Financial Officer since 2018.

#### Professional background

Flemming Pedersen has more than 20 years of management experience, whereof more than 15 years in executive positions in public companies. Pedersen served as CFO of ALK-Abelló A/S between 2010 and 2017, and was CEO and president of Neurosearch A/S between 2006 and 2010. He has experience in General Management, Finance, Accounting, Tax matters, Risk Management and Capital Markets. In addition he has extensive board experience from more than 10 board positions in both public and private companies of which he has acted as chairman and board member, in Denmark as well as internationally.

#### Education

M.Sc. (cand. merc. aud.) and HD (Bachelor of Business Administration) from Copenhagen Business School.

#### Other ongoing assignments

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 Goodsteam ApS. Member of the board of directors of MB IT Consulting A/S and MBIT A/S. Member of the executive board of ALK-Abelló A/S.

#### Holdings in Better Collective

137,322 shares and 5,086 warrants.



### CHRISTIAN KIRK RASMUSSEN

Born 1983. Chief Operating Officer since 2004.

#### Professional background

Christian Kirk Rasmussen founded Better Collective together with Jesper Søgaard in 2002 and has been working with and developing the Group's operations since the beginning.

#### Education

Bachelor of Commerce from Copenhagen Business School.

#### Other ongoing assignments

Member of the board of directors of Ejendomselskabet Algade 30-32 A/S, Scatter Web ApS and MM Properties ApS. CEO of Yellowsunmedia ApS. Member of the executive board of Chr. Dam Holding ApS, Bumble Ventures A/S and Better Partners ApS.

#### Previous assignments (past five years)

-

#### Holdings in Better Collective

12,171,168 shares (see also the footnotes to the table above).



## OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

Except as set out below, none of the Company's board members or members of the executive management have during the past five years (i) been convicted of fraud-related offenses, (ii) represented a company which has been declared bankrupt, filed for mandatory liquidation or undergone corporate restructuring, (iii) been subject to accusations or sanctions by statutory or regulatory authorities (including recognised professional bodies) or (iv) been disqualified by a court from acting as a member of an issuer's administrative, management or supervisory body or from holding any senior or overarching position in an issuer.

Flemming Pedersen was CEO of NeuroSearch A/S up until May 2010. By judgment of 14 November 2016, the Danish Supreme Court ordered NeuroSearch A/S to pay a fine of DKK 5 million for having violated the rules on market manipulation. Flemming Pedersen was charged in the same case, but was acquitted by Eastern High Court at an earlier stage of the proceedings. The dispute that was decided upon by the Danish Supreme Court on 14 November 2016 concerns the period 3 February 2010 to 28 April 2010 during which NeuroSearch A/S issued two company announcements relating to one of its pharmaceutical products. In the first announcement, it was stated that the primary endpoint of the study had been reached. This statement was withdrawn in the second announcement. The announcements made Nasdaq Copenhagen report the incident to the Danish Financial Supervisory Authority, which requested that charges were brought against NeuroSearch A/S for market manipulation and insufficient disclosure of inside information. The Danish Financial Supervisory Authority also requested that some of the company's executives, including Flemming Pedersen, be charged with insider trading. By indictment of 16 July 2013, the prosecution filed a lawsuit, claiming that NeuroSearch A/S and Flemming Pedersen should be convicted of market manipulation. On 8 August 2014, Copenhagen City Court found NeuroSearch A/S and Flemming Pedersen guilty. By judgement of 14 October 2015, the Eastern High Court overruled the City Court's decision and acquitted Flemming Pedersen. The reason for the acquittal was that the court found that Flemming Pedersen's actions were not intended to enrich himself and furthermore the court also held that Flemming Pedersen had acted only in the company's interests. As a result of the acquittal, the Danish State was ordered to pay the legal costs relating to Flemming Pedersen. No other sanctions or restrictions have been imposed on Flemming Pedersen in connection with the case. Thus, the case has not prevented Flemming Pedersen from acting as a member of an issuer's administrative, management or supervisory body or from holding any senior or overarching position in an issuer.

Jesper Søgaard was, during the period of 28 April 2014 to 9 August 2016 a board member of Shiprs Danmark ApS, and

during the period of 30 October 2015 to 9 August 2016 also chairman of its board of directors. On 9 August 2016, the Danish Business Authority requested that the probate court of Kolding should dissolve Shiprs Danmark ApS due to the company not having filed its annual report of 2015. The company was compulsory dissolved (Dan. *Tvangsopløst*) on 28 September 2016.

There are no family ties between any board members or any members of the executive management. None of the board members or members of the executive management have any other conflicts of interest or potential conflicts of interest that could conflict with the Company's interests, their private interests and/or other undertakings. However, as stated above, several board members and members of the executive management have financial interests in the Company through holdings of shares and warrants. None of the board members or the members of the executive management have been elected or appointed as a result of a special agreement with major shareholders, customers, suppliers or other parties. None of the board members or the members of the executive management have entered into agreements that entitle them to benefits upon termination of their assignment (except for regular severance pay for members of the Executive management and severance packages as described under *Corporate Governance – Remuneration to the members of the Executive management*). The Company has not set aside or accrued amounts for pensions or similar benefits for board members or members of the executive management upon termination of employment or assignment.

All board members and members of the Executive management can be reached via the Company's address: Toldbodgade 12, DK-1253 København K, Denmark.

## AUDITOR

Ernst & Young Godkendt Revisionspartnerselskab, with address Osvald Helmuths Vej 4, DK-2000 Frederiksberg, Denmark, has been the Company's auditor since 9 November 2016. Jan C. Olsen is the principal auditor. Ernst & Young Godkendt Revisionspartnerselskab is a member of FSR – Danish Auditors (professional institute for authorised public accountants in Denmark).

JS Revision, Statsautoriseret Revisionsaktieselskab, with address Egegårdsvej 39B, DK-2610 Rødovre, Denmark, was the Company's auditor from the financial year 2004 until 9 November 2016. Allan Seiersen was the principal auditor during the period. JS Revision, Statsautoriseret Revisionsaktieselskab, is a member of FSR – Danish Auditors.

Ernst & Young Godkendt Revisionspartnerselskab has issued the auditor's report for all financial years included in the section *Historical financial information*.





# CORPORATE GOVERNANCE



# CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE IN BETTER COLLECTIVE

Better Collective is a Danish public limited liability company (Dan. *Aktieselskab*). Prior to the listing on Nasdaq Stockholm, the Company's corporate governance is governed by the Danish Consolidated Companies Act no. 1089 of 14 September 2015, as amended (the "**Danish Companies Act**"), other applicable laws and regulations, the Company's articles of association and internal policy documents. Following the listing on Nasdaq Stockholm, the Company's corporate governance will also be based on Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code (the "**Code**") and good practice in the Swedish stock market and other applicable rules and recommendations.

The most relevant Swedish and Danish corporate laws and regulations that Better Collective must comply with following the listing on Nasdaq Stockholm are described below. Principal rights associated with the Company's share are described in the next section *Share capital and ownership structure*. 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 SWEDISH CORPORATE GOVERNANCE CODE

The Code acts as a complement to legislation and other regulations by specifying a norm for good corporate governance at a higher level of ambition than the statutory regulation. The Code applies to all Swedish companies with shares listed on a regulated market in Sweden. A non-Swedish company with shares listed on a regulated market in Sweden must, in order to be compliant with good practice in the Swedish stock market, comply with either the Code or the applicable corporate governance code in the country of which such non-Swedish company has its registered office. Better Collective has resolved that it will comply with the Code, as is customary for companies listed on Nasdaq Stockholm.

The Code is based on the so-called "comply or explain" principle. This means that a company that complies with the Code may deviate from certain rules of the Code, but must then describe its alternative solution and explain the reason for the deviation in its annual corporate governance report. Better Collective will comply with the Code from the time of listing of the shares on Nasdaq Stockholm. Any deviations from the Code will be reported in the Company's corporate governance report, which will be prepared for the first time in connection with the annual report for the financial year 2018. The Company does not expect to report any deviations from the Code, but it should be noted that the Company's articles of association state that general meetings shall be held in English and

that the chairman of the general meeting is appointed by the board of directors. However, the Company does not consider this to deviate from the requirements of the Code.

## GENERAL MEETING

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

At the general meeting, the shareholders exercise their voting rights in 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.

### 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. The Company expects simultaneously to publish an advertisement in the Swedish daily newspaper Svenska Dagbladet that notice convening the meeting has been given.

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 five percent or more of the share capital can make a written request to the board of directors that an extraordinary general meeting be held to resolve upon a



specific matter. Such extraordinary general meetings must be convened within two weeks of the board of directors' receipt of a request to that effect.

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

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

#### **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 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.

### **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 chairman of the board of directors, the chairman of the general meeting and auditors. In addition, the nomination committee shall propose fees for board members and the auditor. At the extraordinary general meeting held on 18 May 2018, it was resolved to adopt instructions and rules of procedure for the nomination committee according to which the nomination committee shall consist of four members representing the three largest shareholders per the end of August, together with the chairman 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.

### **BOARD OF DIRECTORS**

After the general meeting, the board of directors is the second 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 chairman'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 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 comprised of five ordinary board members elected by the general meeting.

The board of directors meets according to a pre-determined 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.

### **Duties and responsibilities**

Pursuant to the Danish Companies Act, the board of directors is responsible for the organisation and management of the Company's affairs, which means that the board of directors is responsible for, inter alia, establishing targets and strategies, securing procedures and systems for monitoring of set targets, continuously assessing the Company's financial position and evaluating the executive management. Furthermore, the board of directors is responsible for ensuring that proper information is given to the Company's shareholders, that the Company complies with applicable laws and regulations, that the Company develops and implements internal policies and ethical guidelines and that the Company establishes and maintains adequate risk management and internal control procedures. Moreover, the board of directors is responsible for ensuring that annual reports and interim reports are prepared in a timely matter. The board of directors also appoints the Company's executive management.

The chairman of the board of directors is responsible for organising and leading the work of the board of directors and for ensuring that the work is carried out efficiently, and that the board of directors fulfils its obligations in accordance with applicable laws and regulations. According to the board of directors' rules of procedure, the chairman of the board of directors shall, inter alia, ensure that the board of directors regularly updates and develops its knowledge of the Company, ensure that the board of directors receives sufficient information and documentation to enable it to conduct its work, decide which matters the board of directors shall discuss after consulting the executive management and conduct necessary day-to-day contact with the executive management. According to the Code, the chairman of the board of directors is to be elected by the general meeting.

The board of directors has adopted a number of governing documents and policies, including a tax policy, treasury policy, IT policy, information policy, insider policy, instruction for insider lists and a code of conduct. The governing documents and policies have been implemented throughout the organisation of the Group and are evaluated annually, or when required, by the board of directors.

### **Independence**

According to the Code, the majority of the board members elected by the general meeting shall be independent of the Company and its management. In determining whether or not a board member is independent, an overall assessment shall be made of all the circumstances that could call into question the independence of the board member in relation to the Company or its management. According to the Code, at least two of the board members who are independent in relation to the Company and its management shall also be independent in relation to major shareholders. Major shareholders refer to

shareholders who directly or indirectly control ten percent or more of all shares and voting rights in the Company. To determine a board member's independence, the extent of the board member's direct and indirect relationships with the major shareholder must be considered for the assessment. A board member who is an employee or a board member of a company that is a major shareholder is not considered to be independent.

The members of the board and the board of directors' assessment of the board members' independence in relation to both the Company and its management and in relation to major shareholders are presented in the section *Board of directors, executive management and auditors*. As indicated, the board of directors believes that the Company fulfils the Code's requirements in regard to independence.

### **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 is comprised of Leif Nørgaard (chairman), Søren Jørgensen 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, internal audit and risk management, to be informed about the audit of the annual report and the consolidated financial statements, 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 was formally established on 28 November 2017, consisting initially of Leif Nørgaard (chairman) and Søren Jørgensen. Petra von Rohr joined the audit committee in April 2018. Since its establishment, the audit committee has established an annual work plan and held meetings including review and board recommendation of the Annual Report 2017 and review of external audit reports. The review of the Annual Report 2017 included an assessment of the conversion of accounting policies to IFRS. Furthermore, the audit committee has made a review of the Company's internal risk management assessment.

#### **Remuneration committee**

The remuneration committee is comprised of Jens Bager (chairman) 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 was formally established on 28 November 2017. Since then, the remuneration committee has made decision on new service agreements for the Group's executive management including variable remuneration (short-term incentives) for the financial year 2018.

## 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 in the section *"Board of directors, executive management and auditor"*.

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.

## VP GROUP

In addition to the executive management, the Company has established an extended group of senior executives that supports and reports directly to the executive management. The members of the VP group head the departments for product development, operations and markets & marketing, but the VP Group is not a formal corporate body according to the Danish Companies Act and it has therefore no executive powers of its own. The VP group includes Camilla Wissing Bille as VP of Human Resources, Henrik Lykkesteen as VP of Commercial and Thomas Høgenhaven as VP of Product.

## 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 by the annual general meeting. At the annual general meeting held on 26 April 2018, it was resolved that fees of DKK 300,000 was to be paid to the chairman and that fees of DKK 100,000 was to be paid to each of the other board members. In addition, it was resolved that no remuneration shall be paid for work in a board committee until a listing of the Company's shares on a regulated market has been completed. Following the listing of the Company's shares on a regulated market, work in a board committee shall be remunerated with DKK 50,000 for a chairmanship and 25,000 for a regular member (in each case paid out proportionally for the period from the time of the listing to the next annual general meeting).

For the financial year 2017, the board of directors received remuneration as set out in the table below. All amounts in EUR thousand.

Name	Position	Wages and salaries	Pensions, defined contribution	Other social security costs	Share-based payments
Jens Bager	Chairman	25	-	-	80
Søren Jørgensen	Board member	17	-	-	40
Klaus Holse	Board member	3	-	-	40
Leif Nørgaard	Board member	12	-	-	40
Henrik Victor Lykkesteen <sup>1</sup>	Board member	6	-	-	-
<b>Total:</b>		<b>63</b>	<b>0</b>	<b>0</b>	<b>201</b>

<sup>1</sup> Board member until 1 August 2017.

### 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 2017, the Executive management received remuneration as set out in the table below. *Wages and salaries* only includes basic salary. No variable remuneration or other benefits have been paid during the financial year 2017. Flemming Pedersen joined the executive management in 2018 and is therefore not included. All amounts in EUR thousand.

Name	Position	Wages and salaries	Pensions, defined contribution	Other social security costs	Share-based payments
Jesper Søgaard	CEO	91	9	0	-
Christian Kirk Rasmussen	COO	91	9	0	-
<b>Total:</b>		<b>183</b>	<b>17</b>	<b>1</b>	<b>0</b>

#### **Service agreements for the executive management**

Pursuant to their existing service agreements the CEO and the COO are entitled to a fixed annual salary of DKK 1.773 million, respectively, and the CFO is entitled to a fixed annual salary of DKK 2,640 million. As for the CEO and the COO, the service agreements however stipulate that if an initial public offering of the shares in the Company has been completed before 30 September 2018, the fixed annual salary of the CEO and the COO shall be increased to DKK 2,023 million with effect from 1 October 2018.

In addition to fixed salaries, the CEO and the COO are entitled to a short-term incentive bonus which can amount to a maximum of 60 percent of the fixed annual salary. The short-term incentive bonus is dependent on specific targets relating to both financial and non-financial performance measures within each calendar year. The short-term incentive scheme will end without further notice by the end of 2018 unless new agreements are entered into for the short-term incentive scheme at such time. The service agreements furthermore stipulate that following the completion of an initial public offering of the Company's shares, the Company will establish a market-conform long term incentive plan for the CEO and the COO.

The service agreements further stipulate that members of executive management can choose to allocate certain part of the fixed salary towards pension schemes. The notice period for the CEO and the COO is twelve months in case of termination by the Company and nine months in case of termination by the CEO or the COO. The notice period for the CFO in case of termination by the Company is eighteen months until 31 December 2018 and thereafter the notice period is twelve months and the notice period in case of termination by the CFO is six months during the entire period. Finally, the service agreements with the members of the executive management stipulate that in case of death during the employment, the Company must pay the surviving spouse, alternatively children under the age of 18, the usual monthly salary during twelve months as regards the CEO and the COO and six months as regards the CFO.

#### **Guidelines for remuneration to the board of directors and the executive management**

Pursuant to the Danish Companies Act, the board of directors of a Danish company admitted to trading on a EU regulated market must in advance of entering into a specific agreement about incentive remuneration with a member of its board of directors or the executive management adopt general guidelines for the company's incentive remuneration for the board of directors and the executive management. Such guidelines shall be approved by the company's shareholders at a general meeting and the approval of the guidelines shall be adopted in the company's articles of association. At an extraordinary general meeting on 18 May 2018, it was resolved to adopt guidelines with the following main content.

The overall purpose of the guidelines is to attract, motivate and retain qualified members of the board of directors and the executive management.

Members of the Company's board of directors and executive management receive a fixed annual remuneration. In addition, members of the board of directors and 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 on an annual basis decide whether or not to establish a long term incentive program ("**LTI program**") for the coming calendar year. The LTI program shall be based on the issuance of warrants in the Company ("**Share Based Rights**"). Each Share Based Rights will entitle the recipient to receive one share in the Company against payment of an exercise price (determined in connection with the implementation of the LTI program) after a three year vesting period, provided the targets for vesting are met. When a LTI program is established, the members of the board of directors and the executive management may participate with an awarded value of shares and/or warrants for the grant year of (a) up to a maximum of 50 percent of the annual base salary (at the time of grant) in respect to members of the board of directors and (b) up to 100 percent of the annual base salary (at the time of grant) in respect to members of the executive management. The value of the Share Based Rights, and thereby the possible maximum Share Based Rights allocation, will be calculated on the basis of the Company's average closing share price the last 10 banking days of the month prior to the date where the decision to establish a LTI program is adopted. Performance Share Based Rights granted under a LTI program will vest after three years from the date of grant. Performance Share Based Rights granted under a LTI program will vest after three years from the date of grant. The targets for granting and/or vesting, if any, will (i) as regards members of the board of directors, be defined by the general meeting; and (ii) as regards members of the executive management, be defined by the board of directors based on guidelines resolved by the general meeting. The targets may include financial and

strategic targets of the Company as well as individual targets. If none of the targets are met, none of the Share Based Rights will be granted. The targets for granting and/or vesting, if any, will be defined by general meeting and may include financial and strategic targets of the Company as well as individual targets. If none of the targets are met, none of the Share Based Rights will be granted. It is a prerequisite for the executives management's vesting rights that their employment with the Company is not under notice or terminated for any reason by any party throughout the vesting period. This prerequisite may not apply in certain "good leaver" situations. Similarly, it is a prerequisite for the members of the board of directors' vesting rights that the participant of the LTI program is a member of the board of directors, however, with this prerequisite being subject to certain "good leaver" situations.

## INTERNAL CONTROL

The board of directors has the overall responsibility for the internal control of the Company. The main purpose of the internal control is to ensure that the Company's strategies and objectives can be implemented within the business, that there are effective systems for monitoring and control of the Company's business and the risks associated with the Company and its business, and to ensure that the financial reporting has been prepared in accordance with applicable laws, accounting standards and other requirements imposed on listed companies. The board of director's responsibility for the internal control and financial reporting is governed by the Danish Accounting Act, the Danish Annual Reports 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 and 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 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 supports the

Company's business goals and that existing IT system and resources are used optimally. In addition, the Company has implemented a whistle-blower scheme providing employees with the ability to easily and anonymously report any observations of potentially destructive, unethical or illegal activities related to the Company.

### Risk assessment

Risk assessment includes identifying risks pertaining to the Company's business, assets and financial reporting as well as assessing the impact and probability of those risks, to ensure that actions to reduce or eliminate risks are 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. In March 2018, the executive management initiated an internal risk management assessment that that will be followed-up throughout the year and presented to the board of directors as a final report ahead of the preparation of the 2018 annual report.

With regards to financial reporting, the CFO and the finance department shall annually prepare 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 a recommendation 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 newsletters, including a code of conduct that serves as an overall guiding principle for employees in all communication, an information policy that governs internal and external information as well as an insider policy to ensure appropriate handling of insider information that has not yet been disclosed to the public. The Group's CEO has 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 Investor Relations Manager. The Investor Relations function's principal tasks are to support in matters in relation to the capital market as well as to assist in preparing financial reports, general meetings, capital market

presentations and other regular reporting regarding Investor Relations activities.

### **Monitoring**

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

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

Every year a self-evaluation of the efficiency of the key controls is performed and a risk report prepared and presented to the board of directors that summarizes the performed evaluations and accounts for any deviations that must be managed. In April 2018, 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 report concluded that the Company's financial internal controls are deemed appropriate.

Furthermore, the Group's policies are subject to at least an annual review by the board of directors.

### **EXTERNAL AUDIT**

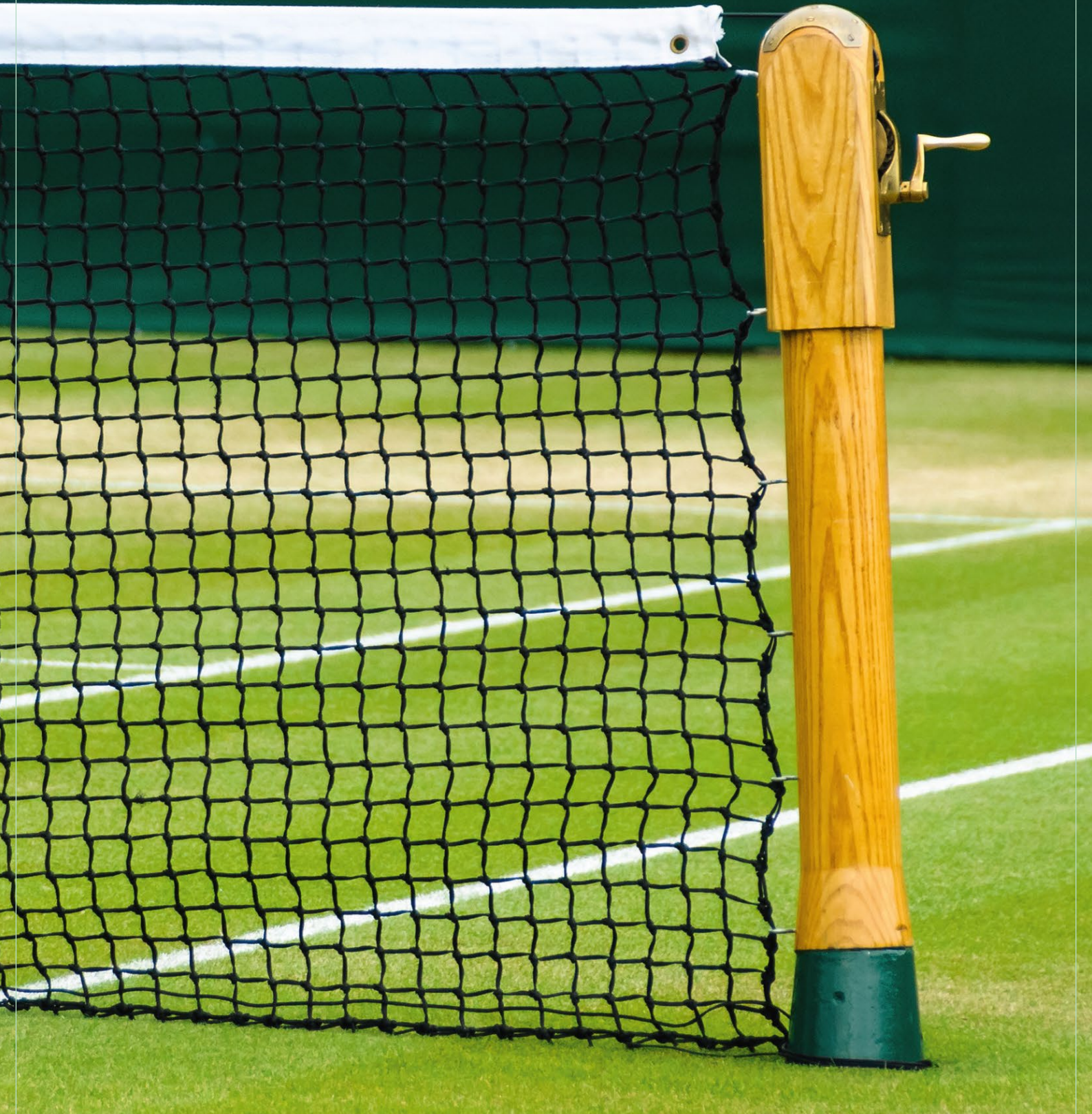
The Company's auditor is appointed by the annual general meeting for the period until the end of the next annual general meeting. The auditor audits the annual report and accounts as well as the management performed by the board of directors and the executive management. Following each financial year, 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 26 April 2018, Ernst & Young 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 2017 amounted to EUR 332 thousand, of which EUR 74 thousand regarded the audit assignment, and EUR 258 thousand regarded other assignments.

Information about the auditor can be found in the section *Board of directors, executive management and auditors*.



# SHARE CAPITAL AND OWNERSHIP STRUCTURE





# SHARE CAPITAL AND OWNERSHIP STRUCTURE

## GENERAL SHARE INFORMATION

The registered share capital of the Company as per the date of the Prospectus is EUR 275,498.28, divided between 27,549,828 shares, each with a quota value of EUR 0.01. The Company's shares have been issued in accordance with Danish law, are of the same class, have been fully paid and are freely transferable. The Company's shares are denominated in EUR. The shares are not subject to any offer made due to mandatory bid, redemption rights or redemption obligation. There have been no public takeover bids for the Company's shares.

## NEW SHARE ISSUE IN CONNECTION WITH THE OFFERING

The Offering includes a minimum of 10,344,827 and a maximum of 12,500,000 newly issued shares in the Company issued pursuant to a resolution to be made at an extraordinary general meeting on 7 June 2018 (as well as existing shares to be sold by the Selling Shareholder). Assuming that the Offering is fully subscribed, that the Over-allotment Option is not exercised and that the Offering Price corresponds to the mid point of the Price Range (SEK 53), the Company's share capital will increase with EUR 113,207.54, corresponding to a dilution of approximately 29.1 percent.

## CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

The rights associated with the Company's shares, including rights pursuant to the Company's articles of association, may only be amended in accordance with the procedures set out in the Danish Companies Act.

### Right to participate and vote at general meetings

To participate in and vote at general meetings, the shareholder must be registered in the Company's share register one week prior to the general meeting. The shareholder must also notify the Company of its participation no later than three days prior to the general meeting. Each share entitles the holder to one vote at the general meeting and every shareholder is entitled to vote with the full number of shares owned and represented by him or her. A shareholder may attend the general meeting in person, through a proxy or by postal vote, and may also be accompanied by an advisor.

### Pre-emptive rights in connection with new shares etc.

If the Company resolves to issue new shares, warrants or convertible bonds by means of a cash issue or offset issue, the shareholders generally have pre-emptive rights to subscribe for such securities in proportion to the number of shares held prior to such issue. Nothing in the Company's articles of association restricts the Company's ability to issue new shares, warrants or convertible bonds with deviation from the shareholders' pre-emptive rights as provided for in the Danish Companies Act.

### Right to receive dividend payment and any surplus on liquidation

All shares will have equal rights to the Company's assets upon distribution of dividends and to any surplus in the event of liquidation. Neither the Danish Companies Act nor the Company's Articles of Association contain any restrictions regarding dividend rights of shareholders outside Denmark. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders resident in Denmark. However, shareholders with limited tax liability in Denmark are normally subject to Danish withholding tax. For a discussion of withholding taxes on the payment of dividends, see the section *Certain tax considerations*.

On the record date established by the general meeting, holders recorded as owners of shares in the register of shareholders maintained by Euroclear Sweden will be entitled to receive dividends. If a shareholder cannot receive payment through Euroclear Sweden, such shareholder still retains its claim to the dividend amount, and the claim remains against the Company. Dividends not claimed by shareholders will be forfeited in favour of the Company, normally after three years, under the general rules of Danish law or statute of limitations.

## MINORITY RULES

The Danish Companies Act contains a number of rights and abilities for minority shareholders. A brief summary of the most notable minority shareholder rules is set out below.

- Any shareholder holding at least 5% of the share capital may request an extraordinary general meeting to be held. In addition, decisions on mergers and demergers may in certain cases where the company is the continuing entity (mergers) or receiving entity (de-mergers) be decided upon solely by the board of directors. However, shareholders holding at least 5% (in the aggregate) of the shares of the company may demand that the matter is decided upon a general meeting.
- Shareholders holding less than 10 percent of the shares may demand a redemption of the shareholder's shares if a majority shareholder is holding more than 90 percent of the shares (similarly, a shareholder holding more than 90 percent of the shares, may force a redemption of minority shareholders).
- Shareholders holding at least 10 percent of the shares may demand that an additional auditor is appointed to participate in the audit until the next general meeting.
- Where one or more shareholders have deliberately taken part in a decision at a general meeting, which is clearly qualified to grant certain shareholders or others an undue advantage at the expense of other shareholders.



ers, or if the decision contributed to non-compliance of the Danish Companies Act or the company's articles of association or if the shareholders otherwise abused their influence over the company, shareholders, which in aggregate represents more than 10 percent of the share capital may request the local court to dissolve the Company.

- In addition, if shareholders representing (in the aggregate) more than 10 percent of the share capital oppose a resolution to grant an exemption from liability or waive the right to commence legal proceedings, any shareholder may commence such legal proceedings.
- Furthermore, any shareholder may submit a proposal to general meeting for scrutiny of any specific matter relating to the Company's administration or to specific financial statements. If shareholders representing at least 25 percent of the share capital vote in favor of the proposition to scrutinize, any shareholder may request the pertinent bankruptcy court to appoint scrutinizers. However, the bankruptcy court may decide not to accommodate the request if the court finds that the request is not based on reasonable grounds.

## DISCLOSURE REQUIREMENTS FOR SHAREHOLDERS

As the Company has its registered office in Denmark, the Swedish Financial Instruments Trading Act (1991:980) stipulates that the corresponding Danish rules shall apply with regards to the requirements to disclose shareholdings.

According to section 38 of the Danish Capital Markets Act, holders of shares in Danish companies with shares admitted to trading on a regulated market, including Nasdaq Stockholm, are required to give simultaneous notice to the Company and the Danish Financial Supervisory Authority when their holdings reaches, exceeds or falls below thresholds at intervals of 5, 10, 15, 20, 25, 50 or 90 percent and 1/3 or 2/3 of the voting rights or nominal value of the total share capital. The notice shall be given promptly but no later than four days after the date on which the holder learns or should have learned of the transaction subject to the obligation to notify.

Upon receipt of the notification, but no later than three trading days thereafter, the Company shall make public all the information contained in the notification. A holder of shares in a company means a natural or legal person who directly or indirectly holds (i) shares in the company on behalf of himself and for his own account, (ii) shares in the company on behalf of himself, but for the account of another natural or legal person, or (iii) share certificates, where such holder is considered a shareholder in relation to the underlying securities represented by the certificate.

Furthermore, the duty to notify described above applies to natural and legal persons who are entitled to acquire, sell or exercise voting rights which are:

- i. held by a third party with whom that natural or legal person has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management

of the issuer in question (common duty of disclosure for all parties to the agreement);

- ii. held by a third party under an agreement concluded with that natural or legal person providing for the temporary transfer of the voting rights in question in return for consideration;
- iii. attached to shares which are lodged as collateral for that natural or legal person, provided the natural or legal person controls the voting rights and declares its intention of exercising them;
- iv. attached to shares in which that natural or legal person has a life interest;
- v. held, or may be exercised within the meaning of (i) to (iv), by an undertaking controlled by that person or entity;
- vi. attached to shares deposited with that natural or legal person and which the natural or legal person can exercise at his own discretion in the absence of specific instructions from the shareholders;
- vii. held by a third party in its own name on behalf of that natural or legal person; or
- viii. exercisable by that natural or legal person through a proxy where that natural or legal person can exercise the voting rights at its discretion in the absence of specific instructions of the shareholder.

Pursuant to section 39 of the Danish Capital Markets Act, the duty to notify set forth above also applies to any person or entity who directly or indirectly holds (a) financial instruments that give the holder an unconditional right to acquire or the discretion as to his right to acquire existing shares (for example, share options) pursuant to an agreement; and/or (b) financial instruments based on existing shares and with an economic effect similar to that of the financial instruments mentioned in (a), whether or not they confer a right to purchase shares (for example, cash-settled derivatives linked to the value of the shares in question) if such holding reaches, exceeds or falls below the thresholds set out above.

Pursuant to section 40 of the Danish Capital Markets Act, the duty to notify pursuant to section 38 of the Danish Capital Markets Act also applies to any natural or legal person when the number of voting rights or nominal value of the share capital held directly or indirectly by such natural or legal person under section 38 of the Danish Capital Markets Act aggregated with the number of voting rights or nominal value of the share capital related financial instruments held directly or indirectly under section 39 of the Danish Capital Markets Act reaches, exceeds or falls below the thresholds set out above.

The notification must be made promptly and during the same trading day (before midnight) of the transaction, but not later than four days after the date on which the holder learns or should have learned of the transaction. The notification must be made in accordance with the provisions of the Executive Order on major shareholdings no. 1172 of 31 October 2017 and must state the relevant change in voting rights and share capital, including the number of voting rights and shares held

directly or indirectly by the shareholder or person or entity following the transaction. The notification must further state the transaction date on which the threshold was reached or no longer reached and the identity of the shareholder as well as the identity of any person or entity with the right to vote on behalf of the shareholder. In the case of a group structure, the chain of controlled undertakings through which voting rights are effectively held must be stated. The information must be notified to the company and simultaneously submitted electronically to the Danish Financial Supervisory Authority. Failure to comply with the notification requirements is punishable by fine.

When an obligation to notify is imposed on more than one person or entity, the notification may be made through a joint notification. However, use of a joint notification does not exempt the individual shareholders or natural or legal persons from their responsibilities in connection with the obligation to notify or the contents of the notification.

Upon receipt of the notification, the company must publish the contents of the notification, but no later than three trading days thereafter. Furthermore, the general duty of notification under the Danish Companies Act Section 55 in respect of notification of significant holdings applies, namely when the limit of 100 percent of the share capital's voting rights or nominal value of the company are reached or are no longer reached.

For the purpose of designating the home member state pursuant to the Transparency Directive (2004/109/EC, as amended), Denmark is the Company's home member state.

## MANDATORY PUBLIC TENDER OFFERS

The Danish Capital Markets Act and the Executive Order no. 1171 of 31 October 2017 contain rules concerning public offers for the acquisition of shares admitted to trading on a regulated market, including Nasdaq Stockholm.

If a shareholding in a company with one or more classes of shares admitted to trading on a regulated market is acquired, directly or indirectly, by an acquirer or by persons acting in concert with such acquirer, the acquirer must give all shareholders of the company the option to dispose of their shares on identical terms, if the acquirer gains control as a result of the acquisition.

Control exists if the acquirer, directly or indirectly, holds more than one third of the voting rights in the company, unless it can be clearly proven in special cases that such ownership does not constitute Control. An acquirer, or persons acting in concert with such acquirer, who does not hold more than one third of the voting rights in a company nevertheless has Control when the acquirer, or persons acting in concert with such acquirer, has (i) the right to control more than one third of the voting rights in the company according to an agreement with other investors or (ii) the rights to appoint or remove a majority of the members of the board of directors.

In the calculation of voting rights, voting rights attached to treasury shares held by the company or its subsidiaries must be included. A company's acquisition of treasury shares may trigger a mandatory tender offer if the acquisition is caused by an influence on the company, resulting in a shareholder gaining control. Exemptions from the mandatory tender offer

rules may be granted under special circumstances by the Danish Financial Supervisory Authority.

Pursuant to the Swedish Stock Market Takeover Bids Act (2006:451), any person who makes a takeover bid to shareholders, in a company listed on Nasdaq Stockholm, is required to comply with the takeover rules adopted by Nasdaq Stockholm (the "**Takeover Rules**"). Pursuant to this obligation, the offeror agrees to comply not only with the Takeover Rules but also the statements and decisions issued by the Swedish Securities Council as regards the interpretation of the Takeover Rules, as well as to comply with any sanctions that may be imposed by Nasdaq Stockholm.

## CENTRAL SECURITIES REGISTER

The Company's articles of association contains a so-called central securities depository provision for electronic registration and the Company's shares are registered with VP Securities A/S ("**VP Securities**") in Denmark and then mirrored in book-entry form in the central securities depository operated by Euroclear Sweden AB, (P.O. Box 191, SE-101 23 Stockholm, Sweden) ("**Euroclear Sweden**"), that, inter alia, maintains the share registers for Swedish companies listed on Nasdaq Stockholm. Euroclear Sweden is registered in the central securities depository operated by VP Securities as the holder of all shares of the Company through Euroclear Sweden's account with VP Securities (an omnibus account). The ISIN code for Better Collective's shares is DK0060952240 and the shares registered in Euroclear Sweden's system have the same ISIN code as the shares registered with VP Securities in Denmark.

Shares administered by Euroclear Sweden are registered in dematerialised form on central securities depository accounts and therefore no share certificates are issued. Share ownership is achieved by means of registration with Euroclear Sweden through banks or other securities institutions that act as account operators for Euroclear Sweden.

Shares registered in securities accounts can be entered in the share register maintained by Euroclear Sweden, either in the name of the shareholder (directly-registered shares) or in the name of a nominee (nominee-registered shares). The relationship between the nominee and the beneficial shareholder is contractual. Shareholders wishing to exercise certain rights, for example the right to participate in general meetings, must temporarily register the shares in their own name. Nominees must regularly notify Euroclear Sweden of the holdings of beneficial shareholders.

As Euroclear Sweden is registered as holder of all shares in the Company in the central securities depository operated by VP Securities, the rights attached to the shares, that for example give the holders right to dividends and participation in share issues, belong to the shareholders registered as owners in the central securities depository maintained by Euroclear Sweden. Any dividends will hence be paid to the bank accounts specified by the shareholders registered with Euroclear Sweden. For nominee-registered shares, dividend payments, new shares subscribed, subscription rights or any similar rights will be received by the nominee on behalf of the beneficial shareholder. The nominee is responsible for the further distribution to the beneficial shareholder.

## REPURCHASE OF SHARES

Under Danish law, a limited liability company may acquire its own shares if they are fully paid up. The shares may be acquired in ownership as well as by way of security. If a limited liability company acquires its own shares for consideration, such consideration may only consist of the funds that are distributable as dividends pursuant to the most recently approved annual report of the company, and the company's holding of its own shares must be disregarded when assessing whether the company satisfies the mandatory minimum capital requirements. An acquisition of a company's own shares for consideration cannot take place without the board of directors obtaining authority from the shareholders in a general meeting, and such authority may only be given for a specified time, which may not exceed five years. The authority must specify (i) the maximum permitted value of the company's own shares; and (ii) the minimum and maximum amount that may be paid by the company as consideration for the shares.

For further information regarding tax effects related to the repurchase of shares, see the section *Tax considerations*.

## AUTHORISATION TO INCREASE THE SHARE CAPITAL

The board of directors of the Company is authorised to increase the share capital in one or more issues without pre-emption rights for existing shareholders by no more than a total nominal amount of EUR 100,000. The authorisation can only be used for the purpose of issuing new shares for the

exercise of the Over-allotment Option. For more information, see the section *Articles of Association - Authorisation to the board of directors*.

## DIVIDEND POLICY

The board of directors has adopted a dividend policy with the aim to have an annual dividend payment of more than 50 percent of the Group's profit for the year. However, as the Group intends to raise equity capital to expand its acquisition strategy, the Company expects to pay no dividends before the year 2020. Thereafter the board of directors will revisit the capital structure of the Group and evaluate whether to pay dividends. The decision to pay dividends will be based on the Group'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. Any future dividends made will be paid in EUR.

The Group issued a dividend of EUR 3.6 million in the year ended 31 December 2016 (corresponding to a dividend per share of EUR 7.16) and a dividend of EUR 1.2 million in the year ended 31 December 2015 (corresponding to a dividend per share of EUR 2.40). No dividend was paid in the year ended 31 December 2017.

For further information regarding the right to receive dividends, see the section *Right to receive dividend payment and any surplus on liquidation* above.

## SHARE CAPITAL DEVELOPMENT

As of 1 January 2015, the Company's share capital amounted to DKK 500,000 divided into 500,000 shares, each with a quota value of DKK 1. Since 1 January 2015, the share capital has developed as set out in the table below.

Year	Transaction	Increase of the share capital	Increase of the total number of shares	Total share capital	Total number of shares	Nominal value
2015	New share issue	5,700 DKK	5,700	505,700 DKK	505,700	1 DKK
2015	New share issue	634 DKK	634	506,334 DKK	506,334	1 DKK
2016	New share issue	1,821 DKK	1,821	508,155 DKK	508,155	1 DKK
2016	New share issue	186 DKK	186	508,341 DKK	508,341	1 DKK
2016	New share issue	223 DKK	223	508,564 DKK	508,564	1 DKK
2017	New share issue	300 DKK	300	508,864 DKK	508,846	1 DKK
2017	New share issue	1,318 DKK	1,318	510,182 DKK	510,182	1 DKK
2018	Share split 1:54 and conversion of share capital to EUR	N/A	N/A	68,515.03 EUR	6,851,503	0.01 EUR
2018	Issuance of bonus shares <sup>1</sup>	206,983.25 EUR	20,698,325	275,498.28 EUR	27,549,828	0.01 EUR
2018	New share issue in the Offering <sup>2</sup>	113,207.54 EUR	11,320,754	388,705.82 EUR	38,870,582	0.01 EUR

1 The two steps have been adopted at the same extraordinary general meeting of the Company. The aggregated effect of these steps was that one (1) nominal DKK 1 share in the Company became 54 nominal EUR 0.01 shares in the Company

2 Based on the assumption that the Offering is fully subscribed, that the Offering Price corresponds to the midpoint of the Price Range (SEK 53) and that the Over-allotment Option is not exercised.

## SALE OF SHARES BY EXISTING SHAREHOLDERS

The Selling Shareholder has reserved the right to increase the Offering to include the sale of existing shares. In connection with such increase of the Offering, certain employees (including the VP Group) that hold shares in the Company will divest parts of their holdings indirectly through companies. The total number of existing shares that can be sold if the Offering is increased in full is 3,044,732. Through the sales, Jesper Søgaard and Christian Kirk Rasmussen will each indirectly sell up to 990,679 shares, Thomas Høgenhaven will indirectly sell up to 604,187 shares, Camilla Wissing Bille will indirectly sell up to 226,439 shares, Henrik Lykkes-teen will indirectly sell up to 34,614 shares and an additional person will indirectly sell up to 198,134 shares. The sales will be carried out by way of such shareholders selling the shares that are to be sold in the Offering to the Selling Shareholder. Thus, all existing shares that can be included in the Offering will be offered by the Selling Shareholder.

## OWNERSHIP STRUCTURE

Shareholder	Ownership before the Offering (shares and votes)		Ownership after the Offering (shares and votes) assuming that the Offering is not increased and that the Over-allotment Option is not exercised		Ownership after the Offering (shares and votes) assuming that the Offering is increased in full and Over-allotment Option is fully exercised	
	Number	Percentage	Number	Percentage	Number	Percentage
<b>Major shareholders</b>						
Bumble Ventures A/S <sup>1</sup>	19,813,572	71.9%	19,813,572	51.0%	17,832,214	43.5%
Better Partners ApS <sup>2</sup>	5,660,982	20.5%	5,660,982	14.6%	5,236,409	12.8%
MotivatedWeb ApS <sup>3</sup>	1,098,522	4.0%	1,098,522	2.8%	494,335	1.2%
<b>Board of directors and executive management other than above</b>						
Jens Bager <sup>4</sup>	326,160	1.2%	703,518	1.8%	703,518	1.7%
Leif Nørgaard <sup>5</sup>	134,406	0.5%	323,085	0.8%	323,085	0.8%
Søren Jørgensen <sup>6</sup>	134,406	0.5%	187,236	0.5%	187,236	0.5%
Klaus Holse	N/A	N/A	126,415	0.3%	126,415	0.3%
Flemming Pedersen <sup>7</sup>	137,322	0.5%	137,322	0.4%	137,322	0.3%
<b>Other shareholders</b>						
Employees and other shareholders	244,458	0.9%	244,458	0.6%	209,844	0.5%
New shareholders	N/A	N/A	10,575,472	27.2%	15,775,026	38.5%
<b>TOTAL</b>	<b>27,549,828</b>	<b>100%</b>	<b>38,870,582</b>	<b>100%</b>	<b>41,025,404</b>	<b>100 %</b>
New shares upon exercise of outstanding warrants	2,047,194	N/A	2,047,194	N/A	2,047,194	N/A
<b>TOTAL on a fully diluted basis</b>	<b>29,597,022</b>	<b>N/A</b>	<b>40,917,776</b>	<b>N/A</b>	<b>43,072,598</b>	<b>N/A</b>

Note: Based on the assumption that the Offering is fully subscribed and that the Offering Price corresponds to the midpoint of the Price Range (SEK 53).

<sup>1</sup> Jesper Søgaard and Christian Kirk Rasmussen each hold 50 percent of the shares in Bumble Ventures A/S through wholly-owned companies.

<sup>2</sup> Bumble Ventures A/S holds 80 percent of Better Partners ApS.

<sup>3</sup> MotivatedWebApS is wholly owned by Thomas Høgenhaven (VP of Product).

<sup>4</sup> Held in own name as well as through the wholly-owned company Bukkebalte Invest ApS.

<sup>5</sup> Held in own name as well as through the wholly-owned company Nøller Invest ApS.

<sup>6</sup> Held in own name as well as through the wholly-owned company Emmamo ApS.

<sup>7</sup> Held through the wholly-owned company Naapster ApS.

## INCENTIVE PROGRAMS

The Company has implemented four warrant programs as of the date of the Prospectus. Each program is described in further detail below.

Program	Holders	Exercise price per warrant (DKK)	Maximum number of warrants that can be exercised	Maximum number of shares that can be issued <sup>1</sup>	Maximum dilution <sup>2</sup>
Warrant program I	Key employees/consultants	200.00	N/A	N/A	N/A
Warrant program II	Key employees/consultants	268.60	N/A	N/A	N/A
Warrant program III	Board members	700.00	13,315	719,010	1.8%
Warrant program IV	Key employees/consultants	700.00	24,596	1,328,184	3.2%
<b>Total:</b>			<b>37,911</b>	<b>2,047,194</b>	<b>5.0%</b>

1 The number of shares each warrant gives the holder right to acquire has been recalculated following a share split 1:54 resolved at an extraordinary general meeting on 18 May 2018.

2 Based on the assumption that the Offering is fully subscribed, that the Offering Price corresponds to the midpoint of the Price Range (SEK 53), that the Over-allotment Option is not exercised and assuming that all outstanding warrants are fully utilised.

### Warrant programs I and II (key employees/consultants)

At a meeting of the board of directors of the Company held on 26 January 2015, the board of directors resolved, pursuant to an authorisation granted by the general meeting held on 26 January 2015, to issue 10,550 warrants to certain key employees and consultants of the Company (Warrant program I). The warrants in the program have been granted to the participants free of charge.

At a meeting of the board of directors of the Company held on 16 June 2016, the board of directors resolved, pursuant to an authorisation granted by the general meeting held on 12 June 2016, to issue 4,037 warrants to certain key employees and consultants of the Company (Warrant program II). The warrants in the program have been granted to the participants free of charge.

As of the date of the Prospectus, a total of 9,185 warrants under program I and program II remain exercisable. Each warrant gives the holder a right to acquire 54 shares in the Company. However, the Company and the warrant holders have agreed that the warrants will be settled in cash in connection with the completion of the Offering. As such, no new shares will be issued due to the exercise of said warrants. The cash settlement will be calculated as the difference between (i) the aggregate Offering price for a number of shares corresponding to the total number of shares that the warrants give the holder right to acquire and (ii) the aggregate exercise price for the warrants. Assuming that the final price in the Offering corresponds to the midpoint in the price range (SEK 53), the Company estimates that the total costs for the cash settlement of the warrants under program I and program II amounts to approximately DKK 25 million.

### Warrant program III (board members)

At two meetings of the board of directors of the Company held on 25 August 2017 and 22 March 2018 respectively, the board of directors resolved, pursuant to an authorisation granted by the general meeting held on 12 June 2016, to issue a total of 13,315 warrants to certain board members of the Company. The resolutions have been subsequently confirmed by the annual general meeting on 26 April 2018. The warrants

in the program have been allotted to the participants at a price of DKK 46.39 per warrant.

Each warrant gives the holder the right to acquire 54 shares in the Company (after recalculation following the share split 1:54 resolved at an extraordinary general meeting on 18 May 2018 at a subscription price of DKK 700 per exercised warrant (corresponding to an exercise price of approximately DKK 12.96 per share). The warrants may be exercised (i) within a period of four weeks following first anniversary of the date of grant, (ii) four weeks prior to 1 July 2019 or (iii) in the event of an exit, meaning an acquisition by one or more third-party buyers of more than 60 percent of the nominal share capital of the Company or a divestment of assets representing more than two thirds of the value of the Company's total assets. A public offering and listing of the shares of the Company on a stock exchange or another regulated market does not trigger exercise of the warrants.

The warrants are subject to customary provisions on adjustment of the exercise price and/or the number of shares subscribed in connection with share issues not at market price and certain other corporate events. Exercise is subject to the warrant holder being a member of the board of directors unless the warrant holder was not re-elected as a board member without the warrant holder having given reason hereto.

All of the warrants remain exercisable as of the date of the Prospectus.

### Warrant program IV (key employees/consultants)

At two meetings of the board of directors of the Company held on 25 August 2017 and 11 April 2018, the board of directors resolved, pursuant to an authorisation granted by the general meeting held on 12 June 2016, to issue 24,636 warrants and 450 warrants respectively, to certain key employees of the Company. The warrants in the program have been granted to the participants free of charge and vest in three equal tranches on 1 July 2018, 1 July 2019 and 1 July 2020.

Each warrant gives the holder the right to acquire 54 shares in the Company (after recalculation following the share split 1:54

resolved at an extraordinary general meeting on 18 May 2018) at a subscription price of DKK 700 per exercised warrant (corresponding to an exercise price of approximately DKK 12.96 per share). The warrants may be exercised (i) within a period of 4 weeks following the second anniversary of the relevant grant date, and in respect to the third grant of warrants, the third anniversary of such grant as well or (ii) in the event of an exit, meaning an acquisition by one or more third-party buyers of more than 60 percent of the nominal share capital of the Company or a divestment of assets representing more than two thirds of the value of the Company's total assets. A public offering and listing of the shares of the Company on a stock exchange or another regulated market does not trigger exercise of the warrants. Warrants not exercised before 16 June 2021 shall expire without notice or compensation.

The warrants are subject to customary provisions on adjustment of the exercise price and/or the number of shares subscribed in connection with share issues not at market price and certain other corporate events. The warrants will lapse upon termination of the warrant holder's employment/assignment with the Company unless the employment/consultancy agreement is terminated based on customary good leaver exemptions.

24,596 warrants have been granted and remain exercisable as of the date of the Prospectus.

## SHAREHOLDERS' AGREEMENT

On the date of the Prospectus, there is a shareholders' agreement in place between Bumble Ventures A/S, Better Partners ApS and MotivatedWeb ApS. The shareholders' agreement will terminate in connection with the listing on Nasdaq Stockholm.

## UNDERTAKING NOT TO SELL SHARES (LOCK-UP)

Pursuant to the placing agreement which is expected to be entered into on or around 7 June 2018, members of the board of directors, members of the executive management, members of the VP Group and certain employees holding shares in the Company, will undertake not to sell their respective holdings during a period of 360 days from the first day of trading on Nasdaq Stockholm (the "**Lock-Up Period**"). In total, approximately 72 percent of the shares in the Company after the Offering are covered, assuming that the final price in the Offering corresponds to the midpoint in the price range (SEK 53), that the Offering is fully subscribed and that the Over-allotment Option is not exercised. Furthermore, pursuant to the placing agreement, the Company will undertake not to issue any shares or other securities during the first 180 days of the Lock-Up Period. The Joint Global Coordinators may grant exceptions from the lock-up undertakings.



# ARTICLES OF ASSOCIATION

# ARTICLES OF ASSOCIATION

This is an unofficial translation of the articles of association adopted at the annual general meeting held on 18 May 2018. Schedules are not included.

<b>1</b>	<b>THE NAME OF THE COMPANY</b>
1.1	The Company's name is Better Collective A/S.
1.2	The Company also carries on business under the secondary names Better A/S, Chrisper Economy A/S and Bettingexpert A/S.
<b>2</b>	<b>OBJECTS</b>
2.1	The Company's objects are to engage in advisory and consultancy activities and planning and trade and any other business activities related thereto within online betting and gambling. The Company may have interest in other companies or business within the same area of business as a shareholder.
<b>3</b>	<b>THE COMPANY'S SHARE CAPITAL AND SHARES</b>
3.1	The share capital of the Company amounts to EUR 275,498.28 and is divided into shares of EUR 0.01 each or multiples thereof. The share capital is paid in full.
3.2	No shares carry any special rights. No shareholder is obliged to have his or her shares redeemed in full or in part.
3.3	The shares are negotiable, but must be registered in the name of the holder and be registered in the Company's register of shareholders.
3.4	The shares are freely transferable.
3.5	The shares are issued through and registered with VP Securities A/S. Dividend, including any interim dividend, from the shares will be paid by way of transfer through VP Securities A/S.
3.6	The Company has appointed Euroclear Sweden AB, reg. no. 556112-8074 as keeper of the Company's register of shareholders for all shares issued by the Company.
<b>4</b>	<b>WARRANTS</b>
4.1	At a meeting of the board of directors of the Company held on 25 August 2017, the board of directors resolved, pursuant to an authorisation issued by the general meeting, to issue 10,172 warrants corresponding to shares of a nominal amount of EUR 5,492.88 and adopted the capital increase required for that purpose. Each of the issued warrants may be exercised at an exercise price of DKK 700. The other terms and conditions of the issued warrants are set out in Schedule 1, which forms an integral part of these articles of association.
4.2	At a meeting of the board of directors of the Company held on 25 August 2017, the board of directors resolved, pursuant to an authorisation issued by the general meeting, to issue 24,636 warrants corresponding to shares of a nominal amount of EUR 13,303.44 and adopted the capital increase required for that purpose. Each of the issued warrants may be exercised at an exercise price of DKK 700. The other terms and conditions of the issued warrants are set out in Schedule 2, which forms an integral part of these articles of association.
4.3	At a meeting of the board of directors of the Company held on 22 March 2018, the board of directors resolved, pursuant to an authorisation issued by the general meeting, to issue 3,143 warrants corresponding to shares of a nominal amount of EUR 1,697.22 and adopted the capital increase required for that purpose. Each of the issued warrants may be exercised at an exercise price of DKK 700. The other terms and conditions of the issued warrants are set out in Schedule 1.
4.4	At a meeting of the board of directors of the Company held on 11 April 2018, the board of directors resolved, pursuant to an authorisation issued by the general meeting, to issue 450 warrants corresponding to shares of a nominal amount of EUR 243.00 and adopted the capital increase required for that purpose. Each of the issued warrants may be exercised at an exercise price of DKK 700. The other terms and conditions of the issued warrants are set out in Schedule 2, which forms an integral part of these articles of association.
<b>5</b>	<b>AUTHORISATION TO THE BOARD OF DIRECTORS</b>
5.1	In the period until 31 December 2018, the board of directors is authorised to increase the Company's share capital in one or more issues of new shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount of EUR 100,000. The capital increase shall (i) take place to cover the over-allotment option, if relevant, in connection with the Company's initial public offering and admission to trading and official listing on Nasdaq Stockholm the Offering in accordance with the published prospectus, (ii) take place at the offer price as determined through a book-building process in connection with the Company's initial public offering and admission to trading and official listing on Nasdaq Stockholm and (iii) be effected by cash payment. The authorization shall automatically lapse following the issue of shares to cover the over-allotment option or in connection with the waiver of the over-allotment option, as applicable.

<b>6</b>	<b>GENERAL MEETINGS</b>
<b>6.1</b>	<b>Shareholders' right to pass resolutions</b>
6.1.1	The shareholders exercise their right to pass resolutions at the Company's general meetings.
<b>6.2</b>	<b>Right to attend and vote</b>
6.2.1	Each shareholder is entitled to attend and speak at general meetings, but see articles 6.2.2 - 6.2.4 of these articles of association.
6.2.2	A shareholder's right to attend a general meeting and to vote is determined on the basis of the shares held by the shareholder at the date of registration, which is one week before the date of the general meeting. The shareholding of each individual shareholder is determined at the date of registration, based on the number of shares held by that shareholder as registered in the register of shareholders and on any notice of ownership received by the Company for the purpose of registration in the register of shareholders, but not yet registered.
6.2.3	The shareholder is entitled to attend general meetings by proxy, who must produce a written and dated instrument of proxy. The shareholder or the proxy may attend the general meeting together with an advisor authorised to speak at the general meeting on behalf of the shareholder.
6.2.4	In order to attend the general meeting, it is a condition that the shareholder or the proxy, as the case may be, has notified the attendance for him or herself as well as any accompanying advisor within three calendar days of the general meeting at the latest.
<b>6.3</b>	<b>Place</b>
6.3.1	General meetings are held in (i) Greater Copenhagen, (ii) the Municipality of Gothenburg, Sweden, or (iii) the Municipality of Stockholm, Sweden, as decided by the board of directors.
<b>6.4</b>	<b>Notice of general meetings</b>
6.4.1	General meetings must be convened at no less than three weeks' and no more than five weeks' notice.
6.4.2	The board of directors convenes general meetings via the Company's website ( <a href="http://www.bettercollective.com">www.bettercollective.com</a> ) as well as in writing to all shareholders registered in the Company's register of shareholders having so requested.
6.4.3	Extraordinary general meetings are held when so decided by a general meeting, the board of directors or the company's auditor or when so requested of the board of directors in writing by shareholders holding at least 5% of the share capital. Any such request by shareholders must specify the matters to be considered at the general meeting. Such extraordinary general meeting must be convened within fourteen days of receipt of the request by the board of directors.
6.4.4	No later than 3 weeks before a general meeting including the date of the general meeting), the following information must be made available for the shareholders' inspection on the Company's website ( <a href="http://www.bettercollective.com">www.bettercollective.com</a> ): <ol style="list-style-type: none"> <li>1. Notice convening the general meeting.</li> <li>2. The total number of shares and voting rights on the date of the notice</li> <li>3. The documents to be submitted to the general meeting</li> <li>4. The agenda and the complete proposals</li> <li>5. Forms to be used in connection with voting by proxy and by post, unless such forms are sent directly to the shareholders</li> </ol>
6.4.5	Shareholders have a right to have one or more specific issues treated at the general meeting if the board of directors has received such proposals in writing no later than six weeks before the date of the general meeting.
<b>6.5</b>	<b>Annual general meetings</b>
6.5.1	The annual general meeting is held every year in time for the audited and approved annual report to be submitted to the Danish Business Authority within four months of the end of the financial year at the latest.
6.5.2	No later than eight weeks before the contemplated date of the annual general meeting, the board of directors shall publish the date of the general meeting and the deadline for submission of requests for specific business to be included in the agenda, see article 6.4.5.
6.5.3	The agenda of the annual general meeting must include the following items: <ol style="list-style-type: none"> <li>1. Appointment of the chairman of the general meeting</li> <li>2. The board of directors' report on the activities of the Company during the past financial year</li> <li>3. Presentation of the audited annual report and the consolidated financial statements for adoption</li> <li>4. Proposal by the board of director concerning the appropriation of profits or covering of losses as recorded in the approved annual report</li> <li>5. Resolution to grant discharge of liability to members of the board of directors and the executive management</li> <li>6. Election of members of the board of directors, including the chairman of the board of directors</li> <li>7. Approval of the board of directors' remuneration for the current financial year</li> <li>8. Election of auditor and determination of remuneration for the auditor</li> <li>9. Any proposals from the board of directors or the shareholders.</li> </ol>
6.5.4	The accountant elected by the general meeting shall be present at the Company's annual general meetings.

## 6 GENERAL MEETINGS

### 6.6 Voting

6.6.1 At general meetings, each represented share of EUR 0.01 carries one vote.

6.6.2 Each shareholder must vote consistently in respect of all its shares. The shareholders may cast their votes in writing to the board of directors before the general meeting. Postal votes must reach the Company no later than 3 days before the general meeting, and when received by the Company such postal votes cannot be withdrawn.

6.6.3 Unless otherwise provided by the Danish Companies Act, all resolutions at general meetings will be passed by a simple majority of votes. In the event of a tied vote, the proposed resolution has not been passed.

6.6.4 If a person is to be elected, the person receiving the majority of the votes will be elected. In the event of a tied vote, the election will be resolved by lot.

### 6.7 Chairman and minute book

6.7.1 The general meeting is presided over by a chairman appointed by the board of directors.

6.7.2 The chairman of the meeting will ensure that the general meeting is held in a proper and efficient manner.

6.7.3 The business transacted at general meetings must be recorded in a minute book to be signed by the chairman of the meeting. All resolutions at general meetings must be recorded in the Company's minute book.

6.7.4 No later than two weeks after the date of the general meeting, such minute book or a certified copy thereof as well as the voting results for the general meeting must be made available on the Company's website ([www.bettercollective.com](http://www.bettercollective.com)).

### 6.8 Language of the general meeting

6.8.1 General meetings must be held in English, without offering simultaneous interpretation between Danish and English.

6.8.2 Documents to be used for the general meeting in connection with or after the general meeting must be prepared in Danish. However, the board of directors may decide to prepare such documents in English provided that the Danish Business Authority does not require that such documents be prepared in Danish.

## 7 ELECTRONIC COMMUNICATION

7.1 The board of directors may choose that all communication from the Company to the individual shareholders is to be effected by electronic means, including by email, and that general notices are made available to the shareholders on the Company's website ([www.bettercollective.com](http://www.bettercollective.com)), unless otherwise provided by law. The Company may at any time communicate to the individual shareholders by ordinary post in addition or as an alternative to electronic means of communication.

7.2 Notices to the shareholders of annual and extraordinary general meetings, including the complete proposals for proposed amendments of the articles of association, the agenda, annual reports, interim reports, company announcements, admission cards, proxy and voting forms as well as any other general information from the Company to the shareholders, may be forwarded by the Company to the shareholders by electronic means, including by email. Except for admission cards to general meetings, the above documents may be found on the Company's website ([www.bettercollective.com](http://www.bettercollective.com)).

7.3 Each shareholder is responsible for ensuring that the Company has the correct email address of the shareholder at all times. The Company is not obliged to verify such contact information or to send notices in any other way.

7.4 The shareholders may find information about the requirements for the systems to be used and the procedures to be followed when communicating electronically on the Company's website ([www.bettercollective.com](http://www.bettercollective.com)).

## 8 CORPORATE LANGUAGE

8.1 The Company's corporate language shall be English.

**9 THE BOARD OF DIRECTORS**

9.1	The general meeting elects no less than three and no more than seven members to the board of directors of the Company.
9.2	Members of the board of directors are elected for a term of one year at a time until the next annual general meeting. Re-election is possible.
9.3	The chairman of the board of directors is elected by the general meeting. If such election has not been made, or if the chairman resigns during a term of election, the board of directors shall elect a chairman among its members to serve until the earlier of the next annual general meeting, or the time when a chairman of the board of directors has otherwise been elected by the general meeting.
9.4	The board of directors forms a quorum when more than half of all members are represented.
9.5	The board of directors prepares rules of procedure with detailed rules on the performance of the duties of the board of directors.
9.6	The remuneration payable to members of the board of directors is determined by the general meeting.

**10 THE EXECUTIVE MANAGEMENT**

10.1	The board of directors must appoint one or more executive managers to be responsible for the day-to-day management of the Company and determine the terms for their appointment and the detailed rules on their authority.
10.2	If more than one executive manager is appointed, the board of directors establishes the division of work and responsibility between the executive managers, and one of the executive managers may be appointed managing director.

**11 NOMINATION COMMITTEE**

11.1	A nomination committee shall be appointed consisting of four members.
11.2	The main objective and responsibility of the nomination committee is to prepare proposals to the annual general meeting for the election of the chairman and other members of the board of directors, the remuneration to the board of directors, the chairman of the general meeting and election of and remuneration to the auditor.
11.3	The appointment of members to the nomination committee and the rules governing the work of the nomination committee are set forth in the rules of procedure for the nomination committee attached as Schedule 3.

**12 INCENTIVE PAY**

12.1	The Company has prepared a set of general guidelines for incentive pay to the board of directors and to the executive management. The guidelines, which have been presented to and adopted by the general meeting of the Company on 18 May 2018 in accordance with section 139 of the Danish Companies Act, are available to the public on the Company's website ( <a href="http://www.bettercollective.com">www.bettercollective.com</a> ).
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**13 EXTRAORDINARY DIVIDENDS**

13.1	The board of directors is authorised to resolve to distribute extraordinary dividends.
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**14 POWER TO BIND THE COMPANY**

14.1	The Company is bound by the joint signature of two members of the executive board, by the joint signatures of the chairman of the board of directors and a member of the executive board or a member of board of directors or by the joint signatures of all members of the board of directors.
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15

FINANCIAL STATEMENTS AND AUDIT

- 15.1

The financial year of the Company runs from 1 January to 31 December.
- 15.2

The annual report of the Company shall be audited by one state-authorised public accountant, unless additional accountants are required under the legislation in force. The accountant is appointed at the general meeting for the period until the next annual general meeting. Re-appointment can occur.
- 15.3

The Company's annual reports are prepared and presented in English.



# LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

# LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

## GENERAL INFORMATION AND GROUP STRUCTURE

The name of the Company and its trading name is Better Collective A/S. The Company's corporate registration number is 27652913 and its registered office is in the municipality of Copenhagen, Denmark. The Company is a public limited liability company and its form of association is governed by the Danish Companies Act. The Company was founded and registered with the Danish Business Authority on 19 March 2004.

The Company is the parent company of the wholly owned subsidiaries Hebvía Beteiligungen GmbH (Austria), Better Collective SAS (France), Better Collective D.o.o. (Serbia), Scatter Web ApS (Denmark) and Ploomo ApS (Denmark). Hebvía Beteiligungen GmbH is in turn the parent company of Better Collective GmbH (Austria).

## AGREEMENTS

### Agreements in the ordinary course of business

The Group has entered into a number of agreements in the ordinary course of business, including agreements with service providers as well as iGaming operators. The Company does not consider such agreements to be of material importance to the Group's business operations as a whole, other than what is described under the section *Material agreements* below.

### Agreements with iGaming operators

The Group has entered into several agreements with iGaming operators as its customers. The Group's largest partnership in terms of revenue is with Bet365 and the contractual relationship dates back to 2006. The principal obligation of the Group under the agreements with iGaming operators is to refer

internet traffic, i.e. users, to the relevant iGaming operator's websites through the Group's own websites. The iGaming operators provide the Group with links containing tracking codes (which enables the operators to measure the internet traffic generated by the Group) and various promotional materials, such as banners and other graphic documentation, which are incorporated on the Group's own websites. Most of the agreements are based on a revenue share model, CPA model or a combination of the two.

The Group's agreements with the iGaming operators can overall be divided into three categories: (i) affiliate agreements, which are the Group's own standard general terms and conditions for working with iGaming operators, (ii) display marketing service agreements ("**DMSA**"), which are agreements the Group utilises for specific deals, providing placements and marketing exposure across the Group's network of websites and (iii) agreement based on the iGaming operators' affiliate terms and conditions (acceptance of these terms and conditions is mandatory to apply for an affiliate account).

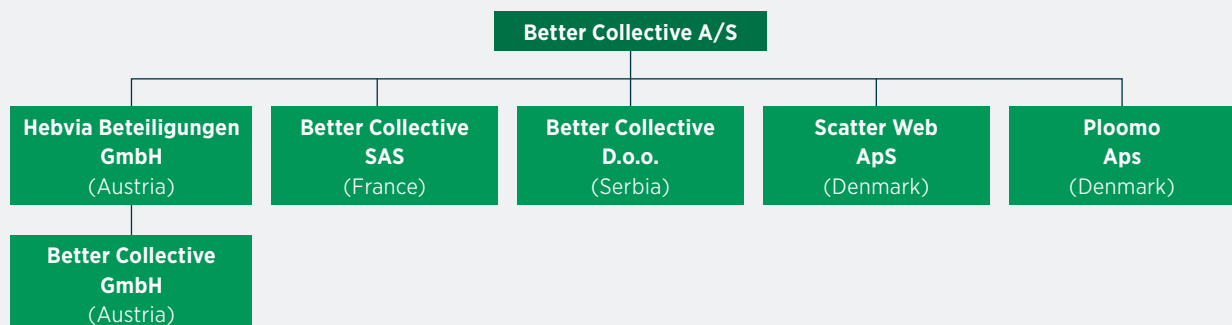
### Material agreements

The Group has entered into several acquisition agreements, including the acquisition of shares as well as assets. Below is a summary of the two acquisition agreements that the Group considers to be material.

#### *Acquisition agreement regarding the acquisition of Hebvía Beteiligungen GmbH (Sportfreunde)*

On 31 May 2017, the Company entered into a share purchase agreement to acquire 100 percent of the shares in Hebvía Beteiligungen GmbH and (indirectly) its subsidiary Sportfreunde Informationsdienste GmbH. The purchase price amounted to approximately EUR 12.7 million, whereof approximately 80 percent of the purchase price was paid in connection with

## GROUP STRUCTURE BETTER COLLECTIVE A/S AS PER 28 MAY 2018



the closing of the transaction and the remaining part of the purchase price will fall due 31 May 2018.

The share purchase agreement contains customary representations and warranties by the sellers as well as limitations on the sellers' liability. The warranties have duration of 18 months except for tax and fundamental warranties which are subject to extended time limitations. Further, the agreement contain an obligation on the sellers not to compete with the business of the transferred companies for a period of two years and an obligation not to solicit employees of the target companies for a period of six months following the execution of the share purchase agreement.

#### **Acquisition agreement regarding the acquisition of Pull Media SAS**

On 31 August 2017, the Company entered into a share purchase agreement to acquire 100 percent of the shares in Pull Media SAS. The purchase price consisted of a fixed purchase price of approximately EUR 8.4 million and an earn-out. 40 percent of the fixed purchase price was paid through a promissory note. As security for the payment of the promissory note, the Company pledged its shares in Pull Media SAS. On 13 March 2018, the sellers and the Company entered into an addendum to the share purchase agreement whereby the earn-out was settled to a fixed amount of EUR 1.2 million, the repayment of the promissory note was accelerated and immediately paid and the share pledge was released.

The share purchase agreement contains customary representations and warranties by the sellers as well as limitations on the sellers' liability. The warranties have a duration of 18 months except for tax and fundamental warranties which are subject to extended time limitations. Further, the agreement contain an obligation on the sellers not to compete with the business of the transferred companies for a period of three years and an obligation not to solicit employees of Pull Media SAS for a period of six months following the execution of the share purchase agreement.

#### **Financing agreements**

The Group's financing agreements are described in the section *Capitalisation, indebtedness and other financial information – External financing*.

#### **INSURANCE**

The board of directors considers the Company's current insurance coverage to be adequate with regard to the nature and scope of its operations.

#### **INTELLECTUAL PROPERTY**

The Group's intellectual property consists mainly of registered domain names and trademarks. The Group holds more than 4,000 registered domain names for its community and content sites. The Group is also the registered owner of

the trademarks *bettingexpert* (logotype and word mark) in Denmark and *glückspielschule.de* (logotype and word mark) in Germany. In addition, the Group holds the rights to original website content in accordance with agreements with employees, consultants and freelancers. The Group has also developed software for various APIs for in-house use.

#### **DISPUTES**

The Group may from time to time be subject to legal or arbitration proceedings as a part of the Group's ordinary course of business. However, the Group has not been involved in any legal or arbitration proceedings (including cases that are pending or that the Group is aware could arise) during the past twelve months which may have, or have had in the recent past, significant effects on the Group's financial position or earnings.

The Company has however been charged with infringement of the Danish gambling act, stating that the Company through four websites with Danish domain names has promoted participation in foreign gambling activities without a Danish license. The matter is currently being considered by the Danish Prosecution Services and it is a novel legal question whether the legislation extends to instances where the foreign gambling provider cannot/ and or will not accept Danish players.

The case regards old sites with no traffic and the Company has implemented processes to ensure continued compliance with the regulation on the different websites, including old sites. The Company considers this to be an isolated case, which can be closed by accepting a fine of a low amount (the Company believes that a fine would most likely be lower than DKK 100,000), but believes that there are good arguments supporting that no infringement has been made. The Company does not believe that the case could have any significant financial effects on the Group regardless of outcome.

#### **ADVISORS' INTERESTS**

The Joint Global Coordinators provide financial advice and other services to the Company and the Selling Shareholder in connection with the Offering and will upon a successful completion of the Offering receive a advisory fee from the Company and the Selling Shareholder. The size of the advisory fee will be based on the amount of gross proceeds received from investors, and the Joint Global Coordinators have therefore, as such, an interest in the Offering.

Nordea has provided the Company with a credit facility of DKK 225 million in accordance with a loan agreement dated 26 April 2018.<sup>1</sup> The Joint Global Coordinators or their affiliates may from time to time have business relations with the Company and the Selling Shareholder, including lending activities, or may perform services for the Company and the Selling Shareholder in the ordinary course of business. None of the Joint Global Coordinators own shares in the Company.

<sup>1</sup> For further details, see the section *Capitalisation, indebtedness and other financial information – External financing*.

Other than the interests described above, there are no material interests, in particular no material conflicts of interest, with respect to the Offering.

## PLACING AGREEMENT

Pursuant to the terms of an agreement on the placement of shares which is intended to be entered into on or around 7 June 2018 between the Company, the Selling Shareholder and the Joint Global Coordinator (the “**Placing Agreement**”), the Company undertakes to issue the new shares and the Selling Shareholder, assuming that the Offering is increased, undertakes to sell the existing shares included in the Offering, to the purchasers procured by the Joint Global Coordinators, or, failing which, to the Joint Global Coordinators themselves. The Placing Agreement furthermore states that the Company will provide the Over-allotment Option that involves a commitment to, at the request of the Joint Global Coordinators, within 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm, issue an additional number of new shares in the Company, corresponding to no more 15 per cent of the number of shares covered by the Offering including, as applicable, additional shares following an increase of the Offering, at a price equivalent to the price in the Offering. The Over-allotment Option may only be exercised in order to cover potential over-allotment in the Offering.

Pursuant to the Placing Agreement, the Company provides certain customary warranties to the Joint Global Coordinators, mainly that the information in the Prospectus is correct, that the Prospectus and the Offering comply with relevant legal requirements and that no legal or other restrictions prevent the Company to enter into the agreement or for the execution of the Offering. The Placing Agreement stipulates that the Joint Global Coordinators' obligation to procure purchasers for or, in the event that the Joint Global Coordinators would fail to procure purchasers, to purchase the shares covered by the Offering themselves, is conditional upon, among other things, the warranties by the Company and the Selling Shareholder being correct, that no events occur that have such a material adverse effect on the Company or the completion of the Offering that, in the sole opinion of any of the Joint Global Coordinators, it would be inadvisable or impracticable to complete the Offering in the manner contemplated in the Prospectus (“**material adverse events**”), and of certain customary completion conditions. The Joint Global Coordinators can terminate the Placing Agreement up to the settlement date on 12 June 2018, if any material adverse events occur, if the warranties provided by the Company or the Selling Shareholder to the Joint Global Coordinators should prove to be incorrect or if any of the other completion conditions stipulated in the Placing Agreement are not fulfilled. In such an event, neither the delivery nor the payment of shares will take place under the Offering. Pursuant to the Placing Agreement, the Company, with the customary exceptions, will undertake to indemnify the Joint Global Coordinators against certain claims. Furthermore, the Company will reimburse the Joint Global Coordinators for certain expenses that the Joint Global Coordinators has incurred in connection with the Offering.

In order for the Company to be able to deliver the shares pursuant to for the new issues in the Offering, including the Over-allotment Option, immediately before the new issued shares have been registered by the Danish Business Authority,

the Selling Shareholder will lend up to 14,831,709 shares to the Joint Global Coordinators in connection with the Placing Agreement. As a result thereof, the Selling Shareholder's direct and indirect holdings in the Company may for a period of time fall below 1/3 of the total number of voting rights in the Company. When the Joint Global Coordinators return the shares borrowed to the Selling Shareholder's, the Selling Shareholder's direct and indirect holdings in the Company may increase to 1/3 or more of the total number of voting rights in the Company and thereby trigger the obligation to offer a mandatory bid pursuant to the Danish Capital Markets Act and the Executive Order no. 1171 of 31 October 2017. The Selling Shareholder will apply for exemption from such mandatory bid obligation with the Danish Financial Supervisory Authority (Dan. *Finanstilsynet*).

Pursuant to the Placing Agreement, the Company will undertake in relation to the Joint Global Coordinators during a period of 180 days following the first day of trading of the shares at Nasdaq Stockholm, (i) not to issue, offer, pledge, sell, undertake to sell or otherwise transfer or divest, directly or indirectly, any shares or any other securities, which are convertible to or can be exercised or exchanged for such securities, or (ii) to purchase or sell options or other instruments or enter into a swap agreement or other arrangement which wholly or partly assign financial risk that is associated with ownership of the Company to another party. The undertaking does not prevent the Company from issuing the shares in the Offering or issuing shares within the framework of the incentive programs described in the Prospectus. The Joint Global Coordinators can also provide exceptions from the undertaking.

## STABILISATION

In connection with the Offering, the Joint Global Coordinators may carry out transactions in order to provide support for the shares' market price at a level higher than that which might otherwise prevail on the market. Such stabilisation transactions may be carried out on Nasdaq Stockholm, the OTC market or otherwise, and may be carried out at any time during the period beginning on the first day when the shares are traded on Nasdaq Stockholm and ending no later than 30 calendar days thereafter. However, the Joint Global Coordinators are under no obligation to carry out stabilisation of any kind, nor is there any guarantee that stabilisation will be carried out. Moreover, if undertaken, stabilisation may be discontinued at any time without prior notice. No transactions will be carried out under any circumstances in order to provide support for the shares' market price at a level higher than the price set in the Offering. No later than by the end of the seventh trading day after stabilisation transactions have been undertaken, the Joint Global Coordinators shall disclose that stabilisation transactions have been undertaken in accordance with article 5(4) in the Market Abuse Regulation 596/2014. Within one week of the end of the stabilisation period, the Joint Global Coordinators will, through the Company, make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred and the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out.

## TRANSACTIONS WITH RELATED PARTIES

### Transactions with related parties during the three month period ended 31 March 2018

For information about transactions with related parties during the three month period ended 31 March 2018, see *Note 8 Related party transactions* in the section *Historical financial information – Reviewed consolidated unaudited condensed interim financial statements as of 31 March 2018 and for the three month period ended 31 March 2018*.

### Transactions with related parties during the financial years 2015, 2016 and 2017

For information about transactions with related parties during the financial years 2015, 2016 and 2017, see *Note 23 Related party disclosures* in the section *Historical financial information – Audited consolidated historical financial statements for the financial years ended 31 December 2017, 2016 and 2015*.

## COSTS RELATED TO THE OFFERING

The Company's expenses for the Offering and the listing on Nasdaq Stockholm are expected to a maximum of SEK 50 million. In addition to fees to the Joint Global Coordinators, the Company's expenses mainly consists of expenses for accountants, legal advisors, printing of prospectus, costs of presentation materials for advisors and similar.

## UNDERTAKINGS TO ACQUIRE SHARES IN THE OFFERING

Certain members of the board of directors have undertaken to acquire shares in the Offering equivalent to SEK 39.5 million. Based on full subscription of the Offering, that the Over-allotment Option is not exercised and assuming that the final price in the Offering corresponds to the midpoint in the price range (SEK 53), the commitment equates to 745,282 shares, which corresponds to 6.6 percent the number of shares in the Offering, and 1.9 percent of the total number of shares in the Company after the Offering. The participating members of the board of directors will not receive any compensation for their respective undertakings and their investments are made on the same terms and conditions as those applicable for other investors in the Offering.

The Joint Global Coordinators, the Selling Shareholder and the Company are of the opinion that the creditworthiness of the board members that have undertaken to acquire shares in the Offering is sound and that they will be able to meet their respective undertakings. The commitments are however not covered by any bank guarantee, blocked funds or pledging or similar arrangement. The commitments are also subject to certain conditions.

Investor	Subscription undertaking (SEK million)	Number of Shares	Percentage of the total number of shares in the Offering <sup>1</sup>	Percentage of the total number of shares in the Company after the Offering <sup>1</sup>
<b>Members of the board of directors</b>				
Jens Bager <sup>2</sup>	20.0	377,358	3.3%	1.0%
Leif Nørgaard <sup>2</sup>	10.0	188,679	1.7%	0.5%
Klaus Holse <sup>2</sup>	6.7	126,415	1.1%	0.3%
Søren Jørgensen <sup>2</sup>	2.8	52,830	0.5%	0.1%
<b>Total:</b>	<b>39.5</b>	<b>745,282</b>	<b>6.6%</b>	<b>1.9%</b>

<sup>1</sup> Based on full subscription of the Offering, that the Over-allotment option is not exercised and assuming that the final price in the Offering corresponds to the midpoint in the price range (SEK 53)

<sup>2</sup> Members of the board of directors can be reached through the Company's head office at Toldbodgade 12, DK-1253 København K, Denmark



**DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available at the Group's head office at Toldbodgade 12, DK-1253 København K, Denmark during the period of validity of the Prospectus (regular business hours on weekdays):

- This Prospectus;
- Better Collective's articles of association;
- Better Collective's annual reports for the financial years 2015, 2016 and 2017; and
- Better Collective's subsidiaries' annual reports for the financial years 2015, 2016 and 2017.

# CERTAIN TAX CONSIDERATIONS

# CERTAIN TAX CONSIDERATIONS

Below is a summary of specific tax rules for individuals and limited liability companies with tax residence in Sweden or Denmark, unless otherwise stated. The summary is based on current legislation and is intended only as general information regarding Better Collective's shares as from the admission for trading on Nasdaq Stockholm.

The summary does not cover (i) shares which are held by partnerships or as inventory assets in business operations, (ii) any details about special rules pertaining to tax-free capital gains (including prohibition of deduction for capital losses) or corporate dividends which may become applicable should shareholders hold shares which may be considered business-related, (iii) special rules that may apply to holdings in companies that are or have been so-called closely held companies or to shares purchased on the basis of so-called qualified shares in closely held companies, (iv) shares held in an investment savings account (Sw. *investeringssparkonto (ISK)*) and which are subject to special rules on standardised rate taxation, (v) shares held in an endowment insurance (Sw. *kapitalförsäkring*), (vi) foreign companies conducting business through a permanent establishment in Sweden or Denmark, or (vii) special tax rules applicable to certain investors, for example investment companies or insurance companies.

The summary does furthermore not cover investors subject to special tax regimes, including: Danish Act on Pension Investment Return Taxation, professional investors, certain institutional investors, insurance companies, pension companies, banks, stockbrokers and investors with tax liability on return on pension investments. Similarly, the summary comments do not cover taxation of individuals and companies who carry on a business of purchasing and selling shares.

Each individual shareholder's tax liability will depend on their particular situation. Each holder of shares should consult a tax advisor for information on the special implications that may arise in the individual situation, including the applicability and effect of foreign rules and tax treaties.

## TAX CONSIDERATIONS IN SWEDEN

### Private individuals

When listed shares are sold or otherwise disposed of by an individual resident in Sweden for tax purpose, a taxable capital gain or deductible capital loss may occur. Capital gains are taxed as income from capital at a rate of 30 percent. Redemption of shares is equated with disposal. For Danish tax consequences, see the section *Tax Considerations in Denmark – Shareholders who have limited liability to pay tax in Denmark*. Capital gain or loss is typically determined as the difference between the sales proceeds, after deduction for sales costs, and the acquisition cost. The acquisition cost for all shares of the same type and class is calculated as an aggregate using the averaging method (Sw. *genomsnittsmetoden*). When selling listed shares, the acquisition cost may be alternatively calculated according to the standardised method (Sw. *schablonmetoden*) at 20 percent of the sales proceeds after deduction of sales costs.

Capital losses on listed shares are fully deductible against taxable capital gains incurred that arise during the same tax year on shares and other listed securities except shares in mutual funds containing only Swedish rights to recover debts (Sw. *räntefonder*).

Capital losses on shares or other ownership interests that cannot be offset in this way may be deducted for up to 70 percent of value against other capital income. In the event of a deficit in capital income, a tax reduction is granted against

municipal and national income tax, as well as against municipal property tax and national property tax. A tax reduction is allowed for 30 percent of that part of the loss that does not exceed SEK 100,000, and 21 percent of the remainder. Such a loss cannot be carried forward into a future tax year.

For private individuals, dividends on listed shares are taxed in the capital income category at a rate of 30 percent. For private individuals who are resident in Sweden, a preliminary tax of 30 percent is normally withheld from dividends. The preliminary tax is withheld by Euroclear Sweden or, for nominee-registered shares, by the nominee. Better Collective will not withhold any preliminary tax, unless required by law.

### Limited liability companies

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a rate of 22 percent. Capital gains and losses are calculated in the same manner as described above in respect to private individuals.

Deductible capital losses on shares or other ownership interests can only be deducted against taxable capital gains on shares or other ownership interests. If certain conditions are met, such a capital loss may also be offset against capital gains on shares or other ownership interests in companies within the same group, provided that a right to make group contributions between companies exists. Any capital loss that cannot be utilised in a given year may be carried forward and offset against taxable capital gains on shares and other own-

ership interests in future years, without limitation in time. For Danish tax consequences, see the section *Tax Considerations in Denmark – Shareholders who have limited liability to pay tax in Denmark*.

#### **Shareholders who have a limited liability to pay tax in Sweden**

Shareholders who have limited tax liability in Sweden will normally not be taxable in Sweden for dividend and capital gains on disposals of shares. Shareholders may, however, be subject to taxation in their state of residence. Redemption of shares is equated with disposal.

When a limited liability company with limited tax liability in Sweden holds shares through a permanent establishment in Sweden, dividend and capital gains are subject to taxation in accordance with the rules applicable for Swedish companies, see the section *Limited liability companies* above.

According to a special rule, individuals that have limited tax liability in Sweden may however be subject to Swedish capital gains taxation upon disposals of shares in the Company, if they have been domiciled in Sweden or have had a habitual abode in Sweden at any time during the calendar year in which the shares are disposed or during the ten preceding calendar years. The applicability of this rule is, however, often limited by the applicable treaty for the avoidance of double taxation.

### **TAX CONSIDERATIONS IN DENMARK**

#### **Private individuals**

For Danish tax purposes, dividends received by Danish tax residents are taxed as share income at a rate of 27 percent up to an amount of DKK 52,900 (2018), which is doubled for cohabiting spouses to an amount of DKK 105,800 (2018). Share income exceeding the aforementioned limits is taxed at a rate of 42 percent. Such amounts are subject to annual adjustments and include all share income, meaning, all capital gains (on shares) and dividends derived by the individual or cohabiting spouses, respectively.

Gains from the sale of shares are taxed as share income at a rate of 27 percent until an amount of DKK 52,900 (2018) for individuals, which is doubled for cohabiting spouses to an amount of DKK 105,800 (2018). Gain exceeding the aforementioned limits is taxed at a rate of 42 percent. Such amounts are subject to annual adjustments and include all share income, meaning, all capital gains and dividends derived by the individual or cohabiting spouses, respectively.

The calculations of capital gain or loss on the sale of shares, which are traded on a regulated market, are calculated as the difference between the purchase price and the sale price. The purchase price is generally determined using the average method which means that each share is considered acquired at a price equivalent to the average acquisition price of all the shareholder's shares in the issuing company.

Losses on the sale of shares traded on a regulated market can only be offset against other share income deriving from similar shares, which should include dividends and capital gains from shares traded on a regulated market. To the extent that a loss from the sale of shares as mentioned cannot be offset

in an income year, such unused losses may be offset against a cohabiting spouse's share income deriving from shares traded on a regulated market.

Any remaining unused losses from shares traded on a regulated market, can be carried forward indefinitely and offset against future share income deriving from similar shares in respect to gains and dividends on other shares traded on a regulated market. It is a prerequisite that the Danish tax authorities have received information concerning the ownership of the shares, which is normally provided to the Danish tax authorities by the depositing bank if the depositing bank is Danish.

Redemption of listed shares is equated with disposal.

#### **Limited liability companies**

For limited liability companies, a distinction should be made between subsidiary shares, group shares, tax-exempt portfolio shares and taxable portfolio shares:

- “Subsidiary Shares” are generally defined as shares owned by a shareholder holding at least 10 percent of the nominal share capital of the issuing company.
- “Group Shares” are generally defined as shares in a company in which the shareholder of the company and the issuing company are subject to mandatory Danish tax consolidation or fulfil the requirements for voluntary international tax consolidation under Danish law.
- “Tax-Exempt Portfolio Shares” are generally defined as shares not traded on a regulated market owned by a shareholder holding less than 10 percent of the nominal share capital in the issuing company.
- “Taxable Portfolio Shares” are shares that do not qualify as subsidiary shares, group shares or tax-exempt portfolio shares.

Danish dividend taxation on listed shares are generally subject to the standard Danish corporate tax rate of 22 percent in 2018 and onwards, irrespective of ownership period. Dividends received on subsidiary shares and group shares should not be subject to taxation.

The obligation to withhold dividend tax is imposed on the distributing company, and to the extent that dividend tax is withheld at a higher amount, the shareholder should receive a refund in connection with the final tax assessment for the income year.

Gains or losses on disposal of subsidiary shares, group shares and tax-exempt portfolio shares are not included in the taxable income of the shareholder. It should be noted, that special Danish anti-avoidance legislation aims at circumvention of the 10 percent threshold.

Capital gains from the sale of taxable portfolio shares are taxable at the corporate income tax rate irrespective of ownership period, whereas losses on such shares are generally deductible. Calculation of any gain or loss is generally made in accordance with mark-to-market principle, which implies that each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning and

end of the tax year. Danish taxation will therefore occur on an accrual basis irrespective of realisation.

A sale of shares acquired in prior years implies that the calculation of gains or losses for the respective income year equals the difference between the value of the taxable portfolio shares at the beginning of the income year and the value of the taxable portfolio shares at realisation. If taxable portfolio shares have been acquired and realised in the same income year, the taxable income equals the difference between the acquisition sum and the realisation sum. If taxable portfolio shares are acquired in the income year and not realised in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income year.

A change of status from subsidiary shares/group shares/tax-exempt portfolio shares to taxable portfolio shares (or vice versa) is deemed to be a disposal of the shares and a reacquisition of the shares at market value at the time of change of status. Redemption of listed shares is equated with disposal.

### **Shareholders who have a limited liability to pay tax in Denmark**

#### ***Private individuals***

Dividends paid in respect of shares are generally subject to Danish withholding tax. The Danish withholding tax is 27 percent. A refund of Danish withholding tax can be made if the dividend-receiving individual is a resident of a state having a double taxation treaty with Denmark. A refund from the Danish tax authorities is in that case made of the tax amount exceeding the rate according to the treaty. Treaties generally provide for a 15 percent withholding tax rate. It should specifically be noted that a refund is normally done in accordance with a certain application procedure, and only following an application from the person liable to pay taxes.

If the shareholder holds less than 10 percent of the nominal share capital and is tax resident in a state which has a double taxation treaty or an international agreement, convention or other administrative agreement on assistance in tax matters according to which the competent authority in the state of the shareholder is obliged to exchange information with Denmark, dividends are subject to tax at a reduced rate of 15 percent. If the shareholder is tax resident outside the EU, it is an additional requirement that the shareholder together with related shareholders holds less than 10 percent of the nominal share capital. Note that the reduced tax rate does not affect the withholding rate. The shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

Where a non-resident of Denmark holds shares which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applicable to Danish tax.

An issuer of shares is subject to Danish withholding tax obligations.

Shareholders not resident in Denmark will normally not be subject to Danish tax on any gains realised on the sale of shares, irrespective of the ownership period. Where a non-resident of Denmark holds shares which can be attributed to a

permanent establishment in Denmark, such gains are taxable pursuant to the rules applicable to Danish tax residents.

No share transfer tax or stamp duties are payable on transfer of shares. Redemption of listed shares is equated with disposal. Individuals that are not resident in Denmark for tax purposes will normally not be taxable in Denmark for capital gains on redemption of shares. No withholding tax, transfer tax or stamp duties are payable on redemption of shares.

#### ***Limited liability companies***

Dividends from subsidiary shares are exempt from Danish withholding tax provided the taxation of the dividends is to be waived or reduced in accordance with the Parent Subsidiary Directive (2011/96/EU) or in accordance with a tax treaty with the jurisdiction in which the company investor is resident. Dividends from group shares are exempt from Danish withholding tax provided the company investor is a resident of the EU or the EEA and the taxation of dividends should have been waived or reduced in accordance with the Parent Subsidiary Directive (2011/96/EU) or in accordance with a tax treaty with the country in which the company investor is resident had the shares been subsidiary shares.

Withholding tax may be imposed unless the company receiving the dividend is the beneficial owner thereof. If Denmark is to reduce taxation of dividends on both subsidiary shares and group shares to a foreign company under a tax treaty, Denmark will not — as a matter of domestic law — exercise such right and will in general not impose any tax at all.

The Danish legislation includes a double tax treaty rule and EU Directive override rule, which enable the Danish tax authorities to deny benefits which could not have been achieved without for example an intermediary holding company, if the relevant “arrangement” is not established for legitimate business reasons or the “arrangement” does not reflect the economic reality.

Dividend payments on portfolio shares (both tax-exempt portfolio shares and taxable portfolio shares) are subject to a withholding tax of 27 percent in 2018, irrespective of ownership period. A request for a refund of Danish withholding tax can however be made by the shareholder in the following situations:

1. In the event that the dividend-receiving company is a resident of a state having a double taxation treaty with Denmark, the shareholder may claim a refund of the tax amount exceeding the treaty rate, through certain certification procedures, from the Danish tax authorities. The double taxation treaties generally provide for a 15 percent withholding tax rate.
2. If the shareholder holds less than 10 percent of the nominal share capital of the company and the shareholder is tax resident in a state which has a double taxation treaty or an international agreement, convention or other administrative agreement on assistance in tax matters according to which the competent authority in the state of the shareholder is obliged to exchange information with Denmark, dividends are subject to tax at a reduced rate of 15 percent. If the shareholder is tax resident outside the EU, it is an additional requirement that the shareholder together with related shareholders holds less than 10 percent of the nom-

inal share capital of the company. The shareholder must also in this situation claim a refund as described above. For information about this procedure, see the section *Tax considerations in Denmark – Private individuals*.

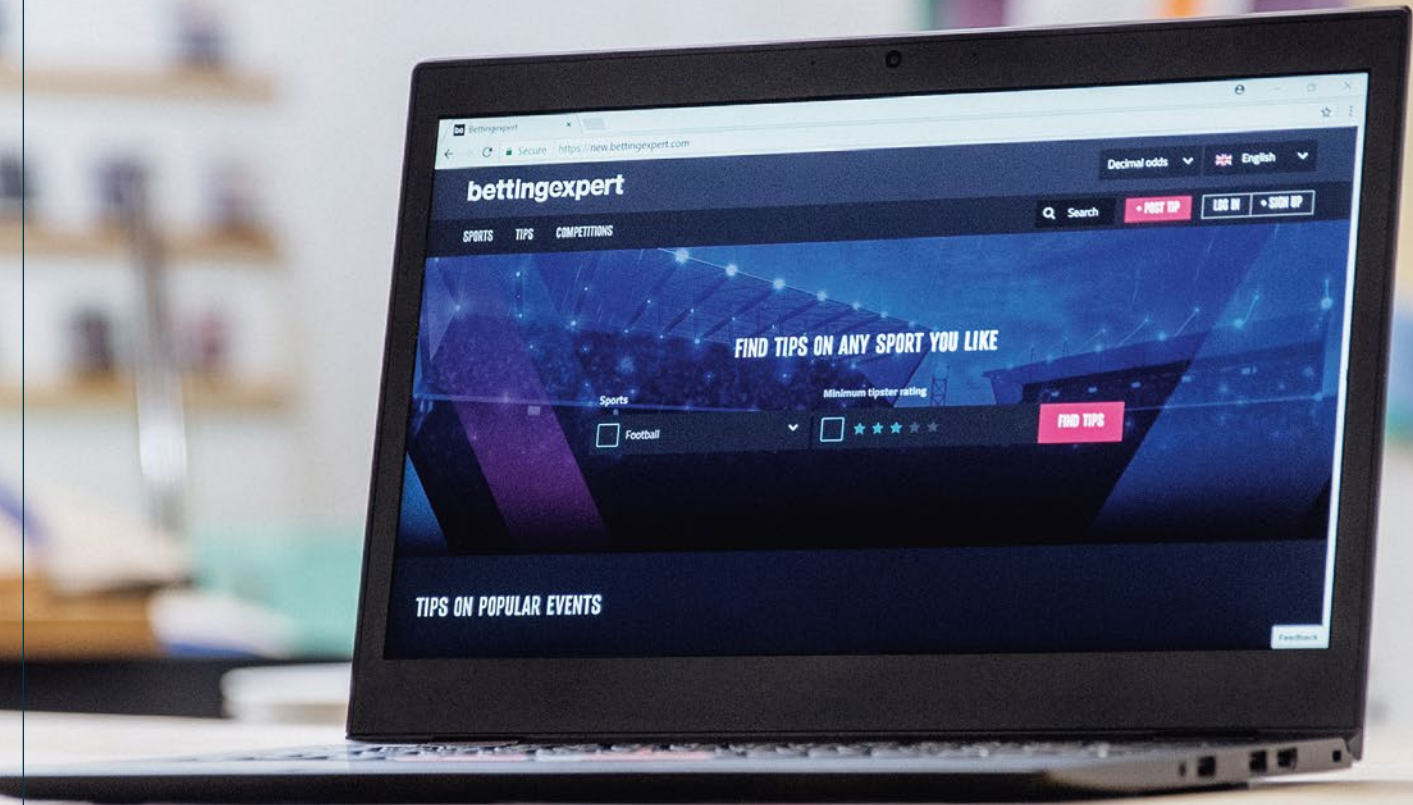
Where a non-resident company of Denmark holds shares which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applicable to Danish tax residents described above.

An issuer of shares is subject to Danish withholding tax obligations in accordance with applicable Danish laws.

Shareholders not resident in Denmark will normally not be subject to Danish tax on any gains realised on the sale of shares, irrespective of the ownership period. Where a non-resident of Denmark holds taxable portfolio shares which can be attributed to a permanent establishment in Denmark, such gains are taxable pursuant to the rules applicable to Danish tax residents.

No Danish share transfer tax or stamp duties are payable on transfer of shares. Redemption is equated with disposal. Companies that are not resident in Denmark for tax purposes will normally not be taxable in Denmark for capital gain on disposal of shares. No withholding tax, transfer tax or stamp duties are payable on redemption of shares.





# HISTORICAL FINANCIAL INFORMATION

# HISTORICAL FINANCIAL INFORMATION

Except for i) the consolidated historical financial statements for the financial years ended 31 december 2017, 2016 and 2015 ii) the consolidated condensed interim financial statements as of 31 March 2018 and for the three months ended 31 March 2018, and iii) the consolidated pro forma financial information for 2017, no information in the Prospectus has been audited or reviewed by the Company's auditor.

## **REVIEWED CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2018 AND FOR THE THREE MONTHS ENDED 31 MARCH 2018**

Consolidated income statement .....	132
Consolidated statement of comprehensive income.....	132
Consolidated balance sheet .....	133
Consolidated statement of changes in equity.....	135
Consolidated statement of cash flow .....	136
Notes to the consolidated financial statements.....	137
Statement by the board of directors and the executive management on the consolidated financial statements.....	142
Auditor's report on the consolidated financial statements.....	143

## **AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015**

Consolidated income statement .....	144
Consolidated statement of comprehensive income.....	144
Consolidated balance sheet .....	145
Consolidated statement of changes in equity.....	147
Consolidated statement of cash flow .....	149
Notes to the consolidated historical financial statements .....	150
Statement by the board of directors and the executive management on the consolidated historical financial statements .....	179
Auditor's report on the consolidated historical financial statements .....	180

**REVIEWED CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2018 AND FOR THE THREE MONTHS ENDED 31 MARCH 2018**

**CONSOLIDATED INCOME STATEMENT**

Note	tEUR	Q1 2018	Q1 2017	2017
2	<b>Revenue</b>	<b>7,552</b>	<b>5,245</b>	<b>26,257</b>
	Direct costs related to revenue	-870	-614	-2,950
3	Staff costs	-3,112	-1,461	-7,568
	Amortisation/depreciation and impairment	-408	-8	-722
	Other external expenses	-1,589	-621	-5,145
	<b>Operating profit</b>	<b>1,573</b>	<b>2,541</b>	<b>9,872</b>
	Financial income	14	0	7
	Financial expenses	-95	-57	-93
	<b>Profit before tax</b>	<b>1,493</b>	<b>2,484</b>	<b>9,786</b>
4	Tax on profit for the period	-359	-575	-2,340
	<b>Profit for the period</b>	<b>1,134</b>	<b>1,909</b>	<b>7,446</b>

**Earnings per share attributable to equity holders of the company**

Average number of shares	510,182	508,464	509,323
Average number of warrants	43,848	10,369	25,981
Earnings per share (in EUR)	2.22	3.75	14.62
Diluted earnings per share (in EUR)	2.05	3.68	13.91

Earnings per share (EPS) = Profit for the period / Average number of shares

**CONSOLIDATED COMPREHENSIVE INCOME**

Note	tEUR	Q1 2018	Q1 2017	2017
	<b>Profit for the period</b>	<b>1,134</b>	<b>1,909</b>	<b>7,446</b>
	<b>Other comprehensive income</b>			
	<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
	Currency translation to presentation currency	6	-9	-15
	Income tax	0	0	0
	Net other comprehensive income/loss	6	-9	-15
	<b>Total other comprehensive income/(loss) for the period, net of tax</b>	<b>1,140</b>	<b>1,900</b>	<b>7,430</b>
	<b>Attributable to:</b>			
	Shareholders of the parent	1,140	1,900	7,430

**REVIEWED CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2018 AND FOR THE THREE MONTHS ENDED 31 MARCH 2018**

**CONSOLIDATED BALANCE SHEET**

Note	tEUR	Q1 2018	Q1 2017	2017
	<b>ASSETS</b>			
	<b>Non-current assets</b>			
5	<b>Intangible assets</b>			
	Goodwill	7,178	0	7,178
	Domains and websites	22,772	263	20,085
	Accounts and other intangible assets	4,076	19	3,475
		<b>34,025</b>	<b>282</b>	<b>30,738</b>
	<b>Property, plant and equipment</b>			
	Land and buildings	751	769	756
	Fixtures and fittings, other plant and equipment	402	35	141
		<b>1,152</b>	<b>805</b>	<b>897</b>
	<b>Other non-current assets</b>			
	Investments in associates	0	0	0
	Receivables from associates	0	0	0
	Deposits	212	99	210
	Deferred tax assets	0	0	0
	Other non-current investments	0	0	0
	Other non-current receivables	0	0	0
		212	99	210
	<b>Total non-current assets</b>	<b>35,389</b>	<b>1,186</b>	<b>31,846</b>
	<b>Current assets</b>			
	Trade and other receivables	4,346	1,886	4,405
	Receivables from associates	0	33	0
	Corporation tax receivable	82	669	0
	Prepayments	309	127	325
	Other securities and investments	0	10	0
	Cash	1,330	6,645	2,129
	<b>Total current assets</b>	<b>6,067</b>	<b>9,370</b>	<b>6,860</b>
	<b>TOTAL ASSETS</b>	<b>41,456</b>	<b>10,555</b>	<b>38,705</b>

**REVIEWED CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2018 AND FOR THE THREE MONTHS ENDED 31 MARCH 2018**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

Note	tEUR	Q1 2018	Q1 2017	2017
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	Share Capital	69	68	69
	Share Premium	381	249	381
	Translation Reserve	10	10	4
	Treasury shares	0	-309	0
	Retained Earnings	15,590	7,921	14,322
	Proposed Dividends	0	0	0
	<b>Total equity</b>	<b>16,050</b>	<b>7,939</b>	<b>14,775</b>
	<b>Non-current Liabilities</b>			
	Debt to mortgage credit institutions	560	0	566
	Debt to credit institutions	4,594	0	0
	Deferred tax liabilities	5,727	37	5,655
	Other long-term financial liabilities	25	0	50
	<b>Total non-current liabilities</b>	<b>10,906</b>	<b>37</b>	<b>6,270</b>
	<b>Current Liabilities</b>			
	Prepayments received from customers	918	718	1,036
	Trade and other payables	2,179	1,288	1,879
	Corporation tax payable	1,857	573	1,697
	Other financial liabilities	4,894	0	7,706
	Debt to mortgage credit institutions	20	0	20
	Debt to credit institutions	4,633	0	5,323
	<b>Total current liabilities</b>	<b>14,500</b>	<b>2,579</b>	<b>17,660</b>
	<b>Total liabilities</b>	<b>25,406</b>	<b>2,616</b>	<b>23,930</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>41,456</b>	<b>10,555</b>	<b>38,705</b>



**REVIEWED CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2018 AND FOR THE THREE MONTHS ENDED 31 MARCH 2018**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
<b>As at January 1, 2017</b>	<b>68</b>	<b>249</b>	<b>19</b>	<b>-309</b>	<b>6,010</b>	<b>0</b>	<b>6,038</b>
Result for the period					1,909		1,909
<b>Other comprehensive income</b>							
Currency translation to presentation currency			-9				-9
Tax on other comprehensive income			0				0
Total other comprehensive income	0	0	-9	0	0	0	-9
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>-9</b>	<b>0</b>	<b>1,909</b>	<b>0</b>	<b>1,900</b>
			0	0			
<b>Transactions with owners</b>							
Share based payments					1		1
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>At March 31, 2017</b>	<b>68</b>	<b>249</b>	<b>10</b>	<b>-309</b>	<b>7,921</b>	<b>0</b>	<b>7,939</b>

During the period no dividend was paid.

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
<b>As at January 1, 2018</b>	<b>69</b>	<b>381</b>	<b>4</b>	<b>0</b>	<b>14,322</b>	<b>0</b>	<b>14,775</b>
Result for the period					1,134		1,134
<b>Other comprehensive income</b>							
Currency translation to presentation currency			6				6
Tax on other comprehensive income			0				0
Total other comprehensive income	0	0	6	0	0	0	6
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>1,134</b>	<b>0</b>	<b>1,140</b>
<b>Transactions with owners</b>							
Acquisition/disposal of treasury shares and warrants					22		22
Share based payments					112		112
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135</b>	<b>0</b>	<b>135</b>
<b>At March 31, 2018</b>	<b>69</b>	<b>381</b>	<b>10</b>	<b>0</b>	<b>15,590</b>	<b>0</b>	<b>16,050</b>

During the period no dividend was paid.

**REVIEWED CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2018 AND FOR THE THREE MONTHS ENDED 31 MARCH 2018**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

Note	tEUR	Q1 2018	Q1 2017	2017
	Operating Profit for the period	1,573	2,541	9,872
	Depreciation and amortisation	408	8	722
	Other adjustments of non cash operating items	112	1	283
	Cash flow from operations before changes in working capital	2,094	2,550	10,877
	Change in working capital	257	-1,138	-1,770
	Cash flow from operations	2,351	1,412	9,107
	Interest income, received	14	0	25
	Interest expenses, paid	-95	-57	-246
	Cash flow from ordinary activities before tax	2,271	1,355	8,886
	Income tax paid	-209	-179	-644
	<b>Cash flow from operating activities</b>	<b>2,062</b>	<b>1,176</b>	<b>8,242</b>
6	Acquisition of business combinations	-4,541	0	-14,720
	Acquisition of intangible assets	-1,966	4	-3,897
	Acquisition of property, plant and equipment	-280	-5	-102
	Sale of property, plant and equipment	0	0	119
	Acquisition and disposal of associates, net	0	0	134
	Change in rental deposits	-2	0	-52
	<b>Cash flow from investing activities</b>	<b>-6,788</b>	<b>-2</b>	<b>-18,519</b>
	Repayment of borrowings	-696	0	0
	Proceeds from borrowings	4,594	0	5,908
	Other financial borrowings	0	0	0
	Treasury shares and sale of warrants	22	0	1,024
	Dividends Paid	0	0	0
	<b>Cash flow from financing activities</b>	<b>3,920</b>	<b>0</b>	<b>6,932</b>
	Cash flows for the period	-806	1,174	-3,345
	Cash and cash equivalents at beginning	2,129	5,490	5,490
	Foreign currency translation of cash and cash equivalents	6	-9	-16
	<b>Cash and cash equivalents period end</b>	<b>1,330</b>	<b>6,655</b>	<b>2,129</b>

## NOTES TO THE REVIEWED CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2018 AND FOR THE THREE MONTHS ENDED 31 MARCH 2018

### NOTE 1 GENERAL INFORMATION

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

#### Basis of preparation

The condensed consolidated interim financial statements for the period 1 January - 31 March 2018 (Q1) have been prepared in accordance with IAS 34 “Interim financial statements” as adopted by the EU.

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

#### Accounting policies

Except for the changes below the condensed consolidated interim financial statements have been prepared using the same accounting policies as set out in note 1 of the audited consolidated historical financial statements for the financial years ended 31 December 2017, 2016 and 2015 which contains a full description of the accounting policies for the Group.

#### Changes in accounting policies:

Effective January 1, 2018 Better Collective has adopted the following new relevant standards and interpretations:

- IFRS 9 Financial instruments
- IFRS 15 Revenue from contracts with customers (the modified retrospective method)
- IFRS 2 Classification and Measurement of Share based Payment Transactions – Amendments to IFRS 2
- Improvements to International Financial Reporting Standards – 2014-2016 cycle (issued in December 2016)

None of the above standards and interpretations have affected recognition and measurement and has only lead to further disclosures.

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

#### Significant accounting judgements, estimates and assumptions

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

The significant accounting judgements, estimates and assumptions applied in these consolidated interim financial statements are the same as disclosed in note 2 in the annual report for 2017 which contains a full description of significant accounting judgements, estimates and assumptions.

## NOTES TO THE REVIEWED CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2018 AND FOR THE THREE MONTHS ENDED 31 MARCH 2018

### NOTE 2 REVENUE

In accordance with IFRS 15 disclosure requirements, total revenue for Q1 2018 is split on revenue share, CPA and other as follows:

Revenue	Total
Revenue Share	5,955
CPA	993
Other	604
<b>Total Revenue</b>	<b>7,552</b>

### NOTE 3 SHARE-BASED PAYMENTS

During the three-month period ended 31 March 2018 the Company granted a total of 5,806 warrants, including 5,086 warrants to the Company's Chief Financial Officer (CFO) hired in January 2018, and 600 warrants sold to the Company's new board member. The warrants to the CFO have an exercise price of DKK 700, were granted in three tranches, vest in three consecutive years beginning January 2018 and expire five years after the grant date. The warrants granted to the Company's new board member were granted in February 2018 and vest immediately, as these warrants were purchased by the new board member. They have an exercise price of DKK 700.

	Board of Directors	Executive directors	Other key Management personnel	Total, numbers	Exercise price, weighted average EUR
<b>Share options outstanding at January 1, 2017</b>	-	-	10,912	10,912	29
Granted	-	-	-	-	-
Forfeited/expired	-	-	1,086	1,086	28
Exercised	-	-	-	-	-
Transferred	-	-	-	-	-
<b>Share options outstanding at March 31, 2017</b>	-	-	9,826	9,826	29
<b>Share options outstanding at January 1, 2018</b>	12,715	-	28,335	41,050	80
Granted	600	5,086	120	5,806	94
Forfeited/expired	-	-	210	210	94
Exercised	-	-	-	-	-
Transferred	-	-	-	-	-
<b>Share options outstanding at March 31, 2018</b>	13,315	5,086	28,245	46,646	81
Of this exercisable at the end of the year	-	-	3,226	3,226	27

## NOTES TO THE REVIEWED CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2018 AND FOR THE THREE MONTHS ENDED 31 MARCH 2018

### NOTE 3 SHARE-BASED PAYMENTS (CONTINUED)

During the three-month period ended March 31, 2018, no warrants were exercised. The weighted average remaining contractual life of warrants outstanding as of 31 March 2018 and 31 March 2017 was 3,0 years and 2,6 years respectively. The exercise prices for outstanding warrants as of 31 March 2018 and 31 March 2017 was EUR 94 and EUR 36.

The tables below summarise the inputs to the Black-Scholes model used to value the warrants granted:

Warrants granted for the three-month period ended 31 March:

	2018	2017
Dividend yield (%)	6%	10%
Expected volatility (%)	30%	40%
Risk free interest rate (%)	1%	1%
Expected life of warrants (years)	1,5 - 5	4
Share price	EUR 140	EUR 36
Exercise price	EUR 94	EUR 36

Share based compensation expense recognised for each of the three-month period ended March 31, 2018 and 2017 is 112 tEUR and 1 tEUR.

### NOTE 4 TAX

Total tax for the year is specified as follows:

tEUR	Q1 2018	Q1 2017
Tax for the period	359	575
Tax on other comprehensive income	0	0
<b>Total</b>	<b>359</b>	<b>575</b>

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

tEUR	Q1 2018	Q1 2017
Deferred tax	73	5
Current tax	287	569
Adjustment from prior years	0	0
<b>Total</b>	<b>359</b>	<b>575</b>

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

tEUR	Q1 2018	Q1 2017
Profit for the period:		
Calculated 22% tax of the result before tax	328	546
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	33	0
Tax effect of:		
Non-taxable income	-30	0
Non-deductible costs	28	28
Adjustment of tax relating to prior years		
	<b>359</b>	<b>575</b>
<b>Effective tax rate</b>	<b>24.1%</b>	<b>23.1%</b>

**NOTES TO THE REVIEWED CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2018 AND FOR THE THREE MONTHS ENDED 31 MARCH 2018**

**NOTE 5 INTANGIBLE ASSETS**

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
<b>Cost or valuation</b>				
<b>At January 1, 2017</b>	<b>0</b>	<b>266</b>	<b>30</b>	<b>296</b>
Additions	0	0	0	0
Acquisitions through business combinations	0	0	0	0
Disposals	0	0	0	0
Currency Translation	0	-3	-1	-4
<b>At March 31, 2017</b>	<b>0</b>	<b>263</b>	<b>29</b>	<b>292</b>
<b>Amortisation and impairment</b>				
<b>At January 1, 2017</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>10</b>
Amortisation for the period	0	0	0	0
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	0	0
<b>At March 31, 2017</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>10</b>
<b>Carrying Value</b>				
At January 31, 2017	0	266	20	286
At March 31, 2017	0	263	19	282

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
<b>Cost or valuation</b>				
<b>At January 1, 2018</b>	<b>7,178</b>	<b>20,085</b>	<b>4,162</b>	<b>31,425</b>
Additions	0	2,691	984	3,675
Disposals	0	0	0	0
Currency Translation	0	-5	-1	-5
<b>At March 31, 2018</b>	<b>7,178</b>	<b>22,772</b>	<b>5,145</b>	<b>35,094</b>
<b>Amortisation and impairment</b>				
<b>At January 1, 2018</b>	<b>0</b>	<b>0</b>	<b>686</b>	<b>686</b>
Amortisation for the period	0	0	383	383
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	0	0
<b>At March 31, 2018</b>	<b>0</b>	<b>0</b>	<b>1,069</b>	<b>1,069</b>
<b>Carrying Value</b>				
At January 1, 2018	7,178	20,085	3,475	30,738
At March 31, 2018	7,178	22,772	4,076	34,025



**NOTES TO THE REVIEWED CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2018 AND FOR THE THREE MONTHS ENDED 31 MARCH 2018****NOTE 6 ACQUISITION OF BUSINESS COMBINATIONS**

On March 28, 2018 Better Collective paid the final price and earn-out settlement for Pull Media. The payment amounted to EUR 4,541 thousand as described in the 2017 Annual Report. There have been no business combinations in Q1 2018 and no changes to the provisional purchase price allocation described in the audited consolidated historical financial statements for the financial years ended 31 December 2017, 2016 and 2015.

**NOTE 7 SIGNIFICANT EVENTS AFTER CLOSING DATE**

On April 26, 2018, additional bank credit facilities of 30 mEUR was obtained with Nordea Bank, bringing the total bank credit facilities to 45 mEUR (of which 5 mEUR will expire by the end of H1 2018).

On April 3, 2018 the Danish brand, SpilXperten.com, was acquired together with other assets owned by Xperten Ltd and Xpert Ltd. Through this acquisition Better Collective established itself as the leading Danish iGaming affiliate in Denmark. The price of the acquisition was EUR 4.5 million paid upfront plus a variable payment of maximum EUR 4.9 million. The target variable payment is estimated at EUR 3.7 million and will be paid on June 30, 2019.

In connection with the planned IPO, 9,185 of the company's outstanding warrants can be exercised. The Board of Directors has, according to the provisions of the warrant contracts, decided to offer cash settlement at the IPO share price to warrant holders. The estimated settlement amount will be approximately 3-4 mEUR.

Better Collective has on 4 April 2018 entered into a letter of intent (LOI) forming the basis for continued discussions regarding Better Collective's potential acquisition of a European iGaming affiliate (the "Target"). The completion of the acquisition of the Target is subject to Better Collective having conducted a customary due diligence to the satisfaction of Better Collective and that the parties have agreed and executed final agreements governing the acquisition. Pursuant to the LOI, the purchase price in case a final agreement for the acquisition of the Target is reached is expected to be approximately EUR 36 million (on a cash and debt free basis) whereof approximately 85 percent is expected to be paid on closing of the transaction and the remaining part being paid on the first anniversary of the closing date. Assuming that the parties agree on the final terms for the transaction, signing of definitive agreements and closing of the acquisition is expected to occur before the end of the third quarter of 2018.

Furthermore, Better Collective has on 12 April 2018 entered into a separate letter of intent forming the basis for continued discussions regarding the potential acquisition of another European iGaming affiliate focused on sports betting. The purchase price in case a final agreement is reached is expected to be approximately EUR 4 million. The indicative time plan and other terms of the letter of intent are materially similar to those of the LOI described above, including expected signing of definitive agreements and closing of the acquisition occurring before the end of the third quarter of 2018.

**NOTE 8 RELATED PARTY TRANSACTIONS**

For a description of the warrant transactions with board and executive management refer to note 3. There have been no other related party transactions in the period.

**NOTE 9 COMMITMENTS AND CONTINGENT LIABILITIES**

The share pledge agreement related to the acquisition of Pull Media (Better Collective SAS) has been cancelled following the final payment in March 2018.

There has been no other change in the commitments and contingencies as described in note 19 to the audited consolidated historical financial statements for the financial years ended 31 December 2017, 2016 and 2015.

**STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT****Statement by the Executive Management and the Board of Directors on the condensed consolidated Interim Financial Statements for the period 1 January – 31 March 2018**

The Board of Directors and the Executive Management have today considered and approved the condensed consolidated Interim Financial Statements of Better Collective A/S for the period 1 January - 31 March 2018.

The condensed consolidated Interim Financial Statements for the period 1 January - 31 March 2018 have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

In our opinion, the condensed consolidated Interim Financial Statements give a true and fair view of the Group's assets, liabilities and financial position at 31 March 2018 and of the results of the Group's operations and cash flows for the period 1 January - 31 March 2018.

Copenhagen on 28 May 2018

**Executive management**

Jesper Søgaard  
CEO & Co-founder

Christian Kirk Rasmussen  
COO & Co-founder  
Executive Vice President

Flemming Pedersen  
Chief Financial Officer  
Executive Vice President

**Board of Directors**

Jens Bager  
Chairman

Klaus Holse

Søren Jørgensen

Leif Nørgaard

Petra von Rohr

## AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL STATEMENTS

**Independent auditor's review report on the condensed consolidated Interim Financial Statements at and for the three months ended 31 March 2018 included on page 132-141.**

### To the shareholders and potential shareholders

We have reviewed the condensed consolidated interim financial statements of Better Collective A/S for the period 1 January – 31 March 2018, which comprise consolidated income statement and comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flow and notes. The condensed consolidated interim financial statements are prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

### Management's responsibilities for the condensed consolidated interim financial statements

Management is responsible for the preparation of condensed consolidated interim financial statements in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities

Our responsibility is to express a conclusion on the condensed consolidated interim financial statements. We conducted our review in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements applicable in Denmark.

This requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. This standard also requires us to comply with ethical requirements.

A review of the condensed consolidated interim financial statements in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making enquiries of management and others within the Group, as appropriate, applying analytical procedures and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with the International Standards on Auditing. Accordingly, we do not express an audit opinion on the condensed consolidated interim financial statements.

### Other matters

The condensed consolidated interim financial statements of Better Collective A/S for the period 1 January – 31 March 2018 contains comparative figures for the period 1 January 2017 – 31 March 2017. The comparative figures in the condensed consolidated interim financial statements have not been subject to review. Accordingly, we do not express an opinion or any other form of assurance on these comparative figures.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements for the period 1 January – 31 March 2018 are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Copenhagen, 28 May 2018

ERNST & YOUNG  
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

## AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### CONSOLIDATED INCOME STATEMENT

Note	tEUR	2017	2016	2015
	<b>Revenue</b>	<b>26,257</b>	<b>17,407</b>	<b>11,373</b>
	Direct costs related to revenue	-2,950	-2,540	-1,524
4, 5	Staff costs	-7,568	-5,614	-4,571
12, 14	Amortisation/depreciation and impairment	-722	-29	-12
6	Other external expenses	-5,145	-2,152	-1,481
	<b>Operating profit</b>	<b>9,872</b>	<b>7,072</b>	<b>3,784</b>
7	Share of profit after tax of associates	0	0	0
8	Financial income	7	0	0
9	Financial expenses	-93	-271	-73
	<b>Profit before tax</b>	<b>9,786</b>	<b>6,802</b>	<b>3,712</b>
10	Tax on profit for the year	-2,340	-1,564	-858
	<b>Profit for the year</b>	<b>7,446</b>	<b>5,237</b>	<b>2,853</b>

#### Earnings per share attributable to equity holders of the company

Average number of shares	509,323	507,399	503,167
Average number of warrants	25,981	9,898	4,442
Earnings per share (in EUR)	14.62	10.32	5.67
Diluted earnings per share (in EUR)	13.91	10.12	5.62

Earnings per share (EPS) = Profit for the year / Average number of shares

Diluted earnings per share = Profit for the year / (Average shares + Average warrants)

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	tEUR	2017	2016	2015
	<b>Profit for the year</b>	<b>7,446</b>	<b>5,237</b>	<b>2,853</b>
	<b>Other comprehensive income</b>			
	<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
	Currency translation to presentation currency	-15	25	-8
10	Income tax	0	0	0
	Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	-15	25	-8
	<b>Total other comprehensive income/(loss) for the year, net of tax</b>	<b>7,430</b>	<b>5,263</b>	<b>2,845</b>
	<b>Attributable to:</b>			
	Shareholders of the parent	7,430	5,263	2,845

**AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS  
ENDED 31 DECEMBER 2017, 2016 AND 2015**

**CONSOLIDATED BALANCE SHEET**

Note	tEUR	2017	2016	2015	As at Jan 1, 2015
<b>ASSETS</b>					
<b>Non-current assets</b>					
11, 12	<b>Intangible assets</b>				
	Goodwill	7,178	0	0	0
	Domains and websites	20,085	266	223	224
	Accounts and other intangible assets	3,475	20	16	20
		30,738	285	240	244
13	<b>Property, plant and equipment</b>				
	Land and buildings	756	774	0	0
	Fixtures and fittings, other plant and equipment	141	33	43	19
		897	807	43	19
<b>Other non-current assets</b>					
7	Investments in associates	0	0	0	0
	Receivables from associates	0	0	76	12
	Deposits	210	99	97	80
10	Deferred tax assets	0	0	0	0
15	Other non-current investments	0	0	1,231	201
15	Other non-current receivables	0	0	295	330
		210	99	1,699	624
	<b>Total non-current assets</b>	<b>31,846</b>	<b>1,191</b>	<b>1,981</b>	<b>886</b>
<b>Current assets</b>					
14, 20	Trade and other receivables	4,405	1,053	1,116	541
20	Receivables from associates	0	33	0	0
10	Corporation tax receivable	0	487	46	102
	Prepayments	325	21	2	37
15, 20	Other securities and investments	0	8	9	254
20	Cash	2,129	5,482	2,590	1,584
	<b>Total current assets</b>	<b>6,860</b>	<b>7,084</b>	<b>3,763</b>	<b>2,518</b>
	<b>TOTAL ASSETS</b>	<b>38,705</b>	<b>8,275</b>	<b>5,744</b>	<b>3,404</b>

**AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

Note	tEUR	2017	2016	2015	As at Jan 1, 2015
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
16	Share capital	69	68	68	67
	Share premium	381	249	169	0
	Translation reserve	4	19	-6	2
	Treasury shares	0	-309	0	0
	Retained earnings	14,322	6,010	2,784	1,531
17	Proposed dividends	0	0	1,608	1,206
	<b>Total equity</b>	<b>14,775</b>	<b>6,038</b>	<b>4,623</b>	<b>2,806</b>
<b>Non-current Liabilities</b>					
20	Debt to mortgage credit institutions	566	0	0	0
10	Deferred tax liabilities	5,655	32	16	0
20	Other long-term financial liabilities	50	0	0	0
	<b>Total non-current liabilities</b>	<b>6,270</b>	<b>32</b>	<b>16</b>	<b>0</b>
<b>Current Liabilities</b>					
	Prepayments received from customers	1,036	992	257	133
18, 20	Trade and other payables	1,879	1,213	849	465
10	Corporation tax payable	1,697	0	0	0
20	Other financial liabilities	7,706	0	0	0
20	Debt to credit institutions	5,343	0	0	0
	<b>Total current liabilities</b>	<b>17,660</b>	<b>2,205</b>	<b>1,105</b>	<b>598</b>
	<b>Total liabilities</b>	<b>23,930</b>	<b>2,237</b>	<b>1,121</b>	<b>598</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>38,705</b>	<b>8,275</b>	<b>5,744</b>	<b>3,404</b>



**AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS  
ENDED 31 DECEMBER 2017, 2016 AND 2015**

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
<b>As at January 1, 2015</b>	<b>67</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1,531</b>	<b>1,206</b>	<b>2,806</b>
Result for the year	0	0	0	0	2,853		2,853
<b>Other comprehensive income</b>							
Currency translation to presentation currency	0	0	-8	0	0	0	-8
Total other comprehensive income	0	0	-8	0	0	0	-8
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>-8</b>	<b>0</b>	<b>2,853</b>	<b>0</b>	<b>2,845</b>
<b>Transactions with owners</b>							
Capital increase	1	169	0	0	0	0	170
Share based payments	0	0	0	0	8	0	8
Dividend distributed	0	0	0	0	0	-1,206	-1,206
Proposed dividend	0	0	0	0	-1,608	1,608	0
<b>Total transactions with owners</b>	<b>1</b>	<b>169</b>	<b>0</b>	<b>0</b>	<b>-1,600</b>	<b>402</b>	<b>-1,028</b>
<b>At December 31, 2015</b>	<b>68</b>	<b>169</b>	<b>-6</b>	<b>0</b>	<b>2,784</b>	<b>1,608</b>	<b>4,623</b>

During the year a dividend of 2.40 EUR per share was paid (average number of shares)

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
<b>As at January 1, 2016</b>	<b>68</b>	<b>169</b>	<b>-6</b>	<b>0</b>	<b>2,784</b>	<b>1,608</b>	<b>4,623</b>
Result for the year					5,237		5,237
<b>Other comprehensive income</b>							
Currency translation to presentation currency			25				25
Total other comprehensive income	0	0	25	0	0	0	25
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>5,237</b>	<b>0</b>	<b>5,263</b>
<b>Transactions with owners</b>							
Capital increase	1	80					81
Acquisition/disposal of treasury shares				-309			-309
Share based payments					13		13
Dividend distributed					-2,024*	-1,608	-3,632
<b>Total transactions with owners</b>	<b>1</b>	<b>80</b>	<b>0</b>	<b>-309</b>	<b>-2,011</b>	<b>-1,608</b>	<b>-3,848</b>
<b>At December 31, 2016</b>	<b>68</b>	<b>249</b>	<b>19</b>	<b>-309</b>	<b>6,010</b>	<b>0</b>	<b>6,038</b>

During the year a dividend of 7.16 EUR per share was paid (average number of shares)

\* Dividend from extraordinary annual assembly, 2,024 tEUR

**AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS  
ENDED 31 DECEMBER 2017, 2016 AND 2015**
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
<b>As at January 1, 2017</b>	<b>68</b>	<b>249</b>	<b>19</b>	<b>-309</b>	<b>6,010</b>	<b>0</b>	<b>6,038</b>
Result for the year					7,446		7,446
<b>Other comprehensive income</b>							
Currency translation to presentation currency			-15				-15
Tax on other comprehensive income							0
Total other comprehensive income	0	0	-15	0	0	0	-15
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>-15</b>	<b>0</b>	<b>7,446</b>	<b>0</b>	<b>7,431</b>
<b>Transactions with owners</b>							
Capital increase	0	132					132
Acquisition/disposal of treasury shares				309	582		892
Share based payments					283		283
<b>Total transactions with owners</b>	<b>0</b>	<b>132</b>	<b>0</b>	<b>309</b>	<b>865</b>	<b>0</b>	<b>1,307</b>
<b>At December 31, 2017</b>	<b>69</b>	<b>381</b>	<b>4</b>	<b>0</b>	<b>14,322</b>	<b>0</b>	<b>14,775</b>

During the year no dividend was paid.

**AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015**

**CONSOLIDATED STATEMENT OF CASH FLOW**

Note	tEUR	2017	2016	2015
	Operating Profit	9,872	7,072	3,784
	Depreciation and amortisation	722	29	12
	Other adjustments of non cash operating items	283	13	8
	Cash flow from operations before changes in working capital	10,877	7,114	3,805
21	Change in working capital	-1,770	1,111	-32
	Cash flow from operations	9,107	8,226	3,773
	Interest income, received	25	0	0
	Interest expenses, paid	-246	-110	-17
	Cash flow from ordinary activities before tax	8,886	8,116	3,756
10	Income tax paid	-644	-1,989	-786
	<b>Cash flow from operating activities</b>	<b>8,242</b>	<b>6,127</b>	<b>2,970</b>
22	Acquisition of subsidiaries	-14,720	0	0
11	Acquisition of intangible assets	-3,897	-46	0
13	Acquisition of property, plant and equipment	-102	-794	-32
13	Sale of property, plant and equipment	119	0	0
7	Acquisition and disposal of associates and other investments, net	134	1,441	-1,114
	Change in rental deposits	-52	-2	-16
	<b>Cash flow from investing activities</b>	<b>-18,519</b>	<b>600</b>	<b>-1,163</b>
20	Proceeds from/ repayment of borrowings	5,908	0	0
	Other financial borrowings	0	0	0
	Treasury shares and sale of warrants	1,024	-229	170
	Dividends Paid	0	-3,632	-1,206
	<b>Cash flow from financing activities</b>	<b>6,932</b>	<b>-3,861</b>	<b>-1,036</b>
	Cash flows for the year	-3,345	2,866	770
	Cash and cash equivalents at January 1	5,490	2,599	1,837
	Foreign currency translation of cash and cash equivalents	-16	25	-8
	<b>Cash and cash equivalents December 31</b>	<b>2,129</b>	<b>5,490</b>	<b>2,599</b>

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 1 ACCOUNTING POLICIES

#### Corporate information

Better Collective's vision is to empower iGamers – by leading the way in transparency and technology. Our mission is to make sports betting and gambling entertaining, transparent, and fair. We want to make sure that our users are better suited for navigating the iGaming world having visited a Better Collective website before registering an account with a sports betting or gambling operator.

The historical financial information includes the consolidated financial statements of Better Collective A/S and its subsidiaries (the Group or the Better Collective Group) for the period January 1 – December 31, 2017 with comparison figures for the period January 1 – December 31, 2016 and January 1 – December 31, 2015.

#### Basis for preparation

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 financial statements prepared by medium class C enterprises. Better Collective A/S is incorporated and domiciled in Denmark.

Information on how the Group has adopted IFRS and the effect that the transition has had on the Group is disclosed in note 26.

#### Presentation currency

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

During the year, the Group changed the currency in which it presents its consolidated financial statements from Danish kroner to Euro to better reflect the results of operation.

A change in presentation currency is a change in accounting policy which is accounted for retrospectively.

#### 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.

#### 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 whether or not 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.

#### 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.

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.

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 1 ACCOUNTING POLICIES (CONTINUED)

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. 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.

### INCOME STATEMENT

#### 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 mainly derived from affiliate marketing activities, as follows:

**Revenue share:** In a revenue share model the Group receives a commission equal to a share of the revenues that an iGaming 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. The commission is recognised net and is recognised in the month that it is earned by the respective iGaming operator.

**Cost per acquisition (CPA):** For CPA deals, the iGaming 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 commission with the gaming operator. The commission is recognised net and is recognised in the month in which the deposits are made.

#### Dividend revenue

Dividend revenue is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

#### Staff costs

Staff costs 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.

#### Depreciation and amortisation

The item comprises depreciation and amortisation of intangible assets and property, plant and equipment, 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 years
Land and buildings	10-50 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.

#### 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, payments under operating lease, and acquisition cost related to business combinations etc.

#### Share of profit after tax of associates

The item includes the Company's proportionate share of the profit/loss after tax for the year in associates after elimina-

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 1 ACCOUNTING POLICIES (CONTINUED)

tion of intra-group income or losses and net of impairment of goodwill and other excess values at the time of acquisition.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statements at the amount that concern the financial year. Net financials include interest income and expenses, foreign exchange adjustments and gains and losses on the disposal of securities as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

#### **Tax**

The Company is subject to the Danish rules on mandatory joint taxation of the Bumble Ventures A/S 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 no longer consolidated.

Bumble Ventures A/S acts as Management Company for the joint taxation arrangement and consequently settles all Danish corporate income tax payments with the tax authorities. On payment of joint taxation contributions, the Danish corporate income tax charge is allocated among the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contribution from entities that have been able to use the tax losses to reduce their own taxable income (full distribution).

Jointly taxed entities entitled to a tax refund are, at a minimum, reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay, at the maximum, a surcharge according to the rates applicable to interest surcharges to the management company. 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.

### BALANCE SHEET

#### **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.

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 derecognition 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 internally developed intangible assets, are not capitalised on the balance sheet but recognised in Profit and Loss in the financial year they are incurred.

#### **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 other operating income or other operating expenses. Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

#### **Other non-current assets**

Other non-current assets include deposits of rent, which at initial recognition are recognised at fair value and subsequently measured at amortised cost.

#### **Investments in subsidiaries**

Investments in subsidiaries are measured at cost. If the cost exceeds the recoverable amount, the carrying amount is reduced to such lower value.



## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 1 ACCOUNTING POLICIES (CONTINUED)

#### *Investment in associates*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not having control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investments in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within "share of profit of an associate" in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

#### *Impairment*

The carrying amounts of goodwill, intangible assets, property, plant and equipment and investments in subsidiaries and associates 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.

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.

#### *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.

#### *Receivables*

Receivables are measured at amortised cost, which usually corresponds to nominal value. Write-downs is made for bad debt losses when there is objective evidence that a receivable has been impaired. Write down is made to net realisable value if this is lower than the carrying amounts.

#### *Prepayments*

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

#### *Securities and investments*

Securities held as part of the investment portfolio are designated as 'available-for-sale' and are measured at fair value at first recognition. The recognition is made on the trade date. The subsequent measurement is made at fair value through other comprehensive income, which for listed securities is equal to the quoted market price. Non-listed securities are recognised at cost less impairment losses when it is not considered possible with reasonable assurance to estimate fair value. Unrealised value adjustments on securities are recognised in other comprehensive income and attributed to

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 1 ACCOUNTING POLICIES (CONTINUED)

a separate reserve (value adjustment of securities) in equity except for impairments, which are recognised in the income statement under 'Financial items'.

When securities are disposed, then the accumulated value adjustment recognised in equity is transferred to 'Financial income or cost' in the Income statement.

#### **Cash**

Cash comprise cash at bank and on hand.

#### **Equity**

##### ***Proposed dividends***

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

##### ***Treasury shares***

Treasury shares are own equity instruments that are reacquired. 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.

#### ***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.

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

Non-current liabilities mainly include earn-out amounts and deferred tax as a result of businesses acquired.

##### ***Operating leases***

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

##### ***Shared-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 of equity-settled transactions is determined by the fair value at the grant date using an appropriate valuation model. Further details are given in note 5 (Group).

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.

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 1 ACCOUNTING POLICIES (CONTINUED)

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 options 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.

#### **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 Groups share capital and related costs as well as borrowing, repayment of interest-bearing debt and payment of dividends to shareholders.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and operating cash.

#### **Segment information**

The Group's operations are reported on the basis of one single operating segment in accordance with the definition of an operating segment in IFRS 8, Operating Segments. Management has assessed that the Group has only one operating segment on the basis that internal reporting presented to and followed-up on by the Group's chief operating decision maker (CODM), which is the Executive Management Team, is presented for the Group as a whole. Revenue of the Group is generated through various marketing methods and the Executive Management Team monitors operating income for the entire Group and allocates resources on the basis of the total Group operations.

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 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 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 activates 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.

#### 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. Domain names and websites are very closely linked and effectively both are needed to work together to generate revenue. Domain names and websites are assigned an indefinite life because there is no foreseeable limit to the cash flows generated by them from the underlying business activities of the operators. The content of the sites and domains is being updated on a current basis and as they are maintained on a regular basis believes, the sites and domains have no legal, contractual, regulatory, economic or competi-

tive limiting factors. Further management have analysed the lifetime of the main historical websites, which support the indefinite life assessment. 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 allocates all domain names and websites to one cash-generating unit, as it concludes that the performance and cash flows from the individual assets are dependent on each other.

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.

#### 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.

#### 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 for details).

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 3 SEGMENT INFORMATION

The Group's operations are reported on the basis of one single operating segment in accordance with the definition of an operating segment in IFRS 8, Operating Segments. Management has assessed that the Group has only one operating segment on the basis that internal reporting presented to and followed-up on by the Group's chief operating decision maker (CODM), which is the Executive Management Team, is presented for the Group as a whole. Revenue of the Group is generated through various marketing methods and the Executive Management Team monitors operating income for the entire Group and allocates resources on the basis of total Group operations.

The management has based on the operations of the business assessed that information of Entity-wide disclosures according to IFRS 8 is not material.

The Group has earned 16.8 mEUR in revenues from one major customer, which represents 64% of the Group's revenue (2015: 61% and 2016: 81%). In Q4 where all major acquisitions were fully consolidated the share of revenue for this customer was 55%.

### NOTE 4 STAFF COSTS

tEUR	2017	2016	2015
Wages and salaries	6,070	4,773	3,942
Pensions, defined contribution	559	413	327
Other social security costs	271	83	56
Share-based payments	283	13	8
Other staff costs	385	332	239
<b>Total staff costs</b>	<b>7,568</b>	<b>5,614</b>	<b>4,571</b>
Average number of full-time employees	116	75	61
<b>Remuneration to Executive Directors</b>			
Wages and salaries	183	133	116
Pensions, defined contribution	17	12	12
Other social security costs	1	1	1
Share-based payments	0	0	0
<b>Total</b>	<b>201</b>	<b>146</b>	<b>128</b>
<b>Remuneration to Board of Directors</b>			
Wages and salaries	63	47	40
Pensions, defined contribution	0	0	0
Other social security costs	0	0	0
Share-based payments	201	0	0
<b>Total</b>	<b>264</b>	<b>47</b>	<b>40</b>

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 5 SHARE-BASED PAYMENT PLANS

The Group has various share-based payment plans that grant employees and directors stock options or warrants (equity-settled awards). The Board of Directors is authorised to issue 50.000 warrants, of which it granted 41.050 warrants at December 31, 2017 (2016: 10,912; 2015: 8,883).

The warrants granted to employees under the 2015 Warrants Program were granted in two tranches, vest in two consecutive years beginning on May 1, 2016 and expire four years after the grant date. The warrants granted to employees under the 2016 Warrants Program were granted in one tranche, vested on May 1, 2017 and expire four years after the grant date.

The warrants granted to employees under the 2017 Warrants Program were granted in three tranches, vest in three consecutive years starting on May 1, 2018 and expire in five years after the grant date. The warrants granted to Board members under the 2017 Warrants Program were granted on August 25, 2017 and expire on July 1, 2019. As these warrants were purchased by the Board members, they vested immediately. All warrants granted to employees have a service condition attached.

	Board of Directors	Executive directors	Other employees	Total, numbers	Exercise price, weighted average EUR
<b>Share options outstanding at January 1, 2015</b>	-	-	-	-	-
Granted	-	-	11,900	11,900	27
Forfeited/expired	-	-	3,017	3,017	27
Exercised	-	-	-	-	-
Transferred	-	-	-	-	-
<b>Share options outstanding at December 31, 2015</b>	-	-	<b>8,883</b>	<b>8,883</b>	<b>27</b>
Granted	-	-	2,984	2,984	36
Forfeited/expired	-	-	955	955	27
Exercised	-	-	-	-	-
Transferred	-	-	-	-	-
<b>Share options outstanding at December 31, 2016</b>	-	-	<b>10,912</b>	<b>10,912</b>	<b>34</b>
Granted	12,715	-	19,150	31,865	94
Forfeited/expired	-	-	1,427	1,427	30
Exercised	-	-	300	300	27
Transferred	-	-	-	-	-
<b>Share options outstanding at December 31, 2017</b>	<b>12,715</b>	-	<b>28,335</b>	<b>41,050</b>	<b>91</b>
Of this exercisable at the end of the year	-	-	3,126	3,126	27

In 2015 and 2016 no warrants were exercised. In 2017, 300 warrants were exercised. The weighted average remaining contractual life of warrants outstanding as of December 31, 2017, 2016 and 2015 was 4,5 years, 3,5 years and 3,5 years, respectively. The exercise prices for outstanding warrants as of December 31, 2017, 2016 and 2015 was EUR 94, EUR 36 and 27 respectively.



## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 5 SHARE-BASED PAYMENT PLANS (CONTINUED)

The tables below summarise the inputs to the Black-Scholes model used to value the warrants granted. Management has based its estimate of volatility on peer companies:

#### Warrants granted to Board members:

Dividend yield (%)	5%
Expected volatility (%)	30%
Risk free interest rate (%)	1%
Expected life of warrants (years)	2
Share price	EUR 121
Exercise price	EUR 94

Warrants granted to employees under the Warrants Program for the year ended December 31:

	2017	2016	2015
Dividend yield (%)	5%	10%	10%
Expected volatility (%)	30%	40%	40%
Risk free interest rate (%)	1%	1%	1%
Expected life of warrants (years)	5	4	4
Share price	EUR 121	EUR 36	EUR 27
Exercise price	EUR 94	EUR 36	EUR 27

Share based compensation expense recognised for each of the years ended December 31, 2017, 2016 and 2015 is EUR 283 thousand, EUR 13 thousand, and EUR 8 thousand, respectively.

### NOTE 6 FEES PAID TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

tEUR	2017	2016	2015
Fee related to statutory audit	74	19	10
Fees for tax advisory services	2	0	0
Assurance engagements	3	0	0
Other assistance	253	1	5
	<b>332</b>	<b>20</b>	<b>15</b>

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 7 GROUP INFORMATION

#### Information about subsidiaries

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

Name	Ownership	Country	City	Currency	Capital, Local currency
<b>December 31, 2015</b>					
Scatter Web ApS	100%	Denmark	Copenhagen	tDKK	80
<b>December 31, 2016</b>					
Scatter Web ApS	100%	Denmark	Copenhagen	tDKK	80
Ploomo ApS	51%	Denmark	Copenhagen	tDKK	50
<b>December 31, 2017</b>					
Scatter Web ApS	100%	Denmark	Copenhagen	tDKK	80
Ploomo ApS	100%	Denmark	Copenhagen	tDKK	50
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

\* Better Collective GmbH is 100% owned by Hebiva Beteiligungen GmbH

#### Associates

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

Name	Domicile	Interest %	2017		2016		2015	
			Equity tEUR	Profit/ loss tEUR	Equity tEUR	Equity tEUR	Profit/ loss tEUR	Equity tEUR
Media Content Monitoring Inc.*	Makati City, The Philippines	40%	0	0	-137	-142	-265	-197

\* Investments in Media Content have been sold during 2017.

tEUR	2017	2016	2015
<b>Associates</b>			
<b>Cost at January 1</b>	<b>73</b>	<b>3</b>	<b>3</b>
Additions	0	70	0
Disposals	-73	0	0
<b>Cost at December 31</b>	<b>0</b>	<b>73</b>	<b>3</b>
Value adjustment at January 1	-73	-3	-3
Impairment	0	-70	0
Reversal of impairment	73	0	0
Value adjustment at December 31	0	-73	-3
<b>Carrying amount at December 31</b>	<b>0</b>	<b>0</b>	<b>0</b>

No share of profit/loss from associates has been recognised as equity in associate is 0 and the Group has no obligation to cover any negative equity.

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 8 FINANCE INCOME

tEUR	2017	2016	2015
Exchange gains	6	-	-
Interest income	1	-	-
Other financial income	-	-	-
<b>Total finance income</b>	<b>7</b>	<b>-</b>	<b>-</b>

### NOTE 9 FINANCE COSTS

tEUR	2017	2016	2015
Exchange losses	33	86	15
Interest expenses	78	8	2
Impairment of financial assets including reversal	-84	176	-26
Other financial costs	66	-	82
<b>Total finance costs</b>	<b>93</b>	<b>270</b>	<b>73</b>

Impairment of financial assets in 2016 relates in all material aspects to receivable from associates and impairment of capital contribution and the same for reversal in 2017

### NOTE 10 INCOME TAX

Total tax for the year is specified as follows:

tEUR	2017	2016	2015
Tax for the year	2,340	1,564	858
Tax on other comprehensive income	0	0	0
<b>Total</b>	<b>2,340</b>	<b>1,564</b>	<b>858</b>

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

tEUR	2017	2016	2015
Deferred tax	-143	16	16
Current tax	2,483	1,548	843
Adjustment from prior years	0	0	0
<b>Total</b>	<b>2,340</b>	<b>1,564</b>	<b>858</b>

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 10 INCOME TAX (CONTINUED)

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

tEUR	2017	2016	2015
<b>Profit for the year:</b>			
Calculated 22% tax of the result before tax	2,153	1,496	872
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	80	0	0
Tax effect of:			
Non-taxable income	-45	0	-20
Non-deductible costs	152	68	6
	<b>2,340</b>	<b>1,564</b>	<b>858</b>
<b>Effective tax rate</b>	<b>23.9%</b>	<b>23.0%</b>	<b>23.1%</b>

tEUR	2017	2016	2015
<b>Deferred tax</b>			
<b>Deferred tax January 1</b>	<b>32</b>	<b>16</b>	<b>0</b>
Additions from business acquisitions	5,766	0	0
Adjustments of deferred tax in profit and loss	-143	16	16
<b>Deferred tax December 31</b>	<b>5,655</b>	<b>32</b>	<b>16</b>
Deferred tax is recognised in the balance sheet as:			
Deferred tax asset	0	0	0
Deferred tax liability	5,655	32	16
<b>Deferred tax December 31</b>	<b>5,655</b>	<b>32</b>	<b>16</b>
Deferred tax is related to:			
Intangible assets	5,737	34	18
Property, plant and equipment	-82	-2	-2
<b>Deferred tax December 31</b>	<b>5,655</b>	<b>32</b>	<b>16</b>
<b>Income tax payable</b>			
<b>Income tax payable January 1</b>	<b>-487</b>	<b>-46</b>	<b>-102</b>
Current tax	2,483	1,548	843
Additions from business acquisitions	345		
Income tax paid during the year	-644	-1,989	-786
<b>Income tax payable December 31</b>	<b>1,697</b>	<b>-487</b>	<b>-46</b>

**NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015**

**NOTE 11 INTANGIBLE ASSETS**

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
<b>Cost or valuation</b>				
<b>At January 1, 2015</b>	<b>0</b>	<b>224</b>	<b>23</b>	<b>247</b>
Additions	0	0	0	0
Disposals	0	0	0	0
Currency translation	0	-1	0	-1
<b>At December 31, 2015</b>	<b>0</b>	<b>223</b>	<b>23</b>	<b>246</b>
Additions	0	42	7	48
Disposals	0	0	0	0
Currency translation	0	1	0	1
<b>At December 31, 2016</b>	<b>0</b>	<b>266</b>	<b>30</b>	<b>296</b>
Additions	0	3,504	932	4,536
Acquisitions through business combinations	7,178	16,316	3,200	26,694
Disposals	0	0	0	0
Currency translation	0	0	0	0
<b>At December 31, 2017</b>	<b>7,178</b>	<b>20,085</b>	<b>4,162</b>	<b>31,425</b>
<b>Amortisation and impairment</b>				
<b>At January 1, 2015</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>
Amortisation for the period	0	0	3	3
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	0	0
<b>At December 31, 2015</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>7</b>
Amortisation for the period	0	0	3	3
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	0	0
<b>At December 31, 2016</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>10</b>
Amortisation for the period	0	0	677	677
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	0	0
<b>At December 31, 2017</b>	<b>0</b>	<b>0</b>	<b>686</b>	<b>686</b>
<b>Carrying Value</b>				
At January 1, 2015	0	224	20	244
At December 31, 2015	0	223	16	240
At December 31, 2016	0	266	20	286
At December 31, 2017	7,178	20,085	3,475	30,738

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 12 GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIFE

The Group's goodwill and domain names and websites mainly arise from the business combinations of Pull Media SAS and Sportfreunde in 2017 (Note 22) as well as other asset acquisitions.

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, domain names and websites, and other intangible assets are 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. 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. Furthermore, domain names and websites, and other intangible assets are reviewed separately for impairment indicators.

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

tEUR	2017	2016	2015	2015
Goodwill	7,178	0	0	0
Domains and Websites	20,085	266	223	224

As at December 31, 2015, December 31, 2016 and December 31, 2017, the directors have evaluated goodwill, domains and websites for impairment. The directors are of the view that the carrying amount of domains and goodwill is recoverable on the basis that the cashflows generated from these assets are in line, or exceed, the estimated projections made prior to the acquisitions. The directors are satisfied that the judgements made are appropriate to the circumstances.

#### Recoverable amount

When testing for impairment, the Group estimates a recoverable amount for goodwill and for domain names and websites. The recoverable amount is the higher of the asset or cash-generating unit's fair value less costs of disposal and its value in use. The recoverable amount is normally determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. 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 Group has performed an impairment test on goodwill and domain names and websites as of December 31, 2015, December 31, 2016 and December 31, 2017, 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. Key parameters in the forecast are trends in revenue, cost development and growth expectations. Beyond this, Management has applied a terminal growth rate of 2% per year. The cash flows assume a discount factor of 15% after tax based on the Group's weighted average cost of capital (WACC) in all years 2015-2017, with an effective tax rate of 25% (discount rate before tax 19.1%). The Board of Directors have approved the inputs to the impairment testing and are satisfied that the judgements made are appropriate.

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 TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015**

**NOTE 13 PROPERTY, PLANT AND EQUIPMENT**

tEUR	Land and buildings	Fixtures and fittings, other plant and equipment	Total
<b>Cost or valuation</b>			
<b>At January 1, 2015</b>	<b>0</b>	<b>104</b>	<b>104</b>
Additions	0	33	33
Disposals	0	0	0
Currency translation	0	0	0
<b>At December 31, 2015</b>	<b>0</b>	<b>137</b>	<b>137</b>
Additions	790	0	790
Disposals	0	0	0
Currency translation	0	1	1
<b>At December 31, 2016</b>	<b>790</b>	<b>137</b>	<b>927</b>
Additions	0	102	102
Acquisitions through business combinations	0	151	151
Disposals	0	-146	-146
Currency Translation	-1	0	-1
<b>At December 31, 2017</b>	<b>789</b>	<b>244</b>	<b>1,034</b>
<b>Depreciation and impairment</b>			
<b>At January 1, 2015</b>	<b>0</b>	<b>85</b>	<b>85</b>
Depreciation for the period	0	9	9
Depreciation on disposed assets	0	0	0
Currency translation	0	0	0
<b>At December 31, 2015</b>	<b>0</b>	<b>94</b>	<b>94</b>
Depreciation for the period	16	10	26
Depreciation on disposed assets	0	0	0
Currency translation	0	0	0
<b>At December 31, 2016</b>	<b>16</b>	<b>105</b>	<b>121</b>
Depreciation for the period	18	26	43
Depreciation on disposed assets	0	-27	-27
Currency translation	0	0	0
<b>At December 31, 2017</b>	<b>34</b>	<b>103</b>	<b>137</b>
<b>Net book value</b>			
At January 1, 2015	0	19	19
At December 31, 2015	0	43	43
At December 31, 2016	774	33	807
At December 31, 2017	756	141	897

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 14 TRADE AND OTHER RECEIVABLES

tEUR	2017	2016	2015
Trade receivables	4,207	1,013	1,116
Other receivables	199	40	0
<b>Total receivables</b>	<b>4,405</b>	<b>1,053</b>	<b>1,116</b>

### NOTE 15 OTHER SECURITIES AND INVESTMENTS

tEUR	Other securities and investments	Other non-current investments	Other non-current receivables	Total
<b>Cost or valuation</b>				
<b>At January 1, 2015</b>	<b>254</b>	<b>205</b>	<b>508</b>	<b>967</b>
Additions	6	1,031		1,036
Disposals	-250			-250
<b>At December 31, 2015</b>	<b>9</b>	<b>1,235</b>	<b>508</b>	<b>1,753</b>
Additions		0		
Disposals		-1,231	-508	-1,740
<b>At December 31, 2016</b>	<b>9</b>	<b>4</b>	<b>0</b>	<b>13</b>
Additions				0
Disposals	-9			-9
<b>At December 31, 2017</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>
<b>Impairment and value adjustments</b>				
<b>At January 1, 2015</b>	<b>0</b>	<b>4</b>	<b>178</b>	<b>182</b>
Impairment and value adjustments			36	36
Reversal of impairment/adjustments on disposals				0
<b>At December 31, 2015</b>	<b>0</b>	<b>4</b>	<b>214</b>	<b>218</b>
Impairment and value adjustments	1			1
Reversal of impairment/adjustments on disposals			-214	-214
<b>At December 31, 2016</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>5</b>
Impairment and value adjustments				0
Reversal of impairment/adjustments on disposals	-1			-1
<b>At December 31, 2017</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>
<b>Net book value</b>				
At January 1, 2015	254	201	330	785
At December 31, 2015	9	1,231	295	1,535
At December 31, 2016	8	0	0	8
At December 31, 2017	0	0	0	0

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 16 ISSUED CAPITAL AND RESERVES

tEUR	2017	2016	2015
Share capital:			
Opening balance	68.4	67.9	67.2
Capital increase	0.1	0.6	0.7
<b>Total</b>	<b>68.5</b>	<b>68.4</b>	<b>67.9</b>

The share capital consists of 510,182 shares of nominal EUR 0.1343 each.

	Number	Nominal Value EUR	Share of capital	Purchase/ Sales sum tEUR
<b>January 1, 2015</b>				
<b>Treasury shares:</b>				
Purchased in the year	0	0	0.0%	0
Sales in the year	0	0	0.0%	0
Balance at December 31, 2015	0	0	0.0%	
<b>January 1, 2016</b>				
<b>Treasury shares:</b>				
Purchased in the year	8,564	1	1.68%	309
Sales in the year	0	0	0.00%	0
Balance at December 31, 2016	8,564	1	1.68%	
<b>January 1, 2017</b>				
<b>Treasury shares:</b>				
Purchased in the year	291	0	0.06%	20
Sales in the year	-8,855	-1	-1.74%	-833
Balance at December 31, 2017	0	0	0.01%	

No expenses have been incurred regarding purchase of treasury shares. In 2016, Better Collective A/S purchased 8,564 Treasury Shares from Motivated Web ApS at an average price of EUR 36. In the current year, Better Collective purchased 291 Shares from a former employee at an average price of EUR 69. On August 25, 2017, the company's 8,855 Treasury Shares were sold to members of the Board of Directors at an average price of EUR 94. The average sales/purchase prices are considered to equal the valuation of the company at the given time. Purchase and sale of treasury shares has been performed as part of the share based payment program.

### NOTE 17 DISTRIBUTIONS MADE AND PROPOSED

tEUR	2017	2016	2015
Declared and paid during the year on ordinary shares	0	3,632*	1,206
Proposed dividend on ordinary shares	0	0	1,608

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

\* Dividend from extraordinary annual assembly EUR 2,024 thousand.

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 18 PAYABLES

tEUR	2017	2016	2015
Trade payables	852	189	119
Other payables	1,026	1,024	729
<b>Total payables</b>	<b>1,879</b>	<b>1,213</b>	<b>849</b>

### NOTE 19 COMMITMENTS AND CONTINGENCIES

#### Other contingent liabilities and securities

The Company is jointly taxed with its parent, Bumble Ventures A/S, who acts as management company, and other Danish group entities. Better Collective A/S is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2017 and onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after December 31, 2017.

Following the acquisition of Pull Media there is a deferred payment of EUR 3,341 thousand and an earn-out consideration. The Company has pledged the shares of Pull Media SAS as security for the earn-out payment. The earn-out and the deferred payment has been settled in March, 2018 following an agreement with the seller.

Better Collective A/S has declared to its subsidiaries Ploomo ApS and Scatter Web ApS, that the Company will provide the necessary liquidity to finance the subsidiaries activities for a period of minimum 12 months from the balance sheet date. There will be no activity in Ploomo ApS and Scatter Web ApS in 2018 as the activities have been gathered in Better Collective A/S. It is planned to liquidate Ploomo ApS and Scatter Web ApS during 2018. Better Collective A/S has placed a floating charge on receivables, fixtures, fittings, and other equipment as well as intangible assets as security for its credit line in Danske Bank, limited to EUR 2,686 thousand.

Better Collective A/S has taken a mortgage loan from Realkredit Danmark totaling EUR 586 thousand and the property on HC. Andersens Boulevard, Copenhagen is placed as collateral.

#### Other financial obligations

Rent and lease liabilities for the group include a rent obligation totalling EUR 407 thousand with remaining contract terms of 0 - 3 years.

tEUR	2017	2016	2015
Rent obligation within 1 year	272	118	118
Rent obligation 1-5 years	134	41	76
<b>Total other financial obligations</b>	<b>407</b>	<b>159</b>	<b>194</b>
Operating lease expenses have been recognised in the income statement	485	202	201

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 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 operating activities due to the international activities of the Group. The Group's revenues are mainly denominated in DKK and EUR, with limited revenues in GBP and USD. The majority of the Group's expenses are employee costs which are denominated in the parent company's functional currency, DKK. Expenses have a pattern there is in line with the revenue. The expenses are mainly in DKK, EUR and limited GBP and USD. The DKK rate is fixed to the EUR. Since revenues in other foreign currencies than DKK and EUR (GBP and USD) are limited and expenses in GBP and USD reduces the exposure, the Group is not overly exposed to foreign currency risk.

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 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 revolving credit facility 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

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables and cash and cash at hand. Trade and other receivables are monitored closely to determine whether there is objective evidence that an impairment loss should be recognised. Cash and cash at hand are held with leading local financial institutions.

Trade receivables of the Group past due but not impaired are as follows:

tEUR	2017	2016	2015
Less than 30 days	497	28	1
Between 31 and 60 days	114		10
More than 61 days	118		6
<b>Total</b>	<b>729</b>	<b>28</b>	<b>17</b>

The Group have very limited overdue trade receivables and historically there have been no loss on trade receivables. Management do not expect any loss on trade receivables and therefore no provision have been made in the period 2015-2017.

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### 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 and the credit facility. The group 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 Group's financial obligations. The Group had no derivative financial instruments.

#### Contractual cash flows:

tEUR	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
<b>2017</b>						
<b>Non-derivative financial instruments:</b>						
Trade and other payables	1,879	1,879	1,879	1,879		
Earn-Out consideration	1,250	1,250	1,250	1,200	50	
Deferred payment on acquisitions	3,145	3,145	3,145	3,145		
Vendor loan on acquisitions	3,341	3,341	3,341	3,341		
Debt to mortgage credit institutions	586	586	688	25	98	565
Debt to credit institutions	5,343	5,343	5,423	5,423		
<b>Total non-derivative financial instruments</b>	<b>15,543</b>	<b>15,543</b>	<b>15,725</b>	<b>15,012</b>	<b>148</b>	<b>565</b>
<b>Assets</b>						
Trade and other receivables	4,405	4,405	4,405	4,405	-	-
Cash	2,129	2,129	2,129	2,129	-	-
<b>Measured at fair value</b>						
Other securities and investments	-	-	-	-	-	-
<b>Total financial assets</b>	<b>6,535</b>	<b>6,535</b>	<b>6,535</b>	<b>6,535</b>	<b>-</b>	<b>-</b>
<b>Net</b>	<b>9,008</b>	<b>9,008</b>	<b>9,190</b>	<b>8,477</b>	<b>148</b>	<b>565</b>



**NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015**

**NOTE 20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

tEUR	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
<b>2016</b>						
<b>Non-derivative financial instruments:</b>						
Trade and other payables	1,213	1,213	1,213	1,213		
<b>Total non-derivative financial instruments</b>	<b>1,213</b>	<b>1,213</b>	<b>1,213</b>	<b>1,213</b>	-	-
<b>Assets</b>						
Trade and other receivables	1,053	1,053	1,053	1,053	-	-
Receivables from associates	33	33	33	33	-	-
Cash	5,482	5,482	5,482	5,482	-	-
<b>Measured at fair value</b>						
Other securities and investments	8	8	8	8	-	-
<b>Total financial assets</b>	<b>6,576</b>	<b>6,576</b>	<b>6,576</b>	<b>6,576</b>	-	-
<b>Net</b>	<b>-5,363</b>	<b>-5,363</b>	<b>-5,363</b>	<b>-5,363</b>	-	-
<b>2015</b>						
<b>Non-derivative financial instruments:</b>						
Trade and other payables	849	849	849	849	-	-
<b>Total non-derivative financial instruments</b>	<b>849</b>	<b>849</b>	<b>849</b>	<b>849</b>	-	-
<b>Assets</b>						
Receivables from associates	76	76	79	-	79	-
Other non-current receivables	295	295	303	-	303	-
Trade and other receivables	1,116	1,116	1,116	1,116	-	-
Cash	2,590	2,590	2,590	2,590	-	-
<b>Measured at fair value</b>						
Other securities and investments	9	9	9	9	-	-
<b>Total financial assets</b>	<b>4,085</b>	<b>4,085</b>	<b>4,098</b>	<b>3,715</b>	<b>382</b>	-
<b>Net</b>	<b>-3,237</b>	<b>-3,237</b>	<b>-3,249</b>	<b>-2,867</b>	<b>-382</b>	-

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Fair value

In all material aspects the financial liabilities are current/short termed. Long 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.

Earn out consideration of EUR 1,250 thousand is measured at fair value (level 3). Out of the total earn out consideration EUR 1,200 thousand has been settled and the amount will as disclosed in note 24 be paid in March 2018. The remaining amount of EUR 50 thousand is equal to the expected settlement amount.

#### 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.

The Group includes within net debt, bank debt, trade and other payables, and other liabilities less cash and cash equivalents and securities.

#### Change in liabilities arising from financing activity

tEUR	January 1 2015	2015	2016	Cash flows Net	Non cash flow changes	2017
Non-current financing liabilities	-	-	-	566	-	566
Current financing liabilities	-	-	-	5,343		5,343
<b>Total liabilities from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,909</b>	<b>-</b>	<b>5,909</b>

### NOTE 21 CHANGE IN WORKING CAPITAL

tEUR	2017	2016	2015
Change in receivables	-1,908	30	-575
Prepaid expenses	-304	-19	36
Prepayment from customers	44	735	124
Change in trades payable, other debt	397	365	384
<b>Change in working capital, total</b>	<b>-1,770</b>	<b>1,111</b>	<b>-32</b>

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 22 ACQUISITION OF SUBSIDIARIES

#### Sportfreunde

On May 31, 2017 Better Collective A/S acquired 100% of the shares and votes in Hebiva Beteiligungen GmbH (referred to as “**Sportfreunde**”). Sportfreunde is an Austrian based affiliate marketing company with strong presence in the German speaking markets. The company was an attractive strategic fit with solid financial performance and it is expected that Better Collective can drive performance further on the strong foundation.

The transferred consideration is paid with cash and a deferred payment.

tEUR	Sportfreunde Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Domains and websites	7,117
Accounts & other intangible assets	2,100
Tangible assets	143
Deposits	17
Trade and other receivables	546
Cash and cash equivalents	338
Deferred tax liabilities	-2,345
Corporate tax liabilities	0
Trade and other payables	-128
<b>Identified net assets</b>	<b>7,788</b>
Goodwill	4,889
<b>Total consideration</b>	<b>12,677</b>

In relation to the acquisition of Sportfreunde a goodwill of EUR 4,889 thousand emerged as an effect of the difference between the transferred consideration and the fair value of acquired net assets. Goodwill is primarily connected to synergy effects that are expected to arise from the integration efficiencies and leveraging Better Collective's existing operator agreements. The goodwill is not tax deductible.

Transaction costs related to the acquisition of Sportfreunde amounts to EUR 136 thousand. Transaction costs are accounted for in the income statements under “other expenses”.

The fair value of the trade receivables amounts to EUR 373 thousand. The gross amount of trade receivables is EUR 373 thousand. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

tEUR	Sportfreunde
Effect on cash flow regarding acquisition of Sportfreunde	
Purchase amount	12,677
Regards to:	
Cash and cash equivalents	338
Deferred payment	2,675
Estimated conditional purchase amount	0
<b>Net cash outflow</b>	<b>9,664</b>

During the seven months since the acquisition date the subsidiary contributed with EUR 2,682 thousand to the group's revenue and EUR 1,274 thousand to the result after tax. If the acquisition would have taken place January 1, 2017 the groups revenue would have mounted to EUR 27,963 thousand and result after tax would have mounted to EUR 7,995 thousand.

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

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 22 ACQUISITION OF SUBSIDIARIES (CONTINUED)

#### Pull Media

On August 31, 2017 Better Collective acquired 100% of the shares and votes in Pull Media SAS (referred to as “**Pull Media**”). Pull Media a French based affiliate marketing company with a global presence with focus on the French speaking markets. The company was an attractive fit with solid financial performance and it is expected that Better Collective can benefit from the global presence and synergies in organisational focus, SEO optimization and combined commercial presence.

The transferred consideration is paid with cash and a deferred payment.

tEUR	Pull Media Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Domains and websites	9,200
Accounts & other intangible assets	1,100
Tangible assets	8
Deposits	43
Trade and other receivables	866
Cash and cash equivalents	1,378
Deferred tax liabilities	-3,421
Corporate tax liabilities	-345
Trade and other payables	-142
<b>Identified net assets</b>	<b>8,687</b>
Goodwill	2,288
<b>Total consideration</b>	<b>10,975</b>

In relation to the acquisition of Pull Media a goodwill of EUR 2,288 thousand emerged as an effect of the difference between the transferred consideration and the fair value of acquired net assets. Goodwill is primarily connected to synergy effects that are expected to arise from the efficiencies in SEO optimisation, knowledge sharing on business optimisation and leveraging Better Collective's existing operator agreements. The goodwill is not tax deductible.

The fair value of the trade receivables amounts to EUR 737 thousand. The gross amount of trade receivables is EUR 737 thousand. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

Transaction costs related to the acquisition of Pull Media amounts to EUR 178 thousand. Transaction costs are accounted for in the income statements under “other expenses”.

tEUR	Pull Media
Effect on cash flow regarding acquisition of Pull Media	
Purchase amount	10,975
<i>Regards to:</i>	
Cash and cash equivalents	1,378
Deferred payment	3,341
Estimated conditional purchase amount	1,200
<b>Net cash outflow</b>	<b>5,056</b>

An additional conditional consideration depended 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 EUR 1,200 thousand. The conditional consideration have been settled after balance sheet date.

Refer to note 24 “Events after the reporting period” for further description regarding the settlement of the conditional consideration.

During the four months since the acquisition date the subsidiary contributed with EUR 1,468 thousand to the group's revenue and EUR 150 thousand to the result after tax. If the acquisition would have taken place January 1, 2017 the groups income would have mounted to EUR 28,860 thousand and result would have mounted to EUR 7,511 thousand.

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

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 23 RELATED PARTY DISCLOSURES

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

- Better Partners ApS, 20.5%, Toldbodgade 12, 1253 Copenhagen, Denmark
- Bumble Ventures A/S, 71.9%, Toldbodgade 12, 1253 Copenhagen, Denmark

The Group is ultimately owned by Christian Kirk Rasmussen and Jesper Søgaard, who each hold 44.2% of the shares in Better Collective A/S. The remaining shares are held by Board members, Key Management and Key employees.

#### Leading employees

The Group's related parties with significant influence include the Group's Board of Directors, Executive Board 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 share option programs are disclosed in note 4 and 5.

#### Associates

In addition, related parties include the associated companies cf. note 7, in which Better Collective A/S has significant influence.

Transactions with related parties have been as follows

tEUR	2017	2016	2015
Capital increase	132	81	170
Acquisition (-)/ sale (+) of treasury shares	892	-309	0
Share based payments	283	13	8
Dividend distributed	0	3,632	1,206
Sale of Investments to Better Holding	134	1,290	0
Other transactions with related parties	72	0	0
Loans to associates	0	380	315
Acquisition of shares in associates	0	70	0

### NOTE 24 EVENTS AFTER THE REPORTING PERIOD

After the closing of the financial year Better Collective has acquired websites, domains and accounts from the company Premium Administration OÜ. The total value of the transaction is EUR 3,675 thousand.

The transaction for Pull Media included a deferred payment of EUR 3,341 thousand and an earn-out consideration. After the closing of the financial year an agreement has been reached with the seller valuing the earn-out at EUR 1,200 thousand, and the deferred payment and earn-out consideration was paid end March 2018. The earn-out at EUR 1,200 thousand has been recognised in the historical financial information, refer note 22.

On April 26, 2018, additional bank credit facilities of 30 mEUR was obtained with Nordea Bank, bringing the total bank credit facilities to 45 mEUR (of which 5 mEUR will expire by the end of H1 2018).

On April 3, 2018 the Danish brand, SpiiXperten.com, was acquired together with other assets owned by Xperten Ltd and Xpert Ltd. Through this acquisition Better Collective established itself as the leading Danish iGaming affiliate in Denmark. The price of the acquisition was EUR 4.5 million paid upfront plus a variable payment of maximum EUR 4.9 million. The target variable payment is estimated at EUR 3.7 million and will be paid on June 30, 2019.

In connection with the planned IPO, 9,185 of the company's outstanding warrants can be exercised. The Board of Directors has, according to the provisions of the warrant contracts, decided to offer cash settlement at the IPO share price to warrant holders. The estimated settlement amount will be approximately 3-4 mEUR.

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 24 EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

Better Collective has on 4 April 2018 entered into a letter of intent (LOI) forming the basis for continued discussions regarding Better Collective's potential acquisition of a European iGaming affiliate (the "Target"). The completion of the acquisition of the Target is subject to Better Collective having conducted a customary due diligence to the satisfaction of Better Collective and that the parties have agreed and executed final agreements governing the acquisition. Pursuant to the LOI, the purchase price in case a final agreement for the acquisition of the Target is reached is expected to be approximately EUR 36 million (on a cash and debt free basis) whereof approximately 85 percent is expected to be paid on closing of the transaction and the remaining part being paid on the first anniversary of the closing date. Assuming that the parties agree on the final terms for the transaction, signing of definitive agreements and closing of the acquisition is expected to occur before the end of the third quarter of 2018.

Furthermore, Better Collective has on 12 April 2018 entered into a separate letter of intent forming the basis for continued discussions regarding the potential acquisition of another European iGaming affiliate focused on sports betting. The purchase price in case a final agreement is reached is expected to be approximately EUR 4 million. The indicative time plan and other terms of the letter of intent are materially similar to those of the LOI described above, including expected signing of definitive agreements and closing of the acquisition occurring before the end of the third quarter of 2018.

### NOTE 25 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. If applicable, the Group intends to adopt these standards when they become effective.

#### IFRS 9 Financial instruments

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Group has reviewed its financial assets and liabilities and is expecting minimal impact from the adoption of the new standard on January 1, 2018, as the Group does not have significant financial instruments. The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income (FVOCI), contract assets under IFRS 15, lease receivables, loan commitments and certain financial guarantee contracts. The Group expects that trade receivables, which are measured at amortised cost under IAS 39, will also continue to be measured at amortised cost under IFRS 9. In addition, the hedge accounting provisions in IFRS 9 will not impact the Group, as it does not have any hedging activities. Based on the assessments undertaken to date, the Group only expects a very limited and insignificant increase in the loss allowance for trade debtors.

The new standard also introduces expanded disclosure requirements and changes in presentation, which will be shown in the year of adoption. IFRS 9 must be applied for financial years commencing on or after January 1, 2018. The Group will apply the new rules retrospectively from January 1, 2018.

#### IFRS 15 Revenue from contracts with customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. The Group plans to adopt the new standard on January 1, 2018 using the modified retrospective method, which means that the cumulative impact, if any, of the adoption will be recognised in retained earnings as of January 1, 2018 and that comparative figures will not be restated.

The Group is in the affiliate marketing business and earns income from partners mainly through revenue share contracts or CPA contracts. The Group earns the income when the partner operator earns revenue from referred depositors' betting and gambling activities with the partner operator. Management has performed an analysis of the Group's major contracts within the context of IFRS 15 to go through the 5-step model to account for revenue. A main determination of IFRS 15 is whether any of the consideration to be received is deemed to be variable, as any variable consideration is required to be estimated and recognised as the performance obligations are satisfied; however, only to the extent that the consideration is highly probable of not resulting in a significant reversal of revenue already recognised. The Group recognises revenue based on either one of the following contract types alone or in combination: 1) share of the revenue earned by partner operators from depositors referred from the Group and/or 2) a one-off CPA per depositor referred from the Group. These types of revenue are considered variable, as the Group's revenue, in any given month, is not fixed and only determinable once the partner operators' net profit earned is known. Before variable consideration can be recognised, the Group



## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 25 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

must consider whether the amount of variable consideration is constrained, based on the probability that earned revenue will be reversed. Therefore, due to the significant uncertainty regarding the Group's revenue from the partner operators' revenue earned, under IFRS 15 the Group will recognize revenue at the end of each month, when there is no longer any variability on the consideration to be received. Based on this, the Group has determined that the adoption of IFRS 15 will not have a material effect on the Group's financial statements, as revenue recognition under IFRS 15 is already in line with the Group's current revenue recognition policies.

The presentation and disclosure requirements in IFRS 15 are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in IFRS 15 are new and the Group has assessed that the disclosures under IFRS 15 will be more extensive.

#### IFRS 16 Leases

IFRS 16 will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The standard will affect primarily the accounting for the Group's operating leases. As of December 31, 2017, the Group has non-cancellable operating lease commitments of EUR 407 thousand (see Note 19). The Group has a limited number of lease contracts and therefore IFRS 16 will only have a limited impact on its financial statements. The adoption of IFRS 16 will result in an increase of total assets and total liabilities. The adoption of the new standard will also result in higher EBITDA, however, this will partially or entirely be offset by increased depreciation. Furthermore, the classification in the cash flow statement will also be affected.

IFRS 16 is mandatory for financial years commencing on or after January 1, 2019. The Group does not intend to adopt the standard before the effective date.

### NOTE 26 FIRST-TIME ADOPTION OF IFRS

These financial statements, for the year ended December 31, 2017, are the first the group has prepared in accordance with IFRS as adopted by EU. For periods up to and including the year ended December 31, 2016, the Group prepared its financial statements in accordance with the Danish Financial Statements Act. Accordingly, the Group has prepared financial statements that comply with IFRS as adopted by EU applicable as at December 31, 2017, together with the comparative period data for the year ended December 31, 2016 and December 31, 2015, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at January 1, 2015, the Group's date of transition to IFRS as adopted by EU. This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with the Danish Financial Statements Act, including the statement of financial position as at December 31, 2015 and December 31, 2016 and the financial statements for the year ended December 31, 2015 and December 31, 2016.

No reconciliation has been made to the statements of financial position as of January 1, 2015 as no consolidated financial statements were made in 2015 and 2016 respectively.

The accounting effect of the Group's transition to IFRS was limited to share-based payment awards of the Company and indefinite life of acquired Domains and Websites.

#### Warrants

Under the Danish Financial Statements Act, the expense related to warrants granted to directors and employees was not recognised. Under IFRS, the fair value of the warrants granted to employees is recognised as an expense over the vesting period of the warrants. The fair value of the warrants granted to directors is expensed immediately in the period they are granted, as they vest immediately.

#### Domains and websites

Under the Danish Financial Statements Act acquired Domains and Websites was amortised over a period of 7 years. Under IFRS management has assessed that acquired Domains and Websites has indefinite useful life. This means that acquired Domains and Websites are tested annually impairment annually.

## NOTES TO THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

### NOTE 26 FIRST-TIME ADOPTION OF IFRS (CONTINUED)

The accounting effect regarding transition to IFRS for the Group is as follows:

Income statement – 2015		Effect of transition to IFRS	IFRS Jan 1 – Dec 31, 2015
tEUR	DK GAAP		
Staff cost	4,563	8	4,571
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	83	-71	12
<b>Profit before tax</b>	<b>3,649</b>	<b>63</b>	<b>3,712</b>
Tax on profit for the year	843	16	858
<b>Profit for the year</b>	<b>2,806</b>	<b>47</b>	<b>2,853</b>
<b>ASSETS</b>			
<b>Intangible assets</b>			
Domains and websites	239	-16	223
<b>TOTAL ASSETS</b>	<b>5,759</b>	<b>-16</b>	<b>5,744</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity</b>	<b>4,654</b>	<b>-31</b>	<b>4,623</b>
<b>Non-current liabilities</b>			
Deferred Tax	-0	16	16
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,759</b>	<b>-16</b>	<b>5,744</b>
<b>Income statement – 2016</b>			
tEUR	DK GAAP	Effect of transition to IFRS	IFRS Jan 1 – Dec 31, 2016
Staff cost	5,601	13	5,614
Amortisation and depreciation	103	-74	29
<b>Profit before tax</b>	<b>6,741</b>	<b>61</b>	<b>6,802</b>
Tax on profit for the year	1,548	16	1,564
<b>Profit for the year</b>	<b>5,193</b>	<b>44</b>	<b>5,237</b>
<b>ASSETS</b>			
<b>Intangible assets</b>			
Domains and websites	121	145	266
<b>TOTAL ASSETS</b>	<b>8,131</b>	<b>145</b>	<b>8,275</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity</b>	<b>5,925</b>	<b>113</b>	<b>6,038</b>
<b>Non-current liabilities</b>			
Deferred Tax	-	32	32
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,131</b>	<b>145</b>	<b>8,275</b>

For Warrants, there was no effect to consider as of the transition date to IFRS, or January 1, 2015, as share-based payment awards were first granted during 2015.

For Domains and Websites there was no effect to consider as of the transition date to IFRS, or January 1, 2015, as the book value of the acquired Domains and Websites at December 31, 2014 was used as the cost price.

The transition to IFRS did not have any effect in the cash flow statement.

## STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT ON THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS

### Statement by the Board of Directors and the Executive Management on the consolidated historical financial statements for the financial year ended 31 December 2017, 2016 and 2015

The Board of Directors and the Executive Management have today discussed and approved the consolidated financial statements of Better Collective A/S for the financial year 1 January – 31 December 2017 and the comparative figures for the financial years 1 January – 31 December 2016 and 1 January – 31 December 2015.

The consolidated financial statements comprise consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flow and notes, including accounting policies, as presented on pages 144-178.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets and liabilities at 31 December 2017, and the comparative figures at 31 December 2016 and 31 December 2015 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2017 and the comparative figures for the financial years 1 January – 31 December 2016 and 1 January – 31 December 2015.

Copenhagen, 28 May 2018

#### Executive Management

Jesper Søgaard  
Chief Executive Officer

Christian Kirk Rasmussen  
Chief Operating Officer

Flemming Pedersen  
Chief Financial Officer

#### Board of Directors

Jens Bager  
Chairman

Søren Jørgensen  
Board member

Klaus Holse  
Board member

Leif Nørgaard  
Board member

Petra von Rohr  
Board member

## AUDITOR'S REPORT ON THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS

### Independent auditor's report on the consolidated historical financial statements for the financial year ended 31 December 2017, 2016 and 2015

#### To the shareholders and potential shareholders

#### OPINION

We have audited the consolidated financial statements of Better Collective A/S (the "**Group**") for the financial year 1 January – 31 December 2017 and the comparative figures for the financial years 1 January – 31 December 2016 and 1 January – 31 December 2015, which comprise consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flow and notes, including accounting policies, as presented on pages 144-178. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In our opinion, the consolidated financial statements as presented on pages 144-178 give a true and fair view of the financial position of the Group at 31 December 2017 and the comparative figures at 31 December 2016 and 31 December 2015 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2017 and the comparative figures for the financial years 1 January – 31 December 2016 and 1 January – 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the European Union.

#### 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" 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

#### *Management's responsibilities for the consolidated financial statements*

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in

accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Group'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 consolidated financial statements unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### *Auditor's responsibilities for the audit of the consolidated financial statements*

Our objectives are to obtain reasonable assurance as to whether the consolidated 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 consolidated 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 consolidated 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 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 consolidated 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 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 consolidated 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 to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and contents of the consolidated financial statements, including the note disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 28 May 2018

**Ernst & Young**

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

# DEFINITIONS



# DEFINITIONS

TERM	DEFINITION
<b>Affiliate</b>	A company providing a performance based marketing service for its customers, in this context the customers are operators.
<b>Application Programming Interface (API)</b>	A set of rules and specifications that enables software programs to communicate with each other.
<b>Business intelligence</b>	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.
<b>Business-to-business (B2B)</b>	Commercial transactions between companies.
<b>Capital expenditure</b>	Expenditure related to the operating activities.
<b>Community site and apps</b>	Community sites comprise a wide variety of often interactive functionality to cater to more advanced user. Community sites and apps enable users to customise, compare and, to a varying degree, share information on iGaming.
<b>Compounded average growth rate (CAGR)</b>	The annual growth rate over a specified time period.
<b>Content site</b>	A website containing information primarily generated by journalists, writers and other professional contributors. Content sites present in-depth information on specific iGaming areas and generally appeal to less advanced users.
<b>Cost per acquisition (CPA)</b>	A one-off payment for every referred user that creates a new profile and makes a deposit with the iGaming operator.
<b>Direct cost</b>	When in the context of iGaming operator costs, direct costs are typically defined as costs associated with the affiliates' referrals of new depositing customers, such as bonuses, loyalty rewards, transaction fees and charge backs.
<b>Display marketing service agreements ("DMSA")</b>	Agreements that the Group utilises for specific deals, providing placements and marketing exposure across the Group's network of websites.
<b>EBITA</b>	Operating profit/loss before amortisation of acquisition related intangible assets, financial items and tax.
<b>EBITA margin</b>	Gross profit as a percentage of revenue.
<b>EBITDA</b>	Operating profit/loss before depreciations and amortisations.
<b>Euroclear Sweden</b>	Euroclear Sweden AB.
<b>General Data Protection Regulation (GDPR)</b>	(EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of private individuals with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.
<b>Gross domestic product (GDP)</b>	A measure of the market value of all final goods and services produced in a country under a time period, normally a year.
<b>iGaming</b>	Online sports betting and online casino.
<b>iGaming affiliates</b>	Affiliates on the iGaming market.
<b>iGaming operator</b>	Online sports betting and online casino operators.
<b>Joint Global Coordinators</b>	Nordea Bank AB (publ) (" <b>Nordea</b> ") and Skandinaviska Enskilda Banken AB (publ) (" <b>SEB</b> ").
<b>Keyword</b>	A particular word or phrase, which has been identified as one which users within the target audience use when they are searching the internet, used on websites to target and drive organic traffic from search engines.
<b>Legal Entity Identifier (LEI) code</b>	An internationally standardised identifier for legal entities that engage in financial market transactions.
<b>LTM</b>	Means the last twelve months.
<b>Mobile first</b>	Website development primarily focused on creating a design, architecture, navigation and a user experience for mobile devices, such as smartphones and tablets, rather than for traditional desktop devices.
<b>Mobile (-sports betting/casino)</b>	Means iGaming activities on mobile devices, such as smartphones and tablets.

TERM	DEFINITION
<b>National Client Identifier (NCI) code</b>	An internationally standardised identifier for private individuals that engage in financial market transactions. For private individuals with only a Swedish citizenship, the NCI code is SE followed by the personal identity number.
<b>Nasdaq Stockholm</b>	Nasdaq Stockholm AB.
<b>Net debt</b>	Interest-bearing debts minus cash and cash equivalence.
<b>Net working capital</b>	Inventories, account receivables, current receivables on Group companies, other receivables as well as prepaid expenses and accrued income reduced by trade payables, tax liabilities, other non-interest-bearing debts, accrued expenses and deferred income.
<b>New depositing customer (NDC)</b>	A user that creates an account and makes a deposit with the iGaming operator.
<b>Organic growth</b>	Percentage change in sales during the past period compared to the same period the previous year. Organic growth is adjusted to exclude sales from by operations acquired during the past 12 months.
<b>Organic traffic</b>	Means traffic from visitors that land on a website as a result of unpaid search results. Organic traffic is the opposite of paid traffic, which defines the visits generated by paid advertisement such as Pay-per-click (PPC).
<b>Over-allotment Option</b>	An option granted by the Company to the Joint Global Coordinators to request that the Company issues additional shares equal to no more than 15 percent of the total number of shares included in the Offering, to cover any over-allotment in the Offering.
<b>Pay-per-click (PPC)</b>	An internet advertising model used to direct traffic to websites whereby advertisers pay to appear in the search engine results for certain search queries.
<b>Placing Agreement</b>	An agreement between the Selling Shareholder, Better Collective and the Joint Bookrunners regarding the placing of shares.
<b>Principal Shareholders</b>	Jesper Søgaard and Christian Kirk Rasmussen.
<b>Re-regulation</b>	The act or process of amending existing laws or regulations, as well as implementing new laws and regulations.
<b>Revenue share</b>	A revenue share model is remuneration model based on the percentage of the net revenue generated by a NDC with the iGaming operator.
<b>Search engine optimisation (SEO)</b>	The methods and techniques used to optimise the online visibility of a website through improved rankings in a web search engine's results.
<b>Selling Shareholder</b>	Bumble Ventures A/S
<b>VP Securities</b>	VP Securities A/S.
<b>Web data extraction</b>	The technique and the process of automatically collecting and extracting data and information from websites and the World Wide Web.



BETTER  
COLLECTIVE

# ADDRESSES

# ADDRESSES

## THE COMPANY

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## JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

### Nordea Bank AB (publ)

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### Skandinaviska Enskilda Banken AB (publ)

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## LEGAL ADVISOR TO THE COMPANY AS TO SWEDISH LAW

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## LEGAL ADVISOR TO THE COMPANY AS TO DANISH LAW

### Bruun & Hjejle Advokatpartnerselskab

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## LEGAL ADVISOR TO THE JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS AS TO SWEDISH LAW

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## THE COMPANY'S AUDITOR

### Ernst & Young Godkendt Revisionspartnerselskab

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