BETTER
COLLECTIVE

BC

ANNUAL REPORT 2017

The market LEADING DEVELOPER of digital platforms for betting and iGaming

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

BETTER COLLECTIVE

OUR VISION

is to empower iGamers – by leading the way in transparency and technology

OUR MISSION

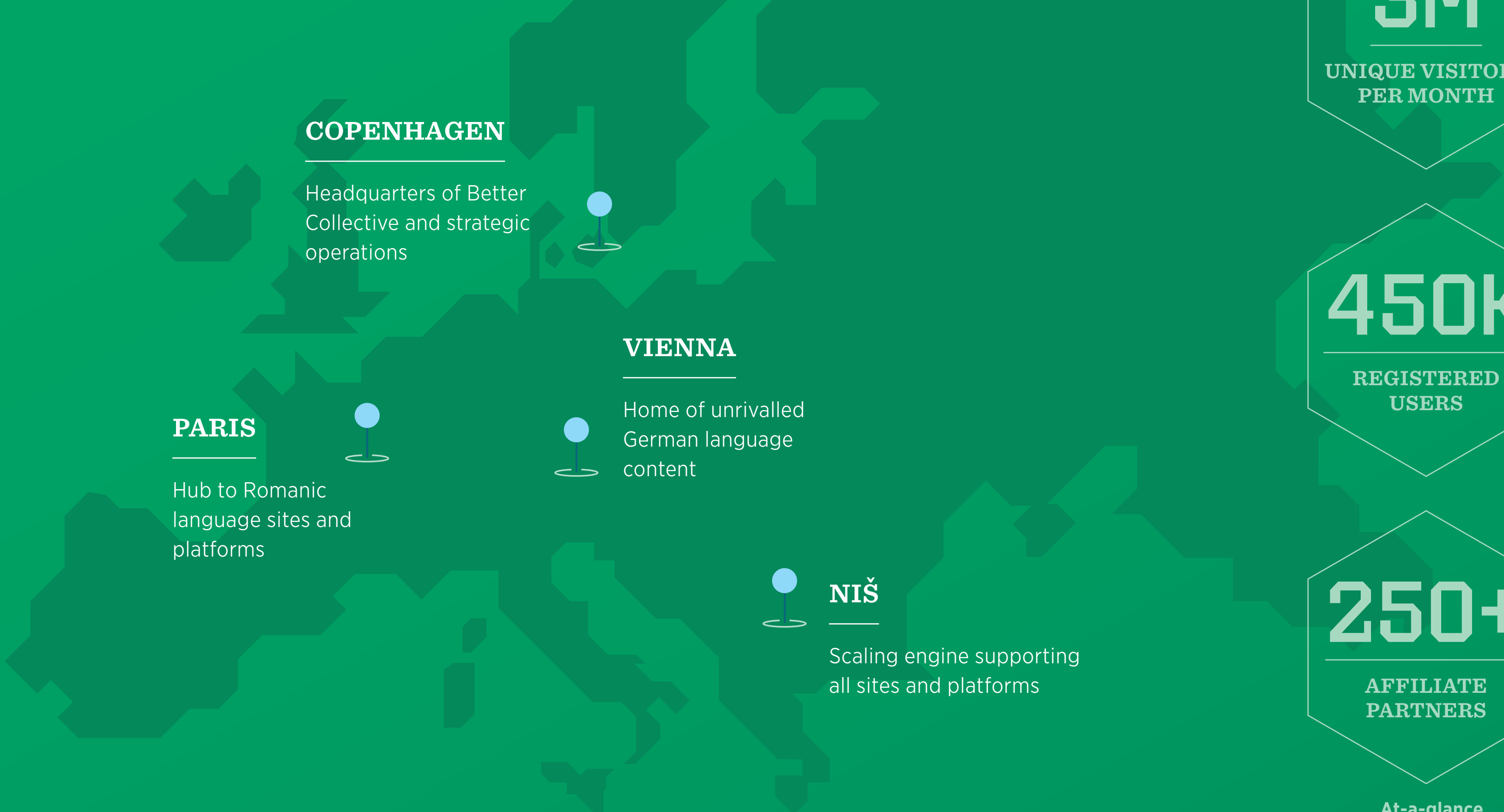
is to make sports betting and gambling entertaining, transparent and fair. We want to make sure that our users are better suited for navigating the iGaming world by visiting a Better Collective website before registering an account with a sports betting or gambling operator.

For us, transparency is an approach to educate our users in an all-encompassing and objective manner. This gives them honest and clear information that will help them place the bets that are best for them.

CONTENTS

AT-A-GLANCE

Better Collective is the leading developer of digital platforms within the iGaming industry. Through our products, we aim to make sports betting and gambling entertaining, transparent and fair for the global network of online bettors.



IN NUMBERS

3M
UNIQUE VISITORS PER MONTH

2K
WEBSITES

450K
REGISTERED USERS

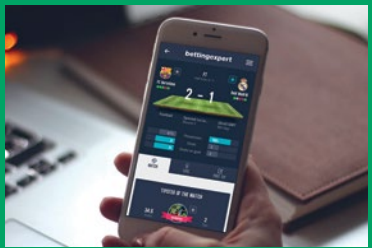
8
ACQUISITIONS IN 2017

250+
AFFILIATE PARTNERS

3K+
TIPS POSTED DAILY

OUR PRODUCTS

We operate three community sites, where our users actively generate content on the platform, and more than 2,000 content sites, which provide our users with information generated by journalists either at Better Collective, or on our behalf. This portfolio of websites drives a monthly average of up to 3 million unique visitors to our sites.



BETTINGEXPERT.COM

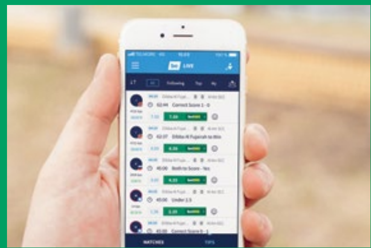
Trusted home of betting tips

bettingexpert.com is the world's biggest social network of sports betting tipsters. Our global community of experts compete for prizes by sharing their strongest tips on upcoming matches across 25 different sports.

SMARTBETS

Odds comparison made personal

SmartBets is the iGaming industry's first customisable odds comparison site. It features in-depth team and match pages, in-play odds comparison, and full transparency on bookmaker pay-outs.



BETTINGEXPERT LIVE

World's first in-play tipping app

bettingexpert LIVE is the perfect second screen experience for any sports bettor or tipster. Integrated with bet365's live odds, the app allows tipsters to quickly place tips while they are watching a match.

DISCOVER SLOTS

Online slots discovery platform

Discover Slots cuts through the clutter of online slots, and helps you filter and find the best slot for you based on a variety of parameters. The platform features 4,000+ slots to date, and makes navigating them simple and intuitive.

BONUS CODE BETS

The best bookmaker sign up bonuses

Most bookmakers offer bonus codes, but some are better than others. Bonus Code Bets tests (and lets you test) which bonus codes are best for you. Bonus Code Bets also features educational content.

Chairman letter

IGAMING IS BOOMING...

Better Collective has a leading position in a highly attractive and growing market.

As a first mover 12 years ago, Better Collective saw an increasing interest for sports betting and casino, together with a need for market transparency. Better Collective soon became one of the pioneers in affiliate marketing, and an entrepreneurial dream turned into a solid company with 193 employees, offices in four countries, and a unique position for continued growth.

NEW 2017-2019 STRATEGY INCLUDING ACQUISITIVE GROWTH

Better Collective has been on a continuous growth journey. The financial results speak for themselves with an average growth of 40% (CAGR) since 2010.

The iGaming market is still booming. Experts estimate the European iGaming market to 15.4 bnEUR a year (2017) with a growth rate of 8.7% (CAGR), and additionally, the highly fragmented market offers interesting buying opportunities.

Therefore, the management decided to adjust the strategy in 2016 and adopt a proactive acquisition strategy. This led to eight well-conducted acquisitions (assets and shares) in 2017 alone.

> *"Better Collective is well-positioned to exploit the many opportunities in a booming iGaming market*

ADDITIONAL MANAGEMENT RESOURCES TO MATCH GROWTH AMBITIONS

When growing a company as rapidly as Better Collective has done, it has also been important to ensure sufficient management resources. Thus, it was decided in 2017 to strengthen the overall management with the extension of the board of directors from three to five members, and to strengthen the executive management.

In 2018, we will also have a sustained focus on ensuring the right competencies and resources at all levels, and we will furthermore strengthen our risk management in line with the increased business volume. This includes assessing the optimal funding setup with external advisors.

2018 will undoubtedly be an exciting year where innovative technology will play an active role in developing the affiliate market to unmatched heights.

Jens Bager
Chairman of the Board

Jens Bager
Chairman of the board

Jesper Søgaard
CEO & Co-Founder

CEO letter

... AND BC IS GROWING RAPIDLY

2017 was a remarkable year for Better Collective. We entered the year with an ambitious plan and with a great effort, we delivered on both the strategic and financial objectives.

For the first time since the foundation, we really went beyond the organic growth path and started executing our M&A-strategy. We launched new innovative products, expanded our office premises significantly, and lifted the company to new standards on all levels.

A YEAR OF SOLID GROWTH

Total revenue for the year amounted to 26 mEUR – a growth of 51%, of which the 28 percentage points were organic growth. Our operating result (EBITA) increased 49%, corresponding to an EBITA-margin of 40%. Taking into consideration that we completed eight acquisitions in the same period, the results surpassed our expectations.

Throughout the year we also doubled our number of employees.

REACHING OUR FIRST ACQUISITION MILESTONES

Executing on our strategy in 2017 meant ramping up on M&A activities and basically transforming our business. Now we have a presence, not only in Copenhagen, but also in Paris, Vienna, and Nis, and we can say with confidence that we have a proven acquisition model.

To mention a few, by acquiring:

- **Austrian SportFreunde** in May, we added a website portfolio with high quality content within sports betting, significantly expanding our presence in the German speaking markets.
- **Pull Media** in September, we seized the opportunity to become a market leader in the French market through a gambling guide published within a network of websites and applications.
- **PariuriX** in November, we immediately became a leading sports betting affiliate in Romania, as PariuriX has grown to become the biggest iGaming community in this market.

Acquiring companies is resource demanding, especially in the integration phase after a transaction is closed. New colleagues are welcomed, products integrated, and synergies harvested. We have acquired both smaller and larger operations in their numbers. However, they proved to deliver to our expectations – some even beyond.

BETTER COLLECTIVE NAMED AFFILIATE OF THE YEAR

It is always a great feeling to be recognised by our customers and colleagues. I 2017, Better Collective secured the title of "Affiliate of the Year 2017" at the annual SBC Awards (Sports Betting Community) and the year before, SBC awarded our odds comparison platform, SmartBets, as "The Best New Affiliate Product". All in all, Better Collective was awarded prizes six times in 2017 and for

> *We will continue to seek synergies from acquisitions*

the seventh consecutive year we were touted as a Gazelle company by the Danish financial newspaper, Børsen.

CONFIDENT ABOUT THE FUTURE

2017 gives us a good starting point for 2018. We still observe a solid growth in iGaming and the derived affiliate market and in line with our 2017-2019 strategy, we will continue our dual growth track including an acceleration of M&A's.

We believe that "Size matters", and thus, a larger organisation brings operational leverage and competitive power that allows you to continue allocating resources to innovation. At the same time, you must act on increasing compliance demands from authorities and partners.

Deep in our DNA, it is written that we shall provide transparent and interesting products, always bearing in mind that what we do is to provide entertainment and good experiences for our many users. This has always driven us, and will continue to do so in the future.

Jesper Søgaard
CEO

KEY EVENTS 2017

This year was marked by positive results from Better Collective's ambitious M&A strategy, confirming our position as a leading iGaming affiliate in Europe. Additionally, the year was filled with award recognition, product improvements, and further strengthening of our leadership.

10/02/17
SmartBets named iGB's Innovation of the Year 2017

31/05/17
BC acquires SportFreunde

02/06/17
bettingexpert.com releases Tipster API that can be integrated across products and with operators

03/07/17
SmartBets adds 5th language version before it's a year old

31/07/17
Flemming Pedersen announced new CFO

01/08/17
Marcell Jansen, German national team player, endorses SmartBets as its German ambassador

23/08/17
Jens Bager becomes chairman of the board at BC

31/08/17
BC acquires PullMedia, and instantly becomes a leading iGaming affiliate in France

04/09/17
BC expands German language market presence by acquiring WettPortal.com

06/09/17
BC acquires CasinoLounge.co.uk – Leading UK casino affiliate asset

04/10/17
Klaus Holse – CEO of Simcorp joins BC Board

26/10/17
BC named "Casino Affiliate of 2017" by EGR

01/11/17
BC obtains Romanian affiliate license and acquires PariuriX

15/11/2017
BC receives 7th consecutive Gazelle growth award

06/12/2017
SBC names BC "Affiliate of the Year"

- Awards
- Mergers and Acquisitions
- Product
- Leadership

FINANCIAL HIGHLIGHTS AND KEY RATIOS

tEUR	2017	2016	2015
INCOME STATEMENT			
Revenue	26,257	17,407	11,373
Revenue Growth (%)	51%	53%	52%
Organic Revenue Growth (%)	28%	53%	52%
Operating profit before amortisations (EBITA)	10,549	7,076	3,788
Operating profit before amortisations margin (%)	40%	41%	33%
Operating profit	9,872	7,072	3,784
Operating profit margin (%)	38%	41%	33%
Result of financial items	-87	-271	-73
Profit before tax	9,786	6,802	3,712
Profit after tax	7,446	5,237	2,853
BALANCE SHEET			
Balance Sheet Total	42,605	8,275	5,744
Equity	14,775	6,038	4,623
Current assets	6,860	7,084	3,763
Current liabilities	17,660	2,205	1,105
CASH FLOW			
Cash flow from operations	9,107	8,226	3,773
Investments in tangible assets	-16	794	32
Cash conversion rate (%)	86%	105%	99%
Cash flow from investment activities	-18,519	600	-1,163
Cash flow from financing activities	6,932	-3,861	-1,036

No financial highlights and key ratios has been given for 2014 and 2013 as the Group according to the Danish Financial Statements Act was not obliged to prepare consolidated financial statements.

tEUR	2017	2016	2015
FINANCIAL RATIOS			
Earnings per share (in EUR)	14.62	10.32	5.67
Diluted earnings per share	13.91	10.12	5.67
Liquidity ratio	0.39	3.21	3.40
Equity to assets ratio (%)	38%	73%	80%
Average number of full-time employees	116	75	61

CALCULATIONS

Earnings per share (EPS) = Profit for the year / Average number of shares

Diluted earnings per share = Profit for the year / (Average number of shares + Average number of warrants)

Liquidity ratio = Current assets / Current liabilities

Equity to assets ratio = Equity / Total assets

Operating profit before amortisations margin (%) = Operating profit before amortisations / Revenue

Operating profit margin (%) = Operating profit margin / Revenue

Cash conversion rate = (Cash from operations + Cash from CAPEX) / Operating profit before depreciations and amortisations

STRATEGY

Business model

BETTER COLLECTIVE – A LEADING IGAMING AFFILIATE

Better Collective is uniquely positioned on the iGaming affiliate market with a strong community of users, advanced technology, and a commitment to continuous innovation to the benefit of our operator partners.

BC

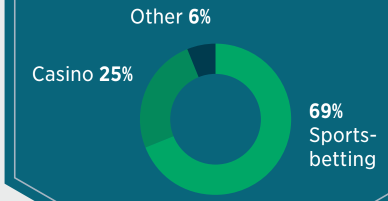
THE OPERATORS

(selected operators)

Sports betting
WilliamHill bet365
Unibet Matchbook

Casino
LeoVegas.com Sunmaker
Cherry Casino OVO Casino
Energy Casino ComeOn!
Quasar

REVENUE SPLIT



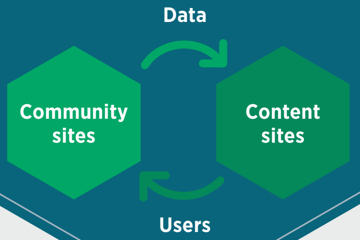
LEAD GENERATION

>90%

FROM ORGANIC TRAFFIC

The rest is paid media

THE USERS



POSITION IN THE VALUE CHAIN

Better Collective is a leading affiliate on the European iGaming market with a focus on sports betting. We operate three community sites, where our users actively generate content on the platform, and more than 2,000 content sites, which provide our users with information generated by journalists either at Better Collective, or on our behalf. This portfolio of websites drives a monthly average of up to 3 million unique visitors to our sites.

We provide performance-based marketing services to more than 250 iGaming operators through our sites. Our users are referred to operators, who convert them into players, and we are in turn remunerated on a revenue share basis or a cost per acquisition model.

AWARDS PROOF POINTS

BUSINESS

7x Børsen Gazelle

3x Børsen Super-Gazelle

European Business Awards: 2016/17 Danish National Champion RSM Entrepreneur of the Year

iGAMING INDUSTRY

EGR Operator Awards:
Affiliate of the Year 2015

EGR Nordics Awards:
Affiliate of the Year 2016

EGR Operator Awards:
Casino Affiliate of the Year 2017

SBC Awards:
Affiliate of the Year 2017

EGR Nordics Awards:
Affiliate of the Year 2018

TECHNICAL ACHIEVEMENTS

iGB Affiliate Awards:
Best Innovation 2017 (SmartBets)

SBC Awards:
Best New Affiliate Product 2016 (SmartBets)

ComputerWorld Denmark Top 100, 2017

“100 Best 2017”/Ranked #3

“100 Best in Service”/Ranked #2

“Top 3 in Digital Marketing”/Ranked #1

Strategy

CONTINUING THE GROWTH JOURNEY

Better Collective has historically exhibited impressive growth, and 2017 was no different. In order to achieve continued growth, the initiatives in our 2017-2019 strategy are based on two avenues: organic growth and aquisitive growth.

STRENGTHS AND DRIVERS

Better Collective's own strengths and overall trends in the iGaming industry come together to form the following key drivers that support our dual-track growth strategy through organic and acquisitive growth:

- Continued market growth
- Strong position to gain market share from small and medium sized affiliates
- Wide geographical footprint in Europe with proven potential for further market penetration
- Expansion of current platform to new geographies

Due to our achievements within this framework for 2017, we will continue to adhere to these strategic initiatives for 2018, but in an expanded capacity.

TRENDS IN THE GAMING INDUSTRY

The Gaming industry continues to show a shift towards online gaming (iGaming) compared to the traditional land-based operations. Particularly in the European iGaming market, the current estimate is that the market will see a CAGR at 8.7% from 2017-2020 to reach an estimated 19.7 bnEUR in revenue in 2020.

With gaming regulation becoming an important legal topic in 2017, iGaming Operators began observing stricter protocols for compliance. 2017 frequently saw news of Operators taking initiatives supporting responsible gaming, as well as re-evaluating the standards to which they hold their affiliate partners responsible.

19.7

bnEUR

Estimated European iGaming industry revenue in 2020

BETTER COLLECTIVE'S POSITION AS AN IGAMING AFFILIATE

Better Collective continues to be a market leader in the iGaming affiliate industry – in particular within sports betting. With Better Collective's core values being heavily tied to compliance and transparency, the existing partnerships with iGaming Operators only became stronger as compliance became a focus in the overall Gaming Industry.

As the iGaming affiliate industry is maturing, the overarching market trend of 2017 has been marked by consolidation. Better Collective has been active in this consolidation through our M&A activities in 2017. Our M&A strategy has been largely successful, as evident from the synergistic effects and continued growth in the companies we have acquired. Moreover, we have been able to integrate our new colleagues in an efficient way in the Better Collective Group.

Based upon our experiences with M&A, we have decided to continue acquiring relevant companies. We have engaged the two large Nordic Banks, Nordea and SEB, as financial advisors in order to identify the best possible financial strategy in this context.

Market

PROSPEROUS IGAMING AND AFFILIATE MARKETS

The iGaming market is a highly attractive growth market on which the iGaming affiliate market is based. It has been fundamentally supported by technological advances, as well as increased online and mobile penetration.

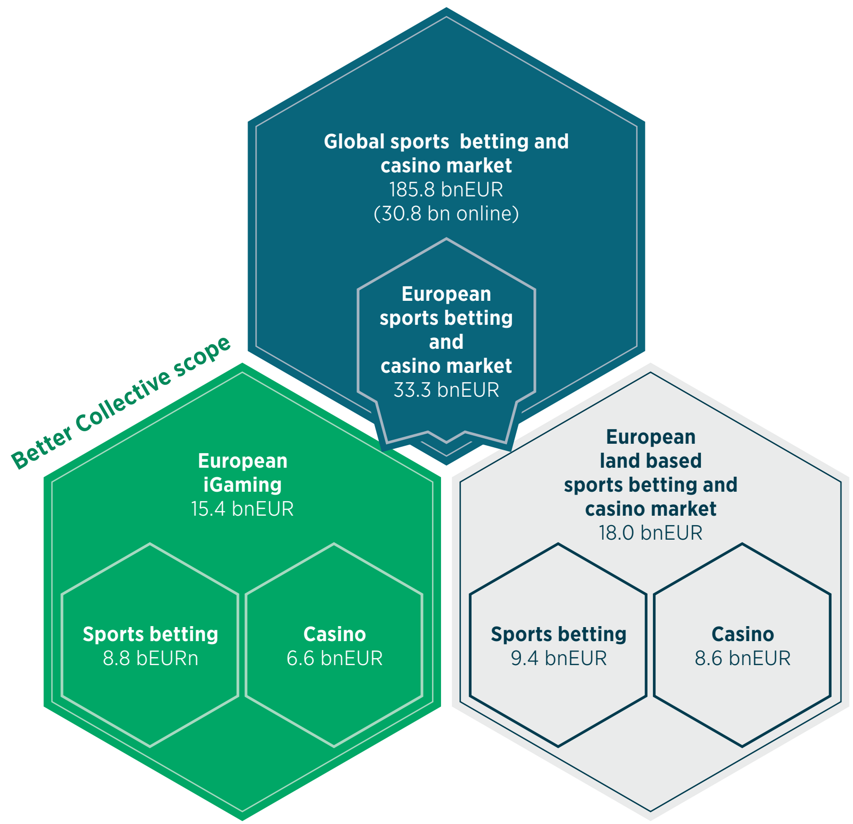
TRENDS

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

THE TOTAL EUROPEAN GAMBLING MARKET

The total European sports betting and casino market, which is in focus for Better Collective, amounted to 33.3 bnEURin 2017, of which land-based gambling and iGaming accounted for 18.0 bnEUR and 15.4 bnEUR, respectively. The European iGaming market is furthermore divided into online sports betting and online casino, which amounted to 8.8 bnEUR and 6.6 bnEUR, respectively, in 2017.

EUROPEAN GAMBLING AND IGAMING MARKET (bnEUR)



Source: H2 Gambling Capital

While the market for online casino is characterised by a large number of operators, the complexity of sports betting data has resulted in a more concentrated market with a comparably smaller number of established operators.

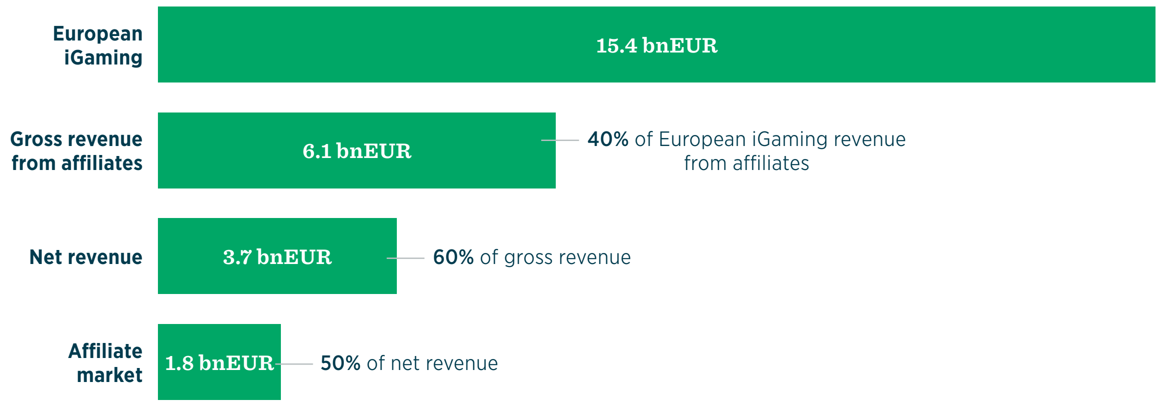
As iGaming becomes increasingly more widespread, many countries are amending or implementing new iGaming laws and regulations, often referred to as re-regulation. The overall impact of regulation on the iGaming market is generally believed to be positive as the awareness of and the demand for iGaming increases.

THE IGAMING AFFILIATE MARKET

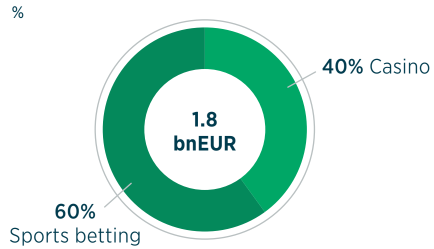
The goal of an iGaming affiliate is to facilitate the sign ups of users with different iGaming operators. This can be done through a variety of ways, such as creating simple editorial content that informs about bookmakers, or creating fully interactive, user driven, platforms. An affiliate earns revenue based upon New Depositing Customer (NDC) that they facilitate for an iGaming operator.

The major trend of the iGaming affiliate industry in 2017 has been consolidation. The acquisitions of smaller to medium sized affiliates by large affiliates was common practice, and over the past few years, the M&A activities of the affiliate industry have given rise to a smaller group of large affiliates.

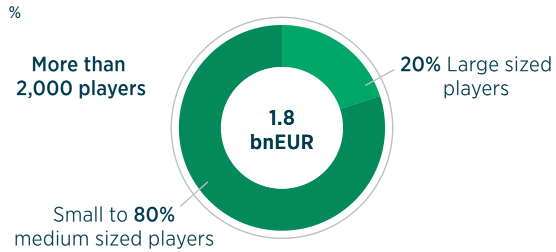
BREAKDOWN OF THE ESTIMATED EUROPEAN IGAMING AFFILIATE MARKET (bnEUR)



SHARE OF TOTAL AFFILIATE MARKET BY TYPE OF GAME



SHARE OF TOTAL AFFILIATE MARKET BY AFFILIATE SIZE



Growth avenues

DUAL-TRACK STRATEGY

Better Collective has a strong and experienced management team and board in place to develop and execute our strategy that is based on two avenues: organic growth and M&A growth. We will increase the quality of content and technological features to facilitate this growth.

HIGH GROWTH POTENTIAL IN CURRENT AND NEW GEOGRAPHICAL MARKETS

Better Collective has developed a well-established methodology for growth in current and new markets ranging from mapping of potential markets, entering, and rolling-out community sites.

Europe is currently our key focus, with the UK being our largest market within it. We believe there is further potential for growth in Europe through introduction of new technological features and improved content.

Better Collective is also in a strong position to capture untapped potential outside of Europe, including the large U.S. and Asian markets, in which online penetration could significantly increase with changes in regulations as seen in other markets.

PROVEN ACQUISITION MODEL WITH A STRONG M&A PIPELINE

During 2017, Better Collective ramped-up acquisition activities, resulting in eight successful acquisitions and integrations.

For the iGaming affiliate industry, the focus on compliance has given more advantage to larger affiliates who are also positioned to invest in technology, competence, and compliance due to scale advantages. Because of these dynamics, larger affiliates, such as Better Collective, are best positioned to consolidate the European iGaming affiliate market, considerably increase their market shares, and outgrow the overall market.

Better Collective has a strong reputation within the affiliate market, enabling a constructive dialogue with potential targets. We actively monitor many affiliates and have been in contact with several potential targets since 2017. Going forward, we expect to acquire a range of small and medium sized affiliates, and the current focus includes the following preferred characteristics:

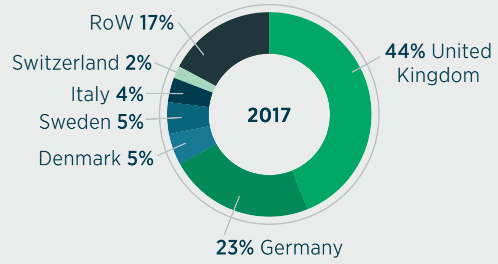
- Strong market position
- Operation in regulated markets
- Sports betting as primary focus

Our acquisition model is divided into three steps: fast integration with Better Collective's tech (API), unique data from our community sites added to the target, and traffic driven from target to community sites. Furthermore, we have developed an advanced Business Intelligence framework that we apply to the acquired companies if relevant.

Better Collective has a competitive advantage in acquisitions due to our technological platform. Our API enables fast integration to the technological platform, which enables all parties to benefit from synergies. The synergies derive mainly from scale benefits in use of content, technological features such as bet integrations, automation, and personalisation, as well as improved terms with operators.

PAN-EUROPEAN EXPANDING FOOTPRINT – REVENUE SPLIT BY GEOGRAPHY, 2017

%



Technology

TECHNOLOGY PLATFORM

Better Collective has created a common application programming interface (API) that enables easier development of technological features, as well as easier integration of new sites. These are important elements for staying relevant to the betting experience as a whole, driving entertainment for the users, as well as creating barriers to entry.

SUPERIOR DEVELOPMENT AND INTEGRATION

Better Collective gathers large amounts of data and illustrates it to users in various ways. We consider this essential for our continuous creation of more content, with higher relevance, to successfully drive traffic to our sites. To do this, we have invested significant resources in developing an efficient and scalable technology platform.

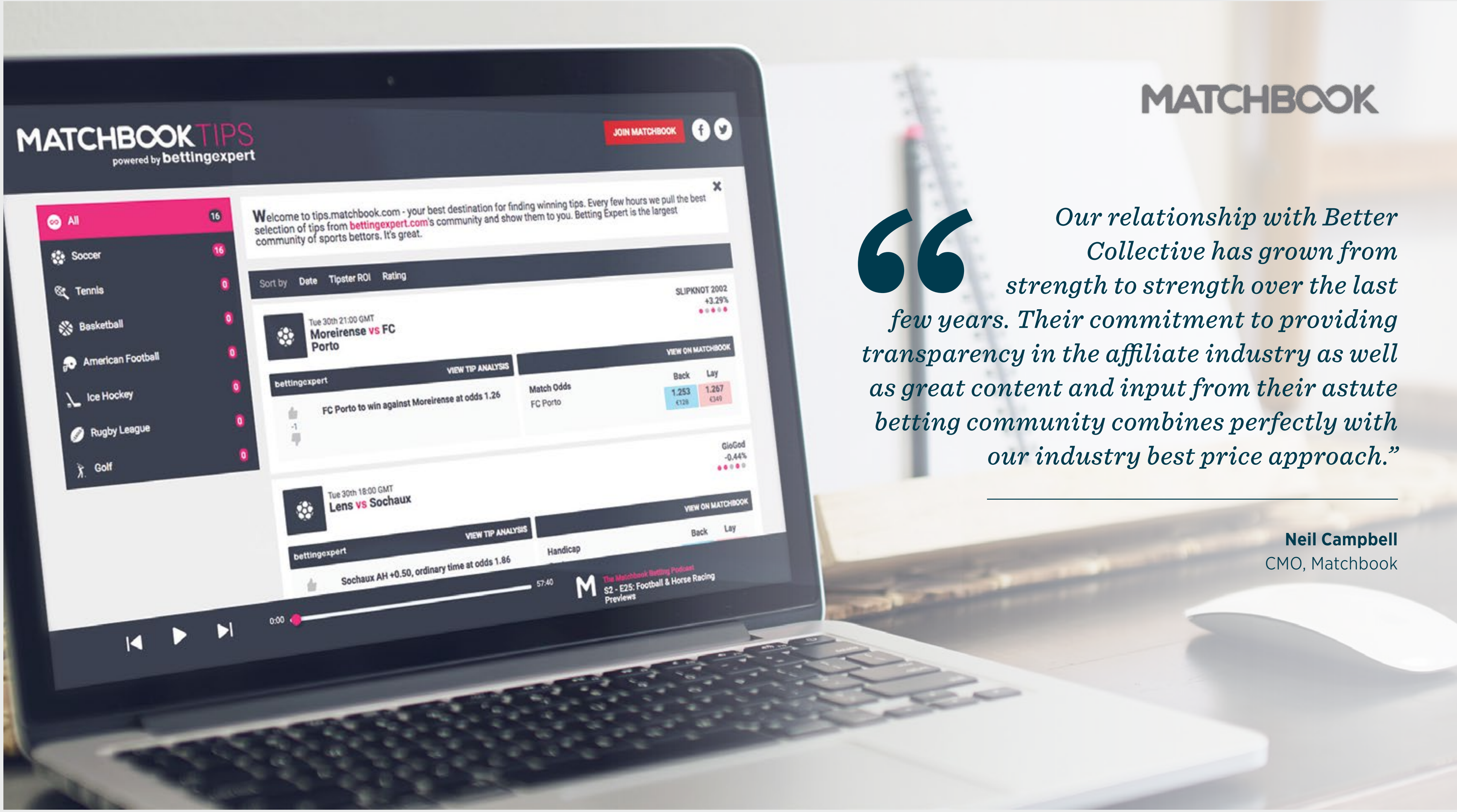
By prioritising our innovative approach to technology, we have been able to create high barriers of entry for others in the industry by setting the following standards:

CREATING CONTENT IN A SCALABLE AND EFFICIENT WAY

EARNING TRAFFIC THROUGH RELEVANT AND BROAD CONTENT OFFERING

PLATFORM ENABLING SCALABILITY AND EFFICIENCY BASED ON APIS

MOBILE FIRST APPROACH

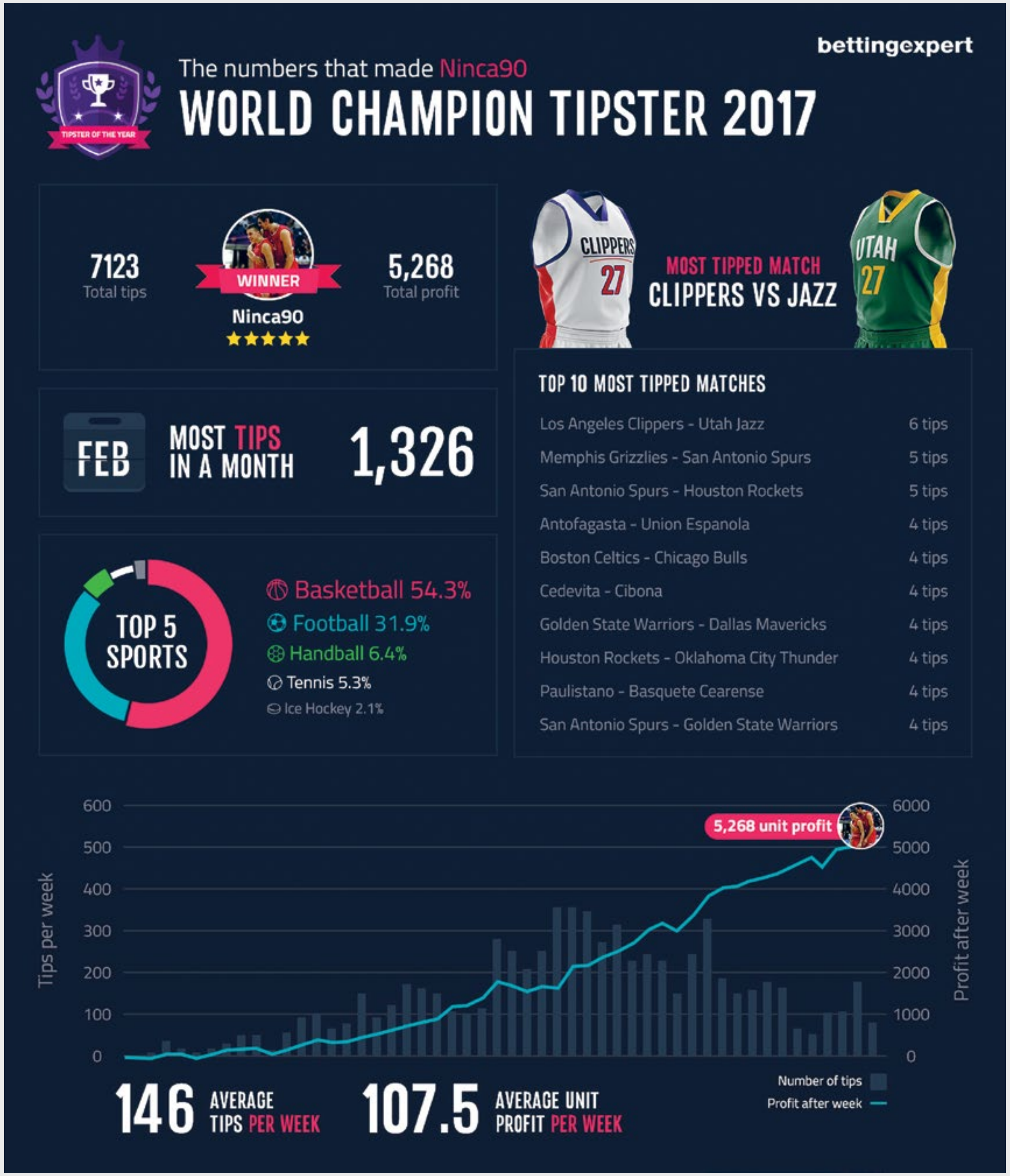


> *Our relationship with Better Collective has grown from strength to strength over the last few years. Their commitment to providing transparency in the affiliate industry as well as great content and input from their astute betting community combines perfectly with our industry best price approach.”*

Neil Campbell
CMO, Matchbook

MATCHBOOK

“Recently, we took our content collaboration to the next level. Through Better Collective’s industry leading APIs, we’re proud to offer our customers top sports betting tips from the trustworthy bettingexpert.com community on Matchbook’s UI, where they can take advantage of betting inspiration from proven profitable tipsters on upcoming events, all in one place. Tips are the perfect complimentary product for a betting exchange and we’re proud to be able to offer our customers a high volume of unbiased, trusted and qualified, free betting tips.”



"After taking home the World Champion Tipster title two years in a row, I really feel like I am an influential part of the community. Having been invited to Copenhagen twice to meet the Better Collective Team, I will always make time to tip on bettingexpert.com.

As a tipster, my favourite part of bettingexpert.com are the competitions and their setups. They provide me with great stats and tools to help me visualise my tipping strategies in a risk-free environment. Since I started tipping on bettingexpert.com, I have seen a lot of personal improvement thanks to these tools, and I sincerely hope I have helped my 2,500+ followers make more informed bets."

Ninca90
World Tipster Champion 2016 & 2017

WORLD TIPSTER CHAMPION 2017

The World Tipster Champion title is awarded to the Tipster on bettingexpert.com whose tips have yielded the highest profit in a calendar year. The tipsters must meet minimum requirements including number of tips, as well as include an in-depth written analysis for each tip.

BET365

"Better Collective offer top class international products and iGaming content, which serves as an excellent service to customers, as well as providing us a great funnel for consistently high volumes of quality new registrations at bet365."

"Better Collective is easily one of the best affiliates we've ever worked with here at LeoVegas and there's plenty of reason for them winning, among others, the "Casino Affiliate of the Year" at the prestigious EGR Operator Awards in 2017."

Philip Kellin
Director of Business Development, LeoVegas Gaming

LEOVEGAS GAMING

"Our collaboration with Better Collective is transparent and professional, they're extremely easy to deal with and handle our brand with care.
Better Collective delivers a high volume of quality players with good value month after month, in several geographic territories.
They're very engaged and do everything to live up to LeoVegas' standards and expectations."

REVENUE
26
MILLION EUR

REVENUE GROWTH
51
PERCENT

FINANCIAL REVIEW

Financial review

A STRONG 2017 RESULT

2017 was a year of high activity. Revenue increased by 51% and operating profit (EBITA) by 49%, corresponding to an EBITA margin of 40%. Eight acquisitions were successfully completed and contributed to growth.

REVENUE

Total revenue for the year amounted to 26,257 tEUR (2016: 17,407 tEUR). In total, eight acquisitions (two acquisitions and six asset deals) were completed and contributed to growth. The revenue growth in 2017 was 51% of which 28%-points were organic growth.

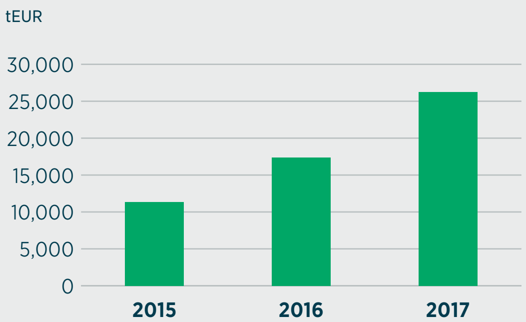
Throughout the year, the organic growth was challenged by significant compliance upgrades required by authorities that were passed through to us by our partners. Even though increased compliance and regulatory demands sometimes affect business in the short term, Better Collective welcomes and supports such initiatives, as they contribute to a better user experience. In the last quarter of the year, things began to normalise. Backed by general strong market performance and very favourable sports results, the growth in Q4 was 89% whereof 72% was organic growth.

COSTS

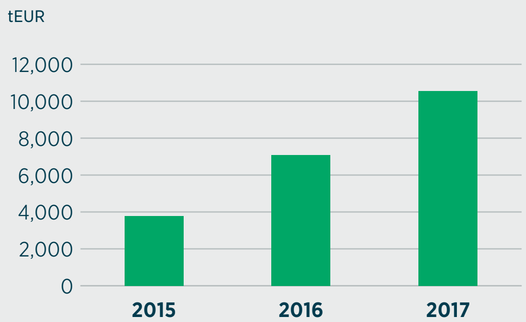
Full year operational expenses amounted to 16,385 tEUR (2016: 10,335 tEUR), an increase of 59%. The cost base in 2017 is affected by the significant resources invested in domain fees, SEO efforts, external consultancy fees, and hosting fees, as part of a continuous effort to display our products and services the best possible way, while not neglecting the development of new products and features.

Personnel expenses amounted to 7,568 tEUR (2016: 5,614 tEUR), an increase of 35%. The average number of employees increased significantly to 116 (2016: 75). Through our acquisitions, we also took over staff in Vienna and Paris, adding >40 new colleagues. We significantly expanded our presence in Niš, Serbia, and we rented the

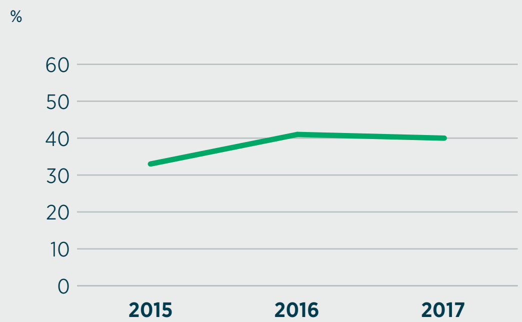
REVENUE



OPERATING PROFIT BEFORE AMORTISATIONS (EBITA)



OPERATING PROFIT BEFORE AMORTISATIONS MARGIN (%)



entire building in our headquarters in Copenhagen to make room for several new hires. Welcoming so many new colleagues was possible due to our onboarding program that has been in place for several years now, and has proven effective in managing high growth.

With the business expansion, other operating expenses also increased significantly to 5,145 tEUR (2016 2,152 tEUR). We recognised approximately 1,000 tEUR in expenses related to M&A's, non-cash warrant expenses, and other items we consider as part of lifting the company to a new level.

Depreciation and amortisations amounted to 722 tEUR (2016: 29 tEUR), mainly attributable to the acquisitions that were completed during the year.

OPERATING PROFIT

Full-year operating profit (EBITA) grew to 10,549 tEUR, an increase of 49% compared to the previous year (2016: 7072 tEUR). The EBITA-margin of 40% in 2017 was in line with 2016.

Consolidated Earnings include contributions from acquired companies from the day of acquisition. Overall, the acquisitions have performed better than expected, and we have seen significant synergistic effects beyond what we assumed before acquisitions.

Profit before tax amounted to 9,786 tEUR (2016: 6,802 tEUR), an increase of 44%.

NET PROFIT AND INCOME TAX

Better Collective pays taxes in the places where the company is incorporated, which are Denmark (where the parent company is incorporated), Austria, France, Romania, and Serbia. The main taxable income is in Denmark, which has a corporate tax rate of 22%, whereas the corporate tax rates in the other countries are slightly higher.

Income tax amounted to 2,340 tEUR (2016: 1,564 tEUR), resulting in an effective tax rate (ETR) of 24%.

Net Profit ended at 7.446 tEUR (2016: 5.237 tEUR).

INVESTMENTS

In total, 26,373 tEUR was spent on acquisitions, whereof 7,756 tEUR are deferred payments. The purchase prices cover accounts (player databases), websites, domains, and other intangible assets.

Investments in tangible assets were 102 tEUR for the full year.

FINANCIAL POSITION AND CASH FLOW

Cash Flow from operations for the full year was 9,107 tEUR (2016: 8,226 tEUR). Working capital was affected negatively by 1,770 tEUR in 2017, whereas working capital was positive with 1,111 tEUR in 2016. This shift was mainly due to a large pre-payment from a partner. When considering this change in working capital, the cash conversion rate before acquisitions seen over the period 2016 and 2017 has been 95%.

As a supplement to operating cash flow, the company has obtained a minor bank credit facility during the year to finance the acquisitions. At year end, the net cash position was approximately minus 3 mEUR covered by a credit facility of approximately 5 mEUR. The company has not obtained other external debt financing other than delayed payments relating to acquisitions and normal debt relating to operations. The company expects that the deferred payments from the completed acquisitions will be paid through own operational cash flow.

The company has engaged financial advisors to assist in establishing the most favourable financing of further acquisitions.

Total assets amounted to 38,705 tEUR (2016: 8,275 tEUR). The large increase in total assets is due to the eight acquisitions completed during the year.

Total equity ended at 14,775 tEUR by December 31, 2017 (2016: 6,038 tEUR), corresponding to an equity to assets ratio of 38% in 2017.

THE PARENT COMPANY

Better Collective A/S is the holding company of the Group – the Parent Company. It is incorporated in Denmark where the company's headquarter is domiciled.

Revenue for the full year increased by 28% to 22,103 tEUR (2016: 17,204 tEUR), positively affected by acquisitions completed as asset transactions.

Total expenses increased significantly to 13,831 tEUR (2016: 10,115 tEUR) due to several upgrades throughout the company to support the future growth, and considerably due to the integration of acquired companies.

Profit after tax was 6,295 tEUR (2016: 5,237 tEUR).

Total Equity ended at 13,521 tEUR by December 31, 2017 (2016: 5,933 tEUR). The company has sold shares and issued warrants against payment during 2017. This has affected equity positively by 1,024 tEUR.

INCENTIVE PROGRAMS

In order to attract and retain key competences, the company has established a warrant program for key employees and board members. A total of 41,050 warrants have been allocated at different time points, all with rights to subscribe for 1 ordinary share. If all outstanding warrants are subscribed, then the maximum shareholders dilution will be approximately 7%.

The vesting periods range from 2018-2022. The exercise prices vary between 200-700 DKK per share depending on the year of allocation.

SHARES AND SHARE CAPITAL

As per December 31, 2017, share capital amounted to DKK 510,182, and the total number of issued shares was 510,182. The company has one (1) class of shares. Each share entitles the holder to one vote at the general meetings.

OUTLOOK FOR 2018

Better Collective expects to continue its growth in revenue and profit by focusing on bringing more depositors to our partners via new, user-friendly, and innovative product offerings. Moreover, following several successful acquisitions in 2017, Board and Management have decided to continue the M&A-strategy as an important strategic component. Therefore, it has been decided not to pay out dividend for 2017. Furthermore, it has been decided to seek additional external financing; the two large Nordic banks Nordea and SEB have been appointed as financial advisors.

EVENTS AFTER THE CLOSING OF THE REPORTING PERIOD

Better Collective has acquired websites, domains and accounts from the company Premium Administration OÜ.

An agreement has been reached with the seller of Pull Media, and the deferred payment and earn-out consideration will be paid end March 2018.

CORPORATE MATTERS

Risk management

RISK MANAGEMENT IS A KEY PRIORITY

Better Collective operates in a continually changing business environment, and the Board and Management considers it essential that risk exposure is thoroughly monitored and controlled. To ensure this, a framework of policies and mitigating procedures is in place, continuously updated, and an integrated part of daily operations.

RISK MANAGEMENT AT BETTER COLLECTIVE

Through an Enterprise Risk Management process, a number of gross risks in Better Collective are identified. Each risk is described, including current risk mitigation in place or planned mitigating actions. The subsequent analysis of the identified risks includes an inherent risk evaluation based on two main parameters: probability of occurrence and impact on future Earnings and Cash Flow.

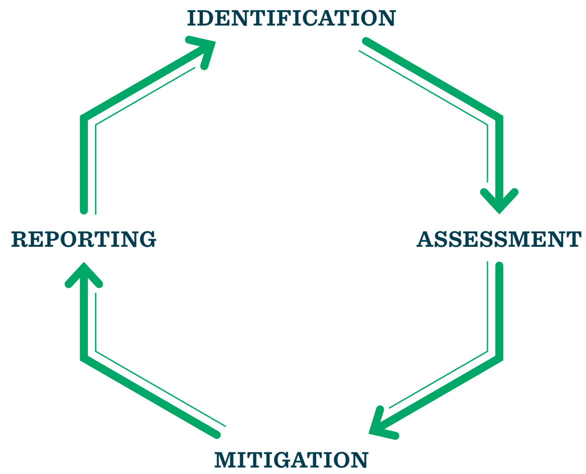
Better Collective's management continuously monitors risk development in the Better Collective Group. The risk evaluation is presented to the Board of Directors annually, for discussion of and any further mitigating actions required. The Board evaluates risk dynamically to cater for this variation in risk impact.

The policies and guidelines in place stipulate how Better Collective management must work with risk management. Better Collective's compliance with these policies and guidelines is also monitored by the management on an ongoing basis.

Better Collective seeks to identify and understand risks and mitigate them accordingly. Also, the company's close and longstanding relationships with customers allow Better Collective to anticipate and respond to market movements and new regulations, including compliance requirements from authorities and operators (customers).

THE RISK MANAGEMENT PROCESS

The risk management process in Better Collective comprises of the following interlinked processes, risk identification, risk assessment, and risk mitigation which is concluded and reviewed by Executive Management.



KEY RISK FACTORS

Key risk factors are described below. The risk factors are not listed in any order of priority.

RISK ITEM	DESCRIPTION	RISK MANAGEMENT
Markets and customers	Anticipating and responding to important trends and changes in regulations in the market for iGaming is critical to Better Collective's ability to retain customers and win market share. Failing to spot these trends represents a risk.	Extensive market research and industry analysis allow Better Collective to anticipate and respond to market movements and new requirements.
Products and users	Better Collective constantly aims at offering the best and most innovative products. Failure to be ahead of development in the industry poses a risk, as the competitive landscape encourages novelty and edge in products.	Better Collective conducts a systematic prioritisation of user, customer, and market requirements. Updates include enhanced system functionality and improved technical infrastructure.
M&A	Better Collective participates actively in market consolidation to increase relevance to its customers and to reduce the exposure to single products and customers. M&A activity poses risk in that targets need to be qualified, deals negotiated, and businesses integrated.	Better Collective has proven its acquisition model throughout 2017 and continue to work diligently in the evaluation and building of its M&A pipeline. Integration of new assets and/or entities create valuable synergies due to Better Collective's APIs and processes.
Corporate Culture	People remain the key drivers in everything that we do at Better Collective as our business is based on specialised expertise and innovation. Failure to attract, develop, and retain the most skilled employees and management talent constitutes a risk to the Group.	Scandinavian values and the notion of work/life balance serve as strong tools for recruitment of talent—as we have, naturally, found that talented people are happy to stay with a company that treats them with respect and give freedom.

RISK ITEM	DESCRIPTION	RISK MANAGEMENT
Legal	Better Collective believes contractual risk as well as legal risk related to regulatory requirements are critical. Failure to meet or implement regulatory requirements in a timely fashion with respect to, for instance, data protection, confidentiality agreements, IPR, and fraud constitutes a risk.	Better Collective has established a central Legal function that, together with the commercial and business development operations, ensures a stage-gate approach when new contracts are made and when new regulations and compliance is being imposed.
IT	As a digital software-based company with a core business based on modern information technology, Better Collective's failure to adequately protect itself against IT risk represents a particular risk. Cybercrime including unauthorised access to Better Collective's network and data could endanger applications as well as the infrastructure and the technical environment stored on Better Collective's network.	Better Collective's IT department continuously monitors its global technical infrastructure, aiming to identify and minimise risk to the company's production and operation. Through well-established procedures and solutions, Better Collective can quickly restore critical business operations.
Financial	Generally, financial reporting involves the risk of non-compliance with applicable legislation and potential business risk. There is also a risk of inadequate internal controls designed to avoid significant errors and omissions in financial reporting.	Better Collective has established a Group Finance function that oversees all financial policies, procedures and controls. See also note 20 Financial risks on page 60.

Corporate governance

LEADERSHIP STRENGTHENED IN 2017

Good corporate governance is the foundation for the strong corporate culture at Better Collective. The Board of Directors serves as a highly qualified dialogue partner for the Management Team supporting the outlined growth strategy, securing a tight risk management setup and optimal capital structure.

BOARD OF DIRECTORS EXPANDED TO FIVE MEMBERS

Our current Board consists of five shareholder-elected members who elect a chairman among them.

In 2017, the Board completed a change of the management layers in order to match our ambitious M&A strategy and manage the fast growth.

In August, Jens Bager was appointed Chairman of the Board, and the Board has since been expanded from three to five members: in September, Klaus Holse (CEO of Simcorp) was elected new Board Member, and in February 2018, Petra von Rohr (Head of Group Communications of Com Hem) was elected new Board Member.

Furthermore, the Board has implemented Board Committees to be effective from 2018. The Board is responsible for the overall management of the company, which includes appointing the members of the Executive Management, laying down guidelines for, and exercising control of, the work performed by the Executive Management, organising our business in a responsible manner, defining our business concept and strategy and evaluating the adequacy of our capital contingency plan.

The Board operates in accordance with its Rules of Procedure and an annual plan as well as Committee Rules of Procedure.

EXECUTIVE MANAGEMENT

The Executive Management handles the day-to-day management of the company and complies with the guidelines and directions as issued by the Board in the Executive Management Rules of Procedure.

In 2017, our management team was restructured into an Executive Management, and a Management Group. Executive Management includes CEO, COO, and CFO. The Management Group includes VP of Human Resources, VP of Commercial, and VP of Products. In 2017, Flemming Pedersen, formerly CFO at ALK, was appointed CFO.

DIVERSITY

Better Collective aims to offer equal opportunities to men and women across our organisation, as well as promoting equal opportunities regardless of gender, ethnicity, race, religion, and sexual orientation. At the end of 2017, our Board was composed of all male members. It is the Board's ambition to increase diversity, including gender representation on the Board, and early 2018 the addition of Petra von Rohr to the board shifted the balance to four male and one female member. The Executive Management and Management Group are made up of five male and one female manager. For our organisation, the gender split is 68% male and 32% female employees.

As we have an international market presence, it is essential for Better Collective and our success to have a wide variety of nationalities and cultural backgrounds represented in our workforce. We have employees from 33 different countries working at Better Collective, all of them highly skilled within their area of expertise. We value diversity; we find that it brings unique perspectives, and it allows our teams to look at problems from all angles and create innovative results.

OWNERSHIP STRUCTURE

As per December 31, 2017, Jesper Søgaard, CEO and Co-Founder and Christian Kirk Rasmussen, COO and Co-Founder, each control 44% of the shares, in total 88% through holding companies. The remaining 12% of the shares are owned by key employees and board members.

Corporate responsibility

WE TAKE A STAND ON RESPONSIBLE GAMING

At Better Collective, we are aware of the impact of our business on the rest of society, our own stakeholders and the environment. Being an affiliate in the iGaming industry, we recognise our responsibility and have made it our mission to make online sports betting and gambling entertaining, transparent and fair.

RESPONSIBLE GAMING

Better Collective views iGaming and gambling purely as a form of entertainment, and we want to make sure that our users' and employees' iGaming experiences remain as a form of fun and entertainment. That is why we strongly endorse responsible gaming.

When creating content or new platforms, we always have responsible gaming in mind, making sure that our users are aware of the legal gambling age and of possible negative effects of gambling and how to prevent these.

We want to make sure that our users are better suited for navigating the iGaming world by visiting a Better Collective website before registering an account with a sports betting or gambling operator. All our platforms focus on the teaching of gambling strategies and the presentation of insightful information to help our users feel more confident in their betting. However, we do not, and cannot, guarantee winning – and we will never claim to do so.

SUPPORTING THE FURTHER STUDY AGAINST GAMBLING ADDICTION

We cannot ignore that there are users for whom gambling surpasses entertainment and becomes a form of addiction. To help those users, Better Collective donates money to support research that aims to prevent more individuals from transforming the act of gambling as entertainment into an unhealthy activity. This contribution is facilitated through Gamble Aware, where an annual minimum of 0.1% of Better Collective's Gross Gambling Yield (any iGaming related income) is donated to support the initiatives of the Responsible Gambling Strategy Board. Donations can be made to a variety of organisations in multiple countries.

BUSINESS ETHICS AND ANTI-CORRUPTION

As Better Collective is an affiliate in the iGaming industry, there are a variety of compliance regulations we adhere to across the different countries, we operate in. Our core value of bringing transparency and honesty to the gambling industry is dependent on our ability to maintain in line with operator regulations – this has a high priority in all of our operations. Also, Better Collective condemns the acts of corruption and bribery, as we consider them extremely unethical. Thus, we consider any act that can be considered as a form of corruption or bribery (regardless of the local legislation) as prohibited.

SOCIAL AND EMPLOYEE-RELATED MATTERS

People remain the key drivers in everything that we do at Better Collective—both in relation to our organisation and how we approach our products. We rely on our ability to recruit talented and dynamic people for our work place and create a strong work culture that prioritises the wellness of our employees.

Being a Danish company, our Scandinavian values have a big influence on how we approach our organisational structure. While the Scandinavian value of transparency has given us a unique perspective on the iGaming industry, which remains at the core of all our executions, it also serves as inspiration for retaining our employees. The notion of work/life balance is practiced actively at office, as well as being trusting of our employees. It also serves as a strong tool for recruitment of talent—as we have, naturally, found that talented people are happy to stay with a company that treats them respect and freedom.

BOARD OF DIRECTORS

JENS BAGER

Chairman of the Board
Born 1959
Nationality DK
Present position since 2017

Jens Bager joined Better Collective in 2016, and has served as chairman of the board since 2017. Jens holds an M.Sc in Economics and Business Administration from Copenhagen Business School. Before joining Better Collective, he was the CEO of ALK-Abello A/S for 16 years, and prior to that he was an Executive Vice President of Chr. Hansen A/S. He has served on various boards in Denmark, Sweden, and France. Jens is currently Industrial Partner in Impilo AB, serves as chairman for Ambu A/S and chairman of the Grundfos Foundation. He is experienced in general management of international and listed companies.

KLAUS HOLSE

Board member
Born 1961
Nationality DK
Present position since 2017

Klaus Holse joined Better Collective in 2017 as member of the board. Klaus holds a Master of Computer Science from University of Copenhagen. Klaus 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. Klaus also serves as chairman of the board at EG A/S and Lessor A/S. He has accumulated deep knowledge of the IT and software industry.

SØREN JØRGENSEN

Board Member
Born 1970
Nationality DK
Present position since 2014

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. Søren holds Master of Law degrees from Aarhus University and University of London. For 20 years, Søren practiced law in two large Danish law firms, with the last 12 years as an M&A partner advising clients on M&A transactions. Søren 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 vast expertise in M&A and capital markets.

LEIF NØRGAARD

Board Member
Born 1955
Nationality DK
Present position since 2014

Leif Nørgaard joined Better Collective in 2014 as member of the board. Leif holds an M.Sc in Economics and Business Administration from Aarhus Business School, and is certified as a State Authorised Public Auditor. For 20 years, Leif has been a senior manager in global companies in Denmark and the USA, 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 has obtained extensive experience in all finance matters, as well as growth cases.

PETRA VON ROHR

Board Member
Born 1972
Nationality SE
Present position since 2018

Petra von Rohr joined Better Collective in 2018 as member of the board. Petra holds an M.Sc. in Finance from Stockholm School of Economics and McGill University in Canada. Petra is currently Head of Group Communications at Com Hem AB and has some 20 years of experience from executive management positions both from the finance industry and the communications industry. In the beginning of her career she worked as an equity analyst in London and Stockholm. Petra brings significant skills in communications and investor relations to the board.

MANAGEMENT

EXECUTIVE MANAGEMENT

JESPER SØGAARD

CEO & Co-Founder

Present position since 2004

CHRISTIAN KIRK RASMUSSEN

COO & Co-Founder

Present position since 2004

FLEMMING PEDERSEN

CFO

Present position since 2017

MANAGEMENT GROUP

CAMILLA WISSING BILLE

VP of Human Resources

Present position since 2009

HENRIK LYKKESTEEN

VP of Commercial

Present position since 2014

THOMAS HØGENHAVEN

VP of Product

Present position since 2009

STATEMENTS

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today discussed and approved the annual report of Better Collective A/S for the financial year January 1 – December 31, 2017 with comparative figures for the financial years January 1 – December 31, 2016 and January 1 – December 31, 2015.

The annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and additional disclosure requirements of the Danish Financial Statements Act.

It is our opinion, that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets and liabilities at December 31, 2017 with comparative figures at December 31, 2016 and December 31, 2015 and of the results of the Group's and Parent Company's operations and consolidated cash flows for the financial year January 1 – December 31, 2017 with comparative figures for the financial years January 1 – December 31, 2016 and January 1 – December 31, 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the parent company's operations and financial position.

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

Copenhagen, March 22, 2018

EXECUTIVE BOARD

Jesper Søgaard
CEO

Christian Kirk Rasmussen
COO

Flemming Pedersen
CFO

BOARD OF DIRECTORS

Jens Bager
Chairman

Klaus Holse

Søren Jørgensen

Leif Nørgaard

Petra von Rohr

INDEPENDENT AUDITORS' REPORT

To the shareholders of
Better Collective A/S

OPINION
We have audited the consolidated financial statements and the parent company financial statements of Better Collective A/S for the financial year January 1 – December 31, 2017 with comparative figures for the financial years January 1 – December 31, 2016 and January 1 – December 31, 2015, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at December 31, 2017 with comparative figures at December 31, 2016 and December 31, 2015 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year January 1 – December 31, 2017 with comparative figures for the financial years January 1 – December 31, 2016 and January 1 – December 31, 2015 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

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

INDEPENDENCE
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' 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.

STATEMENT ON THE MANAGEMENT'S REVIEW
Management is responsible for the Management's review.

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

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

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, March 22, 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

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Note	tEUR	**2017**	2016	2015
	Revenue	**26,257**	**17,407**	**11,373**
	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
	Operating profit	**9,872**	**7,072**	**3,784**
7	Share of profit after tax of associates	0	0	0
8	Financial income	7	0	0
9	Financial expenses	93	271	73
	Profit before tax	**9,786**	**6,802**	**3,712**
10	Tax on profit for the year	2,340	1,564	858
	Profit for the year	**7,446**	**5,237**	**2,853**
	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
	Profit for the year	7,446	5,237	2,853
	Other comprehensive income			
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	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
	Total other comprehensive income/(loss) for the year, net of tax	**7,430**	**5,263**	**2,845**
	Attributable to:			
	Shareholders of the parent	7,430	5,263	2,845

CONSOLIDATED BALANCE SHEET

Note	tEUR	**2017**	2016	2015	As at Jan 1, 2015
	ASSETS				
	Non-current assets				
11, 12	**Intangible assets**				
	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	**Property, plant and equipment**				
	Land and buildings	756	774	0	0
	Fixtures and fittings, other plant and equipment	141	33	43	19
		897	807	43	19
	Other non-current assets				
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
	Total non-current assets	**31,846**	**1,191**	**1,981**	**886**
	Current assets				
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
	Total current assets	**6,860**	**7,084**	**3,763**	**2,518**
	TOTAL ASSETS	**38,705**	**8,275**	**5,744**	**3,404**

Note	tEUR	**2017**	2016	2015	As at Jan 1, 2015
	EQUITY AND LIABILITIES				
	Equity				
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
	Total equity	**14,775**	**6,038**	**4,623**	**2,806**
	Non-current Liabilities				
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
	Total non-current liabilities	**6,270**	**32**	**16**	**0**
	Current Liabilities				
	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
	Total current liabilities	**17,660**	**2,205**	**1,105**	**598**
	Total liabilities	**23,930**	**2,237**	**1,121**	**598**
	TOTAL EQUITY AND LIABILITIES	**38,705**	**8,275**	**5,744**	**3,404**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

tEUR	Share capital	Share premium	Currency trans-lation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As at January 1, 2015	**67**	**0**	**2**	**0**	**1,531**	**1,206**	**2,806**
Result for the year	0	0	0	0	2,853		2,853
Other comprehensive income							
Currency translation to presentation currency	0	0	-8	0	0	0	-8
Total other comprehensive income	0	0	-8	0	0	0	-8
Total comprehensive income for the year	**0**	**0**	**-8**	**0**	**2,853**	**0**	**2,845**
Transactions with owners							
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
Total transactions with owners	**1**	**169**	**0**	**0**	**-1,600**	**402**	**-1,028**
At December 31, 2015	**68**	**169**	**-6**	**0**	**2,784**	**1,608**	**4,623**

During the year a dividend of 2.40 EUR per share was paid (average number of shares)

tEUR	Share capital	Share premium	Currency trans-lation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As at January 1, 2016	**68**	**169**	**-6**	**0**	**2,784**	**1,608**	**4,623**
Result for the year					5,237		5,237
Other comprehensive income							
Currency translation to presentation currency			25				25
Total other comprehensive income	0	0	25	0	0	0	25
Total comprehensive income for the year	**0**	**0**	**25**	**0**	**5,237**	**0**	**5,263**
Transactions with owners							
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
Total transactions with owners	**1**	**80**	**0**	**-309**	**-2,011**	**-1,608**	**-3,848**
At December 31, 2016	**68**	**249**	**19**	**-309**	**6,010**	**0**	**6,038**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

tEUR	Share capital	Share premium	Currency trans-lation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As at January 1, 2017	**68**	**249**	**19**	**-309**	**6,010**	**0**	**6,038**
Result for the year					7,446		7,446
Other comprehensive income							
Currency translation to presentation currency			-15				-15
Tax on other comprehensive income							0
Total other comprehensive income	0	0	-15	0	0	0	-15
Total comprehensive income for the year	**0**	**0**	**-15**	**0**	**7,446**	**0**	**7,431**
Transactions with owners							
Capital increase	0	132					132
Acquisition/disposal of treasury shares				309	582		892
Share based payments					283		283
Total transactions with owners	**0**	**132**	**0**	**309**	**865**	**0**	**1,307**
At December 31, 2017	**69**	**381**	**4**	**0**	**14,322**	**0**	**14,775**

During the year no dividend was paid.

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
	Cash flow from operating activities	**8,242**	**6,127**	**2,970**
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
	Cash flow from investing activities	**-18,519**	**600**	**-1,163**
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
	Cash flow from financing activities	**6,932**	**-3,861**	**-1,036**
	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
	Cash and cash equivalents December 31	**2,129**	**5,490**	**2,599**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES

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 financial statements section of the annual report for the period January 1 – December 31, 2017 comprises both the consolidated financial statements of Better Collective A/S and its subsidiaries (the Group or the Better Collective Group) and the separate parent company financial statements (the Parent). The comparative figures cover the period January 1 – December 31, 2016 and January 1 – December 31, 2015.

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.

The Board of Directors and the Executive Board have discussed and approved the annual report for Better Collective A/S on March 22, 2018. The annual report will be presented to the shareholders of Better Collective A/S for adoption at the annual general meeting on April 26, 2018.

BASIS FOR PREPARATION

For all periods up to and including the year ended December 31, 2016, the parent company prepared its financial statements in accordance with the Danish Financial Statements Act. These financial statements for the year ended December 31, 2017 are the first the Group and the parent company have prepared in accordance with IFRS as adopted by the EU and additional Danish disclosure requirements for financial statements prepared by medium class C enterprises. Information on how the Group and the parent company have adopted IFRS and the effect that the transition has had on the Group and parent company are disclosed in note 26 (Group) and note 19 (parent).

PRESENTATION CURRENCY

The Group's consolidated financial statements and parent financial statements are presented in Euro (EUR), and the Group and parent company's functional currency is Danish Kroner (DKK). In general, roundings will occur and cause variances in sums and percentages in the consolidated and parent company 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. Statutory financial information included in the parent's Annual Report for the years ended December 31, 2015 and December 31, 2016 previously reported in DKK has been restated to EUR.

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.

NOTES

1 ACCOUNTING POLICIES (CONTINUED)

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.

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 share of the revenues that a gaming operator has generated from a player betting or gambling on their IGaming website, the player initially having been referred from one of the Group's websites. Revenue is recognised in the month that it is earned by the respective gaming operator.

Cost per acquisition (CPA): For CPA deals, the gaming operator pays a one-time fee for each referred player who deposits money on their IGaming website. Cost per acquisition consists of a pre-agreed rate with the gaming operator. Revenue is recognised 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

NOTES

1 ACCOUNTING POLICIES (CONTINUED)

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 elimination 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 Better Holding 2012 ApS 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.

Better Holding 2012 ApS 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.

NOTES

1 ACCOUNTING POLICIES (CONTINUED)

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.

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 investment 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 recognises 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 are 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.

NOTES

1 ACCOUNTING POLICIES (CONTINUED)

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 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 authorised by the shareholders at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate line item under “Equity”.

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.

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

The cost 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

NOTES

1 ACCOUNTING POLICIES (CONTINUED)

to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

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

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

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

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 non-cash operating items, the change in working capital and income tax paid.

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

Cash flow from financing activities
Cash flows from financing activities comprise change in the size or composition of the Group's share capital and related costs as well as borrowing, repayment of interest-bearing debt 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

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

Management reviews goodwill and domain names and websites for impairment at least once a year. This requires Management to make an estimate of the projected future cash flows from the continuing use of the cash-generating unit to which the assets are allocated and also to choose a suitable discount rate for those cash flows. Management 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 (Group) for details).

NOTES

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.

Based on the operations of the business Management has 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%.

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
Total staff costs	**7,568**	**5,614**	**4,571**
Average number of full-time employees	116	75	61
Remuneration to Executive Directors			
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
Total	**201**	**146**	**128**
Remuneration to Board of Directors			
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
Total	**264**	**47**	**40**

NOTES

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.

5 SHARE-BASED PAYMENT PLANS (CONTINUED)

	Board of Directors	Executive directors	Other employees	Total, numbers	Exercise price, weighted average EUR
Share options outstanding at January 1, 2015	**-**	**-**	**-**	**-**	**-**
Granted	-	-	11,900	11,900	27
Forfeited/expired	-	-	3,017	3,017	27
Exercised	-	-	-	-	-
Transferred	-	-	-	-	-
Share options outstanding at December 31, 2015	**-**	**-**	**8,883**	**8,883**	**27**
Granted	-	-	2,984	2,984	36
Forfeited/expired	-	-	955	955	27
Exercised	-	-	-	-	-
Transferred	-	-	-	-	-
Share options outstanding at December 31, 2016	**-**	**-**	**10,912**	**10,912**	**34**
Granted	12,715	-	19,150	31,865	94
Forfeited/expired	-	-	1,427	1,427	30
Exercised	-	-	300	300	27
Transferred	-	-	-	-	-
Share options outstanding at December 31, 2017	**12,715**	**-**	**28,335**	**41,050**	**91**
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

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 31, 2017, 2016 and 2015 is 283 tEUR, 13 tEUR, and 8 tEUR, respectively.

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
	332	**20**	**15**

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
December 31, 2015					
Scatter Web ApS	100%	Denmark	Copenhagen	tDKK	80
December 31, 2016					
Scatter Web ApS	100%	Denmark	Copenhagen	tDKK	80
Ploomo ApS	51%	Denmark	Copenhagen	tDKK	50
December 31, 2017					
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:

		2017			2016		2015	
Name	Domicile	Interest %	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.

NOTES

7 GROUP INFORMATION (CONTINUED)

tEUR	2017	2016	2015
Associates			
Cost at January 1	**73**	**3**	**3**
Additions	0	70	0
Disposals	-73	0	0
Cost at December 31	**0**	**73**	**3**
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
Carrying amount at December 31	**0**	**0**	**0**

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.

8 FINANCE INCOME

tEUR	2017	2016	2015
Exchange gains	6	-	-
Interest income	1	-	-
Other financial income	-	-	-
Total finance income	**7**	**-**	**-**

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
Total finance costs	**93**	**270**	**73**

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

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
Total	**2,340**	**1,564**	**858**

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
Total	**2,340**	**1,564**	**858**

NOTES

10 INCOME TAX (CONTINUED)

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

tEUR	2017	2016	2015
Profit for the year:			
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
	2,340	**1,564**	**858**
Effective tax rate	**23.9%**	**23.0%**	**23.1%**

tEUR	2017	2016	2015
Deferred tax			
Deferred tax January 1	**32**	**16**	**0**
Additions from business acquisitions	5,766	0	0
Adjustments of deferred tax in profit and loss	-143	16	16
Deferred tax December 31	**5,655**	**32**	**16**
Deferred tax is recognised in the balance sheet as:			
Deferred tax asset	0	0	0
Deferred tax liability	5,655	32	16
Deferred tax December 31	**5,655**	**32**	**16**
Deferred tax is related to:			
Intangible assets	5,737	34	18
Property, plant and equipment	-82	-2	-2
Deferred tax December 31	**5,655**	**32**	**16**
Income tax payable			
Income tax payable January 1	**-487**	**-46**	**-102**
Current tax	2,483	1,548	843
Additions from business acquisitions	345		
Income tax paid during the year	-644	-1,989	-786
Income tax payable December 31	**1,697**	**-487**	**-46**

NOTES

11 INTANGIBLE ASSETS

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation				
At January 1, 2015	**0**	**224**	**23**	**247**
Additions	0	0	0	0
Disposals	0	0	0	0
Currency Translation	0	-1	0	-1
At December 31, 2015	**0**	**223**	**23**	**246**
Additions	0	42	7	48
Disposals	0	0	0	0
Currency Translation	0	1	0	1
At December 31, 2016	**0**	**266**	**30**	**296**
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
At December 31, 2017	**7,178**	**20,085**	**4,162**	**31,425**
Amortisation and impairment				
At January 1, 2015	**0**	**0**	**3**	**3**
Amortisation for the period	0	0	3	3
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	0	0
At December 31, 2015	**0**	**0**	**7**	**7**
Amortisation for the period	0	0	3	3
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	0	0
At December 31, 2016	**0**	**0**	**10**	**10**
Amortisation for the period	0	0	677	677
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	0	0
At December 31, 2017	**0**	**0**	**686**	**686**

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Carrying Value				
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

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.

NOTES

12 GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIFE (CONTINUED)

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

tEUR	**2017**	2016	2015	Jan 1, 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, Management has evaluated goodwill, domains and websites for impairment. Management is of the view that the carrying amount of domains and goodwill is recoverable on the basis that the cash flows generated from these assets are in line, or exceed, the estimated projections made prior to the acquisitions. The directors are satisfied that the judgements made are appropriate to the circumstances.

Recoverable amount
When testing for impairment, the 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 has 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.

13 PROPERTY, PLANT AND EQUIPMENT

tEUR	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Cost or valuation			
At January 1, 2015	**0**	**104**	**104**
Additions	0	33	33
Disposals	0	0	0
Currency translation	0	0	0
At December 31, 2015	**0**	**137**	**137**
Additions	790	0	790
Disposals	0	0	0
Currency translation	0	1	1
At December 31, 2016	**790**	**137**	**927**
Additions	0	102	102
Acquisitions through business combinations	0	151	151
Disposals	0	-146	-146
Currency Translation	-1	0	-1
At December 31, 2017	**789**	**244**	**1,034**
Depreciation and impairment			
At January 1, 2015	**0**	**85**	**85**
Depreciation for the period	0	9	9
Depreciation on disposed assets	0	0	0
Currency translation	0	0	0
At December 31, 2015	**0**	**94**	**94**
Depreciation for the period	16	10	26
Depreciation on disposed assets	0	0	0
Currency translation	0	0	0
At December 31, 2016	**16**	**105**	**121**
Depreciation for the period	18	26	43
Depreciation on disposed assets	0	-27	-27
Currency translation	0	0	0
At December 31, 2017	**34**	**103**	**137**

NOTES

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

tEUR	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Net book value			
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

14 TRADE AND OTHER RECEIVABLES

tEUR	**2017**	2016	2015
Trade receivables	4,207	1,013	1,116
Other receivables	199	40	0
Total receivables	**4,405**	**1,053**	**1,116**

15 OTHER SECURITIES AND INVESTMENTS

tEUR	Other securities and investments	Other non-current investments	Other non-current receivables	Total
Cost or valuation				
At January 1, 2015	**254**	**205**	**508**	**967**
Additions	6	1,031		1,036
Disposals	-250			-250
At December 31, 2015	**9**	**1,235**	**508**	**1,753**
Additions		0		
Disposals		-1,231	-508	-1,740
At December 31, 2016	**9**	**4**	**0**	**13**
Additions				0
Disposals	-9			-9
At December 31, 2017	**0**	**4**	**0**	**4**
Impairment and value adjustments				
At January 1, 2015	**0**	**4**	**178**	**182**
Impairment and value adjustments			36	36
Reversal of impairment/ adjustments on disposals				0
At December 31, 2015	**0**	**4**	**214**	**218**
Impairment and value adjustments	1			1
Reversal of impairment/ adjustments on disposals			-214	-214
At December 31, 2016	**1**	**4**	**0**	**5**
Impairment and value adjustments				0
Reversal of impairment/ adjustments on disposals	-1			-1
At December 31, 2017	**0**	**4**	**0**	**4**
Net book value				
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

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
Total	**68.5**	**68.4**	**67.9**

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
January 1, 2015				
Treasury shares:				
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%	
January 1, 2016				
Treasury shares:				
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%	
January 1, 2017				
Treasury shares:				
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 A/S 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.

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 2,024 tEUR

18 PAYABLES

tEUR	2017	2016	2015
Trade payables	852	189	119
Other payables	1,026	1,024	729
Total payables	**1,879**	**1,213**	**849**

19 COMMITMENTS AND CONTINGENCIES

OTHER CONTINGENT LIABILITIES AND SECURITIES

The Company is jointly taxed with its parent, Better Holding 2012 ApS, 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 3,341 tEUR 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 sellers.

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 2,686 tEUR.

Better Collective A/S has taken a mortgage loan from Realkredit Danmark totalling 586 tEUR and the property on HC. Andersens Boulevard, Copenhagen is placed as collateral.

NOTES

19 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Other financial obligations
Rent and lease liabilities for the group include a rent obligation totalling 407 tEUR 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
Total other financial obligations	**407**	**159**	**194**
Operating lease expenses have been recognised in the income statement	485	202	201

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 he 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
Total	**729**	**28**	**17**

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

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
2017						
Non-derivative financial instruments:						
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 aquisitions	3,145	3,145	3,145	3,145		
Vendor loan on acqusitions	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		
Total non-derivative financial instruments	**15,543**	**15,543**	**15,725**	**15,012**	**148**	**565**
Assets						
Trade and other receivables	4,405	4,405	4,405	4,405	-	-
Cash	2,129	2,129	2,129	2,129	-	-
Measured at fair value						
Other securities and investments	-	-	-	-	-	-
Total financial assets	**6,535**	**6,535**	**6,535**	**6,535**	**-**	**-**
Net	**9,008**	**9,008**	**9,190**	**8,477**	**148**	**565**

tEUR	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
2016						
Non-derivative financial instruments:						
Trade and other payables	1,213	1,213	1,213	1,213		
Total non-derivative financial instruments	**1,213**	**1,213**	**1,213**	**1,213**	**-**	**-**
Assets						
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	-	-
Measured at fair value						
Other securities and investments	8	8	8	8	-	-
Total financial assets	**6,576**	**6,576**	**6,576**	**6,576**	**-**	**-**
Net	**-5,363**	**-5,363**	**-5,363**	**-5,363**	**-**	**-**
2015						
Non-derivative financial instruments:						
Trade and other payables	849	849	849	849	-	-
Total non-derivative financial instruments	**849**	**849**	**849**	**849**	**-**	**-**
Assets						
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	-	-
Measured at fair value						
Other securities and investments	9	9	9	9	-	-
Total financial assets	**4,085**	**4,085**	**4,098**	**3,715**	**382**	**-**
Net	**-3,237**	**-3,237**	**-3,249**	**-2,867**	**-382**	**-**

NOTES

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.

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
Total liabilities from financing activities	**-**	**-**	**-**	**5,909**	**-**	**5,909**

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
Change in working capital, total	**-1,770**	**1,111**	**-32**

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
Identified net assets	**7,788**
Goodwill	4,889
Total consideration	**12,677**

NOTES

22 ACQUISITION OF SUBSIDIARIES (CONTINUED)

In relation to the acquisition of Sportfreunde a goodwill of 4,889 tEUR 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 136 tEUR. Transaction costs are accounted for in the income statements under "other expenses".

The fair value of the trade receivables amounts to tEUR 373. The gross amount of trade receivables is tEUR 373. 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
Net cash outflow	**9,664**

During the seven months since the acquisition date the subsidiary contributed with 2,682 tEUR to the Group's revenue and 1,274 tEUR to the result after tax. If the acquisition would have taken place January 1, 2017 the Ggroup's revenue would have mounted to 27,963 tEUR and result after tax would have mounted to 7,995 tEUR.

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

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 optimisation 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
Identified net assets	**8,687**
Goodwill	2,288
Total consideration	**10,975**

NOTES

22 ACQUISITION OF SUBSIDIARIES (CONTINUED)

In relation to the acquisition of Pull Media a goodwill of 2.288 tEUR 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 tEUR 737. The gross amount of trade receivables is tEUR 737. 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 178 tEUR. 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
Regards to:	
Cash and cash equivalents	1,378
Deferred payment	3,341
Estimated conditional purchase amount	1,200
Net cash outflow	**5,056**

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 1,200 tEUR. The conditional consideration has been settled after the 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 1,468 tEUR to the group's revenue and 150 tEUR to the result after tax. If the acquisition would have taken place January 1, 2017 the groups income would have mounted to 28,860 tEUR and result would have mounted to 7,511 tEUR.

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

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
- Better Holding 2012 ApS, 71.9 %, Toldbodgade 12, 1253 Copenhagen, Denmark

The Group is ultimately owned by Christian Kirk Rasmussen and Jesper Søgaard, who each indirectly 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

t.EUR	**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

NOTES

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 3,675 tEUR.

The transaction for Pull Media included a deferred payment of 3,341 tEUR 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 1,200 tEUR, and the deferred payment and earn-out consideration will be paid end March 2018. The earn-out at 1,200 tEUR has been recognised in the annual report, refer note 22.

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.

NOTES

25 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

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 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 recognise 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 tEUR 407 (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 ot 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.

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

26 FIRST-TIME ADOPTION OF IFRS (CONTINUED)

The accounting effect regarding transition to IFRS for the Group is as follows:

INCOME STATEMENT – 2015

tEUR	DK GAAP	Effect of transition to IFRS	IFRS Jan 1 – Dec 31, 2015
Staff cost	4,563	8	4,571
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	83	-71	12
Profit before tax	**3,649**	**63**	**3,712**
Tax on profit for the year	843	16	858
Profit for the year	**2,806**	**47**	**2,853**
ASSETS			
Intangible assets			
Domains and websites	239	-16	223
TOTAL ASSETS	**5,759**	**-16**	**5,744**
EQUITY AND LIABILITIES			
Total equity	**4,654**	**-31**	**4,623**
Non-current liabilities			
Deferred Tax	-0	16	16
TOTAL EQUITY AND LIABILITIES	**5,759**	**-16**	**5,744**

INCOME STATEMENT – 2016

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
Profit before tax	**6,741**	**61**	**6,802**
Tax on profit for the year	1,548	16	1,564
Profit for the year	**5,193**	**44**	**5,237**
ASSETS			
Intangible assets			
Domains and websites	121	145	266
TOTAL ASSETS	**8,131**	**145**	**8,275**
EQUITY AND LIABILITIES			
Total equity	**5,925**	**113**	**6,038**
Non-current liabilities			
Deferred Tax	-	32	32
TOTAL EQUITY AND LIABILITIES	**8,131**	**145**	**8,275**

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.

PARENT FINANCIAL STATEMENTS

INCOME STATEMENT

Note	tEUR	2017	2016	2015
	Revenue	**22,103**	**17,204**	**11,196**
	Direct costs related to revenue	2,527	2,469	1,509
2	Staff costs	6,476	5,526	4,528
9, 11	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	172	26	9
3	Other external expenses	4,656	2,094	1,474
	Operating profit	**8,272**	**7,089**	**3,676**
6	Financial income	3	0	0
7	Financial expenses	130	283	35
	Profit before tax	**8,145**	**6,806**	**3,641**
8	Tax on profit for the year	1,850	1,569	833
	Profit for the year	**6,295**	**5,237**	**2,808**

STATEMENT OF COMPREHENSIVE INCOME

Note	tEUR	2017	2016	2015
	Profit for the year	**6,295**	**5,237**	**2,808**
	Other comprehensive income			
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	Currency translation to presentation currency	-13	25	-8
8	Income tax	0	0	0
	Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**-13**	**25**	**-8**
	Total comprehensive income for the year, net of tax	**6,281**	**5,263**	**2,799**
	Attributable to:			
	Shareholders of the parent	6,281	5,263	2,799

BALANCE SHEET

Note	tEUR	2017	2016	2015	As at Jan 1, 2015
	ASSETS				
	Non-current assets				
9, 10	**Intangible assets**				
	Domains and websites	3,769	266	223	224
	Accounts and other intangible assets	792	0	0	0
		4,562	**266**	**223**	**224**
11	**Property, plant and equipment**				
	Land and building	756	774	0	0
	Fixtures and fittings, other plant and equipment	112	33	43	19
		867	**807**	**43**	**19**
	Financial assets				
5	Investments in subsidiaries	23,982	11	11	0
5	Investments in associates	0	0	0	0
	Receivables from associates	0	0	76	12
	Deposits	150	97	86	79
8	Deferred tax assets	0	0	0	0
5	Other non-current investments	0	0	1,231	201
5	Other non-current receivables	0	0	295	330
		24,133	**108**	**1,699**	**622**
	Total non-current assets	**29,562**	**1,181**	**1,965**	**865**
	Current assets				
13,16	Trade and other receivables	2,914	1,075	1,116	541
16	Receivables from subsidiaries	144	29	81	33
16	Receivables from associates	0	33	0	0
8	Corporation tax receivable	0	483	46	87
	Prepayments	275	21	2	37
5, 16	Other securities and investments	0	8	9	254
16	Cash	1,547	5,321	2,399	1,523
	Total current assets	**4,880**	**6,969**	**3,653**	**2,475**
	TOTAL ASSETS	**34,442**	**8,150**	**5,617**	**3,340**

Note	tEUR	**2017**	2016	2015	As at Jan 1, 2015
	EQUITY AND LIABILITIES				
	Equity				
12	Share Capital	69	68	68	67
	Share Premium	381	249	169	0
	Translation Reserve	6	19	-6	2
	Treasury shares	0	-309	0	0
	Retained Earnings	13,066	5,905	2,679	1,471
12	Proposed Dividends	0	0	1,608	1,206
	Total equity	**13,521**	**5,933**	**4,518**	**2,747**
	Non-current Liabilities				
16	Debt to mortgage credit institutions	566	0	0	0
8	Deferred tax liabilities	67	32	16	0
16	Other non-current financial liabilities	50	0	0	0
	Total non-current liabilities	**682**	**32**	**16**	**0**
	Current Liabilities				
	Prepayments received from customers	917	992	257	133
14, 16	Trade and other payables	1,479	1,193	827	460
16	Payables to subsidiaries	3,449	0	0	0
8	Corporation tax payable	1,345	0	0	0
16	Other current financial liabilities	7,706	0	0	0
16	Debt to credit institutions	5,343	0	0	0
	Total current liabilities	**20,238**	**2,185**	**1,084**	**593**
	Total liabilities	**20,921**	**2,217**	**1,100**	**593**
	TOTAL EQUITY AND LIABILITIES	**34,442**	**8,150**	**5,617**	**3,340**

STATEMENT OF CHANGES IN EQUITY

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As at January 1, 2015	**67**	**0**	**2**	**0**	**1,471**	**1,206**	**2,747**
Result for the year	0	0	0	0	2,808	0	2,808
Other comprehensive income							
Currency translation to presentation currency	0	0	-8	0	0	0	-8
Total other comprehensive income	0	0	-8	0	0	0	-8
Total comprehensive income for the year	**0**	**0**	**-8**	**0**	**2,808**	**0**	**2,799**
Transactions with owners							
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		-1,206	-1,206
Proposed dividend	0	0	0	0	-1,608	1,608	0
Total transactions with owners	**1**	**169**	**0**	**0**	**-1,600**	**402**	**-1,028**
At December 31, 2015	**68**	**169**	**-6**	**0**	**2,679**	**1,608**	**4,518**

tEUR	Share capital	Share premium	Currency translation reserve	Treasury shares	Retained earnings	Proposed dividend	Total equity
As at January 1, 2016	**68**	**169**	**-6**	**0**	**2,679**	**1,608**	**4,518**
Result for the year	0	0	0	0	5,237	0	5,237
Other comprehensive income							
Currency translation to presentation currency	0	0	25	0	0	0	25
Total other comprehensive income	0	0	25	0	0	0	25
Total comprehensive income for the year	**0**	**0**	**25**	**0**	**5,237**	**0**	**5,263**
Transactions with owners							
Capital increase	1	80	0	0	0	0	81
Acquisition/disposal of treasury shares	0	0	0	-309	0	0	-309
Share based payments	0	0	0	0	13	0	13
Dividend distributed	0	0	0	0	-2,024*	-1,608	-3,632
Total transactions with owners	**1**	**80**	**0**	**-309**	**-2,011**	**-1,608**	**-3,848**
At December 31, 2016	**68**	**249**	**19**	**-309**	**5,905**	**0**	**5,933**

* Dividend from extraordinary annual assembly 2,024 tEUR

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

tEUR	Share Capital	Share Premium	Currency Translation Reserve	Treasury Shares	Retained Earnings	Proposed Dividend	Total Equity
As at January 1, 2017	**68**	**249**	**19**	**-309**	**5,905**	**0**	**5,933**
Result for the year	0	0	0	0	6,295	0	6,295
Other comprehensive income							
Currency translation to presentation currency	0	0	-13	0	0	0	-13
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	-13	0	0	0	-13
Total comprehensive income for the year	**0**	**0**	**-13**	**0**	**6,295**	**0**	**6,281**
Transactions with owners							
Capital increase	0	132	0	0	0	0	132
Acquisition/disposal of treasury shares	0	0	0	309	582	0	892
Share based payments	0	0	0	0	283	0	283
Total transactions with owners	**0**	**132**	**0**	**309**	**865**	**0**	**1,307**
At December 31, 2017	**69**	**381**	**6**	**0**	**13,066**	**0**	**13,521**

STATEMENT OF CASH FLOWS PARENT

Note	tEUR	**2017**	2016	2015
	Operating Profit	8,272	7,089	3,676
	Depreciation, amortisation and impairment losses	172	26	9
	Other adjustments of non cash operating items	283	13	8
	Cash flow from operations before changes in working capital	8,727	7,128	3,693
17	Change in working capital	-1,965	1,143	-59
	Cash flow from operations	6,762	8,271	3,634
	Interest income, received	3	0	0
	Interest expenses, paid	-265	-122	-17
	Cash flow from ordinary activities before tax	6,501	8,149	3,617
8	Income tax paid	13	-1,989	-777
	Cash flow from operating activities	**6,513**	**6,160**	**2,840**
5	Acquisition of subsidiaries	-16,750	0	0
9, 10	Acquisition of intangible assets	-3,897	-42	0
11	Acquisition of property, plant and equipment	-92	-790	-33
11	Sale of property, plant and equipment	0	0	0
5	Acquisition and disposal of associates, net	134	1,441	-1,125
	Change in rental deposits	-53	-11	-7
	Cash flow from investing activities	**-20,658**	**597**	**-1,165**
16	Proceeds from/ repayment of borrowings	5,909	0	0
	Other financial borrowings	3,449	0	0
	Treasury shares and sale of warrants	1,024	-229	170
	Dividends Paid	0	-3,632	-1,206
	Cash flow from financing activities	**10,382**	**-3,861**	**-1,036**
	Cash flows for the year	-3,763	2,896	639
	Cash and cash equivalents at January 1	5,329	2,408	1,777
	Foreign currency translation of cash and cash equivalents	-19	25	-8
	Cash and cash equivalents December 31	**1,547**	**5,329**	**2,408**

NOTES TO THE PARENT FINANCIAL STATEMENT

NOTES

1 ACCOUNTING POLICIES

Reference is made to note 1 to consolidated financial statements.

2 STAFF COSTS

tEUR	**2017**	2016	2015
Wages and salaries	5,281	4,686	3,900
Pensions, defined contribution	499	413	327
Other social security costs	82	82	55
Share-based payments	283	13	8
Other staff costs	331	332	239
Total staff costs	**6,476**	**5,526**	**4,528**
Average number of full-time employees	85	73	57

For remuneration of Executive Directors and the Board of Directors reference is made to the disclosures in note 4 to the consolidated financial statements.

3 SHARE-BASED PAYMENTS

Reference is made to the disclosures in note 5 to the consolidated financial statements

4 FEES PAID TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

tEUR	**2017**	2016	2015
Fee related to statutory audit	56	14	8
Fees for tax advisory services	2	0	0
Assurance engagements	3	0	0
Other assistance	191	1	5
	251	**15**	**13**

NOTES

5 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Subsidiaries			2017		2016		2015	
Name	Domicile	Interest %	Equity tEUR	Profit/loss tEUR	Equity tEUR	Profit/loss tEUR	Equity tEUR	Profit/loss tEUR
Subsidiaries								
Scatter Web ApS	Denmark	100%	98	-17	116	70	46	82
Ploomo ApS*	Denmark	100%	-91	-13	-78	-85		
Better Collective D.o.o.	Serbia	100%	37	34				
Pull Media SAS	France	100%	2,167	236				
Hebiva Beteiligungen GmbH	Austria	100%	55	-8				
Better Collective GmbH**	Austria	100%	2,455	1,588				

* Ploomo ApS is 51% owned in 2016

** Better Collective GmbH is 100% owned by Hebiva Beteiligungen GmbH

tEUR	**2017**	2016	2015
Subsidiaries			
Cost at January 1	**86**	**11**	**11**
Additions	23,971	75	0
Cost at December 31	**24,057***	**86**	**11**
Value adjustment at January 1	**-75**	**0**	**-11**
Impairment	0	-75	0
Reversal of impairment	0	0	11
Value adjustment at December 31	**-75**	**-75**	**0**
Carrying amount at December 31	**23,982**	**11**	**11**

* Of which deferred payment 6,016 tEUR and earn-out of 1,200 tEUR.

Associates – see note 7 to the consolidated financial statements.

Other investments and receivables – see note 15 to the consolidated financial statements.

Investments in Busines Combinations – see note 22 to the consolidated financial statements.

NOTES

6 FINANCE INCOME

tEUR	2017	2016	2015
Exchange gains	3	0	0
Total finance income	**3**	**0**	**0**

7 FINANCE COSTS

tEUR	2017	2016	2015
Exchange losses	29	101	15
Interest expenses	78	9	0
Impairment of financial assets including reversal	-59	173	-25
Interest expenses, group entities	10	0	0
Other financial costs	72	0	46
Total finance costs	**130**	**283**	**35**

Impairment of financial assets in 2016 relates in all material aspects to receivable from associates and the same for reversal in 2017

8 INCOME TAX

Total tax for the year is specified as follows:

tEUR	2017	2016	2015
Tax for the year	1,850	1,569	833
Tax on other comprehensive income	0	0	0
Total	**1,850**	**1,569**	**833**

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

tEUR	2017	2016	2015
Deferred tax	35	16	16
Current tax	1,815	1,552	818
Adjustment from prior years	0	0	0
Total	**1,850**	**1,569**	**833**

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

tEUR	2017	2016	2015
Profit for the year:			
Calculated 22% tax of the result before tax	1,792	1,497	856
Tax effect of:			
Non-taxable income	-25	0	-28
Non-deductible costs	83	71	6
	1,850	**1,569**	**834**
Effective tax rate	**22.7%**	**23.0%**	**22.9%**

NOTES

8 INCOME TAX (CONTINUED)

tEUR	2017	2016	2015
Deferred tax			
Deferred tax January 1	**32**	**16**	**0**
Adjustments of deferred tax in profit and loss	35	16	16
Deferred tax December 31	**67**	**32**	**16**
Deferred tax is recognised in the balance sheet as:			
Deferred tax asset	0	0	0
Deferred tax liability	67	32	16
Deferred tax December 31	**67**	**32**	**16**
Deferred tax is related to:			
Intangible assets	115	34	18
Property, plant and equipment	-48	-2	-2
Deferred tax December 31	**67**	**32**	**16**
Income tax payable			
Income tax payable January 1	**-483**	**-46**	**-87**
Current tax	1,815	1,552	818
Income tax paid during the year	13	-1,989	-777
Income tax payable December 31	**1,345**	**-483**	**-46**

9 INTANGIBLE ASSETS

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation				
At January 1, 2015	**0**	**224**	**0**	**224**
Additions	0	0	0	0
Disposals	0	0	0	0
Currency translation	0	-1	0	-1
At December 31, 2015	**0**	**223**	**0**	**223**
Additions	0	42	0	42
Disposals	0	0	0	0
Currency translation	0	1	0	1
At December 31, 2016	**0**	**266**	**0**	**266**
Additions	0	3,504	932	4,436
Disposals	0	0	0	0
Currency translation	0	0	0	0
At December 31, 2017	**0**	**3,769**	**932**	**4,702**
Amortisation and impairment				
At January 1, 2015	**0**	**0**	**0**	**0**
Amortisation for the period	0	0	0	0
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	0	0
At December 31, 2015	**0**	**0**	**0**	**0**
Amortisation for the period	0	0	0	0
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	0	0
At December 31, 2016	**0**	**0**	**0**	**0**
Amortisation for the period	0	0	140	140
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	0	0
At December 31, 2017	**0**	**0**	**140**	**140**

NOTES

9 INTANGIBLE ASSETS (CONTINUED)

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Carrying Value				
At January 1, 2015	0	224	0	224
At December 31, 2015	0	223	0	223
At December 31, 2016	0	266	0	266
At December 31, 2017	0	3,769	792	4,562

10 INTANGIBLE ASSETS WITH INDEFINITE LIFE

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

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

Cash-generating units
A cash-generating unit represents the smallest identifiable group of assets that together have cash inflows that are largely independent of the cash inflows from other assets. Management has concluded that the parent only has one cash-generating unit for impairment testing purposes, since cash flows to the parent 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, domains and websites and other intangible assets are reveiwed separately for impairment indicators.

Carrying amount of Domains and Websites for the CGU:

tEUR	**2017**	2016	2015	Jan 1, 2015
Domains and Websites	3,769	266	223	224

As at December 31, 2015, December 31, 2016 and December 31, 2017, the directors have evaluated domains and websites for impairment. The directors are of the view that the carrying amount of domains and sites is recoverable on the basis that the cash flows generated from these assets are in line, or exceed, the estimated projections made prior to the acquisitions. The directors are satisfied that the judgements made are appropriate to the circumstances.

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

The parent company has performed an impairment test on domains and websites as of December 31, 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 parent's weighted average cost of capital (WACC) in all years 2015-2017, with an effective tax rate of 22%-23% (pre-tax discount rate 18.5%). The Board of Directors have approved the inputs to the impairment testing and are satisfied that the judgements made are appropriate.

The results of the impairment tests for domains and websites showed that the recoverable amount exceeded the carrying value and that there was no impairment loss to be recognised.

NOTES

11 PROPERTY, PLANT AND EQUIPMENT

tEUR	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Cost or valuation			
At January 1, 2015	**0**	**104**	**104**
Additions	0	33	33
Disposals	0	0	0
Currency translation	0	0	0
At December 31, 2015	**0**	**137**	**137**
Additions	790	0	790
Disposals	0	0	0
Currency translation	0	1	1
At December 31, 2016	**790**	**137**	**927**
Additions	0	93	93
Disposals	0	-27	-27
Currency translation	-1	0	-1
At December 31, 2017	**789**	**203**	**992**
Depreciation and impairment			
At January 1, 2015	**0**	**85**	**85**
Depreciation for the period	0	9	9
Depreciation on disposed assets	0	0	0
Currency translation	0	0	0
At December 31, 2015	**0**	**94**	**94**
Depreciation for the period	16	10	26
Depreciation on disposed assets	0	0	0
Currency translation	0	0	0
At December 31, 2016	**16**	**105**	**121**
Depreciation for the period	18	14	31
Depreciation on disposed assets	0	-27	-27
Currency translation	0	0	0
At December 31, 2017	**34**	**91**	**125**

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

tEUR	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Net book value			
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	112	867

12 ISSUED CAPITAL AND RESERVES, DISTRIBUTIONS MADE AND PROPOSED

Reference is made to the disclosures in note 16 and 17 to the consolidated financial statements

13 TRADE AND OTHER RECEIVABLES

tEUR	**2017**	2016	2015
Trade receivables	2,770	1,035	1,116
Other receivables	143	40	0
Total receivables	**2,914**	**1,075**	**1,116**

14 PAYABLES

tEUR	**2017**	2016	2015
Trade Payables	766	189	119
Other payables	713	1,004	708
Total payables	**1,479**	**1,193**	**827**

NOTES

15 COMMITMENTS AND CONTINGENCIES

OTHER CONTINGENT LIABILITIES

The Company is jointly taxed with its parent, Better Holding 2012 ApS, 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.

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 Colective A/S. It is planned to liquidate Ploomo ApS and Scatter Web ApS during 2018.

Following the acquisition of Pull Media there is a deferred payment of 3,341 tEUR 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 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 2,686 tEUR.

Better Collective A/S has taken a mortgage loan from Realkredit Danmark totalling 586 tEUR and the property on HC. Andersens Boulevard, Copenhagen is placed as collateral.

OTHER FINANCIAL OBLIGATIONS

Rent and lease liabilities include a rent obligation totalling 355 tEUR with remaining contract terms of 0 - 3 years.

tEUR	**2017**	2016	2015
Rent obligation within 1 year	221	118	118
Rent obligation	134	41	76
Total other financial obligations	**355**	**159**	**194**
Operating lease expenses have been recognised in the income statement	304	202	201

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Foreign currency risk
Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The parent company´s exposure to the risk of changes in foreign exchange rates relates primarily to the parent company's operating activities due to the international activities of the parent company. The parent company's revenues are mainly denominated in DKK and EUR, with limited revenues in GBP and USD. The majority of the parent company's expenses are employee costs, which are denominated in the 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 parent company is not overly exposed to foreign currency risk.

Historically, exposure to currency fluctuations has not had a material impact on the parent company'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 parent company's exposure to interest rate risk arises mainly from the revolving credit facility and deposits held by the he parent company. These are short-term and not material amounts. Management expects to re-pay the credit facility in the short term, as the parent company is generating positive cash flows. Therefore, exposure to interest rate risk is considered minimal.

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

NOTES

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 parent company 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 parent company past due but not impaired are as follows:

tEUR	**2017**	2016	2015
Less than 30 days	333	28	1
Between 31 and 60 days	95		10
More than 61 days	83		6
Total	**511**	**28**	**17**

The parent company have very limited overdue trade receivables and historically there have been no loss on trade receivables. Management do not expect any loss on trade recievables and therefore no provision have been made in the period 2015-2017.

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

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

Contractual cash flows:

tEUR	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
2017						
Non-derivative financial instruments:						
Trade and other payables	1,479	1,479	1,479	1,479		
Earn-Out consideration	1,250	1,250	1,250		1,250	
Deferred payment on aquisitions	3,145	3,145	3,145	3,145		
Vender loan on acqusitions	3,341	3,341	3,341	3,341		
Payables to subsidiaries	3,449	3,449	3,518	3,518		
Debt to mortgage credit institutions	586	586	688	25	98	565
Overdraft facility	5,343	5,343	5,423	5,423		
Total non-derivative financial instruments	**18,591**	**18,591**	**18,842**	**18,130**	**148**	**565**
Assets						
Receivables from associates	-	-	-	-	-	-
Other non-current receivables	-	-	-	-	-	-
Trade and other receivables	2,914	2,914	2,914	2,914	-	-
Receivables from subsidiaries	144	144	144	144	-	-
Receivables from associates	-	-	-	-	-	-
Cash	1,547	1,547	1,547	1,547	-	-
Measured at fair value			**-**			
Other securities and investments	-	-	-	-	-	-
Total financial assets	**4,605**	**4,605**	**4,605**	**4,605**	**-**	**-**
Net	**13,987**	**13,987**	**14,238**	**13,525**	**148**	**565**

NOTES

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

tEUR	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
2016						
Non-derivative financial instruments:						
Trade and other payables	1,193	1,193	1,193	1,193		
Total non-derivative financial instruments	**1,193**	**1,193**	**1,193**	**1,193**	**-**	**-**
Assets						
Receivables from associates	-	-	-	-	-	-
Other non-current receivables	-	-	-	-	-	-
Trade and other receivables	1,075	1,075	1,075	1,075	-	-
Receivables from subsidiaries	29	29	29	29	-	-
Receivables from associates	33	33	33	33	-	-
Cash	5,321	5,321	5,321	5,321	-	-
Measured at fair value						
Other securities and investments	8	8	8	8	-	-
Total financial assets	**6,465**	**6,465**	**6,465**	**6,465**	**-**	**-**
Net	**-5,272**	**-5,272**	**-5,272**	**-5,272**	**-**	**-**

tEUR	Carrying amount	Fair Value	Total	< 1 year	2 – 5 years	> 5 years
2015						
Non-derivative financial instruments:						
Trade and other payables	827	827	827	827	-	-
Total non-derivative financial instruments	**827**	**827**	**827**	**827**	**-**	**-**
Assets						
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	-	-
Receivables from subsidiaries	81	81	81	81	-	-
Receivables from associates	-	-	-	-	-	-
Cash	2,399	2,399	2,399	2,399	-	-
Measured at fair value						
Other securities and investments	9	9	9	9	-	-
Total financial assets	**3,975**	**3,975**	**3,988**	**3,605**	**382**	**-**
Net	**-3,148**	**-3,148**	**-3,160**	**-2,778**	**-382**	**-**

NOTES

16 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.

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

The parent company 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	Jan 1, 2015	2015	2016	cash flows Net	Non cash flow changes	2017
Non-current financing liabilities	-	-	-	566	-	566
Current financing liabilities:						
Payables to subsidiaries	-	-	-	3,449	-	3,449
Debt to credit institutions	-	-	-	5,343	-	5,343
Total liabilities from financing activities	**-**	**-**	**-**	**9,358**	**-**	**9,358**

17 CHANGE IN WORKING CAPITAL

tEUR	**2017**	2016	2015
Change in receivables	-1,921	83	-575
Prepaid expenses	-254	-19	35
Prepayment – from Customers	-75	735	124
Change in trades payable, other debt	285	344	357
Change in working capital, total	**-1,965**	**1,143**	**-59**

18 RELATED PARTY DISCLOSURES

In addition to the disclosures in note 23 of the consolidated financial statements, the parent company's related parties include subsidiaries, cf. note 7 to the consolidated financial statements and note 5 to the parent company's financial statements.

Better Collective A/S is jointly taxed with its parent, Better Holding 2012 ApS, 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.

Accrued corporate taxes and withholding taxes within the joint taxation are deposited in the management company. Any adjustments to the taxable joint taxation income could result in an increased liability for Better Collective A/S than the corporation tax payable for Better Collective A/S. Companies included in the joint taxation are not subject to withholding taxes, interest or royalties.

NOTES

18 RELATED PARTY DISCLOSURES (CONTINUED)

Transactions with related parties have been as follows:

tEUR	**2017**	2016	2015
Income Statement			
Purchases	585	347	113
Interest expense	10	0	0
Balance Sheet			
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
Receivables from subsidiaries	144	29	81
Short term loans and payables to subsidiaries	3,449	0	0

Management remuneration and share option programs are disclosed in note 4 and note 5 to the consolidated financial statements.

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

19 FIRST-TIME ADOPTION OF IFRS

These financial statements, for the year ended December 31, 2017, are the first the parent has prepared in accordance with IFRS as adopted by EU. For periods up to and including the year ended December 31, 2016, the Parent prepared its financial statements in accordance with the Danish Financial Statements Act.

Accordingly, the Parent 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 Parent's opening statement of financial position was prepared as at January 1, 2015, the Parent's date of transition to IFRS as adopted by EU. This note explains the principal adjustments made by the Parent 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.

The accounting effect of the Parent Company'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

19 FIRST-TIME ADOPTION OF IFRS (CONTINUED)

The accounting effect regarding transition to IFRS for the Parent Company is as follows:

tEUR	DK GAAP	Effect of transition to IFRS	IFRS Jan 1 – Dec 31, 2015
INCOME STATEMENT – 2015			
Staff cost	4,520	8	4,528
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	80	-71	9
Profit before tax	**3,578**	**63**	**3,641**
Tax on profit for the year	818	16	833
Profit for the year	**2,760**	**47**	**2,807**
ASSETS			
Intangible assets			
Domains and websites	152	71	223
TOTAL ASSETS	**5,547**	**71**	**5,617**
EQUITY AND LIABILITIES			
Total Equity	**4,463**	**55**	**4,518**
Non-current liabilities			
Deferred tax liabilities	0	16	16
TOTAL EQUITY AND LIABILITIES	**5,547**	**71**	**5,617**

19 FIRST-TIME ADOPTION OF IFRS (CONTINUED)

tEUR	DK GAAP	Effect of transition to IFRS	IFRS Jan 1 – Dec 31, 2016
INCOME STATEMENT – 2016			
Staff cost	5,513	13	5,526
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	100	-74	26
Profit before tax	**6,746**	**61**	**6,806**
Income tax	1,552	16	1,569
Net Profit	**5,193**	**44**	**5,237**
ASSETS			
Intangible assets			
Domains and websites	121	145	266
Total Assets	**8,006**	**145**	**8,150**
EQUITY AND LIABILITIES			
Total equity	**5,820**	**113**	**5,933**
Non-current liabilities			
Deferred tax liabilities	0	32	32
TOTAL EQUITY AND LIABILITIES	**8,006**	**145**	**8,150**

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

MILESTONES 2002-2017

2002
Founded Casino Verdiener

2003
Operations established in Denmark

2004
Better Collective A/S is incorporated

2006
bettingexpert.com is acquired

2006
Establishing presence in UK Market

2007
bettingexpert.com enters Polish market

2008
Thomas Høgenhaven joins to establish Product Strategy

2008
Reached DKK 5 million in profit

2009
Camilla Wissing Bille joins to centralise CPH HR and Operations

2009
New offices in Copenhagen

2010
bettingexpert.com joins Swedish Market

2010
First Gazelle

2011
Record amount of turnover–more than doubled to DKK 23.9 million

2012
Henrik Lykkesteen joins to expand Commercial Operations

2012
bettingexpert.com Joins Danish Market

2013
250 sites established

2014
Established Micro site production team

2014
Better Board formed

2015
EGR Affiliate of the Year

2015
1,000 sites

2015
First Super Gazelle

2016
Establishment of BC Niš

2016
2,000 sites

2016
EGR Nordics Affiliate of the Year

2016
SmartBets wins Best New Affiliate Product at SBC Awards

2016
SmartBets Launched

2016
European Business Award-National Champion

2017
First acquisition: bookmaker.tv

2017
Establishment of BC Paris and BCVienna Office

2017
+250 signed Partners

- Awards
- Product
- Leadership
- Strategic milestone
- Company milestone
- Financial milestone

OUR VALUES

Our culture is driven by an urge to accomplish, create and grow. To accomplish our vision and mission, we share a firm belief in cross-functional collaboration, short decision-cycles and a firm focus on execution

TALENT

Talented employees are key to our success.

RESPECT

We respect each other, our users and our partners.

INNOVATION

We innovate products and processes that make a difference

DEDICATION

We are dedicated to enrich our users' iGaming experience

BETTER
COLLECTIVE

BC

BETTER COLLECTIVE A/S

Toldbodgade 12
1253 Copenhagen K
Denmark

CVR no. 27 65 29 13

Facebook
Instagram
Twitter
LinkedIn

BETTER COLLECTIVE HEADQUARTERS
Toldbodgade 12
1253 Copenhagen K
Denmark

hello@bettercollective.com
+45 2991 9965

BETTER COLLECTIVE NIŠ
Sedmog Jula 22
18000 Niš
Serbia

nisoffice@bettercollective.com
+381 66 246 444

BETTER COLLECTIVE PARIS
37 Avenue Trudaine
75009 Paris
France

paris@bettercollective.com
+33 (0)7 7606 0227

BETTER COLLECTIVE VIENNA
Lieblgasse 3/11B
1220 Vienna
Austria

vienna@bettercollective.com
+43 66419902439