



BETTER
COLLECTIVE

Interim report

January 1 – June 30, 2018

Highlights Q2 2018

- Q2 revenue growth of 93% and organic growth of 41%
- EBITA margin before special items of 40%
- Record no. of NDCs of >66,000 or a growth of >200%
- IPO on Nasdaq Stockholm main market
- Two acquisitions valued up to approximately 42 mEUR

Acquisitions and FIFA World Cup drives high performing second quarter

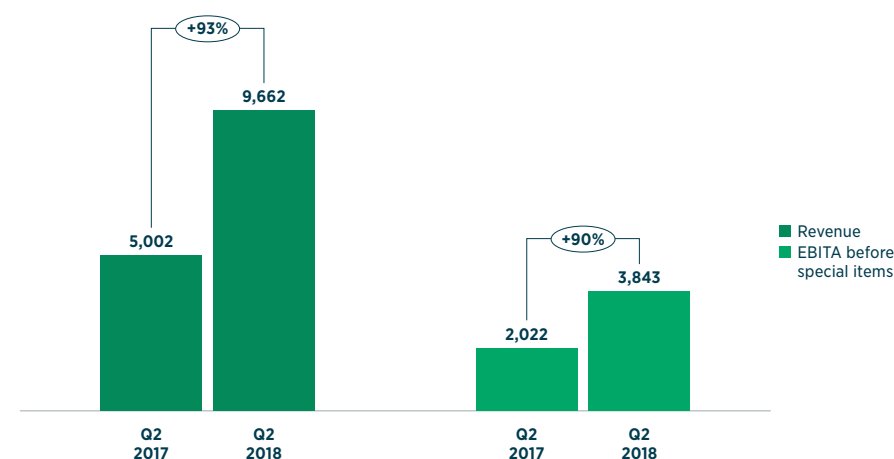
“Q2 2018 became the best performing quarter in the company’s history. Sports betting was positively affected by the FIFA World Cup in football. This event, combined with successful acquisitions and a general solid performance, resulted in the highest revenue and NDCs in the company’s history.

Better Collective aims to be the best sports betting affiliate in the World. To strengthen our position, we completed an IPO on Nasdaq Stockholm in June, 2018, that allows us to continue our M&A-strategy. Since April 1, 2018, we have completed three acquisitions, including our largest transaction so far, making us the leading sports betting affiliate in the large German speaking markets.

When combining these events, the performance in Q2 was truly remarkable”, says Jesper Søgaard, CEO & Co-Founder.

Revenue and EBITA before special items

tEUR



Highlights second quarter 2018

- Q2 Revenue grew by 93% to 9,662 tEUR (Q2 2017: 5,002 tEUR). Organic revenue growth was 41%.
- Q2 EBITA before special items increased 90% to 3,843 tEUR (Q2 2017: 2,022 tEUR). Special items include certain IPO-cost and M&A cost that were expensed over the P&L; total 3,722 tEUR. The EBITA-margin before special items was 40%.
- Cash Flow from operations before special items was 3,733 tEUR (Q2 2017: 2,193 tEUR), an increase of 70%. The cash flow from operations was 1,566 tEUR, a decline of 29% from Q2 2017, due to special items charged in Q2 2018. The cash conversion rate adjusted for special items was 93%.

Contents

| | |
|--|----|
| Financial highlights and key figures..... | 4 |
| CEO comments..... | 5 |
| Management report..... | 6 |
| Other | 11 |
| Statement by the Board of Directors and the Executive Management | 14 |
| Financial statements for the period January 1 – June 30 | 15 |

Conference call

A conference call for investors, analysts and media will be held today, August 28, 2018, at 10:00 a.m. CET and can be joined online at www.bettercollective.com. Presentation material for the call will be available on the website one hour before the call.

To participate, please dial:

Confirmation code **1766602**
 The UK: +44 (0)330 336 91281
 Denmark: +45 35 15 80 49
 Sweden: +46 (0)8 5033 6574

2018 Financial calendar

23/11/2018

Interim financial report Q3, 2018

19/02/2019

Interim financial report Q4, 2018

- New Depositing Customers (NDCs) exceeded 66,000 in the quarter (growth > 200%), which is a new company record.
- On June 8, 2018 the company completed an IPO on Nasdaq Stockholm main market. The IPO was completed by mostly selling newly issued shares, bringing net cash proceeds to the company of approximately 65 mEUR net of cash settlement of employee warrants of 2.4 mEUR.
- Two acquisitions were completed in Q2; In April, the leading Danish sports- and casino affiliate SpilXperten and other portfolio websites were acquired in an asset deal. In late June, the Austria based company Bola Webinformation GmbH, with its flagship website wettbasis.com, was acquired, securing a leading position in the large German speaking markets. The combined transactional value for the two acquisitions can amount to more than 42 mEUR, of which 33 mEUR were paid upon closing.
- Following the US Supreme Court decision to repeal the PASPA-act (The Professional and Amateur Sports Betting Act), Better Collective increased its market presence with the launch of a new website us-bookies.com adding to the current presence through global websites. Better Collective is currently assessing various ways of entering the US market on a broader scale.
- Bank financing of up to 40 mEUR was secured through arrangements with Nordea Bank and Danske Andelskassers Bank.
- At June 30, 2018, cash and unused credit facilities was 61 mEUR.
- Better Collective was ranked no. 1 in the EGR Power Affiliates list in May 2018.

Financial highlights first six months 2018

- In the first half of 2018, revenue grew by 68% to 17,214 tEUR (YTD 2017: 10,247 tEUR). Organic revenue growth was 20%.
- In the first half of 2018, EBITA before special items increased 30% to 5,931 tEUR (YTD 2017: 4,563 tEUR). The EBITA-margin before special items was 34%.
- Cash Flow from operations before special items was 6,215 tEUR (YTD 2017: 3,605 tEUR), an increase of 72%. The cash flow from operations was 3,917 tEUR, an increase of 9% from YTD 2017. The cash conversion rate before special items was 97%.

Significant events after the closure of the reporting period

- On July 31, 2018, the leading Greek sports betting affiliate was taken over through acquisition of the two companies, WBS I.K.E. Online Marketing Services Ltd. and KAPA Ltd. The price of the acquisition was 3.2 mEUR paid upfront, a deferred payment of 0.8 mEUR, plus a variable payment of maximum 0.4 mEUR.

>66,000

NDCs

New depositing customers
in Q2 2018

93%

Revenue growth in Q2

40%

EBITA-margin

before special items in Q2

Financial highlights and key figures

| tEUR | Q2 2018 | Q2 2017 | YTD 2018 | YTD 2017 | 2017 |
|--|---------|---------|----------|----------|---------|
| Income Statement | | | | | |
| Revenue | 9,662 | 5,002 | 17,214 | 10,247 | 26,257 |
| Revenue Growth (%) | 93% | 9% | 68% | 18% | 51% |
| Organic Revenue Growth (%) | 41% | 1% | 20% | 14% | 28% |
| Operating profit before depreciation, amortisations, and special items (EBITDA before special items) | 3,881 | 2,030 | 5,994 | 4,578 | 10,979 |
| Depreciation | 38 | 8 | 63 | 16 | 45 |
| Operating profit before amortisations and special items (EBITA before special items) | 3,843 | 2,022 | 5,931 | 4,563 | 10,934 |
| Special items, net | -3,722 | 0 | -3,854 | 0 | -385 |
| Operating profit before amortisations (EBITA) | 121 | 2,022 | 2,077 | 4,563 | 10,549 |
| Amortisations | 462 | 66 | 845 | 66 | 677 |
| Operating profit | -341 | 1,956 | 1,232 | 4,496 | 9,873 |
| Result of financial items | -155 | -68 | -236 | -125 | -87 |
| Profit before tax | -496 | 1,888 | 996 | 4,372 | 9,786 |
| Profit after tax | -1,257 | 1,468 | -123 | 3,377 | 7,446 |
| Earnings per share (in EUR) | -0.04 | 0.05 | 0.00 | 0.12 | 0.27 |
| Diluted earnings per share (in EUR) | -0.03 | 0.05 | 0.00 | 0.12 | 0.26 |
| Balance sheet | | | | | |
| Balance Sheet Total | 125,697 | 19,857 | 125,697 | 19,857 | 38,705 |
| Equity | 79,728 | 9,406 | 79,728 | 9,406 | 14,775 |
| Current assets | 40,985 | 4,010 | 40,985 | 4,010 | 6,860 |
| Current liabilities | 15,767 | 8,084 | 15,767 | 8,084 | 17,660 |
| Cashflow | | | | | |
| Cash flow from operations before special items | 3,733 | 2,193 | 6,215 | 3,605 | 9,492 |
| Cash flow from operations | 1,566 | 2,193 | 3,917 | 3,605 | 9,107 |
| Investments in tangible assets | 135 | -108 | 415 | -102 | -16 |
| Cash flow from investment activities | -37,109 | -10,095 | -43,897 | -10,098 | -18,519 |
| Cash flow from financing activities | 68,681 | 2,130 | 72,602 | 2,130 | 6,932 |
| Financial ratios | | | | | |
| Operating profit before amortisations and special items margin (%) | 40% | 40% | 34% | 45% | 42% |
| Operating profit before amortisations margin (%) | 1% | 40% | 12% | 45% | 40% |
| Operating profit margin (%) | -4% | 39% | 7% | 44% | 38% |
| Net Debt / EBITDA before special items | -0.76 | n/a | -0.78 | n/a | 1.05 |
| Liquidity ratio | 2.60 | 0.50 | 2.60 | 0.50 | 0.39 |
| Equity to assets ratio (%) | 63% | 47% | 63% | 47% | 38% |
| Cash conversion rate before special items (%) | 93% | 113% | 97% | 81% | 87% |
| Average number of full-time employees | 179 | 87 | 179 | 85 | 116 |

For definitions of financial ratios, see definitions section in the end of the report

CEO Comments

IPO on Nasdaq Stockholm to support next growth phase

The second quarter of 2018 was a true “game changer” for Better Collective. After more than 15 years as a privately held company, we decided for the first time to seek external financing, and we did so through an IPO on Nasdaq Stockholm. We see some very exciting movements in our industry where we believe that size and financial strength matters. The strong trend towards consolidation continues, and in the US, we saw a significant break-through when the US Supreme Court decided to repeal the PASPA act, that previously has prevented sports betting on a broader scale in this big market. I firmly believe that Better Collective is now well positioned to take advantage of these new opportunities and enter our next growth phase.

With the IPO providing our new financial foundation, we continue executing our M&A strategy. Since April 1, 2018 we acquired three leading sports betting affiliates (of which two in Q2), with a combined transaction value of up to 47 mEUR, including our biggest acquisition so far. We are very pleased with these acquisitions, as they significantly increase our size and operational leverage, and not least establish Better Collective as the leading sports betting affiliate in the large German speaking markets, in Greece and in Denmark respectively.

With our strong focus on sports betting, the second quarter was very exciting, as the world's biggest sports event – The FIFA World Cup in Football – started in the second half of June. Again, this event broke all kinds of records, and we in Better Collective were well prepared for this. We were very happy to see that we managed to break our own record in terms of providing new NDCs to our partners, and we take that as a measure of having contributed to the entertainment for the many people that followed the event around the World. From a financial point of view, we saw record revenues and earnings in the quarter, and June alone brought 120% revenue growth.

In Better Collective, we always keep our users first in mind, and we try hard to provide the most exciting products and content. Therefore, I was very proud that we were ranked no. 1 on the EGR Power Affiliate list in May. In particular, this ranking is a recognition of product innovation, company position and technical competences, and therefore it matters a lot to us.

Following this great quarter, I would like to thank all our employees for an outstanding performance, I would like to welcome our new colleagues in the companies we have acquired, and not least I would like to welcome our new shareholders.

When looking ahead, I see so many opportunities for Better Collective. We have reached a size and a financial platform, where we can take the company to the next level and reinforce our position as the leading sportsbetting affiliate. We will do so by still pursuing growth in the markets where we are established, but also explore the new opportunities that have opened in the US.

I am looking forward to the next part of our journey.

Jesper Søgaard
CEO



“Q2 2018 not only turned out to be the best performing quarter in the company’s history. It also saw Better Collective’s entry on the Nasdaq Stockholm stock exchange, our largest M&A deal to date, and a break-through in sports betting legislation in the US”.

Jesper Søgaard
CEO

Management report

Financial performance second quarter 2018

Revenues

Quarterly revenue amounted to 9,662 tEUR (Q2 2017: 5,002 tEUR). The growth was 93% of which organic growth was 41%. Acquired companies and assets have been consolidated into the Group from the day of acquisition.

The revenue growth was significantly influenced by acquisitions and the effect from the FIFA World Cup in Football that started in mid-June. The gross gaming activity was as expected very high, and the sports outcomes generated an average commission rate plus higher than normal advertising fees. The growth in June alone was 120%, whereas April and May had organic growth rates between 10-20%, which was very satisfactory as the major football leagues stopped earlier than in 2017 due to the World Cup.

Revenue share accounted for 80% of the revenue with 20% coming from CPA and other income.

The number of NDCs was a record of more than 66,000, corresponding to a growth of 206%, also supporting future growth, as these mostly are transferred to revenue share contracts.

Costs

Quarterly costs amounted to 6,281 tEUR (Q2 2017: 3,047 tEUR). Special items of 3,722 tEUR include cost relating to the IPO and costs relating to M&A's. Furthermore, amortisations and depreciations amounted to 500 tEUR (Q2 2017: 74 tEUR). Excluding the growth in amortisations and depreciations, the remaining cost base increased by 2,808 tEUR or 94%. Compared to the previous quarter, Q1 2018, the cost base remained almost at the same level when excluding the added amortisations and depreciation.

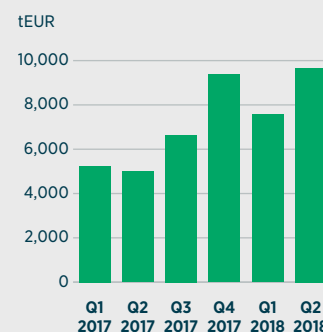
Direct costs relating to revenue increased to 936 tEUR (Q2 2017: 675 tEUR), an increase of 39%. Direct costs comprise hosting fees of websites, content generation, etc.

Personnel costs in Q2 amounted to 3,189 tEUR (Q2 2017: 1,538 tEUR), an increase of 107%. The average number of employees increased to 179 (Q2 2017: 87). Personnel costs included cost of warrants of 106 tEUR. Salaries to Executive Management increased by 220 tEUR compared to Q2 2017. Up until Q2, we have expanded our operation in Niš, Serbia, and in general upgraded the organisation to prepare for the next growth phase. As from Q1 2018 the personnel costs have been stable.

Other external costs increased by 897 tEUR or 118% to 1,655 tEUR (Q2 2017: 759 tEUR).

Depreciation and amortisations amounted to 500 tEUR (Q2 2017: 74 tEUR), mainly attributable to acquisitions.

Revenue



243

Employees in August

incl. Greek acquisition on
July 31, 2018

Earnings (EBITA)

Q2 EBITA before special items increased 90% to 3,843 tEUR (Q2 2017: 2,022 tEUR). The EBITA-margin before special items was 40% (Q2 2017: 40%).

Including special items the reported EBITA was 121 tEUR.

Net financial items

Net financial costs amounted to 155 tEUR (Q2 2017: 68 tEUR) and included interest and fees for establishing new committed bank credit lines.

Income tax

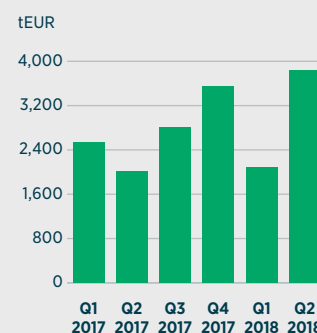
Better Collective pays taxes in the places where the company is registered, which are Denmark (where the parent company is incorporated), Austria, France, Romania and Serbia.

Income tax for Q2 amounted to 760 tEUR (Q2 2017: 420 tEUR). The Effective Tax Rate (ETR) of -153% was impacted by non-deductible cost for IPO and M&A. Adjusted for the impact of non-deductible IPO and M&A costs, the effective tax rate was 23.6%.

Net profit

Net profit after tax was -1,257 tEUR (Q2 2017: 1,468 tEUR), impacted by special items of -3,722 tEUR

EBITA before special items



Management report

Financial performance first six months 2018

Revenues

First six months revenue amounted to 17,214 tEUR (YTD 2017: 10,247 tEUR). The growth was 68% (YTD 2017: 18%) of which organic growth was 20% (YTD 2017: 14%). In Q1, the total revenue growth of 44% was mainly attributable to acquisitions, whereas Q2 recorded 93% growth of which 41% was organic growth.

Q1 revenue growth was dampened by relatively low commission rates due to a mix of sports results, large bonus campaigns from certain operators and some negative currency effects, whereas Q2 benefitted from high activity level in connection with the FIFA World cup in Football.

Revenue share accounted for 80% of the revenue with 20% coming from CPA and other income.

The number of NDCs was more than 113,000, corresponding to a growth of 162%.

Costs

YTD costs amounted to 12,128 tEUR (YTD 2017: 5,751 tEUR). Amortisation and depreciation amounted to 908 tEUR (YTD 2017: 82 tEUR). Excluding the growth in amortisation and depreciation, the remaining cost base increased by 5,551 tEUR or 98%. The cost base has increased ahead of the IPO and with the acquisitive growth.

Direct costs relating to revenue increased to 1,806 tEUR (YTD 2017: 1,289 tEUR), an increase of 40%. Direct costs comprise hosting fees of websites, content generation, etc.

Personnel costs amounted to 6,301 tEUR (YTD 2017: 3,000 tEUR), an increase of 110%. The average number of employees increased to 179 (YTD 2017: 85). Personnel costs included cost of warrants of 218 tEUR. Salaries to Executive Management increased by 439 tEUR compared to the first half of 2017.

Other external costs increased 1,732 tEUR or 126% to 3,112 tEUR (YTD 2017: 1,380 tEUR).

Depreciation and amortisation amounted to 908 tEUR (YTD 2017: 82 tEUR), mainly attributable to acquisitions.

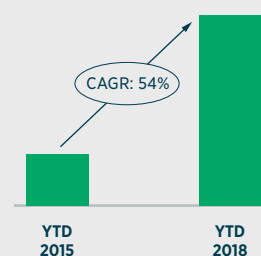
17.2

mEUR

First six months revenue
grew 68%

YTD revenue growth 2015-2018

tEUR



Earnings (EBITA)

EBITA before special items in the first half of 2018 increased 30% to 5,931 tEUR (YTD 2017: 4,563 tEUR). The EBITA-margin before special items was 34% (YTD 2017: 45%).

Including special items, the reported EBITA was 2,077 tEUR.

Net financial items

Net financial costs amounted to 236 tEUR (YTD 2017: 125 tEUR) and included interest and fees for establishing new committed bank credit lines.

Income tax

Better Collective pays taxes in the places where the company is registered, which are Denmark (where the parent company is incorporated), Austria, France, Romania and Serbia.

Income tax for the first half of 2018 amounted to 1,119 tEUR (YTD 2017: 995 tEUR). The Effective Tax Rate (ETR) of -112% was impacted by non-deductible costs for IPO and M&A. Adjusted for the impact of non-deductible IPO and M&A costs, the effective tax rate was 23.1%.

Net profit

YTD Net profit after tax was -123 tEUR (YTD 2017: 3,377 tEUR), impacted by special items of -3,854 tEUR

Balance sheet end June 2018

Total assets amounted to 125,697 tEUR (YTD 2017: 19,857 tEUR), with an equity of 79,728 tEUR (YTD 2017: 9,406). This corresponds to an Equity to assets ratio of 63% (YTD 2017: 47%). On June 8, 2018, the company completed an IPO on Nasdaq Stockholm main market, bringing net cash proceeds to the company of approximately 65 mEUR, net of cash settlement of employee warrants of 2.4 mEUR.

Investments

In Q2, 42,239 tEUR was spent on acquisitions, of which 9,140 tEUR are deferred and expected variable payments. The purchase prices are net of cash in acquired companies and cover accounts (player databases), websites, domains, and other intangible assets. In addition, 3,875 tEUR were paid as settlement of deferred payments from acquisitions prior to Q2.

For the first half-year, 46,144 tEUR was spent on acquisitions of which 10,340 tEUR are deferred and expected variable payments. In addition, 7,677 tEUR were paid as settlement of deferred payments from acquisitions made in 2017.

63%

Equity ratio

end June 2018

46

mEUR

Investment in new acquisitions
in first six months of 2018

In April, the leading Danish sports- and casino affiliate, SpilXperten and other portfolio websites were acquired in an asset deal. In late June, the Austria based company Bola Webinformation GmbH, with its flagship website wettbasis.com, was acquired, securing a leading position in the large German speaking markets. The combined transactional value for the two acquisitions can amount to more than 42 mEUR, of which 33 mEUR were paid upon closing.

On July 31, 2018, the leading Greek sports betting affiliate was taken over through the acquisition of the two companies, WBS I.K.E. Online Marketing Services Ltd. and KAPA Ltd. The price of the acquisition was 3.2 mEUR paid upfront, a deferred payment of 0.8 mEUR, plus a variable payment of maximum 0.4 mEUR.

Investments in tangible assets were 137 tEUR in Q2 and 417 tEUR YTD.

Cash flow and financing

Cash Flow from operations before special items for Q2 2018 was 3,733 tEUR (Q2 2017: 2,193 tEUR). YTD Cash Flow from operations before special items was 6,215 tEUR (YTD 2017: 3,605 tEUR).

Acquisitions and other investments reduced cash flow with 43,897 of which 37,109 tEUR was in Q2.

Net proceeds from increase of share capital (IPO) was 67,204 tEUR of which 2,374 tEUR was paid as settlement of warrants in connection with the IPO.

Better Collective has bank credit facilities of total 40 mEUR, of which 13 mEUR was drawn up end of June 2018.

As of June 30, 2018, cash and unused credit facilities amounted to approximately 61 mEUR.

The parent company

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

Q2 Revenue grew by 48% to 6,896 tEUR (Q2 2017: 4,651 tEUR).

Total costs in Q2 2018 increased to 4,890 tEUR (Q2 2017: 2,906 tEUR) due to several upgrades throughout the company to support the future growth.

Profit after tax was -1,668 tEUR (Q2 2017: 1,384 tEUR).

Total Equity ended at 76,993 tEUR by June 30, 2018 (Q2 2017: 9,171 tEUR).

61

mEUR

in cash and unused
credit facilities end June 2018

97%

Cash conversion

The cash conversion rate was 97%
before special items in first six
months of 2018

Other

Better Collective shares

On June 8, 2018, Better Collective A/S was listed on Nasdaq Stockholm main market. The shares are traded under the ticker "BETCO". Further information on the listing can be found in the prospectus which is available on the company's website www.bettercollective.com.

Shares and share capital

As per August 28, 2018, share capital amounted to 404,871.11 EUR, and the total number of issued shares was 40,487,111. The company has one (1) class of shares. Each share entitles the holder to one vote at the general meetings.

Shareholder structure

As of June 30, 2018, the total number of shareholders was 661. A list of top 10 shareholders in Better Collective A/S can be found on the company's website.

Incentive programs

In order to attract and retain key competences, the company has established a warrant program for key employees and board members. The current program was established ahead of the IPO and as of June 30, 2018, 36,840 warrants are outstanding. Each warrant gives the right to subscribe for 54 ordinary shares due to the share split that was made in connection with the IPO. If all outstanding warrants are subscribed, then the maximum shareholders dilution will be approximately 5%.

The vesting periods range from 2018-2022. The exercise price is 700 DKK (-94 EUR) per 54 shares.

In connection with the IPO, 9,185 of the outstanding warrants from older programs were settled. The Board of Directors decided, according to the provisions of the warrant contracts, to offer cash settlement at the IPO share price. The settlement amount was 2.4 mEUR, offset against equity.

Risk management

Better Collective operates in a continuously changing business environment. 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.

BETCO

Better Collective shares are traded under the ticker "BETCO"

5%

Warrant program

Better Collective has established an incentive program for Key Employees with potential dilution of 5%

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). Key risk factors are described in the Annual Report 2017.

More information

Find more info on key risk factors in the Annual Report 2017
<https://bettercollective.com/investors/>



Financial targets

In connection with the IPO, the Board of Directors decided upon the following Financial Targets for the short-medium term (for the period 2018-2020). These targets remain unchanged:

| tEUR | Target 2018-2020 | Comments | 2017 |
|--|---------------------|---|------|
| Revenue growth p.a.(%) | 30-50% | Including M&A and double-digit organic growth | 51% |
| Operating margin (EBITA)* | > 40% | | 38% |
| Capital structure; Net Debt/EBITDA* | < 2.5 | | 1.05 |

* Before special items.

About Better Collective

Better Collective's vision is to empower iGamers through transparency and technology – this is what has made them the world's leading developer of digital platforms for betting tips, bookmaker information and iGaming communities. Better Collective's portfolio includes more than 2,000+ websites and products. This includes bettingexpert.com, the trusted home of tips from expert tipsters and in depth betting theory, and SmartBets, the odds comparison platform made personal.

Disclaimer

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

Contact

CEO: Jesper Søgaard

CFO: Flemming Pedersen

Investor Relations:
Christina Bastius Thomsen
+45 2363 8844
investor@bettercollective.com

This information is such information as Better Collective A/S is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8.00 a.m. CET on August 28, 2018.

Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Board have reviewed and approved the interim report of Better Collective A/S for the period January 1 – June 30, 2018.

The interim report has been prepared in accordance with IAS 34, “Interim Financial Reporting”, as adopted by the EU, and additional requirements in the Danish Financial Statements Act.

In our opinion, the interim report gives a true and fair view of the assets, liabilities and financial position at June 30, 2018 and of the results of the operations for the Group and the Parent Company for the period January 1 – June 30, 2018 and cash flow for the Group for the period January 1 – June 30, 2018.

In our opinion, the Interim Report includes a true and fair account of the matters addressed and describes the most significant risks and elements of uncertainty facing the Group.

Further, in our opinion, the Management report gives a true and fair review of the development in the Group’s operations and financial matters, the result of Better Collective Group’s operations for the period and the financial position as a whole.

The Interim Report has not been audited or reviewed by the Company’s auditor.

Copenhagen, August 28, 2018

Executive Management

Jesper Søgaard
CEO & Co-founder

Christian Kirk Rasmussen
COO & Co-founder
Executive Vice President

Flemming Pedersen
CFO
Executive Vice President

Board of Directors

Jens Bager
Chairman

Klaus Holse

Søren Jørgensen

Leif Nørgaard

Petra von Rohr

Financial statements for the period January 1 – June 30

Consolidated income statement

| | tEUR | Q2 2018 | Q2 2017 | YTD 2018 | YTD 2017 | 2017 |
|----------|---|---------------|--------------|---------------|---------------|---------------|
| 2 | Revenue | 9,662 | 5,002 | 17,214 | 10,247 | 26,257 |
| | Direct costs related to revenue | 936 | 675 | 1,806 | 1,289 | 2,950 |
| 3 | Staff costs | 3,189 | 1,538 | 6,301 | 3,000 | 7,568 |
| | Amortisation/depreciation and impairment | 500 | 74 | 908 | 82 | 722 |
| | Other external expenses | 1,655 | 759 | 3,112 | 1,380 | 4,760 |
| | Operating profit before special items | 3,381 | 1,956 | 5,086 | 4,496 | 10,257 |
| 4 | Special items, net | -3,722 | 0 | -3,854 | 0 | -385 |
| | Operating profit | -341 | 1,956 | 1,232 | 4,496 | 9,872 |
| | Financial income | 18 | 0 | 32 | 0 | 7 |
| | Financial expenses | 173 | 68 | 268 | 125 | 93 |
| | Profit before tax | -496 | 1,888 | 996 | 4,372 | 9,786 |
| 5 | Tax on profit for the period | 760 | 420 | 1,119 | 995 | 2,340 |
| | Profit for the period | -1,257 | 1,468 | -123 | 3,377 | 7,446 |
| | Earnings per share attributable to equity holders of the company | | | | | |
| | Average number of shares* | 34,018,470 | 27,457,056 | 34,018,470 | 27,457,056 | 27,503,442 |
| | Average number of warrants - converted to number of shares | 2,254,122 | 530,604 | 2,103,030 | 559,926 | 1,402,974 |
| | Earnings per share (in EUR) | -0.04 | 0.05 | 0.00 | 0.12 | 0.27 |
| | Diluted earnings per share (in EUR) | -0.03 | 0.05 | 0.00 | 0.12 | 0.26 |

* Historic numbers updated with share-split 1:54

Consolidated statement of other comprehensive income

| | tEUR | Q2 2018 | Q2 2017 | YTD 2018 | YTD 2017 | 2017 |
|--|---|---------------|--------------|-------------|--------------|--------------|
| | Profit for the period | -1,257 | 1,468 | -123 | 3,377 | 7,446 |
| | Other comprehensive income | | | | | |
| | <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| | Currency translation to presentation currency | -1 | -3 | 5 | -12 | -15 |
| | Income tax | 0 | 0 | 0 | 0 | 0 |
| | Net other comprehensive income/loss | -1 | -3 | 5 | -12 | -15 |
| | Total other comprehensive income/(loss) for the period, net of tax | -1,257 | 1,464 | -118 | 3,365 | 7,430 |
| | Attributable to: | | | | | |
| | Shareholders of the parent | -1,257 | 1,464 | -118 | 3,365 | 7,430 |

Financial statements for the period January 1 – June 30

Consolidated balance sheet

| €EUR | YTD 2018 | YTD 2017 | 2017 |
|--|----------------|---------------|---------------|
| Assets | | | |
| Non-current assets | | | |
| 6 Intangible assets | | | |
| Goodwill | 19,816 | 4,889 | 7,178 |
| Domains and websites | 52,768 | 7,873 | 20,085 |
| Accounts and other intangible assets | 10,657 | 2,137 | 3,475 |
| | 83,241 | 14,899 | 30,738 |
| Property, plant and equipment | | | |
| Land and buildings | 746 | 765 | 756 |
| Fixtures and fittings, other plant and equipment | 513 | 67 | 141 |
| | 1,259 | 832 | 897 |
| Other non-current assets | | | |
| Deposits | 212 | 116 | 210 |
| Total non-current assets | 84,712 | 15,846 | 31,846 |
| Current assets | | | |
| Trade and other receivables | 6,780 | 2,286 | 4,405 |
| Receivables from associates | 0 | 33 | 0 |
| Corporation tax receivable | 230 | 669 | 0 |
| Prepayments | 202 | 195 | 325 |
| Other securities and investments | 0 | 11 | 0 |
| Cash | 33,772 | 816 | 2,129 |
| Total current assets | 40,985 | 4,010 | 6,860 |
| Total assets | 125,697 | 19,857 | 38,705 |

Financial statements for the period January 1 – June 30

Consolidated balance sheet

| €EUR | YTD 2018 | YTD 2017 | 2017 |
|---|----------------|---------------|---------------|
| Equity and liabilities | | | |
| Equity | | | |
| Share Capital | 405 | 68 | 69 |
| Share Premium | 67,456 | 249 | 381 |
| Translation Reserve | 10 | 7 | 4 |
| Treasury shares | 0 | -309 | 0 |
| Retained Earnings | 11,858 | 9,391 | 14,322 |
| Total equity | 79,728 | 9,406 | 14,775 |
| Non-current Liabilities | | | |
| Debt to mortgage credit institutions | 555 | 0 | 566 |
| 7 Debt to credit institutions | 13,082 | 0 | 0 |
| 7 Deferred tax liabilities | 12,842 | 2,367 | 5,655 |
| 7 Other long-term financial liabilities | 3,722 | 0 | 50 |
| Total non-current liabilities | 30,202 | 2,367 | 6,270 |
| Current Liabilities | | | |
| Prepayments received from customers | 589 | 682 | 1,036 |
| Trade and other payables | 6,366 | 1,536 | 1,879 |
| Corporation tax payable | 2,126 | 1,023 | 1,697 |
| Other financial liabilities | 6,666 | 2,713 | 7,706 |
| Debt to mortgage credit institutions | 20 | 0 | 20 |
| Debt to credit institutions | 0 | 2,130 | 5,323 |
| Total current liabilities | 15,767 | 8,084 | 17,660 |
| Total liabilities | 45,969 | 10,451 | 23,930 |
| Total equity and liabilities | 125,697 | 19,857 | 38,705 |

Financial statements for the period January 1 – June 30

Consolidated 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, 2018 | 69 | 381 | 4 | 0 | 14,322 | 0 | 14,775 |
| Result for the period | | | | | -123 | | -123 |
| Other comprehensive income | | | | | | | |
| Currency translation to presentation currency | | | 5 | | | | 5 |
| Tax on other comprehensive income | | | 0 | | | | 0 |
| Total other comprehensive income | 0 | 0 | 5 | 0 | 0 | 0 | 5 |
| Total comprehensive income for the year | 0 | 0 | 5 | 0 | -123 | 0 | -118 |
| Transactions with owners | | | | | | | |
| Capital Increase | 336 | 67,075 | | | -207 | | 67,204 |
| Disposal of warrants | | | | | 22 | | 22 |
| Shared based payments | | | | | 218 | | 218 |
| Cash settlement of warrants | | | | | -2,374 | | -2,374 |
| Total transactions with owners | 336 | 67,075 | 0 | 0 | -2,341 | 0 | 65,071 |
| At June 30, 2018 | 405 | 67,456 | 10 | 0 | 11,858 | 0 | 79,728 |

During the period no dividend was paid.

| 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 | 6,010 | 0 | 6,038 |
| Result for the period | | | | | 3,377 | | 3,377 |
| Other comprehensive income | | | | | | | |
| Currency translation to presentation currency | | | -12 | | | | -12 |
| Tax on other comprehensive income | | | 0 | | | | 0 |
| Total other comprehensive income | 0 | 0 | -12 | 0 | 0 | 0 | -12 |
| Total comprehensive income for the year | 0 | 0 | -12 | 0 | 3,377 | 0 | 3,365 |
| Transactions with owners | | | | | | | |
| Share based payments | | | | | 3 | | 3 |
| Total transactions with owners | 0 | 0 | 0 | 0 | 3 | 0 | 3 |
| At June 30, 2017 | 68 | 249 | 7 | -309 | 9,391 | 0 | 9,406 |

During the period no dividend was paid.

Financial statements for the period January 1 – June 30

Consolidated 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, 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 period no dividend was paid.

Financial statements for the period January 1 – June 30

Condensed consolidated statement of cash flows

| tEUR | Q2 2018 | Q2 2017 | YTD 2018 | YTD 2017 | 2017 |
|---|----------------|----------------|----------------|----------------|----------------|
| Operating Profit for the period before special items | 3,381 | 1,956 | 5,086 | 4,496 | 10,257 |
| Depreciation and amortisation | 500 | 74 | 908 | 82 | 722 |
| Other adjustments of non cash operating items | 106 | 2 | 218 | 3 | 283 |
| Cash flow from operations before changes in working capital and special items | 3,987 | 2,032 | 6,212 | 4,582 | 11,262 |
| Change in working capital | -254 | 162 | 3 | -977 | -1,770 |
| Cash flow from operations before special items | 3,733 | 2,193 | 6,215 | 3,605 | 9,492 |
| Special items, cash flow | -2,166 | 0 | -2,298 | 0 | -385 |
| Cash flow from operations | 1,566 | 2,193 | 3,917 | 3,605 | 9,107 |
| Interest income, received | 18 | 0 | 32 | 0 | 25 |
| Interest expenses, paid | -173 | -68 | -268 | -125 | -246 |
| Cash flow from ordinary activities before tax | 1,411 | 2,126 | 3,681 | 3,480 | 8,886 |
| Income tax paid | -540 | 15 | -748 | -164 | -644 |
| Cash flow from operating activities | 871 | 2,140 | 2,933 | 3,317 | 8,242 |
| 8 Acquisition of business combinations* | -31,255 | -9,664 | -35,796 | -9,664 | -14,720 |
| Acquisition of intangible assets | -5,719 | -540 | -7,685 | -536 | -3,897 |
| Acquisition of property, plant and equipment | -137 | -2 | -417 | -8 | -102 |
| Sale of property, plant and equipment | 2 | 110 | 2 | 110 | 119 |
| Acquisition and disposal of associates, net | 0 | 0 | 0 | 0 | 134 |
| Change in rental deposits | 0 | 0 | -1 | 0 | -52 |
| Cash flow from investing activities | -37,109 | -10,095 | -43,897 | -10,098 | -18,519 |
| Repayment of borrowings | -4,627 | 0 | -5,323 | 0 | 0 |
| Proceeds from borrowings | 8,478 | 2,130 | 13,072 | 2,130 | 5,908 |
| Other financial borrowings | 0 | 0 | 0 | 0 | 0 |
| Capital increase, net | 67,204 | 0 | 67,204 | 0 | 1,024 |
| Warrant settlement, sale of warrants | -2,374 | 0 | -2,352 | 0 | 0 |
| Cash flow from financing activities | 68,681 | 2,130 | 72,602 | 2,130 | 6,932 |
| Cash flows for the period | 32,443 | -5,825 | 31,638 | -4,651 | -3,345 |
| Cash and cash equivalents at beginning | 1,330 | 6,655 | 2,129 | 5,490 | 5,490 |
| Foreign currency translation of cash and cash equivalents | -1 | -3 | 5 | -12 | -16 |
| Cash and cash equivalents period end | 33,772 | 827 | 33,772 | 827 | 2,129 |

* Includes 7,677 tEUR which were paid as settlement of deferred payments from acquisitions made in 2017.

Financial statements for the period January 1 – June 30

Income statement – Parent company

| tEUR | Q2 2018 | Q2 2017 | YTD 2018 | YTD 2017 | 2017 |
|--|---------------|--------------|---------------|--------------|---------------|
| Revenue | 6,896 | 4,651 | 12,012 | 9,895 | 22,103 |
| Direct costs related to revenue | 673 | 594 | 1,285 | 1,140 | 2,527 |
| Staff costs | 2,438 | 1,478 | 4,801 | 2,916 | 6,476 |
| Amortisation/depreciation and impairment | 222 | 15 | 354 | 22 | 172 |
| Other external expenses | 1,557 | 819 | 3,324 | 1,505 | 4,594 |
| Operating profit before special items | 2,006 | 1,745 | 2,249 | 4,312 | 8,334 |
| Special items, net | -3,125 | 0 | -3,257 | 0 | -62 |
| Operating profit | -1,120 | 1,745 | -1,008 | 4,312 | 8,272 |
| Financial income | 9 | 0 | 21 | 0 | 3 |
| Financial expenses | 196 | -8 | 301 | 121 | 130 |
| Profit before tax | -1,308 | 1,753 | -1,288 | 4,191 | 8,145 |
| Tax on profit for the period | 360 | 370 | 382 | 944 | 1,850 |
| Profit for the period | -1,668 | 1,384 | -1,670 | 3,247 | 6,295 |

Statement of other comprehensive income

| tEUR | Q2 2018 | Q2 2017 | YTD 2018 | YTD 2017 | 2017 |
|---|---------------|--------------|---------------|--------------|--------------|
| Profit for the period | -1,668 | 1,384 | -1,670 | 3,247 | 6,295 |
| Other comprehensive income | | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| Currency translation to presentation currency | -1 | 2 | -15 | -12 | -13 |
| Income tax | 0 | 0 | 0 | 0 | 0 |
| Net other comprehensive income/loss | -1 | 2 | -15 | -12 | -13 |
| Total other comprehensive income/(loss) for the period, net of tax | -1,669 | 1,386 | -1,685 | 3,235 | 6,281 |

Financial statements for the period January 1 – June 30

Balance sheet – Parent company

| €EUR | YTD 2018 | YTD 2017 | 2017 |
|--|----------------|---------------|---------------|
| Assets | | | |
| Non-current assets | | | |
| Intangible assets | | | |
| Domains and websites | 14,449 | 745 | 3,769 |
| Accounts and other intangible assets | 1,907 | 89 | 792 |
| | 16,357 | 834 | 4,562 |
| Property, plant and equipment | | | |
| Land and building | 746 | 765 | 756 |
| Fixtures and fittings, other plant and equipment | 346 | 32 | 112 |
| | 1,092 | 798 | 867 |
| Financial assets | | | |
| Investments in subsidiaries | 60,803 | 12,698 | 23,982 |
| Deposits | 152 | 99 | 150 |
| | 60,955 | 12,797 | 24,133 |
| Total non-current assets | 78,404 | 14,429 | 29,562 |
| Current assets | | | |
| Trade and other receivables | 3,281 | 1,754 | 2,914 |
| Receivables from subsidiaries | 144 | 40 | 144 |
| Receivables from associates | 0 | 33 | 0 |
| Corporation tax receivable | 4 | 645 | 0 |
| Prepayments | 163 | 90 | 275 |
| Other securities and investments | 0 | 11 | 0 |
| Cash | 29,430 | 0 | 1,547 |
| Total current assets | 33,021 | 2,573 | 4,880 |
| Total assets | 111,425 | 17,003 | 34,442 |

Financial statements for the period January 1 – June 30

Balance sheet – Parent company

| €EUR | YTD 2018 | YTD 2017 | 2017 |
|---|----------------|---------------|---------------|
| Equity and liabilities | | | |
| Equity | | | |
| Share Capital | 405 | 68 | 69 |
| Share Premium | 67,456 | 249 | 381 |
| Translation Reserve | -9 | 7 | 6 |
| Treasury shares | 0 | -309 | 0 |
| Retained Earnings | 9,142 | 9,156 | 13,066 |
| Total equity | 76,993 | 9,171 | 13,521 |
| Non-current Liabilities | | | |
| Debt to mortgage credit institutions | 555 | 0 | 566 |
| Debt to credit institutions | 13,082 | 0 | 0 |
| Deferred tax liabilities | 144 | 37 | 67 |
| Other non-current financial liabilities | 3,722 | 0 | 50 |
| Total non-current liabilities | 17,503 | 37 | 682 |
| Current Liabilities | | | |
| Prepayments received from customers | 264 | 682 | 917 |
| Trade and other payables | 4,588 | 1,294 | 1,479 |
| Payables to subsidiaries | 4,125 | 53 | 3,449 |
| Corporation tax payable | 1,265 | 923 | 1,345 |
| Other current financial liabilities | 6,666 | 2,713 | 7,706 |
| Debt to mortgage credit institutions | 20 | 0 | 20 |
| Debt to credit institutions | 0 | 2,130 | 5,323 |
| Total current liabilities | 16,928 | 7,795 | 20,238 |
| Total liabilities | 34,431 | 7,832 | 20,921 |
| Total equity and liabilities | 111,425 | 17,003 | 34,442 |

Financial statements for the period January 1 – June 30

Statement of changes in equity – Parent company

| tEUR | Share capital | Share Premium | Currency Translation Reserve | Treasury Shares | Retained Earnings | Proposed Dividend | Total Equity |
|--|---------------|---------------|------------------------------|-----------------|-------------------|-------------------|---------------|
| As at January 1, 2018 | 69 | 381 | 6 | 0 | 13,066 | 0 | 13,521 |
| Result for the period | 0 | 0 | 0 | 0 | -1,670 | 0 | -1,670 |
| 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 | -1,670 | 0 | -1,685 |
| Transactions with owners | | | | | | | |
| Capital Increase | 336 | 67,075 | | | -207 | | 67,204 |
| Acquisition/disposal of treasury shares and warrants | | | | | 22 | | 22 |
| Share based payments | | | | | 218 | | 218 |
| Cash settlement of warrants | | | | | -2,374 | | -2,374 |
| Merger - Subsidiaries* | | | | | 87 | | 87 |
| Total transactions with owners | 336 | 67,075 | 0 | 0 | -2,254 | 0 | 65,158 |
| At June 30, 2018 | 405 | 67,456 | -9 | 0 | 9,142 | 0 | 76,993 |

* Liquidation of dormant subsidiaries Ploomo ApS and Scatterweb ApS

| 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 period | 0 | 0 | 0 | 0 | 3,247 | 0 | 3,247 |
| Other comprehensive income | | | | | | | |
| Currency translation to presentation currency | 0 | 0 | -12 | 0 | 0 | 0 | -12 |
| Tax on other comprehensive income | | | | | | | 0 |
| Total other comprehensive income | 0 | 0 | -12 | 0 | 0 | 0 | -12 |
| Total comprehensive income for the year | 0 | 0 | -12 | 0 | 3,247 | 0 | 3,235 |
| Transactions with owners | | | | | | | |
| Share based payments | 0 | 0 | 0 | 0 | 3 | 0 | 3 |
| Total transactions with owners | 0 | 0 | 0 | 0 | 3 | 0 | 3 |
| At June 30, 2017 | 68 | 249 | 7 | -309 | 9,156 | 0 | 9,171 |

Financial statements for the period January 1 – June 30

Statement of changes in equity – Parent company

| 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 | | | -13 | | | | -13 |
| Tax on other comprehensive income | | | | | | | 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 | | | | | 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 | 6 | 0 | 13,066 | 0 | 13,521 |

Notes

1 General information

Better Collective A/S is a limited liability company and is incorporated in Denmark. The parent company and its subsidiaries (referred to as the "Group" or "Better Collective") engage in online affiliate marketing. Better Collective's vision is to empower iGamers by leading the way in transparency and technology.

Basis of preparation

The Interim Report (condensed consolidated interim financial statements) for the period January 1 - June 30 2018 has been prepared in accordance with IAS 34 "Interim financial statements" as adopted by the EU and additional requirements in the Danish Financial Statements Act. Parent company income statement of comprehensive income and balance sheet has been included according to Swedish regulation.

These condensed consolidated interim financial statements incorporate the results of Better Collective A/S and its subsidiaries.

Accounting policies

Except for the changes below, the condensed consolidated interim financial statements have been prepared using the same accounting policies as set out in note 1 of the 2017 annual report which contains a full description of the accounting policies for the Group and the parent company. The annual report for 2017 can be found on Better Collective's web-site: https://bettercollective.com/wp-content/uploads/2018/01/BetterCollective_AR17_web.pdf.

Changes in accounting policies:

Effective January 1, 2018 Better Collective has adopted the following new relevant standards and interpretations:

- IFRS 9 Financial instruments
- IFRS 15 Revenue from contracts with customers (the modified retrospective method)
- IFRS 2 Classification and Measurement of Share based Payment Transactions – Amendments to IFRS 2
- Improvements to International Financial Reporting Standards - 2014-2016 cycle (issued in December 2016)

None of the above standards and interpretations had a material effect on recognition and measurement and has only lead to further disclosures.

The condensed consolidated interim financial statements refer to certain key performance indicators, which Better Collective and others use when evaluating the performance of Better Collective. These are referred to as alternative performance measures (APMs) and are not defined under IFRS. The figures and related subtotals give management and investors important information to enable them to fully analyse the Better Collective business and trends. The APMs are not meant to replace but to complement the performance measures defined under IFRS.

Special items - change in accounting policies.

Significant expenses which Better Collective consider non-recurring and not part of the Group's operating activities are presented in the Income statement in a separate line item labelled 'Special items' in order to distinguish these items from other income statement items. The income statement and key figures include the subtotals 'Operating profit before depreciation, amortisations, and special items', 'Operating profit before amortisations and special items' and 'Operating profit before special items' as these are assessed to provide a more transparent and comparable view of Better Collective's ongoing performance. Better Collective considers costs related to the IPO as well as non-capitalisable expenses related to M&A as special items. The use of special items is a change in accounting policies from the interim financial statements for January 1, 2018 - March 31, 2018, as special items were not presented separately. Comparable figures have been restated. For details of the impact of special items, refer to note 4.

Significant accounting judgements, estimates, and assumptions

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities.

The significant accounting judgements, estimates and assumptions applied in these consolidated interim financial statements are the same as disclosed in note 2 in the annual report for 2017 which contains a full description of significant accounting judgements, estimates and assumptions.

Notes

2 Revenue specification – affiliate model

In accordance with IFRS 15 disclosure requirements, total revenue for 2018 is split on revenue share, CPA, and other, as follows:

| tEUR | Q2 2018 | YTD 2018 |
|----------------------|--------------|---------------|
| Revenue | | |
| Revenue share | 7,762 | 13,717 |
| CPA | 1,374 | 2,367 |
| Other | 526 | 1,130 |
| Total Revenue | 9,662 | 17,214 |

3 Share-based payment plans

During the second quarter of 2018, the Company granted 450 warrants to other key management personnel with an exercise price of 700 DKK per warrant.

In connection with the IPO Better Collective paid out cash in the amount of 2.4 mEUR for the settlement of 9,185 warrants. Given the extraordinary nature of the settlement the amount has been charged directly to the equity.

The warrant program has been updated in line with the share split in June, so each warrant gives right to 54 shares in Better Collective.

Share based compensation expense recognised for Q2, 2018 and 2017 is 106 tEUR and 2 tEUR respectively.

4 Special items

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

| tEUR | Q2 2018 | Q2 2017 | YTD 2018 | YTD 2017 | 2017 |
|---|--------------|--------------|--------------|--------------|---------------|
| Operating profit | -341 | 1,956 | 1,232 | 4,496 | 9,872 |
| Special items related to IPO | -3,125 | 0 | -3,257 | 0 | -62 |
| Special items related to M&A | -597 | 0 | -597 | 0 | -322 |
| Operating profit before special items | 3,381 | 1,956 | 5,086 | 4,496 | 10,257 |
| Amortisations | 462 | 66 | 845 | 66 | 677 |
| Operating profit before amortisations and special items (EBITA before special items) | 3,843 | 2,022 | 5,931 | 4,563 | 10,934 |
| Depreciation | 38 | 8 | 63 | 16 | 45 |
| Operating profit before depreciation, amortisations, and special items (EBITDA before special items) | 3,881 | 2,030 | 5,994 | 4,578 | 10,979 |

Notes

5 Income tax

Total tax for the year is specified as follows:

| tEUR | Q2 2018 | Q2 2017 | YTD 2018 | YTD 2017 | 2017 |
|-----------------------------------|------------|------------|--------------|------------|--------------|
| Tax for the period | 760 | 420 | 1,119 | 995 | 2,340 |
| Tax on other comprehensive income | 0 | 0 | 0 | 0 | 0 |
| Total | 760 | 420 | 1,119 | 995 | 2,340 |

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

| tEUR | Q2 2018 | Q2 2017 | YTD 2018 | YTD 2017 | 2017 |
|-----------------------------|------------|------------|--------------|------------|--------------|
| Deferred tax | -35 | 30 | 38 | 36 | -143 |
| Current tax | 795 | 390 | 1,082 | 959 | 2,483 |
| Adjustment from prior years | 0 | 0 | 0 | 0 | 0 |
| Total | 760 | 420 | 1,119 | 995 | 2,340 |

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

| tEUR | Q2 2018 | Q2 2017 | YTD 2018 | YTD 2017 | 2017 |
|---|----------------|--------------|---------------|--------------|--------------|
| Profit for the year: | | | | | |
| Calculated 22% tax of the result before tax | -109 | 415 | 219 | 962 | 2,153 |
| Adjustment of the tax rates in foreign subsidiaries relative to the 22% | 118 | 6 | 151 | 6 | 80 |
| Tax effect of: | | | | | |
| Non-taxable income | -16 | 0 | -46 | 0 | -45 |
| Non-deductible costs | 767 | -1 | 795 | 27 | 152 |
| Adjustment of tax relating to prior years | | | | | |
| | 760 | 420 | 1,119 | 995 | 2,340 |
| Effective tax rate* | -153.2% | 22.2% | 112.4% | 22.8% | 23.9% |

* The Effective Tax Rate (ETR) of -112% was impacted by non-deductible costs for IPO and M&A. Adjusted for the impact of non-deductible IPO and M&A costs, the effective tax rate was 23.1%.

Notes

6 Intangible assets

| tEUR | Goodwill | Domains and websites | Accounts and other intangible assets | Total |
|--|---------------|----------------------|--------------------------------------|---------------|
| 2018 | | | | |
| Cost or valuation | | | | |
| At January 1, 2018 | 7,178 | 20,085 | 4,162 | 31,425 |
| Acquisitions through asset transactions | 0 | 10,669 | 1,427 | 12,096 |
| Acquisitions through business combinations | 12,639 | 22,019 | 6,600 | 41,258 |
| Disposals | 0 | 0 | 0 | 0 |
| Currency Translation | 0 | -5 | -1 | -6 |
| At June 30, 2018 | 19,816 | 52,768 | 12,188 | 84,772 |
| Amortisation and impairment | | | | |
| At January 1, 2018 | 0 | 0 | 686 | 686 |
| Amortisation for the period | 0 | 0 | 845 | 845 |
| Amortisation on disposed assets | 0 | 0 | 0 | 0 |
| Currency translation | 0 | 0 | 0 | 0 |
| At June 30, 2018 | 0 | 0 | 1,531 | 1,531 |
| Carrying Value | | | | |
| At January 1, 2018 | 7,178 | 20,085 | 3,475 | 30,738 |
| At June 30, 2018 | 19,816 | 52,768 | 10,657 | 83,241 |

| tEUR | Goodwill | Domains and websites | Accounts and other intangible assets | Total |
|--|--------------|----------------------|--------------------------------------|---------------|
| 2017 | | | | |
| Cost or valuation | | | | |
| At January 1, 2017 | 0 | 266 | 30 | 296 |
| Acquisitions through asset transactions | | 507 | 84 | 590 |
| Acquisitions through business combinations | 4,889 | 7,100 | 2,100 | 14,089 |
| Disposals | | | | 0 |
| Currency Translation | | | | 0 |
| At June 30, 2017 | 4,889 | 7,873 | 2,213 | 14,975 |
| Amortisation and impairment | | | | |
| At January 1, 2017 | 0 | 0 | 10 | 10 |
| Amortisation for the period | | | 66 | 66 |
| Amortisation on disposed assets | | | | 0 |
| Currency translation | | | | 0 |
| At June 30, 2017 | 0 | 0 | 76 | 76 |
| Carrying Value | | | | |
| At January 1, 2017 | 0 | 266 | 20 | 286 |
| At June 30, 2017 | 4,889 | 7,873 | 2,137 | 14,899 |

Notes

7 Non-current liabilities

Debt to credit institutions:

As per June 30, 2018 Better Collective has drawn 13 mEUR on the credit facility established with Nordea.

Deferred Tax:

Deferred tax has increased 7.2 mEUR since January 1, 2018. The increase is due to deferred tax liabilities following the acquisition of Bola Webinformation GmbH.

Other long-term financial liabilities:

As per June 30, 2018 other long-term financial liabilities increased to 3.7 mEUR due to the variable payment related to the asset acquisition of SpilXperten.

8 Business combinations

Acquisition of WBS I.K.E. Online Marketing Services Ltd. and KAPA Ltd.

On July 31, 2018, the leading Greek sports betting affiliate was taken over through acquisition of the two companies, WBS I.K.E. Online Marketing Services Ltd. and KAPA Ltd. The price of the acquisition was 3.2 mEUR paid upfront, a deferred payment of 0.8 mEUR, plus a variable payment of maximum 0.4 mEUR.

As per the date of publication of the interim financial statements it has not been possible to obtain sufficient financial data to fulfill reporting requirements according to IFRS3. Therefore the opening balance, the acquired net assets at the time of the acquisition, goodwill and pro-forma impact on the revenue and profit after tax is not included in these interim financial statements.

Acquisition of Bola Webinformation GmbH

On June 29, 2018 Better Collective A/S acquired 100% of the shares and votes in Bola Webinformation GmbH (referred to as Bola). Bola is an Austria based affiliate marketing company with a strong presence in the German speaking markets. The company has 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 | Fair value determined at acquisition |
|---|--|
| Acquired net assets at the time of the acquisition | |
| Domains and websites | 22,019 |
| Accounts & other intangible assets | 6,600 |
| Tangible assets | 11 |
| Corporate tax receivables | 134 |
| Trade and other receivables | 1,084 |
| Cash and cash equivalents | 2,265 |
| Deferred tax liabilities | -7,150 |
| Trade and other payables | -1,314 |
| Identified net assets | 23,649 |
| Goodwill | 12,639 |
| Total consideration | 36,288 |

Notes

8 Business combinations, continued

A goodwill of 12,639 tEUR emerged from the acquisition of Bola 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 Bola amounts to 597 tEUR. Transaction costs are accounted for in the income statements under "special items".

The fair value of the trade receivables amounts to tEUR 863. The gross amount of trade receivables is tEUR 863. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

tEUR

Effect on cash flow regarding acquisition of Bola

| | |
|---------------------------|--------|
| Purchase amount | 36,288 |
| <i>Regards to:</i> | |
| Cash and cash equivalents | 2,265 |
| Deferred payment | 5,443 |
| Net cash outflow | 28,580 |

The acquisition was completed on June 29, 2018. If the acquisition would have taken place on January 1, 2018 the Group's revenue YTD would have mounted to 21,739 tEUR and result after tax YTD would have mounted to 1,340 tEUR.

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

Calculation of key figures and financial ratios

| Key figures | | Calculation formula |
|---|---|--|
| Special items | = | Costs related to IPO and acquisitions |
| Earnings per share (EPS) | = | $\frac{\text{Profit for the period}}{\text{Average number of shares}}$ |
| Diluted earnings per share | = | $\frac{\text{Profit for the period}}{\text{Average number of shares} + \text{Average number of warrants converted to number of shares}}$ |
| Operating profit before amortisations and special items margin (%) | = | $\frac{\text{Operating profit before amortisations and special items}}{\text{Revenue}}$ |
| Operating profit before amortisations margin (%) | = | $\frac{\text{Operating profit before amortisations}}{\text{Revenue}}$ |
| Operating profit margin (%) | = | $\frac{\text{Operating profit margin}}{\text{Revenue}}$ |
| Net Debt / EBITDA before special items | = | $\frac{\text{Interest bearing debt, including earn-outs from acquisitions, minus cash and cash equivalents}}{\text{EBITDA before special items on rolling twelve months basis}}$ |
| Liquidity ratio | = | $\frac{\text{Current assets}}{\text{Current liabilities}}$ |
| Equity to assets ratio | = | $\frac{\text{Equity}}{\text{Total assets}}$ |
| Cash conversion rate before special items | = | $\frac{\text{Cash flow from operations before special items} + \text{Cash from CAPEX}}{\text{EBITDA before special items}}$ |

Definitions

Unless defined otherwise, in this report the terms below have the following meaning:

Organic growth

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

Board

The Board of Directors of the company.

Executive management

Executives that are registered with the Danish Company register.

Company

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

Group / Better Collective

The company and its subsidiaries.

NDC

New depositing customers

CPA

Cost Per Acquisition - fixed payment for an NDC

SEO

Search Engine Optimisation



BETTER
COLLECTIVE

Better Collective A/S

Toldbodgade 12
1253 Copenhagen K
Denmark

CVR no 27 65 29 13
+45 29 91 99 65
info@bettercollective.com
bettercollective.com



Facebook



Instagram



Twitter



LinkedIn