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Better Collective publishes prospectus and announces price range for its initial public offering on Nasdaq Stockholm

Following the announcement of its intention to float on 17 May 2018, Better Collective A/S (“Better Collective” or the “Company”), a leading affiliate in the European iGaming market, today publishes its prospectus and announces the price range for its initial public offering (the “IPO” or the “Offering”) of its shares and listing on Nasdaq Stockholm.

The Offering in brief

- The Offering is made to the public in Sweden and to institutional investors in Sweden and abroad.
- The final price per share in the Offering (the “Offering Price”) is expected to be set within the price range of SEK 48–58 per share (the “Price Range”), corresponding to a total value of all outstanding shares of approximately SEK 1.3 –1.6 billion before the Offering.
- The Offering will comprise of sales of newly issued shares and, if the Offering is increased, existing shares. Assuming that the Offering is fully subscribed and an Offering Price corresponding to the midpoint of the Price Range (SEK 53), the Offering corresponds to approximately 29 percent of all outstanding shares in the Company following the IPO. Under the same conditions, but with the Offering being increased in full and the over-allotment option being fully exercised, the Offering corresponds to approximately 40 percent of all outstanding shares in the Company following the IPO.
- The issue of new shares is expected to provide Better Collective with approximately SEK 600 million before deduction of transaction costs. If the Offering is increased in full and the over-allotment option is fully exercised, Better Collective expects to receive additional proceeds of up to approximately SEK 116 million.
- Certain board members have undertaken to acquire shares in the Offering, corresponding to a total amount of SEK 39.5 million.

- A prospectus with full terms and conditions is published today 28 May 2018 on the Company's website (www.bettercollective.com).
- The first day of trading on Nasdaq Stockholm is expected to be 8 June 2018 and the shares will trade under the symbol "BETCO".

Jesper Søgaard, co-founder and CEO of Better Collective:

"Since Christian Kirk Rasmussen and I started the Better Collective journey together in 2002, we have made it our mission to make sports betting and gambling entertaining, transparent and fair. In recent years, we really went beyond the organic growth path and started executing our M&A-strategy. We have delivered solid growth, launched new innovative products, and lifted the company to new standards on all levels. We find ourselves in a strong position based on our scale, international presence, and technological expertise. We find that the time is right for accelerating our growth even further and taking a leading role in the ongoing consolidation of iGaming affiliates.

Our ambition is to empower even more iGamers around the world by strengthening our already leading position in the sports betting affiliate market through our growing portfolio of digital tools and platforms. We welcome new investors to become a part of this journey, that we, and the Better Collective team, already know to be an inspiring one."

Jens Bager, Chairman of the Board of Better Collective:

"Better Collective has been on a continuous growth journey. The financial results speak for themselves, with an average revenue growth of 52% (CAGR) since 2015. Better Collective is well-positioned to leverage the many opportunities in a booming iGaming market, and we believe the IPO offers an optimal funding setup to continue the proactive acquisition strategy.

"We have prepared for the journey ahead by building a talented management team that is led by the founders, both of whom have unusually long track records in this young industry. With equally strong experience from large cap companies sitting

Background and reasons for the Offering

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

The Group reported revenue of EUR 26.3 million in 2017 which represented an annual growth rate of 51 percent. The average annual organic growth rate between 2015 and 2017 amounted to 44 percent. Reported EBITA amounted to EUR 10.5 million in 2017 which represented an EBITA margin of 40.2 percent. The EBITA margin has increased by 7 percentage points between 2015 and 2017. Better Collective believes that the Group is well-positioned to continue to grow faster than the iGaming market through organic growth as well as through acquisitive growth.

Jesper Søgård and Christian Kirk Rasmussen (the “Principal Shareholders”) and the board of directors of Better Collective believe that now is an appropriate time to broaden the shareholder base and apply for a listing of the Company’s shares on Nasdaq Stockholm. The Group is taking an active role in the ongoing consolidation of the iGaming affiliate industry, and the public initial listing and offering is a natural next step in this development.

The Offering will comprise of sales of existing shares and newly issued shares. The issue of new shares is expected to provide Better Collective with approximately SEK 600 million before deduction of transaction costs. If the Offering is increased in full and the over-allotment option is fully exercised, Better Collective expects to receive additional proceeds of up to approximately SEK 116 million. Better Collective intends to use the net proceeds to finance future acquisitions. Better Collective will not receive any proceeds from the sale of existing shares if the Offering is increased.

The Offering

- The Offering is made to the public in Sweden and to institutional investors in Sweden and abroad.
- The Offering Price is expected to be set within the Price Range of SEK 48-58 per share. The Offering Price will be set by the board of directors of Better Collective in consultation with Nordea Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ) (-the “Joint Global Coordinators”), based on discussions with certain institutional investors, current market conditions and a comparison with the market price of other comparable listed companies. The Offering Price to the general public will not exceed SEK 58 per share. Brokerage commission will not be charged. The Offering Price is expected to be made public through a press release around 8 June 2018.
- The Offering comprises a minimum of 10,344,827 new shares and a maximum of 12,500,000 new shares issued by the Company. The final number of shares issued will be determined based on the final Offering Price. In addition, Bumble Ventures A/S (the “Selling Shareholder¹”) has reserved the right to increase the Offering by offering up to 3,044,732 existing shares in the Company.
- To cover any over-allotments in the Offering, the Company will grant the Joint Global Coordinators an option to request that the Company issues up to additionally 2,331,709 shares, corresponding to maximum 15 percent of the total number of shares in the Offering, including, as applicable, additional shares following an increase of the Offering. The over-allotment option is exercisable, in whole or in part, for a period of 30 days from the first day of trading of the shares on Nasdaq Stockholm.
- The issue of new shares is expected to provide Better Collective with approximately SEK 600 million before deduction of transaction costs. If the Offering is increased in full and the over-allotment option is fully exercised, Better Collective expects to receive additional proceeds of up to approximately SEK 116 million.

¹The Selling Shareholder has reserved the right to increase the Offering to include the sale of existing shares. In connection with such increase of the Offering, certain employees (including the VP Group) that hold shares in the Company will divest parts of their holdings indirectly through companies. The total number of existing shares that can be sold if the Offering is increased in full is 3,044,732. Through the sales, Jesper Søgård and Christian Kirk Rasmussen will each indirectly sell up to 990,679 shares, Thomas Høgenhaven will indirectly sell up to 604,187 shares, Camilla Wissing Bille will indirectly sell up to 226,439 shares, Henrik Lykkesteen will indirectly sell up to 34,614 shares and an additional person will indirectly sell up to 198,134 shares. The sales will be carried out by way of such shareholders selling the shares that are to be sold in the Offering to the Selling Shareholder. Thus, all existing shares that can be included in the Offering will be offered by the Selling Shareholder.

- Following the completion of the Offering, the Principal Shareholders will together hold approximately 62.6 percent of the shares, assuming that the final price in the Offering corresponds to the midpoint of the Price Range (SEK 53), that the Offering is fully subscribed and that the over-allotment option is not exercised. Under the same conditions, but with the Offering being increased in full and the over-allotment option being fully exercised, the Principal Shareholders will together hold approximately 54.5 percent of the shares.
- The board members Jens Bager, Leif Nørgaard, Søren Jørgensen and Klaus Holse have undertaken to acquire shares in the Offering, corresponding to a total amount of SEK 39.5 million.
- The bookbuilding period for institutional investors is expected to take place between 29 May – 7 June 2018.
- The application period for the offering to the general public in Sweden is expected to take place between 29 May - 5 June 2018.
- The first day of trading on Nasdaq Stockholm is expected to be 8 June 2018, and the shares will trade under the symbol “BETCO”. The expected settlement day of the Offering is 12 June 2018.

Prospectus and application

A prospectus will be made available on the websites of Better Collective (www.bettercollective.com), Nordea (www.nordea.se) and SEB (www.sebgroup.com/prospectuses). Regarding the offering to the general public in Sweden, Nordea and Nordnet customers who have access to online services can apply to purchase shares through their online services.

Preliminary timetable

- **Publication of the prospectus: 28 May 2018**
- **Application period for the general public in Sweden: 29 May - 5 June 2018**
- **Bookbuilding for institutional investors: 29 May - 7 June 2018**
- **Announcement of the final price in the Offering: 8 June 2018**
- **First day of trading of Better Collective's shares: 8 June 2018**
- **Settlement date: 12 June 2018**

About Better Collective

Better Collective is one of the leading affiliates on the European iGaming affiliate market. The Company is primarily focused on sports betting, which represented 69 percent of revenue during 2017, while it also has a strong presence within casino, which represented 25 percent of revenue during the same period. Better Collective is a Danish registered company headquar-

tered in Copenhagen. The Company was founded in 2002 by Jesper Søgaard and Christian Kirk Rasmussen, both of whom remain part of the executive management team as CEO and COO, respectively.

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

The Company reported revenue of EUR 26.3 million in 2017, which represented an annual growth rate of 51 percent. The average annual organic growth rate between 2015 and 2017 amounted to 44 percent. Reported EBITA amounted to EUR 10.5 million in 2017, which represented an EBITA margin of 40 percent. The EBITA margin has increased by 7 percentage points between 2015 and 2017. Better Collective believes, that the Company is well-positioned to continue to grow faster than the iGaming market through organic growth as well as through acquisitive growth.

Key strengths and competitive advantages:

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

Present in a highly attractive growth market

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

The European iGaming market amounted to EUR 15.4 billion in 2017 and is expected to grow at a CAGR of 8.7 percent over the period 2017 to 2020 (source: H2 Gambling Capital). The Group expects the European iGaming affiliate market, in which Better Collective operates, to grow at least in line with the underlying European iGaming market.

Industry leading and award-winning product portfolio

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

Generating low risk and high flexibility for the operator

Better Collective offers iGaming operators an attractive performance-based marketing service by showcasing their products to a broad user base through the Group's product portfolio. iGaming operators remunerate the Group based on referrals of NDCs. In 2017, 89 percent of Group revenue was generated through revenue share. Revenue share implies low risk for iGaming operators, as remuneration only takes place when a referred NDC generates net revenue for the operator. At the same time, revenue share implies an attractive long-term revenue stream for the affiliate, often throughout the lifetime of the referred NDCs.

Innovative technology developing the affiliate market

Better Collective continuously develops its technology platform to efficiently increase the amount of content it generates and to display it with the highest possible degree of relevance. In-house developed software for Business Intelligence, and APIs with plugin functionality, enable site managers to efficiently evaluate and distribute content across a broad product portfolio. In addition, Better Collective enhances relevance using search engine optimisation. A high share of organic traffic is a strong indicator of a high degree of relevance. Organic traffic accounted for more than 90 percent of the total traffic to the Group during 2017 (Non-paid traffic as share of total traffic to the Group's product portfolio).

Attractive financial profile

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

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

Advisors

Nordea Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ) act as Joint Global Coordinators and Joint Bookrunners in connection to the offering. Setterwalls Advokatbyrå AB and Bruun&Hjejle Advokatpartnerselskab are legal advisors to Better Collective and Advokatfirman Vinge KB is legal adviser to the Joint Global Coordinators and Joint Bookrunners.

Further information

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This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by Better Collective A/S in any jurisdiction where such offer or sale would be unlawful.

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In any EEA Member State other than Sweden that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the **Prospectus Directive**, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

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Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intends”, “estimate”, “will”, “may”, “continue”, “should” and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

In connection with the offer or sale of securities referred to herein, the Managers may over-allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Any stabilisation action or over-allotment will be conducted by the Managers in accordance with all applicable laws and rules.