BETTER COLLECTIVE

Full year report 2018

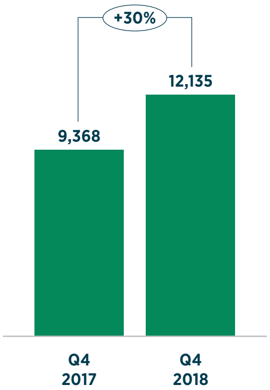
Highlights Q4 2018

- Revenue growth of 30% from Q4 2017
- Earnings; EBITA-margin before special items increased to 44%
- NDCs; > 76,000 = growth of >90%
- Acquisition of Ribacka Group in Sweden

Q4 and full year report 2018

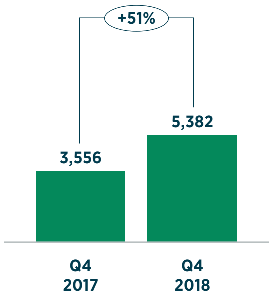
Revenue

tEUR



EBITA before special items

tEUR



Highlights fourth quarter 2018

- Q4 Revenue grew by 30% to 12,135 tEUR (Q4 2017: 9,368 tEUR). As expected, organic revenue declined 9%, following the record-breaking Q4 in 2017. Major accounts showed approx. 40% lower commission rate than Q4 2017 influenced mainly by sports results and strong growth in NDCs, as sign-up bonus on new NDCs is offset against revenue share on existing depositors. All other relevant internal KPIs showed strong underlying organic growth (i.e. NDCs, player deposits and sports betting turnover).
- Q4 EBITA before special items increased 51% to 5,382 tEUR (Q4 2017: 3,556 tEUR). The EBITA-margin before special items increased from 43% in Q3 to 44%. Special items were -114 tEUR, resulting in an EBITA after special items of 5,268 tEUR.
- Cash Flow from operations before special items was 5,411 tEUR (Q4 2017: 2,717 tEUR), an increase of 99%. The cash conversion rate adjusted for special items was 97%.
- NDCs grew 91% to more than 76,000 in the quarter (Q4 2017: 40,000).
- On December 21, 2018, Ribacka Group AB, one of the leading Swedish sports betting affiliates, was acquired at a price of 31 mEUR, including Net Working Capital. The acquisition will be included in the profit and loss from January 1, 2019.
- Better Collective's bettingexpert.com Tipster API won Best Affiliate Product Innovation at SBC Awards 2018.

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Conference call

A conference call for investors, analysts and media will be held today, February 19, 2019, 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 **4277806**
Denmark +45 3272 8042
The UK +44 (0) 8445718892
Sweden +46 (0) 850692180

Financial calendar

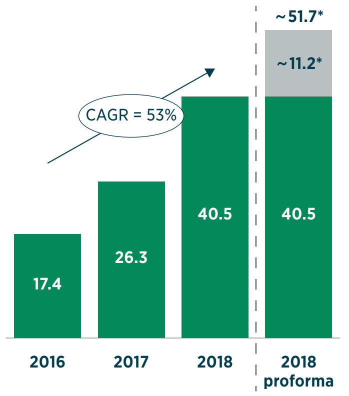
March 20, 2019
Annual report

April 25, 2019
Annual General Meeting

May 8, 2019
Interim financial report Q1, 2019

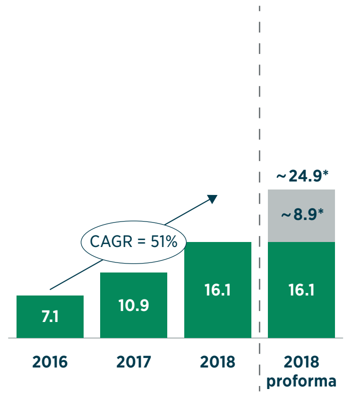
Revenue

mEUR



EBITA before special items

mEUR



- BC full year ownership, incl. Ribacka Group
- BC Group as reported
- * Proforma numbers unaudited

3x

Revenue tripled in two years based on proforma revenue for 2018

Financial highlights full year 2018

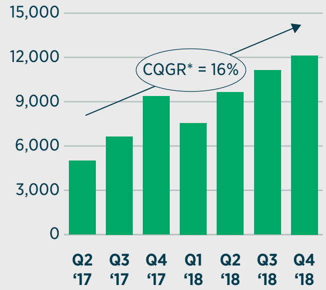
- In the full year of 2018, revenue grew by 54% to 40,483 tEUR (full year 2017: 26,257 tEUR). Organic revenue growth was 9%.
- In the full year of 2018, EBITA before special items increased 47% to 16,072 tEUR (full year 2017: 10,934 tEUR). The EBITA-margin before special items was 40% for the full year, resulting from 40% in Q2, growing to 43% in Q3, and 44% in Q4. Special items (IPO and M&A costs) were -4,080 tEUR, resulting in an EBITA after special items of 11,992 tEUR.
- Cash Flow from operations before special items was 15,158 tEUR (full year 2017: 9,492 tEUR), an increase of 60%. The cash conversion rate before special items was 89%.
- End of 2018, cash and unused credit facilities amounted to 51 mEUR.
- NDCs exceeded 260,000 (growth of 123%).
- The Net interest bearing debt to EBITDA before special items ratio was 1.37

Significant events after the closure of the period

None

Revenue

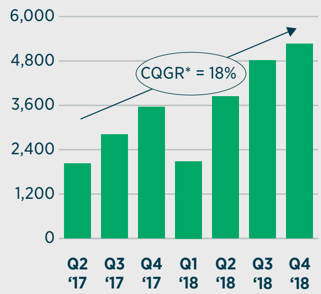
tEUR



* Compounded Quarterly Growth Rate

EBITA before special items

tEUR



* Compounded Quarterly Growth Rate

Financial targets

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

- Revenue growth; annually between 30-50% p.a. including M&A and including double-digit organic growth.
- Operating margin (EBITA); >40% before special items.
- Capital Structure; Net Debt/EBITDA < 2.5.

Expectedly, revenue will fluctuate between quarters based on NDC-growth, specific events and sports outcomes. The above targets are to be seen over short-medium term rather than for each quarter.

Organic growth in 2018 was slightly below target due to lower revenue-commission rates, affected by sports results and a strong growth in NDCs which lowers revenue short term on revenue-share terms as sign-up bonus on new NDCs is offset against revenue share on existing depositors.

Supported by a strong underlying organic growth in relevant KPIs such as NDCs, player's deposits and sports betting turnover, it is expected that the organic revenue growth will be stronger in 2019, implying that 2018 and 2019 combined will be above the financial target.

tEUR	Target 2018-2020	Comments	2017	2018
Revenue growth p.a.(%)	30-50%	Incl. M&A and double-digit organic growth	51%	54%
Operating margin (EBITA)*	> 40%		42%	40%
Capital structure; Net Interest Bearing Debt/EBITDA*	< 2.5		1.05	1.37

* Before special items.

54%

2018 annual revenue growth

Financial highlights and key figures

tEUR	Q4 2018	Q4 2017	2018	2017
Income Statement				
Revenue	12,135	9,368	40,483	26,257
Revenue Growth (%)	30%	89%	54%	51%
Organic Revenue Growth (%)	-9%	72%	9%	28%
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	5,435	3,574	16,241	10,979
Depreciation	53	18	169	45
Operating profit before amortisations and special items (EBITA before special items)	5,382	3,556	16,072	10,934
Special items, net	-114	-109	-4,080	-385
Operating profit before amortisations (EBITA)	5,268	3,446	11,992	10,549
Amortisations	1,045	350	2,924	677
Operating profit	4,223	3,096	9,068	9,872
Result of financial items	-172	110	-618	-87
Profit before tax	4,051	3,206	8,450	9,786
Profit after tax	3,106	2,382	5,446	7,446
Earnings per share (in EUR)	0.08	0.09	0.16	0.27
Diluted earnings per share (in EUR)	0.07	0.08	0.15	0.26
Balance sheet				
Balance Sheet Total	148,636	38,705	148,636	38,705
Equity	85,858	14,775	85,858	14,775
Current assets	24,942	6,860	24,942	6,860
Current liabilities	24,263	17,660	24,263	17,660
Net interest bearing debt	22,270	11,535	22,270	11,535
Cashflow				
Cash flow from operations before special items	5,411	2,717	15,158	9,492
Cash flow from operations	5,298	2,608	11,078	9,107
Investments in tangible assets	125	90	657	-16
Cash flow from investment activities	-12,110	-672	-60,629	-18,519
Cash flow from financing activities	-4,588	-1,832	67,895	6,932
Financial ratios				
Operating profit before amortisations and special items margin (%)	44%	38%	40%	42%
Operating profit before amortisations margin (%)	43%	37%	30%	40%
Operating profit margin (%)	35%	33%	22%	38%
Net interest bearing debt / EBITDA before special items	1.37	1.05	1.37	1.05
Liquidity ratio	1.03	0.39	1.03	0.39
Equity to assets ratio (%)	58%	38%	58%	38%
Cash conversion rate before special items (%)	97%	73%	89%	87%
Average number of full-time employees	238	155	198	116

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

CEO Comments

A transforming year for Better Collective

With the IPO completed, we obtained the foundation to pursue our ambition of being the # 1 sports betting aggregator in The World.

"I am highly satisfied with our achievements this year, and I am confident that we have laid the ground for an even more promising 2019 and the years to come."

Jesper Søgaard
CEO

2018 in review

Reviewing 2018 I dare say, a year with a main list IPO on Nasdaq Stockholm, allowing us to execute our M&A-strategy, strong business performance, and the US market beginning to regulate, are a combination of events that do not come around that often. I am highly satisfied with our achievements this year, and I am confident that we have laid the ground for an even more promising 2019 and the years to come.

Looking at Better Collective, including the businesses that we have acquired during 2018, our company now has annual revenues of >50 mEUR and operational earnings (EBITA) of approximately 25 mEUR, based on proforma numbers, assuming all businesses were consolidated with full year effect 2018. We strongly believe that size matters, as it allows us to continue investing in product innovation and in market expansion; For us this is key to a long term sustainable growing business.

Business performance

In Q4, we continued to deliver significant growth. However, when comparing to the extraordinarily strong Q4 2017, organic revenue declined as expected. This is explained by the volatility that we face in our line of business, where the timing and results of big sport events plus NDC growth have a direct impact on revenue.

For the full year 2018, we are in line with our expectations, and we are well prepared for 2019. The strong growth in NDCs and other relevant KPIs, including player deposits and sports betting turnover, were significantly higher compared to revenue growth and continue the trend we have seen throughout the year. As most NDCs are on revenue-share based contracts my expectation is that this will accelerate future growth.

123%

NDC growth

in 2018

US opportunity will continue to guide activities in 2019

In 2018, following the repeal of the PASPA Act, we increased our efforts in the US. We have had US-focused products up and running for some time, leading to revenue streams from online sports betting since late Q3. Building a presence and taking part in "the race", which many stakeholders are entering, will continue in 2019. In Q4, further resources were allocated to the process of offering new products and adjusting current products to US needs. While we do not expect organic growth to do it alone, we believe that Better Collective has a unique offering in terms of technology and know-how in order to find attractive business in this new and potentially very big market. My expectation is that we will find new business from the organic approach as well as through collaborations and acquisitions.

Strong pipeline of M&A opportunities

Alongside our US focus, we continued executing our M&A strategy with acquisitions of assets and business combinations at a total value of 85 mEUR, including net working capital. In Q4, we established a strong position in the newly re-regulated Swedish market through the acquisition of Ribacka Group. We consider Sweden to be one of the most interesting markets for online sports betting in Europe right now. Our current pipeline of new M&A-targets is strong, and 2019 is bound to offer attractive additions to the Better Collective family.

Recognition of our technology and innovation

Better Collective took home the award of Best Affiliate Product Innovation at SBC Awards 2018 with the bettingexpert.com Tipster API. The act of housing all of the community's tipsters in a single API has allowed for much more flexibility and the plug and play ability of the Tipster API has been used to not only integrate the user tips and analysis of bettingexpert.com across various products in Better Collective's existing portfolio, but also onto newly acquired products. It is a great honour to receive this recognition from SBC. This is the second time we have won this category at the SBC Awards in the past three years. It shows that, at our core, Better Collective is a software company that aims to be at the forefront of technical innovation.

Organisational transformation

Throughout 2018, Better Collective has built a much stronger organisational and technical foundation, with presence in Denmark, Austria, France, Greece, and Sweden, as well as a growing base in Serbia. This plays an important role in securing the future success of the business as well as our ability to successfully integrate new acquisitions.

I would like to thank all employees at Better Collective for their hard work and dedicated efforts through a truly transforming 2018.

Jesper Søgaard
CEO

85 mEUR

Value of M&A in 2018

Management report

Financial performance fourth quarter 2018

In Q4, we continued to recognise significant growth, although, when comparing to the extraordinarily strong Q4 we had in 2017, organic revenue-growth was, as expected, lower.

Revenue

Throughout the full year of 2018, Better Collective has generated high numbers of NDCs, a growth which comes on the back of a slow-down in 2017 where temporary compliance measures dampened the NDC conversion rates. It is highly satisfactory that the NDC performance is back at an even higher level than before the temporary impact from compliance measures in Q4 2017. Thus, the NDC-growth rates by far exceed the revenue growth-rates during the full year.

While the numbers themselves are highly satisfying, it is worth noting that due to sign-up bonuses, there will typically be a delay in revenue generation on revenue share contracts, which, all other things equal, dampens the revenue growth. Irrespective of this delay, NDCs are added to the "bank" of players, generating revenue throughout their lifetime on our revenue share contracts. Revenue share currently makes up close to 90% of player-revenue (excluding other income).

Underlying KPI's, such as value of player deposits and sports betting turnover showed growth rates between 20-50% on larger accounts, which are indicators of an underlying strong business performance.

The performance of the acquired companies and assets continue to outperform our expectations, and we continue to seek new acquisitions that fit our strategy.

Quarterly revenue amounted to 12,135 tEUR (Q4 2017: 9,368 tEUR). The growth was 30%; organic growth was -9%.

Revenue share accounted for 83% of the revenue (90% of player-related revenue) with 9% coming from CPA and 8% from other income.

The number of NDCs was more than 76,000, corresponding to a growth of 91%, most of which are transferred to revenue share contracts. The NDC-growth exceeded our expectations.

Cost

Quarterly cost excluding special items amounted to 7,799 tEUR (Q4 2017: 6,163 tEUR). Special items of -114 tEUR include cost relating to M&A-activities. Furthermore, depreciation and amortisations amounted to 1,098 tEUR (Q4 2017: 369 tEUR). Excluding the growth in amortisations and depreciations, the remaining cost base increased by 906 tEUR or 16%, compared to Q4 2017. The cost base includes added cost through acquired companies and cost related to the launch of new US-focused products. Direct cost relating to revenue increased to 1,317 tEUR (Q4 2017: 841 tEUR), an increase of 57%. Direct costs include hosting fees of websites, content generation, and external development.

Personnel costs in Q4 only increased slightly compared to the previous two quarters, despite the acquisitions in Austria and Greece in Q2, and amounted to 3,429 tEUR (Q4 2017: 2,523 tEUR), a year-on-year increase of 36%. The average number of employees increased to 238 (Q4 2017: 155). Personnel costs included cost of warrants of 50 tEUR.

Other external cost decreased 477 tEUR or 20% to 1,953 tEUR (Q4 2017: 2,430 tEUR). The decrease was due to a shift in promotion costs, where we added significant promotion costs in Q4 2017 dedicated to certain marketing campaigns. In Q4 2018, certain dedicated PPC-campaigns (Pay-Per-Click) have been initiated, which are expected to continue in 2019.

Depreciation and amortisations amounted to 1,098 tEUR (Q4 2017: 369 tEUR), mainly attributable to acquisitions.

Earnings
Operational earnings (EBITA) before special items increased 51% to 5,382 tEUR (Q4 2017: 3,556 tEUR). The EBITA-margin before special items was 44% (Q4 2017: 38%).

Including special items, the reported EBITA was 5,268 tEUR. (Q4 2017: 3,447 tEUR)

Q4 EBIT before special items increased 35% to 4,337 tEUR (Q4 2017: 3,205 tEUR).

Including special items, the reported EBIT was 4,223 tEUR (Q4 2017: 3,096 tEUR).

Net financial items
Net financial costs amounted to 172 tEUR (Q4 2017: -110 tEUR) and included net interest and fees relating to bank credit lines.

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, Greece, Romania, Serbia, and Sweden.

Income tax for Q4 amounted to 945 tEUR (Q4 2017: 824 tEUR). The Effective Tax Rate was (ETR) 23.3% (Q4 2017: 25.7%).

Net profit
Net profit after tax was 3,106 tEUR (Q4 2017: 2,382 tEUR).

Management report

Financial performance full year 2018

Revenue
Full year revenue amounted to 40,483tEUR (full year 2017: 26,257 tEUR). The growth was 54% (full year 2017: 51%) of which organic growth was 9% (full year 2017: 28%).

The full year revenue growth has been influenced by a relatively high number of NDCs compared to the year before which lowers revenue short term on revenue-share contract, as sign-up bonus on new NDCs is offset against revenue share on existing depositors.

Revenue share accounted for 82% of the revenue (88% of player-related revenue) with 11% coming from CPA and 7% from other income.

The number of NDCs was more than 260,000, with an implied growth of 123%.

Cost
Full year costs amounted to 27,335 tEUR (full year 2017: 16,000 tEUR). Amortisation and depreciation amounted to 3,092 tEUR (full year 2017: 722 tEUR). Excluding the growth in amortisation and depreciation the remaining cost base increased by 8,965 tEUR or 59%. The cost base increased ahead of the IPO and with the acquisitive growth.

Direct costs relating to revenue increased to 4,350 tEUR (full year 2017: 2,950 tEUR), an increase of 47%. Direct costs comprise hosting fees of websites, content generation, and external programming.

Personnel costs amounted to 12,990 tEUR (full year 2017: 7,568 tEUR), an increase of 72%. The average number of employees increased to 198 (full year 2017: 116). Personnel costs included cost of warrants of 319 tEUR.

Other external costs increased 2,143 tEUR or 45% to 6,903 tEUR (full year 2017: 4,760 tEUR).

Depreciation and amortisation amounted to 3,092 tEUR (full year 2017: 722 tEUR), mainly attributable to acquisitions.

Earnings (EBITA)
EBITA before special items in the full year of 2018 increased 47% to 16,072 tEUR (full year 2017: 10,934 tEUR). The EBITA-margin before special items was 40% (full year 2017: 42%). As expected, the EBITA-margin before special items increased during the year; in Q2 40%, in Q3 43% and in Q4 44% as a result of partly organic growth, tight cost control, and operational leverage from acquisitions.

Including special items, the reported EBITA was 11,992 tEUR. (full year 2017: 10,549 tEUR)

Operating profit (EBIT)
Full year EBIT before special items increased 28% to 13,148 tEUR (full year 2017: 10,257 tEUR).

Including special items, the reported operating profit was 9,068 tEUR (full year 2017: 9,872 tEUR).

Net financial items
Net financial costs amounted to 618 tEUR (full year 2017: 87 tEUR) and included net interest and fees relating to committed bank credit lines.

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, Greece Romania, Serbia, and Sweden.

Income tax for the full year of 2018 amounted to 3,004 tEUR (full year 2017: 2,340 tEUR). The Effective Tax Rate (ETR) of 35.5% was impacted by non-deductible costs for IPO and M&A. Adjusted for these impacts of non-deductible IPO and M&A costs, the effective tax rate was 25.8%.

Net profit
Full year net profit after tax was 5,446 tEUR (full year 2017: 7,446 tEUR).

Equity
The equity increased to 85,858 tEUR as per December 31, 2018 from 14.775 tEUR on December 31, 2017. Besides the full year profit of 5.446 tEUR, the proceeds from the IPO in June as well as warrant related transactions impacted the Equity during the period.

Balance sheet
Total assets amounted to 148,636 tEUR (full year 2017: 38,705 tEUR), with an equity of 85,858 tEUR (full year 2017: 14,775 tEUR). This corresponds to an Equity to assets ratio of 58% (full year 2017: 38%). The liquidity ratio was 1.03 resulting from current assets of 24,942 tEUR and current liabilities of 24,263 tEUR.

Investments
In Q4, Better Collective acquired Ribacka Group AB at a value of 31 mEUR, including net working capital. The purchase price is net of cash and contains deferred amounts of 15 mEUR. In addition to the acquisition of Ribacka Group AB, 870 tEUR was paid related to acquisitions completed prior to Q4.

For the full year, Better Collective acquired companies and assets at a total value of 85 mEUR, including net working capital. The purchase prices are net of cash that will be paid on top of the agreed acquisition price. The total cash flow impact from acquisitions of assets and business combinations was 60 mEUR in the year, including 7.7 mEUR paid related to transactions completed prior to 2018.

On December 21, 2018, Better Collective completed the acquisition of all shares in Ribacka Group AB, incorporated in Sweden. The price of the acquisition was 31 mEUR, including net working capital, of which 15 mEUR was paid in cash at closing, 6 mEUR will be paid in May 2019 in either cash or ordinary shares in Better Collective, and the remaining 9 mEUR is an estimated conditional purchase amount that will be paid in 2020 pending certain agreed performance criteria. Cash will be paid on top of the agreed purchase price.

Investments in tangible assets were 134 tEUR in Q4 and 669 tEUR full year. This amount includes preparations for a new office facility in Nis, Serbia for Better Collective's Serbian operations.

Cash flow and financing
Cash Flow from operations before special items for Q4 2018 was 5,411 tEUR (Q4 2017: 2,717 tEUR). Full year Cash Flow from operations before special items was 15,158 tEUR (full year 2017: 9,492 tEUR).

Acquisitions and other investments reduced cash flow with 60,629 tEUR of which 12,110 tEUR was in Q4.

Proceeds from increase of share capital (IPO) was 68,547 tEUR of which 2,349 tEUR was paid as settlement of warrants in connection with the IPO.

Better Collective has bank credit facilities of total 43.6 mEUR, of which 8.5 mEUR was drawn up end of December 2018.

As of December 31, 2018, cash and unused credit facilities, amounted to approximately 51 mEUR.

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

2018 Revenue grew by 7% to 23,715 tEUR (2017: 22,103 tEUR).

Other operating income was 2,944 in 2018 (2017: 0 tEUR). It comprises management fees for subsidiaries according to new transfer pricing policy implemented in 2018.

Total costs in 2018 increased to 19,637 tEUR vs. 2017, mainly due to the full year effect of the organisational upgrade to prepare for the IPO (2017: 13,769 tEUR).

Profit after tax was 1,551 tEUR (2017: 6,295 tEUR).

Total Equity ended at 80,626 tEUR by December 31, 2018 (2017: 13,521 tEUR). The equity in the parent company was impacted by the proceeds from the IPO and warrants related transactions.

Other

Shares and share capital
Better Collective A/S is listed on Nasdaq Stockholm main market. The shares are traded under the ticker "BETCO". As per December 31, 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 December 31, 2018, the total number of shareholders was 792. A list of top 10 shareholders in Better Collective A/S can be found on the company's website.

Nomination committee appointed
Better collective's nomination committee shall consist of four members, representing the three largest shareholders as per the end of august each year, together with the chairman of the board of directors. The nomination committee was appointed in Q3 following the company's listing earlier this year. In Q4, the committee held its first meeting and elected Daniel Nyvang Mariussen as chairman, representing shareholders Jesper Søgaard and Christian Kirk Rasmussen. Further details can be found on the company's website.

Annual general meeting
The annual general meeting 2019 will take place on April 25, 2019 at 16.00 in Copenhagen, Denmark. Shareholders who wish to have a specific matter brought before the general meeting must submit a written request to the company's board of directors no later than six weeks prior to the general meeting. If the request is received less than six weeks before the date of the general meeting, the board of directors must decide whether the request has been made with enough time for the issues to be included on the agenda.

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 December 31, 2018, 33,930 warrants are outstanding, all with rights 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 4%.

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

Risk management
Through an Enterprise Risk Management process, a number of 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).

Key risk factors are described in the Annual Reports.

Market development and regulatory environment

Regulation of a market usually introduces license requirements for operators and such licenses may come with additional requirements, such as compliance and specific taxes on sports betting and casino operations. These increased requirements for operators affect us indirectly and in some cases directly, due to regulations on the marketing of sports betting and casino services. Better Collective believes that regulation generally is positive for these markets, as regulation increases transparency, provides predictable rules, and increases awareness and demand. Set out below is a summary of recent developments in selected markets.

USA

On May 19, 2018, the Supreme Court of the United States repealed the PASPA Act, making the legal status of sports betting a discretion of state legislation, thereby removing a federal ban. Multiple states who have been in favour of repealing the act, including New Jersey, have already legalised sports betting within their state. While some states may abstain from legalising altogether, the majority of states are expected to do so over the coming years. Dependent on this process, the US online sports betting market may surpass the European market in terms of sport betting turnover in five to 10 years.

Recently, an opinion on the 1961 Wire Act by the U.S. Department of Justice ("DoJ") was raised. As sports betting was already included in the previous interpretation, sports betting is not affected. The Wire Act has the potential to impact inter-state online betting such as lotteries and poker, whereas there are no obstacles to intra-state betting. We have implemented geo-blocking measures to ensure that customers will be directed only to operators licensed in their state. Overall, the opinion on the Wire Act is expected to have no impact on our business.

For Better Collective, US activities have started generating revenue, growing at high rates, although from small numbers. The organic growth in the US market is so far built on new US-focused products that have been developed within the current framework and cost base. In addition to the organic approach, we are seeking different ways to generate business in the US market, both through acquisitions and collaborations. In preparation, Better Collective has incorporated a legal entity in the US, Better Collective USA Inc. Currently, all US business is driven by a dedicated team from Better Collective in Denmark and Paris, but we expect to establish a presence in the US in 2019.

Germany

For online casino, there are currently regional inconsistencies in how the rules are enforced, as well as debate over the compatibility with EU law, which currently creates a 'regulatory limbo'. As the situation seems unsustainable, we expect the German casino market to re-regulate at some point and become a key market. Better Collective's current exposure to online casino in Germany is limited, whilst holding a strong position within sports betting.

Italy

In 2019, a ban on advertising for gambling and related products and services is expected to come into force. Currently, Italy makes up less than five percent of our revenues. The company position is that this ban will not have a significant impact on our business.

Sweden

January 1, 2019, new regulation came into place in Sweden, with taxation on gambling at 18%. Better Collective's activities in Sweden have significantly increased with the acquisition of Ribacka Group by the end of 2018. A change in market dynamics is evident from the first couple of weeks since the regulation. We believe it will fuel a growing market, and we consider Sweden one of the most interesting markets for online sports betting in Europe.

UK

With effect from October 2019, the gross-gaming tax on online casino is increased from 15 to 21%, whereas taxation on betting (sports betting) remains unchanged. Revenue from the UK amounted to approximately a third of total revenue during the full year and the dependency on the UK market will expectedly decline due to the recent acquisitions. The vast majority of the company's revenue from UK is coming from sports betting, so the increased taxation on online casino will expectedly only have little impact.

Brazil

A bill legalising online sports betting was signed in December 2018. A 2-year window has been established to develop regulations for the new sports betting sector before it goes live.

Argentina
While no uniform national regulation is in place, Buenos Aires passed legislation in December 2018 to regulate online gaming in its province for the first time. The time frame for the implementation of this legislation is not yet clear.

Slovakia
New laws, which includes a licensing system for online casino and sports betting, were implemented in Q4 2018. New licenses will be active from July 2019 for online casino and July 2020 for online sports betting, which will represent an opportunity for Better Collective.

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 February 19, 2019.

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

Statement by the Board of Directors and the Executive Management

Statement by the Board of Directors and the Executive Management on the condensed consolidated interim financial statements and the parent company condensed interim financial statements for the period 1 January – 31 December 2018

Today, the Board of Directors and the Executive Management have discussed and approved the condensed consolidated interim financial statements and the parent company condensed interim financial statements of Better Collective A/S for the period 1 January – 31 December 2018.

The condensed consolidated interim financial statements for the period 1 January – 31 December 2018 are prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and additional requirements of the Danish Financial Statements Act. The parent company condensed interim financial statements has been included according to the Danish Executive Order on the Preparation of Interim Financial Reports.

In our opinion, the condensed consolidated interim financial statements and the parent company condensed interim financial statements give a true and fair view of the Group's and Parent Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Group's and Parent Company's operations and the Group's cash flows for the period 1 January – 31 December 2018.

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, as well as a description of the major risks and uncertainties, the Group and the Parent Company are facing.

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

Copenhagen, February 19, 2019

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 – December 31

Consolidated income statement

Note	tEUR	Q4 2018	Q4 2017	2018	2017
2	**Revenue**	**12,135**	**9,368**	**40,483**	**26,257**
	Direct costs related to revenue	1,317	841	4,350	2,950
3	Staff costs	3,429	2,523	12,990	7,568
	Depreciation	53	18	169	45
	Other external expenses	1,953	2,430	6,903	4,760
	Operating profit before amortisations and special items	**5,382**	**3,556**	**16,072**	**10,934**
	Amortisation and impairment	1,045	350	2,924	677
	Operating profit before special items	**4,337**	**3,205**	**13,148**	**10,257**
4	Special items, net	-114	-109	-4,080	-385
	Operating profit	**4,223**	**3,096**	**9,068**	**9,872**
	Financial income	0	7	39	7
	Financial expenses	172	-103	657	93
	Profit before tax	**4,051**	**3,206**	**8,450**	**9,786**
5	Tax on profit for the period	945	824	3,004	2,340
	Profit for the period	**3,106**	**2,382**	**5,446**	**7,446**
	Earnings per share attributable to equity holders of the company				
	Average number of shares*	40,487,111	27,549,828	34,018,470	27,503,442
	Average number of warrants - converted to number of shares*	1,834,650	2,079,189	2,024,460	1,402,974
	Earnings per share (in EUR)*	0.08	0.09	0.16	0.27
	Diluted earnings per share (in EUR)*	0.07	0.08	0.15	0.26

*Historic numbers updated with share-split 1:54

Consolidated statement of other comprehensive income

Note	tEUR	Q4 2018	Q4 2017	2018	2017
	Profit for the period	**3,106**	**2,382**	**5,446**	**7,446**
	Other comprehensive income				
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
	Currency translation to presentation currency	28	-4	80	-15
	Income tax	0	0	0	0
	Net other comprehensive income/loss	28	-4	80	-15
	Total other comprehensive income/(loss) for the period, net of tax	**3,133**	**2,378**	**5,526**	**7,430**
	Attributable to:				
	Shareholders of the parent	3,133	2,378	5,526	7,430

Financial statements for the period January 1 – December 31

Consolidated balance sheet

Note	tEUR	2018	2017
	Assets		
	Non-current assets		
6	**Intangible assets**		
	Goodwill	23,960	7,178
	Domains and websites	86,844	20,085
	Accounts and other intangible assets	11,282	3,475
		122,086	**30,738**
	Property, plant and equipment		
	Land and buildings	736	756
	Fixtures and fittings, other plant and equipment	657	141
		1,393	897
	Other non-current assets		
	Deposits	214	210
		214	210
	Total non-current assets	**123,694**	**31,846**
	Current assets		
	Trade and other receivables	7,705	4,405
	Corporation tax receivable	624	0
	Prepayments	636	325
	Cash	15,978	2,129
	Total current assets	**24,942**	**6,860**
	Total assets	**148,636**	**38,705**

Financial statements for the period January 1 – December 31

Consolidated balance sheet

Note	tEUR	**2018**	2017
	Equity and liabilities		
	Equity		
	Share Capital	404	69
	Share Premium	67,316	381
	Translation Reserve	84	4
	Treasury shares	0	0
	Retained Earnings	18,054	14,322
	Proposed Dividends	0	0
	Total equity	**85,858**	**14,775**
	Non-current Liabilities		
	Debt to mortgage credit institutions	544	566
7	Debt to credit institutions	8,500	0
7	Deferred tax liabilities	20,534	5,655
7	Other long-term financial liabilities	8,937	50
	Total non-current liabilities	**38,515**	**6,270**
	Current Liabilities		
	Prepayments received from customers	478	1,036
	Trade and other payables	2,564	1,879
	Corporation tax payable	954	1,697
7	Other financial liabilities	20,248	7,706
	Debt to mortgage credit institutions	20	20
	Debt to credit institutions	0	5,323
	Total current liabilities	**24,263**	**17,660**
	Total liabilities	**62,778**	**23,930**
	Total equity and liabilities	**148,636**	**38,705**

Financial statements for the period January 1 – December 31

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					5,446		5,446
Other comprehensive income							
Currency translation to presentation currency			80				80
Tax on other comprehensive income			0				0
Total other comprehensive income	0	0	80	0	0	0	80
Total comprehensive income for the year	**0**	**0**	**80**	**0**	**5,446**	**0**	**5,526**
Transactions with owners							
Capital increase	336	68,410			-207		68,539
Transaction cost		-1,475					-1,475
Disposal of warrants					22		22
Shared based payments					319		319
Cash settlement of warrants					-2,371		-2,371
Tax on settlement of warrants					522		522
Total transactions with owners	**336**	**66,935**	**0**	**0**	**-1,714**	**0**	**65,556**
At December 31, 2018	**404**	**67,316**	**84**	**0**	**18,054**	**0**	**85,858**

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 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 – December 31

Consolidated statement of cash flows

	tEUR	Q4 2018	Q4 2017	2018	2017
	Profit before tax	4,051	3,206	8,450	9,786
	Adjustment for finance items	172	-110	618	87
	Adjustment for special items	114	109	4,080	385
	Operating Profit for the period before special items	4,337	3,205	13,148	10,257
	Depreciation and amortisation	1,098	369	3,092	722
	Other adjustments of non cash operating items	50	108	319	283
	Cash flow from operations before changes in working capital and special items	5,485	3,682	16,560	11,262
	Change in working capital	-74	-965	-1,402	-1,770
	Cash flow from operations before special items	5,411	2,717	15,158	9,492
	Special items, cash flow	-114	-109	-4,080	-385
	Cash flow from operations	5,298	2,608	11,078	9,107
	Interest income, received	0	25	39	25
	Interest expenses, paid	-172	-49	-657	-246
	Cash flow from ordinary activities before tax	5,126	2,584	10,460	8,886
	Income tax paid	-2,383	-346	-3,957	-644
	Cash flow from operating activities	**2,743**	**2,238**	**6,503**	**8,242**
8	Acquisition of business combinations*	-11,995	0	-51,117	-14,720
	Acquisition of intangible assets*	-28	-699	-8,853	-3,897
	Acquisition of property, plant and equipment	-134	-90	-669	-102
	Sale of property, plant and equipment	9	0	13	119
	Acquisition and disposal of associates, net	0	134	0	134
	Change in rental deposits	38	-17	-2	-52
	Cash flow from investing activities	**-12,110**	**-672**	**-60,629**	**-18,519**
	Repayment of borrowings	-13,078	0	-18,401	0
	Proceeds from borrowings	8,529	-1,849	21,572	5,908
	Capital increase	-41	16	68,547	1,024
	Transaction cost	0	0	-1,475	0
	Warrant settlement, sale of warrants	2	0	-2,349	0
	Cash flow from financing activities	**-4,588**	**-1,832**	**67,895**	**6,932**
	Cash flows for the period	-13,954	-266	13,769	-3,345
	Cash and cash equivalents at beginning	29,905	2,401	2,129	5,490
	Foreign currency translation of cash and cash equivalents	28	-6	80	-16
	Cash and cash equivalents period end	**15,978**	**2,129**	**15,978**	**2,129**
	*** Business combinations and intangible assets:**				
	Net Cash outflow from business combinations during the period (see note 8)	-11,125	0	-43,114	-14,720
	Business Combinations deferred payments from current period	-870	0	-788	0
	Deferred payments - business combinations from prior periods	0	0	-7,216	0
	Total cash flow from business combinations	**-11,995**	**0**	**51,117**	**-14,720**
	Acquisitions through asset transactions (see note 6)	-28	-255	-12,084	-4,436
	Deferred payments related to acquisition value	0	-444	3,713	539
	Deferred payments - acquisitions from prior periods	0	0	-482	0
	Total cash flow from intangible assets	**-28**	**-699**	**-8,853**	**-3,897**

Financial statements for the period January 1 – December 31

Income statement – Parent company

tEUR	Q4 2018	Q4 2017	2018	2017
Revenue	**6,119**	**6,896**	**23,715**	**22,103**
Other operating income	2,944	0	2.944	0
Direct costs related to revenue	740	735	2,731	2,527
Staff costs	2,220	1,816	9,284	6,476
Amortisation/depreciation and impairment	227	88	805	172
Other external expenses	1,762	2,178	6,817	4,594
Operating profit before special items	**4,115**	**2,078**	**7,022**	**8,334**
Special items, net	-1	-52	-3,382	-62
Operating profit	**4,114**	**2,026**	**3,639**	**8,272**
Financial income	-2	3	26	3
Financial expenses	186	-95	710	130
Profit before tax	**3,926**	**2,125**	**2,956**	**8,145**
Tax on profit for the period	926	563	1,405	1,850
Profit for the period	**3,001**	**1,562**	**1,551**	**6,295**

Statement of other comprehensive income

tEUR	Q4 2018	Q4 2017	2018	2017
Profit for the period	**3,001**	**1,562**	**1,551**	**6,295**
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Currency translation to presentation currency	-68	0	-90	-13
Net other comprehensive income/loss	-68	0	-90	-13
Total other comprehensive income/(loss) for the period, net of tax	**2,932**	**1,562**	**1,461**	**6,281**

Financial statements for the period January 1 – December 31

Balance sheet – Parent company

tEUR	2018	2017
Assets		
Non-current assets		
Intangible assets		
Domains and websites	14,325	3,769
Accounts and other intangible assets	1,622	792
	15,947	4,562
Property, plant and equipment		
Land and building	736	756
Fixtures and fittings, other plant and equipment	400	112
	1,136	867
Financial assets		
Investments in subsidiaries	100,088	23,982
Deposits	153	150
	100,241	24,133
Total non-current assets	**117,324**	**29,562**
Current assets		
Trade and other receivables	3,026	2,914
Receivables from subsidiaries	3,086	144
Prepayments	449	275
Cash	2,162	1,547
Total current assets	**8,723**	**4,880**
Total assets	**126,046**	**34,442**

Financial statements for the period January 1 – December 31

Balance sheet – Parent company

tEUR	2018	2017
Equity and liabilities		
Equity		
Share Capital	404	69
Share Premium	67,316	381
Translation Reserve	-84	6
Treasury shares	0	0
Retained Earnings	12,989	13,066
Proposed Dividends	0	0
Total equity	**80,626**	**13,521**
Non-current Liabilities		
Debt to mortgage credit institutions	544	566
Debt to credit institutions	8,500	0
Deferred tax liabilities	451	67
Other non-current financial liabilities	8,937	50
Total non-current liabilities	**18,432**	**682**
Current Liabilities		
Prepayments received from customers	417	917
Trade and other payables	1,962	1,479
Payables to subsidiaries	4,209	3,449
Corporation tax payable	133	1,345
Other current financial liabilities	20,248	7,706
Debt to mortgage credit institutions	20	20
Debt to credit institutions	0	5,323
Total current liabilities	**26,989**	**20,238**
Total liabilities	**45,421**	**20,921**
Total equity and liabilities	**126,046**	**34,442**

Financial statements for the period January 1 – December 31

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	1,551	0	1,551
Other comprehensive income							
Currency translation to presentation currency			-90				-90
Tax on other comprehensive income			0				0
Total other comprehensive income	0	0	-90	0	0	0	-90
Total comprehensive income for the year	**0**	**0**	**-90**	**0**	**1,551**	**0**	**1,461**
Transactions with owners							
Capital increase	336	68,410			-207		68,539
Transaction cost		-1,475					-1,475
Acquisition/disposal of treasury shares and warrants					22		22
Share based payments					319		319
Cash settlement of warrants					-2,371		-2,371
Tax on settlement of warrants					522		522
Merger - Subsidiaries*					87		87
Total transactions with owners	**336**	**66,935**	**0**	**0**	**-1,627**	**0**	**65,643**
At December 31, 2018	**404**	**67,316**	**-84**	**0**	**12,989**	**0**	**80,626**

* 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 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 - December 31 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 led 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
Significant expenses which Better Collective consider non-recurring are presented in the Income statement in a separate line item labelled 'Special items' in order to distinguish these items from other income statement items. The income statement and key figures include the subtotals 'Operating profit before depreciation, amortisations, and special items', 'Operating profit before amortisations and special items' and 'Operating profit before special items" as these are assessed to provide a more transparent and comparable view of Better Collective's ongoing performance. Better Collective considers costs related to the IPO as well as not capitalised expenses related to M&A, as special items. The use of special items is a change from the 2017 Annual Report and the interim financial statements for January 1, 2018 - March 31, 2018. 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, Cost per Acquisition (CPA), and other, as follows:

tEUR	Q4 2018	2018	Q4 %-split	2018 %-split
Revenue				
Revenue share	10,114	33,140	83	82
CPA	1,078	4,520	9	11
Other	943	2,823	8	7
Total Revenue	**12,135**	**40,483**	**100**	**100**

3 Share-based payment plans

During the fourth quarter of 2018, the Company did not grant any warrants.

During 2018 the company granted a total of 6,256 warrants, comprising 5,086 warrants to the Company's Chief Financial Officer (CFO) hired in January 2018, 600 warrants sold to the Company's new board member, and 570 warrants to other key management personnel.

The warrants to the CFO and other key management personnel have an exercise price of DKK 700, were granted in three tranches, vest in three consecutive years beginning January 2018 and expire five years after the grant date. The warrants granted to the Company's new board member were granted in February 2018 and vest immediately, as these warrants were purchased by the new board member. They have an exercise price of DKK 700.

In connection with the IPO, Better Collective paid out cash in the amount of 2.4 mEUR for the compensation of 9,185 cancelled warrants. The compensation paid up to the fair value of the awards at settlement date is accounted for as a deduction from equity as a redemption of an equity instrument.

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 Q4, 2018 is 50 tEUR (Q4 2017: 108 tEUR), and for 2018 319 tEUR (2017: 283 tEUR).

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	Q4 2018	Q4 2017	2018	2017
Operating profit	**4,223**	**3,096**	**9,068**	**9,872**
Special items related to IPO	-1	-52	-3,379	-62
Special items related to M&A	-113	-57	-702	-322
Operating profit before special items	**4,337**	**3,205**	**13,148**	**10,257**
Amortisations	1,045	350	2,924	677
Operating profit before amortisations and special items (EBITA before special items)	**5,382**	**3,556**	**16,072**	**10,934**
Depreciation	53	18	169	45
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	**5,435**	**3,574**	**16,241**	**10,979**

Notes

5 Income tax

Total tax for the year is specified as follows:

tEUR	**Q4 2018**	Q4 2017	**2018**	2017
Tax for the period	945	824	3,004	2,340
Tax on other comprehensive income	0	0	0	0
Total	**945**	**824**	**3,004**	**2,340**

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

tEUR	**Q4 2018**	Q4 2017	**YTD 2018**	YTD 2017
Deferred tax	44	-80	-98	-143
Current tax	902	904	3,102	2,483
Adjustment from prior years	0	0	0	0
Total	**945**	**824**	**3,004**	**2,340**

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

tEUR	**Q4 2018**	Q4 2017	**YTD 2018**	YTD 2017
Profit for the period:				
Calculated 22% tax of the result before tax	891	705	1,859	2,153
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	-10	46	296	80
Tax effect of:				
Non-taxable income	-14	-42	-61	-45
Non-deductible costs	78	115	910	152
	945	**824**	**3,004**	**2,340**
Effective tax rate	**23.3%**	**25.7%**	**35.5%**	**23.9%**

Notes

6 Intangible assets

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
2018				
Cost				
At January 1, 2018	**7,178**	**20,085**	**4,162**	**31,425**
Acquisitions through asset transactions	0	10,569	1,516	12,084
Acquisitions through business combinations	16,783	56,219	9,200	82,202
Transfer	0	-16	16	0
Disposals	0	-1	0	-1
Currency Translation	0	-13	-3	-15
At December 31, 2018	**23,960**	**86,844**	**14,891**	**125,695**
Amortisation				
At January 1, 2018	**0**	**0**	**686**	**686**
Amortisation for the period	0	0	2,924	2,924
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	-1	-1
At December 31, 2018	**0**	**0**	**3,609**	**3,609**
Cost				
At January 1, 2017	**0**	**266**	**30**	**296**
Acquisitions through asset transactions	0	3,504	932	4,436
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				
At January 1, 2017	**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**
Carrying Value				
At January 1, 2018	7,178	20,085	3,475	30,738
At December 31, 2018	23,960	86,844	11,282	122,086

Notes

7 Non-current liabilities and other current financial liabilities

Debt to credit institutions:
As per December 31, 2018 Better Collective has drawn 8.5 mEUR on the credit facility established with Nordea.

Deferred Tax:
Deferred tax as of December 31, 2018 amounted to 20.5 mEUR. The increase of 14.9 mEUR since January 1, 2018 originates from deferred tax liabilities following the acquisitions of Bola Webinformation GmbH, WBS I.K.E. Online Marketing Services Ltd., KAPA Ltd., and Ribacka Group, as well as changes in deferred tax in the parent company.

Other long-term financial liabilities:
As per December 31, 2018 other long-term financial liabilities amounted to 8.9 mEUR due to part of the variable payment related to the acquisition of WBS I.K.E. Online Marketing Services Ltd., KAPA Ltd, and Ribacka Group.

Other current financial liabilities:
As per December 31, 2018 other current financial liabilities amounted to 20.3 mEUR due to deferred and short-term variable payments related to the acquisition of assets and Bola Webinformation GmbH, WBS I.K.E. Online Marketing Services Ltd., KAPA Ltd, and Ribacka Group.

8 Business combinations

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	-314
Identified net assets	**24,649**
Goodwill	**11,639**
Total consideration	36,288

Notes

8 Business combinations, continued

A goodwill of 11,639 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 467 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
Regards to:	
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 amounted to 45,008 tEUR and result after tax YTD would have amounted to 6,909 tEUR.

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

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 company operates from an office in Thessaloniki, Greece and runs Betarades.gr, a leading sports betting site in Greece.

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

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Domains and websites	3,000
Accounts & other intangible assets	400
Tangible assets	0
Trade and other receivables	382
Cash and cash equivalents	78
Deferred tax liabilities	-936
Corporate tax payables	-147
Trade and other payables	-13
Identified net assets	**2,764**
Goodwill	**1,858**
Total consideration	4,621

Notes

8 Business combinations, continued

A goodwill of 1.858 tEUR emerged from the acquisition of WBS and KAPA 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 WBS and KAPA amounts to 117 tEUR. Transaction costs are accounted for in the income statements under "special items".

The fair value of the trade receivables amounts to 180 tEUR. The gross amount of trade receivables is 180 tEUR. 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 WBS / KAPA	
Purchase amount	4,621
Regards to:	
Cash and cash equivalents	78
Deferred payment	845
Estimated conditional purchase amount (at fair value)	290
Net cash outflow	3,409

An additional conditional consideration depends on the development of the results in the acquired company. At the date of the acquisition, the debt assigned to the conditional consideration amounted to 295 tEUR (fair value of 290 tEUR) The maximum value of the conditional payment is 400 tEUR.

The acquisition was completed on July 31, 2018. If the acquisition would have taken place on January 1, 2018 the Group's revenue YTD would have amounted to 41,150 tEUR and result after tax YTD would have amounted to 5,594 tEUR.

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

Acquisition of Ribacka Group.
On December 21, 2018, Better Collective acquired all shares in Ribacka Group AB, which owns a strong network of leading Swedish sports betting and casino marketing platforms, including www.speltips.se. Ribacka Group is incorporated and headquartered in Sweden.

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

tEUR	Fair value determined at acquisition
Acquired net assets at the time of the acquisition	
Domains and websites	31,200
Accounts & other intangible assets	2,200
Trade and other receivables	1,000
Cash and cash equivalents	3,903
Deferred tax liabilities	-6,892
Identified net assets	**31,411**
Goodwill	**3,286**
Total consideration	34,698

Notes

8 Business combinations, continued

A goodwill of 3.286 tEUR emerged from the acquisition of Ribacka as an effect of the difference between the transferred consideration and the fair value of acquired net assets. Goodwill is primarily connected to the future growth expectations given the strong brands acquired, the regulation of the Swedish market, and leveraging Better Collective's existing operator agreements. The goodwill is not tax deductible.

Transaction costs related to the acquisition of Ribacka AB amounts to 113 tEUR. Transaction costs are accounted for in the income statements under "special items".

The fair value of the trade receivables amounts to 1,000 tEUR. The gross amount of trade receivables is 1,000 tEUR. 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 Ribacka	
Purchase amount	34,698
Regards to:	
Cash and cash equivalents	3.903
Deferred payment	10,903
Estimated conditional purchase amount (at fair value)	8,766
Net cash outflow	11,125

An additional conditional consideration depends on the development of the results in the acquired company. At the date of the acquisition, the debt assigned to the conditional consideration amounted to 9 mEUR (fair value of 8.8 mEUR). The maximum value of the conditional payment is 9 mEUR.

The acquisition was completed on December 21, 2018. If the acquisition would have taken place on January 1, 2018 the Group's revenue YTD would have amounted to 46,483 tEUR and result after tax YTD would have amounted to 8,601 tEUR.

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

Definitions

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

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

Cash conversion rate = $\frac{\text{(Cash from operations + Cash from CAPEX)}}{\text{Operating profit before depreciations and amortisations}}$

Diluted earnings per share = $\frac{\text{Profit for the year}}{\text{(Average number of shares + Average number of warrants)}}$

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.

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

Group / Better Collective = The company and its subsidiaries.

NDC = New Depositing Customers

SEO = Search Engine Optimisation

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