BETTER COLLECTIVE

Q1 2019

January 1 – March 31

Interim report

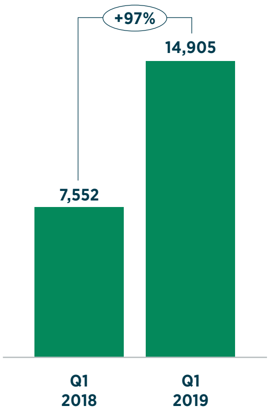
Highlights Q1 2019

- Revenue growth of 97%
- Earnings; EBITA-margin (bfs.) 44% = growth of 212%
- NDCs; >116.000 = growth of 147%
- Earnings per share increased to 0.09 EUR

Interim Report Q1 2019

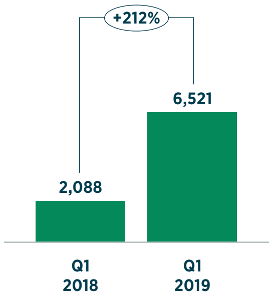
Revenue

tEUR



EBITA before special items

tEUR



Highlights first quarter 2019

- Q1 Revenue grew by 97% to 14,905 tEUR (Q1 2018: 7,552 tEUR). Organic revenue growth was 41% (Q1 2018: 1%). The growth was supported by the strong NDC-performance in recent quarters.
- Q1 EBITA before special items increased 212% to 6,521 tEUR (Q1 2018: 2,088 tEUR). The EBITA-margin before special items was 44% (Q1 2018: 28%). Special items relating to M&A-activities were 87 tEUR.
- Cash Flow from operations before special items was 7,559 tEUR (Q1 2018: 2,483 tEUR), an increase of 204%. The cash conversion was 112%. End of Q1, capital reserves stood at 54.4 mEUR including cash of 19.3 mEUR and unused bank credit facilities of 35.1 mEUR.
- Earnings per share (EPS) more than doubled from 0,04 EUR/share in Q1 2018 to 0,09 EUR/share in Q1 2019.
- New Depositing Customers (NDCs) exceeded 116.000 in the quarter (growth of 147%).
- Two new subsidiaries in UK and Poland were established to organise increased local activities and employees.

Significant events after the closure of the period

- After the end of Q1, Better Collective topped the EGR Power Affiliates 2019 list for the second consecutive year, took home the award for best in-house SEO team at the SEMRush Nordic Search Awards, and was awarded for Commitment to Compliance at the Global Regulatory Awards.
- On May 7, 2019, the Board of Directors decided that deferred payment of 6 mEUR, relating to the acquisition of Ribacka AB, shall be paid in 896,727 ordinary shares in Better Collective A/S.

Contents

Conference call

A conference call for investors, analysts and media will be held today, May 8, 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 **1798279**
Denmark +45 3272 8042
The UK +44 (0) 8445718892
Sweden +46 (0) 850692180

Financial calendar

August 14, 2019
Interim financial report Q2, 2019

November 7, 2019
Interim financial report Q3, 2019

Financial highlights and key figures

tEUR	Q1 2019	Q1 2018	2018
Income Statement			
Revenue	14,905	7,552	40,483
Revenue Growth (%)	97%	44%	54%
Organic Revenue Growth (%)	41%	1%	9%
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	6,685	2,113	16,241
Depreciation	165	25	169
Operating profit before amortisations and special items (EBITA before special items)	6,521	2,088	16,072
Special items, net	-87	-132	-4,080
Operating profit before amortisations (EBITA)	6,434	1,956	11,992
Amortisations	1,239	383	2,924
Operating profit before special items (EBIT before special items)	5,281	1,705	13,148
Operating profit (EBIT)	5,195	1,573	9,068
Result of financial items	-257	-81	-618
Profit before tax	4,938	1,493	8,450
Profit after tax	3,685	1,134	5,446
Earnings per share (in EUR)*	0.09	0.04	0.16
Diluted earnings per share (in EUR)*	0.09	0.04	0.15
*Historic numbers updated with share-split 1:54			
Balance sheet			
Balance Sheet Total	153,775	41,456	148,636
Equity	89,537	16,050	85,858
Current assets	29,420	6,067	24,942
Current liabilities	23,551	14,500	24,263
Net interest bearing debt	17,304	13,395	22,270
Cashflow			
Cash flow from operations before special items	7,559	2,483	15,158
Cash flow from operations	7,457	2,351	11,078
Investments in tangible assets	67	280	657
Cash flow from investment activities	-3,109	-6,788	-60,629
Cash flow from financing activities	-101	3,920	67,895
Financial ratios			
Operating profit before amortisations and special items margin (%)	44%	28%	40%
Operating profit before amortisations margin (%)	43%	26%	30%
Operating profit margin (%)	35%	21%	22%
Net interest bearing debt / EBITDA before special items	0.83	1.21	1.37
Liquidity ratio	1.25	0.42	1.03
Equity to assets ratio (%)	58%	39%	58%
Cash conversion rate before special items (%)	112%	104%	89%
Average number of full-time employees	268	151	198

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

CEO Comments

A strong start to 2019

2019 got off to a strong start with significant growth throughout the business while all key performance indicators developed in the right direction

Business performance

Growth in Q1 was strong compared to the same quarter last year. We now see the effect of the strong NDC intake throughout 2018, which even accelerated further to record levels in the first quarter of 2019. Revenue almost doubled including a strong organic growth of 41% and operational earnings tripled compared to the same period in 2018.

We continued to allocate significant resources to the development of new markets including the US, and we also opened new subsidiaries in UK and Poland to support our increased activities in those countries. Furthermore, we continued to allocate significant resources to developing products and technologies. All this has increased our cost base and headcounts, however, managing the high growth is a priority, thus we continued to report strong earning-margins while growing and investing in the future at high pace.

Swedish market dynamics changing post-regulation

At the end of 2018, the acquisition of Ribacka Group strengthened our position and formed the base of BC Sweden in time for the new regulation to come into place. While there have been reports on decreased activity of online gambling generally affecting the sector, the performance of our Swedish business has been satisfactory. We expect that the market will continue to find a new balance, and in the long run, we expect Sweden to be an important and valuable market for online sports betting.

US opportunity will continue to guide activities in 2019

In Q1, we continued the process of offering new products and adjust current products to US needs. While the pace of regulation is uncertain, we see progress and we are preparing for the next states to regulate online sports betting and casino. On this note, Pennsylvania has decided to open for online casino as from July 15, 2019, and possibly online sports betting as soon as May. We continue the efforts to find new business from the organic approach as well as through possible collaborations and acquisitions.

Significant award recognition

Last year, we were honoured to top the prestigious EGR Power Affiliates list. The list is picked by a panel of experts that has looked at criteria such as business and commercial success, M&A activity, and regulatory and compliance procedures. Topping this list again with top scores for each criteria is, without a doubt, a seal of approval that we are on the right track. At the SEMRush Nordic Search Awards we took home the award for best in-house SEO team, underlining our edge in the industry. At the Global Regulatory Awards 2019, we were awarded for Commitment to Compliance by an Affiliate Company. The award recognises excellence in the field of regulatory compliance and responsible gambling. Our ambition is to continue to grow and be the frontrunner in the industry and these awards are true testaments to the fantastic team at Better Collective that each day continues to deliver on our vision to empower iGamers through transparency and technology.

Jesper Søgaard
CEO

"I am happy to report on a successful first quarter of 2019, resulting from the strong NDC intake we saw last year - an NDC growth which continues, breaking record again this quarter."

Jesper Søgaard
CEO

147%

NDC growth

in Q1 2019

Management report

Financial performance first quarter 2019

In Q1, we continued to recognise significant growth, to some extent expected when comparing to a relatively weak Q1 last year, but also driven by a strong NDC-performance through recent quarters

Throughout 2018 and continuing in Q1 2019, Better Collective has generated high numbers of NDCs, most of which have been transferred to revenue-share based contracts. This large increase in the base of players, that generates revenue to Better Collective, is the foundation for the strong organic growth in revenue and earnings.

The performance of the acquired companies and assets continue to outperform our expectations, and we are actively seeking new acquisitions that fit our strategy. Our recent acquisition of Ribacka Group in Sweden also showed satisfactory performance in Q1.

During the recent period, Better Collective has increased investments in the organisation and capabilities within paid media search (PPC). While more than 90% of the NDC's are generated through organic traffic, the paid media is beginning to weigh relatively more and has proven to be supportive to the overall growth and earnings.

Revenues

Quarterly revenues amounted to 14,905 tEUR (Q1 2018: 7,552 tEUR). The growth was 97% (Q1 2018: 44%); organic growth was 41% (Q1 2018: 1%).

Overall, the revenue growth was better than expected, and strong in comparison to Q1 2018, which was a relatively weak quarter. Revenue share accounted for 72% of the revenue (80% of player-related revenues) with 18% coming from CPA and 10% from other income. The most recent acquisition has impacted this split, as more CPA has been brought to the business. In addition, the US business is solely CPA based at this point.

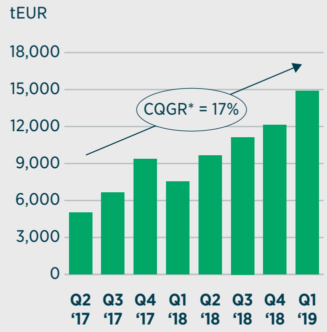
The number of NDCs was more than 116.000, corresponding to a growth of 147%, most of which are transferred to revenue share contracts. The NDC-growth exceeded our expectations.

Costs

Quarterly costs excluding special items and amortisations amounted to 8,384 tEUR (Q1 2018: 5,464 tEUR). Special items of -87 tEUR include costs relating to M&A activities and an adjustment of earn-out payments related to acquisitions. Furthermore, amortisations amounted to 1,404 tEUR (Q1 2018: 408 tEUR). Excluding amortisations and depreciations, the remaining cost base increased by 2,780 tEUR or 51%, compared to Q1 2018. The cost base includes added costs through acquired companies and costs related to new markets as well as continued resource allocation to product development and new technologies.

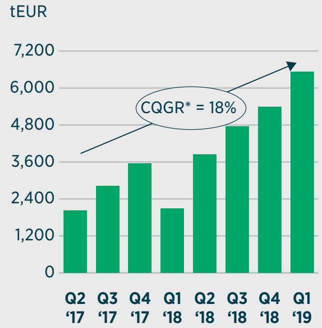
Direct costs relating to revenue increased to 1,356 tEUR (Q1 2018: 870 tEUR), an increase of 56%. Direct costs include hosting fees of websites, content generation, external development, etc.

Revenue



* Compounded Quarterly Growth Rate

EBITA before special items



* Compounded Quarterly Growth Rate

Personnel costs in Q1 increased slightly compared to the previous quarter and amounted to 4,187 tEUR (Q1 2018: 3,112 tEUR), a year-over-year increase of 35%. The average number of employees increased to 268 (Q1 2018: 151). Personnel costs included cost of warrants of 50 tEUR.

Other external costs increased 1,220 tEUR or 84% to 2,677 tEUR (Q1 2018: 1,457 tEUR). Beginning late 2018 certain dedicated PPC-campaigns (Pay-Per-Click) have been initiated, which will continue in 2019.

Depreciation and amortisations amounted to 1,404 tEUR (Q1 2018: 408 tEUR), mainly attributable to acquisitions.

Earnings
Operational earnings (EBITA) before special items more than tripled to 6,521 tEUR (Q1 2018: 2,088 tEUR). The EBITA-margin before special items was 44% (Q1 2018: 28%).

Including special items, the reported EBITA was 6,434 tEUR. (Q1 2018: 1,956 tEUR).

Q1 EBIT before special items increased 210% to 5,281 tEUR (Q1 2018: 1,705 tEUR). The implementation of IFRS 16 impacted the EBIT positively by 12 tEUR.

Including special items, the reported EBIT was 5,195 tEUR (Q1 2018: 1,573 tEUR).

Net financial items
Net financial costs amounted to 257 tEUR (Q1 2018: 81 tEUR) and included net interest and fees relating to bank credit lines.

Income tax
Better Collective has a tax-presence in the places where the company is incorporated, which are Denmark (where the parent company is incorporated), Austria, France, Greece, Romania, UK, US, Poland, Serbia, and Sweden

Income tax for Q1 amounted to 1,253 tEUR (Q1 2018: 359 tEUR). The Effective Tax Rate was (ETR) 25% (Q1 2018: 24%).

Net profit
Net profit after tax was 3,685 tEUR (Q1 2018: 1,134 tEUR).

Equity
The equity increased to 89,537 tEUR as per March 31, 2019 from 85,858 tEUR on December 31, 2018.

Balance sheet
Total assets amounted to 153,775 tEUR (FY 2018: 148,636 tEUR), with an equity of 89,537 tEUR (FY 2018: 85,858). This corresponds to an Equity to assets ratio of 58% (FY 2018: 58%). The liquidity ratio was 1.25 resulting from current assets of 29.420 tEUR and current liabilities of 23.551 tEUR. As per January 1, 2019 IFRS 16 Leases has been implemented and resulted in right-of-use assets of 2,511 tEUR and non-current and current lease liabilities of 2,238 tEUR and 288 tEUR respectively.

Investments
In Q1 no acquisitions were made, however, a total of 3,030 tEUR was paid as settlement of net working capital from the acquisition of Ribacka Group and a deferred payment related to the acquisition of WBS (Greece).

Investments in tangible assets were 67 tEUR in Q1.

Cash flow and financing
Cash Flow from operations before special items for Q1 2018 was 7,559 tEUR (Q1 2018: 2,483 tEUR).

Acquisitions and other investments reduced cash flow with 3,109 tEUR in Q1.

Better Collective has bank credit facilities of total 43.6 mEUR, of which 8.5 mEUR was drawn up end of March 2019.

As of March 31, 2019, cash and unused credit facilities, amounted to approximately 54.4 mEUR.

The parent company

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

Q1 Revenue grew by 18% to 6.053 tEUR (Q1 2018: 5.116 tEUR).

Total costs in Q1 2019 was 5.827 tEUR (Q1 2018: 4.873 tEUR).

Profit after tax was 807 tEUR (Q1 2018: -2 tEUR).

Total Equity ended at 81,505 tEUR by March 31, 2019 (2018: 80,626 tEUR). The equity in the parent company was impacted by cost of warrants.

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.

As revenue will expectedly 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.

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

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 March 31, 2019, 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.

Pursuant to share sales and purchase agreement entered into between Better Collective and the sellers of Ribacka Group AB, on May 7, 2019, the Board of Directors resolved to complete the payment of part of the purchase price, 6 million EUR, for the acquisition of Ribacka Group by issue of 896,727 new ordinary shares in Better Collective A/S. The price per share of SEK 70.80 is calculated on the basis of the volume weighted average share price of the company's shares (as traded on Nasdaq Stockholm) during the period from and including 16 April 2019 to and including 3 May 2019. The new shares will be issued on or about 9 May 2019 and will entail a dilution of approximately 2.17 percent for existing shareholders of Better Collective A/S.

Shareholder structure

As of March 31, 2019, the total number of shareholders was 744. A list of top 10 shareholders in Better Collective A/S can be found on the company's website.

Annual general meeting

The annual general meeting (AGM) 2019 took place on April 25, 2019. All items on the agenda were carried, except the proposal to establish an incentive program for the company's key employees and executive management (item 9 a. of the agenda), which was withdrawn from the agenda by the board of directors. Although the board had received support from a large majority of Danish and foreign investors to its proposal, as well as a simple and large majority was present at the AGM to pass the proposal, the board wants to acknowledge the opposing view of minority shareholders. For these reasons, and to apply good governance measures, the board decided to withdraw the proposal. The Board of Directors intends to prepare a revised proposal for a long term incentive program that will be presented for adoption at a subsequent extraordinary general meeting.

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 March 31, 2019, 33,700 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 (~94 EUR) per 54 shares.

At the AGM 2019 it was resolved to amend the terms of the issued warrants to reflect the share split: each warrant that today entitles the holder to subscription of 54 shares is replaced with 54 warrants which each entitles the holder to subscribe for one share with a nominal value of EUR 0.01 in the company. Furthermore, the exercise price per share of the issued warrants is changed from DKK 700 to DKK 12.96 (rounded). The amendments to the warrant terms are cost neutral for the company, its shareholders and the warrant holders.

Risk management

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

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

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

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

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. Better Collective believes that regulation generally is positive for the 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, a new opinion on the 1961 Wire Act was released by the U.S. Department of Justice (“DoJ”). 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 in the states where it is legal. Overall, the opinion on the Wire Act is expected to have no direct impact on our business.

Recent developments in the individual states include:

Better Collective have been licensed in **New Jersey** since 2014, and we keep growing our market share. There are still only a few operators live within sports betting, but we expect more to come online during the next 3-6 months. In **West Virginia**, the market has been online since December 2018, but it was recently shut down due to operators facing issues with a third party provider. We expect this to be resolved during the next quarter. **Rhode Island** is currently not live online, and is not expected to go live until late in the year. **Pennsylvania** has launched sports betting offline, and is looking to launch online on July 15, 2019 online. This could, however, happen as soon as May 2019.

Three states have passed legislation in the respective senates, pending governor approval: In **Iowa** the governor is to decide on the bill no later than May 27, 2019. In **Tennessee** the governor is expected to approve the bill, which includes online sports betting, no later than May 8, 2019. In **Indiana**, legislation also includes online wagering, and is currently pending governor approval.

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’. In March this year, the state Prime Ministers agreed on an Interim Interstate Treaty, which has been notified to the European Commission and is pending signature and ratification by each state. There are still a number of controversial elements to this Interim Treaty, including uncertainty over the future of Schleswig-Holstein’s casino licensing regime. 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. We view sports betting as a regulated market, as sports betting is currently operating under a temporary framework that is scheduled until mid 2021, whilst negotiations with EU regarding a new regulation is ongoing.

Italy

In 2019, a ban on advertising for gambling and related products and services is expected to come into force. Better Collective’s current exposure in Italy is limited, so no immediate effects on revenue are expected, however, pending the actual enforcement of the regulation and how operators are interpreting those, it might negatively effect the ability to generate NDCs and longer term revenue and earnings.

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 months 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 is expected to decline due to the recent acquisitions. The vast majority of the company's revenue from the UK is coming from sports betting, so the increased taxation on online casino is expected to 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, the province of 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 but initial regulations and licensing criteria for online gambling were adopted at the end of Q1.

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.

Netherlands

In Q1, the Dutch upper house of parliament passed a bill regulating online gambling. Secondary pieces of legislation, which are expected to be published later in 2019, will define when the act will come into force and set out licensing requirements. The market is expected to open in late 2020, or in mid-2021 at the latest.

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 May 8, 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

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.

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 January 1 – March 31, 2019

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 March 2019.

The condensed consolidated interim financial statements for the period 1 January – 31 March 2019 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 March 2019 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 March 2019.

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, May 8, 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 – March 31

Consolidated income statement

Note	tEUR	Q1 2019	Q1 2018	2018
2	**Revenue**	**14,905**	**7,552**	**40,483**
	Direct costs related to revenue	1,356	870	4,350
3	Staff costs	4,187	3,112	12,990
	Depreciation	165	25	169
	Other external expenses	2,677	1,457	6,903
	Operating profit before amortisations and special items	**6,521**	**2,088**	**16,072**
	Amortisation and impairment	1,239	383	2,924
	Operating profit before special items	**5,281**	**1,705**	**13,148**
4	Special items, net	-87	-132	-4,080
	Operating profit	**5,195**	**1,573**	**9,068**
	Financial income	2	14	39
	Financial expenses	259	95	657
	Profit before tax	**4,938**	**1,493**	**8,450**
5	Tax on profit for the period	1,253	359	3,004
	Profit for the period	**3,685**	**1,134**	**5,446**
	Earnings per share attributable to equity holders of the company			
	Average number of shares*	40,487,111	27,549,828	34,018,470
	Average number of shares - warrant program	1,832,220	2,367,792	2,024,460
	Earnings per share (in EUR)	0.09	0.04	0.16
	Diluted earnings per share (in EUR)	0.09	0.04	0.15

*Historic numbers updated with share-split 1:54

Consolidated statement of other comprehensive income

Note	tEUR	Q1 2019	Q1 2018	2018
	Profit for the period	**3,685**	**1,134**	**5,446**
	Other comprehensive income			
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	Currency translation to presentation currency	-56	6	79
	Income tax	0	0	0
	Net other comprehensive income/loss	-56	6	79
	Total other comprehensive income/(loss) for the period, net of tax	**3,629**	**1,140**	**5,526**
	Attributable to:			
	Shareholders of the parent	3,629	1,140	5,526

Financial statements for the period January 1 – March 31

Consolidated balance sheet

Note	tEUR	Q1 2019	Q1 2018	2018
	Assets			
	Non-current assets			
6	**Intangible assets**			
	Goodwill	23,283	7,178	23,960
	Domains and websites	86,881	22,772	86,844
	Accounts and other intangible assets	10,054	4,076	11,282
		120,218	**34,025**	**122,086**
	Property, plant and equipment			
	Land and buildings	732	751	736
	Right-of-use assets	2,511	0	0
	Fixtures and fittings, other plant and equipment	675	402	657
		3,918	**1,152**	**1,393**
	Other non-current assets			
	Deposits	219	212	214
	Total non-current assets	**124,355**	**35,389**	**123,694**
	Current assets			
	Trade and other receivables	8,901	4,346	7,705
	Corporation tax receivable	589	82	624
	Prepayments	611	309	636
	Cash	19,318	1,330	15,978
	Total current assets	**29,420**	**6,067**	**24,942**
	Total assets	**153,775**	**41,456**	**148,636**

Financial statements for the period January 1 – March 31

Consolidated balance sheet

Note	tEUR	**Q1 2019**	Q1 2018	2018
	Equity and liabilities			
	Equity			
	Share Capital	405	69	405
	Share Premium	67,316	381	67,316
	Currency Translation Reserve	28	10	84
	Retained Earnings	21,788	15,590	18,054
	Proposed Dividends	0	0	0
	Total equity	**89,537**	**16,050**	**85,858**
	Non-current Liabilities			
	Debt to mortgage credit institutions	539	560	544
	Debt to credit institutions	8,500	4,594	8,500
7	Lease liabilities	2,238	0	0
7	Deferred tax liabilities	20,600	5,727	20,534
	Other long-term financial liabilities	8,810	25	8,937
	Total non-current liabilities	**40,687**	**10,906**	**38,515**
	Current Liabilities			
	Prepayments received from customers	886	918	478
	Trade and other payables	3,352	2,179	2,564
	Corporation tax payable	2,778	1,857	954
7	Other financial liabilities	16,227	4,894	20,248
	Debt to mortgage credit institutions	20	20	20
	Debt to credit institutions	0	4,633	0
7	Lease liabilities	288	0	0
	Total current liabilities	**23,551**	**14,500**	**24,263**
	Total liabilities	**64,238**	**25,406**	**62,778**
	Total equity and liabilities	**153,775**	**41,456**	**148,636**

Financial statements for the period January 1 – March 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, 2019	**405**	**67,316**	**84**	**0**	**18,054**	**0**	**85,858**
Result for the period	0	0	0	0	3,685	0	3,685
Other comprehensive income							
Currency translation to presentation currency	0	0	-56	0	0	0	-56
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	-56	0	0	0	-56
Total comprehensive income for the year	**0**	**0**	**-56**	**0**	**3,685**	**0**	**3,629**
Transactions with owners							
Shared based payments	0	0	0	0	50	0	50
Dividend distributed	0	0	0	0	0	0	0
Proposed Dividend	0	0	0	0	0	0	0
Total transactions with owners	**0**	**0**	**0**	**0**	**50**	**0**	**50**
At March 31, 2019	**405**	**67,316**	**28**	**0**	**21,788**	**0**	**89,537**

During the period no dividend was paid.

IFRS 16 - no effect on equity as of January 1, 2019

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	0	0	0	0	1,134	0	1,134
Other comprehensive income							
Currency translation to presentation currency	0	0	6	0	0	0	6
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	6	0	0	0	6
Total comprehensive income for the year	**0**	**0**	**6**	**0**	**1,134**	**0**	**1,140**
Transactions with owners							
Acquisition/disposal of treasury shares and warrants	0	0	0	0	22	0	22
Share based payments	0	0	0	0	112	0	112
Total transactions with owners	**0**	**0**	**0**	**0**	**135**	**0**	**135**
At March 31, 2018	**69**	**381**	**10**	**0**	**15,590**	**0**	**16,050**

During the period no dividend was paid.

Financial statements for the period January 1 – March 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	0	0	0	0	5,446	0	5,446
Other comprehensive income							
Currency translation to presentation currency	0	0	79	0	0	0	79
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	79	0	0	0	79
Total comprehensive income for the year	**0**	**0**	**79**	**0**	**5,446**	**0**	**5,526**
Transactions with owners							
Capital Increase	336	68,410	0	0	-207	0	68,539
Transaction cost	0	-1,475	0	0	0	0	-1,475
Disposal of warrants	0	0	0	0	22	0	22
Shared based payments	0	0	0	0	319	0	319
Cash settlement of warrants	0	0	0	0	-2,371	0	-2,371
Tax on settlement of warrants	0	0	0	0	522	0	522
Total transactions with owners	**336**	**66,935**	**0**	**0**	**-1,714**	**0**	**65,557**
At December 31, 2018	**405**	**67,316**	**84**	**0**	**18,054**	**0**	**85,858**

During the period no dividend was paid.

Financial statements for the period January 1 – March 31

Consolidated statement of cash flows

Note	tEUR	Q1 2019	Q1 2018	2018
	Profit before tax	4,938	1,493	8,450
	Adjustment for finance items	257	81	618
	Adjustment for special items	87	132	4,080
	Operating Profit for the period before special items	5,281	1,705	13,148
	Depreciation and amortisation	1,404	408	3,092
	Other adjustments of non cash operating items	50	112	319
	Cash flow from operations before changes in working capital and special items	6,735	2,225	16,560
	Change in working capital	824	257	-1,402
	Cash flow from operations before special items	7,559	2,483	15,158
	Special items, cash flow	-102	-132	-4,080
	Cash flow from operations	7,457	2,351	11,078
	Interest income, received	2	14	39
	Interest expenses, paid	-179	-95	-657
	Cash flow from ordinary activities before tax	7,280	2,271	10,460
	Income tax paid	-690	-209	-3,957
	Cash flow from operating activities	**6,590**	**2,062**	**6,503**
8	Acquisition of business combinations*	-3,030	-4,541	-51,117
	Acquisition of intangible assets*	-9	-1,966	-8,853
	Acquisition of property, plant and equipment	-67	-280	-669
	Sale of property, plant and equipment	0	0	13
	Change in rental deposits	-3	-2	-2
	Cash flow from investing activities	**-3,109**	**-6,788**	**-60,629**
	Repayment of borrowings	-5	-696	-18,401
	Proceeds from borrowings	0	4,594	21,572
	Lease liabilities	-96	0	0
	Capital increase	0	0	68,547
	Transaction cost	0	0	-1,475
	Warrant settlement, sale of warrants	0	22	-2,349
	Cash flow from financing activities	**-101**	**3,920**	**67,895**
	Cash flows for the period	3,380	-806	13,769
	Cash and cash equivalents at beginning	15,978	2,129	2,129
	Foreign currency translation of cash and cash equivalents	-40	6	80
	Cash and cash equivalents period end	**19,318**	**1,330**	**15,978**
	* Business combinations:			
	Net Cash outflow from business combinations at acquisition (see note 8)	0	0	-43,114
	Business Combinations deferred payments from current period	0	0	-788
	Deferred payments - business combinations from prior periods	-3,030	-4,541	-7,216
	Total cashflow from business combinations	**-3,030**	**-4,541**	**-51,117**
	* Intangible assets:			
	Acquisitions through asset transactions (see note 6)	0	-3,675	-12,084
	Deferred payments related to acquisition value	0	1,709	3,713
	Deferred payments - acquisitions from prior periods	0	0	-482
	Other investments	-9	0	0
	Total cashflow from intangible assets	**-9**	**-1,966**	**-8,853**

Financial statements for the period January 1 – March 31

Income statement – Parent company

tEUR	Q1 2019	Q1 2018	2018
Revenue	**6,053**	**5,116**	**23,715**
Other operating income	1,186	0	2,944
Direct costs related to revenue	745	612	2,731
Staff costs	2,623	2,363	9,284
Amortisation/depreciation and impairment	312	132	805
Other external expenses	2,147	1,766	6,817
Operating profit before special items	**1,411**	**243**	**7,022**
Special items, net	-82	-132	-3,382
Operating profit	**1,330**	**112**	**3,639**
Financial income	1	13	26
Financial expenses	270	105	710
Profit before tax	**1,060**	**19**	**2,956**
Tax on profit for the period	253	22	1,405
Profit for the period	**807**	**-2**	**1,551**

Statement of other comprehensive income

tEUR	Q1 2019	Q1 2018	2018
Profit for the period	**807**	**-2**	**1,551**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Currency translation to presentation currency	23	-14	-90
Income tax	0	0	0
Net other comprehensive income/loss	23	-14	-90
Total other comprehensive income/(loss) for the period, net of tax	**830**	**-16**	**1,461**

Financial statements for the period January 1 – March 31

Balance sheet – Parent company

Note	tEUR	Q1 2019	Q1 2018	2018
	Assets			
	Non-current assets			
	Intangible assets			
	Goodwill	0	0	0
	Domains and websites	14,328	6,472	14,325
	Accounts and other intangible assets	1,427	1,644	1,622
		15,755	**8,116**	**15,947**
	Property, plant and equipment			
	Land and building	732	751	736
	Right-of-use assets	1,360	0	0
	Fixtures and fittings, other plant and equipment	410	274	400
		2,502	**1,025**	**1,136**
	Financial assets			
	Investments in subsidiaries	99,661	23,962	100,088
	Deposits	156	152	153
		99,817	**24,114**	**100,241**
	Total non-current assets	**118,074**	**33,255**	**117,324**
	Current assets			
	Trade and other receivables	3,522	2,697	3,026
	Receivables from subsidiaries	2,433	144	3,086
	Corporation tax receivable	50	0	0
	Prepayments	390	248	449
	Cash	4,010	312	2,162
	Total current assets	**10,406**	**3,400**	**8,723**
	Total assets	**128,480**	**36,655**	**126,046**

Financial statements for the period January 1 – March 31

Balance sheet – Parent company

Note	tEUR	Q1 2019	Q1 2018	2018
	Equity and liabilities			
	Equity			
	Share Capital	405	69	405
	Share Premium	67,316	381	67,316
	Currency Translation Reserve	-62	-8	-84
	Treasury shares	0	0	0
	Retained Earnings	13,846	13,198	12,989
	Proposed Dividends	0	0	0
	Total equity	**81,505**	**13,640**	**80,626**
	Non-current Liabilities			
	Debt to mortgage credit institutions	539	560	544
	Debt to credit institutions	8,500	4,594	8,500
	Lease liabilities	1,180	0	0
	Deferred tax liabilities	451	103	451
	Other non-current financial liabilities	8,810	25	8,937
	Total non-current liabilities	**19,481**	**5,282**	**18,432**
	Current Liabilities			
	Prepayments received from customers	784	727	417
	Trade and other payables	2,061	1,761	1,962
	Payables to subsidiaries	8,214	4,370	4,209
	Corporation tax payable	0	1,329	133
	Other current financial liabilities	16,416	4,894	20,248
	Debt to mortgage credit institutions	20	20	20
	Debt to credit institutions	0	4,633	0
	Lease liabilities	189	0	0
	Total current liabilities	**27,494**	**17,733**	**26,989**
	Total liabilities	**46,975**	**23,015**	**45,421**
	Total equity and liabilities	**128,480**	**36,655**	**126,046**

Financial statements for the period January 1 – March 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, 2019	**405**	**67,316**	**-84**	**0**	**12,989**	**0**	**80,626**
Result for the period	0	0	0	0	807	0	807
Other comprehensive income							
Currency translation to presentation currency	0	0	23	0	0	0	23
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	23	0	0	0	23
Total comprehensive income for the year	**0**	**0**	**23**	**0**	**807**	**0**	**830**
Transactions with owners							
Share based payments	0	0	0	0	50	0	50
Dividend distributed	0	0	0	0	0	0	0
Proposed dividends	0	0	0	0	0	0	0
Total transactions with owners	**0**	**0**	**0**	**0**	**50**	**0**	**50**
At March 31, 2019	**405**	**67,316**	**-62**	**0**	**13,846**	**0**	**81,505**

IFRS 16 - no effect on equity as of January 1, 2019

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 year	0	0	0	0	-2	0	-2
Other comprehensive income							
Currency translation of foreign entities	0	0	-14	0	0	0	-14
Tax on other comprehensive income	0	0	0	0	0	0	0
Total other comprehensive income	0	0	-14	0	0	0	-14
Total comprehensive income for the year	**0**	**0**	**-14**	**0**	**-2**	**0**	**-16**
Transactions with owners							
Acquisition/disposal of treasury shares and warrants	0	0	0	0	22	0	22
Share based payments	0	0	0	0	112	0	112
Dividend distributed					0	0	0
Proposed Dividend							0
Total transactions with owners	**0**	**0**	**0**	**0**	**135**	**0**	**135**
At March 31, 2018	**69**	**381**	**-8**	**0**	**13,198**	**0**	**13,640**

Financial statements for the period January 1 – March 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	0	0	-90	0	0	0	-90
Tax on other comprehensive income	0	0	0	0	0	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	0	0	-207	0	68,539
Transaction cost	0	-1,475	0	0	0	0	-1,475
Acquisition/disposal of treasury shares and warrants	0	0	0	0	22	0	22
Share based payments	0	0	0	0	319	0	319
Cash settlement of warrants	0	0	0	0	-2,371	0	-2,371
Tax on settlement of warrants	0	0	0	0	522	0	522
Merger - Subsidiaries*	0	0	0	0	87	0	87
Proposed dividend	0	0	0	0	0	0	0
Total transactions with owners	**336**	**66,935**	**0**	**0**	**-1,627**	**0**	**65,644**
At December 31, 2018	**405**	**67,316**	**-84**	**0**	**12,989**	**0**	**80,626**

* Liquidation of dormant subsidiaries Ploomo ApS and Scatterweb ApS

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 - March 31 2019 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. The parent company condensed interim financial statements has been included according to the Danish Execuive Order on the Preparation of Interim Financial Reports.

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

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.

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 2018 annual report which contains a full description of the accounting policies for the Group and the parent company. The annual report for 2018 can be found on Better Collective's web-site: https://bettercollective.com/wp-content/uploads/2019/03/BetterCollective_AR18_web.pdf.

Changes in accounting policies:

Effective January 1, 2019 Better Collective has adopted IFRS 16 leases, using the modified retrospective method.

IFRS 16
Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

In accordance with the modified retrospective approach the comparative information in this interim condensed consolidated financial statements has not been restated. Comparative figures are presented according to IAS 17.

The impact on the financial position as at January 1, 2019:

Right of use assets increased by 2.6 mEUR (Parent company: 1.4 mEUR) with a corresponding increase in liabilities of 2.6 mEUR (Parent Company: 1.4 mEUR.

The Group and parent company have applied the weighted average incremental borrowing rate of 4% as discount rate. The right-of-use assets are depreciated linear over 5-10 years.

tEUR	Group	Parent
Operating lease commitments as at 31 December 2018	1,719	544
Weighted average incremental borrowing rate as at 1 January 2019	4%	4%
Discounted operating lease commitments at 1 January 2019	1,072	524
Adjustments:		
Less commitments relating to short-term leases	-65	0
Less commitments relating to leases of low-value assets	0	0
Add Payments in optional extension period not recognised as at December 31, 2018	1,619	907
Lease liabilities as at 1 January 2019	**2,622**	**1,431**

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 2018 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 Q1 2019 is split on revenue share, Cost per Acquisition (CPA), and other, as follows:

tEUR	Q1 2019	Q1 2018	2018	Q1 2019 %-split	Q1 2018 %-split	2018 %-split
Revenue						
Revenue share	10,742	5,955	33,140	72	79	82
CPA	2,700	993	4,520	18	13	11
Other	1,463	604	2,823	10	8	7
Total Revenue	**14,905**	**7,552**	**40,483**	**100**	**100**	**100**

3 Share-based payment plans

During the first quarter of 2019 the company did not grant any warrants.

Share based compensation expense recognised for Q1-2019 is 50 tEUR (Q1-2018: 112 tEUR, 2018: 319 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 as well as adjustments to earn-outs from acquisitions. The impact of special items is specified as follows:

tEUR	Q1 2019	Q1 2018	2018
Operating profit	**5,195**	**1,573**	**9,068**
Special items related to IPO	0	-132	-3,379
Special items related to M&A	-102	0	-702
Special items related to Earn-out	15	0	0
Operating profit before special items	**5,281**	**1,705**	**13,148**
Amortisations	1,239	383	2,924
Operating profit before amortisations and special items (EBITA before special items)	**6,521**	**2,088**	**16,072**
Depreciation	165	25	169
Operating profit before depreciation, amortisations, and special items (EBITDA before special items)	**6,685**	**2,113**	**16,241**

Notes

5 Income tax

Total tax for the year is specified as follows:

tEUR	**Q1 2019**	Q1 2018	**2018**
Tax for the period	1,253	359	3,004
Tax on other comprehensive income	0	0	0
Total	**1,253**	**359**	**3,004**

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

tEUR	**Q1 2019**	Q1 2018	**2018**
Deferred tax	-267	73	-98
Current tax	1,520	287	3,102
Adjustment from prior years			
Total	**1,253**	**359**	**3,004**

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

tEUR	**Q1 2019**	Q1 2018	**2018**
Profit for the period:			
Calculated 22% tax of the result before tax	1,086	328	1,859
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	129	33	296
Tax effect of:			
Non-taxable income	-3	-30	-61
Non-deductible costs	41	28	910
	1,253	**359**	**3,004**
Effective tax rate	**25.4%**	**24.1%**	**35.5%**

Notes

6 Intangible assets

tEUR	Goodwill	Domains and websites	Accounts and other intangible assets	Total
Cost or valuation				
At January 1, 2019	**23,960**	**86,844**	**14,891**	**125,695**
Additions	0	-2	11	9
Acquisitions through business combinations	-677	35	0	-643
Transfer		0	0	0
Disposals	0	0	0	0
Currency Translation	0	4	-12	-8
At March 31, 2019	**23,283**	**86,881**	**14,889**	**125,054**
Amortisation and impairment				
At January 1, 2019	**0**	**0**	**3,609**	**3,609**
Amortisation for the period	0	0	1,239	1,239
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	-13	-13
At March 31, 2019	**0**	**0**	**4,835**	**4,835**
Net book value at March 31, 2019	**23,283**	**86,881**	**10,054**	**120,218**
Cost or valuation				
At January 1, 2018	**7,178**	**20,085**	**4,162**	**31,425**
Additions	0	2,691	984	3,675
Disposals	0	0	0	0
Currency Translation	0	-5	-1	-5
At March 31, 2018	**7,178**	**22,772**	**5,145**	**35,094**
Amortisation and impairment				
At January 1, 2018	**0**	**0**	**686**	**686**
Amortisation for the period	0	0	383	383
Amortisation on disposed assets	0	0	0	0
Currency translation	0	0	0	0
At March 31, 2018	**0**	**0**	**1,069**	**1,069**
Net book value at March 31, 2018	**7,178**	**22,772**	**4,076**	**34,025**

Notes

7 Non-current liabilities and other current financial liabilities

Debt to credit institutions:
As per March 31, 2019 Better Collective has drawn 8.5 mEUR on the credit facility established with Nordea.

Lease liabilities:
Non-current and current lease liabilities, of 2.2 mEUR and 0.3 mEUR respectively, originate from the implementation of IFRS 16 leases.

Deferred Tax:
Deferred tax as of March 31, 2019 amounted to 20.6 mEUR. The change from January 1, 2019 originates from amended opening balance from the acquisition of Ribacka Group.

Other non-current financial liabilities:
As per March 31, 2019 other long-term financial liabilities amounted to 8.8 mEUR due to part of the variable payment related to the acquisition of Ribacka Group.

Other current financial liabilities:
As per March 31, 2019 other current financial liabilities amounted to 16.2 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. The decline from January 1, 2019 relates to payments made related to WBS I.K.E. Online Marketing Services Ltd., KAPA Ltd, and Ribacka Group.

8 Business combinations

The acquisition of Ribacka Group was included in the balance sheet as per December 31, 2018 based on estimates. The opening balance has been amended and a revised PPA is therefore included in this report.

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	31,235
Accounts & other intangible assets	2,200
Deposits	2
Trade and other receivables	2,335
Cash and cash equivalents	4,699
Deferred tax liabilities	-7,225
Corporate tax payables	-1,045
Trade and other payables	-564
Identified net assets	**31,637**
Goodwill	**2,609**
Total consideration	34,246

Notes

8 Business combinations, continued

A goodwill of 2,609 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 in 2018 and 5 tEUR in 2019. Transaction costs are accounted for in the income statements under "special items".

The fair value of the trade receivables amounts to 2,234 tEUR. The gross amount of trade receivables is 2,434 tEUR and an impairment of 200 tEUR has been recorded.

tEUR	
Effect on cash flow regarding acquisition of Ribacka	
Purchase amount	34,246
Regards to:	
Cash and cash equivalents	3,903
Deferred payment	10,452
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 8,766 tEUR). The maximum amount of the conditional payment is 9 mEUR.

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

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