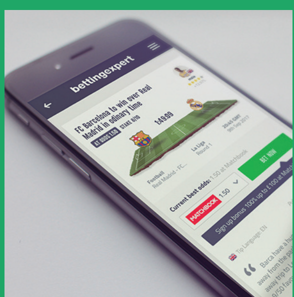
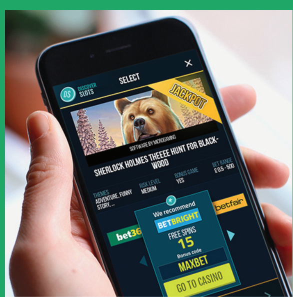
BETTER COLLECTIVE A/S

ANNUAL REPORT 2016

APPROVED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS ON 23 MAY 2017

CHAIRMAN





BETTER COLLECTIVE A/S

Toldbodgade 12, 2. bagh.
1253 Copenhagen K, Denmark

CVR no. 27 65 29 13

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Better Collective A/S for the financial year 1 January - 31 December 2016.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 23 May 2017
Executive Board:

Christian Dam Kirk Rasmussen VP & Co-founder	Jesper Søgaard CEO & Co-founder

Board of Directors:

Søren Jørgensen Chairman	Jesper Søgaard	Jens Bager
Leif Nørgaard	Henrik Victor Lykkesteen	

Independent auditor's report

To the shareholders of Better Collective A/S

Opinion

We have audited the financial statements of Better Collective A/S for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 23 May 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Christiansen
State Authorised Public Accountant

Management's review

Company details

Name	Better Collective A/S
Address, Postal code, City	Toldbodgade 12, 2. bagh., 1253 Copenhagen K, Denmark
CVR no.	27 65 29 13
Established	19 March 2004
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Søren Jørgensen, Chairman Jesper Søgaard Jens Bager Leif Nørgaard Henrik Victor Lykkesteen
Executive Board	Christian Dam Kirk Rasmussen, VP & Co-founder Jesper Søgaard, CEO & Co-founder
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Management commentary

Business review

Better Collective's vision is to empower iGamers - by leading the way in transparency and technology. Our mission is to make sports betting and gambling entertaining, transparent, and fair. We want to make sure that our users are better suited for navigating the iGaming world having visited a Better Collective website before registering an account with a sports betting or gambling operator.

Better Collective is a Danish company with Scandinavian values, but we have a large diversity in our workforce with employees from more than 20 different countries. We adhere to our four core values:

Talent

Talented employees are key to our success.

Respect

We respect each other, our users and our partners.

Innovation

We innovate remarkable products and processes that makes a difference to our users.

Dedication

We are dedicated to enriching sports betting and gambling for our users.

Business model

Better Collective operates in the iGaming industry and provides targeted commercial content, data driven performance marketing and value adding services for its commercial partners; the sports betting and gambling operators. Better Collective therefore commits to creating business for our commercial partners with our primary revenue being generated in two ways: CPA and revenue share:

CPA means that we receive money when we refer a new customer to an operator. The customer must make a predefined action, ie. make a deposit or similar, in order for us to be paid. When this transaction has happened we receive no further payments.

Revenue share is a no cure, no pay partnership with the operators, where we're being paid for as long as the customer stays active with the operator. The majority of Better Collective revenue is from revenue share agreements with operators.

Contrary to other large companies in our industry, Better Collective does not merely pass on traffic to bookmakers. We play a big and determining part in the user journey and thus build a long term relationship with the end users. Through this relationship our products are top of mind for our users which means that the user starts his journey in our communities and platforms.

Products & Services

Better Collective owns and operates a large number of digital products and websites in the iGaming industry. The websites enables our users to maneuver the world of online sports betting and gambling.

Sports betting is a way to make a football match, a political election or another scored event even more exciting. A spinning roulette wheel and cards on a blackjack table are inherently thrilling when your money is placed. We believe that sports betting and casino games belong in the category of entertainment. Sports betting and gambling are inherently fun and engaging. A majority of users end up losing some of their deposited money, while some users walk away with more money than they started out with.

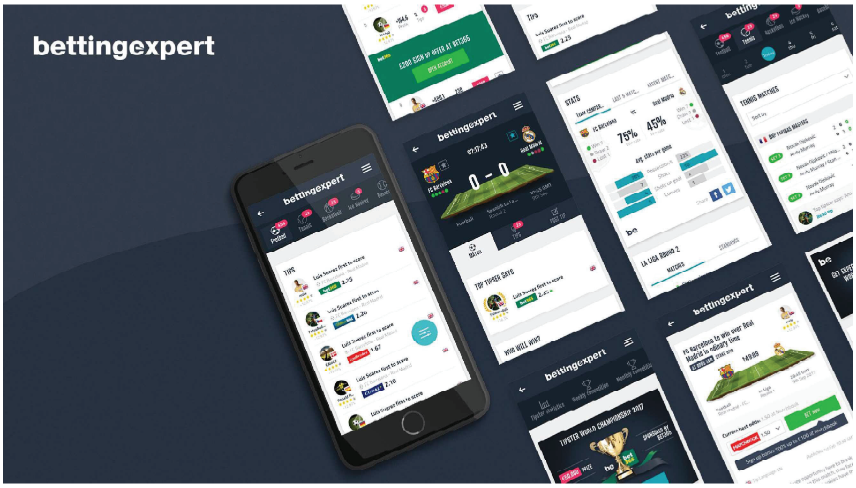
Management's review

Management commentary

Our products are successful because we invest aggressively in the overall user experience. Our products are aggregators that help the users manage a crowded and often cloudy industry. If they want to follow a trustworthy tipster, they can choose between thousands on bettingexpert.com. If they want to find the best odds, they can choose between dozens of bookmakers on smartbets.com and hundreds of slot machines on discoverslots.com. Our products are built on a common set of principles:

Participation

With more than 100,000 betting tips posted each month, our users at bettingexpert.com and bettingexpert LIVE are helping us create remarkable products. By providing a great user experience, users are spending countless hours competing to be the world's best tipster. Through aggregation of these user insights and streaming market data we build unique informative insights before each game and during the games. This gives us an unparalleled dataset with tips we can use across products.



Personalization

We create highly personalized products leading to a long term relationship with the users. The more the user uses our products, the more personalized it will become. Some of the personalization happens through explicit user preferences, others happen through machine learning. Our products build retention and individually targeted communication through unique user profiling and detailed preference tracking giving the user a better understanding of the sports betting markets and gambling opportunities in each geographical area. Our communities provide personally targeted content to each individual.

Management's review

Management commentary

Engagement

Offering sports betting markets, sports diversity, stats and expert tips targeted through each individual preference set - creates the optimal engagement from the user.

Trust

The world of online sports betting is complex and full of vibrant companies. Our goal is to simplify and curate the experience in order to ensure the overall quality and integrity of the sector. Through our increasing base of loyal followers we are able to take part in the process of building retention and expand the market understanding as part of the value chain.

Scale

Although we have thousands of products and websites, they are all built on a common infrastructure. This infrastructure had high costs upfront but is highly efficient downstream. This ecosystem is a key differentiator and it allows us to innovate faster than competitors.

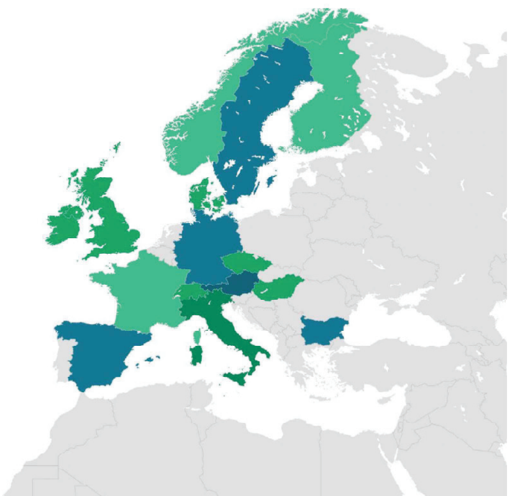
Financial review

The Company's gross profit for 2016 amounted to DKK 95,589,304 compared to DKK 61,774,521 in 2015. This represents a pure organic growth of more than 50% from 2015 to 2016, which places us among the fastest organically growing performance marketing companies. We are very pleased with this performance.

Our result after tax amounted to DKK 41,098,241 compared to DKK 19,593,228 in 2015. Our result after tax has grown 110% from 2015 to 2016. This is a result of Better Collective having reached a size, where we can grow revenue significantly without having to grow our costs at nearly the same speed. We truly experience economies of scale at this level and we believe this effect will apply even further in the future. This should lead to increased profit margins.

Our cash position at the end of the 2016 and current credit facilities puts us in a good position to grow our business through M&A activities as well.

We have a strong balance sheet with equity of DKK 47,663,994.



Better Collective's products and services are used daily by users from a broad range of countries, mainly in Europe

Management's review

Management commentary

Correction of errors

In previous years, the Company has recognized revenue upon receipt of payment and not upon delivery. The matter has been corrected as a material misstatement, and consequently the comparative figures have been restated. The change has resulted in a positive adjustment of profit before tax for 2015 of DKK 3,332,653. Equity at 31 December 2015 has increased by DKK 6,398,015.

Investments in associates at 31 December 2015 were overestimated by DKK 759,980, and the comparative figures have been restated accordingly. Consequently, profit/loss before tax for 2015 and equity at 31 December 2015 have decreased by DKK 759,980.

The holiday pay obligation at 31 December 2015 was understated by DKK 1,162,087, and the comparative figures have been restated accordingly. Consequently, profit/loss after tax for 2015 and equity at 31 December 2015 have decreased by DKK 906,428.

Completed development projects at 31 December 2014 were overstated by DKK 908,863, which has been corrected as a material misstatement. The change has resulted in a positive adjustment of profit/loss before tax for 2015 of DKK 217,392. Equity at 31 December 2015 has decreased by DKK 517,832.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

Technology

Better Collective's technological infrastructure has been modernized vastly over the past couple of years. As we are finishing the move to a micro-service based architecture based on proprietary APIs (Application Programming Interfaces), we are in a unique position in the iGaming industry.
Because of our state-of-the-art infrastructure, we have 10+ micro services that each deliver valuable data and functions which we can leverage across award winning products like smartbets.com and bettingexpert.com

Our API-based infrastructure is a huge asset and gives us a competitive advantage in multiple ways:

- It allows us to roll out new features on several products at the same time.
- We can easily create new products, as most of the back-end work is in place.
- We can instantly add value to acquired sites, no matter which technology they are built on. We can, for example, add odds comparison data like we do on smartbets.com or integrate million of betting tips from bettingexpert.
- We can easily work with multiple distributed development teams.

Monetization

Due to our market-leading and award winning products, we know our users very well. We are going to leverage this information through advanced marketing automation and targeted communication going forward. Based on our APIs, we will be able to automatically send out personalised content to users based on their bookmaker, market and sports preferences.

The current affiliate market mainly rewards new depositor acquisitions. Value adding activities such as retention and activation of existing members are for most affiliates not rewarded. As Better Collective's products already create important value to bookmakers by inspiring their members with unique, fun and engaging content, insights and sport bets targeted at each individual user - We are currently in a position where this is part of our industry leading commercial agreements with our partners.

As we already see this effort being recognised by the operators we see a large upside for Better Collective which we will seek to further realize through additional revenue streams in the coming years.

Management's review

Management commentary

If we continue adding to the dynamics in the value-chain - the revenue model for affiliates will change from primarily rewarding new depositor acquisitions to a model where affiliates like Better Collective will build diverse revenue streams from all activities that creates measurable value for the iGaming operators.

Better Collective has a unique position to take lead and increase our market share.

Financial and strategic outlook

Better Collective expect further consolidation in iGaming industry. We have a long, reliable and sustained track record of high organic growth. Following a newly adopted strategy Better Collective now expects to expand revenue growth further with acquisitions complementing the company's historic high organic revenue growth.

Better Collective historically has grown gross profits around 50% per year. Short term we aim to expand the historic revenue growth levels, now including M&A-driven growth. Our long term growth ambitions are to grow revenue by minimum 25% per year, with an EBITDA profit ratio of more than 40%.

In 2017 we expect to execute the first acquisitions, increase the number of partners we work with and to see an overall improved performance with these partners. Also, we are looking to expand our geographical reach by way of introducing our products and services in more countries.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016	2015
	Gross margin	95,589,304	61,774,521
2	Staff costs	-41,391,294	-34,396,144
3	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-786,273	-596,667
	Profit before net financials	53,411,737	26,781,710
	Income from investments in subsidiaries	223,030	609,216
	Income from investments in associates	-447,980	-759,980
4	Financial income	428,782	558,953
5	Financial expenses	-812,245	-1,536,743
	Profit before tax	52,803,324	25,653,156
6	Tax for the year	-11,705,083	-6,059,928
	Profit for the year	41,098,241	19,593,228

	Proposed profit appropriation		
	Proposed dividend recognised under equity	0	12,000,000
	Net revaluation reserve according to the equity method	494,266	609,216
	Retained earnings	40,603,975	6,984,012
		41,098,241	19,593,228

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	ASSETS		
	Non-current assets		
7	**Intangible assets**		
	Acquired intangible assets	1,389,888	1,137,798
		1,389,888	1,137,798
8	**Property, plant and equipment**		
	Land and buildings	5,755,540	0
	Fixtures and fittings, other plant and equipment	243,918	319,096
		5,999,458	319,096
9	**Financial assets**		
	Investments in subsidiaries	860,462	340,696
	Investments in associates	0	0
	Receivables from associates	2,412,781	1,703,800
	Deposits	724,238	723,396
	Deferred tax assets	197,498	181,779
		4,194,979	2,949,671
	Total non-current assets	11,584,325	4,406,565
	Current assets		
	Receivables		
	Trade receivables	7,730,638	8,328,772
	Receivables from subsidiaries	809,925	1,044,979
	Receivables from associates	0	4,586,790
	Corporation tax receivable	3,232,413	144,603
	Other receivables	17,075	801,748
	Prepayments	300,217	13,352
		12,090,268	14,920,244
	Securities and investments		
	Other securities and investments	61,560	6,874,231
		61,560	6,874,231
	Cash at bank and in hand	39,540,411	17,805,392
	Total current assets	51,692,239	39,599,867
	TOTAL ASSETS	63,276,564	44,006,432

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	508,564	506,334
	Net revaluation reserve according to the equity method	754,962	260,696
	Retained earnings	46,400,468	22,500,035
	Dividend proposed	0	12,000,000
	Total equity	47,663,994	35,267,065
	Current liabilities		
	Prepayments received from customers	6,607,739	2,657,425
	Trade payables	1,798,564	579,740
	Other payables	7,206,267	5,502,202
	Total current liabilities	15,612,570	8,739,367
	Total liabilities	15,612,570	8,739,367
	TOTAL EQUITY AND LIABILITIES	63,276,564	44,006,432

1 Accounting policies
11 Treasury shares
12 Contractual obligations and contingencies, etc.
13 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Dividend proposed	Total
Equity at 1 January 2015	500,000	-348,520	14,255,557	9,000,000	23,407,037
Capital increase	6,334	0	1,260,466	0	1,266,800
Profit/loss for the year	0	609,216	6,984,012	12,000,000	19,593,228
Dividend distributed	0	0	0	-9,000,000	-9,000,000
Equity at 1 January 2016	506,334	260,696	22,500,035	12,000,000	35,267,065
Capital increase	2,230	0	596,748	0	598,978
Profit/loss for the year	0	494,266	40,603,975	0	41,098,241
Purchase of treasury shares	0	0	-2,300,290	0	-2,300,290
Dividend distributed	0	0	-15,000,000	-12,000,000	-27,000,000
Equity at 31 December 2016	508,564	754,962	46,400,468	0	47,663,994

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Better Collective A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act to report reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Changes in accounting policies

Effective 1 January 2016, the Company has adopted act no. 738 of 1 June 2015. This implies that in future, residual values and depreciation periods of property, plant and equipment are subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment.

The above change does not affect the income statement or the balance sheet for 2016 or the comparative figures.

A few reclassifications have been made in the balance sheet at 31 December 2015.

In addition, the Company has decided to present its balance sheet in horizontal format where non-current and current assets and liabilities are broken down and comparative figures for 2015 are restated.

Apart from the above change as well as new and changed presentation and disclosure requirements, which follow from act no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Correction of errors

In prior years, the Company recognised revenue upon receipt of payment and not upon delivery. The matter has been corrected as a material misstatement, and consequently the comparative figures have been restated. The change has resulted in a positive adjustment of profit before tax for 2015 of DKK 3,332,653. Equity at 31 December 2015 has increased by DKK 6,398,015.

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Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

Income from referrals to online sports betting and gambling operators is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Intangible assets comprise acquired intangible assets.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	7 years

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Land and buildings	10-50 years
Fixtures and fittings, other plant and equipment	3-5 years

Land is not depreciated.

The basis of depreciation is calculated taking into account the residual value at the end of the expected useful life and less any impairment. The depreciation period and residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Income from investments in subsidiaries and associates

The item includes the Company's proportionate share of the profit/loss for the year in subsidiaries and associates after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, foreign exchange adjustments and gains and losses on the disposal of securities as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The Company is subject to the Danish rules on mandatory joint taxation of the Better Holding 2012 ApS Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

Better Holding 2012 ApS acts as management company for the joint taxation arrangement and consequently settles all Danish corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income (full distribution).

Jointly taxed entities entitled to a tax refund are, at a minimum, reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay, at the maximum, a surcharge according to the rates applicable to interest surcharges to the management company.

The tax expense for the year, which comprises the year's joint taxation contributions and changes in the deferred tax charge is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Other intangible assets include completed development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses. Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Investments in subsidiaries and associates

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

Newly acquired or formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity's identifiable assets and liabilities are measured at fair value at the date of acquisition. In connection with the acquisition, a provision is made for expenses related to adopted plans to restructure the acquired entity. The tax effect of revaluations made is taken into account.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. Write-down is made for bad debt losses when there is objective evidence that a receivable has been impaired. Write-down is made to net realisable value if this is lower than the carrying amount.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Securities and investments

Securities and other investments are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at fair value, and if fair value cannot be determined, these are measured at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and operating cash.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Joint taxation contributions receivable and payable are recognised in the balance sheet as income tax receivable and payable, rescpectively.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same jurisdiction. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK	2016	2015
2	**Staff costs**		
	Wages/salaries	33,642,122	28,478,554
	Pensions	4,670,386	3,710,868
	Other social security costs	607,068	409,570
	Other staff costs	2,471,718	1,797,152
		41,391,294	34,396,144
	Average number of full-time employees	73	60
3	**Amortisation/depreciation of intangible assets and property, plant and equipment**		
	Amortisation of intangible assets	591,634	529,185
	Depreciation of property, plant and equipment	194,639	67,482
		786,273	596,667
4	**Financial income**		
	Interest income, group entities	234,694	110,270
	Other financial income	194,088	448,683
		428,782	558,953
5	**Financial expenses**		
	Exchange losses	746,679	128,986
	Remission of debt and similar	0	1,329,252
	Other financial expenses	65,566	78,505
		812,245	1,536,743
6	**Tax for the year**		
	Estimated tax charge for the year	11,720,802	5,983,698
	Deferred tax adjustments in the year	-15,719	76,230
		11,705,083	6,059,928

7 **Intangible assets**

DKK	Acquired intangible assets
Cost at 1 January 2016	5,654,347
Additions	843,724
Cost at 31 December 2016	6,498,071
Impairment losses and amortisation at 1 January 2016	4,516,549
Amortisation for the year	591,634
Impairment losses and amortisation at 31 December 2016	5,108,183
Carrying amount at 31 December 2016	1,389,888

Financial statements for the period 1 January - 31 December

Notes to the financial statements

8 Property, plant and equipment

DKK	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2016	0	1,021,160	1,021,160
Additions	5,875,000	0	5,875,000
Cost at 31 December 2016	5,875,000	1,021,160	6,896,160
Impairment losses and depreciation at 1 January 2016	0	702,064	702,064
Depreciation	119,460	75,178	194,638
Impairment losses and depreciation at 31 December 2016	119,460	777,242	896,702
Carrying amount at 31 December 2016	5,755,540	243,918	5,999,458

9 Investments

DKK	Investments in subsidiaries	Investments in associates	Receivables from associates	Deposits	Total
Cost at 1 January 2016	80,000	20,505	2,443,275	723,396	3,267,176
Additions	25,500	523,610	633,351	842	1,183,303
Cost at 31 December 2016	105,500	544,115	3,076,626	724,238	4,450,479
Value adjustments at 1 January 2016	260,696	-20,505	-739,475	0	-499,284
Value adjustments for the year	223,030	-447,980	0	0	-224,950
Transferred	271,236	-75,630	75,630	0	271,236
Value adjustments at 31 December 2016	754,962	-544,115	-663,845	0	-452,998
Carrying amount at 31 December 2016	860,462	0	2,412,781	724,238	3,997,481

DKK	Legal form	Domicile	Interest	Equity	Profit/loss
Subsidiaries					
Ploomo ApS	ApS	Copenhagen K, Denmark	51.00 %	-581,836	-631,836
Scatter Web ApS	ApS	Copenhagen K, Denmark	100.00 %	860,462	519,766

DKK	Legal form	Domicile	Interest	Equity	Profit/loss
Associates					
Media Content Monitoring Inc'	inc.	Makati City, The Philippines	40.00 %	-3,019,900	-1,119,950

Information about the name, domicile and legal form of the associate is based on the annual report for 2016 which has not yet been made public.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

10 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK	2016	2015	2014	2013	2012
Opening balance	506,334	500,000	125,000	125,000	125,000
Capital increase	2,230	6,334	375,000	0	0
	508,564	506,334	500,000	125,000	125,000

The share capital consists of 508,564 shares of nominal DKK 1 each.

11 Treasury shares

	Number	Nominal value	Share of capital	Purchase/ sales sum
		DKK		DKK
Purchased in the year	8,564	8,564	1.68%	2,300,290
Balance at 31 December 2016	8,564	8,564	1.68%	

No expenses have been incurred regarding purchase of treasury shares.

12 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with Better Holding 2012 ApS and other Danish group entities. As subsidiary, the Company has joint and several, unlimited liability together with Better Holding 2012 ApS for payment of Danish income taxes. The jointly taxed companies have a net receivable in respect of income taxes at 31 December 2016. Any subsequent corrections of income subject to joint taxation could entail adjustments in this respect.

Better Collective A/S has declared towards its subsidiary Ploomo ApS that the Company will provide the necessary liquidity to finance Ploomo ApS' plans and budgets for a period of minimum 12 months from the balance sheet date.

Other financial obligations

Rent and lease liabilities include a rent obligation totalling DKK 1,344 thousand with remaining contract terms of 2-3 years.

13 Related parties

Better Collective A/S' related parties comprise the following:

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Better Holding 2012 ApS	1253 Copenhagen K, Denmark	Better Holding 2012 ApS