

Better Holding 2012 ApS

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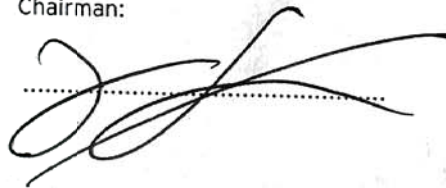
CVR no. 34 72 12 11



Annual report 2016

Approved at the Company's annual general meeting on 26 June 2017

Chairman:



EY

Building a better
working world

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Statement by Management on the annual report

Today, the Executive Board have discussed and approved the annual report of Better Holding 2012 ApS for the financial year 1 January - 31 December 2016.

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

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

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.

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

Copenhagen, 26 June 2017
Executive Board:

Christian Dan Rasmussen

Jesper Søgaard

Independent auditor's report

To the shareholders of Better Holding 2012 ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Better Holding 2012 ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both the Group and the Parent Company, as well as a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2016 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows 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 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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and 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 consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 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 these consolidated financial statements and parent company financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 consolidated financial statements and the parent company 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 Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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.

Independent auditor's report

Based on our procedures, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company 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, 26 June 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

A handwritten signature in blue ink, appearing to read 'Søren Christiansen', written over a faint blue line.

Søren Christiansen
State Authorised
Public Accountant

Management's review

Financial highlights for the Group

DKK'000	2016	2015	2014	2013	2012
Key figures					
Gross margin	96,635	62,700	-4	-9	-7
Profit from ordinary activities	49,374	17,444	13,657	11,470	6,325
Profit/loss from net financials	14,920	33,299	-805	-141	0
Profit/loss for the year	46,640	33,516	12,899	11,414	6,327
Fixed assets	68,900	35,581	44,618	38,821	34,643
Non-fixed assets	97,802	74,110	9,362	5,230	3,350
Total assets	166,702	109,691	53,980	44,051	37,992
Portion relating to investments in items of property, plant and equipment	20,267	14,597	0	0	0
Equity	116,687	76,376	38,500	31,741	26,327
Non-current liabilities	4,227	0	0	0	0
Current liabilities	45,788	33,315	15,480	12,311	11,666
Cash flows from operating activities	46,725	21,812	-	-	-
Cash flow from investing activities	-31,427	-19,918	-	-	-
Cash flows from financing activities	4,720	6,098	-	-	-
Total cash flows	22,018	7,992	-	-	-
Financial ratios					
Equity ratio	70%	70%	71%	72%	69%
Current ratio	196%	222%	60%	42%	29%
Return on equity	40%	44%	34%	39%	24%
Average number of full-time employees	75	62	-	-	-

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios 2015".

The financial highlights for the Group are reflected for 2016 and 2015. The comparative figures for 2014, 2013 and 2012 comprise the financial highlights for the Parent Company.

The financial ratios stated under "Financial ratios" have been calculated as follows:

Current ratio	$\frac{\text{Non-fixed assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year excl. non-controlling interests} \times 100}{\text{Average equity excl. non-controlling interests}}$

Management's review

Management commentary

Business review

The Parent Company's main purpose is to own shares and securities in IT and gaming.

The Group's activity is in IT and gaming and secondarily to provide returns on investments in property and securities.

Financial review

The income statement for 2016 shows a profit of DKK 46,640 thousand against a profit of DKK 33,516 thousand last year for the Group, and the balance sheet at 31 December 2016 shows equity of DKK 116,687 thousand.

The income statement for 2016 shows a profit of DKK 42,573 thousand against a profit of DKK 30,963 thousand last year for the Parent Company, and the balance sheet at 31 December 2016 shows equity of DKK 108,702 thousand.

Correction of errors in the parent company financial statements

Investments in associated companies in prior year were not recognised at net asset value as stated in the accounting policies, and consequently, the comparative figures have been restated. The change has resulted in a negative adjustment of profit before tax for 2015 and equity at 31 December 2015 by DKK 5,021 thousand.

Goodwill at 31 December 2015 was overstated by DKK 6,632 thousand, 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 6,632 thousand.

In prior years, the net assets value of the subsidiary Better Collective A/S has not been correct due to errors in the financial statements. Consequently, the financial statements of Better Collective have been restated. The change has resulted in a positive adjustment of profit before tax for 2015 of DKK 831 thousand. Equity at 31 December 2015 has decreased by DKK 3,441 thousand.

Financial and strategic outlook

The Group expects further consolidation in the iGaming industry. The Group has a long, reliable and sustained track record of high organic growth. Following a newly adopted strategy, the Group now expects to expand revenue growth further with acquisitions complementing the Group's historic high organic revenue growth.

In 2017, the Group expects to execute further acquisitions, increase the number of partners the Group works with and to see an overall improved performance with these partners. Also, the Group is looking to expand the geographical reach by way of introducing products and services in more countries.

Events after the balance sheet date

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

Consolidated financial statements and parent company financial statements
1 January - 31 December

Income statement

Note	DKK'000	Group		Parent	
		2016	2015	2016	2015
	Gross margin	96,635	62,700	-102	-4
2	Staff costs	-42,941	-34,922	0	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment				
3		-4,320	-10,334	0	0
	Profit/loss before net financials	49,374	17,444	-102	-4
	Share of net profit/loss in subsidiaries	0	0	45,434	37,245
	Share of net profit/loss in associates	-1,572	-6,613	-1,124	-5,853
4	Financial income	19,202	35,596	2,346	203
5	Financial expenses	-4,282	-2,297	-3,293	-760
	Profit before tax	62,722	44,130	43,261	30,831
6	Tax for the year	-16,082	-10,614	-688	132
	Profit for the year	46,640	33,516	42,573	30,963
Breakdown of the consolidated results of operations:					
	Shareholders, Better Holding 2012 ApS	42,573	30,963		
	Non-controlling interests	4,067	2,553		
		46,640	33,516		

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Consolidated		Parent Company	
		2016	2015	2016	2015
	ASSETS				
	Fixed assets				
7	Intangible assets				
	Goodwill	9,382	10,163	0	0
	Acquired intangible assets	1,538	1,259	0	0
		<u>10,920</u>	<u>11,422</u>	<u>0</u>	<u>0</u>
8	Property, plant and equipment				
	Land and buildings	31,262	14,232	0	0
	Fixtures and fittings, plant and equipment	528	376	0	0
		<u>31,790</u>	<u>14,608</u>	<u>0</u>	<u>0</u>
	Financial assets				
9	Investments in subsidiaries	0	0	95,759	70,175
9	Investments in associates	5,916	448	5,916	448
	Other investments	16,100	6,199	16,100	6,199
9	Receivables from associates	2,413	1,703	0	4,270
	Deposits	732	723	0	0
	Other receivables	779	244	475	0
10	Deferred tax assets	250	234	0	0
		<u>26,190</u>	<u>9,551</u>	<u>118,250</u>	<u>81,092</u>
	Total fixed assets	<u>68,900</u>	<u>35,581</u>	<u>118,250</u>	<u>81,092</u>
	Non-fixed assets				
	Receivables				
	Trade receivables	7,733	8,329	0	0
	Receivables from subsidiaries	0	0	2,155	9,506
	Receivables from associates	0	0	0	0
	Other receivables	267	8,358	0	454
11	Prepayments	334	13	0	0
		<u>8,334</u>	<u>16,700</u>	<u>2,155</u>	<u>9,960</u>
	Securities and investments	<u>46,825</u>	<u>34,785</u>	<u>7,413</u>	<u>0</u>
	Cash	<u>42,643</u>	<u>22,625</u>	<u>13</u>	<u>1,966</u>
	Total non-fixed assets	<u>97,802</u>	<u>74,110</u>	<u>9,581</u>	<u>11,926</u>
	TOTAL ASSETS	<u>166,702</u>	<u>109,691</u>	<u>127,831</u>	<u>93,018</u>

Consolidated financial statements and parent company financial statements
1 January - 31 December

Balance sheet

Note	DKK'000	Consolidated		Parent Company	
		2016	2015	2016	2015
		EQUITY AND LIABILITIES			
		Equity			
12	Share capital	500	500	500	500
	Reserve for net revaluation according to the equity method	0	0	23,840	4,876
	Retained earnings	108,202	70,081	84,362	65,205
	Equity attributable to equity holders of Better Holding 2012 ApS	108,702	70,581	108,702	70,581
	Non-controlling interests	7,985	5,795	0	0
	Total equity	116,687	76,376	108,702	70,581
	Non-current liabilities				
	Long-term mortgage debt	4,227	0	0	0
		4,227	0	0	0
	Current liabilities				
	Short-term mortgage debt	152	0	0	0
	Trade payables	1,804	580	0	0
	Prepayments from customers	6,638	2,702	0	0
	Credit institutions	11,501	4,831	600	0
	Payables to subsidiaries	0	0	3,415	4,590
	Payables to related parties	15,361	16,473	14,152	14,148
	Income tax payable	936	3,694	936	3,694
	Deposits	526	372	0	0
	Other payables	8,870	4,663	26	5
		45,788	33,315	19,129	22,437
	Total liabilities	50,015	33,315	19,129	22,437
	TOTAL EQUITY AND LIABILITIES	166,702	109,691	127,831	93,018

- 1 Accounting policies
13 Contractual obligations and contingencies, etc.
14 Related parties

Consolidated financial statements and parent company financial statements
1 January - 31 December

Statement of changes in equity

		Group				
Note	DKK'000	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 1 January 2016	500	70,081	70,581	5,795	76,376
	Dividend paid	0	0	0	-3,981	-3,981
	Effect of capital increase in subsidiaries, etc.	0	-4,452	-4,452	2,104	-2,348
	Transfer, see "Appropriation of profit/loss"	0	42,573	42,573	4,067	46,640
	Equity at 31 December 2016	500	108,202	108,702	7,985	116,687

		Parent Company			
Note	DKK'000	Share capital	Net revaluation according to the equity method	Retained earnings	Total
	Equity at 1 January 2016	500	4,876	65,205	70,581
	Effect of capital increase in subsidiaries, etc.	0	-4,452	0	-4,452
15	Transfer, see "Appropriation of profit/loss"	0	23,416	19,157	42,573
	Equity at 31 December 2016	500	23,840	84,362	108,702

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group	
		2016	2015
	Profit/loss before net financials	49,374	17,444
	Amortisation/depreciation charges	4,320	10,334
	Cash generated from operations before changes in working capital	53,694	27,778
16	Changes in working capital	12,582	1,629
	Cash generated from operations	66,276	29,407
	Interest received	552	715
	Received dividend	0	0
	Interest paid	-1,247	-2,297
	Income taxes paid	-18,856	-6,013
	Cash flows from operating activities	46,725	21,812
	Acquisition of intangible assets	-3,342	0
	Acquisition of property, plant and equipment	-20,267	-14,585
	Disposal of property, plant and equipment	2,609	0
	Acquisition of other investments	-9,901	-6,199
	Capital increase in investments in associates	-5,882	-5,108
	Change in receivables from associates	-710	-1,703
	Change in other receivables	-544	-368
	Disposal of securities	6,610	8,045
	Cash flows from investing activities	-31,427	-19,918
	Loan financing:		
	Capital increases in subsidiaries from non-controlling interests and acquisition of shares from non-controlling interests	-2,348	1,267
	Proceeds from mortgage loans	4,379	0
	Increase in debt to credit institutions	6,670	4,831
	Dividend distribution to non-controlling interests	-3,981	0
	Cash flows from financing activities	4,720	6,098
	Net cash flows	22,018	7,992
	Cash and cash equivalents, beginning of year	22,625	14,663
	Cash and cash equivalents, year-end	44,643	22,655

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies

The annual report of Better Holding 2012 ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium reporting class C entities.

Effective 1 January 2016, the Group and the Parent 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 and amortisation period of intangible assets are subject to annual reassessment. The Group and the Parent Company have few significant residual values relating to property, plant and equipment.

Apart from the above changes 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.

None of the above changes impacts on the income statement or the balance sheet for 2016 or the comparative figures.

Correction of errors in the parent company financial statements

Investments in associated companies in prior year were not recognised at net asset value as stated in the accounting policies, and consequently the comparative figures have been restated. The change has resulted in a negative adjustment of profit before tax for 2015 and equity at 31 December 2015 by DKK 5,021 thousand.

Goodwill at 31 December 2015 was overstated by DKK 6,632 thousand, 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 6,632 thousand.

In prior years, the net assets value of the subsidiary Better Collective A/S has not been correct due to errors in the financial statements. Consequently, the financial statements of Better Collective have been restated. The change has resulted in a positive adjustment of profit before tax for 2015 of DKK 831 thousand. Equity at 31 December 2015 has decreased by DKK 3,441 thousand.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Better Holding 2012 ApS, and subsidiaries in which Better Holding 2012 ApS directly or indirectly holds more than 50% of the voting rights or over which it otherwise exercises control. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains in so far as they do not reflect impairment.

In the consolidated financial statements, the items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are disclosed separately.

Business combinations

Recently acquired or formed entities are recognised in the consolidated financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated in respect of recently acquired or sold entities.

Gains and losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated selling costs.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, hence, the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition when the general revenue recognition criteria are met.

Goodwill and negative goodwill from acquired entities may be adjusted until 11 months after the year of acquisition.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' ownership share or at the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities.

Foreign currency translation

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

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.

Rental income includes leasing of investment property and land and buildings under operating leases. The rent is accrued and recognised on a straight-line basis over the lease term in accordance with the agreements entered into.

Gross margin

The items revenue, 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 operating income

Other operating income comprises items secondary to the entities' activities, including gains on disposal of intangible assets and items of property, plant and equipment.

Other external expenses

Other external expenses include the year's expenses relating to the Group'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 Group'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 goodwill and 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:

Goodwill	10 years
Acquired intangible assets	7 years

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

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.

Profit/loss from investments in subsidiaries and associates

The proportionate share of the profit/loss after tax of the individual subsidiaries is recognised in the income statement of the Parent Company after full elimination of intra-group profits/losses.

The proportionate share of the profit/loss after tax of associates is recognised in the income statement of both the Group and the Parent Company after elimination of the proportionate share of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

The Parent Company is subject to the Danish rules on mandatory joint taxation of the 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.

The Parent Company acts as management company for the joint taxation arrangement and consequently settles all 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.

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge - including changes arising from changes in tax rates - 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.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is fixed on the basis of the expected repayment horizon, longest for strategically acquired business enterprises with strong market positions and long-term earnings profiles.

Acquired intangible assets

Acquired intangible assets include completed development projects.

Acquired 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 and losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

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.

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1 Accounting policies (continued)

Other investments

Other investments are measured at cost. Write-down is made if there is objective evidence that other investments have been impaired. Write-down is made to net realisable value if this is lower than the carrying amount.

Impairment of fixed 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 "Non-fixed assets" comprise expenses incurred concerning subsequent financial years.

Securities

Securities consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash at bank and in hand.

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1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

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.

Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

Income tax and deferred tax

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

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Income tax payable" or "Income tax receivable".

Deferred tax is measured using the balance sheet 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 or on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting neither the profit/loss for the year nor the 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 assets, including the tax base of tax loss carry-forwards, 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 legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

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1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from corporate acquisitions are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and financial assets.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividend to shareholders.

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DKK'000	Group		Parent Company	
	2016	2015	2016	2015
2 Staff costs				
Wages and salaries	35,155	28,991	0	0
Pensions	4,670	3,711	0	0
Other social security costs	628	419	0	0
Other staff costs	2,488	1,801	0	0
	<u>42,941</u>	<u>34,922</u>	<u>0</u>	<u>0</u>
Average number of full-time employees	<u>75</u>	<u>62</u>	<u>0</u>	<u>0</u>
3 Amortisation, depreciation and impairment losses				
Intangible assets	3,844	10,216	0	0
Property, plant and equipment	476	118	0	0
	<u>4,320</u>	<u>10,334</u>	<u>0</u>	<u>0</u>
4 Financial income				
Interest from subsidiaries	0	0	50	27
Capital gains on securities	18,650	34,881	2,178	0
Other interest income	552	715	118	176
	<u>19,202</u>	<u>35,596</u>	<u>2,346</u>	<u>203</u>
5 Financial expenses				
Write-off loans	3,035	0	3,035	0
Other interest expenses	1,247	2,297	258	760
	<u>4,282</u>	<u>2,297</u>	<u>3,293</u>	<u>760</u>
6 Tax for the year				
Current tax charge for the year	15,884	10,637	475	-132
Adjustment of the deferred tax charge for the year	-15	-23	0	0
Adjustment current tax former years	213	0	213	0
	<u>16,082</u>	<u>10,614</u>	<u>688</u>	<u>-132</u>

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7 Intangible assets

DKK'000	Group		
	Goodwill	Acquired intangible assets	Total
Cost at 1 January 2016	28,145	5,824	33,969
Additions	2,447	895	3,342
Cost at 31 December 2016	30,592	6,719	37,311
Amortisation and impairment losses at 1 January 2016	17,982	4,565	22,547
Amortisation	3,228	616	3,844
Amortisation and impairment losses at 31 December 2016	21,210	5,181	26,391
Carrying amount at 31 December 2016	9,382	1,538	10,920
Amortised over	10 years	7 years	

8 Property, plant and equipment

DKK'000	Group		
	Land and buildings	Fixtures and fittings, plant and equipment	Total
Cost at 1 January 2016	14,280	1,082	15,362
Additions	19,979	288	20,267
Disposals	-2,609	0	-2,609
Cost at 31 December 2016	31,650	1,370	33,020
Depreciation and impairment losses at 1 January 2016	48	706	754
Depreciation	340	136	476
Depreciation and impairment losses at 31 December 2016	388	842	1,230
Carrying amount at 31 December 2016	31,262	528	31,790
Depreciated over	10-50 years	3-5 years	

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9 Investments

DKK'000	Group	
	Investments in associates	Receivables from associates
Cost at 1 January 2016	6,321	2,443
Additions	5,882	633
Cost at 31 December 2016	12,203	3,076
Value adjustments at 1 January 2016	-5,873	-739
Profit/loss for the year	-1,488	0
Depreciations	-84	0
Transfer	1,158	76
Value adjustments at 31 December 2016	-6,287	-663
Carrying amount at 31 December 2016	5,916	2,413

DKK'000	Parent Company		
	Investments in subsidiaries	Investments in associates	Receivables from associates
Cost at 1 January 2016	59,447	6,300	4,270
Additions	12,472	5,358	0
Cost at 31 December 2016	71,919	11,658	4,270
Value adjustments at 1 January 2016	10,728	-5,852	0
Effect of capital increase etc.	-5,003	0	0
Profit/loss for the year	48,549	-1,040	-3,036
Depreciations	-3,115	-84	0
Dividends	-27,319	0	0
Transfer	0	1,234	-1,234
Value adjustments at 31 December 2016	23,840	-5,742	-4,270
Carrying amount at 31 December 2016	95,759	5,916	0

Name and registered office	Voting rights and ownership
Subsidiaries	
Better Collective A/S, Copenhagen	70%
Better Partners ApS, Copenhagen	80%
YellowSunMedia ApS, Copenhagen	100%
MM Properties ApS, Copenhagen	73%
Associates	
VIGGA.us A/S, Copenhagen	42%
Betternow Worldwide ApS, Copenhagen	33%
Symmetry Invest ApS, Aalborg	22%
Jesica Invest ApS, Galten	33%

Jesica Invest ApS has not published any financial statements as it is a new companies.

Investments in subsidiaries include goodwill at a carrying amount of DKK 8,986 thousand. Investments in associates include goodwill at a carrying amount of DKK 760 thousand.

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10 Deferred tax assets

DKK'000	Group		Parent Company	
	2016	2015	2016	2015
Deferred tax at 1 January	235	211	0	0
Adjustment of the deferred tax charge for the year	15	23	0	0
Deferred tax at 31 December	250	234	0	0

11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including primary rent and insurance policies.

12 Share capital

The share capital comprises 500,000 shares of DKK 1 each.

There has no changes to the share capital since establishment of the Company.

13 Contractual obligations and contingencies, etc.

Contingent liabilities

The Parent Company is jointly taxed with its Danish subsidiaries. As Management Company, the Company has joint and several unlimited liability, together with the subsidiaries, for all Danish income taxes and withholding taxes on dividend, interest and royalties within the group of jointly taxed entities. The jointly taxed entities' total known net liability in respect of income taxes amounted to DKK 675 thousand at 31 December 2016. Any subsequent corrections of income subject to joint taxation could entail an increase in the entities' tax liability. The Group as a whole is not liable vis-à-vis any third parties.

Other financial obligations

The Group has rent and lease liabilities totalling DKK 1,403 thousand with remaining contract terms of 2-3 years.

The Group has operating leases totalling DKK 35 thousand with remaining contract terms of 1 year.

The Group has provided security for the subsidiary's mortgages of DKK 7,000 thousand.

The Parent Company has guaranteed that it will acquire additional shares in Vækstpartner Kapital ApS in the amount of DKK 8,500 thousand.

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14 Related parties

Better Holding 2012 ApS' related parties comprise the following:

Chr. Dam Holding ApS, Toldbodgade 12, 1253 Copenhagen
J. Søgaard Holding ApS, Toldbodgade 12, 1253 Copenhagen

Related party transactions

DKK'000	2016	2015
Group		
Payables to related parties	15,361	16,473
Receivables from associates	2,413	1,703
Parent Company		
Interest income from subsidiaries	50	27
Receivables from subsidiaries	2,155	9,506
Payables to subsidiaries	3,415	4,590
Payables to related parties	14,152	14,148

DKK'000	Parent Company	
	2016	2015
15 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Net revaluation according to the equity method	19,157	26,087
Retained earnings	23,416	4,876
	<u>42,573</u>	<u>30,963</u>

DKK'000	Group	
	2016	2015
16 Changes in working capital		
Change in receivables	4,173	-3,537
Change in trade and other payables	8,409	5,166
	<u>12,582</u>	<u>1,629</u>