SHARE-BASED PAYMENT PLANS

In order to attract and retain key competences, the company has established a warrant program for key employees and board members. The 2017 warrant program was established ahead of the IPO and as of June 30, 2019, 1,100,790 warrants are outstanding, all with rights to subscribe for 1 ordinary share. The vesting periods range from 2018-2022. The exercise price is 12.96 DKK (1.74 EUR) (rounded) per share. In 2017 and 2018, prior to the listing of Better Collective A/S on Nasdaq Stockholm, the company has issued 719,010 warrants to the current members of the board of directors in Better Collective A/S. On June 7, 2019, the company received exercise notices from the members of the board of directors, including the chairman of the board of directors, exercising all of the issued and outstanding warrants. With this transaction the Board of Directors do not have any warrants under the current warrant program.

On September 13, 2019, the board of directors of Better Collective resolved to implement the long-term incentive program approved by the extraordinary general meeting held on 24 June 2019 and thereby to issue 1,099,500 warrants to certain key employees and members of management pursuant to the authorisation granted by the aforementioned extraordinary general meeting (“2019 warrant program”). The warrants are issued in accordance with the company's guidelines for incentive-based remuneration and the authorisation set out in section 5.5 and in schedule 4 to the company’s articles of association.
Each warrant grants the holder the right to subscribe for one share in the company. The exercise price will be determined as the Volume Weighted Average Share Price of Better Collective’s shares traded on Nasdaq Stockholm in the 10 business days to follow from the date of this announcement + 10%. The warrants will vest over a three or four-year period with 1/3 or 1/4 annually. Vesting of the warrants will further be subject to the Company achieving certain financial targets. In the event that the annual financial vesting targets are not met, the proportional vesting for that period will be reduced with up to 50% percent. If none of the vesting targets have been met, the warrants for that respective period will not vest.