

Corporate governance

# CORPORATE GOVERNANCE REPORT

Better Collective A/S is a Danish public limited liability company and is governed by the provisions of the Danish Companies act. The registered office and headquarters is situated in Copenhagen, Denmark. Better Collective is listed on Nasdaq Stockholm since June 8, 2018, in the Mid Cap index.

rules and instructions, including the Danish Companies Act, Nasdaq Stockholm’s Rulebook, the Swedish Securities Council’s good practices in the stock market, the Swedish Code of Corporate Governance and Better Collective guidelines such as the Articles of Association, policies, and guidelines. Better Collective has resolved that it will comply with the Swedish Code instead of the Danish recommendations on Corporate Governance, as is customary for companies listed on Nasdaq Stockholm. The main corporate laws and rules on governance relevant for shareholders in a Danish public limited liability company that is listed on Nasdaq Stockholm, and complying

with the Code, are to a large extent materially similar to the corresponding Swedish rules that would apply for a Swedish public limited liability company under the same circumstances.

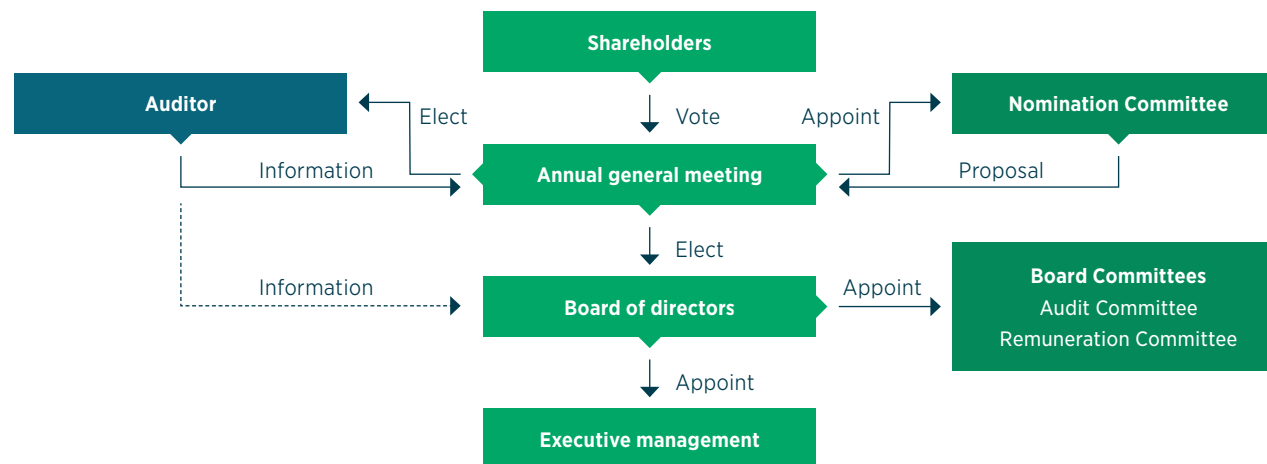
### The share and shareholders

Better Collective A/S was listed on Nasdaq Stockholm in the Mid Cap segment on June 8, 2018. The number of shares outstanding on December 31, 2019 was 46,425,179. Each share entitles the holder to one vote. The number of shareholders on December 31, 2019 was 1,086 which is an increase from the 791 shareholders at December 31, 2018.

### Framework for corporate governance in Better Collective

The purpose of corporate governance is to ensure that a company is run sustainably, responsibly and as efficiently as possible. In Better Collective, good corporate governance is about earning the confidence of shareholders, business partners, and legislators by creating transparency in decision-making and processes. A well-defined and structured distribution of roles and areas of responsibilities between shareholders, the board, and management secures efficiency at all levels. Most of all, it allows the management team to focus on business development and thereby the creation of shareholder value. The board of directors serves as a highly qualified dialogue partner for the management team supporting the outlined growth strategy, securing a tight risk management setup and optimal capital structure. The corporate governance is based on applicable Danish legislation and other external

### Better Collective Corporate Governance Structure



The largest shareholders on December 31, 2019 were Chr. Dam Holding and J. Søgaard Holding (the co-founders of Better Collective) with each 12,171,179 shares and each representing 26% percent of the votes and share capital in the company. Further information on the Better Collective share and shareholders are available in the section Share and shareholders on page 34 as well as on the company's website.

### General meeting

Pursuant to the Danish Companies Act, the general meeting is the Company's superior decision-making body. The general meeting may resolve upon every issue for the Company which does not specifically fall within the scope of the exclusive powers of another corporate body, for example the power to appoint the executive management, which falls within the scope of the board of directors in limited liability companies that are managed by a board of directors.

At the general meeting, the shareholders exercise their voting rights in key issues, such as amendments of the Company's Articles of Association, approval of the annual report, appropriation of the Company's profit or loss (including distribution of any dividends), resolutions to discharge the members of the board of directors and the executive management from liability, the appointment and removal of members of the board of directors and auditors and remuneration for the board of directors and auditors. Other matters transacted at the meeting may include matters that, according to the articles of association or the Danish Companies Act, must be submitted to the general meeting.

### Time and place

The annual general meeting must be held at a date that allows sufficient time to send the Danish Business Authority a copy of the audited and adopted annual report within four months of the end of the financial year. In addition to the annual general meeting, extraordinary general meetings may be convened and held when required. According to the Company's articles of association, general meetings must be held in Greater Copenhagen, Gothenburg or Stockholm.

### Notice

According to the Company's Articles of Association, general meetings must be convened by the board of directors giving written notice no earlier than five weeks and no later than three weeks prior to the general meeting. Pursuant to the Danish Companies Act, notices convening general meetings shall be made public on the Company's website. If requested, shareholders shall receive written notices of the general meetings as the case may be.

Extraordinary general meetings must be held upon request from the board of directors or the auditor elected by the general meeting. In addition, shareholders that individually or collectively hold five percent or more of the share capital can make a written request to the board of directors that an extraordinary general meeting be held to resolve upon a specific matter. Such extraordinary general meetings must be convened within two weeks of the board of directors' receipt of a request to that effect.

The notice to convene a general meeting must be made in the form and substance for public limited liability com-

### Better Collective complies with the Swedish code of corporate governance with the following exceptions:

As stipulated in Better Collective's Articles of Association, the board of directors appoint the meeting chair for the AGM instead of letting the nomination committee propose a meeting chair. The Articles also stipulate that the meeting chair approves the AGM minutes instead of letting an AGM participant that is not member of the board or an employee of the company approve the minutes of the meeting.

The respective reports on corporate governance and sustainability do not include a part of the auditor's report covering the specific reports, as these subjects are not individually addressed in the auditor's report.

*These deviations are due to differences between Danish and Swedish laws and practices.*

panies admitted to trading on a regulated market as stipulated in the Danish Companies Act. The notice must also specify the time and place of the general meeting and contain the agenda of the business to be addressed at the general meeting. If an amendment of the Company's articles of association shall be resolved upon at a general meeting, the complete proposal must be included in the notice. For certain material amendments, the specific wording must be set out in the notice.

As regards the annual general meeting, the Company must announce the date for the meeting as well as the deadline for any shareholder proposals no later than eight weeks before the scheduled date for the annual general meeting.

### Right to attend general meetings

A shareholder's right to attend a general meeting and to vote on their shares is determined on the basis of the

shares held by the shareholder at the date of registration. The date of registration is one week before the general meeting is held. The holdings of each individual shareholder is based on the number of shares held by that shareholder as registered in the Company's share register maintained by Euroclear Sweden as well as any notifications of ownership received by the Company for the purpose of registration in the share register, but not yet registered.

To attend the general meeting, a shareholder must, in addition to the above-mentioned, also notify the Company of his or her attendance no later than three days prior to the date of the general meeting, as stipulated by the Company's articles of association. Shareholders may attend general meetings in person, through a proxy or by postal vote, and may be accompanied by an advisor. All attending shareholders are entitled to speak at general meetings.

### Voting rights and shareholders initiatives

Each share entitles the holder to one vote. All matters addressed at the general meeting must be decided by a simple majority vote, unless otherwise stipulated by the Danish Companies Act or the Company's articles of association. A resolution to amend the articles of association requires that no less than two thirds of the votes cast as well as the share capital represented at the general meeting vote in favour of the resolution, unless a larger majority is required by the Danish Companies Act (for example resolutions to reduce shareholder rights to receive dividends or to restrict the transferability of the shares) or the Company's articles of association. Shareholders who

## Attendance at board and committee meetings

Name	Board Meeting	Audit Committee	Remuneration Committee
Jens Bager (chairman)	◆◆◆◆◆◆◆◆	-	◆◆◆
Klaus Holse	◆◆◆◆◆◆◆◆	-	◆◆◆
Leif Nørgaard	◆◆◆◆◆◆◆◆	◆◆◆◆◆	-
Søren Jørgensen	◆◆◆◆◆◆◆◆	◆◆◆◆◆	-
Petra von Rohr	◆◆◆◆◆◆◆◆	◆◆◆◆◆	-

◆ Attendance ◆ Non-attendance

wish to have a specific matter brought before the general meeting must submit a written request to the Company's board of directors no later than six weeks prior to the general meeting. If the request is received less than six weeks before the date of the general meeting, the board of directors must decide whether the request has been made with enough time for the issues to be included on the agenda.

### General meetings in 2019

The Annual General Meeting 2019 was held on April 25, 2019 and approved the 2018 annual report, discharged the Board and Executive Management, and re-elected all the current board members and current auditor. The shareholders further approved the proposals from the board of directors to authorise the board of directors to increase the company's share capital without pre-emption rights for the existing shareholders, to authorise the board of directors to acquire treasury shares, and to amend terms of previously issued warrants. An extraordinary general meeting was held on June 24, 2020. The shareholders approved the proposals from the board of directors to implement a long terms incentive program and to authorise the board of directors to issue warrants to the company's

key employees and executive management; and authorise the board of directors to amend terms of previously issued warrants.

### Annual general meeting 2020

The annual general meeting 2020 will take place on April 22, 2019 at 10.00 a.m. at Better Collective, Toldbodgade 12 in Copenhagen, Denmark. For more information, see section on Annual general meeting on the company's website.

### Nomination committee

According to the Code, the Company shall have a nomination committee, the duties of which shall include the preparation and drafting of proposals regarding the election of members of the board of directors, the chairman of the board of directors, the chairman of the general meeting and auditors. In addition, the nomination committee shall propose fees for board members and the auditor. The Company's Articles of Association hold instructions and rules of procedure for the nomination committee according to which the nomination committee shall consist of four members representing the three largest shareholders per the end of August, together with

the chairman of the board of directors. The names of the members of the nomination committee must be published by the Company no later than six months prior to the annual general meeting.

On August 31, 2019, the three largest shareholders were Chr. Dam Holding, J. Søgaard Holding and Bumble Ventures which due to their interlinked ownership are grouped. In accordance with shareholders' decision, the nomination committee was appointed and is composed by four members in total:

- ◆ Daniel Nyvang Mariussen, representing Chr. Dam Holding and J. Søgaard Holding, and chairman of the nomination committee
- ◆ Martin Jonasson, representing Andra AP-Fonden and Tredje AP-Fonden
- ◆ Michael Knutsson, representing Knutsson Holdings
- ◆ Jens Bager, Chairman of the board of directors, Better Collective

In all, the nomination committee represented 65% of the total number of shares in Better Collective, based on ownership data as per August 31, 2019.

#### **Independence of the nomination committee**

The Code requires the majority of the nomination committee's members to be independent in relation to the company and its management and that at least one of these shall also be independent in relation to the company's largest shareholder in terms of voting power. All members are independent in relation to the company and

the company's management and all members except for Daniel Nyvang Mariussen are independent in relation to major shareholders.

#### **Meetings of the nomination committee**

Ahead of the AGM 2020, the nomination committee has held four meetings, all of which with full attendance. No fees have been paid for work on the committee.

#### **Board of directors**

After the general meeting, the board of directors is the most superior decision-making body of the Company. The duties of the board of directors are set forth in the Danish Companies Act, the Company's articles of association, the Code and the written rules of procedure adopted by the board of directors, which are revised annually. The rules of procedure regulate, inter alia, the practice of the board of directors, tasks, decision-making within the Company, the board of directors' meeting agenda, the chairman's duties and allocation of responsibilities between the board of directors and the executive management. Rules of procedure for the executive management, including instruction for financial reporting to the board of directors, are also adopted by the board of directors.

The board of directors meets according to a pre-determined annual schedule. At least five ordinary board meetings shall be held between each annual general meeting. In addition to these meetings, extraordinary meetings can be convened for processing matters which cannot be referred to any of the ordinary meetings. In 2019, 8 meetings were held.

#### **Composition of the board**

The members of the board of directors are elected annually at the annual general meeting for the period until the end of the next annual general meeting. According to the Company's articles of association, the board of directors shall consist of no less than three and no more than seven board members. Furthermore, the Code stipulates that no deputy members may be appointed. Currently, the board of directors is comprised of five ordinary board members elected by the general meeting: Jens Bager (Chairman), Klaus Holse, Søren Jørgensen, Leif Nørgaard, and Petra von Rohr. The board attended Nasdaq's stock market training course for board and management prior to the listing in 2018. For information about the board members see page 32.

#### **Evaluation of board performance**

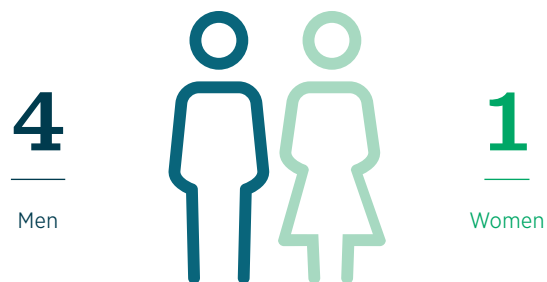
The board of directors regularly evaluates its work through a structured process. The chairman is responsible for carrying out the evaluation and presenting the results to the nomination committee. In 2019, an external management consultancy conducted an assessment of the board's work, including the collaboration with the executive management. The assessment was based on a questionnaire combined with personal interviews with each board and executive management member. The evaluation was presented to and discussed by the board and subsequently the nomination committee. In addition, the nomination committee conducted individual interviews with the board members leading up to the AGM. The overall conclusion was that the board's performance and efficiency is found to be satisfactory and that the

board has a well-balanced mix of competencies, however, with some room for deep industry knowledge.

**Diversity**

Report on the underrepresented gender, cf. Section 99 b of the Danish Financial Statements Act.

**Gender split in Board levels in 2019**



The board composition must be set with appropriateness to the company’s operations, phase of development, and must collectively exhibit diversity regarding gender, age, nationality, experience, professional background, and business expertise. Regarding gender diversity at the board of directors’ level, the company has set a target for a board consisting of five to seven members to have a minimum of two members of the underrepresented gender elected by the general meeting. In 2019, no changes were made to the composition of the board. Currently, the board consists of four men and one woman, why the target figure was not reached in 2019. In the recruitment

of new board members, the company and its nomination committee will seek to realise the target over the coming years and by 2023 at the latest.

Better Collective aims to offer equal opportunities to men and women across our organisation, as well as promoting equal opportunities regardless of gender, ethnicity, race, religion, and sexual orientation. The executive management is made up of three men. For the other management levels in the company, the gender split in 2019 was 80% men and 20% women, which is an improvement from 2018 (86% men and 14% women). Recruitment and promotion of managers in 2019 was performed with an aim of increasing diversity, resulting in new managers of both genders. We will continually work to increase the share of the underrepresented gender at all management levels, on average, aiming for a target of 35% women over the coming years and by 2023 at the latest.

**Board committees**

The board of directors has established two committees: the audit committee and the remuneration committee. The board of directors has adopted rules of procedure for both committees.

**Audit committee**

The audit committee is comprised of Leif Nørgaard (chairman), Søren Jørgensen, and Petra von Rohr. The audit committee’s role is mainly to monitor the Company’s financial position, to monitor the effectiveness of the Company’s internal control and risk management, to be informed about the audit of the annual report and the consolidated financial statements, to review and monitor

the auditor’s impartiality and independence and to monitor the Company’s compliance with law and regulations related to financial matters. The audit committee has an annual work plan and has held five meetings in 2019.

**Remuneration committee**

The remuneration committee is comprised of Jens Bager (chairman) and Klaus Hølse. The remuneration committee’s role is primarily to prepare matters regarding remuneration and other terms of employment for the executive management and other key employees. The remuneration committee shall also monitor and evaluate ongoing and completed programs for variable remuneration to the Company’s management and monitor and evaluate the implementation of the guidelines for remuneration to the Executive management which the annual general meeting has adopted. The remuneration committee has an annual work plan and has held three meetings in 2019.

**Executive management**

According to the Danish Companies Act and the Company’s articles of association, the board of directors appoints and removes the members of the executive management. The executive management is responsible for the day-to-day management of the Company. Currently, the executive management consists of Jesper Søgaard as CEO, Flemming Pedersen as CFO and Christian Kirk Rasmussen as COO. The members of the executive management are presented in further detail on page 33.

The duties and responsibilities of the executive management are governed by the Danish Companies Act, the Company’s articles of association, the rules of procedures

for the executive management adopted by the board of directors, other instructions given by the board as well as other applicable laws and regulations. The executive management's duties and responsibilities include, inter alia, ensuring that the Company maintains adequate accounting records and procedures, that the board of directors' resolutions are implemented in the daily management of the Company, that the board of directors are up to date on all matters of importance to the Company and that the day-to-day management of the Company is carried out.

## Remuneration to the board of directors and the executive management

### Remuneration to the board of directors

Fees and other remuneration to board members elected by the general meeting are resolved by the annual general meeting. At the annual general meeting held on April 25, 2019, it was resolved that a fee of EUR 60,000 is to be paid to the chairman and that fees of EUR 20,000 is to be paid to each of the other board members. The work in a board committee is remunerated with EUR 10,000 for a chairmanship and EUR 5,000 for a regular member.

For the financial year 2019, the board of directors received remuneration as set out in note 5 on page 54.

### Remuneration to the executive management

Remuneration to the executive management consists of basic salary, variable remuneration, pension benefits, share related incentive programs and other benefits. For the financial year 2019, the executive management received remuneration as set out in note 5 on page 54.

## Guidelines for incentive remuneration to the board of directors and the executive management

At an extraordinary general meeting on May 18, 2018, it was resolved to adopt guidelines with the following main content. The overall purpose of the guidelines is to attract, motivate and retain qualified members of the board of directors and the executive management. At the Annual General Meeting 2020, the board will propose a Remuneration Policy to replace the current Guidelines for incentive remuneration to comply with the updated section 139 and 139a in the Danish Companies Act.

Members of the Company's board of directors and executive management receive a fixed annual remuneration. In addition, members of the board of directors and the executive management may receive incentive-based remuneration consisting of share-based rights. Finally, members of the executive management may receive incentive-based remuneration consisting of a cash bonus (including cash bonuses based on development in the share price), on both an ongoing, single-based and event-based basis.

Cash bonus schemes for executive management may consist of an annual bonus, which the individual member of the executive management can receive if specific targets for the relevant year are met. The maximum cash bonus shall be equivalent to 100 percent of the fixed base salary of each eligible participant of the executive management. Payment of bonus is only relevant when conditions and targets have been fully or partly met (as determined by the board of directors). If no targets are met, no bonus is

paid out. Targets for the executive management shall be agreed upon by the board of directors and the executive management. The general meeting will decide whether to establish a long-term incentive program (LTI program).

## Internal controls

The board of directors has the overall responsibility for the internal control of the Company. The main purpose of the internal control is to ensure that the Company's strategies and objectives can be implemented within the business, that there are effective systems for monitoring and control of the Company's business and the risks associated with the Company and its business, and to ensure that the financial reporting has been prepared in accordance with applicable laws, accounting standards and other requirements imposed on listed companies. The board of director's responsibility for the internal control and financial reporting is governed by the Danish Financial Statements Act, the Danish Companies Act and the Code. In addition, the board of directors has implemented an internal control framework based on the COSO standard, which focuses on the five areas control environment, risk assessment, control activities, information and communication and monitoring.

## Control environment

In order to create and maintain a functioning control environment, the board of directors has adopted a number of steering documents and policies, including rules of procedure for the board of directors, the board committees and the executive management with instruction for financial reporting to the board of directors. The policies include a tax policy, treasury policy, IT policy, information policy,

insider policy, instruction for insider lists and a code of conduct. The Company also has a group accounting manual which contains principles, guidelines and processes for accounting and financial reporting.

The division of roles and responsibilities within the rules of procedure for the board of directors and the executive management aim to facilitate an effective management of the Company's risks. The board of directors has also established an audit committee whose main task is to monitor the effectiveness of the Company's internal control, internal audit and risk management, to be informed about the audit of the annual report and consolidated financial statements, and to review and monitor the auditor's impartiality and independence. The board evaluates the need for an internal audit function annually. In 2019, given the size of the company, it was decided that an internal audit function is not currently needed.

The Company applies an internal "signing & approval" framework to ensure a clear and formalised distribution and limitation of power, and to define and govern guidelines for the delegation of authority to sign on behalf of the Company. The Company has furthermore established an IT governance structure to ensure that all major IT projects supports the Company's business goals and that existing IT systems and resources are used optimally. The Company has implemented a whistle-blower scheme providing employees with the ability to easily and anonymously report any observations of potentially destructive, unethical or illegal activities related to the Company.

### Risk assessment

Risk assessment includes identifying risks pertaining to the Company's business, assets and financial reporting as well as assessing the impact and probability of those risks, to ensure that actions to reduce or eliminate risks are analysed and implemented. Within the board of directors, the audit committee is responsible for continuously assessing the Company's risks

The executive management shall annually prepare an internal risk management assessment which is reported to the audit committee and subsequently to the board of directors. The risk management assessment shall include a follow-up on previous year's work and a review of any changes to procedures, control systems and risk-mitigating actions.

With regards to financial reporting, the CFO and the finance department annually prepares a report for the audit committee, including a review of items subject to special risks and significant accounting estimates and judgements, allowing the audit committee to monitor the financial reporting process. The audit committee also evaluates the need for an internal audit function annually and makes recommendation to the board of directors.

### Control activities

Control activities are performed for the purpose of preventing, detecting and correcting any errors and irregularities, including fraud. Control activities are implemented in the Company's systems and procedures, including financial reporting systems and procedures. Control

activities include, for example, physical and electronical preventive access controls concerning sensitive and confidential information, preventive IT based controls limiting access to systems, joint approval procedures for electronic bank transfers and detective controls. Financial control activities are performed in accordance with the group accounting manual and are carried out on a monthly basis and are documented.

### Information and communication

Internal communication to employees occurs, inter alia, through policies, instructions and blogposts, including a code of conduct that serves as an overall guiding principle for employees in all communication, an information policy that governs internal and external information as well as an insider policy to ensure appropriate handling of insider information that has not yet been disclosed to the public. The Group's CEO has the overall responsibility for the handling of matters regarding insider information.

The Company's Investor Relations function is led and supervised by the CFO and the Head of Investor Relations. The Investor Relations function's principal tasks are to support in matters in relation to the capital market as well as to assist in preparing financial reports, general meetings, capital market presentations and other regular reporting regarding Investor Relations activities.

### Monitoring

Compliance and effectiveness of internal controls are continuously monitored. The executive management ensures that the board of directors receives continuous reports on



the development of the Company's activities, including the Company's financial results and position, and information about important events, such as key contracts. The executive management also reports on such matters at each board meeting.

The board of directors and the audit committee examines the annual report and the interim reports and conducts financial evaluations based on established business plans. The audit committee reviews any changes in accounting policies to determine the appropriateness of the accounting policies and financial disclosure practices. The audit committee furthermore reviews the consistency of accounting policies across the Group on a yearly basis.

The efficiency of the key controls is evaluated at regular intervals and reported to the board of directors summarising the performed evaluations and accounting for

any deviations that must be managed. In 2018, a review of internal controls was performed with the purpose of reviewing compliance with processes and internal controls covering key areas and process flows according to the Company's group accounting manual. The report concluded that the Company's financial internal controls were deemed appropriate. The next evaluation will take place in 2020 following the implementation of a new ERP system in 2019 and updated processes as a result of this.

Furthermore, the Group's policies are subject to at least one annual review by the board of directors.

### External audit

The Company's auditor is appointed by the annual general meeting for the period until the end of the next annual general meeting. The auditor audits the financial statements prepared by the board of directors and the

executive management. Following each financial year, the auditor shall submit an audit report to the annual general meeting. The Company's auditor reports its observations from the audit and its assessment of the Company's internal control to the board of directors. At the annual general meeting held on April 25, 2019, Ernst & Young Godkendt Revisionspartnerselskab was re-elected as the Company's auditor with Jan C. Olsen as the lead auditor. It was also resolved that the fees to the auditor should be paid in accordance with normal charging standards and approved invoice. The total fee paid to the Company's auditor for the financial year 2019 amounted to 406 tEUR, of which 135 tEUR regarded the audit assignment, and 271 tEUR regarded other assignments.

## Shareholdings and warrants










Name	Jens Bager	Klaus Holse	Søren Jørgensen	Leif Nørgaard	Petra von Rohr	Jesper Søgaard	Christian Kirk Rasmussen	Flemming Pedersen
Position	Chairman of the board	Board member	Board member	Board member	Board member	CEO	COO	CFO
No. of shares*	1,169,626	215,622	286,794	500,139	21,600	12,171,179	12,171,179	137,322
No. of warrants	-	-	-	-	-	150,000	150,000	574,644

\* Shareholding in Better Collective, own and closely related, as per March 23, 2020



## Key risk factors

Key risk factors are described below. The risk factors are not listed in any order of priority. Also see financial risks in note 20 on page 68

	 MARKET REGULATION	 MARKETS AND CUSTOMERS	 PRODUCTS AND USERS	 M&A	 USA	 CORPORATE CULTURE	 LEGAL	 IT	 COVID-19
DESCRIPTION	Changes to applicable laws and regulations could lead to an increased burden of compliance, which could be costly and time-consuming to maintain efficiently. In addition, the uncertainty that characterises the legal framework for iGaming means that iGaming operators must devote significant time and resources to monitor the regulatory development.	Anticipating and responding to important trends in the market for iGaming is critical to Better Collective's ability to retain customers and win market share. Failing to spot these trends represents a risk.  Better Collective's revenue is affected by its customers, the iGaming operators, and user activity. Low activity could, therefore, affect revenues negatively.	Better Collective always strives to offer the best and most innovative products with high online rankings. Failure to be ahead of development in the industry poses a risk, as the competitive landscape encourages novelty and edge in products.	Better Collective actively participates in market consolidation to increase relevance to its customers and to reduce the exposure of single products and customers. M&A activity poses risk as targets need to be qualified, deals negotiated, and businesses integrated.	With the 2019 acquisitions in US, the overall risk profile of Better Collective has changed, and regulatory, compliance, as well as financial risk, has increased.	People remain the key drivers in everything that we do at Better Collective since our business is based on specialised expertise and innovation. Failure to attract, develop, and retain the most skilled employees and management talent constitutes a risk to the company.	Better Collective believes contractual risk as well as legal risk related to regulatory requirements are critical. Failure to meet or implement regulatory requirements, in a timely fashion concerning, for instance, data protection, confidentiality agreements, IPR, and fraud constitutes a risk.	As a digital software-based company with a core business based on modern information technology, Better Collective's failure to adequately protect itself against IT risk represents a distinct risk. Cybercrime including unauthorised access to Better Collective's network and data could endanger applications as well as the infrastructure and the technical environment stored on Better Collective's network.	The coronavirus outbreak, COVID-19, is having a growing impact on the global economy. If major sports events are cancelled or significantly postponed, it is likely to impact our revenue as we to a large extent rely on the operators' user activity. Additionally, the health and safety of our employees may be at risk.
RISK MANAGEMENT	Changes in regulation may involve imposing licence requirements, marketing restrictions and local taxation, although it can also imply a liberalisation of the market. iGaming regulation provides transparency to the legal framework, which in turn enhances predictability. Our legal department is continuously monitoring current and potential markets for any regulatory developments, and are reporting to management on their expected impact on our business.	Extensive market research and industry analysis allow Better Collective to anticipate and respond to market movements including new requirements.  Due to acquisitive growth in recent years, the customer base of iGaming operators has changed and Better Collective is less dependent on major customers, geographies and markets	Better Collective conducts a systematic prioritisation of user, customer, and market requirements. Updates include enhanced system functionality and improved technical infrastructure as well as search engine optimisation to remain competitive.	Better Collective has proven its acquisition model in recent years and continues to work diligently in the evaluation and building of its M&A pipeline. Integration of new assets and entities create valuable synergies due to Better Collective's APIs and processes.	Better Collective has mitigated the additional risks in the US in a number of ways: regulatory and compliance risk through the involvement of regulatory bodies in our licensing process for newly established entities, financial risk through a performance-based valuation of the acquired entity, and organisational risk through establishment of local governance, management, and Finance, HR, and Legal organisation dedicated to the US operations.	Better Collective's values and the notion of a work-life balance serve as strong tools for recruitment of talent. Naturally, we have found that talented people are happy to stay with a company that treats them with respect and gives them freedom.	Better Collective has established a central Legal function that, together with the commercial and business development operations, ensures a stage-gate approach when new contracts are made and when new regulations or compliance are being imposed.	Better Collective's IT department continuously monitors its global technical infrastructure, aiming to identify and minimise risk to the company's production and performance. Through well-established procedures and solutions, Better Collective can quickly restore critical business operations.	We continue to prepare for sports events up until the point that they may be cancelled. For internal purposes, we have set up a response team to ensure that we follow government guidelines as a minimum. Our first priority is to protect the health and safety of our employees. We have the technological setup to operate the business while our employees work remotely.

# BOARD OF DIRECTORS



## Jens Bager

Chairman of the Board,  
Chairman of the Remuneration Committee  
Born 1959  
Nationality DK  
Present position since 2017

**Education:** M.Sc in Economics and Business Administration from Copenhagen Business School.

**Professional background:** JB was the CEO of ALK-Abelló A/S for 16 years before joining BC, and prior to that he was an EVP of Chr. Hansen A/S. He is an Industrial Partner at Impilo AB and he has served on various boards in Denmark, Sweden, and France. He has extensive experience of general management of international and listed companies.

**Other assignments:** Member of the executive board of Bukkebalte Invest ApS, Jens Bager Advisory ApS and 56\* NORTH Equity Partners ApS.

**Previous assignments:** Board chairman of Ambu A/S, Heatex AB and Poul Due Jensens Fond. CEO of ALK-Abelló A/S.

### Independence in relation to:

- shareholders Yes  
- the company Yes



## Klaus Holse

Board Member,  
Member of the Remuneration Committee  
Born 1961  
Nationality DK  
Present position since 2017

**Education:** M.Sc. in Computer Science from the University of Copenhagen, Graduate Diploma in Business Administration (HD) from Copenhagen Business School.

**Professional background:** KH is currently the CEO of SimCorp and has previously been a Corporate VP at Microsoft, and Senior President at Oracle. At Microsoft, he was President of Western Europe, leading the largest area outside of the US. He has extensive experience from the IT and software industry.

**Other assignments:** Board chairman of Zenegy ApS and Delegate BE Holding ApS. Member of the board of director of The Scandinavian ApS. CEO of Simcorp A/S. Member of the executive board of Khaboom Aps.

**Previous assignments (past five years):** Board chairman of AX IV EG Holding III ApS, Danske Lønssystemer A/S, Lessor A/S, EG A/S, Ipayroll Holding ApS, Lessor Group ApS and Lessor Holding ApS.

### Independence in relation to:

- shareholders Yes  
- the company Yes



## Søren Jørgensen

Board Member  
Member of the Audit Committee  
Born 1970  
Nationality DK  
Present position since 2014

**Education:** LL.M. from the University of Aarhus and the University of London.

**Professional background:** SJ has practiced law for 20 years with the last 12 years as an M&A partner. He has served as a professional board member in Danish and foreign companies within various industries for +15 years.

**Other assignments:** Board chairman of Linkfire ApS, Easyinspect ApS, Rostra Kommunikation og Research A/S, Rostra Holding 2010 ApS, BHS Logistics A/S, Studsgaard Holding A/S, BHS Service Center A/S, Killer Kebab ApS and NCI Advisory A/S. Board member of MeetinVR ApS. Member of the executive board of Emmamo ApS, Eupry Invest ApS and MeetinVR Invest ApS.

**Previous assignments (past five years):** Board chairman of Welltec A/S, JH Holding, Allerød, ApS, Welltec Holding ApS, Welltec International ApS, Orlo ApS, ToTec Holdings ApS and Spektral Experience ApS. Board member of Totaltec Oilfield Services Ltd. and Nordic Seaweed ApS. Partner of Bruun & Hjejle I/S.

### Independence in relation to:

- shareholders Yes  
- the company Yes



## Leif Nørgaard

Board Member  
Chairman of the Audit Committee  
Born 1955  
Nationality DK  
Present position since 2014

**Education:** M.Sc in Economics and Business Administration from Aarhus Business School and State Authorised Public Accountant.

**Professional background:** LN has held senior positions in global companies, incl. CFO for Chr. Hansen Group, CFO for Dako Group, CFO for Teleca Group, and has served on boards in several countries. LN is a professional investor and part-time CFO in start-up companies. He has extensive experience in finance, start-ups and growth companies

**Other assignments:** Board chairman of Mute-Box ApS, K/S Sunset Boulevard, Esbjerg. Board member of Actimo LATAM Holdco ApS and DTU Science Park a/s. Member of the executive board of Nøller Invest ApS, 2XL2016 ApS, Komplementarsel. Landshut ApS and Sunset Boulevard, Esbjerg Komplementar ApS.

**Previous assignments (past five years):** Board member of Komplementarsel. Landshut ApS and Teklatech A/S. Chairman of the board of K/S SDR. Fasanvej, Frederiksberg. Partner of ApS Komplementarselskabet SDR. Fasanvej, Frederiksberg.

### Independence in relation to:

- shareholders Yes  
- the company Yes



## Petra von Rohr

Board Member  
Member of the Audit Committee  
Born 1972  
Nationality SE  
Present position since 2018

**Education:** M.Sc. in Economics from Stockholm School of Economics and McGill University in Montreal, Canada.

**Professional background:** PvR is currently the CEO of BioCool and she has experience from executive management positions both from the finance industry and the communications industry. Most recently, she was Head of Group Communications at Com Hem AB. Previous experience includes working as an equity analyst in London and Stockholm. She has extensive experience from working with corporate communication and investor relations

**Other assignments:** Board member of The Global Vector Control Standard and Webrock Ventures.

### Previous assignments (past five years):

Member of the Executive Management team of Com Hem AB, Partner of Kreab AB, Board member of Lauritz.com A/S, Lauritz.com Group A/S, Novare Human Capital Aktieföretag and Takkei Trainingssystem AB.

### Independence in relation to:

- shareholders Yes  
- the company Yes

# EXECUTIVE MANAGEMENT



## Jesper Søgaard

CEO & Co-Founder  
Born 1983  
Nationality DK  
Present position since 2004

**Education:** M.Sc. in Political Science from the University of Copenhagen.

**Professional background:** JS founded Better Collective together with Christian Kirk Rasmussen in 2002 and has been working with and developing the Group's operations since the beginning.

**Other assignments:** Member of the board of directors of Bumble Ventures General Partners ApS, Bumble Ventures Management ApS, Bumble Ventures Invest ApS, Ejendoms-selskabet Algade 30-32 A/S, MM Properties and BetterNow Worldwide ApS. CEO of J. Søgaard Holding ApS. Member of the executive board of Better Holding 2012 A/S and Bumble ventures SPV ApS.

**Previous assignments (past five years):** Member of the board of directors of Symmetry Invest A/S, Shippers Danmark ApS, Scatter Web ApS, Ploomo ApS and VIGGA.us A/S.



## Christian Kirk Rasmussen

COO & Co-Founder  
Born 1983  
Nationality DK  
Present position since 2004

**Education:** Bachelor of Commerce from Copenhagen Business School.

**Professional background:** CKR founded Better Collective together with Jesper Søgaard in 2002 and has been working with and developing the Group's operations since the beginning.

**Other assignments:** Member of the board of directors of Bumble Ventures General Partners ApS, Bumble Ventures Management ApS, Bumble Ventures Invest ApS, Ejendoms-selskabet Algade 30-32 A/S, Omnigame ApS and MM Properties ApS. CEO of YellowSun-media ApS. Member of the executive board of Chr. Dam Holding ApS, Member of the executive board of Better Holding 2012 A/S and Bumble ventures SPV ApS.

**Previous assignments (past five years):** Member of the board of directors of Scatter Web ApS.



## Flemming Pedersen

CFO  
Born 1965  
Nationality DK  
Present position since 2018

**Education:** M.Sc. (cand. merc. aud.) and HD (Bachelor of Business Administration) from Copenhagen Business School.

**Professional background:** FP has more than 20 years of management experience, whereof more than 15 years in executive positions in public companies. He has served as CFO of ALK-Abelló A/S and was CEO and president of Neurosearch A/S. He has experience in General Management, Finance, Accounting, Tax matters, Risk Management and Capital Markets. In addition, he has experience from board positions in both public and private companies in Denmark as well as internationally.

**Other assignments:** Board member of Mindway AI ApS. Member of the executive board of Naapster ApS.

**Previous assignments (past five years):** Chairman of the board of directors of ALK-Abelló Nordic A/S and Good-stream ApS. Member of the board of directors of MB IT Consulting A/S and MBIT A/S. Member of the executive management of ALK-Abelló A/S.

# NOTES

## 5 Staff and other costs

tEUR	2019	2018
Wages and salaries	17,024	10,273
Pensions	1,888	1,295
Other social security costs	875	601
Share-based payments	384	319
Other staff costs	931	502
<b>Total staff costs</b>	<b>21,102</b>	<b>12,990</b>
Average number of full-time employees	364	198
<b>Remuneration to Executive Directors*</b>		
Wages and salaries	985	800
Pensions, defined contribution	102	104
Other social security costs	2	1
Share-based payments	176	91
<b>Total</b>	<b>1,265</b>	<b>996</b>
<b>Remuneration to Board of Directors*</b>		
Wages and salaries	160	105
Share-based payments	0	0
<b>Total</b>	<b>160</b>	<b>105</b>

\* Included in total staff costs.

tEUR	Jens Bager	Klaus Holse	Søren Nørgaard	Søren Jørgensen	Petra von Rohr	Total
Board Fees 2019	64	23	28	23	23	160
Board Fees 2018	44	15	17	15	14	105

## 5 Staff and other costs (continued)

### Remuneration to Executive Directors

	Jesper Søgaard	Christian Kirk Rasmussen	Flemming Pedersen	Total
<b>2019</b>				
Wages and salaries	317	317	351	985
Pensions	27	27	49	102
Other social security costs	1	1	1	2
Share-based payments	40	40	96	176
<b>Total</b>	<b>384</b>	<b>384</b>	<b>496</b>	<b>1,265</b>
<b>2018</b>				
Wages and salaries	247	247	306	800
Pensions	27	27	49	104
Other social security costs	0	0	0	1
Share-based payments	0	0	91	91
<b>Total</b>	<b>275</b>	<b>275</b>	<b>447</b>	<b>996</b>

### ◆ Accounting principles:

#### Direct cost related to revenue

Direct cost related to revenue contains cost of running the websites and includes, content production, domain name registration, domain hosting, and external development cost.

#### Staff cost

Staff cost 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.

Costs related to long term employee benefits, e.g. share-based payments, are recognised in the period to which they relate.

#### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, etc. ◆

# NOTES

## 6 Share-based payment plans

### 2017 Warrant program:

During the year 2019 the company did not grant any warrants under this program.

The board of Directors has exercised warrants in June 2019 corresponding to 719,010 shares. One third of the warrants were settled in cash at a value of 7,150 tDKK (957 tEUR).

During the year 2019, employees have exercised warrants corresponding to 141,686 shares issued, of which 26,406 were settled in cash at a total value of 1,219 tDKK (163 tEUR).

### 2019 Warrant programs:

On September 13th, 2020 two new warrant programs with 3 and 4-year vesting periods were implemented. Both of the programs can be exercised from the last vesting date of the respective program and until September 2024, and are classified as equity-settled share-based payment transactions\*.

For warrant programs 2019, the carrying amount of liability at 31 December 2019 are recognisable for the periods from the grant date to the date of exercise (3 and 4 years respectively), adjusted on the prorata of expected retention (75%) and performance factor (83%), for the second, third and fourth vesting periods.

Expenses for the first vesting period are recognised based on expected retention (75%) and the performance factor, which is 100% for 2019.

The total share based compensation expense recognised for the full year 2019 is 384 tEUR (2018: 319 tEUR), of which the 2019 program is 268 tEUR.

	Board of Directors	Executive directors	Other key Management personnel	Total, numbers	Exercise price, weighted average EUR
<b>Share options outstanding at January 1, 2018**</b>	<b>686,610</b>	<b>0</b>	<b>1,530,090</b>	<b>2,216,700</b>	<b>1.69</b>
Granted	32,400	274,644	30,780	337,824	1.74
Forfeited/expired	0	0	226,314	226,314	1.74
Exercised	0	0	495,990	495,990	0.54
Transferred	0	0	0	0	0
<b>Share options outstanding at December 31, 2018**</b>	<b>719,010</b>	<b>274,644</b>	<b>838,566</b>	<b>1,832,220</b>	<b>1.74</b>
Of this exercisable at the end of the period	0	0	0	0	
<b>Share options outstanding at January 1, 2019</b>	<b>719,010</b>	<b>274,644</b>	<b>838,566</b>	<b>1,832,220</b>	<b>1.74</b>
Granted	0	600,000	499,500	1,099,500	8.67
Forfeited/expired	0	0	22,680	22,680	1.73
Exercised	719,010	0	141,686	860,696	1.73
Transferred	0	0	0	0	0
<b>Share options outstanding at December 31, 2019</b>	<b>0</b>	<b>851,964</b>	<b>1,173,700</b>	<b>2,048,344</b>	<b>5.40</b>
Of this exercisable at the end of the period	0	91,530	134,362	225,892	1.73

\* The Board of Directors keeps a right to change classification of the share-based programs, to a cash-settled.

\*\* Historical figures have been updated with 1:54 split

# NOTES

## 6 Share-based payment plans (continued)

The weighted average remaining contractual life of warrants to key employees outstanding as of December 31, 2019 and 2018 was 3.7 and 3.5 years respectively. The weighted exercise prices for outstanding warrants as of December 31, 2019 and 2018 was EUR 5.40 and EUR 1.73 (restated with an assumption 1 warrant= 1 share).

The tables below summarise the inputs to the Black-Scholes model used to value the warrants granted:

	Employees 2019	Employees 2018	Employees 2017
Dividend yield (%)	0%	6%	5%
Expected volatility (%)	35%	30%	30%
Risk free interest rate (%)	0%	1%	1%
Expected life of warrants (years)	5	5	5
Share price (EUR)	7.89	2.59 - 5.22	2.24
Exercise price (EUR)	8.68	1.74	1.74
Fair Value at grant date (EUR)	2.17	0.41 - 2.32	0.41

### ◆ Accounting principles:

#### Share-based payments

Employees (including senior executives) and directors of the Group receive remuneration in the form of share-based payments, whereby they render services as consideration for equity instruments (equity-settled transactions).

The cost is recognised in staff costs, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

The non-employee directors that have been granted warrants are entitled to the total number of warrants immediately. Accordingly, these awards are considered to vest immediately and therefore the related compensation expense is recognised in full on the date the warrants are granted.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding warrants is reflected as additional share dilution in the computation of diluted earnings per share.

When warrants are exercised, the Company issues new shares. The proceeds received are credited to share capital for the par value of the shares and share premium for the remainder. ◆

## 7 Fees paid to auditors appointed at the annual general meeting

tEUR	Group	
	2019	2018
Fee related to statutory audit	135	79
Fees for tax advisory services	63	111
Assurance engagements	27	21
Other assistance	181	414
	<b>406</b>	<b>624</b>

Fee in relation to non-audit services from EY Denmark, 164 tEUR mainly consists of tax and financial due diligence, general accounting advice regarding new IFRS standards, and review of condensed consolidated interim financial statements..