



Better Collective AGM, April 22, 2020

Chairman and CEO reports + nomination committee motivation of proposals

Introduction and report, Chairman of the board of directors, Jens Bager

I would like to welcome you to this 2020 Annual General Meeting for Better Collective. With the COVID-19 virus affecting societies and business all around, we have taken precautionary measures in the hosting of this AGM. We have encouraged you to exercise your voting rights by postal vote or proxy and to instead follow the AGM on webcast. That means that I am happy to see the *digital* turn out, in an otherwise empty room, and I believe we could all wish for a speedy return to normal circumstances.

As a Danish company listed in Sweden, we will be conducting the AGM according to Danish law while also adhering to Swedish governance and practices, meaning that the AGM in some respects will differ slightly from what you may be accustomed to. As a case in point, and as in previous years, I will turn over the word to the chairman of the AGM, Andreas Nielsen, Partner in law firm Bruun & Hjejle. Andreas is appointed chairman by the board of directors in accordance with our articles of association and the nomination committee has agreed to also propose Andreas.

It is now my pleasure to go through the major developments of 2019 and the activities performed in the board of directors. CEO Jesper Søggaard will then take over to go more into detail on the operational side, as well as a look into the future ahead. Between us, we will present the highlights of the Annual Report for 2019. We will of course also address the current situation, affecting societies around the world, brought on by the COVID-19 pandemic.

First though, reviewing 2019, the defining moments included getting our 'feet on the ground' in the emerging online sports betting market in the US and the entering of the two first media partnerships. We have continued the growth of Better Collective, in absolute terms as well as strategically. This makes us an established player in the industry and on the Nasdaq Stockholm stock exchange.

2019 was our first full financial year on Nasdaq Stockholm following the listing mid-2018. Looking at our share price and trading throughout the year, the share price development in 2019 saw an increase just below 33%, outperforming the OMX Mid Cap list slightly. The graph on the slide shows the share price development for us (the green line), the midcap index (the yellow line) and our peers up until April 17. Of course, the current crisis has had an impact, which we are currently recovering from. Overall, I see this as an expression of continued confidence in BC. Throughout this period, a total of 6.2 million BETCO shares were traded on the exchange, corresponding to 8% of the total number of shares, traded at an average of 25,000 shares per day. By the end of 2019, the number of shareholders had increased to just about 1,100, corresponding to a 37% increase since 2018 and almost a doubling since the listing in June 2018. By the end of 2019, the ten largest shareholders accounted for 75% of the votes and share capital. Better Collective's board and management, including the two founders, collectively held 57% of the votes and share capital.

2019 was a good year for Better Collective. The highlights include significant acquisitions in the US, media partnerships, and collaborations to promote responsible gambling. Let me briefly walk you through the events of the year: In May, we co-founded the trade association Responsible Affiliates in Gambling in the UK to promote responsible gambling. In May, we acquired 60% of the shares in the RotoGrinders Network in the US for 18 million EURO. In June, we entered our first media partnership with leading local media NJ.com in New Jersey. The next US acquisition followed shortly after in July, where we acquired the assets of Vegasinsider.com and scoresandodds.com for 18 million EURO. In September, the next media partnership followed, this time with The Daily Telegraph in the UK. September also saw an investment of 4 million Danish Kroner in Mindway AI for just below 20% of the shares and an additional 4 million Danish Kroner in loan capital. In December, we issued 4 million shares and raised 30 million EURO, securing a solid capital structure. Throughout the year, we received several industry awards and our ninth consecutive Børsen Gazelle growth award. Events after the period include the acquisition of the esports company HLTV.org in February this year. Jesper will comment in more detail on the strategic importance and operational impact of these highlights.



For the full year 2019, we landed well in line with our financial targets, with an annual growth of 67%, of which 26% organic, along with a record high New Depositing Customers (NDC) growth of 66%. We managed to absorb the newly acquired US businesses and still meet our earnings target of >40% EBITA-margin.

Our operating result (EBITA) increased 69% to 27.2 million EURO, corresponding to an EBITA-margin of 40%. The cash flow from operations before special items was 26.2 million EURO with a conversion rate of 91%. As of December 31, 2019, cash and unused credit facilities, amounted to approximately 90 million EURO. As stated in the extraordinary trading update on March 17, Cash and un-utilised committed bank credit facilities stood at 70 million EURO at the end of February 2020.

Long term, Better Collective aims to pay dividends of more than 50 percent of its profit for the year. However, as the company successfully continues to execute and expand on the acquisition strategy, the company expects no dividend before the conclusion of the financial year 2020, at the earliest. The board will revisit the capital structure of the group on an ongoing basis and evaluate whether to pay dividends. The decision to pay dividends will be based on the company's financial position, investment needs, liquidity position as well as general economic and business conditions. Thus, the board proposes that no dividend is paid out for the financial year 2019 and that the year's profit of 14.685 million EURO is transferred to the company's reserves.

It is my pleasure to briefly present the board to you and to give you an update on our activities. Throughout 2019, governance has been – as will it continue to be – a strong focus point for the board.

We have internal controls in place to ensure that the Company's strategies and objectives can be implemented within the business. There are effective systems for monitoring and control of the Company's business and the associated risks, and to ensure that the financial reporting is prepared in accordance with applicable laws, accounting standards, and other requirements imposed on listed companies.

The Board held 8 board meetings in 2019 including a two-day strategy seminar with the executive management team, reviewing the strategy and mapping the future of Better Collective.

The board has established two committees: the audit committee and the remuneration committee. The audit committee is comprised of Leif Nørgaard (as chairman), Søren Jørgensen, and Petra von Rohr and has held five meetings in 2019. The remuneration committee is comprised of Jens Bager (as chairman) and Klaus Holse. Among many activities in between meetings, we held three formal meetings in 2019.

We will hear from the nomination committee on the composition and election of the board when we get to agenda item 6. Allow me to jump ahead and comment, that I am happy that all members of the board have expressed a wish to stand for re-election. Also, on the agenda today we have the election of a new board member. I am very pleased that Todd Dunlap has decided to join our board of directors, of course pending the AGM approval today. Todd's experience comprises online business models, the US market, and an impressive growth journey, all increasingly relevant for Better Collective. Todd will, among other, support the company in its ambitious strategy to expand in the fast-growing US sports betting market.

The nomination committee will also present the proposal on board remuneration. Let me just add that, in light of the current crisis, the board has decided to abstain from our fees in this second quarter of 2020.

Looking at the 2019 remuneration to the executive management, the total remuneration for the CEO, CCO and CFO amounted to approximately 1.3 million EUR. This amount includes a cash bonus to both the CEO and the COO, equivalent to 29% of their fixed base salary and a bonus to the CFO equivalent to 14% of the fixed base salary. Bonus was linked to the achievement of predefined, specific targets. In 2019, the CEO and COO were granted 150.000 warrants each and the CFO was granted 300.000 warrants.

The current fixed salaries for CEO, COO and CFO are increased by 7.5% in 2020 compared to 2019. The potential bonuses for 2020 are capped at 60% of the base salary for the CEO and COO as well as 30% for the CFO.

In 2019, we implemented a warrant program for the executive management and key employees. We find it essential that we have both long-term and short-term incentives. Balancing the system by also applying long-term incentives, such as the warrant program, creates an incentive for managers to ensure both short- and long-term goals. The program is truly a long-term program: it is a 3- or 4-year allocation with periodic grants,



and a 3- or 4-year vesting period to ensure consistency between warrants and long-term value creation for Better Collective.

On the agenda today is the re-approval of the board of directors' authorization to issue warrants to key employees in 2020 in accordance with the existing authorization.

With that I will pass the word to CEO Jesper Søgaard

CEO's report, CEO Jesper Søgaard

Thank you, Jens, 2019 was indeed a great year for Better Collective. I would like to add some flavour to the highlights already mentioned, and I will start by saying that Better Collective is uniquely positioned in the sports betting market with a strong community of users, advanced technology, and a commitment to continuous innovation.

Looking at the last three years revenue development, Better Collective has grown with an annual average of 60% (CAGR). We have managed to deliver high growth and maintained a similar growth in operational earnings, while also allowing room for investments in brands, products and new markets. In 2019, we continued our focus on developing and maturing our branded products with high-quality content and user experience. We want to bring value to our users and enhance the entertainment of betting, which is the driving factor for our product development and our strategy in general. We signed new media partnerships, hosted our first bookmaker award show and expanded our business in the newly opened US market. Through these initiatives, Better Collective has in 2019 moved towards becoming a more broad-based sports media group working on a variety of platforms.

The iGaming market is a highly attractive growth market due to several megatrends. Fundamentally, it has been supported by technological advances and regulation, as well as increased online and mobile penetration. The developing technology and growing use of mobile devices has made iGaming accessible to a wider audience and has also resulted in increasing demand from users with regards to their iGaming experience. These trends have also entailed growth in market participants, both among operators as well as their affiliates partners. As iGaming becomes increasingly more widespread, many countries are amending or implementing new iGaming laws and regulations, often referred to as re-regulation. The overall impact of regulation on the iGaming market is generally believed to be positive as the awareness of and the demand for iGaming increases. We welcome regulation as it creates visibility and a level playing field. Adapting regulations to allow online betting also limits black economies, provides national tax revenue, and finally offers the best possible environment for sound betting behaviour.

For the iGaming industry to be sustainable, responsible gambling needs to be at the top of the agenda and embedded in our business models. Our approach has been responsible throughout our growth journey from a small start-up to leading sports betting media group. Still, we recognise that there is more to be done. In 2019, we took significant steps to increase the collaboration around responsible gambling. We invested in Mindway AI, who specialises in innovative and advanced software solutions for the identification of at-risk gambling and problem gambling behaviour. Additionally, we co-founded "RAiG" - Responsible Affiliates in Gambling in the UK and we are happy to report that more affiliate companies have joined, helping us promote social responsibility and a safer gambling environment for users.

Our sustainability strategy has responsible gambling at its core. Additionally, our strategic priorities include People, Governance, Local Communities and Environment. In 2019, we decided to do a more elaborate report on our sustainability work. New initiatives include committing to the UN Global Compact principles. We already operate in ways that meet the fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, we are committed to keep improving and setting the stage for long-term success. We have defined the Sustainable Development Goals where we make an impact and in 2020, we will start defining KPIs and set goals for the SDGs we decide to focus on. In 2019 we started tracking our CO2 footprint and we are currently implementing initiatives to lower our footprint.



We continue to deliver on our M&A strategy. Increased bank facilities of 40 mEUR and a capital increase of 30 mEUR in 2019 have secured the possibility to continue executing on our strong M&A-pipeline. On February 28, 2020, we established a strong position within the esports betting market through the acquisition of HLTV.org ApS. This acquisition includes the assets HLTV.org and dust2.dk, both leading Counter-Strike: Global Offensive (CS:GO) platforms for esports enthusiasts. The main business model of the platforms is to promote and advertise sports betting operators. We expect strong synergistic effects as many of the betting operators we collaborate with today also offer bets on esports.

In 2019 we made substantial inroads to the newly opened US market by way of two significant acquisitions: The Rotogrinders Network at the two leading sites VegasInsider.com and ScoresandOdds.com. We had assessed various acquisition opportunities, searching for access to strong products and dedicated people with insight into the US market. We strongly believe that we found exactly that in these acquisitions. We got feet on the ground, great brands, and a strong and dedicated management team and talented employees. By the end of the year, the US operations increased its profitability after implementing new business models following these acquisitions. While we are still dependent on the state-by-state regulation, we believe we have strong brands and a solid platform for US expansion as the market grows.

In 2019 we launched our media sites partnering with the Daily Telegraph in the UK in Q3, and with the leading online media nj.com in New Jersey from Q2. These media sites provide Better Collective with additional channels to market, operate, and manage customer contacts to the betting and casino operators. I am very proud of Better Collective as the chosen partner of such prominent media brands. The ambition is to enter more media partnerships moving forward. These partnerships may become an essential part of our business in the future. However, we still need to establish a proof-of-concept for this line of business.

Our strategy for the coming years will stay focused on the following themes:

Organic growth and development by simply having the best product offering for our users. This has always been our key focus. By having that, we will attract high volumes of valuable traffic and thereby be the preferred partner for operators. We strongly believe that size matters and therefore M&A will continue be a cornerstone in our strategy. Geographically, we continue to focus on the US in the short to medium term. We expect to find new business from the organic approach as the states regulate, while not ruling out additional collaborations and acquisitions.

During 2019 and through M&A and partnerships, we have started adding new revenue streams moving us in the direction of a broader-based media group. This transition signifies an increased focus on our branded products and ongoing changes in how we interact with our users. Last but not least, we have always strived to be a responsible and sustainable company that also aspires to strengthen the standards of the industry to empower our users.

As 2020 is the last year in the range of the current financial targets, which are average targets over the 3-year period, we have provided additional information for 2020 isolated: For 2020, Better Collective expects double-digit (i.e. >10%) organic growth and total growth of >30%. The operating margin (EBITA) for 2020 is expected to be >40% and Net Interest Bearing Debt/EBITDA <2,5.

This brings me to the current situation brought on by the COVID-19 pandemic:

The COVID-19 has in many ways created an unprecedented situation for societies across the world. Just as many other companies, Better Collective is also be affected by the COVID-19, especially following the postponement of major sports events such as the EURO 2020.

We operate an online business that allows for a high degree of flexibility as operation is highly scalable and can take place almost anywhere. This allows the us to continue operations as usual while giving priority to the health and safety of our employees. Furthermore, the historical business model has to a high degree been based upon revenue share, where the large databases of players continue to generate revenue as long as betting events take place, thereby providing recurring revenue. In past periods with low activity, in the absence of major sports events, there is normally still betting activity. For example, on lower profiled sports events, virtual games, esports and casino. Therefore, it can be expected that even though major sports events are not happening, there will still be betting activity.



We will, on an ongoing basis, evaluate the development of the business and potentially take further measures to protect the business and cash flow if revenue will be impacted significantly by postponed sports events. As Jens mentioned, the board has waived their fee in Q2. The management team has started implementing cost saving measures and resources are redistributed to accommodate the current situation with low sports activity.

Though visibility is currently limited, we stay optimistic that normal sports betting activity levels will be restored in the second half of 2020 why our guidance remains unchanged. Nothing is more important than the health and safety of people and we look forward to the return of the sports we all enjoy, including a safe and exciting EURO 2021.

Within recent years, we have grown quite significantly, opening new offices, and getting our footing in several new markets. I am satisfied to see that we are still able to effectively integrate new colleagues into our company while continuing to innovate and build outstanding products for our users – resulting in a humbling nine industry awards in 2019. I want to thank all Better Collective employees for their hard work and dedicated efforts through a successful 2019. I am confident that with the extra effort put in by our employees in the extraordinary situation we find ourselves in, following the COVID-19 outbreak, we will come out strong when the situation is back to normal.

This concludes our joint report.

Daniel Mariussen, chairman of the nomination committee, motivation of the committee's proposals for agenda items 6-8:

As chairman of the nomination committee, I will briefly inform you of the committee's work and motivate our proposals. According to the instruction and rules of procedure, the nomination committee consists of four members representing the three largest shareholders as per the end of August 2019, together with the chairman of the board of directors. The Nomination committee is composed of Martin Jonasson, appointed by Andra AP fonden, Michael Knutsson, appointed by Knutsson Holdings, Jens Bager in the capacity of board chairman and me, appointed by and representing the two founders, Jesper Sjøgaard and Christian Kirk Rasmussen.

Leading up to this AGM, the nomination committee has had four meetings. We have been presented with the board of director's self-assessment, with the board's view on future challenges to the board and the company and met with the CEO for an update on Better Collective's business model and future prospects. We have further interviewed all members of the board of directors.

The nomination committee motivates its proposal for the board of directors as follows:

The nomination committee has aspired to present a proposal to the annual general meeting which includes persons with appropriate experience and competence in fields that are crucial to the company. Diversity as regards to age, gender, education, professional background, and other factors have been considered. The company has applied a diversity policy, in compliance with section 99 b of the Danish Financial Statements Act as well as rule 4.1 of the Swedish Corporate Governance Code, when compiling its proposal for the board of directors. The nomination committee has also assessed the size of the board and any possible need for renewal. The nomination committee has finally also considered the requirements regarding independence in the Code. The nomination committee has concluded that the proposed board of directors meets all stated objectives besides gender equality. The proposed composition of the board of directors consists of one woman and five men. The gender diversity is thus 17 % women and 84 % men, which, in the nomination committee's opinion, is not consistent with the requirement of an equal gender balance. The nomination committee's ambition is that the gender balance shall increase further over time to meet the company's targets.

The nomination committee proposes a re-election of Jens Bager (also to be re-elected as chairman of the board of directors), Klaus Holse, Leif Nørgaard, Søren Jørgensen and Petra von Rohr as well as the election of Todd Dunlap.

Todd Dunlap, a US national, born in 1966, is CEO of North America for Booking.com. In this role, Todd previously led the Americas Region, responsible for all commercial roles across the US, Canadian and Latin



American markets for Booking.com. Prior to joining Booking.com in 2012, Todd worked at Microsoft for almost 14 years, most recently in the role of Vice President & COO of Microsoft's Consumer & Online Division. Prior to Microsoft, he led the Internet Business Unit at WRQ, a global software and consulting firm. For the last year, Todd has served as a Board Advisor to Better Collective, with a specific focus on the US market. This has earned him insights to the company and the iGaming industry. Todd earned two Bachelor of Science degrees, one in aerospace engineering and the other in business administration. He also completed graduate programs in Business and International Management from Stanford University and The Thunderbird School of Global Management.

The nomination committee believes that the proposed board of directors has the qualifications, experience, and breadth appropriate to Better Collective's operations, phase of development and other relevant circumstances. In the nomination committee's opinion, all proposed board members are to be considered as independent in relation to the company, its management, and major shareholders.

The nomination committee proposes that the annual general meeting issues 25,000 warrants to Todd Dunlap. The warrant issue will be addressed under agenda item 9.b.

The nomination committee proposes that the board remuneration is increased from last year. The committee has taken into consideration the fact that Better Collective was previously a privately held company and that last year's increase only partially brought the remuneration to a level of comparable companies. As Jens mentioned earlier, in light of the COVID-19 situation, the board has decided to waive their fee in Q2 2020, why the proposed fee structure will be implemented from Q3 2020.

The remuneration of the chairman of the board of directors is proposed to be increased by 30,000 EUR to a total of 90,000 EUR, and the remuneration to the other members of the board of directors to be increased by 10,000 EUR to a total of 30,000 EUR each. The remuneration to the audit committee and the remuneration committee, respectively, is proposed to be increased from last year. The remuneration of the chairman of a committee is proposed to be increased by 3,500 EUR to a total of 13,500 EUR, and the remuneration to the other members of a committee is proposed to be increased by 1,750 EUR to a total of 6,750 EUR.

The nomination committee further proposes that 1/3 of the total remuneration payable to the chairman of the board of directors, the members of the board of directors and to members and chairmen of the remuneration and audit committee is paid in shares in Better Collective A/S. The number of Better Collective shares allotted will be based on a price corresponding to the volume weighted average share price of the company's share in a period of three business days after publication of Better Collectives 2020 full year report.

The nomination committee proposes, in accordance with the audit committee's recommendation, to re-elect Ernst & Young Godkendt Revisionspartnerselskab as auditor until the close of the next annual general meeting.

Further, and in accordance with the audit committee's recommendation, we propose that remuneration to Ernst & Young Godkendt Revisionspartnerselskab shall be paid in accordance with an approved account.

This concludes the nomination committee's proposal.