



BETTER COLLECTIVE AGM, APRIL 26, 2021

CHAIRMAN AND CEO REPORTS FOLLOWED BY THE NOMINATION COMMITTEE'S MOTIVATION OF PROPOSALS

Chairman's report by Jens Bager, Chairman of the board of directors

I would like to welcome you to this 2021 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 as a fully electronic AGM.

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. 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. Thank you very much to the chairman, Andreas the word is now yours.

It is now my pleasure to go through the major developments of 2020 and the key elements in the board of directors work this year. CEO Jesper Søgaard 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 2020. 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.

Looking at our share price and trading throughout the year, the share price development in 2020 increased 89%, while the OMX Mid Cap list increased by 35%. The graph on the slide shows the share price development for Better Collective (the green line) and the midcap index (the blue line) up until December 31, 2020. By the end of 2020, the ten largest shareholders accounted for 66% of the votes and share capital. Better Collective's board and management, including the two founders, collectively held 49% of the votes and share capital.

2020 was indeed an unusual year in which every aspect of business and society were impacted by the COVID-19 pandemic. This unusual year presented challenges but also opportunities to Better Collective. Throughout the year focus was on developing and maturing our branded websites with high-quality content and user experience, bringing value to our users, and enhancing the entertainment of betting. Efforts to consolidate the industry resulted in acquisitions at a value of 80 mEUR in 2020, and brought strategically important additions to the Better Collective Group. Now, allow me to briefly walk you through the highlights of 2020:



In the beginning of the year we acquired the leading esports platform HLTV.org, and in doing so we added esports to our portfolio just prior to the lockdown of sports. The HLTV.org platform focuses on the game “Counter-strike: Global Offensive (CS:GO)”, and the integration and growth of this acquisition have been highly satisfying. In Q3, we concluded the first stage “proof-of-concept” for our media collaboration model with NJ.com and The Daily Telegraph. The concept has proven successful in terms of generating traffic to the sites and New depositing customers delivered. On October 1, 2020 the AteMi Group was acquired. AteMi Group is one of the world’s largest companies specialised within lead generation for iGaming through paid media and social media advertising. Integrating the acquired paid media business has brought BC in an absolute leading position when it comes to premium customer acquisition for the online operators. Events after the period include the acquisition of the Swedish platform Rekatochklart.com and BC becoming the majority owner in Mindway AI by increasing ownership to 90% of the shares. Mindway AI is an organisation specialising in innovative and advanced software solutions for the identification of at-risk gambling and problem gambling behaviour. Responsible gambling remains a strategic focus area for Better Collective where we continue to increase our efforts. We see Mindway AI’s technologies and software solutions as best-in-class and foresee the business will play an increasingly important role in the iGaming ecosystem, as responsible gambling continues to be at the very top of the industry agenda and in society as a whole.

For the full year 2020, we landed with an annual growth of +35%, of which 8% organic, along with a satisfying number of New Depositing Customers (NDCs) at a similar level as the year before, despite the lockdown of sports. We managed to absorb the newly acquired US businesses and still meet our earnings target of >40% EBITA-margin. Our operating result (EBITA) increased 34% to 36.6 million EURO, corresponding to an EBITA-margin of 40%. The cash flow from operations before special items was 38.3 million EURO with a conversion rate of 99%. As of December 31, 2020, cash and unused credit facilities amounted to approximately 36 million EURO. Better Collective has successfully executed an acquisition strategy since 2017, completing 22 acquisitions so far. The M&A-pipeline is stronger than ever with the opportunity to acquire larger companies than before. Therefore, the company does not expect to pay dividends until further. The board of directors will revisit the capital structure of the Group annually and evaluate whether to pay dividends. Thus, the board of directors proposes that the year’s profit of 21.9 million EURO is transferred to the Company’s reserves and that no dividend is paid out for the financial year 2020.

In aggregate 2020 was a tumultuous year due to the COVID-19 pandemic. However, Better Collective was steered successfully through the changing and uncertain times, and delivered on the financial targets set out prior to the pandemic. I am happy to say that the business has proven resilient and to see Better Collective back on track with record high performance at the end of 2020.



It is my pleasure to briefly present the board to you and to give you an update on our activities. Throughout 2020, 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 10 board meetings during 2020. 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 2020. The remuneration committee is comprised of Jens Bager (as chairman) and Klaus Hølse and has held three formal meetings and a number of telephone consultations during 2020.

We will hear from the nomination committee on the composition and election of the board when we get to agenda item 7. Allow me to jump ahead and comment, that I am happy to see the members of the board who have expressed a wish to stand for re-election.

I would like to thank Søren Jørgensen for his outstanding efforts on the board since 2014. Søren has been instrumental in shaping the M&A strategy and building the inhouse knowledge that has led to 22 acquisitions so far. On both the professional and personal level it has been an absolute pleasure to have Søren on board in the formative years of Better Collective. I am also happy to note that Søren will take on a consultancy role to our two founders and major shareholders, CEO Jesper Søgaard and COO Christian Kirk Rasmussen, in their respective holding companies.

Also, on the agenda today we have the election of a new board member. I am very pleased that Therese Hillman has decided to join our board of directors, of course pending the AGM approval today. Until recently Therese was the CEO of NetEnt, a premium game supplier to online casino operators and listed on Nasdaq Stockholm. Therese brings with her extensive knowledge about the iGaming universe and has valuable competencies relating to online business modeling, the US market, and growth journeys, all which are increasingly relevant for Better Collective.

Assuming that Therese will be approved for the board of directors, she will also take a seat on the audit committee. I can also mention that Todd Dunlap has agreed to enter the remuneration committee.

This year we for the first time published a comprehensive remuneration report which provides an overview of the total remuneration received by each member of the Board of Directors and of the Executive Management of Better Collective. The remuneration of the Board and Executive Management during 2020 has been provided in accordance with the remuneration policy as adopted by the AGM on April 22, 2020.



Members of the executive management receive a fixed annual remuneration and may receive incentive-based remuneration consisting of share-based rights and a cash bonus on both an on-going, single-based and event-based basis. None of the 2020 KPIs were met, why no Cash Bonus was paid out for 2020. The actual bonus paid out in 2020 relates to 2019 as there was a difference between the amount reported in 2019 and the actual pay-out. Adjusting the operation to the COVID-19 situation called for flexibility. A cost-saving program was implemented, including the founders' (CEO and COO) voluntary reduction in remuneration to 1 DKK for the second quarter of 2020. The Board of Directors similarly waived their fee in Q2 2020.

With that I will pass the word on to CEO Jesper Søgaard.

CEO's report by Jesper Søgaard

Thank you, Jens, 2020 was indeed a challenging year, however, I firmly believe that we have a much stronger organisation today than we had a year ago. 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 five years revenue development, Better Collective has grown with an annual average of 51% (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 2020, 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. As Jens mentioned, we concluded the first stage proof-of-concept for our media sites collaboration model and we expanded our business further through acquisitions. With these initiatives Better Collective has moved even further towards becoming a broad-based sports media group working on a variety of platforms.

The iGaming industry continues to show a shift towards online gaming compared to the traditional land-based operations and this creates a strong underlying market growth. As online and search engine advertising are becoming increasingly important marketing tools, and since iGaming operators are expected to increase their spend on online marketing, we believe the iGaming affiliate market will grow at least in line with the underlying iGaming market. Better Collective's strategic focus areas for the next couple of years are therefore:

- 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 to be a cornerstone in our strategy. Our pipeline is strong and sure to offer attractive additions to the Better Collective Group in 2021
- Geographically, we continue to focus on the US in the short to medium term. This expansion is dependent on the legal status of online sports betting which is a matter of state legislation. The majority of states are expected to open for betting in the coming years. Gaining a foothold in the US market by means of two significant acquisitions in 2019, we expect to find new business from the organic approach as the states regulate, while not ruling out additional collaborations and acquisitions.
- Most of our business is based on the affiliate marketing model. During 2020 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.

Generally speaking we see the iGaming market as 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.

For the full year 2020, we landed in line with our financial targets. Despite the halt in sports and by way of our cost savings program, our growth rates were kept intact as you can tell from these graphs. We managed to absorb the newly acquired Atemi Group and still meet our earnings target of >40% EBITA-margin. This combined, makes me very satisfied with this year's performance.

Looking at the last 3 years revenue development, Better Collective has grown revenue with an annual average of 50% - and growth rates in operational earnings and cash flow have followed, while still allowing room for investments in brands, products and new market openings.

In connection with the IPO in 2018, the Board of Directors decided upon financial targets for the period 2018-2020. As 2020 was the last year in the range, Better Collective provided additional information for 2020 targets in isolation as shown in the table. The targets for Revenue growth, EBITA margin and capital structure were all met, whereas the organic growth target came in a bit below for 2020 isolated due to the COVID-19 lockdown impact on online sports betting.

The Board of Directors have decided on the following targets for the financial year 2021. Targets are based on sports events continuing as planned through out 2021:



- The revenue targets are based on continued high growth with an implied growth rate >80% and revenue exceeding 160 mEUR in 2021. Potential new M&A transactions are not included and serve as an additional growth driver.
- The earnings target maintains the focus on high earnings with an implied combined margin of >30% and an EBITDA exceeding 50 mEUR in 2021. It is a reflection on continued high earnings margin in the Publishing segment, as seen throughout 2018-2020, and lower margins in the Paid Media segment combined with further investments in Paid Media in the short term.
- The debt leverage target allows for an increased financing capacity compared to previous years in alignment with the continued M&A focus.

M&A continues to shape our business and performance, and is a key strategic objective as we strive to become the leading sports betting aggregator in the world.

In February 2020, we established a strong position within the esports betting market through the acquisition of HLTV.org ApS. The HLTV.org site is committed to the strong user community it has built over the years, and much effort is put into maintaining the popularity and building the brand. During 2020, a betting section was added to HLTV.org.

In October 2020, we acquired the Atemi Group and we have since completed a successful integration. Atemi Group is one of the world's largest companies specialised within lead generation for iGaming through paid media (PPC) and social media advertising. The acquisition is a major strategic move with significant synergistic opportunities.

The Paid Media business provides Better Collective with additional channels of traffic, sourcing high intent customers at large scale. The main strategic objectives include the opportunity to swiftly expand into new markets, like the emerging US market where Google recently has provided the opportunity for buying Adwords related to online betting and casino, and significantly lift the NDC-volume for Better Collective's partners across markets.

We remain highly dedicated to taking part in the emerging US market, where more and more states are opening up for online gambling, either just sports betting or in some states also online casino games. As of now we have many strong US brands and the recent Atemi acquisition is expected to power paid media efforts and grow the US business.

The commercialisation of key websites including VegasInsider.com, and ScoresandOdds.com delivered promising results, contributing to a strong performance. We believe that 'VegasInsider' has long-term potential to become "The Home of US sports bettors", and in the coming years, we will continue to invest in product development and quality content. The US market expectations for 2021 is a y-o-y growth in online sports betting of 80% which we are well-positioned to take part in.

Better Collective is currently live in 11 states, and as with most other markets, the US has been significantly impacted by the pandemic. Conversely, the pandemic seems to have led to a shift in the readiness to regulate online betting and gambling in a number of states with a



view to increase tax revenues to restore the economy. In January, we launched operations in Michigan and Virginia.

Since our foundation 16 years ago, we have aimed to make sports betting and gambling entertaining, transparent, and fair for the global network of online bettors. Continually growing our business while also adding new entities and business areas require dedicated attention to our responsibilities and ability to grow sustainably. This is done by ensuring that our governance model is continually developed and implemented while we always take our employees' and users' conditions into account. We want to make sure that our users are better suited to navigate the iGaming world by visiting a Better Collective website before registering an account or placing a bet with a sports betting or gambling operator. For the iGaming industry to be sustainable, responsible gambling needs to be at the top of the agenda and embedded in every step of our business model. This is why we just after the close of 2020, deepened the collaboration around responsible gambling by significantly increasing our investment in Mindway AI, an organisation specialising in innovative and advanced software solutions for the identification of at-risk gambling and problem gambling behaviour. We are very proud that we have played a role in bringing Mindway AI's software solutions from academic research into commercial products that are now being sold to operators around the world.

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 2020. Looking back at 2020, I am very satisfied with the performance and I firmly believe that we have a much stronger company than we had a year ago. I would like to express my sincere thanks to all Better Collective's employees for their continued astonishing performance and flexibility in this extraordinary environment. The past year has really demonstrated the strong team spirit in Better Collective. This concludes our joint report, thank you.

Daniel Mariussen, chairman of the nomination committee with motivate the committee's proposals for agenda items 7-9

Thank you. 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 is to have at least three members representing the three largest shareholders per the end of August 2020, 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 myself, appointed by and representing Chr. Dam Holding and J. Søgaaard holding.



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. Collectively the proposed persons exhibit diversity and breadth of qualifications, experience and background, while a fair gender balance is also met. The company has applied a diversity policy, in compliance with section 99b 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. The proposed composition of the board of directors consists of two woman and four men. The gender diversity is thus 33 % women and 67 % men, which, in the nomination committee's opinion, is consistent with the requirement of an equal gender balance.

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

Therese Hillman, is a Swedish national born in 1980, and was until recently Group CEO of NetEnt, a premium game supplier to online casino operators and listed on Nasdaq Stockholm. In this role, Therese has steered the company during a turnaround phase, in a time of changing regulation and market conditions, US market expansion, and a large acquisition of the fast growing competitor Red Tiger. Prior to joining NetEnt in 2017, Therese worked at Gymgrossisten.com for 10 years, where she was the CEO for 6 years and prior to that in the roles of COO and CFO. Gymgrossisten.com is a leading e-commerce sports nutrition company in the Nordics. Therese is a board member of Actic since 2018 and previously a board member of Unibet. Therese holds an M.Sc. in Accounting and Finance from Stockholm School of Economics with exchange terms at University of Virginia and University of North Georgia.

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 remuneration of the chairman of the board of directors is proposed to be 90,000 EUR, and the remuneration to the other members of the board of directors to be 30,000 EUR each. The remuneration of the chairman of a committee is proposed to be 13,500 EUR, and the remuneration to the other members of a committee is proposed to be 6,750 EUR.

As per the decision of the AGM last year, 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 nomination committee proposes, in accordance with the audit committee's recommendation, to re-elect EY 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 EY Godkendt Revisionspartnerselskab shall be paid in accordance with an approved account. This concludes the nomination committee's proposal and the word back to Andreas.

Closing remarks by Jens Bager, Chairman of the board of directors

Andreas, let me start by thanking you for taking us through the agenda in a structured manner. Thank you to our online participants for dialling in. Thank you for the support for the board to continue and for the future development of Better Collective. I would also like to thank the employees and management of Better Collective for their dedicated work in 2020 as well as my fellow board members for their efforts, with a special thank you to Søren for many years of dedicated effort - and a special welcome to Therese joining the board.