

# Remuneration Report 2022

# Table of contents

Introduction	2
Overview financial performance	3
Remuneration board of directors	4
Remuneration executive management	6
Comparative overview	9
Shares held by management	10
Management's statement	11

## Introduction

This remuneration report (the “Report”) provides an overview of the total remuneration received by each member of the Board of Directors (“Board”) and of the Executive Management (“Executive Management”) of Better Collective A/S, CVR no. 27652913, (the “Company”) during the 2022 financial year with comparative figures for 2019 - 2022.

The Executive Management includes executives in the Company registered as such with the Danish Business Authority (in Danish: Erhvervsstyrelsen).

The remuneration of the Board and Executive Management during 2022 has been provided in accordance with the remuneration policy of Better Collective adopted by the Annual General Meeting on April 26, 2022, and is available on the Company’s website, <https://bettercollective.com/corporate-governance/> (the “Remuneration Policy”).

The overall objective of the Remuneration Policy of Better Collective is to attract, motivate and retain qualified members of the Board and the Executive Management as well as to align the interests of the Board and the Executive Management with the interests of the Company’s shareholders and other stakeholders. The remuneration of the Board and the Executive Management shall be designed to support the strategic goals

of Better Collective and to promote value creation for the benefit of the shareholders of Better Collective.

The Report has been prepared in accordance with section 139b of the Danish Companies Act (the “DCA”).

The information included in the present Report has been derived from the audited annual reports of the Company for the financial years 2019 - 2022, available on the Company’s website, <https://bettercollective.com/investors/>

## Overview financial performance

With a vision to become the Leading Digital Sports Media Group, Better Collective own and operate international, as well as local, sports communities and media that aim to make sports entertainment sustainably engaging and fun. Via its online media, the Group provides prime quality content, data insights, betting tips and educational tools for enthusiastic sports fans of the world.

2022 got off to a flying start with significant growth across business areas and in the US in particular. During the quarter, Canada Sports Betting was acquired, allowing for a strong entry into the Canadian market just before Ontario launched online sports betting.

Q2 was another productive quarter with 40% growth. Revenues from revenue share contracts as well as NDCs were an all-time high of 22 mEUR and >387.000, respectively. Our geographical diversification proved its worth as the Europe & RoW Publishing business continued its strong momentum for both revenue and earnings.

Q3 delivered strong growth for the Group, where we continued our good developments despite the turbulent macroeconomic environment. The most exciting

trends for the quarter were the move to revenue share in the US, which has been fast forwarded, and the Group revenue share income continuing to break all-time highs.

Q4 was a record-breaking quarter during which we benefited from our strong diversification, while we also cemented the synergies that can be achieved when combining efforts across the group.

In 2022, our sport communities have proved to be attractive “go-to-places” for millions of sports fans while also being strategically attractive for our business partners. The men’s soccer World Cup was a strong driver for us, during which we saw extremely high activity that exceeded our expectations. We started preparing for the World Cup many months ahead, which we benefited from across geographies.

In connection with the 2021 acquisition of Action Network, the leading US sports betting media, we estimated that we could exceed 100 mUSD in US revenue by the end of 2022. During Q4, our US business grew revenue 71% YOY to a record high 34 mEUR bringing total 2022 US revenues above the 100 mUSD mark.

Paid Media delivered strong growth of 94%, and with operations on a global scale, we have invested heavily in specific geographies during Q4, where we foresee that the return on investment will be the highest. Due

to the massive topline growth, the Q4 Paid Media margin ended at all-time-high of 23%.

### Financial performance full year 2022

Revenue grew by 52% to 269.3 mEUR (FY 2021: 177.1 mEUR), with organic growth of 34%. EBITDA before special items increased 53% to 85.1 mEUR (FY 2021: 55.8 mEUR). The EBITDA-margin before special items was 32% (Publishing 38% and Paid Media 16%). Cash Flow from operations before special items was 69.8 mEUR (FY 2021: 51.2 mEUR) Cash conversion rate before special items was 80%.

## Remuneration board of directors

### Fixed Annual Fee

The members of the Board are remunerated with fixed annual fees approved by the General Meeting. All members of the Board receive an annual base fee which shall be in line with the market practice of comparable listed companies taking into account the required competencies, effort, and scope of work of the members of the Board. The Chair of the Board receives three times the annual base fee for their extended duties. All members of the Board, who are also members of the committees established by the Board, receive an additional fixed fee as remuneration for their committee work. The Chair of a committee receives two times the annual fixed fee for the committee. The size of the fixed committee fee depends on the competencies, effort, and scope of work required by the members of each committee.

### Board fee

EUR	BoD - Member	BoD - Chair	BoD - Vice Chair	Committee - Member	Committee - Chair
2022	30,000	90,000	60,000	6,750	13,500
2021	30,000	90,000	-	6,750	13,500
2020	30,000	90,000	-	6,750	13,500
2019	20,000	60,000	-	5,000	10,000

Members of the Board may be entitled to reasonable travel allowance and participation in relevant training. In the event a member of the Board takes on specific ad hoc tasks outside the scope of ordinary tasks of the Board in accordance with the Rules of Procedure of the Board, the member may be offered a fixed fee for the work carried out related to such tasks.

The following fees for 2022 were approved at the Annual General Meeting on April 26, 2022. Fees are unchanged since 2020. In 2022, a vice chair was elected for the first time and a vice chair fee approved by the Annual General Meeting.

### Remuneration of the board

tEUR		Board fee	Committee fees	Extraordinary items	Total remuneration
Jens Bager, Chair Chair of the remuneration committee	2022	90	14	0	104
	2021	90	14	0	105
	2020	60	9	0	69
	2019	55	9	0	64
Therese Hillman, Vice Chair Member of the audit committee	2022	53	7	0	59
	2021	23	5	0	27
	2020	0	0	0	0
	2019	0	0	0	0
Todd Dunlap, member* Member of the remuneration committee	2022	30	7	0	37
	2021	30	7	27	65
	2020	22	0	34	56
	2019	0	0	0	0
Klaus Hølse, member Member of the remuneration committee	2022	30	7	0	37
	2021	30	7	0	37
	2020	20	5	0	25
	2019	18	5	0	23
Leif Nørgaard, member Chair of the audit committee	2022	30	14	0	44
	2021	30	14	0	44
	2020	20	9	0	29
	2019	18	9	0	27
Petra von Rohr, member Member of the audit committee	2022	30	7	0	37
	2021	30	7	0	37
	2020	20	5	0	25
	2019	18	5	0	23
<b>Total 2022</b>		<b>263</b>	<b>54</b>	<b>0</b>	<b>317</b>
Total 2021		241	57	27	324
Total 2020		162	32	34	228
Total 2019		128	32	0	160

\*Extraordinary items consist of the value of warrants (as per Black-Scholes) granted in 2020

### Remuneration paid out in shares

In 2021, one-third of the Board of Directors' fixed annual remuneration was paid out in shares in the Company. Following approval at the Annual General Meeting on April 26, 2022, the board fee in 2022 was paid in cash and an amendment to the remuneration policy means that payment in shares is no longer part of the policy.

### Share-based instruments

To remain competitive in the international market and to be able to attract and retain qualified members of the Board of Directors, it is considered in the best interest of Better Collective and its shareholders to include the possibility to offer a share-based instrument to a new member/proposed candidate of the Board of Directors on a discretionary basis. A new member of the Board may be granted share-based instruments upon election given certain circumstances. The grant of share-based instruments to a new member of the Board of Directors is subject to approval by the Annual General Meeting. Following the Annual General Meeting on April 22, 2020, 25,000 warrants were issued to the new board member, Todd Dunlap.

The warrants will vest annually over a period of three years, starting from the Annual General Meeting in 2020. Vesting of the warrants is contingent on Todd Dunlap being a member of the Board of Directors of Better Collective. The exercise price is 8.25 EUR (61.49 DKK), based on Better Collective's volume weighted average share price in the 10 business days following the Annual General Meeting in 2020.

In 2022, no warrants were issued.

### Warrant program for board member

tEUR

Name and position	Warrants held at the beginning of the year	Granted during the year	Exercised during the year	Warrants held at the end of the year	Not yet vested at the end of the year	Vested	Market value* tEUR
Todd Dunlap, board member	25.000	0	0	25.000	8.333	16.667	80

\*The market value of the share options is calculated using the Black-Scholes formula at the time of grant

## Remuneration executive management

The Executive Management's terms of executive employment and remuneration are agreed upon between the individual executive and the Board. The total remuneration of the Executive Management may consist of the following fixed and variable remuneration components:

- (a) a fixed base salary including pension contributions (the "Base Salary")
- (b) variable remuneration consisting of STI (up to 100% of the Base Salary) (c) variable remuneration consisting of LTI (up to 100% of the Base Salary)
- (c) customary non-monetary executive employment benefits
- (d) termination and severance payment

The purpose of these remuneration components is to create a well-balanced remuneration package reflecting individual performance and responsibility of the members of the Executive Management in relation to established financial and non-financial targets and the Company's overall performance.

### Base salary

The annual base salary is determined with a view to providing a competitive remuneration to attract and retain members of the Executive Management with the required professional and personal competencies. The annual base salary for the members of the Executive Management shall be in line with market practice and

based on the individual member's responsibilities and performance. The members of the Executive Management shall be entitled to customary non-monetary benefits as approved by the Board. The members of the Executive Management can also participate in the pension scheme of the Company, which for the Executive

Management may amount to up to 16% of the fixed remuneration.

### Remuneration of executive management

tEUR

Name and position		Base salary	Cash bonus	Pension contribution	Warrants*	Total remuneration
	<b>2022</b>	311	186	35	19	551
	2021	285	85	32	51	453
Jesper Søgaard, CEO	2020	197	19	22	121	360
	2019	244	73	27	40	384
	<b>2022</b>	398	119	64	59	641
	2021	356	53	57	104	570
Flemming Pedersen, CFO	2020	320	12	44	213	589
	2019	305	46	49	96	496
	<b>2022</b>	311	186	35	19	551
	2021	285	85	32	51	453
Christian Kirk Rasmussen, COO	2020	197	19	22	121	360
	2019	244	73	27	40	384
<b>Total 2022</b>		<b>1.020</b>	<b>491</b>	<b>134</b>	<b>97</b>	<b>1.742</b>
Total 2021		926	224	121	205	1.475
Total 2020		714	50	88	455	1.308
Total 2019		793	192	103	176	1.264

\*The cost of warrants (as per Black-Scholes) of warrants granted in 2018 and 2019

## Variable remuneration

In addition to the annual base salary, the members of the Executive Management may receive variable remuneration which shall be based on the individual performance and responsibility of the members of the Executive Management in relation to established financial and non-financial targets, both in the short and the longer term, as well as the Company's overall performance. The Executive Management may, at the discretion of the Board, be entitled to participate in the following incentive schemes:

- (a) Cash bonus (STI)
- (b) Share-based incentive (LTI)

## STI

Cash bonus schemes consist of an annual bonus, which the individual member of the Executive Management can receive if KPIs and associated financial and non-financial goals of the Company and other possible personal targets for the relevant year have been met. The

maximum cash bonus shall be equivalent to 100 percent of the Base Salary of each eligible participant of the Executive Management. Payment of bonus is only relevant when KPIs 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 in advance by the Board of Directors and the Executive Management. KPIs for the 2022 annual bonus included a revenue target (excl. M&A) in combination with an EBITDA-margin threshold and a discretionary part based on operational targets including ESG. The financial KPIs were fully met and the discretionary part was partly met, why a 95% Cash Bonus has been accrued for 2022.

## Proportion of fixed and variable salaries

The table below shows the composition of the remuneration of members of Executive Management by category, i.e. the fixed remuneration (base salary, pension, and other benefits), variable remuneration (cash bonus), and the accounting cost of share options (based

on the value of share options awarded in the current year).

## LTI

The general meeting decides whether or not to establish an LTI. The LTI program shall be based on the issuance of share-based rights in the Company ("Warrants"). Each Warrant will entitle the recipient to receive one share in the Company against payment of an exercise price (determined in connection with the implementation of the LTI program) after a minimum three-year vesting period, provided the targets for vesting are met. When an LTI program is established, the Executive Management may participate with an awarded value of shares and/or warrants for the grant year of up to 100 percent of the annual base salary (at the time of grant).

The value of the granted warrants is calculated in accordance with the Black-Scholes formula. Warrants granted under an LTI program will vest annually over a period of minimum three years from the date of grant. The targets for granting and/or vesting, if any, will be defined in advance by the Board of Directors. The targets may include financial and strategic targets of the Company as well as individual targets. If the targets have not been fully or partly met, vesting of the warrants will be reduced or lapse. It is a prerequisite for the Executive Management's vesting rights that their executive employment with the Company is not under

notice or terminated for any reason by any party throughout the vesting period. This prerequisite may not apply in certain "good leaver" situations.

The Remuneration Policy ensures a correlation between Executive Management remuneration and long-term value creation which is in the interest of shareholders as it strengthens the sustainability of Better Collective's business model. The LTIP's financial improvement incentive and retention element both contribute to long-term value creation and sustainability in the company.

The warrants will vest annually over a period of three or four years, starting from the date of grant. The vesting of warrants will be subject to fulfilment of certain financial vesting targets. The financial vesting targets for the first two consecutive vesting periods were based on the short-medium term financial targets for 2018-2020 as set out on page 18 of the annual report for 2018. The financial vesting targets for vesting periods beyond 2020 will be determined by the board of directors on the basis of the financial targets applicable at such time and communicated to the market. The exercise price is 8.69 EUR (64.78 DKK), based on Better Collective's volume weighted average share price in the 10 business days after the date of grant plus 10%.

## Proportion of fixed and variable components

2022	Fixed component	Variable component	warrants (variable)
Jesper Sogaard, CEO	63%	34%	3%
Flemming Pedersen, CFO	72%	19%	9%
Christian Kirk Rasmussen, COO	63%	34%	3%

Based on 2022 financial performance, all warrants in the vesting period subject to fulfilment of the financial vesting targets for 2022 will be vesting.

### Termination and Severance Payments

The Executive Management will typically be employed without a time limit, but with the right to reciprocal termination. The Company may terminate with a notice of termination of 12 months, while the Executive Management member may give notice to the company of 6 to 9 months. The total value of remuneration to each member of the Executive Management regarding the notice period, including severance pay, cannot exceed two years' remuneration including all remuneration components. In the event of the death of a member of the Executive Management, the company may pay

what amounts to up to 6 to 12 months' remuneration to the Executive Management member's survivor. In the 2022 financial year, no termination or severance payments were paid.

### Claw-Back

In the situation where bonus, warrants, or other incentive remunerations have been provided to a member of the Executive Management on the basis of data or accounts which subsequently prove to have been misstated, the Company may reclaim the incentive remuneration in full or in part on the basis of such data. In the 2022 financial year, no incentive remuneration was reclaimed.

### Warrant programs for executive management

tEUR

Name and position	Program	Warrants held at the beginning of the year	Exercised during the year	Granted during the year	Warrants held at the end of year	Exerciseable as per December 31st, 2022	Market value*
Jesper Søgaard, CEO	2019	150.000	0	0	150.000	150.000	327
	2019	300.000	0	0	300.000	0	654
Flemming Pedersen, CFO	2017	124.644	124.644	0	0	0	0
Christian Kirk Rasmussen, COO	2019	150.000	0	0	150.000	150.000	327

\* The market value of the share options is calculated using the Black-Scholes formula with the volatility, risk-free interest rate, duration and official share price prevailing at 2020.12.31. The calculated market value of the share options is thus different from the intrinsic value.



## Comparative overview

### Compliance with the remuneration policy

The remuneration of the Board and Executive Management for the 2022 financial year complies with the framework provided by the Remuneration Policy. There has been no deviation or derogation from the framework provided by the Remuneration Policy.

### Annual change in executive management's and the board's remuneration

Name and position	2022	2021	2020	2019
Jesper Søgaard, CEO	22%	26%	-6%	40%
Flemming Pedersen, CFO	13%	-3%	19%	11%
Christian Kirk Rasmussen, COO	22%	26%	-6%	40%
<b>Total, Executive management</b>	<b>18%</b>	<b>13%</b>	<b>3%</b>	<b>25%</b>
Fixed base fee to members of the Board	0%	0%	50%	53%
Average salary increase per FTE, BC Group	23%	12%	-2%	-10%
<b>Change in key figures, BC Group</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Revenue growth (%)	52%	94%	35%	67%
Organic revenue growth (%)	34%	29%	8%	26%
Operating profit before depreciation, amortisation, and special items (EBITDA), before special items	53%	46%	36%	73%

2020 growth numbers and EBITDA before special items 2019-2021 has been corrected vs. 2021 remuneration report to show growth instead of margin.

## Shares held by management

Overview of shares held by the Board of Directors and the Executive Management. In order to reduce the risk of unlawful trading, Better Collective has chosen a “closed window” approach that applies to members of the Board of Directors as well as employees of the Better Collective Group. This means that trading in Better

Collective A/S shares is not allowed during a period of 30 calendar days before the publication of a year end report or an interim financial report. The “closed window” approach replaced the previous “trading window” approach applicable until the Q3 report 2021. The table below shows the number of shares in Better Collective A/S held by members of the Board of Directors and Executive Management:

### Number of shares in Better Collective A/S held by members of the Board and the executive management

Name and position	Holdings at beginning of year	Bought during the year	Sold during the year	Holdings at end of the year	Market value* tEUR
Jesper Søgaard, CEO	10.671.179	0	0	10.671.179	122.164
Flemming Pedersen, CFO	187.322	124.644	0	311.966	3.571
Christian Kirk Rasmussen, COO	10.671.179	0	0	10.671.179	122.164
<b>Executive management, total</b>	<b>21.529.680</b>	<b>124.644</b>	<b>0</b>	<b>21.654.324</b>	<b>247.899</b>
Jens Bager, Chair	1.001.229	0	0	1.001.229	11.462
Therese Hillman, Vice Chair	1.375	0	0	1.375	16
Todd Dunlap, member	475	0	0	475	5
Klaus Hølse, member	171.059	0	0	171.059	1.958
Leif Nørgaard, member	440.656	0	0	440.656	5.045
Petra von Rohr, member	22.037	0	0	22.037	252
<b>Board of directors, total</b>	<b>1.636.831</b>	<b>0</b>	<b>0</b>	<b>1.636.831</b>	<b>18.738</b>
<b>Total</b>	<b>23.166.511</b>	<b>124.644</b>	<b>0</b>	<b>23.291.155</b>	<b>266.637</b>

\* The end-of-year market values are based on the official share prices prevailing 2022.12.31

# Management's statement

## Management's statement on the Remuneration Report

The Board of Directors has today considered and adopted the Remuneration Report 2022 of Better Collective A/S.

The Remuneration Report is prepared in accordance with section 139 (b) of the Danish Companies Act.

The Remuneration Report is submitted to the Annual General Meeting for an advisory vote.

Copenhagen, March 23, 2023

**Jens Bager**  
Chair

**Todd Dunlap**

**Therese Hillman**

**Klaus Hølse**

**Leif Nørgaard**

**Petra von Rohr**



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