

## Angler Gaming plc - Corporate Governance Report 2019

*Corporate governance is a framework of rules, practices and processes by which a company is governed. It is a system of checks, balances and internal controls, whereby the functions, rights and responsibilities for the company's operations are distributed amongst its main governing bodies, ensuring that the interests of the company's shareholders, its board, its management and other stakeholders are balanced, while advancing the company's goals.*

### Corporate Governance in Angler Gaming plc

Angler Gaming plc ('the Company' or 'Angler Gaming') is a public limited liability company registered and headquartered in Malta and listed on Spotlight Stock Market in Stockholm, Sweden ('Spotlight Market'). In 2019 the Company has been amongst the very first few companies to have been accepted from the start to the Next Segment of Spotlight Market. Next is a segment of the Spotlight Market where companies conform to higher demands and aim to take the next steps in their growth journey.

Angler Gaming places corporate governance at the very core of its operations, recognising its importance for the Company's sustainable, responsible and efficient operations. Good corporate governance is instrumental for achieving long-term sustainable success and creating value for the shareholders of the Company, while safeguarding interests of the company's employees, customers and other stakeholders.

The governance, management and control of Angler Gaming is divided among the shareholders, the Board of the Directors ('the Board') and the executive management of the Company headed by the CEO, in accordance with the applicable regulatory framework, which will be outlined in this Corporate Governance Report ('CG Report'). This CG Report is however not a comprehensive summary of all the applicable rules. It is intended to provide a list of the most relevant sources of corporate governance rules and briefly sum up the most relevant aspects of corporate governance of Angler Gaming. In this context, it should be read subject to the provisions of the Malta's Companies Act ('the Companies Act'), Company's memorandum and articles of association and other laws and regulations applicable to the Company.

### Overview of the regulatory framework

The principal sources of the corporate rules for the Company are the Companies Act, the Company's Articles of Association ('the Articles'), Spotlight Market's Regulations and the Swedish Corporate Governance Code ('the Code'), which the Company started applying since November 2019, as it became accepted into the Next Segment of Spotlight Market. It is of note that companies are not obliged to comply with every rule in the Code at all times, but are allowed the freedom to choose alternative solutions which they feel are better suited to their particular circumstances, as long as they openly report every deviation, describe the alternative solution they have chosen and explain their reasons for doing so. In addition to the Companies Act, the Articles, Spotlight Market's Regulations and the Code, the

Company has adopted internal rules, namely the Charter of the Board and the CEO Instructions. These documents are to be reviewed and approved by the Company’s Board annually.

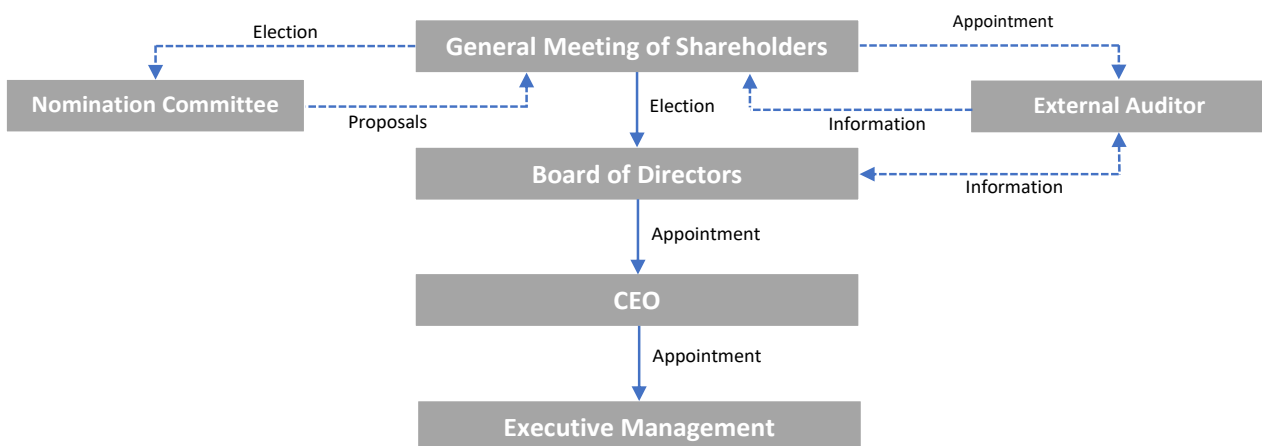
### Articles of Association of the Company

Articles of association are the principal constitutional document of Angler Gaming. The Articles govern the regulation of internal affairs of the Company, such as the procedure for summoning and conducting annual general meetings and extraordinary general meetings, composition of the board, appointment and removal of board members, resolutions, share capital and issue of shares of the Company, notices, accounts, reserves, and other matters concerning the internal organisation of the Company and the manner in which the Company’s affairs are to be managed.

The Company’s Articles have been adopted by the shareholders at a general meeting. The articles of association are available in their entirety at the Company’s website (<https://www.anglergaming.com/articles-of-association/>).

### Division of Authority among the Company’s organs

Angler Gaming acts through two principal organs: the general meeting of shareholders and the Board. The shareholders of the Company exercise their powers primarily through electing the Board members and voting at the Company’s general meetings on the matters within their powers. As a general principle, the Board is vested with all the powers of the Company that are not reserved to the shareholders’ general meeting under the Companies Act or the memorandum or articles of association of Angler Gaming.



## Shareholders

### General meetings of shareholders

Shareholders exercise their influence in the Company at the general meetings, where the shareholders decide on matters which fall within their competence. The general meetings may be of two kinds: annual general meetings and extraordinary general meetings. Angler Gaming must hold an annual general meeting once every year. At annual general meetings shareholders of the Company, in practice and among other matters, approve the annual report and financial statements of the Company, resolve on

the distribution of dividends and elect members of the board and appoint the auditor. All other general meetings are extraordinary general meetings.

Each shareholder enjoys number of rights in connection with general meetings, including the right to participate and vote, the right to receive a notice of a general meeting, and the right to demand a poll at the meeting. Some of the most significant powers reserved to the general meeting of shareholders are the power to appoint and remove board members, to alter the memorandum and articles of association, to increase share capital, to approve annual financial statements, to declare dividends (not exceeding the amount recommended by the Board), and the power to appoint and remove auditors.

Decisions at the general meetings of the company are normally taken by the shareholders by a simple majority of votes, with each share giving a shareholder the right to one vote at any general meeting. However, certain decisions prescribed under the Companies Act and the memorandum and articles of association of the Company must to be approved by an extraordinary resolution which requires higher voting thresholds: (a) not less than seventy-five percent in nominal value of the shares represented and entitled to vote at the general meeting; and (b) at least fifty-one percent in nominal value of all the shares entitled to vote at the general meeting.

### 2019 Annual General Meeting

The 2019 Annual General Meeting of Angler Gaming was held on 7<sup>th</sup> June 2019 in Stockholm, Sweden. At the meeting, shareholders representing 20% of the issued share capital and votes were present in person or by proxy. James Scicluna, chairman of the Board, assumed the function of the chairman of the meeting. All proposed resolutions have been unanimously approved at the Annual General Meeting. In summary, the resolutions adopted by the general meeting comprised of:

- approval of the Audited Accounts of the Company and the Group for the financial year ending 31<sup>st</sup> December 2018;
- approval of the dividend distribution of €3,374,325 (€0.045 per share) to the shareholders of the Company on the basis of the financial results in the financial year ending 31<sup>st</sup> December 2018;
- reappointment of all members of the Board and the chairman of the Board for the period until the end of the next Annual General Meeting;
- reappointment of Walter Rizzo & Associates as the Company's auditor; and
- allocation of the amount not exceeding €150,000 per annum for Board's remuneration covering the ordinary duties of directors and resolution that the auditors' fees shall be payable in accordance with the approved invoices.

### 2020 Annual General Meeting

The upcoming Annual General Meeting of Angler Gaming will be held on Thursday 11<sup>th</sup> June 2020. The date and location of the 2020 Annual General Meeting had been published in the interim report for the third quarter 2019. This information, together with the latest date for shareholders to make proposals to the Nomination Committee, was also published on the Company's website, although without stating that that the same date applies to any other shareholders' proposal for the inclusion in the notice of the annual general meeting. While the latter is a deviation from the Code, one is to note that the Code did not yet apply to the Company at the time of third quarter report publication.

As the situation with Covid-19 evolves, the Board continues to closely monitor governments' and public health authorities' recommendations and instructions on holding public gatherings, as well as travel restrictions. In view of this, the Board has decided to change the previously announced place of the Annual General Meeting and hold the meeting in Malta, instead of Sweden. Further details about the time and venue of the meeting will be provided in the notice of the Annual General Meeting.

In light of the Covid-19 pandemic, shareholders are strongly encouraged to observe governments' and public health authorities' recommendations and instructions before deciding whether to attend the Annual General Meeting in person. Shareholders are encouraged to use their right to appoint the Chairman of the AGM, or any other person, as their proxy to attend the meeting and vote on their behalf. Angler Gaming looks forward to engaging with shareholders in person as soon as the circumstances allow it. Notice of the 2020 Annual General Meeting, forms for appointing a proxy and further information about the meeting will be published on the Company's website ([www.anglergaming.com/investor-relations/](http://www.anglergaming.com/investor-relations/)) no later than four (4) weeks ahead of the meeting. The Annual General Meeting will be also announced in the Swedish national business Newspaper Dagens Industri.

Shareholders who would like to attend the Annual General Meeting must be entered as shareholders in the register of shareholders maintained by Euroclear Sweden on the date indicated in the notice of the Annual General Meeting (the record date) and must notify the Company of their intention to attend, in accordance with the notice of the Annual General Meeting.

#### **Nomination Committee**

Nomination Committee is a drafting body for the shareholders' meeting made up of members who are appointed by the Company's owners. Nomination Committee proposes candidates for the post of chair and other members of the Board, as well as fees and other remuneration to each member of the board. Additionally, Nomination Committee also presents proposals on the election and remuneration of the statutory auditor. Nomination Committee's recommendations will be reported in the AGM notice and on the Company's website. Angler Gaming's Nomination Committee is composed of four members, of whom three represent the Company's largest shareholders, and the fourth is the chairman of the Board. Regardless of how the Nomination Committee's members are appointed, they shall promote the common interests of all shareholders.

Nomination Committee ahead of the 2020 Annual General Meeting was appointed and consists of the following persons:

- Niclas Eriksson, appointed by Eriksson family members and their associated companies;
- Johan Öhman, appointed by Draconia AB;
- Olga Finkel, appointed by Knojt Ltd; and
- James Scicluna, Chairman of the Board of Angler Gaming plc.

#### **Board of Directors and CEO**

The Board is ultimately responsible for the general governance of Angler Gaming, its proper administration and management and general supervision of its affairs. The Board is continuously



overseeing the performance of the duties of the CEO and executive management and evaluating Angler Gaming’s financial position and results. Board members have an obligation to work in the best interest of the Company and are accountable for their performance to the shareholders of the Company.

### Composition of the Board

The Articles of Angler Gaming require that the Board consists of not less than two and not more than five directors. The members of the Board are usually appointed by the general meeting of the Company for the period until the conclusion of the following annual general meeting, after which they are eligible for re-election. The Articles also empower the Board to appoint any person to be a director either to fill a casual vacancy or as an additional director, provided that the total number of directors does not exceed five.

The shareholders of Angler Gaming may, by means of an ordinary resolution, remove any Board member from the office. The process of appointment and removal of Board members is conducted in terms of the Articles of Angler Gaming and the Companies Act.

At the Annual General Meeting of the Company held on 7<sup>th</sup> June 2019, the shareholders have reappointed James Scicluna, Michael Bennett, Ralf Feldt and Thomas Kalita as Board members for the period until the end of the next Annual General Meeting. James Scicluna has been reappointed as Chairman of the Board for another year. More information about the members of the Board is presented below in this report and on the Company’s website (<https://www.anglergaming.com/team-list/>).

### Board meetings

The work of the Board is organised in accordance with the rules set under the Companies Act, the Articles and the Code. Additionally, the Board has adopted the Charter of the Board, setting out rules of procedure regulating Board’s work. During 2019, the Board of the Company held eight Board meetings. The Board meetings were convened to oversee the Company’s business, continuously monitor the financial performance, major developments and Angler Gaming’s key performance indicators.

| Name                               | Position              | Board member since | Independent of the Company and executive management | Independent of the Company’s principal shareholders | Meeting attendance in 2019 |
|------------------------------------|-----------------------|--------------------|---|---|----------------------------|
| <b>James Scicluna</b>              | Chairman of the Board | 2016               | Yes   | Yes   | 8/8                        |
| <b>Michael Bennett</b>             | Board member          | 2012               | No  | Yes   | 8/8                        |
| <b>Ralf Feldt</b>                  | Board member          | 2016               | Yes   | Yes   | 8/8                        |
| <b>Thomas Kalita<sup>(1)</sup></b> | Board member          | 2019               | No  | No  | 6/6                        |
| <b>David Gray<sup>(2)</sup></b>    | Board member          | 2012               | No  | Yes   | 0/1                        |

*1) Thomas Kalita has been elected as Board member on 12<sup>th</sup> April 2019, fulfilling a casual vacancy that has arisen due to the demise of David Gray*

*2) David Gray passed away on 18<sup>th</sup> February 2019*

### CEO of Angler Gaming

The chief executive officer (CEO) of Angler Gaming is primarily responsible for the Company’s day-to-day management and for leading and developing the business of the Company. The CEO reports to the Board of Angler Gaming and is required to keep the Board informed about Angler Gaming’s

performance, financial position and important developments, as well as to prepare financial reports which are approved by the Board. The Company's CEO also heads and leads the work of the management team.

### Evaluation of the Board and the CEO

The work of the Board during the previous year will be evaluated through a board evaluation questionnaire prior to the 2020 Annual General Meeting of the Company, with the aim of developing the Board's working methods and efficiency. The results of this evaluation will be reported to the Nomination Committee. The Board further intends to formally evaluate the work of the CEO prior to the Annual General Meeting without presence of the CEO or any members of the executive management.

## Remuneration and incentive programs

### Board remuneration

The ordinary remuneration of the Board is in accordance with the articles of association of Angler Gaming determined by the Board, provided that such remuneration does not exceed an aggregate amount per year as may be determined by an ordinary resolution of the shareholders of the Company. The remuneration of the Board can be divided among the Board members as they may agree.

The articles of association of Angler Gaming further stipulate that any Board member who holds any executive office, or who serves on any committee of the Board, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Board member, may be paid such extra remuneration or may receive such other benefits as the Board may determine.

At the Annual General Meeting of the Company held on 7<sup>th</sup> June 2019, the shareholders have resolved to allocate the amount not exceeding €150,000 per annum for Board's remuneration covering the ordinary duties of directors.

After the last share options have been exercised by the option holders of Angler Gaming in May 2018, there are no active share option incentive schemes and no outstanding share options which remain to be exercised.

### Remuneration committee

According to the Code, the Board is either required to establish a remuneration committee or, if the Board considers it is more appropriate, the entire Board may perform the remuneration committee's tasks, on condition that no Board member who is also a member of the executive management participates in this work. Considering the relatively small number of employees across the Group and that there are no active share incentive schemes, the Board to date has been of the view that it is not necessary to establish a remuneration committee and that the tasks of the remuneration committee may be performed by the entire Board without the CEO (as the only member of the executive management who is also a Board member). As Angler Gaming and number of employees of the Group grow, the Board may reconsider its position, if it determines that establishing a remuneration committee would be beneficial for the Company.

## Internal controls

The objective of Angler Gaming's internal control measures is primarily to ensure that reliable and accurate financial reporting takes place and that the Company's financial reports are produced in accordance with law, applicable accounting standards and other requirements for listed companies, as well as that the Company's assets are protected and that regulatory requirements are complied with.

In light of the size of the Company and relatively small number of employees across the Group, the Company did not establish a separate internal audit function. The Board is ultimately responsible for internal control and risk management of Angler Gaming. The Board regularly evaluates the information provided by the CEO and the Company's management, in particular prior to the publication of the interim reports and the annual report of the Company. The evaluation process involves monitoring profits and revenues and analysis of key figures, information and developments. While the Board bears the ultimate responsibility for the internal controls, certain responsibilities have been delegated to the CEO and the management team of the Company. The Company's CEO regularly provides the Board with the information required to monitor the Company's financial position. Furthermore, annual reports and interim reports are prepared by the CEO and the management team and reviewed and approved by the Board prior to their publication.

## Auditor

The auditor of Angler Gaming is appointed by the shareholders at the general meeting of the Company. Among other duties, the auditor of the Company is reviewing the Company's annual accounts and accounting practices. Following each financial year, the auditor submits an audit report and a consolidated audit report to the Annual General Meeting of the Company.

According to the Code, the auditor should take part in at least one Board meeting a year without management present. As the Code only recently became applicable to the Company, Angler Gaming presently deviates from the Code on this point. The auditor has been however communicating regularly with the members of the Board, in particular prior to the publication of the annual report.

The Code further requires that the Company's six- or nine-month report is reviewed by the statutory auditor. Since the Code became applicable on the Company after the interim nine-month report had been already published, the Company presently deviates from the Code on this point, but the Board intends to comply with the Code and ask the statutory auditor to review the Company's six- or nine-month report for 2020.

Angler Gaming's auditor is Walter Rizzo & Associates, with Mr Walter Rizzo as the auditor in charge. Mr Rizzo is certified public accountant and registered auditor under the Accountancy Profession Act. He is a fellow member of the ACCA and fellow member of the Malta Institute of Accountants.

## Investor relations

Angler Gaming strives to uphold good communication with its shareholders. The Company communicates the relevant information to the market primarily through the annual reports, interim reports, and press releases which are published on the Company's website (<https://www.anglergaming.com/>) and on Spotlight Market's website, in accordance with the Market Abuse Regulation and Spotlight's Regulations.

## Board of Directors of Angler Gaming



### James Scicluna (Chairman of the Board)

**Board member since:** 2016

**Year of birth:** 1979

**Principal education:** LLM in International Business Law from University College London, Doctor of Laws degree and a Bachelor of Arts in Law & Sociology from the University of Malta

**Principal professional experience:** James is an experienced lawyer, specialising in gambling regulation and licensing, commercial strategy in regulated markets, public affairs, intellectual property, joint ventures and M&As, amongst others areas. He is an experienced board member, having served as a director in a number of remote gaming companies. James has held the position of Chief of Regulatory and Corporate Affairs with the Betcllc Group as well as having been General Counsel of Betcllc and Expekt, two of the Betcllc Group's brands. Prior to that he was a foreign lawyer and then a solicitor with London firm Jeffrey Green Russell's (now Gordon Dadds) Company and Commercial team.

**Other current assignments:** Co-managing Partner at WH Partners, lecturer in gaming law at the University of Malta.

**Shareholding in the Company:** No shares in the Company.



### Michael Bennett (Board Member)

**Board member since:** 2012

**Year of birth:** 1945

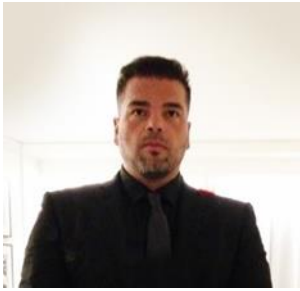
**Principal education:** GCE 'O' Levels - UK

**Principal professional experience:** Michael has over 50 years senior management experience in both Casinos and the Online Betting industries on a world-wide stage covering the Far East, Australia, the Caribbean, Europe, Africa and the UK - including well-known casinos, such as the London Playboy Club, Wrest Point Casino, Adelaide Casino, Morula Sun and the Knightsbridge Sporting Club. During the 90's Michael served on the boards of some eighteen companies within the UK Ladbrokes betting/leisure group. Michael has worked exclusively in online gaming since 2000, was a director of several Malta-based licensed gambling companies, most notably GTECH/IGT.

**Other current assignments:** N/A

**Shareholding in the Company:** 125,648 shares





### Ralf Feldt (Board Member)

**Board member since:** 2016

**Year of birth:** 1976

**Principal education:** Bachelor's Degree in Communication of Marketing and in Public Relations

**Principal professional experience:** As an iGaming consultant, Ralf Feldt started in the iGaming industry based in Costa Rica in 1999. Since then he has worked for several American and European iGaming companies, including BetCris, NetEnt, Cherry and Betsson.

**Other current assignments:** As a consultant, Ralf is helping start-up companies, affiliates and operators within the iGaming industry, including with customer support management and providing outsourced remote online customer support services.

**Shareholding in the Company:** 60,000 shares



### Thomas Kalita (Board Member and the CEO of Angler Gaming)

**Board member since:** 2019

**Year of birth:** 1969

**Principal education:** Master of Science Degree in Business Administration and Economics (specialisation in IT-Management) from Stockholm University.

**Principal professional experience:** Thomas has over 20 years' experience in leading positions within successful Internet-focused companies, including the last 12 years from his working in the iGaming industry based in Malta. Between 2007 and 2009 he was the CEO of Betsson AB's operational subsidiaries with overall responsibility for their financial performance for all the global brands and products, including Casino, Sportsbook, Poker, Financial Betting, Scratch Cards and other games, offered to many geographical markets around the world. Prior to that he worked as a Product Director and Marketing Director for Betsson AB's operational subsidiaries. Thomas spent the last 12 years working from Malta. Since 2009 he has been an entrepreneur and investor in the iGaming industry with many successful launches and investments.

**Other current assignments:** owner and director of Knojt Ltd, a company investing in Internet businesses.

**Shareholding in the Company:** Through Knojt Ltd, Thomas owns 7,901,603 shares in Angler Gaming



### Olga Finkel (Company Secretary)

**Company Secretary since:** 2012

**Year of birth:** 1967

**Principal education:** Doctor of Laws degree from the University of Malta and a Master of Science degree in IT and Economics from the Academy of Economics, Kharkov, Ukraine.

**Principal professional experience:** Olga is a lawyer, widely regarded for her knowledge of gambling and technology law, as well as corporate governance matters, in particular as applicable to listed and regulated companies. Olga is Co-managing Partner at WH Partners and a lecturer in gaming law at the University of Malta.