

betsson ab

2021

ANNUAL AND SUSTAINABILITY REPORT

MORE INFORMATION ABOUT
BETSSON IS AVAILABLE AT
WWW.BETSSONAB.COM



Betsson Experience Centre, Ta' Xbiex - Malta.

ANNUAL GENERAL MEETING

The Annual General Meeting of Betsson AB (publ) will be held on Tuesday 10 May 2022 in Stockholm. As a result of the spread of the coronavirus that causes COVID-19, the Board of Directors has decided that the Annual General Meeting will be held without the physical presence of shareholders, representatives and third parties and that voting rights can only be exercised by postal voting prior to the Annual General Meeting.

Notification

Shareholders wishing to exercise their right to vote by mail must:

- be listed in the share register kept by Euroclear Sweden AB with respect to the situation as of Monday, 2 May 2022, and
- notify their participation by casting their postal votes according to the instructions provided in the Postal Voting section below so that the Company receive the postal votes no later than on Monday, 9 May 2022.

In order to have the right to take part in the voting, shareholders who have their shares registered in a custody account must, in addition to participating by casting their postal vote, register the shares in their own name so that the shareholders are registered in the share register as of Monday, 2 May 2022. Such registration can be temporary (so-called voting rights registration) and must be requested with the custodian in advance and in accordance with the custodian's routines. Voting rights registrations made no later than Wednesday, 4 May 2022, are included in the share register presented to the Annual General Meeting.

Postal Voting

Shareholders may exercise their voting rights at the Annual General Meeting solely by casting their votes in advance as stated in Section 22 in the Act (2022:121) on temporary exceptions to simplify holding of General Meetings of companies and associations (*Sw: lagen (2022:121) om*

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tillfälliga undantag för att underlätta genomförandet av bolags- och föreningsstämmor).

The form posted by the Company on its website, www.betssonab.com, shall be used for postal voting. The postal voting form is considered as notification of participation. The completed and signed postal voting form must be sent by email to proxy@computershare.se or by mail to Betsson AB, "AGM", c/o Computershare AB, Box 5267, SE-102 46 Stockholm, Sweden, and be delivered to the Company no later than Monday, 9 May 2022.

Shareholders who are natural persons may also cast their postal votes electronically through BankID verification via Betsson AB's website, www.betssonab.com. In addition, a natural person representing a legal person can cast a postal vote on behalf of the legal person electronically through BankID verification. Postal votes through BankID must be submitted no later than Monday, 9 May 2022.

If you would to receive or subscribe to Betsson reports and press releases, please visit www.betssonab.com.

The form and more information are available on the Company's website www.betssonab.com.

FINANCIAL CALENDAR

Betsson intends to publish financial information relating to the 2022 financial year as follows:

Quarterly report Q1 January–March 2022	28 April 2022
Quarterly report Q2 January–June 2022	21 July 2022
Quarterly report Q3 January–September 2022	26 October 2022
Annual report Q4 January–December 2022	9 February 2023

2021 IN BRIEF

THE NEW NORMAL

During 2021, the world continued to deal with the pandemic and its new waves in different ways. As a result, expectations and demand for digital entertainment and games with localised products remained high. At the same time, society adapted to a hybrid world in constant change. Betsson's priorities have been to ensure the health and safety of the Group's employees and to take long-term responsibility for customers and the communities in which the Group operates.



CONMEBOL Copa América was sponsored by Betsson.

REVENUES 2021

+4 %

OPERATING INCOME

**SEK 1,194
MILLION**

OPERATING MARGIN

17,9 %

NUMBER OF ACTIVE CUSTOMERS

+17 %

CASINO REVENUE

**SEK 4,840
MILLION**

SPORTSBOOK REVENUE

**SEK 1,747
MILLION**

THE SPORTSBOOK REACHED NEW HEIGHTS

2021 saw continuous technical improvements to Betsson's proprietary sportsbook, such as adaptation to US leagues and sports, in preparation for the planned launch in the US. The year also featured strong sportsbook activity, driven by events including the UEFA Euro 2020 and the CONMEBOL Copa América (sponsored by Betsson). Sportsbook revenue in 2021 was SEK 1,747 million (SEK 1,423 million).

INVESTMENTS AND ESTABLISHMENT IN NEW MARKETS

During the year, Betsson made strategic investments in the USA, Canada and Latin America. Betsson also entered into collaborations with local partners in Mexico to offer online gaming starting in 2022 and launched its own brands in Greece. The acquisitions and investments were aimed at strengthening the Company's presence in locally regulated markets around the world.

CONTINUED PREPARATIONS IN THE USA

In the US market, preparations have been made to launch Betsson's B2C offering in Colorado in the first quarter of 2022. The aim is to promote the company's modern and attractive B2B offering to potential American partners. Some important milestones were the successful integration of Betsson's US sportsbook into Strive Platform Limited's Player Account Management system and the start of testing and certification processes in line with the regulatory requirements of this market.

BETSSON DECIDED TO STOP ACCEPTING DUTCH CUSTOMERS

In September 2021, the Dutch Gaming Authority (KSA) published a new policy with a new rule that unlicensed providers not actively targeting the Dutch market, but with Dutch customers, should cease their operations. The new rule represents an unexpected departure from the established policy for operators currently subject to what is known as the 'cooling-off period'. Betsson's operating subsidiary took the decision to stop accepting Dutch customers on its international websites in order to further the Group's long-term goal of obtaining a licence in the Netherlands.

SBTi APPROVED BETSSON'S CLIMATE TARGETS

The Science Based Target Initiative (SBTi) endorsed Betsson's climate targets to reduce emissions by 2030 and deemed the targets to be in line with the Paris Agreement. SBTi, a collaboration between CDP, the UN Global Compact, the World Resources Institute and the World Wildlife Fund, is driving ambitious climate efforts in the private sector by enabling companies to set science-based targets to reduce their carbon emissions.

ABOUT BETSSON

Betsson AB (publ) is a holding company that invests in and administers fast-growing companies within online gaming. The company is one of the largest in Europe in online gaming, and its ambition is to grow faster than the market, organically and through acquisitions. This should be done in a profitable and sustainable manner, primarily in locally regulated markets. Betsson AB is listed on NASDAQ Stockholm, Mid Cap (BETS). www.betssonab.com

**ACTIVE
CUSTOMERS 2021**
1,161,683

**GAMING LICENCES
IN NUMBER OF
JURISDICTIONS**
20

**NUMBER OF
EMPLOYEES**
1,955
**OF 60
NATIONALITIES**

- Betsson's vision is to deliver the best customer experience in the industry through its operating subsidiaries. The offering consists of casino, sportsbook and other games that are continuously developed to ensure a unique product offering in new and existing markets.
- Betsson's gaming sites are mainly operated through its own gaming platform Techsson, on which approximately 90 percent of the Group's current revenues are generated.
- Sustainability work is an integral part of Betsson's business strategy and has five focus areas: Responsible Gaming, Ethics and Compliance, Employee Impact, Community Impact and Climate Impact.
- The Group has a clear structure and organisation. The Parent Company is responsible for strategy and objectives, corporate governance and internal control, acquisitions and divestments, and financial communication. The subsidiaries are responsible for running the operational gaming business, including platforms, gaming sites, brands, responsible gaming and regulatory compliance.

BETSSON'S OPERATING ACTIVITIES

The Group's activities are conducted in its operating subsidiaries, which offer games through some twenty brands, including Betsson, Betsafe and Nordicbet.

COMPETITIVE PRODUCT RANGE

Betsson offers one of the market's largest selections of games, with local adaptations to satisfy consumer demand in different markets. The products consist mainly of casino and sports betting. The largest category of casino is slots, i.e. online slot machines, followed by live casino, which provides the player with a casino experience in a digital environment. In total, Betsson's casino offering includes around 6,000 different games through its proprietary Techsson platform.

The sportsbook is developed on a proprietary platform with flexible betting that can be adapted to available sporting events and market demand. The sportsbook is available both through own brands and as a B2B solution.

STRONG BRANDS

Betsson's approximately 20 global, regional and local brands include either the entire product portfolio, such as Betsson, Betsafe and Nordicbet, or just casino, such as Jalla Casino and Guts Casino. The brands' services are offered primarily through the proprietary platform that manages payments, customer information, accounts, transactions and gaming.

LOCAL PRESENCE

The Group's approximately 2,000 employees are of 60 different nationalities and are located in 10 different places around the world. The operational headquarters are in Malta.

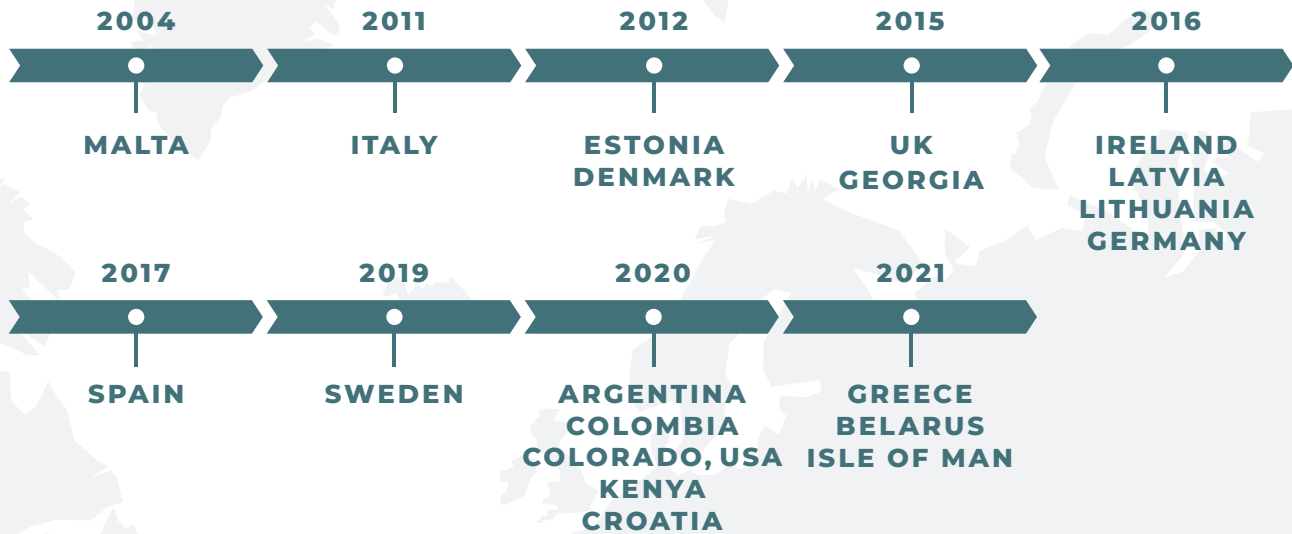


Hubsson, Budapest - Hungary.

In this Annual Report, the name Betsson or 'the Group' is used to describe the entire business that is run by the operational subsidiaries. Betsson AB or the Company refers to the Parent Company.

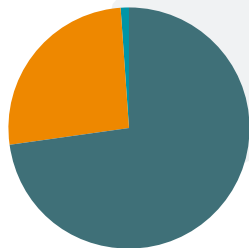
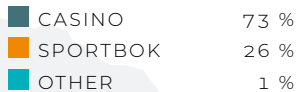
GAMING LICENCES

The Group holds gaming licences in 20 jurisdictions in Europe, Africa, North America and South America.



REVENUE DISTRIBUTION 2021

REVENUE PER PRODUCT



REVENUE BY REGION





Betsson's attractive product offering and recent years' investments in new geographical markets has resulted in 2021 being a record year.

CEO'S MESSAGE

In recent years, Betsson has placed great strategic emphasis on setting up in more geographical markets and expanding the product offering. As a result of these efforts, in 2021 the Group was again able to demonstrate good profitability at the same time as showing healthy growth. This is an important indicator of strength, especially because of the many regulatory challenges it faced during the year, particularly in the markets of Western Europe. Revenues increased by four percent in 2021, resulting in a record year. Operating profit increased by six percent to SEK 1,194 million, which means that profit was on a par with the record earnings posted in 2018.

Several years ago, Betsson undertook a comprehensive strategic review of our business to identify new opportunities for greater profitability. Some of the key conclusions of the review were that we needed to increase our geographical spread, diversify our product portfolio and increase customer awareness of our brands. In order to be able to grow while remaining profitable, we needed to build on our Company's proprietary technology platform. That the efforts we made were the right way to go is now clear; Betsson is delivering growth at the same time as profitability is increasing, despite the fact that several important markets for Betsson have been subjected to extensive re-regulation in recent times.

SETTING UP IN NEW MARKETS

In 2021, Betsson launched its offering in Greece and prepared to establish operations in additional markets. In this context, an important launch have taken place in North America as customers in the USA can now enjoy Betsson's offering. The focus in the US is the B2B offering of the Betsson sportsbook. The strategy is to showcase to potential B2B customers what Betsson can provide in terms of an attractive product and customer experience through the B2C solution, which was launched in March 2022 in the state of Colorado with Dostal Alley Casino.

In early 2022, Betsson also strengthened its presence in Latin America through offerings in both the city and province of Buenos Aires in Argentina. In addition, a launch in Mexico is imminent in collaboration with local partner Big Bola Casinos.

A STRONGER SPORTSBOOK

During the year, we invested a lot of resources in further developing our proprietary sportsbook, which has produced good results both during the regular seasons and during major tournaments such as the UEFA Euro 2020 and the CONMEBOL Copa América. Prior to its launch in the US, Betsson invested in developing a competitive sportsbook offering for the US market.

Betsson's sportsbook has been integrated into the US-based Strive platform and, in parallel, adjustments have been made in terms of development of functions, range and customer interface.

It is clear that our efforts on the sportsbook front are yielding results: sportsbook gross turnover increased by 26 percent in 2021 compared with last year, and sportsbook revenues increased by 23 percent.

INCREASED BRAND EXPOSURE

To get the full return on investment in our offering, Betsson has increased exposure to its brands including through a series of sponsorship partnerships. For example, Betsson was the official regional sponsor of the CONMEBOL Copa América while the innovative sponsorship of the 'world's worst football team', Íbis Sports Club in Brazil, also made a big impact. The increased visibility of Betsson's brands has attracted more players, and over one million active customers were recorded during the year. Betsson has also strengthened its position in Sweden, its home market, and the plan is to further strengthen the offering through further investments in the Jalla Casino brand in 2022.

SUSTAINABILITY AN INCREASINGLY IMPORTANT AREA

Acting in a sustainable way is a prerequisite for conducting a long-term and profitable business. In recent years, Betsson has increased the intensity of its sustainability work, from strategy and governance to tangible action. Responsible gaming is the Group's most important sustainability element and a central part of Betsson's sustainability framework. One example of efforts in this area is the further improvements to the tool that Betsson uses to detect possible risk behaviours, in real time, among players. One of the outcomes of the improvements is that Betsson's employees can now act even more quickly and, if necessary, take measures to help the customer.

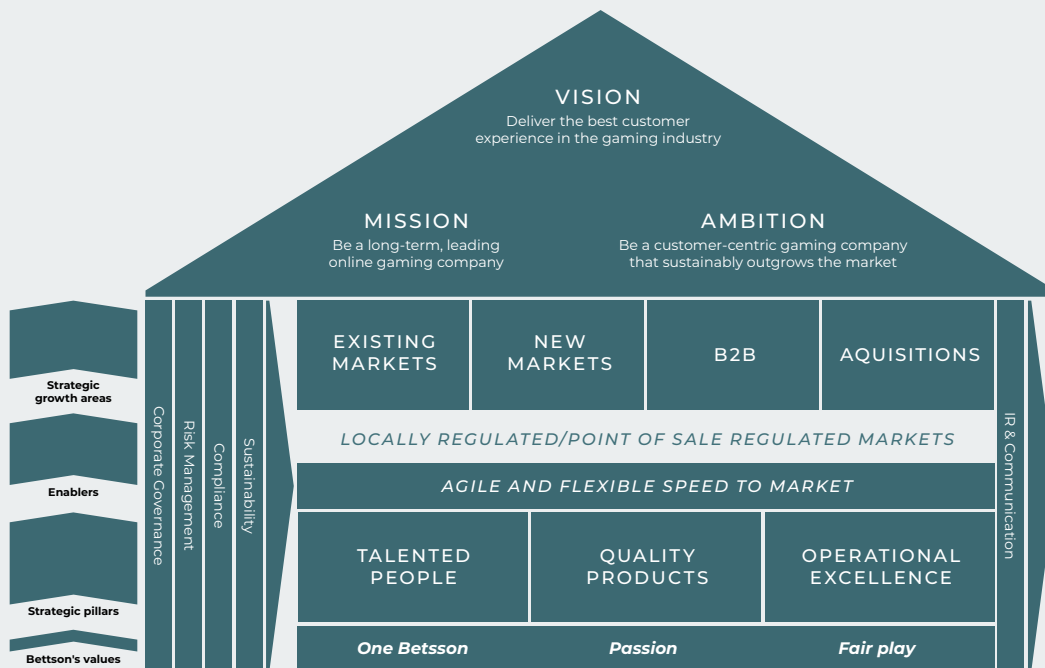
Over the past two years of living with a global pandemic, Betsson has always worked to secure customers' and employees' health and safety. Many of us hoped for a return to normality in the summer of 2021. Those hopes were not fulfilled, but I am impressed and proud of how the organisation continued to handle the situation. I would therefore like to take this opportunity to thank our loyal and competent employees for their outstanding efforts during the year. There are many indications that the pandemic finally seems to be releasing its hold on us, but we have instead been thrown into a serious security situation owing to political events. We are obviously monitoring developments with a focus on the safety of our employees who are close to the conflict in Ukraine and are taking the necessary measures. Despite the difficulties taking place around us, we have an exciting 2022 ahead of us in which we will continue our successful expansion both geographically and product-wise, always with the customer at the heart of everything we do.

PONTUS LINDWALL
CEO, Betsson AB, and Group President

VISION AND STRATEGY

Betsson's vision is to provide the best customer experience in the gaming industry. The mission is to be the long-term leader in online gaming, and the ambition is to be customer-focused in order to achieve growth that is more long-term and sustainable than the market as a whole.

Betsson's strategy is illustrated below, expressed in English, the Group language.



The market for online gaming offers favourable growth opportunities, and Betsson sees several opportunities to address a larger part of the total market in order to grow faster than the market. Growth should be profitable and sustainable, and be locally adapted.

Betsson has gradually extended and expanded the structure that makes up the Group's business strategy. The common values form the foundation, and the strategy rests on three strategic pillars: Talented People, Quality Products and Operational Excellence. Based on its strengths and thorough market analysis, Betsson has formulated four strategic growth areas where the focus is on the customer: existing markets, new markets, B2B opportunities and acquisitions. Betsson should strengthen its position in existing markets by prioritising the segments where the Group is best placed to offer leading products with good efficiency and should evaluate other segments. Betsson's broad brand portfolio and its control of technology and proprietary platforms put it in a good position to establish a presence in new markets quickly and flexibly. The proprietary sportsbook means opportunities to create new offerings with economies of scale. Betsson's financial position also provides opportunities to supplement the offering with new geographical markets and products through acquisitions.

For Betsson, putting the customer first means operating the business responsibly by constantly improving corporate governance, risk management, compliance

and sustainability issues, and always including these perspectives in day-to-day business.

BETSSON'S STRENGTHS DRIVE VALUE CREATION

Betsson is an established operator with a long history of building its activities in an attractive industry with good growth and good profitability. Betsson's focus has been to maintain its strong position in existing markets, which has been achieved by offering a diversified product and brand portfolio and by investing in proprietary technology that gives the Company both the control and the expertise to adapt the platform to changing market conditions. Having its own technology platform also puts it in a good position to continuously develop new offerings. For that reason, having its own technology platform is one of the Company's top priorities.

After evaluating both external and internal conditions, Betsson has identified three growth areas that support its long-term ambition for value creation and return to shareholders: growth in existing markets, expansion into new markets and development of the B2B business with a focus on the proprietary sportsbook.

Betsson uses its strengths to implement the strategy as to how the operational business should be run and quality assured with the goal of creating value. These are formulated in five principles and expressed in English, the Group language.



Responsible business
putting the player first

Sustainability is an integral part of Betsson's business strategy and is crucial to generating value for shareholders while taking long-term responsibility for customers, employees and the communities in which the Group operates. Betsson should provide customers with entertainment in a responsible manner and work towards long-term sustainable gaming legislation that takes into account customers and their right to play.



Operational excellence
driving efficiency and
effectiveness

With internal governing documents and external independent reviews, the Group constantly strives for effectiveness in achieving objectives. Having proprietary technology creates competitive advantage through speed and flexibility.



Live the Betsson culture
"One Betsson"
"Passion"
"Fair Play"

Betsson's values set the tone for the way employees treat customers, each other and other stakeholders. These values emphasise the strength of working together, working with integrity and the importance of commitment to what you do.



Preferred employer and
business partner

Attracting the best qualified employees and affiliates is crucial to success. They are the key to developing products of the highest quality and with great entertainment value while ensuring good consumer protection.



Global scope with
local focus

Betsson should grow globally by expanding into new markets and through a diversified offering. Betsson attaches great importance to local presence and local expertise in order to be able to offer the most attractive games in each market.

The five principles for how the business is operated to achieve effective value creation are complemented by five principles for how Betsson delivers the best customer and employee experience through product development:

Flexible architecture	Enables rapid adaptations to new or changed circumstances.
Proprietary technology in core areas	Provides control over valuable technology and creates business opportunities.
Complementary external platforms	Proprietary technology is used for critical systems, with existing external technology otherwise being used.
Global expertise	Having a global presence with a local focus means there is expertise in each segment of the market.
A flexible and effective way of working with the focus on the customer	Extensive experience, a strong organisational structure and a high proportion of proprietary technology create scalability and opportunities for flexibility to surpass customer expectations.

IMPLEMENTING THE STRATEGY

During 2021, Betsson took several important steps to implement its growth strategy. In existing markets, activities have focused primarily on adapting and developing offerings to changing customer behaviour, regulatory requirements and competition. In the technology area, for example, more and more brands have moved to cloud-based operations, resulting in faster download times, improved customer experience, greater efficiency, higher system capacity and, as a contribution to the company's sustainability efforts, lower energy consumption. The latter has been particularly important in the context of major sporting events such as the UEFA Euro 2020 and the CONMEBOL Copa América. To support the expansion in Latin America, in 2021 Betsson established a service hub for the region in the Colombian capital Bogotá.

Betsson established a presence in a number of new geographical markets in 2021. In the Greek market, online sportsbook and casino gambling were launched at the start of the UEFA Euro 2020. Betsson also entered into a partnership with Big Bola Casinos to offer online sportsbook and casino games for the locally regulated Mexican market starting in 2022.

In the B2B area, efforts in 2021 focused mainly on the US launch. In order to offer a modern and attractive B2B product, Betsson's proprietary sportsbook has been integrated with Strive Platforms Limited's Player Account Management system. As part of this cooperation, in 2021 Betsson acquired 35 percent of the shares in Strive. To pave the way for the B2B offering, a B2C offering will initially be launched in Colorado together with Dostal Alley Casino. In addition, in 2021 Masterpiece Gaming Limited selected Betsson as the sportsbook and platform provider for its online gaming offering in the German market.

In 2021, a number of additional strategic acquisitions were completed in addition to the investment in Strive Platforms Limited. To enable further growth in the North American market, Betsson acquired 28 percent of the shares in the Canadian company Slapshot Media Inc. Betsson's presence in Latin America was strengthened by the acquisition of half of JDP Tech Ltd, which owns a proprietary payment processing technology platform, and the acquisition of Inkabet, which offers online gaming and has a fast-growing sportsbook.

SUSTAINABILITY REPORT

RESPONSIBLE BUSINESS PUTTING THE PLAYER FIRST

For more than 50 years, Betsson has offered customers entertainment through casino, sportsbook, and other gaming products. Betsson's success is based on the ability to always put the customer experience at the centre and to offer products and entertainment that surpass the customers' expectations.

A successful business must also be responsible. Sustainability is an integral part of Betsson's business strategy, and it is crucial for generating value for shareholders while taking long-term responsibility for customers, employees, and the communities in which the Group operates.

**BETSSON'S
SUSTAINABILITY
FRAMEWORK
GUIDES THE
WAY**



FOCUS AREAS

Betsson's Sustainability framework, which was adopted by the Board of Directors in 2019, clarifies the business strategy around sustainability. The framework establishes five focus areas with five long-term ambitions for Betsson: *Responsible Gaming, Business Compliance, Employee Impact, Social Impact and Climate Impact.*



RESPONSIBLE GAMING

Responsible gaming is at the core of the sustainability framework. As a gaming company, Betsson has a responsibility to provide customers with the right conditions to enable them to control their gaming and have a healthy relationship to gaming. In addition, Betsson must identify and always help customers at risk of problem gambling.



BUSINESS COMPLIANCE

Compliance with laws, rules, and ethical standards in the jurisdictions in which Betsson operates is the foundation of a sustainable business model. Betsson also works to ensure that gaming legislation is sustainable in the long term, which means that legislation must ensure a high degree of channelisation as well as customer protection, while taking into account individual player demands.



EMPLOYEE IMPACT

Betsson's ambition is to be the Employer of Choice – the first choice for both current and potential employees. Attracting talent with the right skills, retaining, and developing employees is an important part of Betsson's winning concept.



SOCIAL IMPACT

Betsson should have a positive impact on societies where the Group operates and support and inspire local communities and future generations.



CLIMATE IMPACT

Betsson will contribute to counteracting climate change and will reduce its greenhouse gas emissions in accordance with a Science Based Target (SBT).

In 2020, the Sustainability framework was further developed with long-term goals, KPIs and activities for each area. The framework is now the backbone of the company's sustainability efforts. In 2021 a Head of Sustainability was appointed to drive and coordinate Betsson's work within the area.

Betsson has established a Sustainability Forum with members at management level, including CEO, which is overall responsible for the framework. A Sustainability

Working Group runs and evaluates the activities related to the goals in the framework and reports progress to the Sustainability Forum.

During the year, Betsson's sustainability framework has been mapped against the UN Sustainable Development Goals (SDGs).

Betsson reports in accordance with the Global Reporting Initiative (GRI) Standards, Core level.

BETSSON'S SUPPORT OF THE U.N. SUSTAINABLE DEVELOPMENT GOALS

In 2021 the Group reviewed how the business impacts the U.N Sustainable Development Goals (the SDGs). Betsson has identified three SDGs where the Group has the greatest impact.

3 GOOD HEALTH AND WELLBEING



GOOD HEALTH AND WELLBEING

One of the greatest challenges, and where Betsson risks having a negative impact, is if customers develop an unhealthy relationship to gaming. Betsson has a responsibility to identify and always help customers at risk of problem gambling. Read more on page 16.

13 CLIMATE ACTION



CLIMATE ACTION

To tackle climate change, nations and companies globally need to work together towards the goals set in the Paris Agreement. Betsson has therefore set Science Based Targets which were officially validated in 2021. By having an active and dedicated climate strategy Betsson can do its share to mitigate the effects of climate change. Read more on page 22.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



PEACE, JUSTICE AND STRONG INSTITUTIONS

Betsson has a responsibility to conduct a sound business and be transparent with how the company works to counteract money laundering, terrorist financing and corruption. As an international company, Betsson is also an important actor in supporting society through paying taxes. Read more on page 33.

RESPONSIBLE GAMING

Responsible gaming is the corner stone of Betsson's business, and crucial for building long-term and sustainable customer relationships. Responsible Gaming is therefore the most important sustainability area for Betsson.

For most of Betsson's customers, gaming adds diversion and excitement to their everyday lives. However, there is a minor proportion of customers who develop an unhealthy relationship to their gaming, where gaming is no longer mere entertainment. It is the players themselves who make their own choices, however, as a gaming company, Betsson

has a responsibility to support customers in controlling their gambling and to identify and always help customers at risk of problem gambling. Betsson's ambition is to be a role model in the industry, inspire and create prerequisites for players to have a healthy relationship to gambling.

AMBITION	GOAL	OUTCOMES
Be the inspiration for a healthy relationship to gaming in the industry	<ul style="list-style-type: none"> Betsson is perceived by relevant stakeholders as more of an inspiration to a healthy relationship to gaming than its peers in the industry. 	<ul style="list-style-type: none"> In 2022, Betsson will set up a project to define KPIs and ways of measuring progress towards the goal.
Understand barriers and possibilities to a healthy relationship to gaming	<ul style="list-style-type: none"> Sponsor at least two research projects per year within responsible gaming. 	<ul style="list-style-type: none"> In 2021, Betsson, in cooperation with the Gaming Innovation Group (GiG), continued supporting research conducted by Bournemouth University about Data-Informed Behaviours and Responsible Online Gambling. Betsson also supported GambleAware and Gamcare.*
Raise awareness and educate Betsson's key stakeholders on a healthy relationship to gaming	<ul style="list-style-type: none"> Active dialogue in society and in the industry through participation in all major conferences, seminars and/or panel discussions on responsible gaming. Launch information campaigns every year, potentially together with the industry, with messages that promote responsible gaming in a least two of Betsson's markets. 	<ul style="list-style-type: none"> Betsson participated in around 8 (7) conferences, seminars and/or panel discussions on responsible gaming in 2021. In 2021, Betsson ran a social media campaign on the Betsson Sweden brand, encouraging the audience to take the self-assessment test GamTest.
Identify and always help customers at risk	<ul style="list-style-type: none"> All customers identified at risk of gaming problems are being actively interacted with and receive relevant responsible gaming communication. All customers receive information about Betsson's tools for responsible gaming. 	<ul style="list-style-type: none"> 1.3 % (1.7 %) of all customers who contacted customer service were red-flagged (for more information, see p.19). 57,527 (56,784) customers were manually analysed and checked during 2021**. 13 % (20 %) of customers use non-mandatory control tools. 15 (21 %) of customers use deposit limits. 8 % (11 %) of customers use the self-exclusion tool. Betsson has interacted with customers on average 25,850 times per month during 2021 (22,300) manually, automatically or via real-time notifications.

* During 2021 Betsson continued with contributions towards GambleAware and GamCare (UK focused), organisations indirectly involved in research regarding responsible gambling.

** Checks are done manually by Betsson's responsible gaming staff and can result in a wide spectrum of actions starting with an interaction and ending with enforced time outs, self-exclusions or permanent suspensions."

THE INSPIRATION FOR A HEALTHY RELATIONSHIP TO GAMING

During 2021, Betsson has set a goal linked to the ambition to be the *inspiration for a healthy relationship to gaming*. The goal is for Betsson to be perceived by relevant stakeholders as more of an inspiration to a healthy relationship to gaming than its peers in the industry. In 2022, Betsson will set up a project to define KPIs and ways of measuring progress towards the goal.

ALWAYS IDENTIFY AND HELP CUSTOMERS AT RISK

Betsson aims to always support the customer in having a healthy relationship to gambling. The Group has an extensive Know Your Customer (KYC) process, and a dedicated Responsible Gaming team led by the Head of Responsible Gaming with the competence, mandate, and resources to interact with customers and take action when needed.

Betsson significantly increased its interactions with customers at the beginning of the pandemic, and these have remained on a high level throughout 2021 in order to increase customer protection and detect early signs of problem gambling. Betsson had 25,850 interactions per month with customers - manually, automatically and via real-time messages - during 2021 (22,300).

The reasons for making contact vary and may be based on the customer's gaming behaviour or how they interact with customer support. Betsson also regularly contacts its customers without them exhibiting particularly risky behaviour as a proactive initiative. The objective is to communicate the importance of responsible gaming and to increase awareness of the issue and what tools and support that Betsson offers.

On a regular basis, customers receive messages promoting Betsson's Responsible Gaming tools. Customers are encouraged to learn more about these features and to for example set deposit limits. All emails sent to customers, regardless of content, have a footnote which directs customers to the responsible gaming pages for the corresponding brand and encourages the customer to activate safer gambling tools, such as deposit limits or session time limits, as soon as possible.

Betsson believes continuous conversations and encouraging customers to have a healthy relationship to gaming is essential to have happy and long-term, loyal customers and thus a sustainable business.

THE RESPONSIBLE GAMING PREDICTION TOOL

Betsson offers its customers a wide range of tools for responsible gaming, for example deposit limits, self-exclusion, personal time limit for gambling, self-evaluation tests and access to well-trained and professional customer service staff 24 hours a day, 7 days a week.

In addition, Betsson has an analysis tool, the Responsible Gaming Prediction Tool, which makes it possible to monitor customers' gaming behaviour in real time. All Betsson's customers must register an account to be able to play, and all players are monitored continuously using almost 500 different parameters. Customers' gaming patterns are classified as low, medium, or high risk of gaming problems. Classifying a customer as medium or high risk can for example be due to the customer playing late at night, stopping withdrawal of winnings, playing faster, making erratic bets, or increasing their stakes.

Monitoring is always done with respect to the customers' integrity and in accordance with the GDPR.

In addition, Betsson reviews reports from the system on a daily basis to analyse customers' gaming patterns. With the aid of the analysis tool, Betsson's staff can if needed quickly intervene and contact the customer. Depending on the customer's profile and behaviour, it may be a matter of making the customer aware of Betsson's various tools for responsible gaming, helping the customer to set limits or perform self-exclusion, or deciding to block the customer from continued gaming.

During 2021, the Responsible Gaming Prediction Tool was further updated. The update included additional improvements such as an increased number of parameters used, and an even more detailed analysis provided for the Responsible Gaming team. This in turn means that the team will be able to react even faster to any irregularities in customer behaviour, and tailor their interaction with the customer accordingly.

INTERACTIONS WITH CUSTOMERS PER MONTH

25,850

SUPPORTING CUSTOMERS 24/7

Betsson's Customer Service is open 24/7, always available to support players. All customer service agents have been given extensive training in Responsible Gaming and get regular refreshers.

The dedicated Responsible Gaming team is an additional important resource, where the customer service agents can always turn for internal support. Among other things, the Responsible Gaming team handles the communication with customers who have been flagged through the analysis tool, other data reporting capabilities, or by customer service staff. Also during weekends and after work hours, the Responsible Gaming managers are available to the Customer Service team.

Red-flagged customers are assessed individually, based on the customer's profile and gambling activity. Betsson uses a wide spectrum of follow-up actions, ranging from providing more information about safer gambling or asking the customer for feedback to a set of questions, to encourage the customer to set deposit limits or to take a timeout from playing. Betsson can also exclude the player from further gambling, or enforce a specific limit on their account.

In 2021, 1,3 % of customers were red-flagged (1,7 %). The decrease in red flags is due to a conscious effort by Betsson, where customer service agents have been provided with enhanced training and updated procedures to be able to deal with certain matters directly themselves. This has reduced the need for escalation and increased efficiency and customer satisfaction.

As the year 2021 saw the return of major football events such as the UEFA Euro 2020 and the CONMEBOL Copa América, the Responsible Gaming team was supporting the influx of new players. Betsson ensured staff availability and that increased attention was paid to sportsbook players. It should be noted, however, that these high-profile tournaments attract mostly recreational players with low risk of problem gambling.

EMPLOYEE TRAINING

Responsible gaming is a fundamental part of Betsson's business model. All new employees, no matter their role, receive an introduction to responsible gaming and are invited to annual responsible gaming courses. All customer-facing personnel receive additional, regular in-depth and refresher training to enable them to identify early signs of gaming problems and to address each individual case in a professional manner. This complements the externally facilitated responsible gaming training that takes place periodically.

During 2021, Betsson also held an extensive training course called 'Social Responsibility and Interaction' specifically tailored for the Responsible Gaming team. The training was developed by UK based GamCare, a leading provider of information, advice, and support regarding gambling harm.

TRAINING IN RESPONSIBLE GAMING

Training for all employees

- Induction training
- Annual online course
- Interactive online course

Customer support staff, in addition to the above

- Additional induction training with staff from the Responsible Gaming Team
- Annual update course held by staff from the Responsible Gaming Team
- Interactive online course specifically designed for customer support staff

KNOWLEDGE SHARING

Betsson invests time and resources in partnerships with stakeholders such as other gaming companies, industry organisations, researchers, society and with the players themselves to further increase knowledge about gambling addiction and to find ways to improve the opportunities for a healthy relationship to gaming. In 2021, Betsson, in cooperation with the Gaming Innovation Group (GiG), continued supporting research conducted by Bournemouth University about Data-Informed Behaviours and Responsible Online Gambling. Betsson acquired the GiG business to consumer (B2C) operations in April 2020.

Betsson also sponsors and are present as speakers and in panels at the world's leading responsible gaming conferences. As a few examples, the CEO of Betsson AB spoke at the Sustainable Gambling Conference 2021 and the Head of Responsible Gaming presented at the EGR UK summit and the Betting on Sports Europe Conference, and also participated in European Safer Gambling Week 2021.

In accordance with the Sustainability framework, Betsson aims to run awareness campaigns annually, with messages that promote responsible gaming. In 2021, Betsson ran a social media campaign on the Betsson Sweden brand, encouraging the audience to take the self-assessment test GamTest mentioned above. The campaign reached 50,000 people.

TOOLS FOR HEALTHY GAMBLING

Betsson provides its customers with a wide range of tools for responsible gaming. The tools differ somewhat depending on the brand and jurisdiction. Relevant tools for a particular brand and country can always be found on the pages relating to responsible gaming on the website in question.

During 2021 a new self-assessment test called GamTest was launched in Sweden, Denmark, and Greece. This anonymous test has been developed in cooperation with Sustainable Interaction, a company which creates research-driven digital products within responsible gaming. The customers fill in a questionnaire about their gambling habits and gets an evaluation of the results and recommendations for how to proceed, for example to take a break from gambling or learn more about how to gamble safely.

The analysis tool Responsible Gaming Prediction Tool was further updated during 2021. Read more on page 17.

More on Betsson's efforts to promote healthy gaming can be found on www.onebetsson.com



ANALYSIS TOOL

Betsson has developed an analysis tool, the *Responsible Gaming Prediction Tool*, that monitors players' behaviour and is used to detect, prevent and manage any gaming problems.



PERSONAL TIME LIMIT

Customers can choose to limit the time they spend on Betsson's gaming sites.



SELF-ASSESSMENT TEST

The self-assessment test is anonymous and gives the customer an overview of their gaming pattern. Having completed the test, the customer can select a series of cooling-off options, read more about responsible gaming or contact customer service.



GAMING OVERVIEW

A gaming overview gives customers a clear picture of their gaming history, increasing the customer's control.



SELF-EXCLUSION

Betsson offers various options for self-exclusion, where customers can decide if they want to self-exclude from certain specific or all of the Group's gaming websites, and for what period of time. The exclusion can be made by customers themselves directly on the website or through customer service. Customers with identified gambling problems cannot cancel such an exclusion. For others, they must go through customer service, answer a number of questions and be assessed to regain access to their account, once the period has expired. Certain jurisdictions have countrywide exclusion services, for example Spelpaus in Sweden.



REALITY CHECK

Awareness messages help customers to remain aware of their gaming. Users receive messages about their gaming, time and balance.



INACTIVITY TIMEOUT

To protect the customer's personal account, the user is automatically logged out after a pre-determined period of inactivity.



DEPOSIT LIMITS

Deposit limits make it possible for customers to set their gaming budget per day, week or month. The function is available directly on the registration page and protects customers from spending money in excess of the set limit.



AGE VERIFICATION

Age verification ensures that no underage person can engage in gaming on any of the company's websites. Betsson also provides advice as to how to protect children against using gaming websites.



SELF-HELP PROGRAMME

The self-help programme is a free self-help tool based on cognitive behavioural concepts and is offered online. The length of the programme varies between six and eight weeks.



INDEPENDENT ORGANISATIONS

Contact information for organisations that can help people with gaming-related problems, or friends or family who are affected, is easily available on Betsson's brand websites.

EXTERNAL AUDITS AND INTERNATIONAL RECOGNITION

During 2021 the annual eCogra gaming platform certifications for Italy, Sweden, and Denmark were completed. eCogra works with testing and certification of online gambling systems. With the certification, the gaming platforms meet eCogra's requirements for security, ethics, and responsible gaming.

Betsson also maintained its Fair and Safe seal granted by eCogra, which is renewed through an extensive yearly certification process. eCogra's Safe and Fair seal is awarded to operators which comply with eCogra's Generally Accepted Practice (eGAP) requirements covering player protection, fair gaming, and responsible operator behaviour.



Betsson's customer facing websites, as well as the company's responsible gaming procedures, are assessed and audited on an annual basis by the external training and accreditation provider the Global Gambling Guidance Group (G4). The audits include randomised interviews with personnel to ensure customer-centricity and sensitivity towards potential unhealthy gambling.

In addition to the above, during 2021, the Group's Internal Audit function, in collaboration with EY, performed an audit of Responsible Gaming compliance in Sweden and Denmark.



AWARDS 2021

In 2021, Betsson won a number of awards which show that the Group's sustainability work is at a high level within the industry. Betsson received awards within areas such as Diversity and Inclusion, Best employer, Best Customer Service as well as Safe and Responsible Gaming.



COMPANY & OPERATIONS

EGR NORDICS
AWARDS

Operator of the Year



Latin American iGaming Operator



Diversity & Inclusion



Workplace of the Year



Employer of the Year (silver)



PRODUCT & INNOVATION

EGR NORDICS
AWARDS

Mobile Operator of the Year



Mobile Operator of the Year



Casino Operator of the Year
Racing Sportsbook of the Year



Innovation in Horseracing
Innovation in Mobile and Tablet
Best Native App



Casino Operator of the Year (silver)



MARKETING & AFFILIATION

EGR MARKETING & INNOVATION
AWARDS

Mobile Marketing Campaign of the Year
Social Marketing Campaign of the Year



Sponsorship of the Year (gold)



Marketing Campaign
Effectiveness (gold)
Marketing Campaign PR (silver)



Best Casino Group of 2020



Best Affiliate Partner



CUSTOMER SERVICE & SAFER GAMBLING

EGR NORDICS
AWARDS

Customer Services Operator
of the Year



Socially Responsible Sportsbook
of the Year



Safer Gambling Operator
of the Year



Responsible Gaming of the Year

In 2021, Betsson won the Diversity & Inclusion Award at the Women in Gaming, Diversity and Employee Wellbeing Awards in London.



BUSINESS COMPLIANCE

Betsson holds gaming licenses in 20 jurisdictions with significantly varied laws and regulation. To ensure long-term sustainable operations and profitability, compliance with laws, regulations and ethical standards in these jurisdictions is crucial.

Betsson is working within its own remit but also through various industry associations to try to lead and influence the interpretation of the regulations. Betsson plays an active part in national and international discussions and raises awareness of the importance of sustainable gaming regulation. More on this topic can be found in the section on Betsson's work for sustainable gaming regimes.

Two areas which Betsson follows closely are the objective to achieve a high channelisation of customers into the locally regulated licensing systems, where such systems are compliant with applicable international law, and the importance of strong consumer protection, ensuring that the customer is at the centre of every regulatory and business decision taken.

AMBITION	GOAL	OUTCOMES
Have a strong corporate reputation in the gaming industry	<ul style="list-style-type: none"> Betsson is perceived by relevant industry stakeholders to have a stronger than average corporate reputation than its peers. 	<ul style="list-style-type: none"> In 2022, Betsson will set up a project to define KPIs and ways of measuring progress towards the goal.
Work for sustainable gaming regulations	<ul style="list-style-type: none"> Active member of relevant industry organisations in all locally regulated markets in which Betsson holds licenses and other regulated markets where Betsson should be active. 	<ul style="list-style-type: none"> Betsson is an active member in 15 (15) industry organisations. For more information, see list on p. 23.
Meet the laws, regulations, integrity and ethical standards that apply to our organisation where we operate	<ul style="list-style-type: none"> Zero material sanctions for not complying with international or local laws and regulations. Zero confirmed cases of corruption. All whistleblowing incidents are investigated. 	<ul style="list-style-type: none"> 0 (0) SEK paid for not complying with international or local laws and regulations. 0 (0) confirmed cases of corruption. 0 (1) whistleblowing incidents reported.
All employees comply with Betsson's internal rules and ethical standards	<ul style="list-style-type: none"> Employees must undergo training in responsible gaming, anti-money laundering, GDPR and information security at least once a year. All employees have signed Betsson's Code of Conduct. 	<ul style="list-style-type: none"> See outcome for participation in training in the table on p. 24. 94 % (77 %) of employees have signed Betsson's Code of Conduct.
Work for a safe and trustworthy platform	<ul style="list-style-type: none"> The Group's technical platform is certified according to ISO 27001. Always act on warnings from IBIA (International Betting Integrity Association) of suspected match-fixing. All CDE developers must undergo training in secure coding at least once a year. 	<ul style="list-style-type: none"> 0 (0) non-conformities raised at ISO 27001 surveillance audits, demonstrating compliance to the standard. Betsson acted on 98 % (98 %)* of all IBIA warnings of suspected match-fixing. See outcome for participation in training in the table on p. 24.
Be transparent with Betsson's outcomes in the area of sustainability	<ul style="list-style-type: none"> Publish a sustainability report in accordance with international standards. 	<ul style="list-style-type: none"> The Sustainability Report for 2021 has been produced in accordance with GRI standards.

* The percentage for 2020 has been adjusted.

A STRONG CORPORATE REPUTATION

During 2021, Betsson has developed a goal linked to the ambition to have a strong corporate reputation in the gaming industry.

The goal is for Betsson to be perceived by relevant industry stakeholders to have a stronger than average corporate reputation than its peers. In 2022, Betsson will set up a project to define KPIs and ways of measuring progress towards the goal.

INDUSTRY COOPERATION

Betsson believes that multistakeholder dialogue and industry cooperation are key ingredients to define a legal framework that is in the service of public interests, customers, and companies. In the gambling industry, due to the significant differences in regulatory stance from country to country, this cooperation is even more important since it serves as a forum for discussing the different approaches and best practices from other jurisdictions.

BETSSON'S MEMBERSHIP IN INDUSTRY ORGANISATIONS	
Europe	European Gaming and Betting Association (EGBA)
Denmark	Danish Online Gambling Association (DOGA)
Estonia	Estonian Gaming Operator Association (EGOA)
Italy	Assologico (LOGICO)
Latvia	Latvijas Interaktīvo Azartspēļu Biedrība (LIAB)
Lithuania	Lietuvos Losimu Verslo Asociacija (LLVA)
Malta	iGaming European Network (iGen)
Netherlands	Nederlandse Online Gambling Associatie (NOGA)
Norway	Norsk Bransjeforening for Onlinespill (NBO)
Peru	Alpadela
Spain	Jdigital
United Kingdom	Betting and Gaming Council (BGC)
Sweden	Branschföreningen för Onlinespel (BOS)
Sweden	Spelbranschens Riksorganisation (SPER)
Germany	Deutscher Verband für Telekommunikation und Medien (DVTM)

Betsson is part of a number of local and international organisations, as presented in the table above. In that regard, it is worth mentioning Betsson's work through the EGBA (the European Gaming and Betting Association), which is the largest international industry association. Examples of joint work include the GDPR Code of Conduct in the Gambling Industry, the Advertising Code of Conduct

for the Gambling industry, and the EGBA Sustainability Report. More recently, work has begun on an AML Code of Conduct for the Gambling Industry. Meanwhile, through this association, Betsson is involved in important legislative processes which directly or indirectly impact the industry, such as the recent proposals for an EU-wide AML Regulation, the Digital Services Act and regulation on artificial intelligence.

HIGH STANDARD OF COMPLIANCE

In 2021, the Group further raised the standard of compliance. In addition to restructuring the Legal & Compliance team to establish stronger compliance oversight and effective support to relevant business stakeholders, the Compliance team has also developed dashboard reporting for all jurisdictions.

Moreover, the Compliance Governance team together with the Governance, Risk and Compliance function is finalising an internal rules project which defines key policies from a Group perspective as well as a unified timeline for revision of these policies. Going forward, the Group's internal rules are managed, reviewed, and developed by a cross-functional working group to ensure that Betsson's internal rules framework are kept adequate and up to date.

The Legal Affairs team is also implementing a project on extensive legal due diligence checks of vendors through a reputable know your customers (KYC) platform to better establish the ownership of such processes in-house. On the same lines, Betsson is working on updating the Group due diligence policy in order to add this additional check and determine the standard procedure to be followed.

Betsson initiated its yearly Enterprise risk assessment, which is a standard process. Through this exercise, Betsson recognises the main risks to which the Group is exposed in different areas as well as the mitigation steps in order to remedy these risks. The risks, their rating, and mitigation are monitored on a quarterly basis by the Governance, Risk, and Compliance function.

A Compliance Risk Assessment is carried out annually with the purpose of analysing the risk that regulatory requirements pertaining to the group's operational gaming businesses are not complied with. Examples of areas in scope for the assessment are Anti Money Laundering, Responsible Gaming, Data Privacy/GDPR and other customer protection and gaming license related requirements. Furthermore, certain operational and general risks arising as a result of the legal and operational aspects of compliance were identified and analysed as part of the assessment.

When it comes to education of employees, improvements such as advanced functionalities and added training content for new jurisdictions have been made on the third-party training platform used for Compliance training. In addition, various ad hoc training has been provided to different business stakeholders by the Legal and Compliance team. Betsson has also started the work on developing a more comprehensive and structured internal training platform.

Furthermore, during this year Betsson focused on developing automated processes, to achieve higher efficiency and effective management and control. In that regard, it is worth mentioning that an automated compliance management system, contract management, and subject access requests system are in the final stage of development.

PROPORTION OF EMPLOYEES WHO HAVE UNDERGONE THE TRAINING (%)			
TRAINING	2021	2020	2019
Responsible Gaming	64 %	65 %	-
Anti-money laundering	72 %	61 %	-
GDPR	61 %	64 %	-
Information security	54 %	64 %	72 %
Secure coding only for Cardholder Data Environment (CDE) developers	100 %	100 %	100 %

Betsson's goal is that all employees undergo training in Responsible gaming, Anti-money laundering, GDPR and Information Security on a yearly basis and will review and further improve the setup around these e-learning during 2022 to reach that goal.

CODE OF CONDUCT SETS THE TONE

Betsson's Code of Conduct sets out the Group's expectations on employees. The Code, which begins with a statement from the CEO, covers Betsson's relationship with employees, customers, the capital market, and suppliers, and also addresses the Group's approach to climate impact. The Code incorporates the United Nations Global Compact's ten principles relating to human rights, labour, environment, and anti-corruption. All employees must comply with the Code of Conduct, which is available on the company's intranet. Failure to comply may lead to disciplinary action.

Betsson strives to ensure that all employees feel safe about reporting potential problems or transgressions to their line manager or to the Human Resources department. Betsson also has a stand-alone, external tool for whistleblowing, where employees can anonymously report any irregularities within the Group. Two senior executives in Betsson AB have access to the system and decide what actions are required. Two members of Betsson AB's Board of Directors review any reports as part of their supervisory role. For 2021, 0 cases were reported. Any cases are dealt with according to the set process.

ANTI-CORRUPTION POLICY IN PLACE

Fighting corruption is important to Betsson, notably to promote healthy competition and promote public confidence in Betsson as well as in the industry. Betsson has zero tolerance of corruption.

During 2021, a risk assessment has been conducted to evaluate the corruption risks across the Group. The risk assessment was presented to the Board of Directors as well as to the management teams of Betsson AB and Betsson Operations. Also, during the year, an anti-corruption policy was adopted by the Board.

The anti-corruption policy and the Code of Conduct codify Betsson's endeavours to counteract corruption and bribery and clarifies that Betsson must comply with current legislation in this area, lastly, they also provide guidance as to how managers and employees should respond to gifts and other benefits. To reduce the risk of conflicts of interest, the Group has implemented a 'four-eyes principle', meaning that at least two individuals in the Group must review and approve in writing any agreements between Betsson and another party.

COUNTERACT MONEY LAUNDERING AND TERRORIST FINANCING

Money laundering and financing of terrorism are global threats that affect many industries. Compliance with Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) requirements and legislation is of great importance for all businesses which may be exposed. Betsson is exposed to such risks, for example relating to offered iGaming products and services, customers use of those products and services, distribution channels and jurisdiction/market related risk factors.

Betsson Operations has since many years AML and CFT guidelines and routines in place, including risk based processes and procedures to ensure that the Group knows its customers, which reduces the risk of money laundering.

However, as a part of the Group's ongoing efforts to improve and develop in this important area, Betsson has initiated a project to establish a global AML minimum standard that will apply in all markets where Betsson Operations has an offering. This AML minimum standard will be developed based on the global AML and CFT standard set by the Financial Action Task Force (FATF) as well as on other relevant regional (e.g. EU) and local laws, regulations, and standards. The FATF is a global money laundering and terrorist financing watchdog.

Betsson has internal, proprietary monitoring tools as well as tools from third-party suppliers that monitor all transactions made through Betsson, and flag situations that require further attention by the Group's anti-money laundering team.

Betsson cooperates with authorities and performs the checks required under legislation, regulations, and other directives from authorities in the markets in which the Group operates. The Group reports any suspected cases of money laundering (Suspicious Activity Reports, SARs) to relevant authorities.

A lecture on anti-money laundering is included in the induction training that all new employees at Betsson undergo. All employees globally are also expected to go through a yearly AML e-learning. In addition to this, employees who work specifically on money laundering issues receive regular in-depth training.

In 2021, Betsson has successfully undergone several audits, both internally and externally. Aside from the internal audit conducted by EY in the areas of AML and responsible gaming, Betsson also completed the eGAP audit, which is a thorough run-through of mainly AML and responsible gaming related controls.

COUNTERACT MATCH FIXING

Betsson's goal is to counteract match fixing in all forms of sports betting. The Group has rigorous control systems in place that collect and analyse data and warn of discrepancies. A dedicated Betting Integrity Officer, together with a team of analysts, works on these issues. The Group has also developed a comprehensive Group match-fixing policy that explains procedures and processes in the area of fraud in sports.



The Group is a member of IBIA (International Betting Integrity Association), a global organisation for licensed companies that works towards a high standard in sports betting. Gaming companies cooperate through IBIA by reporting suspicious gaming patterns and sharing data. All cases of suspected suspicious betting are reported on the platform which triggers an alert to all other operators in the IBIA community. Operators are required to respond to the alert giving details whether the situation outlined in the ticket is suspicious on their side.

Betsson aims to always respond promptly to warnings from IBIA and, where relevant, provide information. If match-fixing is suspected, Betsson acts immediately, for example by closing down bets on the match. Suspected cases are also reported to local regulators and police in accordance with the rules applicable to the specific jurisdiction.

Betsson takes part in local networks such as the Swedish Sports Confederation's agreement between the licensed gaming companies in Sweden regarding data sharing and reporting. As a result of Betsson sharing data, analyses, and discussions about gambling patterns with other operators, the industry can more effectively identify and prevent fraud, while authorities can secure evidence to prove criminal activity.

Also, Betsson collaborates with the sports betting integrity unit at the Malta Gaming Authority (MGA) by both reporting suspicious betting activity to be shared with other operators and by replying to queries including sharing of data through requests for information where necessary.

PROTECTING CUSTOMER DATA

Customer data is one of the Group's most valuable assets. Betsson has a dedicated Information Security team and extensive security controls in place to protect information against unauthorised access and processing. The Group carries out regular security audits, vulnerability analyses and penetration testing. A Chief Information Security Officer, who will be responsible for information security across the Group, has been recruited and will take up the position in February 2022.

All employees must comply with Betsson's information security policies which form part of an ISO/IEC 27001-certified Information Security Management System (ISMS) designed to guarantee the protection of the Group's and customers' data. Betsson follows globally recognised standards for information security, as well as local laws and regulations in the markets where the Group holds licences.

In 2021, Betsson re-enforced the governance and operational security measures in place for protection against unauthorised access to, or processing of, data. For example, additional investments were made in the physical environment, applications, and software. Because most employees were still working remotely in 2021, increased security efforts were also required to prevent emerging security risks associated with this. In addition, Betsson further strengthened its 'Bug Bounty program' - which was introduced to detect bugs and vulnerabilities in the Group's public domains - and its Security Operations Centre, which secures the company's data 24/7.

The Data privacy team has initiated new educational activities for employees such as a privacy newsletter, new training materials and a new GDPR page on the intranet that clearly presents policies, procedures and processes that are relevant for Betsson employees. Also, within the revision of AML/RC policies for key EU markets, the Data privacy team included data protection instructions and principles in operational procedures in order to clarify how operational teams should handle customer personal data.

When joining Betsson and regularly every year, employees must confirm their abidance by the Group's Acceptable Use Policy (AUP) for computer use and go through training in Information Security. In addition, all employees receive regular communications and updates from the Information Security team.

TRAINING AND INFORMATION ON INFORMATION SECURITY

- Induction training for all new hires globally
- Annual online training in information security for employees
- Annual online training in GDPR for employees
- Regular training for software developers on secure code development
- Requirement for annual approval of Approved Use Policy (AUP) for computer use from all employees
- Newsletter to all employees in the Group every quarter from the Information Security team
- Regular e-mails and other internal communication to all employees in the Group on information security issues from the Information Security team
- All policies and guidelines, such as the GDPR policy, are available on the intranet



In 2021, the management system for information security remained certified against the ISO/IEC 27001:2013 standard. As new brands are added to the Group's platform, these are incorporated into the certified management system. The certification means that Betsson, after evaluation, has been found to comply with the ISO standard's far-reaching requirements for information security.

Betsson is also PCI DSS-certified for secure card transactions and cooperates with several large banks. The certification means that all credit card information is handled securely, and that the Group meets the high security standards as regards payments, withdrawals, and deposits set out in the certification process.

MARKETING WITH QUALITY AND RESPONSIBILITY

Marketing that increases awareness and engagement and supports the business is an important part of Betsson's commercial toolbox. In order to build long-term customer relationships and protect the Group's brands in the long run, it is fundamental that Betsson's marketing is responsible. The Group works continuously to ensure compliance with local laws and regulations relating to responsible marketing in all jurisdictions where Betsson operates.



GLOBAL GAMBLING GUIDANCE GROUP

Betsson holds Global Gambling Guidance Group (G4) accreditation, which means that the Group complies with G4's ethical rules as regards advertising, marketing, and sales. In addition to these, Betsson follows locally set guidelines, such as the Code of Conduct on Responsible Advertising for Online Gambling by the European Gaming and Betting Association (EGBA), and the Swedish Gambling Association (SPER) and the Swedish Trade Association for Online Gambling (BOS) guidelines for marketing in Sweden from April 2019.

In several markets, Betsson invests in sponsoring and content marketing for its marketing communication. Sweden is a good example of Betsson having chosen a balanced mix of broad traditional media with more engagement-driven communication in social media and use of ambassadors and long-term sponsorships.

7,000,000 VIEWS

One example is the award-winning content production Fimpen's resa, 'Fimpen's Journey' which started three years ago, and which is highly appreciated by hockey fans with over 7 million views on YouTube so far. In the series, former Swedish Hockey League (SHL) player Christian 'Fimpen' Eklund travels around Sweden to visit the SHL clubs. Betsson's sponsorship of SHL was not renewed, but the series with Fimpen will continue also in 2022 – now highlighting and supporting hockey enthusiasts on grassroots level.

During 2020-2021, Betsson Group has been growing in Latin America with expansions into Brazil, Colombia, Argentina, and Mexico. Strong sponsorships in Peru are aimed at strengthening the Betsson flagship brand in the region further. The sponsoring of CONMEBOL Copa América 2021, where Betsson was the official regional sponsor, was a further commitment towards Betsson's ambitions for Latin America. By being the official regional Sports Betting site of CONMEBOL Copa America 2021, Betsson could offer a fun, entertaining and safe betting experience for all its customers. For this sponsorship, Betsson won the Sponsorship of the Year award at the SBC Awards Latinoamérica. Citing the precise planning and execution of Betsson's growth in Latin America, Betsson was named as the Latin American iGaming Operator of the Year at the Gaming Intelligence Awards.

Like many e-commerce companies, Betsson uses affiliates, where a third-party company promotes the company's gaming sites. Comprehensive agreements between the parties govern how the Betsson brands may and may not be promoted by affiliates. A dedicated team works continuously to assess this cooperation and check that the agreements are complied with.

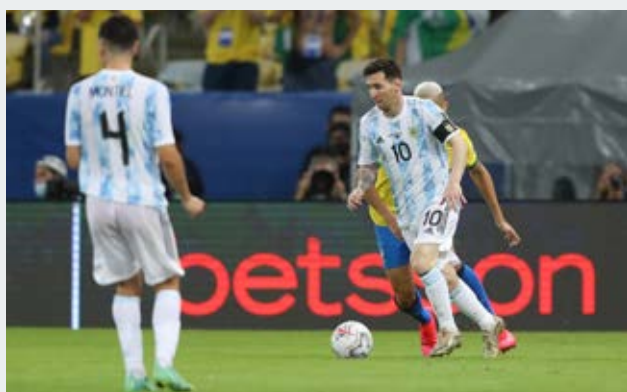
RESPONSIBLE TAXPAYER

Taxes represent a pillar in the financing of society and public welfare, and Betsson therefore regards compliance with tax legislation as an important task of a responsible business. Betsson operates through its subsidiaries in a large number of different countries at global level and is consequently exposed to multiple international and local tax regulations. The Group is to comply with all applicable local tax legislation and tax regulations in those countries where the Group operates. In addition to paying corporate tax, the Group's various companies also pay gaming tax and

sales tax. The taxation of international digital operations, especially in online gaming, is a complicated area, and work is constantly ongoing in the Group to ensure compliance in an environment where both national and international tax laws and tax treatment change rapidly.

Betsson works continuously, on its own and through industry organisations, to influence the development of both the tax frameworks of the OECD and the EU as well as local rules in collaboration with local lawmakers. Taxes are an important element in commercial scalability from the Group's perspective and also in relation to our responsibility to the shareholders as regards financial results.

Taxes are never the primary driver behind business decisions, which are always based on the needs of the business.



In June 2021, Betsson signed an agreement with the South American football confederation, CONMEBOL, to be the official regional sponsor of CONMEBOL Copa América 2021.

EMPLOYEE IMPACT

Betsson's ambition is to be the Employer of Choice – top of mind for both current and potential employees. Attracting talent with the right skills, retaining, and further developing employees is an important part of Betsson's winning concept. The 2021 Employee survey conducted in the autumn showed that 88 percent of employees are proud to work at Betsson and as many would recommend Betsson as an employer to family and friends.

Our dedicated employee experience team, led by the Head of Employee Experience, has a structured way of working to constantly develop and fulfil the ambition to be the Employer of Choice. As a result of a systematic approach to further improve the employee experience across areas, the churn has gone down and the average tenure has steadily gone up and is now at 3,5 years for employees and 5 years

for people managers, creating stable working conditions. During the same period, there has been a large increase in the number of job applications received; 6199 per month in 2021 compared to 4521 per month for 2020. Taken together, this shows that the company's efforts when it comes to being an attractive employer are bearing fruit.

AMBITION	GOALS	OUTCOMES
Be the Employer of Choice	<ul style="list-style-type: none"> 90 % of employees recommend Betsson as a place to work for friends and family. 	<ul style="list-style-type: none"> In the 2021 employee survey, 88 % (89 %) responded that they recommend Betsson as a place of employment to friends and family.
Diversity and equal opportunities are seen as a natural part of an innovative company culture	<ul style="list-style-type: none"> At least 40 % women at management level. All employees at Betsson have equal opportunities regardless of background. 	<ul style="list-style-type: none"> Betsson has 32 % (39 %) women people managers in total, and 27 % (29 %) women at executive management level. In the 2021 employee survey, 85 % (84 %) of employees considered that they have equal opportunities at Betsson, regardless of background.
Top-class competence and career development	<ul style="list-style-type: none"> All new hires have completed Betsson's 3-day induction course. Max. 30 % voluntary employee turnover. 	<ul style="list-style-type: none"> 94 % (99 %) of new hires have completed Betsson's 3-day induction course. Average employee turnover in 2021 was 30 % (28 %).



Internal football fan panels about the Euros and Copa América during Summer 2021.

A HEALTHY AND STRONG CORPORATE CULTURE

Betsson's core values set the tone for how employees treat each other, customers, and other stakeholders. The values emphasise the benefits of working together as one team and being dedicated and enthusiastic. They also highlight the importance of conducting a responsible business, treating others with respect.

During the year, Betsson continuously highlighted the company values One Betsson, Passion and Fair Play in various situations such as for employee activities, and the Management often refers to them, putting them into a business context.



We work together, as a team, to achieve common goals and collaborate to succeed. We challenge and support each other. We make everyone feel welcome by being open, friendly, and social and we celebrate diversity.



We are passionate about our jobs, our team, and our company. Through our dedication to business and gaming, we achieve great results. Our enthusiasm drives us full speed ahead.



We listen to and respect our customers, partners, communities, and one another. We are operating with responsibility and integrity. By playing fair, we win together.

EMPLOYEE ACTIVITIES SUPPORTING CULTURE AND BUSINESS

To be the employer of choice, Betsson has ensured that the foundation for a positive employee experience is in place, such as health insurance, wellness allowance, parental leave, and other benefits.

In addition, the company encourages social interaction by arranging various activities to build employee engagement and strengthening the employer brand. Betsson's many online activities are global and accessible to everyone within the organisation, which further strengthens the positive culture within the Group.

As 2021 saw the return of large sporting events such as the UEFA EURO 2020 and the CONMEBOL Copa América, Betsson launched a number of internal employee activities aimed at keeping spirits high during this period of intense work. At the same time, it was an opportunity to educate employees on Betsson's business and on the sportsbook product. CEO and COO of Betsson Operations took part in weekly internal football panels commenting on the games as well as on the numerous internal competitions and raffles held in connection with the sporting events. In addition, interviews with key employees involved in the tournaments were published on the intranet, to provide insights into how the organisation works with such events.

DIVERSITY AND INCLUSION – A NATURAL PART OF BETSSON

In a group with around 60 different nationalities and many different professional backgrounds, experiences and personalities, diversity is a natural part of everyday life. Betsson seeks to ensure that everyone feels included and part of a context.

Betsson's 'Diversity Statement' states that the Group strives to ensure a work environment in which all employees are welcome, respected, appreciated, and feel that they can be themselves without encountering prejudice. One of Betsson's goals is for all employees to feel that they have equal opportunities, regardless of background. The result in the 2021 employee survey on this question was 85 percent (84). The Group believes diversity & inclusion is fundamental to retain and attract new employees.



Betsson aims to achieve 40 percent women at management level, the ambition being based on the gender balance in the company as a whole. To reach this target, Betsson is working on several long-term initiatives, both internally and externally. Betsson is a member of the All-in Diversity Project and in its latest All-Index survey, Betsson placed fourth, only 5 points after the top position. The All-Index survey was developed in partnership with the Centre for Diversity Policy Research and Practice at Oxford Brookes University. It allows organisations to benchmark their DEI (Diversity, Equity and Inclusion) progress year on year, both individually and in comparison with others within the industry.

In 2020, Betsson created the internal network 'Women in Betsson' (WIBE). As an example, during 2021 the WIBE platform was used for an online seminar with a keynote speaker on promoting visibility in a virtual world. The session was open for all genders. Betsson also celebrated Pride across locations, including with a greatly appreciated online lecture on diversity and inclusion with a well-known British racing driver and LGBTQ+ activist.

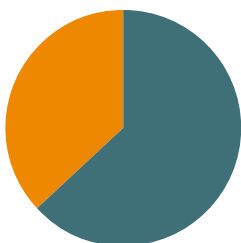


In 2020, Betsson established the WIBE network, Women in Betsson, to support and inspire women within the Group and work to make the gaming industry and technology industry more attractive to women.

In 2022, Betsson will further enhance its work with diversity and gender equality, among other through a mentorship program.

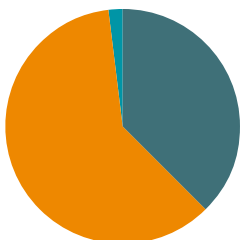
EMPLOYEE GENDER BREAKDOWN

2021	
MEN	63,2 %
WOMEN	36,8 %



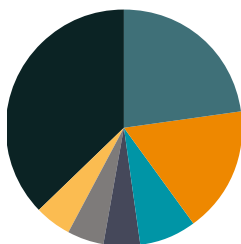
EMPLOYEE AGE BREAKDOWN

2021	
UNDER 30 YEARS	35,6 %
30-50 YEARS	62,5 %
OVER 50 YEARS	1,9 %



EMPLOYEE NATIONALITY BREAKDOWN

2021	
MALTA	23 %
GEORGIA	17 %
SWEDEN	8 %
LITHUANIA	5 %
ITALY	5 %
HUNGARY	5 %
OTHER	37 %



COMPETENCE DEVELOPMENT AND TOP-CLASS CAREER OPPORTUNITIES

Competence development and career progression is an important part of the employee experience. During 2021, Betsson has developed a new Learning Management System (LMS). The platform holds interactive learning courses and other training, as well as policies. It allows users to share skills internally, conduct surveys, and automate processes. The goal is to build further competence within the business, increase employee engagement and create favourable conditions for employees' career development within the Group.

With continued growth and launching in additional markets in 2021, recruitment of new employees to meet the needs of the business has continued at an unchanged pace. In Betsson's three-day induction training, new hires gain knowledge of business strategy, products, and markets as well as responsible gaming directly from the CEO and other senior managers in the Group. The training is online and therefore accessible to all new hires.

Following the global 360-degree leadership training in collaboration with the Stockholm School of Economics (Handelshögskolan) launched last year, Betsson partnered with the same institute this year for a 'Lead Remote' coaching, focusing on remote leadership competences. A post-training survey found that 98% of managers found the content relevant and actionable. The aim of global leadership training is to ensure that managers have good tools and a common view of leadership at Betsson.

FLEXIBLE BACK TO OFFICE MODEL

Employee safety always comes first, and when the pandemic struck in 2020, Betsson swiftly switched to remote work, while for the most part keeping offices open to cater for employees who wished to work from there. Each office always follows local health regulations.

The past two years have shown that the high quality of products and services has been maintained, regardless of where the employees have worked from. With 2021 making it possible for employees to go back to the office on a larger scale, Betsson launched a Hybrid Working from Home Model pilot in five locations: Malta, Sweden, Hungary, Estonia, and Lithuania.

The hybrid model allows eligible employees to work from home three days per week, with the remaining two days mandatory in the office. This combines the flexibility of working remotely with the added benefits of seeing colleagues face to face on a regular basis. To support the set-up of an adequate home office, Betsson offers employees a working from home allowance to buy proper equipment.

During 2021, Betsson continued with regular, global surveys to assess how employees experienced working from home. Approximately 95% said that they were adapting well/very well. Around 90 percent of the 'spirit' even when working remotely. The hybrid model pilot will be followed by a survey and an evaluation on management level before the next step is decided.

SOCIAL IMPACT

Betsson defines Social Impact as taking action to have a positive impact in the locations where we operate. Through direct donations to charity and employees donating their time to volunteer in various projects, Betsson gives back and influences society in a positive direction.

As a company committed to delivering sustainable, long-term growth, Betsson wants to take part in and give back to the communities where the Group is present, whilst empowering employees and encouraging them to engage in related activities. In line with Betsson's core values, Betsson believes that taking societal responsibility is important and creates positive ripple effects beyond the organisation. The efforts are directed towards groups and projects that are currently in need of support or projects that create long-term positive change.

Betsson's social impact efforts are governed by the CSR Board consisting of among other CEO, CFO, COO and CHRO, where suggestions for projects and activities are assessed and resources allocated.

Betsson is currently developing a Social Impact Strategy, which sets down the priorities and KPIs for the company's CSR and social impact efforts, both globally and locally for 2022 and onwards.

CRITERIA FOR INVOLVEMENT IN SOCIAL IMPACT ACTIVITIES

- Employee engagement building pride and empowerment
- Making a positive difference in society
- Positive brand exposure

MAKING A DIFFERENCE

Betsson's contributions to charity during 2021 has focused on supporting vulnerable groups in society, who saw their situation deteriorate further due to the coronavirus pandemic.

In Malta, where Betsson has its operational headquarters and the highest number of employees, donations were given to the Women to Women Foundation, the YMCA, the Malta Community Chest Fund, and to the Foodbank Lifeline Foundation, which all support individuals and families in need. The offices in Estonia and Lithuania also both supported local foodbanks with donations.

Betsson has continued its support to health care workers, which began in 2020, among other by the Stockholm office donating lunches for frontline health workers at the Intensive Care Unit of St Görans Hospital. This initiative also supports local businesses in Sweden.

During the annual Emergency Nurses Week in October, Betsson gave gifts to all emergency nurses at Mater Dei Hospital in Malta. This was a continuation of Betsson's support to local healthcare professionals where earlier during the pandemic, the company provided frontliners with over 2,000 face shields and offered free accommodation in company apartments for frontline workers.

Read more about Betsson's community involvement on the website www.onebetsson.com.

2,000

FACEMASKS DONATED TO FRONTLINERS. FREE ACCOMMODATION IN COMPANY APARTMENTS WAS ALSO OFFERED TO FRONTLINE HEALTHCARE WORKERS.

BETSSON'S CONTRIBUTION TO A SUSTAINABLE ECONOMY

Betsson contributes to financial growth both globally and locally through its customers, employees, and suppliers. The Group has a long-term, sustainable approach to business and expects the same from its partners.

In Malta in particular, where Betsson has its largest offices, the Group contributes to the economy by buying goods and services locally.

ECONOMIC VALUE CREATION, SEK MILLIONS	2021	2020	2019
Revenues from customers	6,672	6,390	5,173
To suppliers			
Operating costs /Purchase of goods and services	-4,017	-3,872	-3,163
To employees			
Employee wages and benefits including social costs and pensions	-963	-891	-790
To providers of capital			
Dividends paid to shareholders	-539	-503	-393
Interest payments	-41	-45	-37
To Society			
All taxes, including betting duties	-603	-579	-419
Community investments via donations	-3	-3	-3

CLIMATE IMPACT

Betsson is a technology company whose business is conducted online. This means that Betsson has relatively low CO₂ emissions compared to many other industries both within and outside of the entertainment sector, but nevertheless has a responsibility to help counteract climate change. The Group has therefore set Science-based targets to ensure that its climate work is in line with the Paris agreement. In 2021, the targets were officially approved by the Science Based Target initiative (SBTi).

AMBITION	GOALS	OUTCOMES
Reduced emissions based on targets validated by the Science Based Targets initiative	<ul style="list-style-type: none"> Reduce direct and indirect emissions of greenhouse gases from own operations and indirectly from purchased energy (Scopes 1 and 2) by at least 55 % by 2030 from the 2019 baseline level. Reduce indirect greenhouse gas emissions that occur in the value chain (purchased energy not included) to Betssons operations (Scope 3) by at least 15 % from the 2019 baseline level. 100 % climate-neutral business. 	<ul style="list-style-type: none"> 97 % increase in emissions of direct and indirect greenhouse gases from own operations and indirectly from purchased energy (Scope 1 and Scope 2). 1.5 % decrease in emissions of indirect greenhouse gases (Scope 3). Betsson is a 100 % climate-neutral business.

SCOPE 1:

Direct greenhouse gas emissions from the business, from combustion of fossil fuels and leakage of refrigerants.

SCOPE 2:

Indirect greenhouse gas emissions from purchased electricity, heating and cooling.

SCOPE 3:

All other indirect greenhouse gas emissions from the business's activities, where the emissions come from sources outside the business

BETSSON'S CARBON FOOTPRINT

As Betsson's business is mainly conducted online, a large part of the climate impact comes from electricity use, employee commute and teleworking and purchased goods and services. Risk related to climate change could lead to increased costs for Betsson for example through the need for office cooling as a result of more frequent heat waves and increased temperature over time.

Betsson uses an external tool in order to track climate emissions as well as other sustainability metrics across functions and offices. The tool ensures traceability and a clear view of the emission sources. The data reported into the tool is the basis for the Group's climate calculations, which are conducted by an external partner.

Betsson's total emissions have increased by 7.9% from 2020 to 2021, from 9,194 to 9,922 tonnes of CO₂e.

The largest absolute increase in emissions compared to 2020 comes from electricity consumption in offices (Scope 2). Another reason for the increase is that Betsson has added a new category for 2021, namely emissions from the physical servers that customers play against (virtual servers were included since before).

Betsson has its largest emissions in Scope 3, where the emissions come from sources outside the direct business and are more difficult to influence directly. Emissions in Scope 3 have decreased by 1.5% in 2021. This is mainly due to Betsson using primary data, i.e. kWh, to calculate emissions from virtual servers, and not as previously calculated based on cost.

The largest item in Scope 3 is the energy consumption from customers' gaming units. Although these emissions have decreased in 2021, this is not due to fewer customers or reduced number of hours played, but because gaming on computers (which have a higher energy consumption) has decreased slightly while gaming on mobile phones (which have a lower energy consumption) has increased sharply.

Betsson's calculations of the Group's scope 3 emissions also include employees' commute to and from the office, and also the increased energy use in the home for teleworking, for example for lighting, heating and computers' electricity consumption.

THE SCIENCE BASED TARGETS INITIATIVE

The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wildlife Fund (WWF). The SBTi defines and promotes best practice in science-based target setting and independently assesses companies' targets.

Science-based targets are emissions reduction targets in line with what the latest climate science says is needed to meet the goals of the Paris Agreement. Betsson has committed to pursuing efforts to limit warming to 1.5°C and has set targets accordingly (see table).



largest emission sources. The focus areas in the roadmap are therefore electricity used in offices, virtualisation of servers, business travel and employee commute. In 2022, the responsible departments within Betsson will develop action plans for each area in order to continue work towards the climate goals. Betsson's Head of Sustainability is responsible for the progress of the climate strategy and the responsible departments have ownership of developing action plans for each area to continue the work to reach the climate goals. When it comes to customers' electricity use while using the company's products, Betsson already climate compensates for this and will continue to do so.

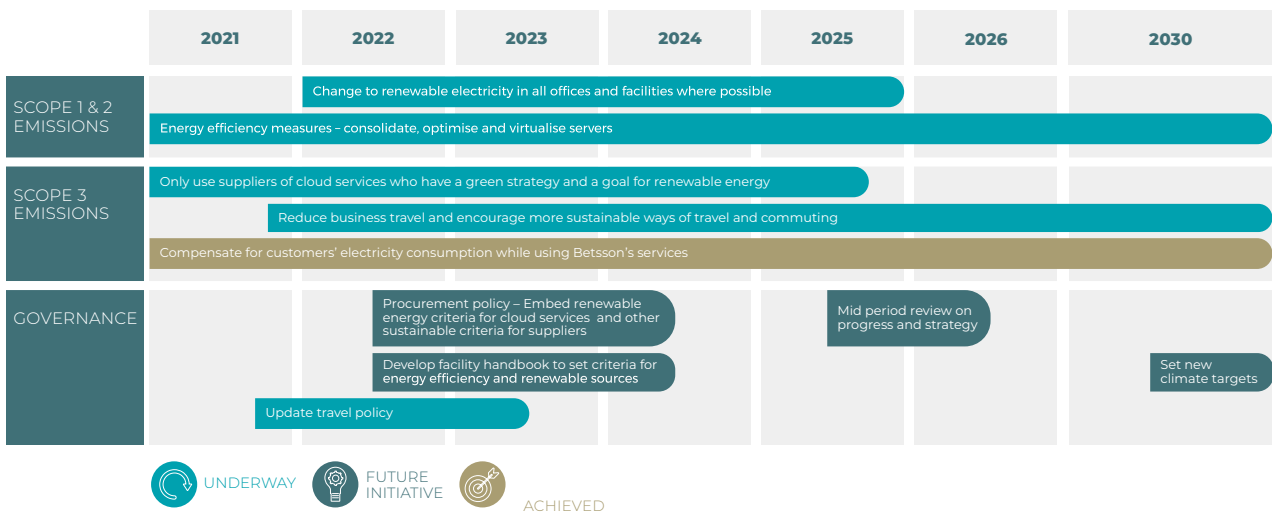
Betsson's environmental policy states that the Group's objective is to 'minimise environmental impact while always striving for careful usage of natural resources'. According to Betsson's Code of Conduct, virtual meetings must be chosen in the first instance, and employees must have travel applications approved by a member of the management team.

BETSSON'S CLIMATE ROADMAP

In 2021, Betsson developed a climate roadmap which sets out the main priorities for the Group's efforts to reach its science-based targets. The priorities are based on the

During 2022, Betsson will also continue to promote internal communication on the subject to create additional knowledge, commitment, and initiative among employees for Betsson's environmental efforts to ensure that the organisation takes ownership of targets and activities.

ROADMAP FOR CLIMATE WORK

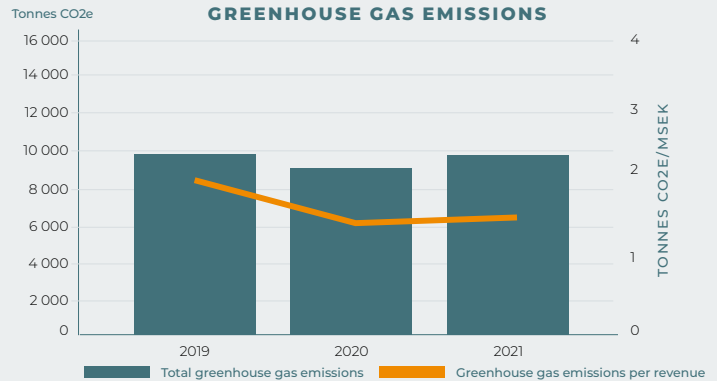
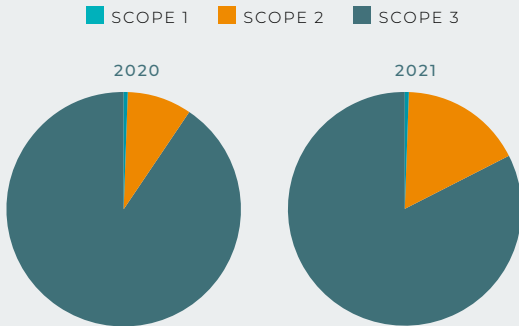


CLIMATE-NEUTRAL BUSINESS

Betsson's operations have been carbon neutral for several years, which means that Betsson offsets its carbon dioxide emissions. For the calculated emissions generated in 2021, i.e., 9,922 tonnes of carbon dioxide equivalent (tCO₂e), and

for an additional 10 percent, in total 10,915 tCO₂e, Betsson compensated by purchasing reduction units in the VCS certified (Verified Carbon Standard) projects Mytrah Wind in India and Hong Phong Solar in Vietnam.

GREENHOUSE GAS EMISSIONS PER SCOPE



EU TAXONOMY ELIGIBILITY

The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. The aim of the EU taxonomy is to encourage a transition towards sustainability, among other in order to meet the EU's climate and energy targets for 2030.

Betsson supports the vision of the EU taxonomy. Being a technology company, whose business is conducted online, Betsson has relatively low CO₂ emissions compared to many other industries. Nevertheless, Betsson has a responsibility to help counteract climate change and has taken a number of steps within this area such as setting Science-Based Targets and developing a climate road-map to reach the goals.

As a listed company with a level of revenue and subsidiaries with over 500 employees, Betsson is in scope for the EU taxonomy and has considered the regulation in relation to the Group's economic activities.

Economic activities and Turnover KPI

Operating within the gambling sector, Betsson's main economic activity, i.e. providing casino, sportsbook and other games to its customers, is excluded from the taxonomy (Annex 2, supplementing Regulation (EU) 2020/852, paragraph 13.1).

To ascertain whether Betsson has any other economic activities which could be eligible for the taxonomy, the Group has made a thorough analysis of the business together with internal stakeholders and supported by external experts in the taxonomy. Such an analysis has not identified any other economic activities performed by Betsson that are eligible under the taxonomy. Thus, Betsson does not report any eligible Turnover for any eligible activities.

CapEx and OpEx KPI

The CapEx KPI is defined as taxonomy-eligible CapEx (numerator) divided by total CapEx (denominator).

Total CapEx consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes additions to fixed assets (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16). Additions resulting from business combinations are also included.

The OpEx KPI is defined as taxonomy-eligible OpEx (numerator) divided by the Group's total OpEx (denominator).

The operating expenditure covers direct non-capitalised costs relating to research and development, renovation measures, short-term lease, maintenance, and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective use of such assets.

As Betsson has not identified taxonomy-eligible economic activities, the Group does not record CapEx/OpEx related to assets or processes that are associated with taxonomy-eligible economic activities in the numerator of the CapEx KPI and the OpEx KPI.

Only CapEx and OpEx related to the purchase of output from taxonomy-eligible economic activities and individual measures enabling the target activities (our non-eligible activities) to become low-carbon or to lead to greenhouse gas reductions could therefore qualify as taxonomy-eligible on their own. Betsson has analysed whether any such CapEx/OpEx is identified within the group. The outcome of the analysis is that Betsson does not have any eligible CapEx or OpEx, as defined by the taxonomy.

	Total (MSEK)	Proportion of Taxonomy-eligible economic activities (%)	Proportion of Taxonomy non-eligible economic activities (%)
Revenue	6,672.3	0 %	100 %
CapEx	5.3	0 %	100 %
OpEx	24.2	0 %	100 %

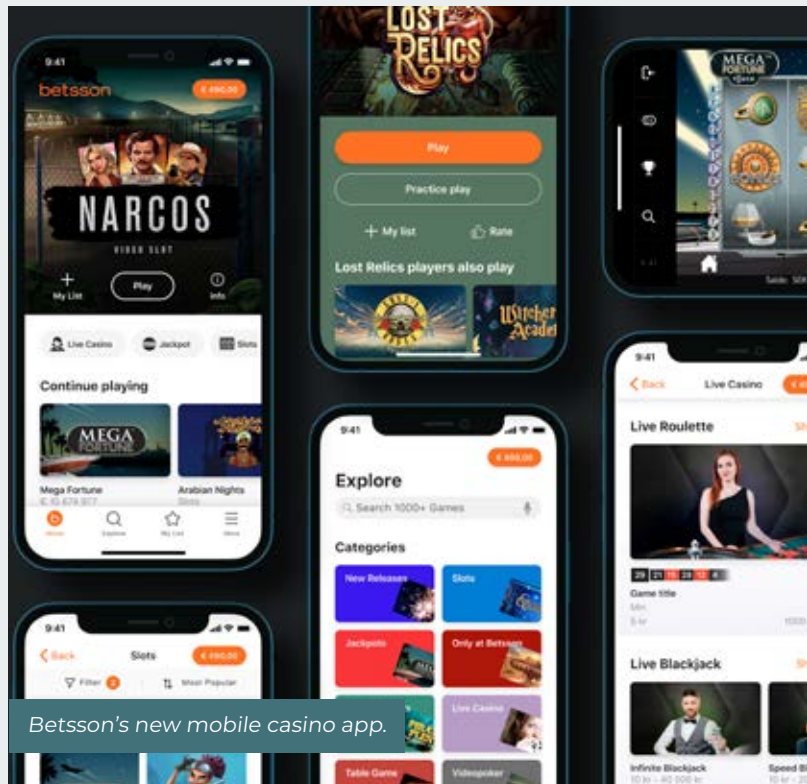
When it comes to any eligible CapEx and OpEx of Betsson's suppliers, guidance within this area was published by the European Commission as recently as 2nd February 2022, and Betsson has therefore not had a chance to evaluate said suppliers accordingly.

Betsson will continue to follow the development of the taxonomy closely and adapt reporting as needed.

Betsson sponsorship of Íbis Sport Club in Brazil, "the worst team in the world".



CONMEBOL Copa América was Betsson's biggest sponsorship of the year.



Betsson's new mobile casino app.

MANAGEMENT REPORT

The Board of Directors and the Chief Executive Officer of Betsson AB (publ), corporate identity number 556090-4251, with registered office in Stockholm, hereby present the annual accounts for the 2021 financial year for the Parent Company and the Group. The annual accounts, including the auditor's report, can be found on page 105. A sustainability report has been prepared in accordance with the Swedish Annual Accounts Act and GRI Standards and has been submitted by the Board. It can be found on pages 13–36 of this Annual Report. The results of operations for the year and the financial position of the Parent Company and the Group are presented in the Management Report and in the subsequent income statements, balance sheets, cash flow statements and statements of changes in equity, with associated notes and comments. The reporting currency for the Parent Company and the Group in 2021 is the Swedish krona (SEK). The consolidated income statement and balance sheet and the Parent Company income statement and balance sheet will be presented for adoption by the Annual General Meeting on 10 May 2022.

OPERATIONS

Betsson AB, the Parent Company of the Group, invests in and manages companies mainly operating online gaming. The Parent Company itself does not conduct any gaming operations. The subsidiaries offer mainly casino and sportsbook to customers in a global market through partnerships and the websites of the mainly Malta-based subsidiaries. In addition, the subsidiaries offer system solutions to other partners and associates. For reasons of simplicity, the name 'Betsson' is used throughout this Annual Report when describing the Group's gaming operations. This primarily relates to the gaming activities of Betsson's subsidiaries, which in 2021 were conducted through European gaming licences in Malta and local gaming licences in a total of 20 jurisdictions.

IMPACT OF THE CORONA VIRUS PANDEMIC

Measures have been taken to actively manage risks related to the pandemic. The most important priority is the safety of Betsson's employees, its customers and our community. Remote working started in mid-March 2020, but also continued during 2021. In September, a hybrid model was introduced to allow for a combination of working from home and in the office. The hybrid model was implemented country by country depending on the local pandemic situation. To support the health and safety of both employees and other people in the community, the opportunity to work from home has continued to be offered in areas where local restrictions require it. During the pandemic, the entire business has worked well, and Betsson's employees have delivered products and services with commitment and to the same high quality and standard as they did before this exceptional situation arose. During the year, Betsson has continued to work

on interactions with customers to promote responsible gaming (manually, automatically and through real-time messaging). This is done to proactively detect any signs of problem gambling. Customers have been informed about potential risks with gaming and have received advice about tools to help them control their gaming; see further information in the Sustainability Report.

GROUP REVENUE AND PROFIT/LOSS

Group revenue totalled SEK 6,672.3 (6,389.6) million, which is equivalent to an increase of 4 percent on the previous year. Gross profit was SEK 4,318.1 (4,100.9) million, an increase of 5 percent. The gross margin was 65 (64) percent. Operating income increased by 6 percent to SEK 1,193.7 (1,125.2) million and the operating margin was 17.9 (17.6) percent. The higher operating income is explained by increased revenue and that Betsson continuing to be cost-effective. Profit before tax was SEK 1,136.9 (1,068.8) million and net income was SEK 1,068.8 (990.8) million, equivalent to earnings per share of SEK 7.90 (7.32).

PRODUCTS

Casino is Betsson's largest product and accounted for 72.5 (76.5) percent of revenue during the year, followed by sportsbook with 26.2 (22.3) percent and other products (including poker) accounting for 1.3 (1.2) percent of revenue.

CUSTOMERS

At the end of the year, there were 23,306,560 (19,618,060) registered customers, an increase of 19 percent compared with the end of the previous year. The average number of active customers in 2021 was 1,161,683 (989,969), which is an increase of 17 percent on the previous year.

ACQUISITIONS

In April, Betsson acquired a 35 percent stake in Strive Platform Limited, a company with market-leading knowledge that provides a modern US-focused platform (PAM). In mid-April, Betsson also acquired a 50 percent stake in the software and development company JDP Tech Ltd, which owns a proprietary technology platform for handling payments in Latin America. In August, SW Nordic Limited, a subsidiary of Betsson AB, acquired Inkabet. Inkabet is a fast-growing sportsbook and casino business targeting the western region of South America. Through the acquisition, Betsson continues to gain market share in Latin America, a strategically important area where the Company has great ambitions for the future. During the third quarter, Betsson Perch Investments AB, a subsidiary of Betsson AB, acquired 28 per cent of the shares in the Canadian start-up company Slapshot Media Inc. The investment is a further step in Betsson's continuing ambition of growth in the North American market. Information on the financial effects of the acquisitions is provided in Note 34.

OTHER SIGNIFICANT EVENTS IN 2021

First quarter

In March, Betsson received clearance from Darmstadt Regional Council to operate online sports betting throughout Germany.

Second quarter

During the second quarter, Betsson entered into a partnership with a local partner (Big Bola Casinos) in the locally regulated Mexican market. At the end of May, Betsson.gr was launched in Greece after Betsson was awarded two of the new Hellenic Gaming Commission licences in the country: a licence for casino, slots and poker, and a further licence for sportsbook. In June, Masterpiece Gaming Limited selected Betsson as the sportsbook and platform provider for its launch as an online gaming operator in the German market. The B2B agreement strengthens Betsson's position as a sought-after sportsbook and platform (PAM) provider in international markets. Betsson was also the official regional sponsor of the CONMEBOL Copa Am rica, which contributed to a strong growth of new customers in the region during the quarter.

Third quarter

As a result of the publication of a new policy by the Dutch Gaming Authority (KSA), Betsson's operating subsidiaries decided to stop accepting Dutch customers on their international websites in order to further the Group's long-term goal of obtaining a licence in the Netherlands.

Fourth quarter

The fourth quarter was characterised by significant progress in Latin America. The acquisition of Inkabet was completed on 1 October and through the acquisition, Betsson has strengthened its presence in the region. At the Extraordinary General Meeting on 25 October 2021 Fredrik Carlsson, Johan Lundberg and Eva Leach were re-elected as board members while Peter Hamberg and Pontus Lindwall were elected as new board members for the period until the end of the next Annual General Meeting.

INVESTMENTS AND DEPRECIATION

The year's investments in tangible and intangible fixed assets totalled SEK 327.0 (365.7) million, of which SEK 251.6 (245.4) million related to capitalised development expenditure. Depreciation and amortisation for the year totalled SEK 366.3 (359.1) million, of which SEK 258.5 (262.1) million related to amortisation of capitalised development expenses. The investments were made in IT hardware, development of gaming platforms, integration of gaming and payment solutions and refurbishment and furnishing of offices.

EQUITY

Equity in the Group totalled SEK 5,816.3 (5,062.9) million at the balance sheet date, equivalent to SEK 42.56 (37.05) per share. Return on equity was 19 (20) percent.

CASH FLOW AND FINANCIAL POSITION

At year-end, the equity/assets ratio was 63 (61) percent. An outstanding bond loan at year-end was reported at SEK 996.3 (991.3) million. Unutilised credit facilities totalled SEK 500.0 (806.1) million.

Cash and cash equivalents were negatively impacted during the year by SEK 502.9 (393.6) million due to a transfer to shareholders (redemption procedure). Cash and cash equivalents at year-end totalled SEK 977.4 (863.2) million. Player liabilities, including reserves for accumulated jackpots, totalled SEK 446.4 (441.7) million. Gaming regulations require the Group's gaming companies to reserve a certain proportion of cash to cover player debt and accumulated jackpots. Current receivables from payment providers for unsettled customer deposits were SEK 646.2 (584.1) million.

PERSONNEL

At the end of the year, there were 1,955 (1,792) employees in the Group. The average number of employees in the Group during the year was 1,890 (1,678), of whom 1,174 (1,039) were based in Malta. In addition, the Group had 217 (207) consultants engaged on a full-time basis, primarily in product development.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On January 6, 2022, a launch was held in Buenos Aires City, Argentina. The Company also launched on January 17 in the province of Buenos Aires. Buenos Aires City and the province of Buenos Aires are two separately regulated areas in Argentina. On January 20 Betsson received the ruling from the Court of Appeals in Jönköping in the case from 2019 regarding bonus rules. The Court of Appeals denied Betsson's appeal and upheld the Administrative Court's decision of a penalty fee of SEK 14 million. Betsson made a provision corresponding to this amount already back in 2019. The verdict can still be appealed.

On 16 March, Betsson's subsidiary in Belarus returned its gaming license due to the deteriorating security situation following Russia's invasion of Ukraine.

THE PARENT COMPANY

The business of the Parent Company, Betsson AB (publ), is primarily focused on shareholding and Group-wide administration. The Company provides services to Group companies in the areas of finance, communications, accounting and administration. Parent Company revenue for the full year was SEK 28.8 (36.1) million and profit before and after tax was SEK 1,288.3 (940.9) million. Net financial items included SEK 1,381.2 (987.4) million relating to dividends from subsidiaries. During the year, the Parent Company invested SEK 0.1 (0.6) million in property, plant and equipment. Cash and cash equivalents totalled SEK 337.8 (373.6) million.

THE GLOBAL GAMING MARKET

Industry market data indicates that the entire gaming market, including offline and online gaming, is worth approximately EUR 351 billion in 2021 and is estimated to grow 9.8 percent annually from 2021 to 2025 to a total of EUR 509 billion.

Online gaming is expected to grow as a proportion of the total gaming market to 27 percent in 2025, up from 25 percent in 2021 (Source: H2GC, February 2022).

Growth in the online gaming market is driven by several factors. First, offline gaming still holds a substantial market share that can be taken by online gaming operators like Betsson. Second, digitalisation in the form of increased e-commerce, digital entertainment and the parallel use of several devices, such as smartphones, computers, and tablets, remains high and continues to rise. Customers expect to have games and entertainment easily accessible where and when they want. The COVID-19 pandemic has contributed to accelerating the digitalisation of entertainment and consequently a greater degree of conversion from land-based gaming to online gaming, a shift that has been occurring for the past several years.

Another important driver of growth in the online gaming market is that an increasing number of European countries are introducing local regulations for online gaming where gaming companies can apply for a licence to run such operations. The licence enables gaming companies to compete on equal terms and to gain access to more effective marketing channels and payment solutions. Local regulations also impose additional requirements and reward operators that have a scalable, proprietary

platform equipped with the latest compliance support, routines, and processes – all of which Betsson has developed and is continuing to develop to reflect new and changing requirements. This is resulting in increased consolidation in locally regulated markets, creating acquisition opportunities for Betsson.

These additional requirements consist of, among other things, stricter controls and tools to prevent anti-money laundering, promote responsible gaming and ensure that operators provide customers with the right conditions to have a healthy relationship to gaming. Operators must also be able to identify and always help customers at risk of problem gambling. Betsson has full-fledged responsible gaming and compliance teams in place, with the competence, mandate, and resources to fulfil these requirements. Moreover, Betsson collaborates with several industry colleagues to drive responsible gaming and business compliance (see additional information in the Sustainability report).

Outside of Europe, such as in Latin America and North America, many governments are either currently investigating or have already implemented local licensing systems. Betsson's strategy is to grow in locally regulated markets and is therefore monitoring these new markets as part of its continued expansion.

Betsson's subsidiaries today operate under gaming licences in Malta and nineteen other jurisdictions. There continues to be lasting value in offering regulated gaming services within the EU and other markets from Malta – part of the freedom to provide services according to EU/EES regulations.

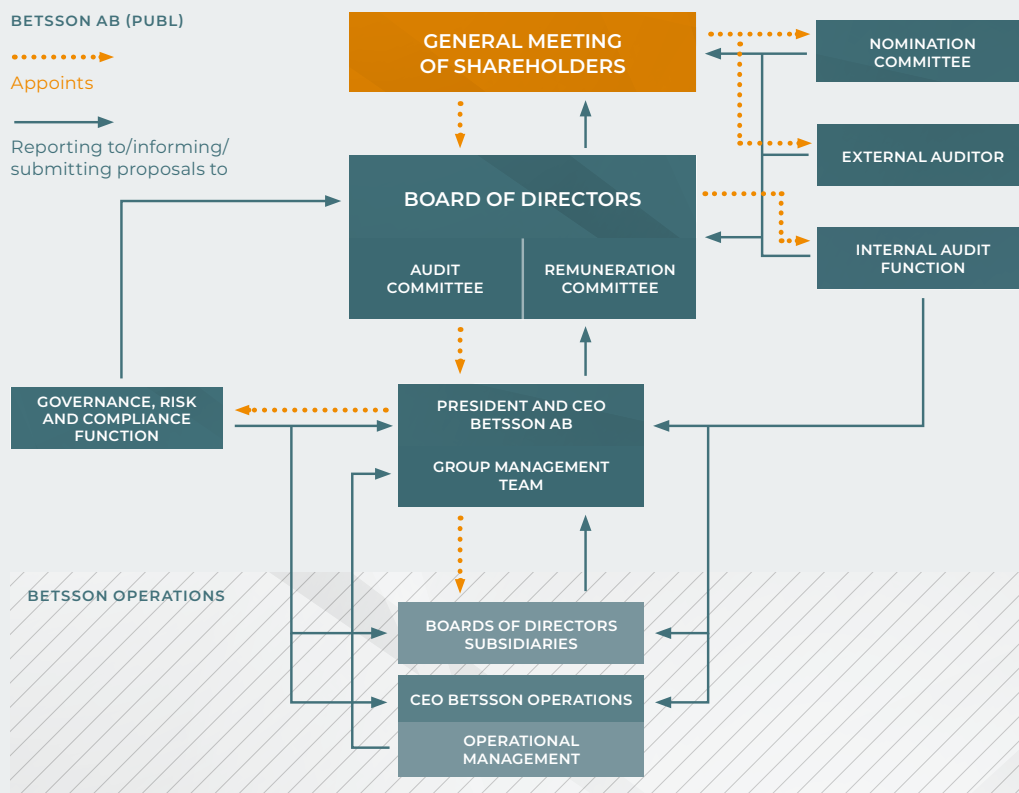


RISKS AND RISK MANAGEMENT

Robust risk management is a cornerstone in Betsson Group's continuous efforts for reaching a profitable and sustainable business long-term. Betsson is continuously developing its risk management processes and structures.

CORPORATE GOVERNANCE AND RISK GOVERNANCE

Betsson's risk governance model is based on the general corporate governance model, described in the Corporate Governance Report (refer to page 55).



Betsson has implemented a three line of defence model for risk management. The model, simply put, explains who does what in relation to risk management.

The three lines of defence in risk management are as follows:

- 1** **The business organisation including support functions**
 - Owns the risk and is responsible for daily risk management and to establish effective internal controls.
- 2** **The Governance, Risk and Compliance function**
 - Global and independent from the business organisation. Advisory and monitoring role. Oversees and develops risk management.
- 3** **Internal audit**
 - Global and independent. Conducts audit activities on behalf of the Board of Directors to ensure effective governance, good risk management and efficient control processes in the first and second line of defence.

The Board of Directors of Betsson AB has the overall responsibility for internal governance and control, including risk management and compliance. The Board of Directors sets overall policies, principles and guidelines for these areas, and, with the assistance of Betsson AB's CEO and the Group Management team, follows up to ensure they are implemented and lived by.

The Operational CEO, together with the Operational Management team, are responsible for identifying, assessing and managing risks, including securing regulatory compliance, within Betsson Operations on a day-to-day basis.

The Governance, Risk and Compliance function (the GRC-function), the second line of defence, advises and monitors the first line, oversees and, if necessary, challenges first line risk management. Internal Audit, the third line of defence performs regular reviews of both the first and the second line risk management activities. Both the GRC function and Internal Audit reports to the various decision making bodies on an ongoing basis.

RISK MANAGEMENT FRAMEWORK

In 2020, the Board adopted a Risk Management Policy and Framework that provide a solid foundation (please see diagram below), in line with best practice, within which risk management can continue to be developed and strengthened within the Group.



RISK CATEGORIES

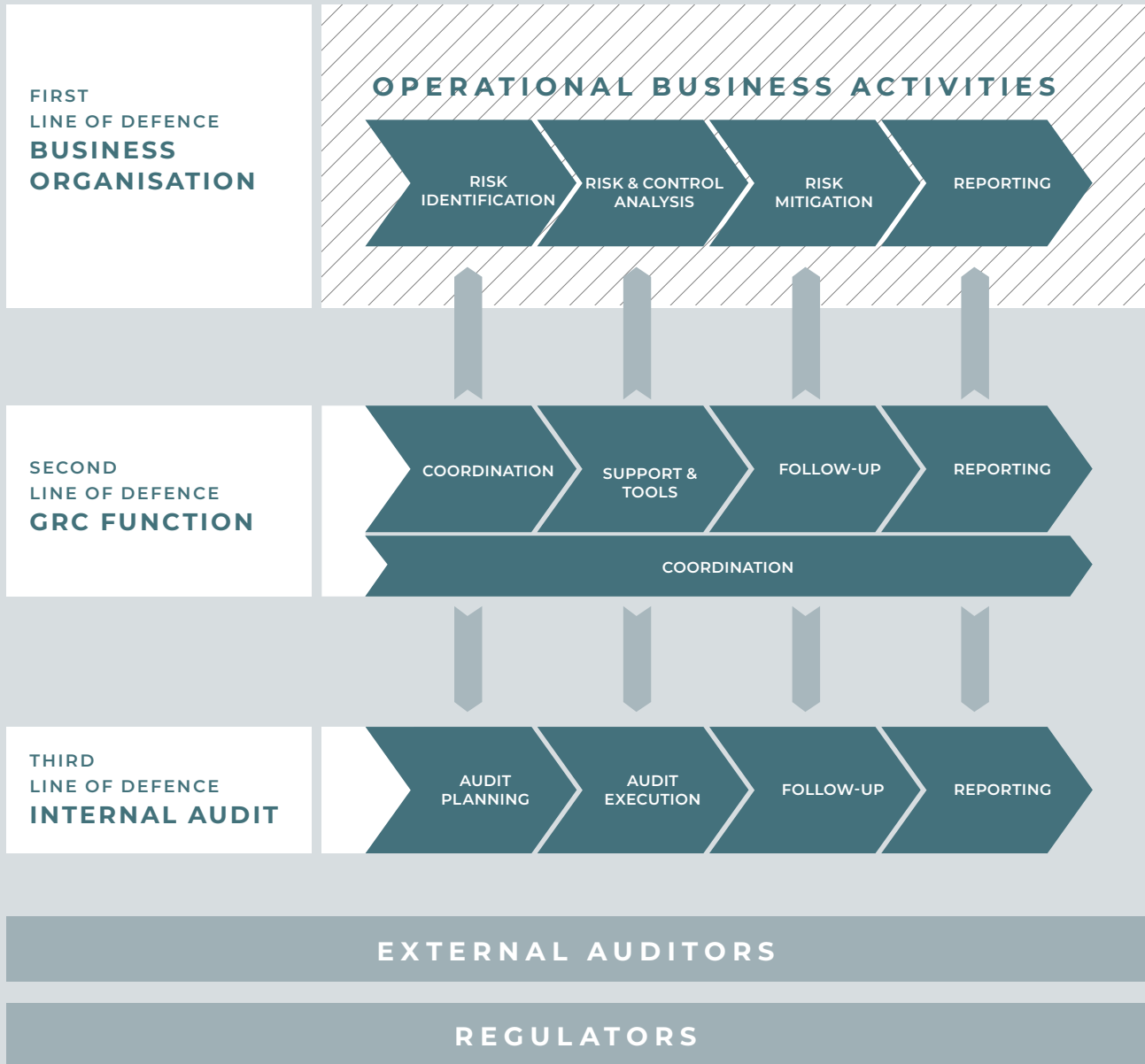
The following are the key risk categories identified by the Board of Directors that collectively represent the main risks to which the Group is exposed as a result of its operations:

RISK CATEGORY	DESCRIPTION
Strategic risk	The risk of economic loss due to adverse business decisions, improper implementation of decisions or lack of responsiveness and adaptation to changes in the business environment.
Operational risk	The risk of economic loss as a result of inadequate or failed internal procedures, people and systems or from external events.
Compliance risk	Risk of economic loss as a result of failure to comply with laws, regulations, rules, applicable self-regulations and organisation standards, internal rules and codes of conduct.
Financial risk	The risk of negative impact due to changes in the tax environment, lack of efficient management and control of finances and external financial factors.

Betsson does not regard sustainability as a separate risk category. As presented in the Sustainability report (pages 13-36), the ambition is to run operations in a responsible and sustainable way long term, in line with the sustainability framework adopted by the Board of Directors. This means that an evaluation of sustainability and business responsibility is embedded in the assessment of all risks which fall under the risk categories accounted for above.

RISK MANAGEMENT PROCESS

Overview of the risk management process, across the three lines of defence.



First line of defence

In Betsson Operations, the operational management has ownership for all risks and therefore responsibility for risk management. It shall identify, assess and mitigate risks through the implementation of a solid internal control environment. This includes development and oversight of automated, semi-automated and manual controls as well as documented procedures and the application, where relevant, of the four-eyes principle, across all key processes. Risks shall be managed within set risk appetite and tolerance levels.

Second line of defence

The GRC function is responsible for facilitating and coordinating the risk management process across the Group on an annual basis. This is a structured self-assessment exercise with the involvement of operational management, and with additional key individuals as risk owners. Within the process relevant risks are identified and assessed as regards probability and impact. The control environment is also assessed and rated to arrive at a residual risk rating.

Based on the outcome, action plans are developed to ensure residual risks are kept within the risk appetite and tolerance levels. Relevant decision forums, such as the operational management team, Group management team and Board of Directors of Betsson AB, are regularly provided with status reports.

Third line of defence

Betsson's risk management process, which includes activities in both the first and second lines of defence, is regularly reviewed and evaluated by the Internal Audit function to ensure that it is adequate and effective. The audits are conducted in accordance with the Internal Audit Plan, annually decided upon by the Audit Committee of the Board of Directors in Betsson AB.

Other audits and reviews

Betsson's framework and risk management process are frequently evaluated by independent external auditors (statutory auditors and external auditors appointed in fulfilment of licensing requirements) and by the authorities monitoring Betsson's gaming licenses.

THE GRC FUNCTION'S ACTIVITIES DURING 2021

Several activities are undertaken yearly by the GRC function, in line with a set GRC plan, to contribute to proper development and management of governance, risk management and compliance throughout the Group. Some of the key activities for the function during 2021 included:

- Coordinating, contributing and providing support to the 1st line's identification and assessment of current and emerging risks;
- Delivering quarterly updates to the Board of Directors in Betsson AB on material risks faced by the Group;
- Supporting the strategy and business planning process;
- Supporting risk owners with developing and planning Business Continuity and IT Disaster Recovery projects;
- Assisting the Audit Committee in coordinating activities across the three lines of defence, including acting as liaison for the strategic external partner for internal audit services;
- Contributing to various initiatives aiming to develop and strengthen sound corporate governance;
- Coordinating a project focused strengthen the routines and maintenance of key policies and instructions for the Group;
- Supporting the establishment of a minimum standard focusing on anti-money laundering for the whole group;
- Developing an anti-corruption policy and framework supported by a risk assessment covering the main activities of the Group; and,
- Training and other activities to raise the staff's awareness around GRC.

RISK	DESCRIPTION OF RISK	RISK MITIGATION	TREND
Strategic risks			
Non-sustainable regulations	Regulations which make it more difficult to run a profitable business, due to high tax levels and/ or far-reaching product and marketing restrictions.	Through active involvement in industry bodies and dialogue with policy makers on different levels, Betsson work to achieve regulations, which aim to both protect consumers and liberalise markets with high channelization, while also preventing protectionism in the EU Member States (also refer to the section below titled "Betsson's work for sustainable gaming regimes" and the Sustainability Report).	↑
Damaged reputation with regulatory authorities, customers and other key stakeholders	Reputational damage, whether for the industry, Betsson or both, will risk affecting the Group's financial position negatively and lead to loss of investor interest. A key driver for this risk is the alleged or risk for actual mismanagement of ESG related issues, whether by the industry, or Betsson.	Betsson considers this a matter of great importance. This risk is addressed by the ambition to run the business in a responsible and sustainable way (please refer to the Sustainability Report, pages 13-36).	↔
Match fixing	The risk of settled matches and the associated risk of damaging confidence for the industry. The risk of match fixing also means that there is a risk that Betsson's sportsbook may be abused for games on settled matches.	Betsson cooperates with several regulatory bodies in the sports area to prevent match fixing and uses internal systems and processes to detect match fixing. Betsson is a member of ESSA (European Sports Security Association) and uses ESSA's early warning system in its sportsbook operations. Betsson continues to work on improving its internal policies and systems to become more effective in this area.	↔
Payment processes risk	Betsson's operations are global and cover many markets with a need to use several payment solution providers, of which some payment processes are more complex. This gives rise to risks, e.g. counterparty risk or risk of disruption that may affect the ability to quickly and effectively execute deposits and withdrawals in gaming accounts.	Betsson works continuously to ensure efficient and secure payment service solutions to minimise the risk as much as possible.	↑
Failure to execute on key strategic objectives	Betsson's approved strategy focuses on growth in existing markets as well as entry into new markets and B2B business offerings. Unforeseen challenges outside of our control and competitive forces may not allow for the expected results to be obtained.	Betsson is continuously working to ensure that the strategy is up to date and aligned with the business environment, and to deliver on it. Betsson has been and is investing heavily in both its people and technology, which are two key pillars to ensure a successful implementation of the strategy. This provides the necessary knowledge and experience as well as tools for individuals working on new markets and negotiating deals with B2B partners. In addition, investment into product and platform provide the necessary tools for the execution of the strategic objectives set by the Board.	↔

RISK	DESCRIPTION OF RISK	RISK MITIGATION	TREND
Operational risks			
Business continuity and IT disaster recovery	The risk that external or internal events causes a disruption of Betsson's business operations.	The Group has implemented systems, processes and routines to ensure that the risk for these occurrences are kept at a minimised level and continuously works to enhance and improve these measures. This has proven indispensable for the Group's effective response to the COVID-19 to protect its employees and customers whilst minimising disruption to operations.	↔
Risk for high staff turn- over and loss of experts	There is a lack competencies for key area in the gaming industry which is further attenuated by evolving staff expectations and realities brought about by various external factors (e.g. COVID-19 and remote work). This could lead to high staff turnover and difficulty to retain certain key experts.	Betsson is in control of the risk and works according to a comprehensive HR programme and an agenda which comprises addressing these issues on a continuous basis, ensuring proper staff engagement and putting staff security and wellbeing at the forefront.	↔
Tech innovation and organisation maturity	The risk for unauthorized use, disruption, modification or destruction of data thus failing to ensure its confidentiality, integrity and availability which are considered the core underpinning of information security.	Betsson is working continuously to uphold high standards in this area. Betsson is ISO 27001:2013 certified and operates a payment platform which is PCI DSS compliant.	↔
Technical process and organizational maturity	Betsson's fast growth over the years, organically and through acquisitions transforming it into a global company. This has led to a relatively complex IT-environment. Processes and ways of working have not fully matured in line with growth. If measures to address this fails, it may lead to lack of innovation, incidents, and systems failure.	Through various initiatives and a number of focused investments spread over a number of years aimed at updating the proprietary platforms (Techsson and Sportsbook) and key products (Data and Payments), improvements have been made in this area. Work is ongoing to continue the journey towards increased innovation and maturity of the platform and product offerings.	↓
Compliance risks			
Compliance with existing and new laws and regulations, including licensing requirements	Betsson is operating in a complex, international and national, regulatory environment, which is constantly evolving. Additionally, the bar for compliance is rising in several markets in areas such as consumer protection (incl. responsible gaming, marketing, bonus offers), protection of privacy (GDPR), measures against money laundering/terrorist financing and anti-corruption.	Significant resources (human, systems and processes) and time are continuously used to ensure that Betsson's operations and offering in all markets are compliant with regulations of the twenty licences held by the Group and other relevant regulations. For more information, please refer to the "Gambling regulation developments" and "B2B" sections below as well as to the "Sustainability Report", pages 13-36".	↑

INDICATORS FOR RISK TRENDS



INCREASING TREND: Internal and/or external factors around the risk may be changing in a way that increase probability of occurrence and/or potential impact on Betsson.



STABLE TREND: The risk continues to be monitored but no changes are expected that change its probability of occurrence and potential impact on Betsson.



DECREASING TREND: Internal and/or external factors around the risk may be changing in a way that decrease probability of occurrence and/or potential impact on Betsson.

RISK	DESCRIPTION OF RISK	RISK MITIGATION	TREND
Financial risks			
Financial risk	The risks that would ensue without effective management and control of the finances and the effects of external financial factors.	Please refer to note 31.	
Taxation risk	Many of the Betsson companies operate in a complex and changing environment, which includes both general and industry-specific tax rules. There is a risk that new laws and changes in current tax legislation and practices can lead to a change in Betsson's management of taxes in such a way that it has a negative impact on Betsson's earnings and financial position.	Betsson works actively, both individually and in industry associations, to monitor developments and to have a dialogue with legislators in the markets in which the Group operates. Please also refer to the "Sustainability Report", (pages 13-36).	
De-risking by financial services partners	The gaming industry, and by extension Betsson, is not immune to the phenomenon of de-risking which is characterized by the termination or restriction of business relationship by Bank and other financial institutions with some industries, clients or categories of clients.	Betsson always strives to maintain good working relationships, building a good track record, with its financial services partners. At the same time, to manage the risk, it also continuously strives to ensure the availability of alternative partners to serve different financial, insurance and investment needs as part of its day-to-day business.	

BETSSON'S WORK FOR SUSTAINABLE GAMING REGIMES

Betsson Group places utmost importance on compliance and ensuring its operations are in line with ongoing regulatory developments. Through dialogue with policy makers on different levels, the Group works to achieve regulation, which aims to both protect consumers and liberalise markets with high channelisation, while at the same time seeking to prevent protectionism in the EU Member States as well as other jurisdictions where the Group operates.

In most national markets, gambling is regulated by local law and, in principle, to be able to conduct such operations in these markets, a license is required. Betsson operates its businesses under gaming licenses in Malta, Argentina (region Buenos Aires), Colombia, Croatia, Denmark, Estonia, Georgia, Germany, Greece, Ireland, Italy, the Isle of Man, Kenya, Latvia, Lithuania, Spain, Sweden, the UK and USA (Colorado).

Political decisions, new interpretations of laws and new regulations can significantly impact the Group's earnings and financial position since operations are subject to licenses.

Betsson mainly operates within the European Union, where most countries have recently regulated the business of online gambling, especially following pressure from the EU institutions to launch regulatory frameworks which are compliant with the EU acquis. Since the primary purpose behind most of the local gambling legislation is to fund state finances, the resulting limitations on the free movement of services created by EU Member States through their local monopolies are not possible to defend in terms of compliance with applicable EU legal principles. The Court of Justice of the European Union has established this in many rulings. Despite this, several Member States historically have maintained these types of restrictions while others have introduced new and compliant frameworks for gambling regulation or announced that they are working on new legislation in line with EU requirements.

Comments on relevant developments in certain jurisdictions are presented below.

Whenever new legislation is adopted, it is unclear whether there will be requirements or restrictions in relation to receiving a license or in general at the time of regulating or re-regulating of markets, demanding the settlement of any form of historical obligation (including the size of the same) or assessment of reliability etc.

Betsson will continue to have a dialogue with regulators and other relevant stakeholders, both on the EU and national level, with the aim of achieving sustainable

regulations ensuring the right to be regulated, so that consumers can access compliant online gambling services.

Depending on the circumstances, Betsson might also use other legal remedies available to protect the rights afforded to Betsson, e.g. as a digital company within the European Union. Following the decision of the European Commission in 2017 not to further pursue open infringement procedures against the Member States concerning online gambling, no infringement proceedings in online gambling matters have been commenced to date.

GAMBLING REGULATION DEVELOPMENTS

NORDICS

Sweden

Temporary restrictions on online casino games (in relation to the COVID-19 pandemic), was first introduced by the Swedish government in summer 2020, continued to be in force until mid-November 2021.

In March, the Swedish government submitted a bill to the parliament for a renewed strategy for the policy regarding alcohol, drugs, doping, tobacco, and nicotine, as well as gambling (ANDTS policy). The purpose is to set goals and direction for initiative implementation, coordination, and follow-up during the period 2021–2025. As regards gambling, the government's long-term goals are the protection of minors from gambling related harm, a reduction in the number of gambling addicts as well as provision of support to them, reduction of access to gambling, and a reduction in the number of deaths and injuries because of gambling addiction.

The government also announced a proposal to further restrict gambling advertising by subjecting respective ads to *special* moderation (i.e., the same standards as for the alcohol industry). The proposed restrictions, should they be adopted, would come into effect in July 2022.

During the year the Swedish regulator issued guidance on controls and monitoring processes that licensed operators should put in place to prevent money laundering as well as ensure responsible gaming practices. Going forward, the regulator intends to review the business of licensed operators on those issues.

In June, the Administrative Court of Linköping ruled in favour of the group's operational subsidiary, Betsson Nordic Ltd, in the Betsson money card and voucher case dismissing the fine imposed by the SGA in 2020.

The regulator did not appeal the case, meaning that the initial fine of SEK 20 million for Betsson Nordic Ltd was dismissed by the court in its entirety. The other court case in Sweden, regarding alleged breach of bonus restrictions by the group's subsidiary NGG Nordic Ltd, is pending at the appeals level; the court of first instance did, however, decrease the size of the fine from initial SEK 19 million to SEK 14 million.

Norway

The Norwegian exclusive rights model has been the subject of political and legal discussions for several years. A draft Gambling Act, meant to replace the existing acts on lottery, gambling and totalisator, was submitted to the parliament in summer 2021. The draft reinforces the country's position on a monopoly model for gambling and proposes a ban on credit card gambling, new marketing restrictions as well as grants the local regulator additional means for protecting the monopoly model (e.g., by imposing infringement fines). Another draft law, proposing the introduction of DNS blocking, would go into force later in 2022.

As part of consultation for the new draft laws, Betsson submitted a legal opinion which explained that (i) the continuation of the Norwegian monopoly model is incompatible with Articles 31 and 36 of the EEA Agreement and (ii) that the proposed DNS blocking measures would be incompatible with the EU acquis. Betsson also helped coordinate a response to the consultation by the local gambling association of which it is a founding member, and wrote directly to the European Commission about the problematic draft laws.

In July, the Norwegian Gaming Authority published a statement on its website informing of a notification of a pending decision sent to Betsson operational subsidiary BML Group Ltd, requiring that BML Group Ltd cease offering its gambling services on specific websites allegedly directed at the Norwegian market. BML Group Ltd objected to the argumentation of the regulator and maintained that its online gambling services were offered pursuant to the freedom to provide services under the EU/EEA law. The NGA is expected to follow up with a cease-and-desist order in 2022, which order may be appealed later.

Finland

As part of the Lottery Reform Project, the Finnish government came out with a draft on amendments to the Lottery Act in spring.

The draft proposed to extend the scope of the marketing prohibition of unlicensed online gambling offers to natural persons, thus eliminating the possibility of marketing performed by influencers via social media. The draft also increased the enforcement powers of the authorities to implement the law as well as introduced a payment ban for unlicensed online gambling offer, with effect from 2023. Following an opinion of the Constitutional Committee in December, which stated that blocks on payouts from operators to customers could potentially infringe on the constitutional right of free trade and the freedom to conduct business, this section was deleted from the

proposal. However, the payment block on customer deposits to unlicensed online gambling operators will still take effect in January 2023.

The new law came into force in January 2022.

Denmark

In January 2021, a tax increase of 8 % went into force in Denmark resulting in online gambling businesses being taxed at 28 % on their Danish gross gaming revenue (GGR).

In November, the government launched a consultation on amendments to the Executive Orders on Online Casino and Online Betting. Proposed changes include mandatory use of an approved electronic ID for opening of gaming accounts as well as for payouts from gaming accounts. The changes are proposed to enter into force in 2022, similarly to additional proposed changes regarding updates to the certification programme for technical systems used in online and land-based gaming.

CEECA

Lithuania

In May 2021, the Lithuanian legislator adopted a bill widening the ban on various forms of gambling advertising. With effect from 1 July 2021, the promotion of gambling through activities such as special events, test games, promotions (including bonuses), discounts, gifts, and other similar incentives was prohibited.

In a bid to attract more operators to the market, the legislator approved in September amendments to introduce substantial changes to the gambling regulations. The amendments removed the current requirement for online operators to operate a certain number of land-based gambling venues in the country. A new online-only gambling licence would cost EUR 500,000 and be valid indefinitely. Licences granted under previous regulations would remain valid until 2027. The amendments will enter into force on 1 July 2022.

At the end of the year, the Lithuanian parliament approved the proposal of the Ministry of Finance for substantial changes to the tax rates, taking online gambling tax to 20 % from 13 % GGR and betting tax to 20 % from 18 %. If adopted, these changes will also enter into force in July 2022.

Georgia

In November, the country's Prime Minister unexpectedly announced swift plans to raise taxes for online casinos, to prohibit gambling marketing in full as well as raise the legal age of gambling to 25 from current 21-year age limit.

Despite the industry's complaints over the handling of said legislative changes, the Georgian parliament approved the amendments in early January 2022. With effect from 1 March 2022, all gambling advertising on TV and outdoors (including digital ads on Georgian websites) would be banned in Georgia. The only exceptions are advertising on actual gambling websites and sponsorship ads in

sporting events. The amendments also introduced a new 2 % income tax that operators must charge on the amounts withdrawn by players from their gambling accounts. In addition to periodic fees applicable to online gambling businesses, the operators must also pay a new 10% tax on GGR from online gambling. Additionally, only Georgian citizens aged 25 and older are allowed to partake in gambling whereas for foreigners the age limit was decreased to 18 years of age.

WESTERN EUROPE

Netherlands

The new Remote Gambling Act entered into force on 1 April 2021. On the same date, the Dutch regulator (the KSA) started accepting licence applications, and the first wave of newly licensed operators went live on 1 October 2021. However, operators who were deemed to have actively targeted Dutch players in the past (such as Betsson), could not immediately apply for a licence but had to first sit out their 33-month cooling off period (calculated as from the last date of them having actively targeted the Dutch market). Thus, Betsson operational subsidiaries are eligible to file their licence applications with the KSA in February 2022, with the application review process expected to take up to six months.

Under the new law, gaming tax is applicable at the rate of 29 + 2 percent fees of GGR, 31 percent in total. Licensed operators are prohibited from using any pre-established Dutch player databases in player recruitment, advertisement, and registration.

In September, the KSA published a new enforcement policy, including the novel rule that operators who at the time only passively accepted Dutch customers on their international websites in line with the so-called "cooling off" criteria should cease their supply no later than in November 2021, at the threat of new, significantly increased fines. The regulator justified the change in policy by arguing that from 1 October 2021, the licensed offer was available in the Netherlands. This change constituted a break with the established policy towards operators, such as Betsson, that were still under the cooling off period, and which had all adjusted their offers into passive offers back in 2019 in line with the "cooling off" criteria. Betsson's operational subsidiaries took the decision to stop accepting Dutch customers on their international websites as from October 2021 in furtherance of the Group's long-term goal for a Dutch licence.

Germany

In March 2021, a Betsson operational subsidiary received its sports betting license from the Regierungspräsident Darmstadt and went live with its licenced sports betting offer in June under the interim federal sports-betting licensing regime.

The amended Interstate Treaty on Gambling (ISTG 2021) entered into force on 1 July 2021, introducing a Germany-wide online slots games regulation. Online table games, however, were left out of the new regulation to be licensed

on a state-by-state basis either under a monopoly or a licensing model at the states' discretion. Online slots games are taxed at 5.3 % turnover tax; the games are also subject to several restrictions (EUR 1 stake limit, five-second delays on spins, ban on larger jackpots) as well as monthly deposit limit of EUR 1,000 and enhanced responsible gambling measures.

Betsson operational subsidiaries submitted three licence applications for online slots licences in August and expect feedback from the regulator on the same in early 2022.

Italy

Online gambling licenses in Italy are awarded through a public tender process, the latest tenders occurring in 2011 and 2018. The Italian regulator has not extended the licenses issued in 2011 past 2020 while licenses issued in 2018 are valid until end of 2022. Several online gambling operators, including a Betsson subsidiary, contested the regulator's refusal to extend the 2011 licenses in court. In Q4, the court found in favour of the operators and extended all licences so that they would expire only on 31 December 2022.

Thus, the Italian regulator (ADM) is expected to launch a new tender for licences in 2022.

ROW

USA

Since the Supreme Court struck down the Professional and Amateur Sports Protection Act (PASPA) on May 14, 2018, the options for sports betting across the U.S. have bloomed. By end of 2021, sports betting was regulated in 30 US states: Arizona, Arkansas; Colorado; Connecticut; Delaware; District of Columbia; Florida; Illinois; Indiana; Iowa; Louisiana; Michigan; Mississippi; Montana; New Hampshire; New Jersey; New Mexico; New York; Nevada; North Carolina; North Dakota; Oregon; Pennsylvania; Rhode Island; South Dakota; Tennessee; Virginia; West Virginia; Washington and Wyoming.

There were enabling laws passed, but no implementing regulations adopted, in Maryland and Nebraska while legislation to authorize sports betting was pending in three states: California, Massachusetts and Ohio. Further, legislation to expand or reform existing state laws was pending in two states: North Carolina and Pennsylvania.

After a Betsson operational subsidiary received a temporary Internet Sports Betting Operator licence in Colorado in December 2020, the initial plan was to debut the group's first US facing sports betting offer in the first half of 2021. This was delayed to Q1 2022 instead.

Canada

In June, Canada's parliament passed a law allowing each province to determine how it wishes to regulate sports betting within its jurisdiction. Canada's largest province Ontario commenced the process of setting up an open market regulation for online gambling and sports betting, with initial plans to launch in the end of 2021. Although the

Ontario regulator adopted final standards for online casino gaming and sports betting and published a draft of the commercial contract that licensed operators need to sign to be able to operate in Ontario in September, there were delays as regards definition of procedures on anti-money laundering and responsible gaming and other technical requirements. The regulated market is expected to go live in Q1 2022.

Brazil

The online sports betting regulation continued to suffer delays through 2021. On the plus side, legislation signed by the President into law in July 2021 changed the previous turnover-based tax on sports betting to a more palatable GGR based tax. Regulated sports betting operators in Brazil would pay as tax a combination of 0.05 to 0.1 percent of turnover plus 4.99 percent of GGR after prize payouts. The industry expects implementing regulations to be approved and licence tender process to commence in early 2022.

B2B

Betsson continually conducts assessments of national laws, in line with local legal advice, and assessment of over-arching EU and international legal principles. Based on these assessments, Betsson operational subsidiaries providing direct services to consumers have elected to block several markets.

Betsson operational subsidiaries provide business-to-business gambling services to third-party companies that provide such services directly to consumers. Such third parties may not always "block" the same territories as Betsson. One such third party gaming provider maintains a section of its customer database in Turkey. Betsson continues to monitor Turkey. The internet-based gaming operations provided are of a clearly defined, cross-border character, meaning that international law is applicable.

According to the principle of the sovereignty of states, each country's laws are of equal value; consequently, the laws of one country cannot take precedence over those of another. The marketplace of Betsson's associate is primarily Malta, where operations are undertaken in accordance with Maltese legislation and governed by the Maltese legal system. As operators within Malta's marketplace, Betsson's associates can claim immunity as regards, among other local regulations, Turkish legislation. In accordance with expert legal opinion, Turkey and other countries have accepted this principle via their membership of the WTO and other international agreements.

DISPUTES

The company has no significant ongoing disputes, except for the pending court case by Betsson subsidiary disputing the fine (as reduced to SEK 14,000,000) issued by the Swedish Gambling Authority in 2019 in connection with alleged breaches of bonus rules.

Betsson is committed to the duty of care and aims to apply a high standard of responsible gaming globally. Despite this, there remains a risk that individuals develop problematic gambling behaviour. There is also a risk

that individuals with a gambling addiction could sue companies within the Group for their alleged role in the individual becoming addicted. Even though such claims would most likely be dismissed in court, they could tarnish the group's reputation, and give rise to considerable costs as well as reduce confidence in Betsson, which could ultimately lead to decreased revenues.

RESEARCH AND DEVELOPMENT

Expenditure on the development of gaming platforms and integration of gaming and payment solutions is capitalised to the extent that future financial benefits are estimated to occur.

ENVIRONMENT AND SUSTAINABILITY

Betsson does not conduct any operations requiring permits or registration under the Environmental Code. For information regarding sustainability, see the separate Sustainability Report on pages 13-36.

GUIDELINES FOR SALARIES AND OTHER REMUNERATION OF SENIOR EXECUTIVES

During the 2020 Annual General Meeting, the shareholders of Betsson AB accepted the following guidelines for remuneration of senior executives, to apply until the 2024 Annual General Meeting unless circumstances necessitating change occur before that time. The scope of the guidelines includes the CEO of Betsson AB as well as Betsson AB's management team. The guidelines include salaries and other remuneration for senior executives. The remuneration also includes incentive programmes in which the senior executives receive a right, but not an obligation, to acquire shares in the company in the future at a predetermined price.

For a description of salaries and other remuneration for senior executives in 2021, see Note 7 and the Remuneration Report for 2021.

The Company's long-term strategy is based on its values and rests on three pillars: 'Talented People, Quality Products and Operational Excellence'. The purpose of the remuneration is to motivate, retain and reward qualified personnel for their contribution to the execution of the company's strategy, long-term interests and sustainability. In order to retain and attract competent employees to the Company's management team, the remuneration must be competitive and based on prevailing market conditions. The remuneration consists of fixed salary, performance-based salary and pension and other benefits. In addition, there is share-based compensation. The fixed salary is the basis for attracting senior executives. The performance-based salary is paid on condition that the Company meets certain financial and other measurable targets set by the Company's Board, and is paid only in cases where the Company has met or surpassed these targets.

The normal retirement age is 65. Pension terms are to be commensurate with the market and based on a defined-contribution scheme. Other benefits provided to senior executives are company cars and health insurance. Betsson's incentive programmes were introduced at

the end of 2008. The programmes are resolved upon by the General Meeting of Shareholders. Share options are allocated to Betsson's senior executives and other key individuals as determined by the Board. In total, eleven incentive programmes have been decided upon and introduced since the start in 2008. Each incentive programme consists of various elements, where employees (in Sweden) are offered call options at market price or (employees outside Sweden) employee stock options free of charge, provided the participants have invested in Betsson shares. The share options are issued with a fixed exercise price of 130 percent of the market price of the shares determined on the basis of an average price over a predetermined period. The share-based remuneration has a ceiling corresponding to the last price paid before launch of the programmes multiplied by 2.6. The Group assumes no legal or informal obligation to repurchase or settle the options in cash. Call options and employee stock options are conditional on the employee remaining in service during the vesting period (and for employee stock options - have retained their initial investment in Betsson shares). The Board of Directors may decide to pay call option holders a bonus equal to the amount of the initial option premium paid. The contingent bonus is conditional on the employee exercising the call options and still being employed by the Group at the time of exercise. The notice period should normally be six to twelve months if notice is given on the initiative of the Company, and six months if such notice is given on the initiative of the executive. Upon termination initiated by the Company, the executive is entitled to severance pay corresponding to a maximum of twelve months' salary.

The remuneration of Board members and guidelines for senior executives' remuneration are determined at the Annual General Meeting. Remuneration paid to the President and CEO is discussed by the specially appointed Remuneration Committee and decided by the Board. In addition, the Remuneration Committee is also responsible for evaluating the business-based remuneration programmes. The remuneration of executives reporting directly to the CEO is determined by the CEO in consultation with the Remuneration Committee. The Group applies the principle that a manager's immediate superior must approve any decisions regarding remuneration. The Board has to prepare guidelines for senior executives every four years. The Company's CEO and other senior executives must not participate in the Board's work on guidelines for the remuneration of senior executives insofar as they are affected by these decisions.

The total pay of the Company's employees has been taken into account in formulating the draft guidelines for senior executives in Betsson.

Furthermore, the various components of remuneration, percentage increase this year and also the increase over time have been part of the basis used by the Remuneration Committee and the Board in deciding on guidelines for remuneration and whether remuneration

is reasonable. The Remuneration Report, which will be presented at the 2022 AGM, will present the paid and future remuneration covered by these guidelines and the evolution of the difference in remuneration between senior executives and other employees. The Board may deviate from the guidelines, in whole or in part, if in individual cases there are special reasons for doing so and the deviation is necessary to serve the Company's long-term goals, including its sustainability goals, or to ensure the Company's financial position.

SHARES AND OWNERSHIP STRUCTURE

The number of shares in the Company at the end of the year totalled 142,729,838, of which 15,911,000 were A shares, 121,571,405 were B shares and 5,247,433 were C shares. Each A share entitles the holder to ten votes, whereas each B share entitles the holder to one vote. Betsson treasury shares totalled 681,233 B shares and 5,247,433 C shares. These shares are held by the Company and are not represented at the Annual General Meeting. The company's B-share is listed on the Nasdaq Stockholm Mid Cap List, (BETS). At the end of the period, the Company had 26,003 (24,430) shareholders. The three shareholders with the greatest proportion of voting power were the Hamberg family and companies with 3.6 percent of the capital and 18.2 percent of outstanding votes, Kling family and companies with 3.2 percent of the capital and 14.3 percent of outstanding votes and the Knutsson family and companies with 4.6 percent of the capital and 12.0 percent of outstanding votes.

AUTHORISATION OF THE BOARD

The 2021 AGM passed a resolution authorising the Board:

- to decide to repurchase as many shares as required such that the Company's holding, at any given time, does not exceed 10 percent of all shares in the Company. This mandate was not exercised in 2021.
- to decide on the transfer of the Company's own shares as liquidity in the event of the acquisition of a company or business at a price corresponding to the market price at the time of the transfer, up to a maximum of 14.4 million Class B shares, taking into account any shares the Board of Directors has decided to issue on the basis of the authorisation granted under the authorisation to issue. This mandate was not exercised in 2021.
- to decide on the issue of shares and/or convertibles against payment in cash, in kind or by set-off, involving the issue of or conversion into a maximum total of 14.4 million B shares, corresponding to a dilution of approximately 10 percent of the capital and 5.1 percent of the voting rights. This mandate was not exercised in 2021.

The authorisations granted to the Board of Directors are subject to certain conditions and are only summarised above. For the full wording of the authorisations, please refer to the minutes of the General Meeting of Shareholders held on 5 May 2021, which are available on Betsson AB's website.

PROPOSED DIVIDEND

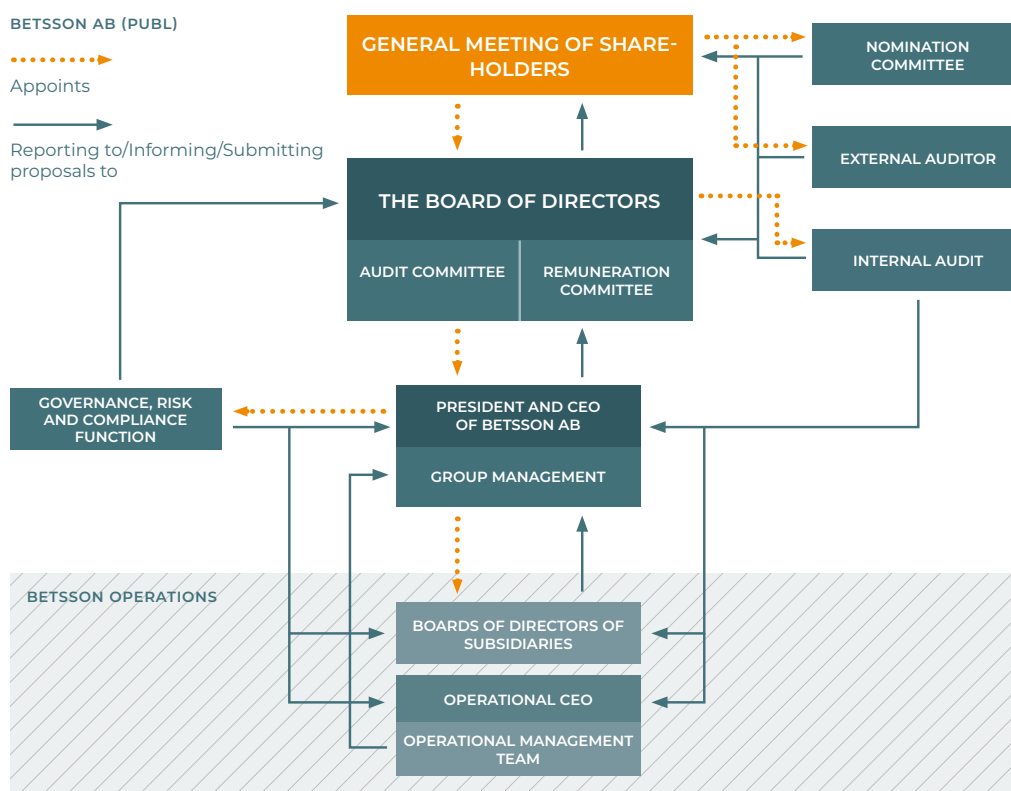
The Board proposes that the Annual General Meeting on 10 May 2022 resolve that SEK 3.94 (3.68) per share be distributed to the shareholders, provided the number of shares remains unchanged up to the record date. This represents a transfer of funds to shareholders totalling SEK 539.0 (502.9) million. The Board proposes to the General

Meeting that the transfer to shareholders be executed through a share redemption programme. The Board's full proposal will be presented well in advance of the Annual General Meeting. According to the dividend policy, it is the Board's ambition that the dividend paid to shareholders be up to 50 percent of the Group's profit after tax, provided that an appropriate capital structure can be maintained.



CORPORATE GOVERNANCE REPORT

'The gaming industry is a fast-moving sector with great potential and good opportunities for profitable growth. At the same time, the industry faces challenges in a number of areas, both locally and globally. As Betsson operates in more markets today, and with a broader offering than ever before, this places ever greater demands on the Group's operations. Betsson's corporate governance is characterised by responsibility, transparency and efficiency, promoting sustainable growth and relationships of trust with the outside world. Betsson's well-established position in the industry, skilled employees and competitive technology mean that we are well equipped to meet these challenges and achieve the Group's strategic goals.' – Johan Lundberg, Chairman of the Board



EXTERNAL REGULATORY FRAMEWORKS

- The Swedish Companies Act
- Swedish and international accounting legislation
- The Market Abuse Act and MAR
- Nasdaq's rules for issuers
- Swedish Code of Corporate Governance
- Other applicable laws, regulations and soft law

INTERNAL REGULATORY FRAMEWORKS

- Articles of Association
- Rules of procedure for the Board of Directors
- Term of reference for the CEO
- Code of Conduct
- Policies
- Corporate values

CORPORATE GOVERNANCE AT BETSSON

Betsson hereby presents its Corporate Governance Report for 2021. As a Swedish public limited liability company listed on Nasdaq Stockholm, Betsson AB applies, in addition to the rules that follow from legislation or other regulations, Nasdaq's Rules for Issuers and the Swedish Code of Corporate Governance (the Code). The Code is a self-regulatory framework based on the 'comply or explain' principle. The Company applies the Code in full, without deviation. Furthermore, the Company is governed by its Articles of Association, internal rules framework, policies, terms of reference and other steering documents adopted or approved by the relevant corporate body. During the financial year, the Company has not committed any breaches of Nasdaq Stockholm's Issuer Rules or otherwise contravened good practice on the stock market.

Betsson applies a risk management model that has three lines of defence, which are described in more detail in the Risk section of the Annual and Sustainability Report.

The Corporate Governance Report forms part of the management reporting and has been reviewed by the Company's auditors.

ALLOCATION OF RESPONSIBILITIES

The shareholders exercise their influence over Betsson AB at the General Meeting of Shareholders, which is the Company's highest decision-making body. Responsibility for the Company's organisational structure and the management of the Company's affairs rests with the Board of Directors and the CEO in accordance with the Swedish Companies Act, other legislation and regulations applicable to listed companies, the Articles of Association and the Board's internal control instruments. In addition, the other two lines of defence in the Group's risk management model are the Governance, Risk and Compliance function (GRC function) and internal audit.

SHAREHOLDERS

Betsson has been a listed company since 1996 and has been listed on Nasdaq Stockholm since 2000. The Company's B share is listed on the Nasdaq Stockholm Mid Cap List (BETS). At the end of the period, the Company had 26,003 (24,430) shareholders. The three largest shareholders in terms of voting rights, representing at least one tenth of the voting rights for all shares in the company, were the Hamberg family and companies with 3.6 percent of the capital and 18.2 percent of outstanding votes, the Kling family and companies with 3.2 percent of the capital and 14.3 percent of outstanding votes and the Knutsson family and Companies with 4.6 percent of the capital and 12.0 percent of outstanding votes.

ARTICLES OF ASSOCIATION

The Articles of Association determine, among other things, the activities of the Company, the minimum and maximum number of directors and auditors, and how shares may be issued. The Company's Articles of Association do not stipulate any limits on the number of votes each shareholder is entitled to cast at a General Meeting. Similarly, the Articles of Association do not contain specific provisions on the appointment and dismissal of Board members and how the Articles of Association may be amended. During the year, an amendment was made to the Articles of Association to change the accounting currency to euro. The current Articles of Association are available on the Company's website, www.betssonab.com.

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the highest decision-making body in Betsson AB. The ordinary General Meeting of Shareholders (AGM), held within six months of the end of the financial year, decides on the adoption of the income statement and balance sheet, on the appropriation of the results of operations and on the discharge from liability of the members of the Board of Directors and of the Managing Director. It also elects the Board of Directors and sets their remuneration. Auditors are also elected and their remuneration is decided. Furthermore, other statutory matters are dealt with, and resolutions are passed regarding guidelines for the remuneration of senior executives, and proposals from the Board and shareholders are considered. All shareholders registered in the share register on a given record day, and who have notified their attendance in due time, are entitled to participate in the meeting and vote for their shares. Shareholders may be represented by proxy and may bring assistants in the manner laid down in the Articles of Association.

2021 ANNUAL GENERAL MEETING

The 2021 Annual General Meeting of Betsson AB (publ) was held on 5 May 2021. Due to COVID-19, shareholders were only able to exercise their right to vote by postal vote in line with the Swedish Act (2020:198) on temporary exceptions to simplify holding of General Meetings of companies and associations. The meeting was conducted with the assistance of general meeting officials and representatives of the Company. The meeting was attended by shareholders (by postal vote), representing 73 percent of voting rights and 45 percent of the capital. Patrick Svensk was elected Chair of the General Meeting.

Resolutions

The minutes of the Annual General Meeting are available on Betsson's website. The resolutions passed by the Annual General Meeting were essentially as follows:

- To approve the Parent Company and Consolidated Income Statements and Balance Sheets for 2020;
- To grant discharge of liability to the board members and the CEO;
- To re-elect Patrick Svensk, Fredrik Carlsson, Eva Leach, Johan Lundberg, Jan Nord and Andrew McCue as members of the Board of Directors in accordance with the Nomination Committee's proposal, and to re-elect Patrick Svensk as Chairman of the Board;
- To decide, in accordance with the proposal of the Board of Directors, on the establishment of an incentive programme, which essentially involves the Company offering senior executives and other key employees the opportunity to acquire call options or receive employee stock options in the company; The total number of call options and employee stock options that could be issued in accordance with the programme is to be no higher than 2,750,000, corresponding to a dilution effect of approximately 1.97 percent of the share capital and approximately 0.97 percent of the voting rights in the Company;
- To approve the Board's proposal to distribute a dividend representing SEK 3.68 per share for 2021, through an automatic redemption procedure;
- To resolve, in accordance with the proposal of the Board of Directors, to authorise the Board of Directors to repurchase as many shares as required such that the Company's holding does not, at any given time, exceed 10 % of all shares in the Company; and

- To resolve, in accordance with the proposal of the Board of Directors, to authorise the Board of Directors to decide on the issue of shares and/or convertibles against payment in cash, in kind or by set-off.

EXTRAORDINARY GENERAL MEETING 2021

At the request of a minority of shareholders who together represented more than 10 % of all shares in Betsson AB, the Board convened an Extraordinary General Meeting that was held on 25 October 2021. Shareholders were able to exercise their voting rights by postal vote or by attending the meeting, held at the Company's premises at Regeringsgatan 28 in Stockholm, either in person or by proxy.

Resolutions

The minutes of the Extraordinary General Meeting are available on Betsson AB's website. The resolutions passed by the Extraordinary General Meeting were essentially as follows:

- That for the period until the end of the next Annual General Meeting, the Board of Directors would consist of five members without deputies;
- To re-elect Fredrik Carlsson, Johan Lundberg and Eva Leach and to elect Peter Hamberg and Pontus Lindwall as members of the Board;
- To elect Johan Lundberg as Chairman of the Board, and
- That the terms of reference for the Nomination Committee be amended so that the Chairman of the Board should not shall be a member of the Nomination Committee.

2022 ANNUAL GENERAL MEETING

The Annual General Meeting of Betsson AB (publ) will be held on Tuesday 10 May 2022 in Stockholm. The meeting will be held as a General Meeting of Shareholders by postal voting under the Act (2022:121) on temporary exceptions to simplify holding of General Meetings of companies and associations. For further information about the 2022 Annual General Meeting, please refer to the company's website <http://www.betssonab.com>

NOMINATION COMMITTEE

In accordance with the decision of the Extraordinary General Meeting in October 2021, Betsson's Nomination Committee for the 2022 Annual General Meeting will consist of members appointed by the three largest shareholders or known shareholder groups in the Company in terms of votes. If one of the three largest shareholders or known shareholder groups waives its right to appoint a member to the Nomination Committee, the next largest shareholder or known shareholder group will be given the opportunity to appoint a member to the Nomination Committee. The CEO or any other member of senior management will not be a member of the Nomination Committee. The Chairman of the Board will no longer take part in the work of the Nomination Committee. The term of office of the Nomination Committee will be until a new Nomination Committee is appointed.

The Nomination Committee will be constituted on the basis of the known shareholding in the Company as at 31 August. If significant changes occur in the ownership structure after the formation of the Nomination Committee, the composition of the Nomination Committee may also be changed in accordance with the above principles. Changes in the

Nomination Committee will be announced immediately. The Nomination Committee will prepare and submit to the General Meeting proposals for the election of the Chairman of the Board and other members of the Board, the Board's remuneration divided between the Chairman and the other members and any remuneration for committee work, the election and remuneration of the auditor, and a decision on the principles for the appointment of the Nomination Committee and the Chairman of the Annual General Meeting.

The Nomination Committee will have the right, subject to the approval of the Chairman of the Board, to charge the Company with costs such as recruitment consultants or other costs required for the Nomination Committee to fulfil its mandate. The Nomination Committee will perform the duties set out in the Code. The terms of reference given to the Nomination Committee and contact information for the committee are available on Betsson's website www.betssonab.com.

For Betsson's Annual General Meeting to be held on 10 May 2022, the Nomination Committee consists of the following members:

- Jenny Rosberg, appointed by the Hamberg family and Hamberg Förvaltning AB representing in total 18.2 % of the outstanding votes,
- Lars Kling appointed by the Kling family and companies representing in total 14.3 % of the outstanding votes and
- Karin Källström, appointed by Berit Lindwall representing 5.9 % of the outstanding votes.

Jenny Rosberg has been appointed Chairman of the Nomination Committee.

The Nomination Committee applies and follows the Code 4.1 as a diversity policy in its preparation of proposals for the Board of Directors. The objective of the policy is that the composition of the Board should be appropriate to the Company's activities, stage of development and other circumstances, characterised by diversity and breadth in terms of skills, experience and background, and that an equal gender balance should be pursued. As a basis for its proposal to the 2022 AGM, the Nomination Committee assesses the effectiveness of the Board based on the annual evaluation of the Board's work and application of the Code.

ADOPTED BOARD FEES

The 2021 Annual General Meeting decided on the following fees to apply until the next Annual General Meeting: The Chairman of the Board receives a fee of SEK 940 (900) thousand and each Board member receives a fee of SEK 470 (450) thousand. Members of the Remuneration Committee will receive a total fee of SEK 225 (215) thousand, to be divided between the members, and members of the Audit Committee will receive a total fee of SEK 255 (245) thousand, to be divided between the members.

The 2021 Extraordinary General Meeting decided that a Board fee of SEK 235 thousand should be paid to Peter Hamberg (corresponding to half of the fee received by the members elected at the Annual General Meeting on 5 May 2021). Pontus Lindwall, in his capacity as CEO of Betsson, will not receive any Board fees. One twelfth of the Directors' fees as approved by the Annual General Meeting on 5 May 2021 will be paid to the retiring Board members and the Chairman of the Board of Directors for the term of office between the Annual General Meeting and the Extraordinary General Meeting.

Board members elected by the 2021 Annual General Meeting and the 2021 Extraordinary General Meeting	Patrick Svensk	Fredrik Carlsson	Eva Leach	Johan Lundberg	Jan Nord	Peter Hamberg	Andrew McCue	Pontus Lindwall
	Chairman of the Board	Board Member	Board Member	Board Member/ Chairman of the Board from Sept-21	Board Member	Board Member	Board Member	Board Member
	Chair of the Remuneration Committee until Sept-21	Chair of the Audit Committee	Member of the Remuneration Committee	Member of the Audit Committee/ Member of the Remuneration Committee from Oct-21	Member of the Remuneration Committee until Oct-21	Member of the Audit Committee from Oct-21	Member of the Audit Committee until Oct-21	Board Member from Oct-21
Board fees, SEK thousand (paid in 2021)	767	462	462	560	423	67	423	–
Committee remuneration, SEK thousand (paid in 2021)	61	135	74	72	67	8	57	–
Independent in relation to the Company and senior management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Independent in relation to major shareholders	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Own and related parties' shareholdings	16,500 B shares	10,000 B shares	–	20,000 B shares	–	5,098,500 A shares and 517,900 B shares	–	415,000 A shares and 985,000 B shares
Attendance at Board meetings	11 out of 11	16 out of 16	16 out of 16	16 out of 16	12 out of 12	4 out of 4	11 out of 12	4 out of 4
Attendance at meetings of the Audit Committee	–	4 out of 4	–	4 out of 4	–	0 out of 0	4 out of 4	–
Attendance at meetings of the Remuneration Committee	2 out of 2	1 out of 1	3 out of 3	1 out of 1	2 out of 2	–	–	–

THE BOARD OF DIRECTORS AND ITS WORK

The members of the Board are elected annually by the ordinary General Meeting for the period until the next ordinary General Meeting. There are no rules in place stipulating the maximum period of time a member may serve on the Board. Since the 2021 Extraordinary General Meeting, Betsson's Board of Directors consists of five members without deputies: Fredrik Carlsson, Eva Leach, Johan Lundberg, Peter Hamberg and Pontus Lindwall, who is also President and Chief Executive Officer. The members of the Board are presented on pages 62-63.

The President and the CFO attend all Board meetings as rapporteurs. Other employees also attend Board meetings from time to time as required, either to report on specific issues or to serve as secretary.

The Board's independence

The number of Board members elected by the General Meeting who are independent of the Company is four (80 percent), and the number of Board members elected by the General Meeting who are independent of the Company's major shareholders is three (60 percent). Independence shall be understood as an overall assessment of the circumstances specified by the Code which indicates on independence/dependence.

All members of the Board meet the requirements concerning professional experience. This composition means that Betsson's Board complies with the regulations of the Code, namely the requirement that the majority of members elected by the Annual General Meeting are independent of the Company and senior management, and that at least two of these are also independent of the Company's major shareholders.

Board meetings

In 2021, the Board held 16 minuted meetings, of which 2 were inaugural meetings and 3 were meetings held by correspondence. There has been a 1 percent non-attendance rate at Board meetings during the year. The meetings include the CEO's review of the development of the business, current issues concerning overall strategy, important events and agreements from a risk perspective, potential acquisition and financing issues as well as legal developments in areas relevant to Betsson. During the year, the Board of Directors paid particular attention to strategic considerations concerning the Company's direction and future, the geographical diversification and expansion of its activities, the evaluation and monitoring of its subsidiaries, and the usual financial issues and cost control.

Information provided to the Board of Directors

The work of the Board follows a specific plan to ensure that the Board receives all relevant information. The Company's auditors report their findings based on their audit of the financial statements and their assessment of the Company's internal governance and control to the Board. The Board receives, on a monthly basis, a detailed operational report in which the management describes the developments of the Group's operations.

Internal control and risk management

The Board applies rules of procedure and instructions for its decision-making and delegation to the Remuneration Committee and the Audit Committee, and for the CEO, with an aim of achieving efficient governance, control and management of operational risks. In addition, the Board has established a special function, Governance, Risk and Compliance (GRC), the remit of which is to act as the second line of defence regarding Betsson's strategic risk monitoring. The three lines of defence and more information on risk management are described in detail in the Risk section of this Annual and Sustainability Report. The Board updates, as necessary, and adopts, annually, the Board's rules of procedure, terms of reference for the CEO, rules for decision-making and authorisation procedures.

The Audit Committee

The Audit Committee is responsible for ensuring compliance with established principles of financial reporting and internal control. In line with the rules of procedure, the Audit Committee consists of at least three members and at most four members. Until the Annual General Meeting on 5 May 2021, the Committee consisted of Fredrik Carlsson (Chair), Johan Lundberg and Andrew McCue. From the Annual General Meeting, the committee consisted of Fredrik Carlsson (Chair), Johan Lundberg and Andrew McCue. From the Extraordinary General Meeting on 25 October 2021, the Committee consisted of Fredrik Carlsson (Chair), Johan Lundberg and Peter Hamberg. The Audit Committee is responsible for supervising, monitoring and reporting corporate responsibility issues. The GRC-function and the Internal Audit function report to the Audit Committee on an ongoing basis. The Audit Committee also acts as a Finance Committee tasked with providing support with financial issues and assessing and proposing changes to financial policies. The result of the Audit Committee's work in the form of observations, recommendations and proposals for decisions and action to be taken are dealt with by the Board on a continuous basis. The Audit Committee held four meetings during the year.

The Remuneration Committee

The main task of the Remuneration Committee is to prepare Board resolutions regarding remuneration principles for the CEO, assessment of the variable remuneration of senior management and key employees, and assessment of the application of guidelines for provisions for senior executives as mandated at the AGM.

Until the Annual General Meeting on 5 May 2021, the members of the Committee consisted of Patrick Svensk (Chair), Jan Nord and Eva Leach. From the Annual General Meeting, the committee consisted of Patrick Svensk, Jan Nord and Eva Leach. From the Extraordinary General Meeting on 25 October 2021, the committee consisted of Johan Lundberg, Eva Leach and Fredrik Carlsson. The Audit Committee held three meetings during the year.

CEO AND GROUP MANAGEMENT

Betsson's President and CEO is responsible for the day-to-day management of both the Parent Company and the Group, a responsibility which does not include decision-making in operating online game activities. The CEO leads the work of the Parent Company and makes decisions in consultation with the other members of the Group Management. At the end of 2021, in addition to the CEO there were four senior executives. The senior executives hold regular group management meetings under the leadership of the CEO. The Group management is presented on pages 64-65. Betsson AB's business consists of the management and administration of the Company's investments, which is done primarily via subsidiaries conducting gaming-related activities, and the evaluation of potential acquisitions or divestments of business lines. The Group's various activities in the gaming sector are conducted through several wholly- or partly-owned subsidiaries, each of which has a separate Board working under an operational management team that makes operational decisions for Betsson's gaming operations. CEO terms of reference have been drawn up for each CEO in the wholly-owned subsidiaries.

Diversity

Betsson believes that diversity drives innovation and success. The Company will become stronger and more competitive by employing people of different genders and ages, with varying backgrounds, with different experience and from different cultures. For further information regarding Betsson's work on diversity, please see the Sustainability Report.

Evaluation of the Board of Directors and CEO

In 2021, the Board has been evaluated by the Nomination Committee interviewing each individual Board member. The purpose of the evaluation is to ensure that the Board focuses on the right areas, has the right skills and is adequately composed in the light of the Company's activities. The results of the evaluation are also used as a basis for the Nomination Committee in its work to identify new candidates for the Board. The Board is also evaluated annually using a survey tool.

The Board of Directors commissions an annual appraisal of the CEO. The appraisal is conducted by external parties by means of interviews with those employees who work most closely with the CEO and the CEO of the largest operational subsidiary.

REMUNERATION

The remuneration of Board members and guidelines for senior executives' remuneration are determined on an annual basis at the General Meeting of Shareholders. Remuneration paid to the President is prepared by the Remuneration Committee and determined by the Board. The remuneration of senior executives reporting directly to the CEO is determined by the CEO in consultation with the Remuneration Committee. The Group applies the principle that a manager's immediate superior must approve any decisions regarding remuneration.

The following principles, adopted at the 2020 Annual General Meeting, apply to senior executives in the Group: The remuneration guidelines are to apply until the 2024 Annual General Meeting, unless circumstances require a change before then. Remuneration is to be market-based and competitive, with a view to being able to attract and retain competent senior executives. Remuneration is to consist of a fixed salary, and where appropriate variable pay, and include pension entitlements and other benefits such as a company car. Variable remuneration will be paid only when certain pre-determined financial and other measurable targets, established by the Board, have been achieved. Variable remuneration was based on the extent to which the targets have been achieved or exceeded. Current variable remuneration of senior executives is described in more detail in note 7. The Board of Directors may deviate from the guidelines if there are special reasons for doing so in individual cases. The Board of Directors prepared a remuneration report for the 2021 Annual General Meeting, describing how the guidelines for remuneration of senior executives in Betsson AB, adopted by the 2020 Annual General Meeting, were subsequently implemented during the same year. The Remuneration Report was prepared in response to new requirements in the Companies Act and was approved by the 2021 Annual General Meeting.

AUDIT

The audit of the annual financial statements is conducted in the January–February period, and the audit of the Annual and Sustainability Report takes place in March. A general audit is conducted in connection with the Company's interim report for the third quarter. In addition, audits of internal procedures and control systems are performed on an ongoing basis during the year and reported to the Group CFO, the Management Group and the Board. In addition to the audit assignment, Betsson has engaged PricewaterhouseCoopers AB for consultancy on VAT and tax issues, and for general accounting issues.

INTERNAL AUDIT

Betsson is committed to ongoing improvement of its operations. The online gaming industry is continuously exposed to a rapidly changing environment, such as changes in regulatory frameworks, seasonal variations, IT-related risks and currency fluctuations. In a changing world, it is important that customers feel safe and secure with the operating companies' games and payment solutions. This permeates all the Group's customer offerings. In order to ensure that the Group's operations

and organisation meet the requirements of the outside world, Betsson has introduced a separate and independent internal audit function, which constitutes the third line of defence (please see more about the three lines of defence under the section on Risks and Risk Management).

The internal audit function reports to the Audit Committee, and the day-to-day internal audit work is carried out by EY with the support and guidance of the GRC function and the VP GRC.

As a complement to this, Betsson's operations are also reviewed by several independent parties. In order to obtain, maintain and renew gaming licences, the Group's procedures and processes must meet certain quality standards. The Malta Gaming Authority (MGA) is one of the regulators that scrutinises the business to ensure that the Group is compliant. Betsson's companies are also PCI DSS (Payment Card Industry Data Security Standard) certified for secure card transactions and work with several major banks. This means that all credit card information is handled securely, and that Betsson meets the highest security standards as regards payments, withdrawals and deposits. The business was accredited in 2019 and was awarded 27001:2013 certification, the ISO standard for cyber and information security. The random number generator behind Betsson's marketed third-party gaming has been tested and approved by independent third parties including Itech Labs, Gaming Laboratories International (GLI), Quinel and eCogra.

The Audit Committee has preparatory responsibility within the Board for ensuring compliance with the established principles of internal control. The CEO and CFO are responsible, on an ongoing basis, for taking appropriate steps to maintain good internal control. Each corporate function is responsible for implementing internal control within its area of responsibility and based on given circumstances. Reporting and monitoring are ongoing at all levels.

SYSTEM FOR INTERNAL CONTROL AND RISK MANAGEMENT REGARDING FINANCIAL REPORTING

In accordance with the Annual Accounts Act, the Board of Directors must submit, on an annual basis, a description of the most important measures in the Company's system for internal control and risk management regarding financial reporting.

Control environment

The control environment forms the basis for internal checking of the financial reporting system. The Company's internal control structure is based, among other things, on a clear allocation of responsibilities and work assignments, both between the Board and the CEO and in operational activities. Policies and guidelines are assessed on a continuous basis by the management team and the Board, and are approved once a year. Governing documents and detailed descriptions of processes are communicated through established information and communication channels and have thus been made available and known to the staff concerned.

Risk assessment

The Company identifies, analyses and makes decisions regarding management of the risk of errors in its financial reporting. The Board deals with the outcome of the Company's procedures for risk assessment and risk management in order to ensure that these cover all significant areas, and identifies, when appropriate, any action that needs to be taken. The Company's largest operational risks relate to the fast-changing environment that characterises the gaming industry, including changes in regulatory frameworks, seasonal variations, IT-related risks and currency fluctuations. Financial reporting may be affected by the risk of accrual errors in settlements with partners and the risk of valuation errors in the measurement of intangible assets.

Control measures

The Company establishes control measures annually based on risk assessments relating to prevention and detection measures and also to ensure that any errors are addressed. During the year, the Company reviewed the valuation of intangible assets following regulatory changes in the Netherlands and carried out acquisition analyses following recent acquisitions. Intangible assets are assessed on a continuous basis against the return they generate in order to ensure that the values reported in the Company's balance sheet are correct.

Information and communication

Internal information and external communication are regulated at an overall level by, among other things, an information policy. Internal communication to and from the Board and management team takes place through regular information meetings. Another channel for information flows is the Company's intranet. Internal policies, guidelines, terms of reference and similar documents that govern and support operations are published on the intranet. All Group employees are given the opportunity to attend the Group's internal All Hands Meetings, where information on the Company's performance is presented, in conjunction with the publication of quarterly reports.

Monitoring

The Company assesses its internal control of financial reporting on a continuous basis by asking questions and participating in the work of the financial function. Both Group management and the Board receive daily turnover reports and monthly income statements and cash flow reports, including management's comments on operational trends. In addition, the GRC function compiles a quarterly risk report covering risks that are significant and of critical importance to the business; these reports are presented to the Board of Directors and are based on interviews with relevant risk owners.

The financial situation is assessed at each ordinary meeting of the Board. The Company's auditor attends Board meetings on at least one occasion per year, at which information is presented on the auditor's findings regarding procedures and control systems. The Board re-evaluates the significant risk areas on an annual basis and assesses whether any adjustments to the internal control are required.

INVESTOR RELATIONS

Betsson's information to shareholders is provided via the annual and sustainability report, interim reports, General Meetings and press releases, as well as via the Company's website. For Betsson, communication and transparency are important for investors and analysts to be able to make an objective assessment of the Company's development, and thus make well-informed decisions for their investments or in their work. The Company attaches great importance to investor relations. The aim is to provide information to the capital market about Betsson's financial position, operations and development so as to increase knowledge and interest in the Company and with a view to obtaining a fair valuation of the Company. In 2021, Betsson participated in a number of IR activities, such as seminars, financial institutions' capital market days, investor meetings and presentation meetings, most of which were held online.

BOARD OF DIRECTORS



JOHAN LUNDBERG CHAIRMAN OF THE BOARD

- Born in 1977, resident in Stockholm, Sweden.
- Member of the Board since 2018.
- Chair of the Remuneration Committee and member of the Audit Committee.

OTHER APPOINTMENTS:
Member of the Board of Ölands Bank, Loomis AB, Svolder AB, Coinshares International Ltd and NFT Ventures AB, as well as associated companies in the NFT Ventures sphere.

BACKGROUND:
Founding partner in NFT Ventures, one of Europe's leading FinTech investors and executive positions at companies such as MasterCard.

EDUCATION:
Master's degree from Stockholm University and MBA from Stockholm School of Economics

Independent in relation to the Company and its management as well as to major shareholders.

SHAREHOLDING: 20,000 B shares.

FREDRIK CARLSSON BOARD MEMBER

- Born in 1970, resident in Gothenburg, Sweden.
- Member of the Board since 2017.
- Chair of the Audit Committee and member of the Remuneration Committee
- CEO of Sönera Carlsson Family Office AB.

OTHER APPOINTMENTS:
Chairman of the Board of Sten A. Olssons Pensionsstiftelse and Svolder AB; member of the Board of Solid Försäkringsaktiebolag and Resurs Holding AB.

BACKGROUND:
Many years' experience from senior positions held in international and Swedish companies, including Head

of Analytics at SEB, Head of Equities at Andra AP-fonden, VP for European Telecom, Media and Entertainment Groups at Bank of America Merrill Lynch in London, and industry specialist in telecoms and technology at HSBC Investment Bank in London.

EDUCATION:
Bachelor of Economics from Gothenburg School of Economics and MBA from Nijenrode University in the Netherlands.

Independent in relation to the Company and its management as well as to major shareholders.

SHAREHOLDING: 10,000 B shares (including holdings through companies and related parties).



EVA LEACH BOARD MEMBER

- Born in 1980, resident in Enskede, Sweden.
- Member of the Board since 2019.
- Member of the Remuneration Committee.
- CMO at Sambla Group

BACKGROUND:
Long-term experience of digital marketing. Eva has held senior positions, including as COO at Lifesum with responsibility for marketing, product development and data & analytics, as MD at Lowcost-travelgroup with responsibility for online sales, Head of Marketing at

Holiday Autos and Senior Ecommerce Service Manager at Hilton Worldwide.

EDUCATION:
Bachelor of Economics from Halmstad University and the University of Lincoln, United Kingdom.

Independent in relation to the Company and its management as well as to major shareholders.

SHAREHOLDING: 0

PETER HAMBERG **BOARD MEMBER**

- Born in 1973, resident in Ekerö, Sweden
- Member of the Board since 2021
- Member of the Audit Committee

OTHER APPOINTMENTS:

Member of the board of Hamberg Förvaltning AB, Solporten Fastighets AB, ABC, Fastena Livsmedelsfastigheter AB and the holding companies Pamir Intressenter (A, B, D and E).

BACKGROUND:

Many years' experience in the gaming industry, both offline and

online, including as a member of the Board of NetEnt from 2008 to 2020.

EDUCATION:

Bachelor's degree in International Business with a focus on Finance from San Francisco State University.

Dependent in relation to major shareholders; independent in relation to the Company and its management.

SHAREHOLDING: 5,098,500 Class A shares and 517,900 Class B shares (including holdings through companies and related parties).



PONTUS LINDWALL **BOARD MEMBER**

- Born in 1965, resident in Stockholm, Sweden.
- Employed in the Group since 1991.
- Member of the Board 2011–2018 and 2021.
- Chairman of the Board 2011–2015 and 2016–September 2017. Former President and CEO 1998–2011 and July 2015–February 2016.

OTHER APPOINTMENTS:

Member of the Board of Infrea AB, Nya Solporten Fastighets AB, Fibbl AB, Mostphotos AB and a number of internal company boards.

BACKGROUND: Many years' experience in the gaming industry, both offline and online, including as founder of Net Entertainment and President and CEO of the Cherryföretagen group of companies.

EDUCATION:

MSc in Engineering from the Royal Institute of Technology (KTH), Stockholm. Dependent in relation to major shareholders; dependent in relation to the Company and its management.

SHAREHOLDING: 415,000 A shares, 985,000 B shares (including holdings through companies and related parties). And 680,000 call options.

AUDITOR

NIKLAS RENSTRÖM

AUTHORISED PUBLIC ACCOUNTANT
PRICEWATERHOUSECOOPERS AB

- Born in 1974, resident in Saltsjö-Boo, Sweden.
- Senior Auditor since 2015.



GROUP MANAGEMENT



PONTUS LINDWALL

PRESIDENT AND CHIEF EXECUTIVE OFFICER BETSSON AB

- Born in 1965, resident in Stockholm, Sweden.
- Employed in the Group since 1991.
- Member of the Board 2011–2018 and 2021.
- Chairman of the Board 2011–2015 and 2016–September 2017. Former President and CEO 1998–2011 and July 2015–February 2016.

OTHER APPOINTMENTS: Member of the Board of Infrea AB, Nya Solporten Fastighets AB, Fibbl AB, Mostphotos AB and a number of internal company boards.

BACKGROUND: Many years' experience in the gaming industry, both offline and online, including as founder of Net Entertainment and President and CEO of the Cherryföretagen group of companies.

EDUCATION: MSc in Engineering from the Royal Institute of Technology (KTH), Stockholm. Dependent in relation to major shareholders; dependent in relation to the Company and its management.

SHAREHOLDING: 415,000 A shares, 985,000 B shares (including holdings through companies and related parties). And 680,000 call options.

MARTIN ÖHMAN

CFO, BETSSON AB

- Born in 1976, resident in Stockholm, Sweden.
- Employed in the Group since 2019.

OTHER APPOINTMENTS: –

BACKGROUND: Many years' experience from senior positions and extensive experience of M&A. Most recently CFO at Upplands Motor. Prior to that, CFO of the Handicare Group and CFO of Bactiguard.

EDUCATION: MBA in accountancy and finance from the School of Business, Economics and Statistics at Umeå University.

SHAREHOLDING: 7,130 B shares and 265,000 call options.



AMANDUS JABIN

VICE PRESIDENT GLOBAL TAX, BETSSON AB

- Born in 1977, resident in Gävle, Sweden.
- Employed in the Group since 2012.

OTHER APPOINTMENTS: –

BACKGROUND: More than 13 years' experience in international tax and law, most recently as a consultant at PWC. Has also had several specialist and managerial roles at the Swedish Tax Agency.

EDUCATION: Law and management at the Universities of Uppsala and Adelaide, Australia.

SHAREHOLDING: 170,000 call options.

TRIIN TOOMEMETS-KRASNITSKI

VICE PRESIDENT LEGAL

- Born in 1977, resident in Tallinn, Estonia.
- Employed in the Group since 2012.

OTHER APPOINTMENTS: –

BACKGROUND:

Chief Legal Officer at Nordic Gaming Group, which was acquired by Betsson in 2012. Before that, attorney-at-law at the law firm Sorainen.

EDUCATION:

Bachelor of Laws from the University of Tartu and Master of Laws (LL.M.) in International Business Law from Central European University.

SHAREHOLDING: 5,889 B shares and 226,000 employee stock options.



FREDRIC LUNDÉN

VICE PRESIDENT GOVERNANCE, RISK AND COMPLIANCE, BETSSON AB (CO-OPTED MEMBER OF THE MANAGEMENT TEAM)

- Born in 1968, resident in Stockholm, Sweden.
- Employed in the Group since 2017.

OTHER APPOINTMENTS: –

BACKGROUND:

Several positions within SEB, including as head of the compliance function, compliance specialist and banking lawyer. Has also worked

in the Legal Department of the Swedish Financial Supervisory Authority and as an Associate judge at Svea Court of Appeal.

EDUCATION:

Bachelor of Laws from Stockholm University. Associate judge at Svea Court of Appeal.

SHAREHOLDING: 37,500 call options.

THE SHARE AND SHAREHOLDERS

SHARE STRUCTURE

At the end of 2021, Betsson AB held 142,729,838 shares, divided into 15,911,000 A shares, 121,571,405 B shares and 5,247,433 C shares. Each A share entitles the holder to ten votes, whilst each B share entitles the holder to one vote. Betsson treasury shares totalled 681,233 B shares and 5,247,433 C shares. These shares are held by the Company and are not represented at the Annual General Meeting.

SHARE SPLIT AND REDEMPTION PROGRAMME

The Annual General Meeting held on 5 May 2021 passed a resolution on an automatic redemption programme, which meant that SEK 502.9 (393.6) million, equivalent to SEK 3.68 (2.88) per share, was distributed to the Company's shareholders.

BONUS ISSUE

In conjunction with the redemption procedure, a bonus issue of SEK 48.2 million was implemented to restore the Company's share capital.

OWNERSHIP STRUCTURE

At the end of 2021, Betsson AB had 26,003 (24,430) shareholders. Foreign ownership amounted to 55 (61) percent of the share capital and 41 (44) percent of the votes.

SHARE LIQUIDITY

In 2021, 229.9 (213.0) million shares changed hands, and the share was traded during all 253 (252) trading days with a daily average turnover of 908,696 (845,401) shares.

SHARE PRICE TREND AND TURNOVER

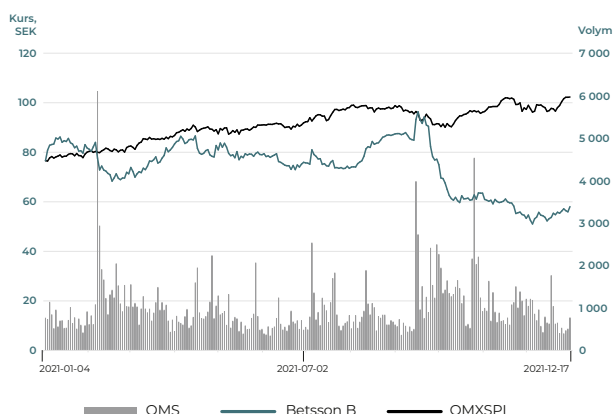
The share price (last paid) at year-end was SEK 54.60 (73.70), equivalent to a market capitalisation of SEK 7.8 (10.6) billion. The share reached a high for 2021 of SEK 91.90 (80.00) on 17 September, while the low for the year was SEK 47.46 (25.70) on 3 December. The average share price during the year was SEK 69.60 (56.10). Total turnover during the year was SEK 16.0 (12.0) billion, which is equivalent to a daily average turnover of SEK 63.2 (47.4) million.

DIVIDEND POLICY AND PROPOSED DIVIDEND

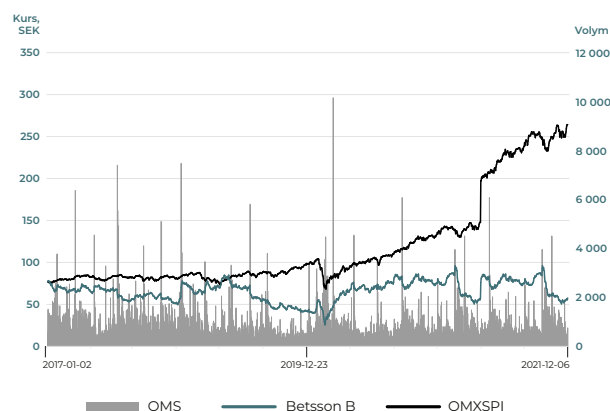
The Board of Directors proposes to the Annual General Meeting that SEK 539.0 (502.9) million, corresponding to SEK 394 (3.68) per share be transferred to the shareholders, and that the transfer should be made by means of an automatic redemption procedure.

The proposal is in accordance with the dividend policy. The Board's ambition for the ordinary dividend to shareholders is to distribute up to 50 percent of Group net profit, provided that this enables an appropriate capital structure to be maintained. The distribution may be done via a cash transfer, an automatic redemption process or via the repurchase of own shares. The Board's full proposal will be presented well in advance of the Annual General Meeting.

SHARE PRICE TREND IN 2021



SHARE PRICE TREND 2017-2021



ANALYSTS COVERING BETSSON

**ABG Sundal Collier
Carnegie
DNB**

Oscar Rönnkvist
Oscar Erixon
Martin Arnell

**Pareto Securities
Deutsche Bank
Berenberg**

Georg Attling
Simon Davies
Jack Cummings

MAJOR SHAREHOLDERS AS AT 31 DECEMBER 2021

	NUMBER OF A SHARES	NUMBER OF B AND C SHARES	SHARE OF CAPITAL (%)	SHARE OF VOTES (%)
Hamberg family and companies	5,098,500		3.6%	18.2%
Kling family and companies	3,931,000	619,150	3.2%	14.3%
Knutsson family and companies	3,010,000	3,490,000	4.6%	12.0%
Lindwall, Berit	1,683,000	85,000	1.2%	6.0%
Lundström family and companies	1,323,500	90,600	1.0%	4.8%
DNB		12,899,238	9.0%	4.6%
State Street Bank and Trust Co		8,403,152	5.9%	3.0%
Brown Brothers Harriman & Co		7,157,594	5.0%	2.6%
Pontus Lindwall	415,000	985,000	0.8%	1.8%
Other shareholders	450,000	87,160,438	61.5%	32.7%
TOTAL EXTERNAL OWNERS	15,911,000	120,890,172	95.8%	100%
Betsson AB (of which C 5,247,433 C shares)		5,928,666	4.2%	0%
TOTAL	15,911,000	126,818,838	100%	100%

SHARE CAPITAL COMPOSITION AS AT 31 DECEMBER 2021

CLASS OF SHARE	NUMBER OF SHARES	NUMBER OF VOTES	QUOTIENT VALUE	SEK
Shares, Class A – 10 votes per share	15,911,000	159,110,000	0.67	10,738,385
Shares, Class B – 1 vote per share	121,571,405	121,571,405	0.67	82,048,931
Shares, Class C – 1 vote per share	5,247,433	5,247,433	0.67	3,541,509
TOTAL SHARES	142,729,838	285,928,838	0.67	96,328,825

SHARE DISTRIBUTION AS AT 31 DECEMBER 2021

NUMBER OF SHARES	NUMBER OF SHARE-HOLDERS	PROPORTION OF NUMBER OF SHARE-HOLDERS	NUMBER OF SHARES	PROPORTION OF TOTAL NUMBER OF SHARES (%)	SHARE OF VOTING RIGHTS (%)
1–500	18,805	72.3%	2,465,012	1.7%	0.9%
501–1,000	2,951	11.3%	2,301,051	1.6%	0.8%
1,001–2,000	1,900	7.3%	2,935,264	2.1%	1.0%
2,001–5,000	1,384	5.3%	4,539,664	3.2%	1.6%
5,001–10,000	476	1.8%	3,548,295	2.5%	1.2%
10,001–20,000	212	0.8%	3,096,133	2.2%	1.1%
20,001–50,000	132	0.5%	4,104,656	2.9%	1.4%
50,001–100,000	46	0.2%	3,267,615	2.3%	1.1%
100,001–500,000	55	0.2%	10,904,002	7.6%	3.8%
500,001–1,000,000	13	0.0%	8,751,702	6.1%	4.5%
1,000,001–5,000,000	24	0.1%	57,329,294	40.2%	52.7%
5,000,001–10,000,000	4	0.0%	26,587,912	18.6%	25.4%
10,000,001–	1	0.0%	12,899,238	9.0%	4.5%
TOTAL	26,003	100%	142,729,838	100%	100%

FIVE-YEAR SUMMARY

Amount in SEK million unless otherwise stated

	2021	2020	2019	2018	2017
Income Statement					
Revenues	6.672.3	6.389.6	5.173.0	5.419.8	4.716.5
Gross profit	4.318.1	4.100.9	3.427.6	3.859.9	3.419.4
Operating income	1.193.7	1.125.2	865.0	1.193.7	882.2
Profit/loss before tax	1.136.9	1.068.8	810.9	1.152.4	842.9
Income after tax	1.054.4	990.8	787.1	1.078.1	786.5
Balance Sheet					
Intangible fixed assets	5.858.5	5.321.4	5.218.9	5.164.5	4.943.4
Property, plant and equipment	67.8	71.7	74.4	95.5	97.7
Right-of-use assets	214.8	207.6	99.0		
Financial fixed assets	245.4	18.3	13.7	1.4	11.8
Deferred tax receivables	11.6	34.6	50.0	57.1	43.8
Current receivables	1.799.9	1.747.9	1.598.7	1.664.1	1.241.9
Cash and cash equivalents	977.4	863.2	639.2	488.7	479.5
Total assets	9.175.4	8.264.6	7.693.9	7.471.2	6.817.9
Shareholders' Equity	5.816.3	5.062.9	4.899.0	4.589.3	3.666.9
Provisions	0.0	17.1	29.1	74.6	42.2
Interest-bearing non-current liabilities	159.9	1.123.0	1.020.5	93.5	993.9
Current liabilities	3.199.2	2.061.6	1.745.3	2.713.8	2.114.9
Total equity and liabilities	9.175.4	8.264.6	7.693.9	7.471.2	6.817.9
Cash Flow					
Cash flow from operating activities	1.456.3	1.384.2	1.150.3	1.273.3	946.7
Cash flow from investing activities	-730.1	-693.8	-293.6	-294.2	-524.0
Cash flow from financing activities	-631.9	-428.1	-714.4	-990.5	-389.7
Total cash flow	94.3	262.3	142.3	-11.4	32.9
Revenues per product					
Casino	4.840.3	4.890.6	3.836.9	4.077.5	3.437.9
Sportbook	1.746.5	1.423.0	1.265.0	1.244.0	1.140.3
Other	85.5	76.0	71.1	98.3	138.2
Total	6.672.3	6.389.6	5.173.0	5.419.8	4.716.5
Revenues per region					
Nordic countries	2.107.3	2.100.2	2.026.8	2.517.5	2.258.1
Western Europe	1.339.4	1.905.3	1.607.4	1.734.7	1.350.7
Central and Eastern Europe and Central Asia	2.151.6	1.746.8	1.221.9	940.4	943.5
Rest of World	1.074.0	637.3	316.9	227.2	164.1
Total	6.672.3	6.389.6	5.173.0	5.419.8	4.716.5

	2021	2020	2019	2018	2017
Number of customers					
Number of registered customers (thousands)	23,307.0	19,618.0	15,115.0	14,010.0	12,993.0
Number of active customers (thousands)	1,162.0	990.0	686.5	668.7	615.5
Profitability and financial position					
Gross margin	64.7 %	64.2 %	66.3 %	71.2 %	72.5 %
EBITDA margin	23.4 %	23.2 %	23.8 %	27.8 %	24.4 %
Operating margin	17.9 %	17.6 %	16.7 %	22.0 %	18.7 %
Profit margin	17.0 %	16.7 %	15.6 %	21.3 %	17.9 %
Return on equity	19.9 %	19.9 %	16.5 %	26.0 %	21.9 %
Return on total capital (%)	13.7 %	13.7 %	11.5 %	16.7 %	13.5 %
Return on total capital employed (%)	18.5 %	18.1 %	15.0 %	21.7 %	17.4 %
Equity/assets ratio	63.0 %	61.3 %	63.7 %	61.0 %	53.8 %
Net debt	26.0	158.0	186.6	245.4	1,074.6
Net debt / EBITDA	0.0	0.1	0.2	0.2	0.9
Deposited amounts					
Customer deposits, all gaming solutions	30,309.9	27,787.1	19,851.6	18,726.0	16,308.0
Investments					
Investments	327.0	365.7	265.1	294.2	282.9
Personnel					
Average number of employees	1,890	1,678	1,522	1,602	1,870
Number of employees at year-end	1,955	1,792	1,589	1,547	1,873
The share					
Share capital	96.3	96.3	96.3	96.3	96.3
Number of shares outstanding at year-end	136,801,172	136,652,330	138,414,646	138,414,646	138,414,646
Number of own shares at year-end	5,928,666	7,840,908	6,078,592	6,078,592	6,078,592
Number of shares at year-end	142,729,838	144,493,238	144,493,238	144,493,238	144,493,238
Average number of shares outstanding	136,726,751	137,533,488	138,414,646	138,414,646	138,414,646
Average number of shares outstanding after dilution	136,726,751	137,533,488	138,414,646	138,414,646	138,414,646
Number of registered shareholders	26,003	24,430	25,421	28,636	40,009
Average share price (SEK)	69.60	56.10	60.22	65.86	73.60
Share price at year-end (SEK)	54.60	73.70	43.68	73.00	60.50
Market capitalisation at year-end	7,793.0	10,649.2	6,311.5	10,548.0	8,741.8
Earnings per share (SEK)	7.90	7.32	5.69	7.79	5.68
Earnings per share after dilution (SEK)	7.90	7.32	5.69	7.79	5.68
Equity per share (SEK)	42.56	37.05	35.38	33.16	26.49
Dividend or equivalent per share (SEK)	3.94	3.68	2.88	3.89	2.84
Dividend amount	539.0	502.9	393.6	538.4	393.1

CONSOLIDATED INCOME STATEMENTS

Amounts in SEK thousand

	NOTE	2021	2020
Revenues	3,4	6,672,344	6,389,567
Total		6,672,344	6,389,567
Costs of services provided	5	-2,354,221	-2,288,704
Gross profit		4,318,123	4,100,863
Operating expenses			
Work performed by the Company for its own use and capitalised		251,610	245,407
Marketing expenses		-1,147,650	-1,096,461
Personnel costs	7	-963,363	-890,918
Other external expenses	6	-894,405	-844,802
Depreciation and amortisation	8	-366,295	-359,108
Other operating income/expenses	9	-4,311	-29,766
Total operating expenses		-3,124,415	-2,975,648
Operating income		1,193,708	1,125,215
Net financial items	10		
Financial income		3,885	3,240
Financial expenses		-60,655	-59,690
Total net financial items		-56,770	-56,450
Profit/loss before tax		1,136,938	1,068,765
Income tax	13	-82,493	-77,973
Profit/loss for the year		1,054,445	990,792
Of which attributable to:			
- shareholders in the Parent Company		1,079,844	1,006,482
- non-controlling interests		-25,399	-15,690
Earnings per share in continuing operations			
- before dilution (SEK)	11	7.90	7.32
- after dilution (SEK)	11	7.90	7.32
Proposed/paid dividend per share (SEK)	12	3.94	3.68

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in SEK thousand

	NOTE	2021	2020
Net income for the period		1,054,445	990,792
Other comprehensive income			
Items that can subsequently be reversed in the income statement :			
Hedging of net investments in foreign currency		11,959	24,944
Deferred tax on hedging of net investments in foreign currency	13	-2,531	-5,388
Exchange rate differences on translation of foreign operations		220,189	-419,412
Other comprehensive income for the period (after tax)		229,617	-399,856
Total comprehensive income for the period		1,284,062	590,936
Of which attributable to:			
- shareholders in the Parent Company		1,309,461	606,626
- non-controlling interests		-25,399	-15,690

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in SEK thousand

ASSETS	NOTE	2021-12-31	2020-12-31
Non-current assets			
Intangible fixed assets	14	5,858,514	5,321,407
Property, plant and equipment	15	67,806	71,650
Right- of-use assets	15	214,847	207,605
Financial fixed assets	18	245,365	18,275
Deferred tax assets	13	11,550	34,630
Total Non-current assets		6,398,082	5,653,567
Current assets			
Tax assets	13	642,762	555,908
Other receivables	19	1,026,363	1,093,366
Prepaid expenses and accrued income	20	130,797	98,596
Cash and cash equivalents	21	977,440	863,165
Total current assets		2,777,361	2,611,035
Total assets		9,175,443	8,264,602
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	22	96,329	96,329
Other contributed capital		1,441,949	1,439,975
Reserves		270,796	41,179
Retained earnings including net income for the year		4,012,743	3,460,051
Non- controlling interests		-5,542	25,359
Total equity		5,816,275	5,062,893
Non-current liabilities			
Deferred tax liabilities	13	17,927	17,132
Bond loan	23		991,265
Lease liabilities	15	142,009	131,793
Total non-current liabilities		159,936	1,140,190
Current liabilities			
Current liabilities to credit institutions	23		70,263
Bond loan	23	996,256	
Accounts payable		142,438	70,276
Tax liabilities	13	757,891	639,117
Other liabilities	24	799,788	757,483
Accrued expenses and deferred income	25	443,939	465,936
Lease liabilities	15	58,921	58,444
Total current liabilities		3,199,232	2,061,519
Total equity and liabilities		9,175,443	8,264,602

CONSOLIDATED CASH FLOW STATEMENTS

Amounts in SEK thousand

	2021	2020
Operating activities		
Profit/loss before taxes	1,136,938	1,068,765
Adjustments for items not included in cash flow		
Depreciation	366,295	359,108
Share-based remuneration	1,985	1,369
Unrealised currency effects	-9,313	21,882
Other items	15,923	10,709
Paid company tax	-57,662	-76,613
Cash flow from operating activities before changes in working capital	1,454,166	1,385,220
Changes in working capital		
Changes in current receivables	24,046	-151,828
Changes in current liabilities	-21,904	150,780
Cash flow from operating activities	1,456,308	1,384,172
Investing activities		
Acquisition of intangible fixed assets	-295,676	-317,185
Acquisition of property, plant and equipment	-31,326	-48,536
Acquisition of shares in subsidiary companies	-219,477	-385,032
Acquisition of shares in associates	-179,837	-4,621
Settled purchase consideration	-3,764	
Acquired cash and cash equivalents		61,560
Cash flow from investing activities	-730,080	-693,814
Financing activities		
Share redemption programme	-502,880	-393,559
Raised bank loans	137,713	290,046
Repayment of bank loans	-207,975	-216,057
Lease payments	-60,328	-49,693
Premiums received for issued warrants	1,975	1,218
Cash paid upon redemption of call options and employee stock options	-336	
Repurchase own shares		-60,059
Cash flow from financing activities	-631,831	-428,104
Change in cash and cash equivalents	94,397	262,254
Cash and cash equivalents at the beginning of the year	863,165	639,155
Exchange rate differences in cash and cash equivalents	19,879	-38,244
Cash and cash equivalents at year-end	977,440	863,165
Additional information		
Unutilised credit facilities amounted to	500,000	726,012
Interest paid during the year amounted to	-44,559	-44,642
Interest received during the year amounted to	3,319	3,236

CHANGES IN EQUITY FOR THE GROUP

Amounts in SEK thousand

	Share capital	Other contributed capital	Translation reserve	Retained earnings including net income for the year	Non-controlling interest	Total equity
Opening balance Shareholders' equity, 1st Jan 2020	96,329	1,438,757	441,035	2,921,507	1,425	4,899,053
Comprehensive income for the year 2020						
Profit/loss for the year				990,792	15,690	1,006,482
Hedging of net investments in foreign currency			19,556			19,556
Exchange rate differences on translation of foreign operations			-419,412			-419,412
Total comprehensive income for the period			-399,856	990,792	15,690	606,626
Transactions with the Company's owners 2020						
Share redemption	-48,165			-345,393		-393,558
Bonus issue	48,165			-48,165		
Employee stock options, value of employee services				1,369		1,369
Redemption of employee stock options and warrants						
Premiums received for warrants		1,218				1,218
Repurchase own shares				-60,059		-60,059
Other, Non-Controlling interest					8,244	8,244
Closing balance Shareholders' equity, 2020-12-31	96,329	1,439,975	41,179	3,460,051	25,359	5,062,893
Opening balance Shareholders' equity, 1st Jan 2021	96,329	1,439,975	41,179	3,460,051	25,359	5,062,893
Comprehensive income for the year 2021						
Profit/loss for the year				1,054,444	25,399	1,079,843
Hedging of net investments in foreign currency			9,428			9,428
Exchange rate differences on translation of foreign operations			220,189			220,189
Total comprehensive income for the period			229,617	1,054,444	25,399	1,309,460
Transactions with the Company's owners 2021						
Share redemption	-48,165			-454,715		-502,880
Bonus issue	48,165			-48,165		
Employee stock options, value of employee services				1,428		1,428
Payment on exercise options				-300		-300
Premiums received for warrants		1,974				1,974
Other, Non-Controlling interest					-56,300	-56,300
Closing balance Shareholders' equity, 2021-12-31	96,329	1,441,949	270,796	4,012,743	-5,542	5,816,275

PARENT COMPANY INCOME STATEMENTS

Amounts in SEK thousand

	NOTE	2021	2020
Revenues	3	28,848	36,090
Total		28,848	36,090
Operating expenses			
Personnel costs	7	-38,360	-42,581
Other external expenses	6	-53,732	-59,485
Depreciation	8	-1,295	-1,464
Other operating income/expenses	9	-5,579	-8,240
Total operating expenses		-98,966	-111,770
Operating income		-70,118	-75,680
Financial items			
Income from participations in Group companies	10	1,381,219	987,393
Profit/loss from interests in Group companies, Group contributions		16,362	54,609
Interest income and similar items		10,679	26,047
Interest expenses and similar items		-49,803	-51,500
Total net financial items		1,358,457	1,016,549
Result after financial items		1,288,339	940,869
Profit/loss before tax			
Income tax	13		
Profit/loss for the year		1,288,339	940,869
Proposed/paid dividend per share	12	3.94	3.68

PARENT COMPANY BALANCE SHEETS

Amounts in SEK thousand

	NOTE	2021	2020
ASSETS			
Non-current assets			
Tangible fixed assets			
Property, plant and equipment	15	2 974	4 176
Total tangible fixed assets		2 974	4 176
Financial fixed assets			
Participations in Group companies	16,17	6 119 071	5 726 132
Deferred tax receivables	13	11 660	11 660
Total financial fixed assets		6 130 731	5 737 792
Total non-current assets		6 133 705	5 741 968
Current assets			
Current receivables			
Receivables from Group companies	28	1 236 765	937 132
Tax assets	13	1 811	866
Other receivables	19	581	3 560
Prepaid expenses and accrued income	20	6 446	5 770
Total current receivables		1 245 603	947 328
Cash and bank balances	21	337 767	373 600
Total current assets		1 583 370	1 320 928
TOTAL ASSETS		7 717 075	7 062 896

	NOTE	2021	2020
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	22	96,329	96,329
Statutory reserve fund		253,279	253,279
Total restricted equity		349,608	349,608
Non-restricted equity			
Share premium reserve		1,192,408	1,192,408
Retained earnings		3,683,386	3,243,758
Profit/loss for the year		1,288,339	940,869
Total non-restricted equity		6,164,133	5,377,035
Total equity		6,513,741	5,726,643
Non-current liabilities			
Bond loan	23		991,265
Total non-current liabilities			991,265
Current liabilities			
Liabilities to credit institutions	23		73,989
Accounts payable		2,829	4,007
Liabilities to Group companies	28	184,962	248,734
Other liabilities	24	2,760	2,419
Accrued expenses and deferred income	25	16,527	15,769
Bond loan	23	996,256	
Total current liabilities		1,203,334	344,988
TOTAL EQUITY AND LIABILITIES		7,717,075	7,062,896

PARENT COMPANY CASH FLOW STATEMENTS

Amounts in SEK thousand

	2021	2020
Operating activities		
Profit/loss before taxes	1,288,339	940,869
Adjustments for items not included in cash flow		
Depreciation	1,295	1,464
Exchange differences and other	3,976	14,934
Cash flow from operating activities before changes in working capital	1,293,610	957,267
Changes in working capital		
Changes in current receivables	-297,330	48,054
Changes in current liabilities	-63,852	76,746
Cash flow from operating activities	932,428	1,082,067
Investing activities		
Acquisition of property, plant and equipment	-93	-555
Acquisitions of shares and participations, subsidiaries	-392,939	-568,920
Cash flow from investing activities	-393,032	-569,475
Financing activities		
Share redemption	-502,880	-393,559
Premiums received for issued warrants	1,974	1,218
Cash paid upon redemption of call options and employee stock options	-335	
Raised loans	137,988	290,046
Repaid loans	-211,976	-216,057
Repurchase own share		-60,059
Cash flow from financing activities	-575,229	-378,411
Change in cash and cash equivalents	-35,833	134,181
Cash and cash equivalents at the beginning of the year	373,600	239,419
Cash and cash equivalents at year-end	337,767	373,600
Additional information		
Unutilised credit facilities amounted to	500,000	726,012
Interest paid during the year amounted to	-43,661	-44,430
Interest received during the year amounted to	49	

CHANGES IN EQUITY FOR THE PARENT COMPANY

Amounts in SEK thousand

	RESTRICTED EQUITY		NON-RESTRICTED EQUITY			Total Equity
	Share capital	Statutory reserve fund	Share premium reserve	Retained Earnings	Profit for the year	
Opening balance Shareholders' equity, 1 Jan 2020	96,329	253,279	1,192,408	2,719,108	977,049	5,238,173
Appropriation according to AGM				977,049	-977,049	
Share redemption	-48,165			-345,393		-393,558
Bonus issue	48,165			-48,165		
Received payment - warrants issued				1,218		1,218
Repurchase of own shares				-60,059		-60,059
Group contributions					54,609	54,609
Profit/loss for the year, excl, Group contributions					886,260	886,260
Closing balance Shareholders' equity, 31 Dec 2020	96,329	253,279	1,192,408	3,243,758	940,869	5,726,643
Opening balance Shareholders' equity, 1 Jan 2021	96,329	253,279	1,192,408	3,243,758	940,869	5,726,643
Appropriation according to AGM				940,869	-940,869	
Share redemption	-48,165			-454,715		-502,880
Bonus issue	48,165			-48,165		
Received payment - call options issued				1,974		1,974
Redemption of employee stock options and call options				-335		-335
Group contributions					16,362	16,362
Profit/loss for the year, excl, Group contributions					1,271,977	1,271,977
Closing balance Shareholders' equity, 31 Dec 2021	96,329	253,279	1,192,408	3,683,386	1,288,339	6,513,741

NOTES

NOTE 1. GENERAL INFORMATION

Betsson AB (parent company, CIN 556090-4251) conducts gaming operations over the internet through its subsidiaries. Business activities are primarily operated via companies in Sweden, Malta and Gibraltar. The parent company is a limited company with registered address in Stockholm. The address of the Company's registered office is Regeringsgatan 28, 111 53 Stockholm. The parent company is listed on Nasdaq Stockholm Mid Cap List. These consolidated financial statements were approved by the Board for publication on 29 March, 2022. All amounts stated in these Notes are in SEK thousand, unless stated otherwise.

NOTE 2. SUMMARY OF IMPORTANT ACCOUNTING AND VALUATION PRINCIPLES

The most important accounting principles applied in these consolidated financial statements are described below. These principles have been applied consistently for all years presented, unless stated otherwise.

Basis of preparation

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Regulations for Groups, and International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. The accounts have been prepared using the cost method except for financial assets and liabilities (including derivative instruments), which have been measured at fair value through profit and loss.

The parent company has prepared its annual report according to the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR implies that the parent company, in its annual report for the legal entity, will apply all IFRS statements as adopted by the EU, as far as possible within the framework of the Swedish Annual Accounts Act, and taking into account the correlation between accounting and taxation. Any differences between the parent company's annual financial statements and the consolidated financial statements relate mainly to the presentation of the income statements and the balance sheets, which, for the parent company, follow the format stipulated in the Swedish Annual Accounts Act.

New standards, amendments and interpretations

IFRS amendments applicable from 1 January 2021 have not had a material impact on the consolidated financial statements. A number of new or amended IFRS standards will not enter into force until coming financial years and have not been applied early in preparing these financial statements.

Applied basis of valuation and classification

The parent company's functional currency is the Swedish krona (SEK), which is also the reporting currency of the parent company and the Group. All amounts are rounded up/down to the nearest thousand, unless stated otherwise.

Assets and liabilities are reported at acquisition cost, except for certain financial instruments which are reported at fair value. Financial assets and liabilities reported at fair value consist of financial instruments classified as financial assets measured at fair value through profit and loss.

Assets are classified as current assets if they are expected to be sold or are intended for sale or consumption during the Company's normal operating cycle, if they are held primarily for trading purposes, if they are expected to be realised within twelve months, or if they comprise cash and cash equivalents. All other assets are classified as fixed assets.

Liabilities are classified as current liabilities if they are expected to be settled during the Company's normal operating cycle, if they are held primarily for trading purposes, if they are expected to be settled within twelve months or if the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the closing date. All other liabilities are classified as non-current liabilities.

Estimations and assumptions in the financial statements

In order to prepare financial statements in accordance with IFRS, the application of various important estimations and assumptions for accounting purposes is required. Management is also required to make assessments regarding the application of the Group's accounting principles. The areas including a high degree of assessment, which are complex, or in which estimations and assumptions are of material importance for the consolidated financial statements, include assumptions regarding the impairment testing of goodwill and brand. See Note 14.

Basis for consolidation

The consolidated financial statements include the parent company and companies in which the parent company, directly or indirectly, holds more than fifty percent of the voting rights or otherwise exercises a controlling interest.

The consolidated financial statements have been prepared in accordance with the purchase method, which means that the parent company indirectly acquires the subsidiary company's assets and assumes its liabilities. The difference between the purchase consideration and the fair value of the acquired identifiable net assets on acquisition date represents the cost of goodwill, which is recognised as an asset in the balance sheet. If the difference is negative, it is reported as revenue in the income statement. Costs related to acquisitions are expensed as they arise.

Subsidiaries are all companies over which the Group exercises a controlling influence. The Group is considered to exercise control over a company when it is exposed or entitled to variable returns on the basis of its participation in the Company and is able to impact this return through its influence in the Company.

Subsidiaries are included in the consolidated financial statements with effect from the day controlling interest is transferred to the Group. They are excluded in the consolidated financial statements with effect from the day controlling interest expires. Revenues, expenses, assets and liabilities which are attributable to subsidiaries are included in the consolidated financial statements from the date on which control is assumed and until the date on which such control is relinquished. Intra-Group receivables and liabilities, and transactions between Group companies, with associated gains, are eliminated in full.

Associated companies

Associated companies are companies in which the Group has a significant, but not controlling, influence, which generally applies to shareholdings corresponding to between 20 and 50 percent of the votes. Holdings in associated companies are reported in accordance with the equity accounting method, which means investments are initially valued at acquisition cost, after which the carrying value is decreased or increased in order to reflect the Group's share of the associated company's profit or loss after the acquisition date. The value of participations in associated companies includes goodwill identified upon acquisition.

The Group's profit arising after the acquisition is reported in the income statement, and the Group's share of changes in Other comprehensive income after the acquisition, are reported in Other comprehensive income, with a corresponding change in the carrying value of the participating interest.

Reporting per segment

The Group's operations are reported on the basis of one single operating segment, in accordance with the definition of an operating segment as stated in the applicable accounting principles. The basis applied for identifying operating segments for which separate reports can be prepared is the internal reporting presented to and followed-up on by the Group's most senior executive decision-making body, which is, in Betsson AB's case, the CEO. The CEO monitors operating income for the entire operations as one operating segment in a matrix organisation.

Foreign currencies

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies are valued at the closing rate of exchange. Exchange rate differences arising on translation are recognised in the income statement.

Translation of foreign operations

Operations with a functional currency other than SEK are translated into SEK through the translation of all assets, provisions and other liabilities at the closing rate and the translation of all items in the income statement at the average exchange rate. Translation differences are reported in other comprehensive income.

On the disposal of a foreign entity, the accumulated translation differences attributable to the business are realised in the consolidated income statement after deduction of any hedging agreements.

Revenues

Invoiced licence revenues regarding the provision of the technical platform and revenues from the Group's gaming operations are reported as revenues. Marginal revenues generated from sold services and unrelated to gaming are also included. Gaming transactions in which the Company's revenue consists of a commission, fixed percentage of winnings or similar are reported net after deduction for player winnings, bonuses, jackpot contributions and costs for loyalty programmes. This applies to Poker, Casino, Scratchcards, Bingo and Games.

Revenues attributable to gaming transactions in which the

Company assumes an open position against the player are reported net after deduction of player winnings, bonuses and loyalty programmes. The revenues reported in this manner refer to Sportsbook.

The portion of revenues reserved for customer bonus points in Betsson's loyalty programme is reported only when the customers actually redeem the points. License revenues from external gaming operators is based on the usage of the provided technical platform and other software. Revenues is invoiced and reported at the time of the usage. The transaction price is variable and measured on a monthly basis. Invoiced amounts normally have payment terms of 60 days.

Betting with fixed odds is accounted for as a financial instrument according to IFRS 9.

Revenues from services sold are reported exclusive of VAT and discounts and after the elimination of intra-Group sales. Services sold include consultancy, rental and management revenues. The majority of these services relate to intra-Group sales from the parent company. External revenues from services sold are negligible.

Cost of services provided

Cost of services provided refers to expenditure within the gaming operations for gaming taxes, licensing fees to games providers, costs for payment services via bank and credit cards for deposited bets and payment of winnings and costs for fraud.

Regarding games reported as financial instruments, the cost of gaming taxes and licensing fees which are calculated based on the outcome of the game are deducted from the revenue reported from the game.

The cost of goods sold also includes commission to partners and affiliates. Payment to partners and affiliates is volume-related and reflects the volume of the end customers' mediated gaming transactions.

Gross profit

Betsson recognise revenues as the result arising from transactions with end customers, namely, the players. At this level, success in the games themselves can be measured. The gross profit also includes profits from transactions with third parties, i.e. partners, affiliates, game suppliers and payment service suppliers. Betsson's success in negotiating with suppliers can be measured.

Gross profit from the Group's gaming operations consists of the net amount of deposited bets and paid out winnings after deductions for bonuses, jackpot contributions, loyalty programmes, gaming taxes, licensing fees to game suppliers, commission to partners and affiliates, net income/expense for payment services via banks and bank cards for payment of winnings and costs for fraud (unapproved payment transactions).

Work performed by the Company for its own use and capitalised

Work performed by the Company for its own use and capitalised refers to direct expenditure for the period on salaries, other payroll-related costs and services purchased, as well as indirect costs attributed to development projects, recorded as assets in the balance sheet.

Marketing expenses

This item includes external costs for production and distribution of marketing in different media.

Leases

With effect from 1 January 2019, the Group's lease contracts are recognised in accordance with IFRS 16. On transition, the Group chose to apply the simplified transition approach, which means that leases that have been identified as leases under previous accounting rules have not been re-examined. On transition (1 January 2019), the lease liabilities were measured at the present value of the remaining lease payments, and the right-of-use asset was recognised at an amount corresponding to the lease liability.

According to the accounting policy, a lessee recognises a right-of-use asset representing a right to use the underlying asset, during a specific period of time, and a liability representing an obligation to make lease payments. The lease contract expense is recognised as a depreciation of the right-of-use asset and as an interest expense for the lease liability. See Note 15. The lease liabilities are measured continuously at the present value of the remaining lease payments, discounted by the marginal borrowing rate for a corresponding asset on similar terms. The right-of-use asset is depreciated on a straight-line basis to the end of the lease period.

The lease liabilities are re-measured if the future lease payments change, for example as a result of index or price changes. When re-measurement takes place in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

Most of the lease contracts in the Group pertain to rental of office properties. Lease contracts normally run for a period of three years and with a possible extension option. Leases are negotiated individually in the Group and may contain different terms. Leases of low value, which mainly pertain to computers, printers, photocopiers and short-term leases (lease period not more than 12 months) do not represent material assets for the Group and are not included in lease liability.

Share-based remunerations

The Group has a number of share-based remuneration plans in which settlement is based on the provision of shares and where the Company receives services from employees as compensation for the Group's issued equity instruments (options).

The fair value of the services entitling employees to be allocated options is expensed. The total amount to be written off is based on the fair value of the allocated options, excluding the impact of any non-market-related services and vesting conditions for the options (for example, profitability, targets for sales increases and that the employee remains with the Company for a specified time period). Non-market-related conditions for vesting are taken into consideration in the assumptions applied as regards the number of options expected to be earned. The total amount to be expensed is distributed over the entirety of the vesting period, which is the period during which all of the stated vesting conditions are to be fulfilled. On closing date, the Company reviews all estimates

regarding the number of shares expected to be earned, based on the non-market related vesting conditions. Any deviations from initial assessments are reported in the income statement and corresponding adjustments are made in shareholders' equity. Payments received, after deduction for any directly attributable transaction costs, are credited to share capital (quotient value) and other contributed capital when the options are exercised.

Pension costs

Group payments concerning defined-contribution pension plans are expensed during the period in which the employee renders the services to which the contribution relates.

Commitments for retirement pensions and family pensions for salaried employees in Sweden are secured through insurance cover with Alecta. According to a statement by the Swedish Financial Reporting Board, UFR 10, this is a defined-benefit plan involving several employers.

For the financial year 2020 and earlier, the Group has not had access to information enabling it to report its proportional share of the plan's obligations plan assets and expenses, implying that it has been impossible to report this plan as a defined-benefit plan. The ITP pension plan that is secured through insurance in Alecta is, consequently, reported as a defined-contribution plan. The premium for the defined-contribution plan is individual and is determined on the basis of, among other things, the age, salary and previous earned pension of the insured. Expected fees for the next reporting period for pension insurance secured with Alecta amount to SEK 2,700 thousand. The Group's share of the plan is immaterial. The collective funding ratio consists of the market value of Alecta's assets as a percentage of insurance undertakings calculated according to Alecta's actuarial assumptions, which do not comply with IAS 19. The collective funding ratio is normally allowed to vary between 125 and 155 percent. If Alecta's collective funding ratio is less than 125 percent or greater than 155 percent, measures shall be taken in order to create the conditions for the funding ratio to return to the normal range. In the event that the collective funding ratio exceeds 155 percent, Alecta's surplus may be distributed to the policyholders and/or the insured. However, Alecta implements premium reductions to avoid a surplus arising.

At the end of 2021, Alecta's surplus of the collective funding ratio amounted to 169 (148) percent.

Other operating income/expenses

Effects of secondary activities conducted within the course of ordinary operations concerning operating receivables and liabilities are reported as other operating income/-expenses. These include, primarily, realised and unrealised exchange rate gains and losses on operations and gains and losses from sales and disposals of non-current assets or businesses.

Taxes

Income tax

Tax reported in the income statement comprises current tax and deferred tax. Current tax consists of tax to be paid or received during the current year. This amount also

includes the adjustment of current tax attributable to prior periods. Taxes are reported in the income statement, except when the tax relates to items reported in Other comprehensive income or directly in shareholders' equity.

Deferred tax is calculated, using the balance sheet method, based on temporary differences between the reported and fiscal values of assets and liabilities by applying the tax rates and tax rules that have been determined or announced as of balance day.

Temporary differences are not taken into consideration in consolidated goodwill, nor are temporary differences attributable to participations in subsidiaries and associated companies, which are not expected to be taxed in the foreseeable future.

Deferred tax assets on deductible temporary differences and tax loss carry forwards are reported to the extent that it is probable that these will be utilised and will result in lower tax payments in the future.

Gaming tax

Gaming related taxes are reported as Cost of services provided and included in Operating Income.

Financial instruments

Recognition and measurement of financial instruments

Financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation is satisfied, cancelled or has expired.

Financial instruments are initially recognised at acquisition cost, equivalent to the instrument's fair value including transaction costs, except financial instruments measured at fair value through profit and loss, for which transaction costs are written off immediately. The subsequent accounting treatment depends on the manner in which the instruments have been classified according to the definitions below. The classification depends on the purpose for which the financial instruments were acquired or incurred.

Classification and subsequent measurement

Financial assets and liabilities that are subject to IFRS 9, are to be classified according to the following categories:

- Financial assets and liabilities measured at fair value through profit and loss or comprehensive income
- Financial assets and liabilities amortised at cost.

Financial assets measured at amortised cost

All of the Groups financial assets are classified as subsequently measured at amortised cost. Assets recorded at amortized cost include trade receivables, other receivables and cash and cash equivalents. Accounts receivable are recorded in the amounts that are expected to be received after deductions for estimated, undiscounted bad debts. The impairment of accounts receivable and recovered write downs is reported in operating expenses.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortized cost include borrowings, accounts payables and other liabilities. Financial liabilities are initially recognised at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial assets and liabilities measured at fair value

The fair values of financial assets and liabilities have been calculated based on market value, where possible. The fair values of interest-bearing financial assets and liabilities that are not derivatives are calculated based on future cash flows of principal and interest according to the effective interest method.

Financial assets and liabilities, in the form of derivatives, are recognised at fair value in the income statement in cases in which hedge accounting is not applied. The earnings effects for the games that are classified as derivatives are reported in revenues in the income statement, whilst other derivatives' earnings effects are reported as other operating income and other operating expenses.

Intangible fixed assets

The online gaming market is expected to grow for a considerable time, and goodwill and brands are expected to have an indefinite useful lifetime and are not subject to annual amortisation. These assets are assessed as having a useful life for which no expiry date has been determined and the value of these assets remains unchanged, as long as the anticipated discounted net inflow from the intangible assets is equal to or greater than the assets' respective carrying values. Tests are conducted annually to identify any possible impairment requirement and, if such a requirement is identified, the asset's value is reduced by accumulated impairment.

Development expenditure and other intangible fixed assets

Intangible fixed assets include development expenditure and acquired expenses in the form of other brands/ domains and customer databases, etc. Development expenditure is capitalised as assets in the balance sheet where the following criteria are met:

1. It is technically feasible to complete the asset so that it will be available for use.
2. Management intends to complete the asset and use or sell it.
3. There is an ability to use or sell the asset.
4. It can be demonstrated how the asset will generate probable future economic benefits.
5. Adequate technical, financial and other resources to complete the development and to use or sell the asset are available.
6. The expenditure attributable to the asset during its development can be reliably measured.

In case if no internally generated intangible asset can be recognized, development costs are reported in the period they arise. Only expenses incurred in conjunction with the development phase of online gaming products, gaming systems, gaming platforms and the integration of these

and payment solutions are capitalised. Assets are recorded from when the decision to proceed with the respective project is undertaken and the conditions are in place to do so. The carrying value includes costs for materials, services purchased, direct spending on salaries and indirect expenses which can be attributed to the asset in a reasonable and consistent manner. Development expenditure is included at acquisition cost with deductions for accumulated depreciation/amortisation and impairment. Other intangible assets are reported at cost with deductions for accumulated amortisation and impairment.

The valuation of intangible assets' ability to generate revenues is undertaken continuously in order to identify any impairment. Maintenance costs for games, gaming systems and gaming platforms are expensed as they arise.

Property, plant and equipment

Property, plant and equipment are reported at cost after deductions for accumulated depreciation and any impairment. Repairs and maintenance are expensed as they arise.

Depreciation/amortisation and impairment

Depreciation/amortisation is based on the original cost reduced by estimated residual value, taking into account prior impairment. Depreciation/amortisation is applied on a straight-line basis over the asset's estimated useful life.

The following useful lifetimes are applied:

Brands, domain names	indefinite
Customer databases	2-3 years
Capitalised development expenditure for games, gaming systems and gaming platforms	max 3 years
Office equipment and -fittings	5-7 years
Servers and similar	5 years
Other hardware	5 years
Computer within technology and development	expensed directly
Vehicles	3-5 years

The assessment of an asset's residual value and useful life are reviewed on an annual basis.

If there are any indications that tangible or intangible fixed assets have an exceedingly high carrying value, an analysis is undertaken in which the specific type of the asset, or naturally related types of assets, is determined as either the net realisable value or the value in use, whichever is the higher. Value in use is measured as the expected future discounted cash flow. Intangible assets which are not yet ready for use or sale are tested annually for impairment, regardless of whether there is an indication of a decrease in value.

Any impairment consists of the difference between the carrying value and the recoverable amount. Impairment is reversed when it is no longer justified. Such reversals are recognised at a maximum value, not to exceed the book value that would have been reported, with deduction for depreciation, if no impairment had taken place. Goodwill impairments are not reversed.

Cash and cash equivalents

Cash and cash equivalents consist of cash and immediately

available balances at banks and similar institutions plus short-term liquid investments maturing less than three months from acquisition date and which are subject only to an insignificant risk of value fluctuations.

Borrowing

Borrowing is initially reported at fair value, net after transaction costs. Borrowing is thereafter reported at accrued cost and any difference between the received amount and the repayment amount is reported in the income statement distributed over the loan period, with application of the effective interest method. Charges for loan facilities are reported as transaction costs for borrowing to the extent it is likely that parts of or the entire credit margin will be utilised. In such cases, the charge is reported when the credit margin is utilised. When there is no evidence that it is likely that parts of or the entire credit margin will be utilised, the charge is reported as an advance payment for financial services and is distributed over the applicable loan commitment's duration.

Accounts payable

Accounts payable are obligations to pay for goods or services acquired in the normal course of operations from suppliers. Accounts payable are classified as current liabilities if they fall due for payment within one year or earlier (or during the normal operational cycles, whichever is longer). If these conditions are not met, they are classified as non-current liabilities.

Accounts payable trade are initially reported at fair value and, subsequently, at amortised cost using the effective interest method.

Accounting principles for the parent company

The parent company applies the same principles as the Group, except that the parent company accounts are prepared in accordance with RFR 2. Accounting for legal entities and Swedish Financial Reporting Board statements. The differences between the Group's and the parent company's accounting principles are justified by the constraints imposed by the Swedish Annual Accounts Act on the application of IFRS in the parent company and the taxation regulation permitting different accounting for legal entities than for the Group.

Group contributions and shareholder contributions

Group contributions and shareholder contributions are reported in accordance with a statement issued by the Swedish Financial Reporting Board, RFR2. Shareholder contributions are recognised directly against shareholders' equity by the recipient and are capitalised as shares and participations by the provider to the extent that no impairment is necessary. The parent company applies the main rule in RFR 2, and accounts for received group contributions as an financial income. Group contributions made from parent company to its subsidiary is accounted for an increase in participations.

Group companies

Participations in Group companies are reported in the parent company at cost, less any impairment. The values of subsidiaries are re-assessed when there is an indication of impairment. Dividends received from subsidiaries are reported as financial income. Transaction costs associated

with the acquisition of companies is reported as part of the cost. Contingent purchase consideration is reported as part of the cost if it is likely to be required. If, in subsequent periods, it becomes evident that the initial assessment is in need of revision, then the cost must be adjusted.

Division into restricted and non-restricted equity

In the parent company's balance sheet, equity is classified as either restricted or non-restricted equity in accordance with the Swedish Annual Accounts Act.

Untaxed reserves and balance sheet appropriations

In the parent company, due to the relationship between accounting and taxation, deferred tax liabilities on untaxed reserves are reported as part of untaxed reserve.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

This annual report refers to key figures that Betsson and others use in the evaluation of Betsson. These so-called Alternative Performance Measures (APMs) are not defined in IFRS. The measures provide management and investors with important information to analyze trends in the company's and group's business operations. These APMs are intended to supplement, not replace, financial measures presented in accordance with IFRS.

Active customers. Number of customers who have played on any of Betsson's gaming sites in the past three months, without any deposit requirement.

All gaming solutions. In this term KPIs attributable to Betsson are consolidated with KPIs attributable to B2B associates.

Average equity. Equity in the beginning of the year plus equity at the end of the year, divided by two.

Average capital employed. Total assets less non-interest bearing debts at beginning and end of year, divided by two.

Average number of employees. Number of employees expressed as full-time equivalent, FTE (full year's work).

Average number of shares outstanding. Weighted average number of shares outstanding.

Average total capital. Totals assets at beginning and end of year, divided by two.

B2B. Business-to-Business

Betting dutie. Include consumption tax attributable to local licenses to operate gaming. Fixed fees for gaming licenses are not included.

Deposits. Customers' deposits to gaming accounts.

Dividend per share. Actual/proposed dividend. Includes share redemption programmes.

Earnings per share. Net income, attributable to owners of the parent company, in relation to the average number of shares outstanding.

Earnings per share after dilution. Net income, attributable to owners of the parent company, divided by the weighted average number of shares outstanding during the year, adjusted for additional number of shares for options with dilutive effect.

EBITDA. Income before financial items, taxes, depreciation and amortisation.

EBITDA margin. EBITDA as a percentage of revenue.

Equity per share. Equity, attributable to owners of the parent company, as a percentage of the number of shares outstanding at end of period.

Equity/assets ratio. Equity at the end of period as a percentage of the balance sheet total at the end of the period.

Gross profit. Revenues less commission to partners and affiliates, betting duties, licensing fees to games suppliers, payments to payment suppliers and so called fraud (unapproved payments).

Mobile revenue. Revenues from customers using mobile devices.

NDC. New depositing customer.

Net debt. Financial liabilities (bond, bank loans and leasing debts) plus customer liabilities less Cash and cash equivalents and 90 percent of receivables from payment providers.

Number of employees. Number of employees on last month's payroll.

Number of shareholders. Number of direct shareholders and shareholders listed through a nominee shareholder registered in the shareholder register kept by Euroclear Sweden AB.

Number of shares outstanding. Number of shares outstanding (excluding C-shares and repurchased shares) at the end of the period.

Operating income (EBIT). Income before financial items and taxes.

Operating margin (EBIT margin). EBIT as a percentage of revenue.

Operational expenses. Expenses for marketing, personnel, other external expenses, amortisation and depreciation, capitalized development costs and other operating income/expenses.

Organic. Excluding effects from currency fluctuations, in relation to the comparable period, and contribution from acquired entities over the past 12 months.

Profit margin. Income before taxes as a percentage of revenue.

Return on capital employed. Income after financial items plus financial expenses, in relation to average capital employed.

Return on equity. Income after tax in relation to average equity.

Return on total capital. Income after financial items plus financial expenses, in relation to average total capital.

Revenues. Revenues from gaming business is reported after payment/payout of players' winnings, less deductions for jackpot contributions, loyalty programs and bonuses and other operating income. License fees from B2B partners consists of invoiced revenue for providing technical platforms for external gaming operators.

NOTE 3. REVENUES

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Gaming operations	5,484,671	5,386,011		
Licensing revenues	1,187,673	1,003,556		
Consultancy, management			11,709	19,491
Rental fees and office services			17,139	16,599
Total	6,672,344	6,389,567	28,848	36,090

NOTE 4. REVENUES PER PRODUCT AND REGION

Segment Information

The Group's operations are reported as one single operating segment, in accordance with the definition of an operating segment. The basis applied for identifying operating segments for which separate reports can be prepared is the internal reporting presented to and followed-up on by the Group's most senior executive decision-making body, which is, in Betsson AB's case, the CEO. The CEO monitors operating income for the entire operations as one operating segment.

Betsson's operational organization is divided into geographical areas and product categories. This specification is shown in the five-year summary on page 68-69, and in the following table.

The CEO evaluates the operations based on revenues. Revenues from Group operational units consist of invoiced licenses for the provision of a technology platform and net of gaming stakes received and gaming winnings paid. Betsson operates an integrated business model and, does not allocate assets and liabilities according to customer category, geographical region or product category.

Betsson AB, which has its registered office in Sweden, has no external revenues in Sweden. The distribution of revenues in the Group is shown in Note 3 and the table below. One of the Group's B2B-customers, generated revenues accounting for 18 (16) percent of the group's total revenues. Of the group's non-current assets, 4.18 (0.6) percent are attributable to Sweden.

GROUP	2021	2020
Revenues per product, SEK million		
Casino	4,840,3	4,890,6
Sportbook	1,746,5	1,423,0
Other products	85,5	76,0
Total	6,672,3	6,389,6
Revenues per region, SEK million		
Nordic countries	2,107,3	2,100,1
Western Europe	1,339,4	1,905,4
Central & Eastern Europe and Central Asia	2,151,6	1,746,8
Rest of the world	1,074,0	637,3
Total	6,672,3	6,389,6

NOTE 5. COST OF SERVICES PROVIDED

	GROUP	
	2021	2020
Licence fees	658,774	642,411
Betting duties	497,377	474,135
Affiliates and partners commission	420,811	451,402
Other cost of services provided	777,259	720,757
Total	2,354,221	2,288,704

NOTE 6. AUDITORS' FEES

The following remuneration has been paid to auditors and auditing companies for auditing and other review procedures undertaken according to relevant legislation, and for the provision of advisory services and other assistance arising as a result of observations made during the audit. Remuneration has also been paid for other independent advisory services, relating primarily to on-going tax consultations, and advice on accounting issues.

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Audit assignment				
PricewaterhouseCoopers *)	4,873	5,437	1,850	1,739
Other auditing firms	248	311		
Audit activities other than the audit assignment				
PricewaterhouseCoopers	147	297	66	297
Other auditing firms				
Tax advisory services				
PricewaterhouseCoopers	783	631	228	193
Other auditing firms	437	177	272	
Valuation services				
PricewaterhouseCoopers				
Other auditing firms				
Other services				
PricewaterhouseCoopers	947	809	162	315
Other auditing firms	427	564	427	460
Total	7,862	8,226	3,005	3,004

Other services primarily concern acquisition related services.
*) Of the Group's remuneration for the Audit assignment, SEK 1,850 (1,739) thousand refers to PwC Sweden.

NOTE 7. EMPLOYEES, SALARIES AND FEES

Number of employees	2021		2020	
	Total	of whom women	Total	of whom women
Parent Company				
Sweden	15	53 %	13	55 %
Total Parent Company	15	53 %	13	55 %
Subsidiaries				
Sweden	92	13 %	90	10 %
Hungary	78	13 %	67	13 %
Greece	3	0 %	0	0 %
Latvia	4	0 %	4	0 %
Lithuania	68	92 %	67	99 %
China	2	100 %	2	100 %
Malta	1,144	34 %	1,039	36 %
Estonia	62	45 %	51	41 %
Gibraltar	5	43 %	4	25 %
UK	0	0 %	2	42 %
Georgia	330	45 %	312	53 %
Brazil	9	34 %	6	20 %
Kenya	32	40 %	13	50 %
Croatia	11	37 %	4	78 %
Belarus	20	75 %	0	0 %
Columbia	15	85 %	4	53 %
Total subsidiaries	1,875	37 %	1,665	40 %
Total Group	1,890	37 %	1,678	40 %

Proportion of women in leading positions

	2021	2020
Board of Directors (Parent Company)	17 %	17 %
Group Executive management team	27 %	33 %

Salaries, other remuneration and social security contributions

	2021				2020			
	Salaries and remuneration	Of which CEO, Board and Senior Executives	Social security contributions	Of which pensions costs	Salaries and remuneration	Of which CEO, Board and Senior Executives	Social security contributions	Of which pensions costs
Total Group	839,673	21,595	103,503	17,498	765,441	23,373	91,729	14,814

Remuneration and other benefits to the Board of Director and Senior Executives

	2021				2020			
	Basic salary/ fee/ benefit	Variable remuneration	Pension-cost	Share-based remuneration	Basic salary/ fee/ benefit	Variable remuneration	Pension-cost	Share-based remuneration
Johan Lundberg, chairman of the board from Sept-21	632				511			
Patrick Svensk, until Sept-21	828				972			
Fredric Carlsson	596				572			
Eva Leach	535				492			
Andrew McCue, until Oct-21	480				298			
Jan Nord, until Oct-21	490				522			
Peter Hamberg, from Oct-21	75				0			
Kicki Wallje-Lund, until June-20	0				213			
Mathias Hedlund, until June-20	0				217			
Total Board of Directors	3,636				3,797			
Pontus Lindwall, CEO and President	5,475	1,726	1,934		5,522	2,306	1,931	
Other senior executives 4 (5) persons	8,455	2,302	2,526	113	8,220	3,470	2,590	57
Total Executive management team	13,930	4,028	4,460	113	13,742	5,776	4,521	57

Notes on remunerations

Variable remuneration refers to bonuses that are based on quarterly revenues and operating income targets and that are paid in the year in which they are earned and in the following year. Bonus to CEO corresponds to 42 (3) percent of the basic salary and to other senior executives corresponds to an average of 42 (8) percent of the basic salary. The Group has only defined-contribution pension plans (except for portions of pensions for employees in the parent company in Alecta, which are defined-benefit pension

plans, but which are reported as defined-contribution pension plans, see Note 2.) Pension costs refer to the costs that have affected net income for the year. Share-based remuneration includes the Group's accrued costs for employee stock options. The CEO, Pontus Lindwall, receives salary, company car benefits, health care insurance, bonus and pension in accordance with the guidelines decided at the Annual General Meeting.

Share-based remunerations

	PREVIOUS PROGRAMMES		THIS YEAR'S PROGRAMME					
	Call options	Employee options	Call options 2021/2024			Employee stock options 2021/2024		
	Number	Number	Number	Fair value, SEK thousand	Average purchase price, SEK	Number	Fair value, SEK thousand	Average purchase price, SEK
CEO, Pontus Lindwall	320,000		360,000	1,009.2	3.21			
Other senior executives 4 (5)	217,000	86,000	255,000	714.8	3.21	187,780	526.4	3.21

During 2020, all senior executives (group management team) have been offered call options (Sweden) or employee stock options (abroad). Call options were acquired at fair value. The fair value has been calculated using the Black & Scholes valuation model with the following input data (for more details on incentive programmes, see note 30):

Share price at valutaion day	54.60	Expected volatility	31 %	Riskfree interest	-0.03 %
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NOTE 7. EMPLOYEES, SALARIES AND FEES

Decision-making and preparation process

Fees are paid to the directors of the Board in accordance with decision of the Annual General Meeting. Fees to the Chairman of the Board are determined by the remuneration committee in accordance with guidelines decided at the Annual General Meeting.

CEO and senior executives (Group management team) are remunerated according to guidelines adopted by the Annual General Meeting 2020 which are valid until the Annual General Meeting 2024. For a detailed description of these guidelines see the Management Report page 38.

Senior executives

The category 'senior executives' or Group management team comprises the CEO, CFO, Vice President Governance, Risk and Compliance, Vice President Head of Legal Affairs, Vice President Head of Tax and Vice President Head of Communications and Sustainability.

Remunerations to senior executives

Remuneration is to be market based and competitive, in order to be able to attract and retain competent senior executives. Remuneration comprise fixed salary, variable remuneration, pensions and other benefits such as a company car in some cases. Variable remuneration will be paid only when pre-determined financial and other measurable goals, established by the Board, have been achieved. Variable remuneration was based on the extent to which the targets have been achieved or exceeded.

The normal retirement age is 65. Pension terms are to be market-based and based on defined-contribution pension solutions. The period of notice normally is six to twelve months if such notice is given by the Company, and six months if notice is given by the executive. Upon termination initiated by the Company, the executive is entitled to severance pay corresponding to a maximum of twelve months' salary. The Board may take decisions diverging from these guidelines in individual cases, if special circumstances arise.

Pensions

The pensionable age for the CEO vary between 60 and 65 and for other senior executives age 65. The pension agreement specifies that pension premiums are based on pensionable salary, which means basic salary, variable salary and benefits.

Severance pay

Upon termination on the initiative of Betsson, the CEO is entitled to a period of notice corresponding to six months and severance pay equivalent to twelve months' salary. Deductions from severance payments do not apply if salary is received from other employment. Upon termination on the initiative of the individual, the period of notice is six months. Severance pay is not payable when an employee resigns.

For other senior executives, the mutual period of notice is six months. When termination of employment takes place on the initiative of the Company, the employee is entitled to severance pay equivalent to up to twelve months' salary. Severance pay is not payable when an employee resigns.

NOTE 8. DEPRECIATION

Depreciation/amortisation specified according to category of fixed assets:

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Gaming products, -systems and -platforms	258,531	262,064		
Customer databases	7,568	5,481		
Inventories, IT equipment, fixed installations, etc.	41,398	42,955	1,295	1,464
Right-of-use assets	58,798	48,608		
Total	366 295	359 108	1 295	1 464

NOTE 9. OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Capital result on sale/ disposal/ write down of non-current assets		105		
Profit/loss from sale/disposal of non-current assets		105		
Operational exchange gains	12,695	2	1,082	579
Operational exchange losses	-17,006	-29,873	-6,660	-8,819
Currency effects	-4,311	-29,871	-5,579	-8,240
Total other operating income/ expenses	-4,311	-29,766	-5,579	-8,240

NOTE 10. NET FINANCIAL ITEMS

Group	2021	2020
Interest income	3,319	3,236
Other financial income	34	4
Exchange rate fluctuations in financial assets and liabilities	532	
Financial income	3,885	3,240
Interest expenses	-44,449	-45,056
Other financial expenses	-16,194	-11,512
Exchange rate fluctuations in financial assets and liabilities	-12	-3,122
Financial expenses	-60,655	-59,690
Total net financial items	-56,770	-56,450

Parent Company	2021	2020
Dividends from subsidiaries	1,381,219	987,393
Group contributions from Swedish subsidiaries	16,362	54,609
Exchange rate fluctuations, financial assets and liabilities	10,630	26,013
Total income from participations in Group companies	1,408,211	1,068,015
Interest income, other	49	34
Total financial income and similar items	1,408,260	1,068,049
Interest expenses	-44,810	-44,803
Other financial expenses	-4,993	-4,995
Exchange rate fluctuations, financial assets and liabilities		-1,702
Total financial expenses and similar items	-49,803	-51,500
Total net financial items	1,358,457	1,016,549

NOTE 11. EARNINGS PER SHARE

	2021	2020
Income after tax attributable to the Parent company's shareholders	1,079,844	1,006,482
Average number of shares		
- average total number of shares	143,611,538	144,493,238
- reduced by average number of repurchased shares and shares class C	-6,884,787	-6,959,750
Average number of outstanding shares before dilution	136,726,751	137,533,488
Average number of outstanding shares after dilution	136,726,751	137,533,488
Earnings per share		
- before dilution (SEK)	7.90	7.32
- after dilution (SEK)	7.90	7.32

NOTE 12. DIVIDEND PER SHARE

Betsson transfer dividends to the shareholders via an automatic redemption process. Transfers to shareholders paid in this manner in 2021 amounted to SEK 502.9 (393.6) million, which corresponded to SEK 3.68 (3.89) per share. At the Annual General Meeting 2022, a share redemption for the 2021 financial year of SEK 539.0 million will be proposed, equal to SEK 3.94 per share. See further details in the section Dividend policy and proposed dividend on page 55. The proposed transfer to shareholders has not been recognised as a liability in this report.

NOTE 13. INCOME TAX

Tax in income statement	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Distribution between current and deferred tax				
Current tax	-45,823	-68,536		
Deferred tax	-36,578	-9,064		
Tax previous years	-93	-372		
Total	-82,493	-77,973		
Allocation of tax cost:				
Current tax				
Sweden				
Outside Sweden	-45,916	-68,909		
Total current tax	-45,916	-68,909		
Deferred tax				
Sweden				
Outside Sweden	-36,578	-9,064		
Total deferred tax	-36,578	-9,064		
Difference between tax expense and tax based on applicable tax rate				
Reported income before tax	1,136,938	1,068,765	1,288,339	940,868
Tax according to current tax rate (20.6 %)	-234,209	-228,716	-265,398	-201,346
Difference in tax in foreign operations	159,799	160,268		
Tax effect of non-deductible items	-8,083	-9,526	-497	-400
Tax effect of non-taxable items			265,895	201,746
Reported tax	-82,493	-77,973		
Specification of deferred tax expense				
Changes in tax on temporary differences	-36,578	-9,064		
Deferred tax on hedges in net investments in foreign currency, reported directly in equity and other comprehensive income.	-2,531	-5,388		

Tax in balance sheets	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Longterm receivables				
- Deferred tax on temporary differences 1)	11,550	34,630	11,660	11,660
Current assets				
-Tax receivable	642,762	555,908	1,811	866
Provison for taxes				
- Deferred tax on temporary differences 1)	17,927	17,132		
Current liabilities				
- Tax liabilities	757,891	639,117		

¹⁾ The deferred tax on temporary differences in receivables and liabilities is mainly related to tax losses and depreciations and accumulated differences from changing fx rates related to hedge accounting of EUR denominated assets and loans.

NOTE 14. INTANGIBLE FIXED ASSETS

Group	Gaming products, gaming systems and gaming platforms	Brands	Customer databases	Goodwill	Total
Accumulated cost					
Opening balance 1 Jan 2020	1,861,353	1,623,178	97,719	3,232,540	6,814,790
Assets developed by the Group	245,407				245,407
Investments	71,778				71,778
Acquisitions		70,908	15,994	344,859	431,760
Disposals and re-classifications					
Exchange rate fluctuations	-86,951	-138,968	-11,747	-222,133	-459,799
Closing balance 31 Dec 2020	2,091,587	1,555,117	101,966	3,355,266	7,103,936
Assets developed by the Group	251,610				251,610
Investments	44,066				44,066
Acquisitions		85,367	32,953	202,842	321,162
Disposals and re-classifications					
Exchange rate fluctuations	43,323	76,058	6,147	104,426	229,954
Closing balance 31 Dec 2021	2,430,586	1,716,542	141,066	3,662,534	7,950,728
Accumulated depreciation and impairment					
Opening balance 1 Jan 2020	-1,529,190	63,682	-94,059	-36,273	-1,595,840
Depreciation/amortisation for the year	-262,064		-5,481		-267,545
Disposals and re-classifications					
Exchange rate fluctuations	70,217		10,639		80,856
Closing balance 31 Dec 2020	-1,721,038	63,682	-88,901	-36,273	-1,782,529
Depreciation/amortisation for the year	-258,531		-7,568		-266,099
Disposals and re-classifications					
Exchange rate fluctuations	-37,866		-5,719		-43,585
Closing balance 31 Dec 2021	-2,017,435	63,682	-102,188	-36,273	-2,092,214
Carrying value					
As of 1 Jan 2020	332,163	1,686,860	3,660	3,196,267	5,218,950
As of 31 Dec 2020	370,549	1,618,799	13,065	3,318,993	5,321,407
As of 31 Dec 2021	413,151	1,780,224	38,878	3,626,261	5,858,514

Impairment testing of goodwill and trademarks with indefinite useful lives

The online gaming market is expected to grow for a considerable time, and the goodwill and brands are expected to have an indefinite useful lifetime and are not subject to annual amortisation. These assets are assessed as having a useful life for which no expiry date has been determined and the value of these assets, therefore, remains unchanged, as long as the anticipated discounted net inflow from the intangible assets is equal to or greater than the assets' respective carrying values. Tests are conducted annually to identify any possible impairment requirement and, if such a requirement is identified, the asset's value is reduced by accumulated impairment.

The Group's reported goodwill and brands derive from the acquisition of Net Entertainment (casinoeuro.com) in 2000, the acquisition of Betsson (Betsson.com) at the

beginning of 2005, the acquisition of the Betsafe Group (betsafe.com) in 2011, the acquisition of the NGG Group in 2012, the acquisition of the Automaten brands in 2013, the acquisitions of the Class One Holding (Oranje & Kroon Casino) Group in 2014, the acquisition of the Europe-Bet Group in 2015, the acquisitions of Lošimų strateginė grupė UAB (TonyBet) and RaceBets International Gaming Ltd in 2016, the acquisitions of Premiere Megaplex S.A. and Net Play TV Ltd in 2017, the acquisition of Simulcasting Brasil in 2019, the acquisitions of Zecure Gaming Limited and Colbet in 2020, as well as the acquisitions of Inkabet 2021. All of these assets which, together, have a carrying value of SEK 5,399,810 thousand (of which goodwill amounts to SEK 3,626,261 thousand and brands SEK 1,777,549 thousand) are part of a single cash generating unit. As these assets are not amortised, an impairment test was performed in conjunction with the 2021 annual accounts by calculating the recoverable amount based on their

value in use. This test showed that the recoverable amount significantly exceeded the carrying value, and that no impairment requirement for goodwill and brands with indefinite useful lives existed.

Important variables and methods for estimating values

The recoverable amount was based on the cash flow projections reflecting forecast from operations in 2021, the budget for 2022 as confirmed by the Board, and an estimate for years 2023-2026 in which an average annual rate of growth of just over 7 percent was assumed.

The Cash flows for years following 2026 were extrapolated with an annual growth rate of 2 percent, which corresponded to an assumed average future rate of inflation. The projected cash flows were discounted by 10 percent before tax. The company's assessment is that 10 percent is in line with the risk average in the industry, due to the fact that more markets are getting regulated.

The effective tax rate was estimated at 15 percent, which is in line with expected future tax rate. Company management's method for determining the values inherent to each significant assumption is based on experience and expectations regarding the performance of the market. Betsson has conducted a sensitivity analysis as regards the following variables in the impairment testing of goodwill: discount rate, sales volume and growth rate.

The DCF analysis indicates that there are good margins in the calculation.

	GROUP	PARENT-COMPANY
Accumulated cost		
Opening balance 1 Jan 2020	582,178	16,181
Investments	48,536	555
Sales/disposals	-2,265	
Right-of-use assets (office rent)	171,420	
Exchange rate fluctuations	-52,111	
Closing balance 31 Dec 2020	747,758	16,736
Investments	31,327	93
Sales/disposals		
Added Right-of-use assets (office rent)	59,653	
Exchange rate fluctuations	30,676	
Closing balance 31 Dec 2021	869,414	16,829
Accumulated depreciation and impairment		
Opening balance 1 Jan 2020	-408,818	-11,096
Depreciation/amortisation for the year	-42,955	-1,464
Depreciation Right-of-use-assets	-48,608	
Sales/disposals	1,438	
Exchange rate fluctuations	30,440	
Closing balance 31 Dec 2020	-468,503	-12,560

	GROUP	PARENT-COMPANY
Depreciation/amortisation for the year	-41,398	-1,295
Depreciation Right-of-use-assets	-58,798	
Sales/disposals		
Exchange rate fluctuations	-18,062	
Closing balance 31 Dec 2021	-586,761	-13,855
Carrying value		
As of 1 Jan 2020	173,360	5,085
As of 31 Dec 2020	279,255	4,177
As of 31 Dec 2021	282,653	2,974

NOTE 15. PROPERTY, PLANT AND EQUIPMENT

Following leasing items are recognised in the balance sheets:

	2021-12-31	2020-12-31
Opening balance Right-of-use assets	207,605	98,988
(of which parent company)	(47,240)	(13,619)
Used extension options	66,892	176,950
Other modifications and assessments	-7,136	-5,529
Depreciations	-58,798	-48,608
Exchange rate differences	6,284	-14,195
Closing balance 31 Dec 2021	214,847	207,605
(of which parent company)	(36,685)	(47,240)
Leasing liabilities		
Current liabilities	58,921	58,444
Non-current liabilities	142,009	131,793
(of which parent company)	(36,594)	(46,965)
Following leasing items are recognised in the income statements	2021	2020
Depreciation, premises	-58,798	-48,608
Interest expenses recognised in the financial net	-10,930	-6,064

Payments of leasing fees amounts to SEK 60,3 (49.6) million. The leasing contracts refer to office rental within the Group and the majority of the contract has a maturity on 3-5 years. The average marginal interest rate amounts to 4.23 (4.23) percent.

NOTE 16. PARTICIPATION IN GROUP COMPANIES

Company	Corporate identity number	Country	Participating interest, %	Number of shares	PARENT COMPANY	
					2021	2020
Betsson Technologies AB	556651-8261	Sweden	100 %	1,000	3,907	3,907
Betsson PR & Media AB	556118-8870	Sweden	100 %	18,000	5,577	5,577
AB Restaurang Rouletter	556133-3153	Sweden	100 %	1,000	131	131
Finansson euro AB	559048-3987	Sweden	100 %	6,000	1,249,094	1,034,245
Finansson AB	556169-9843	Sweden	100 %	2,500	290	290
BSG Limited	103233	Gibraltar	100 %	2,000	23	23
Betting Technologies Inc	CS201210210	Philippines	100 %	21,995	3,504	3,504
Betsson Malta Holding Ltd	C 37767	Malta	100 %	11,249	1,473,586	1,473,586
- Betsson Malta Holding Ltd (branch)	1.943.432	Argentina	100 %			
- Premiere Megaplex PLC	C 86932	Malta	100 %			
- Clearpay Limited	C 41277	Malta	100 %			
- Betsson Platform Solutions Limited	C 50732	Malta	100 %			
- Scandinavian Slots Limited	C 59181	Malta	100 %			
- Applied Digital Media Limited	C 81741	Malta	100 %			
- Equatorial Partners Limited	C 64136	Malta	25 %			
- Netplay Malta Limited	C 81115	Malta	100 %			
- Betsson Business Ltd	C 87613	Malta	100 %			
- Betsson Nordic Ltd	C 87620	Malta	100 %			
- Auto Nordic Ltd	C 87612	Malta	100 %			
- BS Nordic Ltd	C 87610	Malta	100 %			
- NGG Nordic Ltd	C 87619	Malta	100 %			
- SW Nordic Ltd	C 92125	Malta	100 %			
- BMO Manx Ltd	134503C	Isle of Man	100 %			
- Starcasino Media and Entertainment Ltd	C 94080	Malta	100 %			
- Betmed Ltd	C 95506	Malta	100 %			
- SFTG Limited	C 96916	Malta	100 %			
- Dutchess Ltd	C 100099	Malta	100 %			
- Kingdom Ltd	C 100104	Malta	100 %			
- Citrus Ltd	C 100101	Malta	100 %			
- BML Group Ltd	C 34836	Malta	100 %			
- Betsson Business Consulting Co. Ltd	91420103568350732D	China	1 %			
- Latsson Licensing SIA	40103940885	Latvia	100 %			
- Betsson Services Limited	C 44114	Malta	100 %			
- Betsson Business Consulting Co. Ltd	91420103568350732D	China	1 %			
- Betsson Applied Digital Technology Ltd	9922905	UK	100 %			
- Hubsson Kft	01-09-284224	Hungary	100 %			
- BMS Manx Ltd	134502C	Isle of Man	100 %			
- Greksson Tech Single member IKE	159338501000	Greece	100 %			
- Betsson Latam Services S.A.S	03400305	Colombia	100 %			
- Zecure Gaming Ltd	C 69036	Malta	100 %			
- GiG Operations PLC	C 89281	Malta	100 %			
- Mavrix Services Ltd	109326	Gibraltar	100 %			
- Nordbet GmbH	HRB 10107 PI	Germany	100 %			
- Topgames d.o.o.	MBS 081204159	Croatia	75 %			

Company	Corporate identity number	Country	Participating interest, %	Number of shares	PARENT COMPANY	
					2021	2020
Great Pike Investments AB	556205-2307	Sweden	100 %	6,000	156,356	27,066
- Hubei Betsson Business Consulting Co. Ltd	91420103568350732D	China	98 %			
- Hubei Chusson Investment and Development Co. Ltd	9142010256232420xk	China	100 %			
- Hubei Chutian Media Sports Development Co. Ltd	91420103669504251W	China	49 %			
- Bukmacherska Spółka z ograniczoną odpowiedzialnością	0000806643	Poland	49,9 %			
Transvectio Ltd	C 55367	Malta	100 %	402,472	123,451	123,451
- Wegame Ltd	C 94837	Malta	100 %			
- 3P Solutions Ltd	C 95001	Malta	100 %			
- Estneti Osaühing	10858474	Estonia	100 %			
- Triogames OÜ	11079281	Estonia	100 %			
- Sargo Management Limited	C 56645	Malta	100 %			
- Lithsson Management UAB	304296603	Lithuania	100 %			
- Lošimų strateginė grupė UAB	302442970	Lithuania	100 %			
Betsson Perch Investments AB	559016-1484	Sweden	100 %	500	1,231,529	1,182,729
- Simulcasting Brasil Som e Imagem S/A	35300544919	Brazil	75 %			
- Bet High (K) Limited	PVT-DLUAMBE	Kenya	51 %			
- Colbet S.A.S.	2772207	Colombia	70 %			
- Betsson U.S. Corp.	7987445	U.S.A.	100 %			
- Ngnatat Sarl	RC/DLN/2018/B/1322	Cameroon	70 %			
- Strive Platform Ltd	13200439	UK	35 %			
- JDP Tech Ltd	C 98213	Malta	50 %			
- Slapshot Media Inc.	1161521-1	Canada	28 %			
- Chempionebi III LLC	240420647	Georgia	100 %			
- Europebet LLC	445389589	Georgia	100 %			
- Geoslot LLC	205053859	Georgia	100 %			
- Europebet Gori LLC	417881625	Georgia	100 %			
- Europebet Rustavi LLC	404470746	Georgia	100 %			
- Vip Beti LLC	437059086	Georgia	100 %			
- NevaPlay LLC	790771664	Belarus	100 %			
Class One Holding Limited	C 34865	Malta	100 %	1 600	1 171 243	1 171 243
- Content Publishing Limited	C 63744	Malta	100 %			
- Corona Limited	C 45585	Malta	100 %			
- Oranje Casino Limited	C 34934	Malta	100 %			
- Swissgame Malta Limited	C 34863	Malta	100 %			
RaceBets International Limited	C 48144	Malta	100 %	100 000	398 996	398 996
- RaceBets International Gaming Limited	C 48152	Malta	100 %			
NetPlay TV Limited	03954744	UK	100 %	293 523 785	301 384	301 384
- NetPlay TV Marketing Services Limited	03716547	UK	100 %			
- NetPlay TV Broadcasting Limited	05400581	UK	100 %			
- NetPlay TV Services Limited	05207308	UK	100 %			
Summa					6 119 071	5 726 132

NOTE 17. CHANGES IN PARTICIPATIONS IN GROUP COMPANIES

PARENT COMPANY	2021	2020
Opening cost	5,726,132	5,157,212
Shareholder contribution	392,939	568,920
Closing carrying value	6,119,071	5,726,132

NOTE 18. PARTICIPATIONS IN ASSOCIATED COMPANIES

	Country	Participating interest	GROUP	
			2021	2020
Media Sports Development Co. Ltd	China	49 %	1,080	955
Bukmacherska, sp zoo	Poland	49.9 %	66,305	12,638
NGNATAT SARL,	Cameroon	70 %		4,682
Slapshot Media Inc.	Canada	28 %	21,191	
Strive Platform Ltd	UK	35 %	61,046	
JDP Tech Ltd	Malta	50 %	91,434	
Equatorial Partners Limited	Malta	25 %	4,309	
Total carrying value			245,365	18,275

Changes in participations in associated companies, reported according to the equity method			
Opening value		18,275	13,653
Share of income		-340	
Exchange rate differences		4,585	-60
Investments		227,707	4,682
Reclassification		-4,862	
Closing carrying value		245,365	18,275

Betsson cooperates with Media Sports Development to develop gaming solutions for the Chinese market. During 2021 Betsson has entered several collaborations to be able to offer online sports games and casinos on many markets. Receivables from associated companies mainly relate to Striveform Platform Ltd of approximately SEK 9.1 million and a receivable relating to Bukmacherska sp of approximately SEK 15.3 million. There are no other liabilities or assets attributable to the associated companies.

NOTE 19. OTHER RECEIVABLES

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Tax account	5	24	2	3
Receivables from payment service providers	605,607	584,100		
Receivables from B2B/market partners	199,884	219,832		
Receivables from associated companies	29,294	8,201		
Deposits made to payment service providers and other deposits	15,990	26,436		9
VAT	127,527	217,466	331	1,158
Other	48,056	37,307	248	2,390
Total	1,026,363	1,093,366	581	3,560

Receivables from payment service providers refer to receivables from banks and other credit institutions serving as credit providers (issuers of credit cards or similar) to Betsson customers. Receivables from B2B/market partners comprise mainly receivables from Betsson's B2B partner Realm Entertainment Ltd for system deliveries.

NOTE 20. PREPAID EXPENSES AND ACCRUED INCOME

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Rental fees	6,449	5,777	3,476	3,482
Marketing partners	2,403	9,466		
Licencing costs/ gaming tax	66,700	44,863		
Consultants	5,062	1,150		
Live streaming rights	424	974		
Production costs	14,852			
Other prepaid expenses	34,907	36,366	2,970	2,288
Total	130,797	98,596	6,446	5,770

NOTE 21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Balance sheets and Cashflow statements includes the following;

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Cash and bank balances	977,440	863,165	337,767	373,600
Total	977,440	863,165	337,767	373,600

NOTE 22. SHARE CAPITAL COMPOSITION

During 2021, class B own shares, 1,763,400 was liquidated. Class C own shares of 830,075 was converted to Class B own shares, of which 148,842 was used for incentive programs.

As of year-end, the Company held 681,233 (1,763,400) B shares and 5,247,433 C shares (6,077,508).

The quota value of each share is SEK 0.67. Both A shares and B shares entitle the holder to the same rights to the Company's assets and profits. The composition of equity in the Group and the parent company is specified on pages 72 and 79 Reserves are reported in the summary of changes in equity for the Group.

Parent company	2021		2020	
	No of shares	Share capital	No of shares	Share capital
A shares (10 votes)	15,911,000	10,607	15,911,000	10,607
B shares (1 vote)	121,571,405	81,670	122,504,730	81,670
C shares (no voting)	5,247,433	4,052	6,077,508	4,052
Total no of shares	142,729,838	96,329	144,493,238	96,329

NOTE 23. BOND LOAN AND LIABILITIES TO CREDIT INSTITUTIONS

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Bond loan '000 3Y, 3M variable 4.0 % (4.0 %)	996,256	991,265	996,256	991,265
Bank loan, carrying value in SEK '000, long-term				
Bank loan, carrying value in SEK '000, short-term		70,263		73,989

Betsson AB has an available credit facility denominated in euro to hedge net investments in foreign operations. The bank loan denominated in EUR is reported on the basis of hedge accounting, implying that the currency effects of SEK 9,4 (19,6) million are reported directly in Other comprehensive income. No currency translation is undertaken in the Parent Company. At year-end, total available credit facilities were SEK 500.0 (880.0) million, whereof utilized SEK 0 (74.0) million.

During 2021, a new revolving credit facility was signed, of SEK 500 million with maturity in May, 2022. The terms comprise certain conditions regarding the company's net debt in relation to EBITDA, which the company is considerably below. The new credit facility of SEK 500 million runs with a fixed interest rate of 2.50 percent plus Stibor. The average interest rates for the bank loans has been 2,50 (0,9) percent and interest rates are established for 30-90 day periods.

In November 2019, the company issued new senior unsecured bonds in a total amount of SEK 1 billion, under a framework of SEK 2,500 million. The Bonds have a floating rate coupon of Stibor 3M plus 4,0 percent and a tenor of 3 years, maturing in September 2022. The book value as of 31 December 2021, amounts to SEK 996,3 (991,3) million. The average bond interest has been 3,96 (4,0) percent.

Balance sheet changes related to financing activities

Reported change between 2020 and 2021 regarding the bond loan consists of accrued borrowing costs. Reported change between 2020 and 2021 regarding outstanding bank loans relates to payments of SEK 207,9 million and new bank loans of SEK 137,7 million, of which currency effects of SEK 9,1 million.

NOTE 24. OTHER CURRENT LIABILITIES

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Personnel withholding tax	10,813	11,591	1,530	1,309
Social security contributions	8,102	6,965	985	865
VAT	47,873	51,769		
Market partners	102,636	120,981		
Gaming tax	50,987	62,944		
Gaming supplier fees	73,998	66,824		
Player accounts	313,901	320,888		
Penalties, appealed	13,045	31,112		
Additional considerations acquisitions	154,517	77,407		
Other	23,916	7,002	245	245
Total	799,788	757,483	2,760	2,419

NOTE 25. ACCRUED EXPENSES AND DEFERRED INCOME

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Holiday pay liabilities	24,627	21,812	3,176	3,034
Social security contributions	11,208	8,733	3,223	2,078
Salaries	36,292	59,476	3,757	5,978
Jackpot reserve	122,541	146,610		
Marketing expenses	165,858	138,445		
Consultancy costs	29,389	34,636	1,084	1,231
Interest	1,948	468	1,948	468
Other	52,076	55,756	3,339	2,980
Total	443,939	465,936	16,527	15,769

NOTE 26. PLEDGED ASSETS CONCERNING OWN LIABILITIES

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Company listings in own possession	35,600	35,600	35,600	35,600

NOTE 27. CONTINGENT LIABILITIES

The Betsson Group nor its subsidiaries have any significant contingent liabilities or commitments.

NOTE 28. CLOSELY RELATED PARTIES

The parent company has a close relationship with its subsidiary companies, see Note 16. Services sold between the parent company and its subsidiary companies mainly refer to accounting and management services, plus rental fees and office expenses. The Betsson Group leases four (five) apartments from Solporten Fastighets AB, in which CEO Pontus Lindwall and the Hamberg family (major share holders) are owners/ board members. In 2021, purchases amounted to SEK 413 (SEK 491) thousand. Betsson Malta and Betsson AB commission legal services from WH Law, in which director in Betsson Malta, Dr Olga Finkel, is Managing Partner. In 2021, the Group's purchases amounted to SEK 4,141 (6,075) thousand, of which Betsson AB's purchases amounted to SEK 177 (1,650) thousand. Transactions with related parties are priced at market conditions. No services have been supplied free of charge. For information on Board holdings in the Company, please refer to pages 60-61. For remuneration to directors and senior executives, please see Note 7.

	PARENT COMPANY	
	2021	2020
Transactions with related parties		
Purchases of services from related parties		
Purchases from subsidiaries	2,077	1,604
Purchases from other related parties	590	2,141
Sales of services to related parties		
Sales to subsidiaries	28,841	36,079
Financial transactions with related parties		
Dividend from subsidiaries	1,381,219	987,393
Group contributions from Swedish subsidiaries	16,362	54,609
Liabilities to related parties		
Liabilities to subsidiaries	184,962	248,734
Receivables from related parties		
Receivables from subsidiaries	1,236,765	937,132

NOTE 29. FINANCIAL INSTRUMENTS

Fair value

The fair values of financial assets and liabilities have been calculated based on market value, where possible. The fair values of interest-bearing financial assets and liabilities that are not derivatives are calculated based on future cash flows of principal and interest according to the effective interest method. The liabilities for additional purchase price adjustment regarding the acquisitions of Simulcasting Brasil, Zecure Gaming Limited, Colbet and Inkabet have been calculated according to the value in the share purchase agreements and the managements best estimate of what can be paid to the previous owners, in relation to the milestones that have to be achieved according to the contract. The liability

recognized in the closing of 2021, SEK 154,5 million is the maximum value that can be paid according to the contract. For current financial assets and liabilities, including liabilities to credit institutions, with variable interest rates and short terms to maturity (90 days), fair value is considered to be the same as carrying value. The fair value of current, interest-bearing receivables and liabilities is considered, because of the short duration of the term, to be equal to carrying value. Outstanding bets in the games in which Betsson assumes open positions against the players are expensed (i.e. no profits are reported from games which have not been concluded as per the balance sheet date) and are included in the item Other liabilities at acquisition cost.

	Financial assets and liabilities measured at fair value through comprehensive income	Financial assets and liabilities amortised at cost	Fair value	Total carrying value
Group 2021				
Other receivables		898,836	898,836	898,836
Cash and bank balances		977,440	977,440	977,440
Total financial assets		1,876,276	1,876,276	1,876,276
Bond		996,256	996,256	996,256
Accounts payable		142,437	142,437	142,437
Other liabilities	154,517	728,426	728,426	728,426
Total financial liabilities	154,517	1,867,119	1,867,119	1,867,119
Group 2020				
Other receivables		875,900	875,900	875,900
Cash and bank balances		863,165	863,165	863,165
Total financial assets		1,739,065	1,739,065	1,739,065
Bond		991,265	991,265	991,265
Current liabilities to credit institutions		70,263	70,263	70,263
Accounts payable		70,276	70,276	70,276
Other liabilities	77,407	737,046	737,046	737,046
Total financial liabilities	77,407	877,585	877,585	877,585

Note 29 continues on the next paget

	Financial assets and liabilities measured at fair value through comprehensive income	Financial assets and liabilities amortised at cost	Fair value	Total carrying value
Parent company 2021				
Receivables from Group companies		1,236,765	1,236,765	1,236,765
Other receivables		248	248	248
Cash and bank balances		337,767	337,767	337,767
Total financial assets		1,574,780	1,574,780	1,574,780
Bond		996,256	996,256	996,256
Accounts payable		2,828	2,828	2,828
Liabilities to Group companies		184,962	184,962	184,962
Total financial liabilities		1,184,046	1,184,046	1,184,046
Parent company 2020				
Receivables from Group companies		937,132	937,132	937,132
Other receivables		2,390	2,390	2,390
Cash and bank balances		373,600	373,600	373,600
Total financial assets		1,313,122	1,313,122	1,313,122
Bond		991,265	991,265	991,265
Current liabilities to credit institutions		73,989	73,989	73,989
Accounts payable		4,077	4,077	4,077
Liabilities to Group companies		248,734	248,734	248,734
Total financial liabilities		1,318,065	1,318,065	1,318,065

Financial instruments at fair value are classified according to a fair value hierarchy. The different levels of the value hierarchy are defined as follows:

- Level 1: Listed prices (unadjusted) on active markets for identical assets or liabilities.
- Level 2: Observable data for the asset or liability other than listed prices included in Level 1, either directly (i.e. price listings) or indirectly (i.e. derived from price listings).
- Level 3: Data for the asset or liability which is not based on observable market data (i.e. non-observable data)

The Company's items at fair value within Level 3 for 2021 consist of liabilities for additional purchase consideration of SEK 154,517 (77,077) thousand.

NOTE 30. SHARE-BASED REMUNERATIONS

The purpose with Betsson's incentive programmes is to establish conditions for retaining, motivating, and recruiting competent staff to the Group as well as aligning management and shareholders' interests to contribute to the company's long-term value growth. A total of eleven incentive programmes have been resolved and introduced since the start in 2008. The programmes are approved by the Annual General Meeting following a proposal from the Board of Directors. The programmes are designed for senior executives and other key employees within the Group and provide an opportunity to acquire share options that give a corresponding right to buy B shares in accordance with certain terms and conditions.

The incentive programmes are divided into two main parts, where employees in Sweden are offered to buy call options at market price and employees abroad are offered stock options, subject to the employee making a corresponding investment in Betsson shares. To promote participation in the programmes, the Board of Directors decided in 2021 to grant a cash bonus corresponding to the option premium for a certain part of the call options (series A call options). The bonus is paid out after the call options have expired and provided that the employee remains in service during

the vesting period. For the remaining part, series B call options, no bonus is paid. The call options are conditional on the employee remaining in service during the vesting period. Similarly, some of the employee stock options (series A employee stock options) are offered free of charge, while some of them (series B employee stock options) require that the employee owns, or makes, a corresponding investment in Betsson shares. The employee stock options are conditional on the employee remaining in service during the vesting period and having retained his or her initial investment in Betsson shares.

The share options are issued with a fixed exercise price of 130 % of the shares' market price on the allotment date. The share-based payments have a cap corresponding to the most recent payment price before the launch of the programmes multiplied by 2.6 (i.e., an increase of 130 %). The Group has no legal or informal obligation to repurchase or settle the share options in cash. The share options are valued according to the Black-Scholes option valuation model. The table below shows the fair value of the share options and the assumptions made in the calculation. Volatility has been determined based on previous volatility and expected volatility adjusted for the company and the industry's growth in size and stability.

Type of instrument	Call option	Employee stock option	Call option	Employee stock option	Call option	Employee stock option
Issue date	2021-08-20	2021-08-20	2020-08-21	2020-08-21	2019-08-15	2019-08-15
Average share price on issue date (SEK)	70.40	70.40	72.00	72.00	46.99	46.99
Redemption price per share (SEK)	90.80	90.80	87.40	87.40	66.40	66.40
Number of participants during allocation	4	9	5	7	4	9
Number of paid warrants/allocated employee stock options	615,000	1,783,780	281,000	655,888	270,000	915,000
Final redemption date	2024-09-06	2024-09-06	2023-09-08	2023-09-08	2022-09-02	2022-09-02
Anticipated duration (months)	36.8	36.8	36.8	36.8	36.8	36.8
Risk-free interest rate (percent)	-0.30	-0.30	-0.30	-0.30	-0.67	-0.67
Expected volatility (percent)	31.00	31.00	31.00	31.00	31.00	31.00
Fair value per option (SEK)*	3.21	3.21	4.40	4.40	2.10	2.10
Reported cost related to each program for 2021, SEK thousand		445		949		362

The purchase price (fair value) of the options may vary slightly among the participants, as the grant date may differ.

Changes in number of outstanding Employee Stock Options and their average exercise price according to the table below.

	2021	2021	2020	2020	2019	2019
Redemption price/option (SEK)	Number of options	Redemption price/option (SEK)	Number of options	Redemption price/option (SEK)	Number of options	Redemption price/option (SEK)
As per 1 January	77.38	2,079,611	82.28	2,383,723	90.79	2,626,891
Allocated	90.80	1,783,780	87.40	655,888	66.40	792,776
Forfeited	69.80	-196,000	96.40	-960,000	91.70	-1,035,944
Exercised	69.80	-630,035				
As per 31 December	87.32	3,037,356	77.38	2,079,611	82.28	2,383,723

NOTE 31. FINANCIAL RISKS

The Group's financial activities are conducted according to a financial policy adopted by the Board, which is characterised by an endeavour to minimise the Group's risk exposure. Financial activities and financial risk management are coordinated through the parent company, Betsson AB, which is also responsible for the investment of surplus liquidity. Financing of the subsidiaries is primarily undertaken through the parent company. The wholly owned operating subsidiaries are solely responsible for the management of their own financial risks, within the framework established by their respective Boards of Directors after coordination with the parent company.

Foreign exchange risks

The Group's income is exposed to exchange rate fluctuations when sales are made in currencies differing from those in which expenses are incurred (transaction exposure). Group revenue is affected primarily by fluctuations in NOK, SEK, EUR, GEL and TRY. Group expenses are affected mainly by fluctuations in SEK, EUR and GEL. At the end of 2021, the Group had available credit facilities denominated in EUR totalling SEK 500 million. Of these, SEK 0.0 million was utilised. In cases where Betsson utilises this credit facility, it is hedge-accounted, i.e. no currency effects from the external loans have an impact on net income for the year as these are recognised in other comprehensive income. See Note 24. Income is also affected by exchange rate fluctuations when the financial results of foreign subsidiaries are converted to Swedish kronor (conversion exposure). The company's policy stipulates that management should not speculate on exchange rate fluctuations. Instead, management should seek to minimise the impact of exchange rate fluctuations on the income statement. To the greatest extent possible, management works to match incoming and outgoing cash flows in the same currency.

Sensitivity analysis

The company's exposure in different foreign currencies is complex, and the company continuously assesses models for sensitivity analysis. Factors that play a role in this context are revenue and expenses in different currencies where the volumes in these given currencies fluctuate over time. The table below presents an estimate of how revenue and operating income are affected if the Swedish krona weakens one percent against other currencies to which the Betsson Group is exposed.

	Percentage change	Impact in SEK million
Revenues	+/- 1	+/- 62
Operating income, EBIT	+/- 1	+/- 12

Refinancing risk, liquidity risk and capital management

The Group's operative gaming activities are financed from its own resources, while acquisitions have been financed by external credit. The foreign subsidiaries are financed mainly by equity, and, if necessary, internal loans from the parent company. Betsson's objective has traditionally been to have a low level of debt, with an equity/asset ratio of at least 40 percent. As shown in the five-year review earlier in the annual report, the equity/assets ratio has not dropped

below 54 percent in the last five years. The Group's property, plant and equipment consist primarily of IT hardware and equipment. It has been determined that future investments in tangible fixed assets will primarily be financed by internally generated funds or lease solutions. It has also been determined that the procurement of external financing may also be necessary in connection with the expansion of Betsson's operations in the future, as well as for the possibility of larger company acquisitions.

Interest rate risk

Group revenue and cash flows from operations are essentially independent of changes in market interest rate levels. At the end of 2021, the Group had a bond loan recognised at SEK 996.3 million, with an interest rate based on STIBOR 3 months plus a margin of 4 percent (interest rate at present approximately 4.0 percent). The prevailing low interest rates may change over time, and the Group's earning potential may consequently be affected. If STIBOR rates increase by 1 percent, the annual bond interest expense would increase by SEK 10 million.

Counterparty risk and credit risks

Gaming operations conducted on the internet represent a credit risk for operators. The credit risk in e-commerce does not differ from the credit risk for other transactions using credit cards. To protect itself, Betsson has implemented internal systems that significantly reduce fraud. Betsson is of the opinion that it has taken sufficient steps to protect itself to a reasonable extent against fraud and credit risks.

NOTE 32. EVENTS AFTER THE BALANCE SHEET DATE

On January 6, 2022, a launch was held in Buenos Aires City, Argentina. The Company also launched on January 17 in the province of Buenos Aires. Buenos Aires City and the province of Buenos Aires are two separately regulated areas in Argentina. On January 20 Betsson received the ruling from the Court of Appeals in Jönköping in the case from 2019 regarding bonus rules. The Court of Appeals denied Betsson's appeal and upheld the Administrative Court's decision of a penalty fee of SEK 14 million. Betsson made a provision corresponding to this amount already back in 2019. The verdict can still be appealed.

Following Russia's invasion of Ukraine that began on 24 February 2022, Betsson is closely following the course of events in the region and measures have been taken to support Betsson's consultants in Ukraine with humanitarian and practical assistance – both for those who wished to and had the opportunity to leave Ukraine and those who wanted to or were required to remain in the country. Betsson has ensured that the tasks supported by these consultants can continue to be executed, in accordance with the consultants' employers and Betsson's own plans for business continuity. The Group will continue to assist consultants and their close relatives as long as it is needed and necessary. Due to the deteriorating security situation in the region Betsson's subsidiary in Belarus decided to cease its operations, return the gaming license it had been granted with immediate effect and close its local office in Minsk. Betsson is making every effort to help employees affected by the decision. The Group is also continuing to monitor and analyze the sanctions put in place as a result of the conflict to ensure compliance from an EU, UN, Swedish and American perspective.

NOTE 33. BUSINESS COMBINATIONS

Financial effects of acquisitions

During the fourth quarter 2021, SW Nordic Limited, a subsidiary of Betsson AB (publ), signed an agreement to acquire the business activities, operations and all the related assets used for operating the brand "Inkabet". The initial consideration of the acquisition was USD 25 million corresponding to SEK 219 million. Additionally, Betsson will pay up to USD 4 million corresponding to SEK 34 million depending on the performance of Inkabet in reaching the agreed revenue and EBIT targets during the six months following the closing, together with a deferred payment of USD 5 million, corresponding to SEK 44 million (out of which USD 3 million is payable on 31 December 2022 and USD 2 million is payable on 31 December 2023 if no claims have arisen).

Expenses related to the acquisition amount to SEK 1,5 million and refer to fees for consultants in connection with the acquisition and are recorded in operating costs.

During 2021 acquired entity contributed SEK 54,9 million to revenue and SEK 3,5 million to operating income.

If these acquired entities had been consolidated from 1 January 2021, Betsson's revenue would have been SEK 6,908,0 million instead of the reported SEK 6,672,3 million and operating income would have been SEK 1,243,7 million instead of the actual reported SEK 1,193,7 million. This excludes any acquisition cost related to the acquisitions.

The table below summarizes the purchase consideration paid, and fair value of recognized assets and liabilities.

Acquired brands is valued at SEK 79,0 million. The acquired customer base have been valued at SEK 33,0 million and the ongoing amortization of this item will be charged to the Group's income over a period of two years. Goodwill amounting to SEK 203,0 million is attributable to expected cost and revenue synergies. Brands, acquired licenses, revenue synergies, integration and cost synergies, explains the total surplus value in goodwill, the acquired company. The purchase price allocation might change and are not final.

Amounts in SEK million	
Total purchase price	298.0
Reported amount of identifiable acquired assets	
Customer base	33.0
Brands	79.0
Def tax	-17.0
Total identifiable net assets	95.0
Goodwill	203.0
Cashflow effects of acquisitions	
Paid purchase price	219.0
Cashflow. net effect	219.0

PROPOSED APPROPRIATION OF PROFIT

The Annual General Meeting of shareholders has the following profits in the Parent Company as its disposal:

Amounts in SEK

Net profit for the financial year 2021	1,288,339,386
Retained earnings and non-restricted reserves	4,875,793,756
	6,164,133,142

The Board and the CEO proposes that the entire amount, SEK 6,164,133,142, be carried forward.

TRANSFER TO SHAREHOLDERS

The Board proposes to the Annual General Meeting that the amount of SEK 538,996,618 be transferred to shareholders.

No transfer will be made for the 681,233 B shares and the 5,247,433 C shares held by the Company.

Reversal is proposed via a share split 2 for 1, with mandatory redemption of the second share at a price of SEK 3.94 per share. After implementation of the proposed appropriation of profits and the redemption programme, retained earnings and non-restricted reserves, and total

equity in the Parent company Betsson AB will amount to SEK 5,625,136,524 and SEK 5,974,744,065 respectively.

The annual report and consolidated financial statements for Betsson AB (publ) for the year 2021 have been approved for publication in accordance with the Board's resolution on 29 March 2022. It is proposed that the annual report and consolidated financial statements be adopted by the Annual General Meeting on 10 May 2022.

The undersigned hereby declare that the consolidated financial statements and annual report have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and generally accepted accounting principles, respectively, and provide a true and fair view of the Group's and the parent company's financial position and results, and that the Group Management Report and the parent company Management Report provide an accurate overview of the development of Group's and the parent company's operations, financial position and results, as well as describing significant risks and factors of uncertainty faced by the companies included in the Group.

Stockholm 29 March 2022.

Johan Lundberg
Chairman of the Board

Fredrik Carlsson
Board Member

Eva Leach
Board Member

Peter Hamberg
Board Member

Pontus Lindwall
CEO and President, and Board Member

Our audit report was submitted on 8 April 2022
PricewaterhouseCoopers AB

Niklas Renström
Authorised Accountant

AUDITOR'S REPORT

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Betsson AB (publ) for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 38-54 and 70-104 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Board of the parent company and Group in accordance with the Audit Regulation (537/2014) Article 11.

BASIS OF OPINION

We have conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes, based on the best of our knowledge and belief, that no prohibited services referred to in the Audit Regulation (537/2014) Article 5(1) have been provided to the audited company or, where applicable, its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinion.

OUR AUDIT APPROACH

Audit scope

We have designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. We have considered where the Managing Director and the Board of Directors have made significant accounting estimates about future events or outcomes that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We have designed our audit to enable us to provide an opinion on the financial statements as a whole, taking into account how the Group is organised, the processes for financial reporting and the industry in which the operations are active.

Materiality

The scope of our audit has been influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts for the period concerned. These matters were addressed in the context of our audit of, and in forming our opinion on, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTER

Process for monitoring compliance with laws and regulations considering the developing nature of gaming sector in various national markets

Refer to pages 42–48 “Risks and Risk Management” in the Administration Report.

Betsson operates on the basis of its international licence in Malta and on a number of territory-specific licences.

The international legal and licensing framework for digital gaming is territory-specific. Regulations evolve continuously, and this evolving environment makes compliance an increasingly complex area with territory-specific regulations, responsible gambling and anti-money laundering obligations.

Given the potential risk of litigation and licence withdrawal, the risk of non-compliance with digital gaming laws and licence regulations could give rise to, among other things, substantial fines, taxes, legal claims or market exclusion.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We evaluated management's processes and controls in respect of compliance with regulations in the main national markets in which Betsson operates. As a part of our audit, we assessed management's routines for monitoring changes in laws and regulations in the various national markets. We also considered management's judgment regarding the possible impact that changes in such laws and regulations could have on Betsson's operations.

We also evaluated the Group's position on current legal disputes, or areas of uncertainty regarding the legal situation in certain markets. We discussed material cases and the Group's assessment of the likelihood and magnitude of any liability that may arise. We also read external legal or regulatory advice to the degree that these existed and were considered material.

Taking into account that this is an area with substantial elements of estimates and assessments, our view is that the Group has an appropriate basis for the positions it takes in its financial reporting.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts which is found on pages 1–41, 55–69 and 110–119. The information in Betsson AB (publ)'s remuneration report for 2021, which is published on the Company's website at the same time as this report also constitutes other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information, and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report this. We have nothing to report in this regard.

THE BOARD OF DIRECTORS' AND THE MANAGING DIRECTOR'S RESPONSIBILITIES

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern assumption applies unless the Board and the Managing Director intend to liquidate the company or cease to operate, or have no realistic alternative to doing so.

THE AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high

level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Betsson AB (publ) for the year 2021 as well as the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS OF OPINION

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinion.

THE BOARD OF DIRECTORS' AND THE MANAGING DIRECTOR'S RESPONSIBILITIES

Responsibility for the proposed appropriation of the company's profit or loss rests with the Board of Directors. In conjunction with the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the parent company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes, among other things, continuous

assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director is responsible for the day-to-day management in accordance with the guidelines and instructions issued by the Board, and is required to take such actions as may be necessary to ensure compliance with the company's statutory accounting obligations and satisfactory management of funds.

THE AUDITOR'S RESPONSIBILITY

Our objective for the management audit and thus for our opinion on release from liability is to obtain audit evidence which enables us to assess with reasonable assurance whether any member of the Board or the Managing Director has in any material respect:

- taken any action or been guilty of any neglect which can give rise to liability to the company, or
- otherwise acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective in respect of our audit of the proposed appropriations of the company's profit or loss, and thus for our opinion on this, is to obtain reasonable assurance that the proposed appropriation is consistent with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also examined whether the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that facilitates uniform electronic reporting (the ESEF report) in accordance with Chapter 16 Section 4 a of the Securities Market Act (2007:528) for Betsson AB (publ) for the year 2021.

Our examination and our opinion refer only to the statutory requirement.

In our opinion, the ESEF report has been prepared in a format that in all significant respects facilitates uniform electronic reporting.

BASIS OF OPINION

We conducted our review in accordance with FAR auditing standard RevR 18 *Review of the ESEF Report*. Our responsibilities under this auditing standard are further

described in the Auditor's Responsibilities section. We are independent of Betsson AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and adequate as a basis for our opinion.

THE BOARD OF DIRECTORS' AND THE MANAGING DIRECTOR'S RESPONSIBILITIES

The Board of Directors and the Managing Director responsible for ensuring that the ESEF report has been prepared in accordance with Chapter 16 Section 4 a of the Securities Market Act (2007:528), and that there is such internal control as the Board of Directors and the Managing Director regard as necessary to prepare the ESEF report in a manner that is free from material misstatement, whether due to fraud or error.

THE AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion with reasonable assurance on whether, based on our examination, the ESEF report has been prepared, in all material respects, in a format that complies with the requirements of Chapter 16, Section 4 a of the Securities Market Act (2007:528).

RevR 18 requires that we plan and implement our audit procedures to obtain reasonable assurance that the ESEF report has been prepared in a format that satisfies these requirements.

Reasonable assurance is a high level of assurance, but is not a guarantee that a review conducted in accordance with RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the financial decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 *Quality Control for Audit Firms That Audits and Review Financial Statements and Perform Other Assurance Engagements, As Well as Related Services*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The review involves performing various procedures to obtain evidence that the ESEF report has been prepared in a form that facilitates uniform electronic reporting of the annual accounts [and consolidated accounts]. The auditor selects which procedures are to be performed, including assessing the risks of material misstatement in the reporting, whether due to fraud or error. In making

these risk assessments, the auditor considers the parts of the internal control relevant to how the Board of Directors and the Managing Director prepare the basis for designing audit procedures that are appropriate in view of the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. The review also includes evaluating the appropriateness and reasonableness of the assumptions made by the Board of Directors and Managing Director.

The review procedures mainly comprise a technical validation of the ESEF report, i.e. whether the file containing the ESEF report complies with the technical specification set out in Commission Delegated Regulation (EU) 2019/815 and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

The review also includes an assessment of whether the ESEF report has been marked with iXBRL, which enables a fair and complete machine-readable version of the consolidated income statements, balance sheets and statements of equity as well as the cash flow statement.

A further description of our responsibility for the audit of the management is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Betsson AB (publ) by the general meeting of shareholders on the 5 May 2021 and has been the company's auditor since 12 May 2008.

Stockholm, 8 April 2022
PricewaterhouseCoopers AB

Niklas Renström
Authorised Public Accountant

AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINA- BILITY REPORT

To the general meeting of shareholders of Betsson AB (publ), corporate identity number 556090-4251

ENGAGEMENT AND RESPONSIBILITY

The Board of Directors is responsible for ensuring that the statutory sustainability report for the year 2021 on pages 13–41 has been prepared in accordance with the Annual Accounts Act.

FOCUS AND SCOPE OF THE EXAMINATION

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially more limited in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A statutory sustainability report has been prepared.

Stockholm, 8 April 2022

Öhrlings PricewaterhouseCoopers AB

Niklas Renström

Authorised Public Accountant

AUDITOR'S OPINION REGARDING THE CORPO- RATE GOVERNANCE STATEMENT

To the general meeting of shareholders of Betsson AB (publ), corporate identity number 556090-4251

ENGAGEMENT AND RESPONSIBILITY

The Board of Directors is responsible for ensuring that the corporate governance statement for the year 2021 on pages 55–65 has been prepared in accordance with the Annual Accounts Act

FOCUS AND SCOPE OF THE EXAMINATION

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 *The Auditor's Examination of the Corporate Governance Statement*. This means that our examination of the corporate governance statement is different and significantly more limited in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this examination provides a reasonable basis for our opinion.

OPINION

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6 Section 6, second paragraph points 2-6 of the Annual Accounts Act and Chapter 7 Section 31 of the same Act are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act

Stockholm, 8 April 2022

Öhrlings PricewaterhouseCoopers AB

Niklas Renström

Authorised Public Accountant

SUSTAINABILITY NOTES

The following pages present supplementary information, methods, assumptions and sustainability data.

ABOUT THE SUSTAINABILITY REPORT

Betsson's Sustainability Report for the calendar year 2021 forms an integral part of the company's Annual Report and, in addition to Betsson AB, also covers the operational subsidiaries. The Sustainability Report has been prepared in accordance with the requirements set out in section 7:12 of the Annual Accounts Act and the company is reporting in accordance with Global Reporting Initiative (GRI)

Standards, Core level. The report has not been the object of external review. At the time of signing the Annual Report, Betsson's Board of Directors also approved the Sustainability Report. The most recent report was published in April 2021.

Contact: info@betssonab.com

STAKEHOLDER DIALOGUE AND MATERIALITY ANALYSIS

Betsson has an ongoing dialogue with stakeholder groups that the Group identifies as important. This contributes to Betsson constantly developing and working towards achieving business goals, including sustainability goals that meet stakeholder expectations.

Betsson identifies primary stakeholders based on their interest in and impact on the Group. Betsson's main stakeholders in sustainability related issues are shareholders and analysts, customers of the operational subsidiaries, employees, and lawmakers and supervisory authorities in jurisdictions in which the Group holds licences.

The dialogue with stakeholders provides insight into the requirements and expectations they have for Betsson's work on sustainability. Important channels for dialogue with stakeholder groups and the sustainability issues that each stakeholder group prioritises are described in the table below. To be transparent with development and progress, the issues are also reported on regularly in quarterly reports, annual and sustainability reports, and other external and internal communication.

In 2021, Betsson updated the current materiality analysis together with an external party, to ensure that the most material areas are prioritised going forward. The analysis was carried out through qualitative interviews with the most important stakeholder groups and a workshop to align stakeholder expectations with the overall business strategy. The analysis concludes sustainability areas that are given high priority among Betsson's stakeholders, external trends, and key issues for Betsson.

The conclusions are presented in the table to the right. Betsson works continuously with the identified areas, and they form the basis for the sustainability framework.

HIGHLY PRIORITISED TOPICS

- Responsible gaming
- Business compliance
- Customer privacy and information security
- Anti-money laundering
- Gender equality and diversity

PRIORITISED TOPICS

- Anti-corruption
- Climate impact
- Competence development
- Community involvement
- Tax transparency
- Work-life balance
- Responsible marketing

STAKEHOLDER GROUP	DIALOGUE CHANNELS	SIGNIFICANT ISSUES
Shareholders	<ul style="list-style-type: none"> Meetings, e-mails Webcast investor presentations four times a year Continuous presentation meetings and face-to-face meetings with investors Meetings organised by Aktiespararna (Swedish Shareholders' Association) 	<ul style="list-style-type: none"> Financial results Business compliance Responsible gaming Issues related to ESG (Environmental, Social and Governance)
Customers of the operational subsidiaries	<ul style="list-style-type: none"> Customer service: chat, e-mail, telephone and 'call me back' services 	<ul style="list-style-type: none"> Privacy and information security Responsible gaming
Employees	<ul style="list-style-type: none"> Regular development discussions Employee surveys All hands meetings at least four times a year for the whole organisation Recurring employee forums and digital suggestion box 	<ul style="list-style-type: none"> Employee experience Competence development Work-life balance Gender equality and diversity Community involvement Anti-money laundering
Lawmakers and regulatory authorities	<ul style="list-style-type: none"> In accordance with the channels specified by the regulatory authorities themselves, such as: <ul style="list-style-type: none"> Meetings E-mails Forums 	<ul style="list-style-type: none"> Business compliance Sustainable gaming regulations Responsible gaming Anti-money laundering

BUSINESS COMPLIANCE

Non-compliance with rules for market communication (number of incidents)	2021	2020
Total number of incidents of non-compliance with regulations and/or voluntary guidelines regarding marketing communication, including advertising, advertising campaigns and sponsorships	0	0
Complaints regarding customers' privacy and data (number)	2021	2020
Number of complaints regarding customer privacy	4*	3
Number of identified leaks, thefts or losses of customer data	0	1
Total	4	4

* 2021 Betsson has received 4 different complaints from regulators where they reacted upon customers' requests. Betsson provided a substantive response to all complaints and so far no further actions were taken by regulators.

EMPLOYEE IMPACT

Employees

Employees at 31.12.2021	2021		2020	
	Number (no.)	Women (%)	Number (no.)	Women (%)
Nordic countries				
Total number of employees	106	23 %	103	18 %
Number of permanent employees	104	21 %	102	19 %
Whereof full-time	101	21 %	100	18 %
Whereof part-time	3	33 %	2	50 %
Number of fixed-term employees	2	100 %	1	0 %
Western Europe				
Total number of employees	1,159	33 %	1,092	34 %
Number of permanent employees	1,153	33 %	1,088	34 %
Of whom full-time	1,141	32 %	1,077	34 %
Of whom part-time	12	100 %	11	100 %
Number of fixed-term employees	6	100 %	4	50 %
CEECA				
Total number of employees	590	45 %	540	52 %
Number of permanent employees	404	45 %	373	49 %
Of whom full-time	399	45 %	369	49 %
Of whom part-time	5	80 %	4	50 %
Number of fixed-term employees	186	44 %	167	59 %
Rest of the world				
Total number of employees	63	48 %	53	47 %
Number of permanent employees	37	43 %	18	50 %
Of whom full-time	37	43 %	18	50 %
Of whom part-time	0	0 %	0	0 %
Number of fixed-term employees	26	54 %	35	46 %
Total	1,918	37 %	1,788	39 %

The table shows how many employees Betsson has broken down by type of employment, region and gender.

Staff turnover	2021		2020	
	Employees (no.)	Women (%)	Employees (no.)	Women (%)
New hires				
Under 30 years	426	45 %	349	54 %
30 - 50 years	393	33 %	377	44 %
Over 50 years	13	38 %	10	20 %
New hires during the year	832	39 %	736	48 %
<i>Rate of new employee hires (%)</i>	43 %		41 %	
Departures				
Under 30 years	229	52 %	222	56 %
30 - 50 years	261	32 %	270	48 %
Over 50 years	3	0 %	6	33 %
Departures during the year	493	41 %	498	51 %
<i>Rate of employee turnover (%)</i>	26 %		28 %	

Summary of the company

Employees at different levels at the company	2021		2020	
	Number (no.)	Women (%)	Number (no.)	Women (%)
Board of Directors				
Aged below 30	0	0	0	0
Aged 30 - 50	3	33 %	3	33 %
Aged over 50 years	2	0	3	0
Executive Management – Betsson operational management				
Aged below 30	0	0	0	0
Aged 30 - 50	7	14 %	6	17 %
Aged over 50 years	2	50 %	2	50 %
Betsson Group management				
Aged below 30	0	0	0	0
Aged 30 - 50	4	50 %	4	50 %
Aged over 50 years	2	0	2	0
People Managers				
Aged below 30	48	42 %	44	50 %
Aged 30 - 50	317	31 %	272	31 %
Aged over 50 years	9	44 %	9	33 %
Other Employees				
Aged below 30	647	45 %	628	49 %
Aged 30 - 50	899	33 %	802	34 %
Aged over 50 years	26	31 %	19	26 %

The table shows the composition of the company, broken down by gender and age for different levels of the company.

Health at Betsson

Number of days of sick leave for each country	2021	2020	2019
Nordic countries	1.3	0.3	-
Western Europe	3.1	2.9	-
CEECA	1.2	2.4	-
Rest of the world	0.7	0.6	-
Average number of days of sick leave	2.3	2.5	3.03

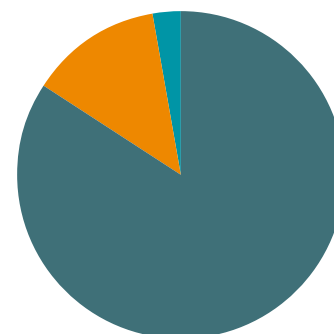
CLIMATE IMPACT

Energy consumption (MWh)

Scope	Category	Activity	2021	2020	2019
1	Direct energy consumption	Fuel (petrol and diesel) from fixed and mobile units	192 (0 % förnybart)	256 (0 % förnybart)	119
2	Indirect energy consumption	Purchased electricity, heating and cooling for operation of office premises and computer equipment	4,436	2,284	4,204
		Electricity	4,288	1,923	
		District heating	103	299	
		District cooling	25	62	
Total			4,628	2,540	4,323

ENERGY CONSUMPTION BY ENERGY TYPE (2021)

■ ELECTRICITY ■ HEATING ■ COOLING



Greenhouse gas emissions (GHG) consumption, tonCO₂e*

Scope	Category	Activity	2021	2020	2019
1	Direct GHG emissions	Fuel (petrol and diesel) from fixed and mobile units and refrigerants	72	66	39
2	Indirect GHG emissions	Purchased electricity, heating and cooling for operation of office premises and computer equipment	1,665	816	1,836
3	Other indirect GHG emissions	Mainly energy consumption in customers' gaming units, purchased goods and services (primarily energy use for virtual servers) as well as commuter travel and remote work	8,185	8,312	8,071
Total			9,922	9,194**	9,946

* tonnes CO₂e (tonnes of carbon dioxide equivalent)

** The sum for 2020 has been adjusted. The Annual and Sustainability report 2020 stated 9195 tonnes CO₂e.

The table presents Betsson's greenhouse gas emissions broken down by Scope according to the Greenhouse Gas Protocol. Conversion factors that include all relevant greenhouse gases, i.e. CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃, are used as far as possible for the calculation of Betsson's greenhouse gas emissions. Betsson's carbon dioxide emissions for electricity consumption in geographical valuation (location based): 543 tonnes CO₂e.

The largest absolute increase in emissions can be derived from electricity consumption in the offices. Part of the increase in these emissions is due to the fact that they were previously classified as district heating. The second largest absolute increase comes from the inclusion of emissions from a new category for 2021, namely emissions from the physical servers that customers play against (virtual servers have been included since before). The third largest absolute increase is from business travel, where half of the increase comes from flights.

The largest relative increases can be derived from emissions from employee commuting with fossil fuel-powered cars and shared taxis. However, these emissions increase from low levels.

Betsson has its largest emissions in Scope 3, and these have decreased in 2021. The largest emission reduction is due to Betsson using primary data, i.e. kWh, to calculate emissions from virtual servers, and not as previously calculate emissions based on cost.

The biggest item in Scope 3 is the energy consumption from customers' gaming units. These emissions have decreased in 2021, which is not due to fewer customers or less hours playing but to the fact that gaming on computers (which have a higher energy consumption) has decreased while gaming on mobile phones (which have a lower energy consumption) has increased.

As emissions from paper consumption, water use and shipping were very small in 2020, very limited data have been collected for these categories for 2021. Freight has been completely excluded, while emissions from paper and water have been extrapolated from 2020 to 2021 for most offices based on number of employees.

Organisational and operational boundaries

System boundaries were defined by the control approach, covering all entities in which Betsson has operational control. Reported data comes from the markets where Betsson has offices, in Sweden and abroad. The offices included in the accounting for 2021 are the same as for 2020.

Under the 'GHG Protocol', emissions are divided into direct and indirect emissions. Direct emissions are those originating from sources owned or controlled by the reporting entity. Indirect emissions are generated as a consequence of the reporting entity's activities yet occur at sources owned or controlled by another entity. Emission sources that have been included are stationary and mobile combustion, leakage of refrigerants, electricity, district heating, purchased goods and services (incl. Capital goods), fuel and energy-related activities, waste generated in operations, business travel, employee commuting and incremental electricity use from homeworking, upstream leased assets, and use of sold products.

Assumptions and extrapolations

Inventory data, emission factors and estimates are based on the international calculation standard GHG protocol (www.ghgprotocol.org). The choice of assumptions and emission factors has followed a conservative method. If information for emission activities was missing, assumptions and extrapolations were made.

GRI 102-9 Supply chain

Betsson, like most operators in the gaming industry, has many different suppliers of games and also of payment solutions for different markets. In addition, Betsson also

uses suppliers for other parts of the business, such as marketing, IT, office equipment, cleaning, catering, etc. The suppliers can be either global, regional, or local.

GRI-INDEX

Betsson reports in accordance with GRI Standards, Core option. All indicators are from 2016.

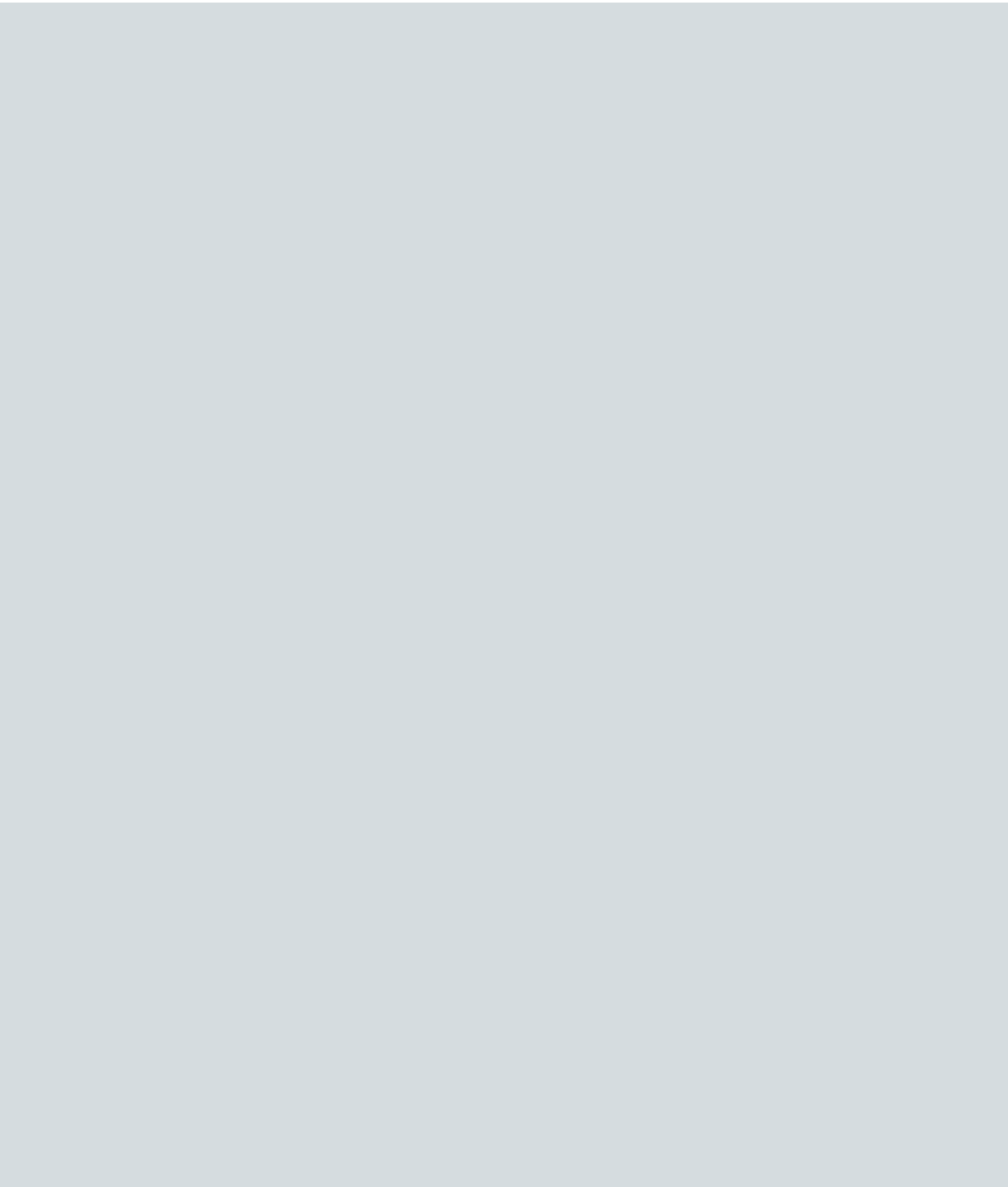
GRI Standard

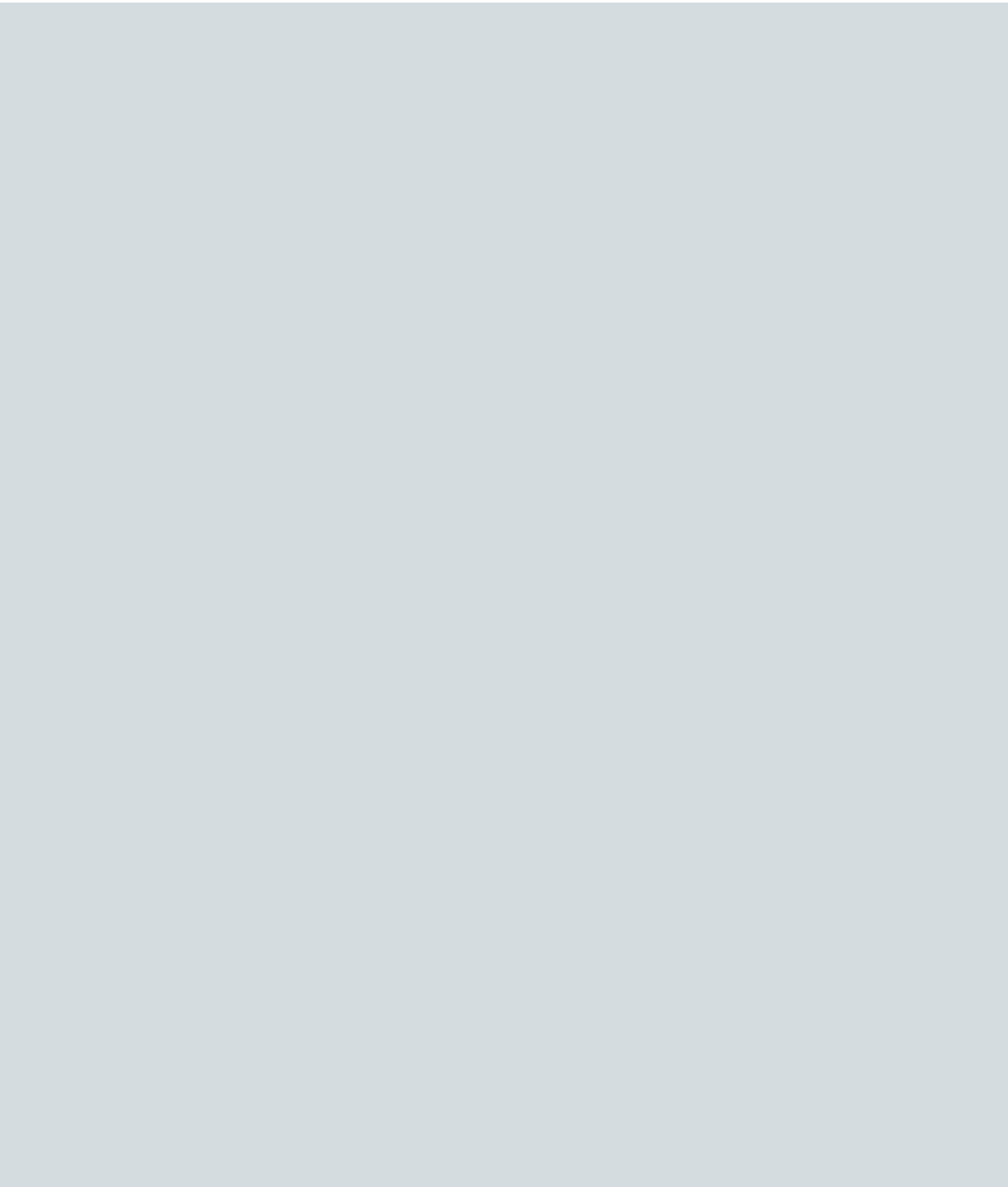
Disclosure	Description	Reference	Comment/omission
GRI 102: General disclosures			
Organizational profile			
102-1	Name of organization	5	
102-2	Activities, brands, products, and services	5-7	
102-3	Location of headquarters	38	
102-4	Location of operations	7	
102-5	Ownership and legal form	53, 66-67	
102-6	Markets served	6-7	
102-7	Scale of the organization	5-7, 71, 112	
102-8	Information on employees and other workers	112	
102-9	Supply chain	114	
102-10	Significant changes to the organization and its supply chain	39-40	
102-11	Precautionary Principle or approach	34, 44-45	Betsson applies the precautionary principle. See more in the section on the Risk management process, p. 44-45 and description of Betsson's environmental policy, p. 34.
102-12	External initiatives	15-16, 18, 23-24	
102-13	Membership of associations	23, 25, 34	
Strategy			
102-14	Statement from senior decision-maker	8-9	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	16-30	
Governance			
102-18	Governance structure	13-14, 55-56	
Stakeholder engagement			
102-40	List of stakeholder groups engaged by the organization	111	
102-41	Collective bargaining agreements		Betsson employees are not subject to collective bargaining agreements but are entitled to a series of employee benefits, ranging from health insurance to parental leave and wellbeing allowance.
102-42	Identifying and selecting stakeholders with whom to engage	110-111	
102-43	Approach to stakeholder engagement	110	
102-44	Key topics and concerns that have been raised through stakeholder engagement	110-111	
Report profile			
102-45	Entities included in the consolidated financial statements	111	
102-46	Defining report content and topic Boundaries	110-111	
102-47	List of material topics	110	
102-48	Restatements of information		No significant changes during year
102-49	Significant changes from previous reporting periods		No significant changes during year
102-50	Reporting period	110	
102-51	Date of most recent report	110	
102-52	Reporting cycle	110	
102-53	Contact point for questions regarding the report	110	
102-54	Claims of reporting in accordance with the GRI Standards	110	
102-55	GRI content index	115-117	
102-56	External assurance	108	

GRI 200-400: Material sustainability topics

Disclosure	Description	Reference	Comment/omission
Economic			
GRI 201: Economic Performance			
GRI 103: Management approach			
103-1, 103-2, 103-3	Management approach	31-32	
201-1	Direct economic value generated and distributed	32	
GRI 203: Indirect Economic Impacts			
GRI 103: Management approach			
103-1, 103-2, 103-3	Management approach	16-20, 31-35	
203-2	Significant indirect economic impacts	16-20, 31-35	
203-Own indicator	Engage and support projects in local communities where Betsson operates	31-32	
GRI 205: Anti-corruption			
GRI 103: Management approach			
103-1, 103-2, 103-3	Management approach	22-27, 42-45	
205-1	Operations assessed for risks related to corruption	24, 44-45, 47	
205-3	Confirmed incidents of corruption and actions taken	22	
205-Own indicator	Whistleblowing incidents	22	
205-Own indicator	Always cooperate and respond to alerts from IBIA regarding suspicions match fixing activities	22	
205- Own indicator	Employees signed the Code of Conduct	22	
Environmental			
GRI 301: Energy			
GRI 103: Management approach			
103-1, 103-2, 103-3	Management approach	33-36	
302-1	Energy consumption within of the organization	114	
GRI 305: Emissions			
GRI 103: Management approach			
103-1, 103-2, 103-3	Management approach	33-35, 114	
305-1	Direct (Scope 1) GHG emissions	33, 35, 114	
305-2	Energy indirect (Scope 2) GHG emissions	33, 35, 114	
305-3	Other indirect (Scope 3) GHG emissions	33, 35, 114	
Social			
GRI 401: Employment			
GRI 103: Management approach			
103-1, 103-2, 103-3	Management approach	28-30	
401-1	New employee hires and employee turnover	112	
GRI 404: Training and education			
GRI 103: Management approach			
103-1, 103-2, 103-3	Management approach	22-30	
404-Own indicator	Completed training regarding responsible gaming, anti-money laundering, GDPR, information security, security coding	24, 28	
404-Own indicator	Employees who recommend Betsson as a work-place to friends and family	28	
404-Own indicator	New hires who have completed Betsson's 3-day induction course	28	

Disclosure	Description	Reference	Comment/omission
GRI 405: Diversity and equal opportunity			
GRI 103: Management approach			
103-1, 103-2, 103-3	Management approach	28-30	
405-1	Diversity of governance bodies and employees	113	
405-Own indicator	Equal opportunities regardless of background	28	
GRI 416: Customer Health and Safety			
GRI 103: Management approach			
103-1, 103-2, 103-3	Management approach	16-21	
416-Own indicator	Identify and always help customers at risk	16	
416-Own indicator	Research funding regarding responsible gaming	16	
416-Own indicator	Active dialogue in society and in the industry through participation in all major conferences, seminars and/or panel discussions on responsible gaming	16	
GRI 417: Marketing and Labeling			
GRI 103: Management approach			
103-1, 103-2, 103-3	Management approach	26-27	
417-3	Incidents of non-compliance concerning marketing communications	111	
GRI 418: Customer privacy			
GRI 103: Management approach			
103-1, 103-2, 103-3	Management approach	17, 22, 25-26	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	111	
GRI 419: Socioeconomic Compliance			
GRI 103: Management approach			
103-1, 103-2, 103-3	Management approach	22-27	
419-Own indicator	Material sanctions for not complying with international local laws and regulations	22	
419-Own indicator	Active member of the relevant gaming trade associations in all locally regulated markets where Betsson holds a license or other key markets where it makes sense for Betsson to be active	23	





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