

betsson ab

Q4 2021

Pontus Lindwall, President & CEO Betsson AB

Martin Öhman, CFO Betsson AB



OUTLINE

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- Q&A

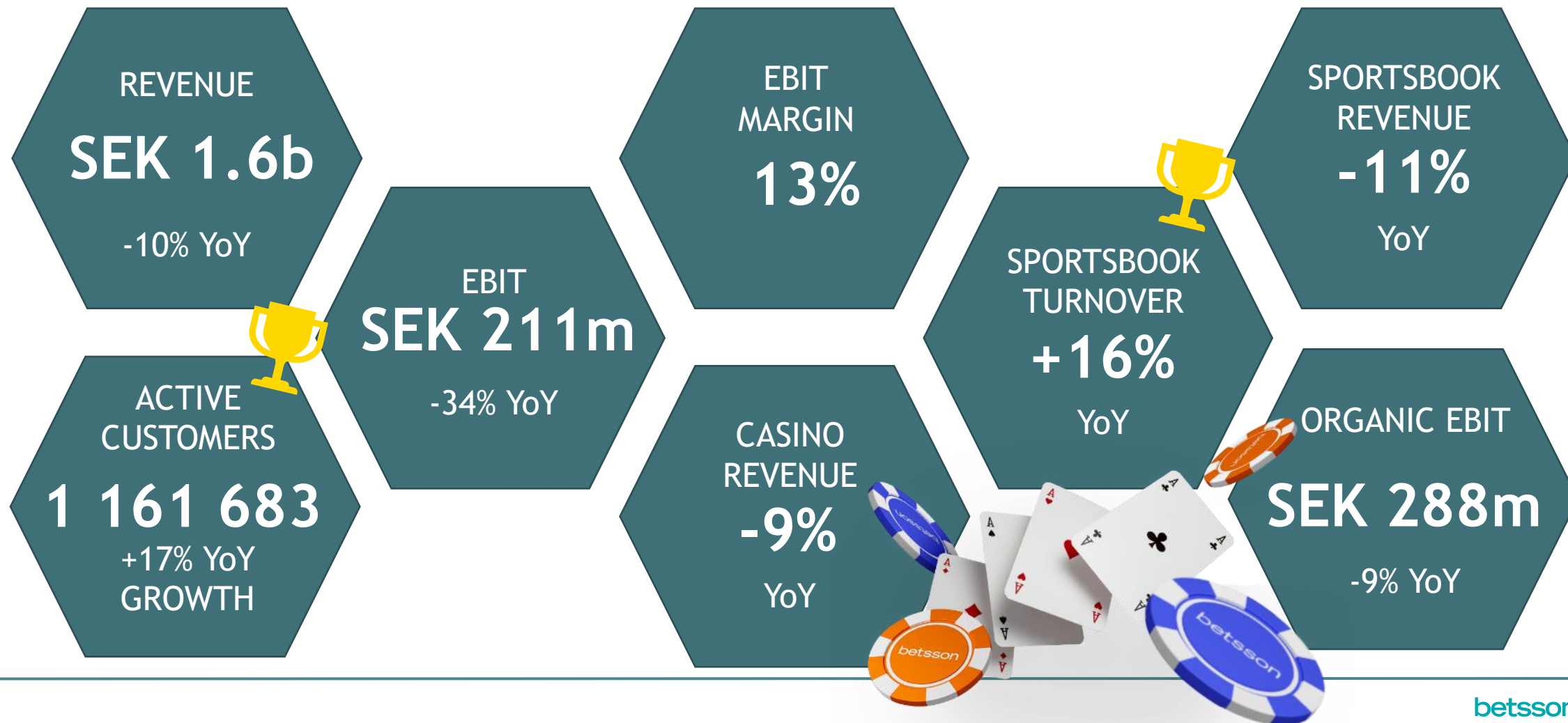


Pontus Lindwall
CEO, Betsson AB



Martin Öhman
CFO, Betsson AB

Q4 HIGHLIGHTS



Total
distribution
SEK 539m

2021 HIGHLIGHTS



REVENUE
SEK 6.7b
+4% YoY

EBIT
MARGIN
18%

SPORTSBOOK
REVENUE
+23%
YoY

CASINO
REVENUE
-1%
YoY

EBIT
SEK 1.2b
+6% YoY

SPORTSBOOK
TURNOVER
+26%
YoY

THE BETSSON STRATEGY SUPPORTS GROWTH

VISION

Deliver the best customer experience in the gaming industry

MISSION

Be a long-term, leading online gaming company

AMBITION

Be a customer-centric gaming company that sustainably outgrows the market

EXISTING MARKETS

NEW MARKETS

B2B

M&A

TALENTED PEOPLE

QUALITY PRODUCT

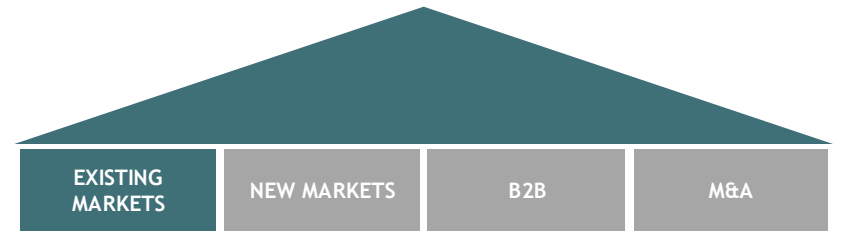
OPERATIONAL EXCELLENCE

ONE BETSSON

PASSION

FAIR PLAY

EXISTING MARKETS - THE BACKBONE OF BETSSON



- A selection of marketing activities:
 - Preparations to launch the fourth season of “Fimpens resa”, with more than 7 million views to date
 - Xmas Calendar Campaigns in all CEECA markets
 - Betsafe Lithuanian Basketball League and Lithuania National Basketball Team games
 - La Roja sponsorship and activating Chile World Cup games including brand ambassador Ivan Zamorano



HIGH ACTIVITY ON NEW MARKETS

EXISTING
MARKETS

NEW MARKETS

B2B

M&A

- Betsson has launched its online gambling offer in Argentina (Q1,2022)
 - Partnering with Casino de Victoria, a leading land-based Argentinian operator and part of Grupo Mautone
 - A mature land-based gambling market but online gambling is still relatively new



- Sponsorship of Betsson Super League 2, and AEK Athens Basketball Main Sponsor in Greece



SUBSTANTIAL PROGRESS IN LATAM IN 2021



- Service hub established in Bogota, Colombia
- Acquired a proprietary technology platform for LatAm payments
- Acquired Inkabet, a leading operator in the western part of the region
- Partnered with Big Bola Casinos in Mexico
- Established significant sponsorships
 - The Peruvian first league in football
 - The national Chilean football team
 - The CONMEBOL Copa América
 - Íbis Sports Club - “the worst team in the world”
 - Colo Colo - the most successful club in Chilean football (launched in 2022)
 - Naming rights for the Pernambuco Soccer Federation (launched in 2022)



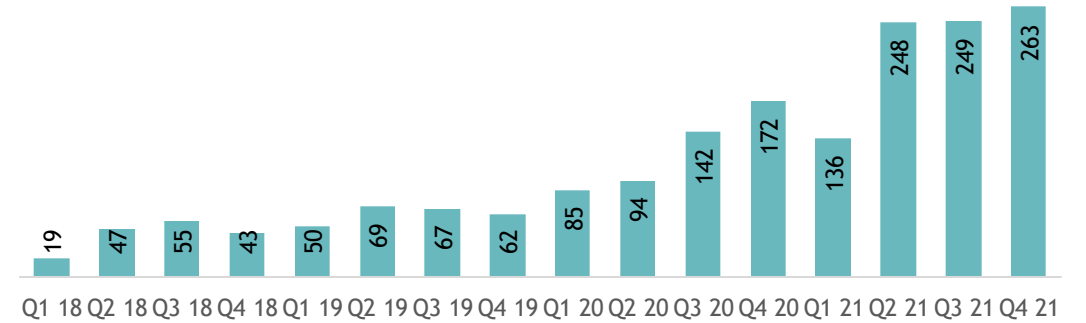
LATAM CONTINUES TO SHOW STRONG DEVELOPMENT



LatAm region growing at a continued strong pace reaching ATH in Q4 2021

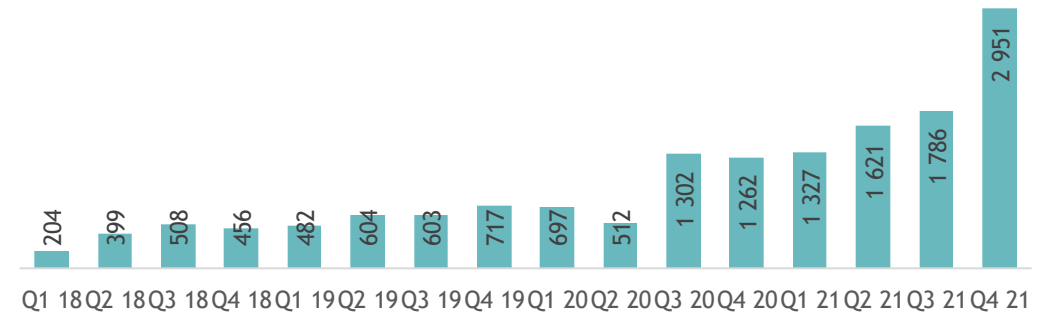


Revenue SEKm




Strong underlying turnover driving growth, also reaching ATH in Q4 21 across both casino and sportsbook

SB Turnover SEKm

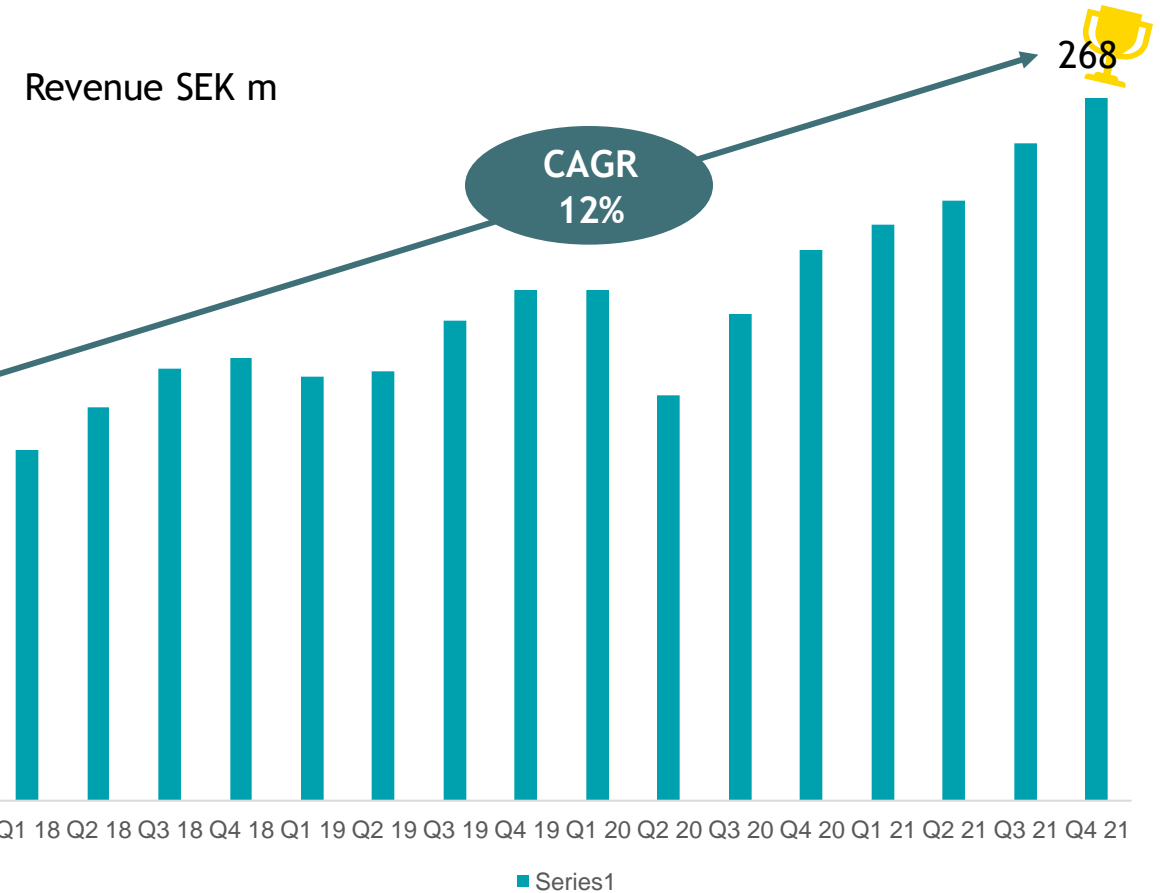


CEECA REGION SHOWS ATH DRIVEN BY CASINO



 The region as well as most countries within the region reported ATH revenue for a single quarter 

 Croatia and Greece showed continued positive trends in activity and revenue performance 



US LAUNCH IN COLORADO IN Q1



- Preparation progressing according to plan
 - Testing and objective assessment of the B2C product
 - GLI33-certification for Colorado
 - Betsson’s sportsbook integrated in the Strive platform
 - Recruitment of key positions in place
- Launch of B2C offering in Q1 in Colorado in cooperation with Dostal Alley Casino
- Paving way for the B2B offering in other states in the US
- Preparations are also underway in Canada
 - Ambition to launch Betsafe in the province of Ontario
 - Betsson sportsbook ready to be offered as a B2B product



INNOVATION SUPPORTING GROWTH



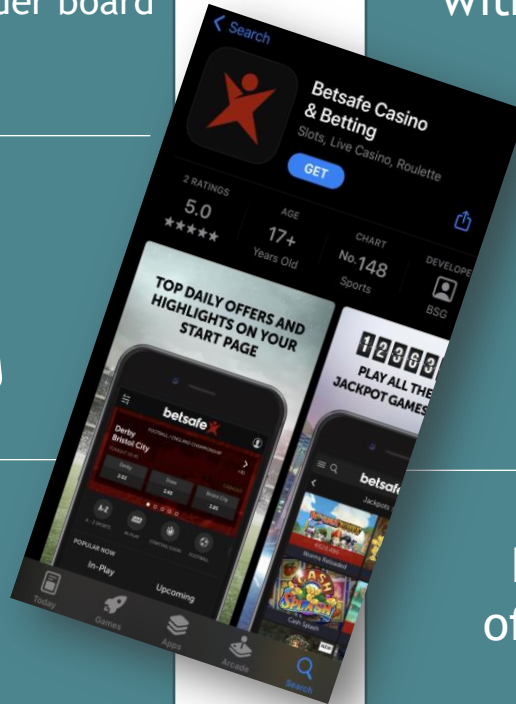
Strengthened user experience

- Improved login and deposit
- Launch of The Million Game Leader board
- New version of Smartbanners

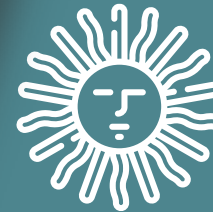
Focus on developing native apps for multiple markets and offerings



New poker product was launched in Greece in October



231 casino games were released, 14 of which came with a period of exclusivity for our brands



Local adaptations for the Argentinian launch

New payments methods offered in several markets



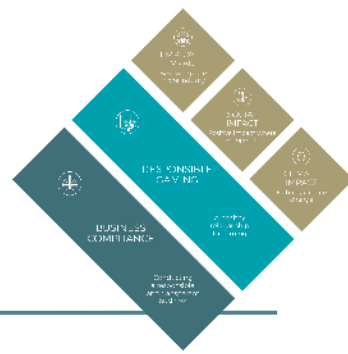
SUSTAINABILITY FRAMEWORK



Mapping of UN Sustainability Goals



RESPONSIBLE GAMING KPIs



81,738
interactions with
customers

1.2%
of customer service
contacts raised red flags



Selected KPIs
measured on a
quarterly basis



12.3 %
of customers use non-
mandatory RG tools

37.8 %
of NDCs set a
deposit limit



UPDATED: RESPONSIBLE GAMING PREDICTION TOOL



500+

– Increased number of parameters used for monitoring customer gaming behaviour



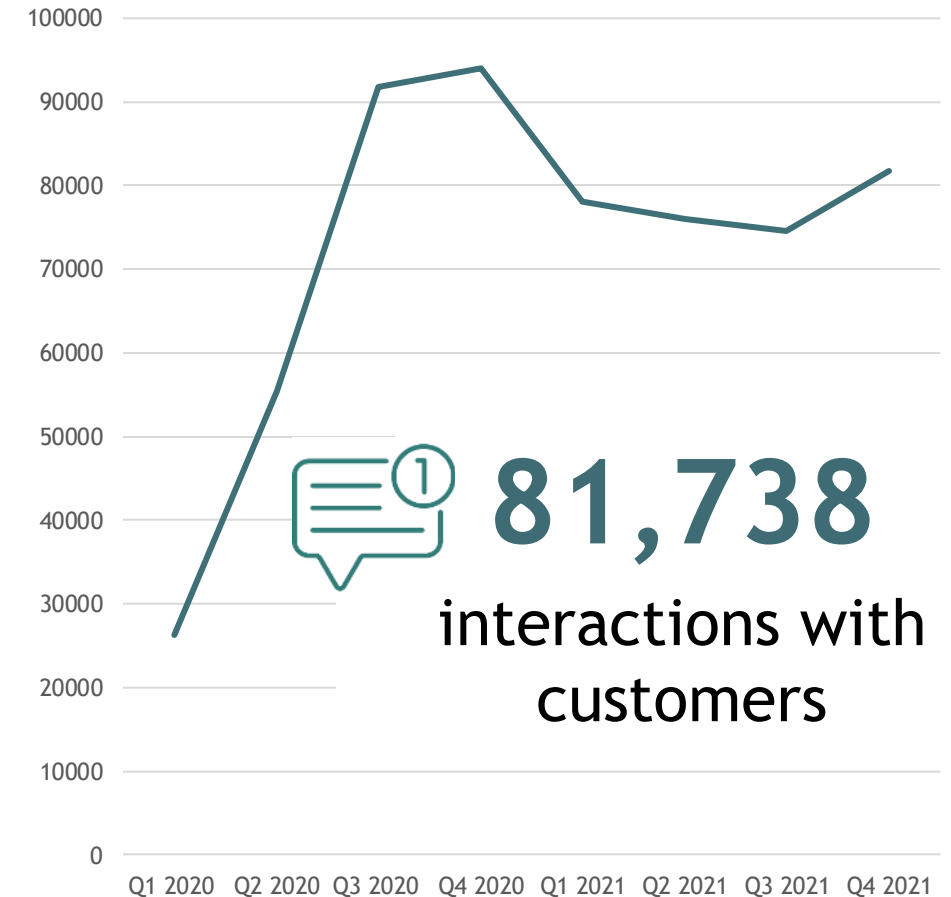
– Customers gaming patterns are classified as low, medium or high risk



– Real time monitoring + Daily reports + Detailed analysis



– RG-team can intervene quicker and contact customers at risk earlier



SELECTED ACTIVITIES DURING Q4



BUSINESS COMPLIANCE



KYC platform for vendors

Software allows corporate, financial, AML, Sanctions and Adverse Media checks on third entities, their directors, and employees.

EMPLOYEE IMPACT

88%

Annual Employee Survey

88% of employees are proud to work at Betsson
88% would recommend it to family and friends.

CLIMATE IMPACT



Climate roadmap finalised

Action plans to be developed for main sources of greenhouse gas emissions.

FINANCIALS

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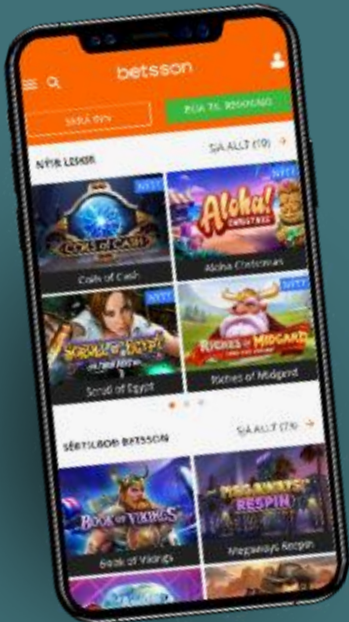
DEVELOPMENT AND KPIs



Active customers increased by 17% to 1,161,683



Deposits increased to MSEK 7,945.5



Casino revenue decreased by 9% YoY

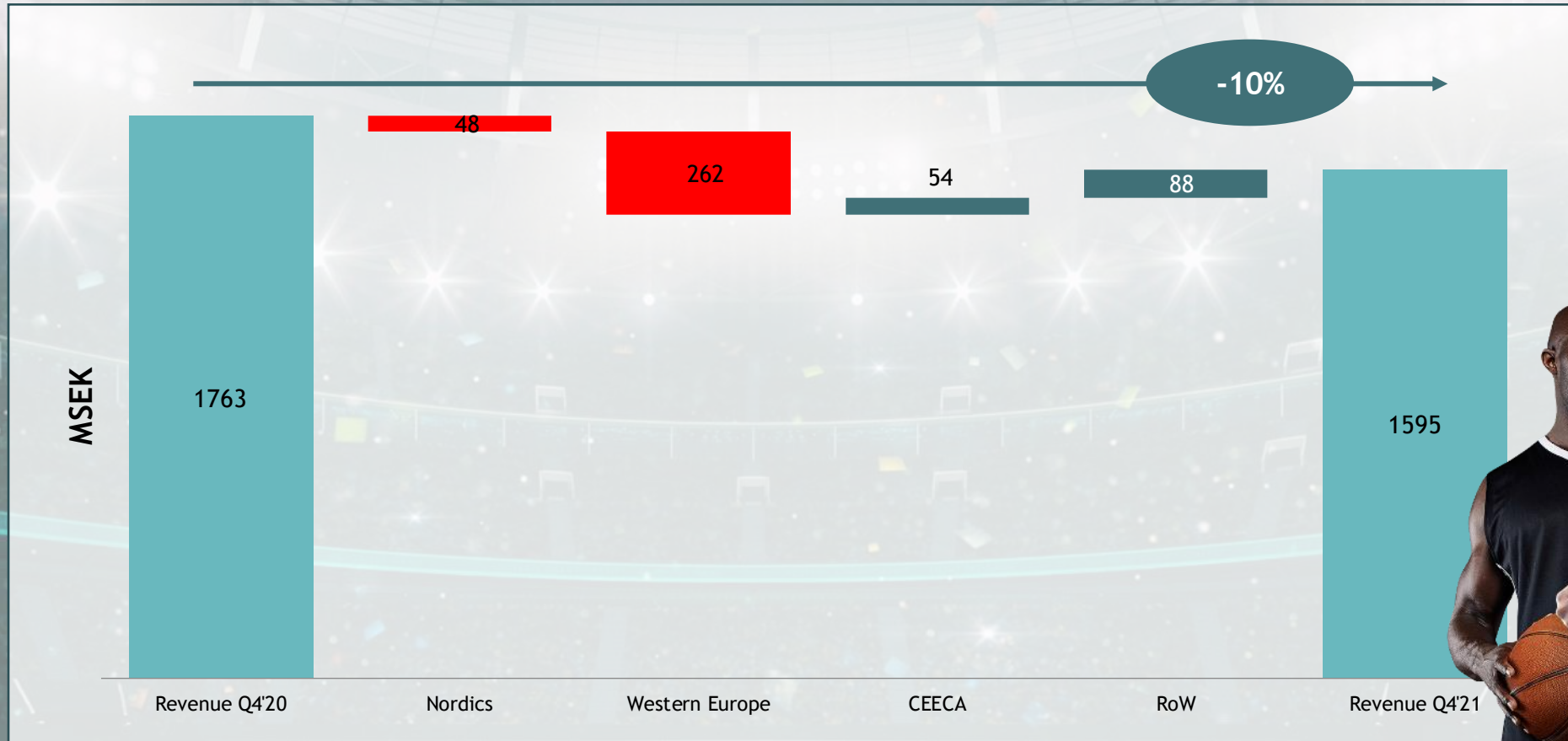
Mobile revenue: 80% of total casino revenue

Sportsbook turnover increased by 16% YoY with a margin of 6.0%

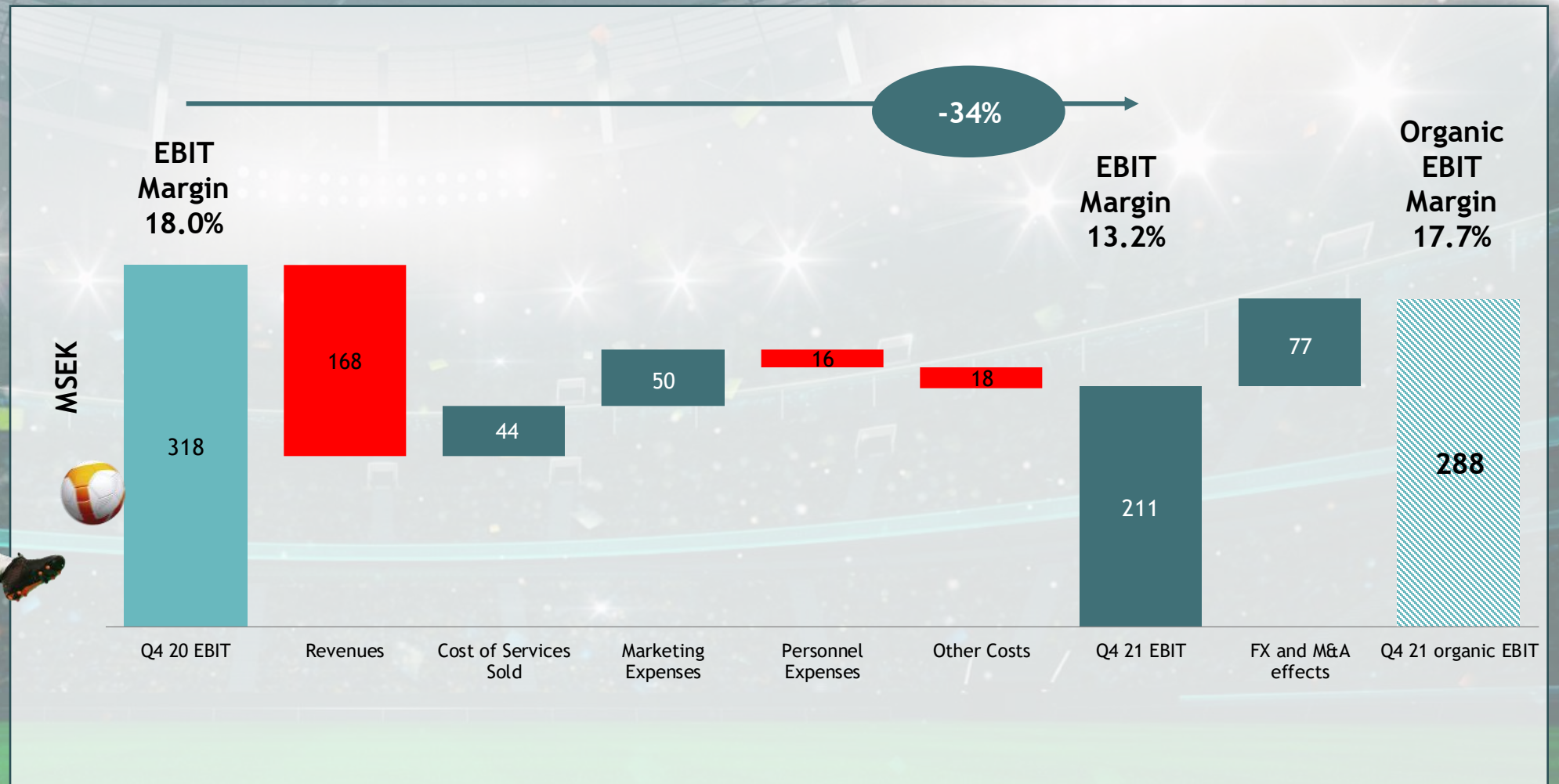
Sportsbook revenue down 11% YoY
Mobile revenue: 79% of total



REVENUE DEVELOPMENT BY REGION



EBIT DEVELOPMENT YOY



CASH FLOW & FINANCIAL POSITION

- Operating cash flow
 - Negative effect on working capital is mainly driven by increased Payment providers balances
- Investments
 - Driven by investments in own development and the acquisition of Inkabet
- Financing activities
 - Driven by repayment of revolving credit facility (RCF)
- Net debt SEK 26 (158) million
 - Net debt/EBITDA 0.0 (0.1)
- Equity/assets ratio 63% (61%)

SEK m	Q4 2021	Q4 2020
Operating cash flow	134.4	233.9
Cash flow from investing activities	-299.4	-110.7
Cash flow from financing activities	-154.2	-183.8
Cash flow for the period	-319.2	-183.8
Cash and cash equivalents, end of period	977.4	863.2

PROPOSAL ON DISTRIBUTION AFTER STRONG 2021

2021

2021 Revenue

SEK 6.7b

2021 EBIT

SEK 1,194m

2021 EBIT Margin

18%

DISTRIBUTION

The total distribution through the automatic redemption process will be of

SEK 539.0m (502.9)

The Board of Directors proposes to the AGM a distribution (per share) of

SEK 3.94 (3.68)

In line with the dividend policy, the proposed distribution represents

50% of net income

Q1 2022 TRADING UPDATE*



Average daily revenue until 3 February was **4.2%** higher than the average daily revenue of the full Q1 2021

Adjusted for currency effects average daily revenue was **8.8%** higher than the average daily revenue of the full Q1 2021

** This trading update is an indication of how the first quarter has started, however it is not a revenue forecast*

REGULATORY UPDATE

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REGULATORY UPDATE

NORWAY



A proposal on a new Gambling Act remains under deliberation. The proposed DNS blocking was notified to the European Commission with no comments from the Commission.

FINLAND



The Finnish parliament decided on marketing restrictions entering into force in January 2022 and the payment block on deposits in January 2023.

SWEDEN



The temporary Covid triggered restrictions on online gambling was terminated in November 2021.

GEORGIA



Increased taxes for online casinos, ban on gambling marketing and a raise of the legal age of gambling will enter into force in March 2022.

LITHUANIA



A proposal on increasing online gambling tax from 13% to 20% GGR and betting tax from 18% to 20% has been approved by the parliament taking effect in July 2022.

SUMMARY Q4

- Strong full year 2021
 - Record year in terms of revenue
 - Result matching record result in 2018
- Healthy result in the quarter given the challenging start
 - RoW and CEECA delivering strong growth
- Solid outlook for 2022
 - US operations on track to launch in Q1 2022
 - Recent launch in Argentina
 - Expected launches in Mexico and Canada



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THANK YOU

TIME FOR Q&A