

A black and white photograph of a person in a suit typing on a laptop. The laptop lid has a large sticker with the Betsson logo and other text. The background is blurred.

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Q1 2017

Ulrik Bengtsson, CEO and President

Q1 SOLID QUARTER

- Continued strong casino performance
- Continued conversion into locally licensed revenue
- Continued strong growth in the Nordics
- Region Western Europe display growth of 16% and is now larger than region CEECA
- Migration of Europe-Bet completed
- Acquisition of NetPlay in the UK and licensed operator in Spain



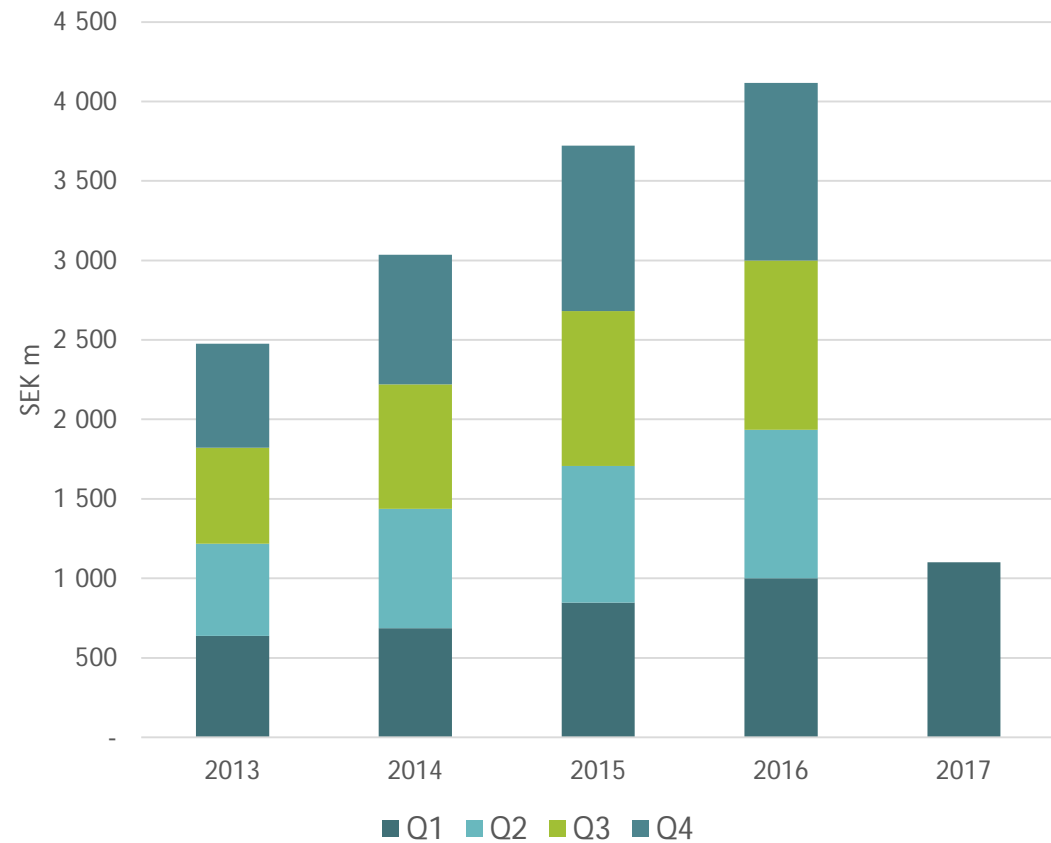
FINANCIAL SNAPSHOT

- Total revenue grew by 10.2% to SEK 1,102 m Y/Y
 - Low sportsbook margin
- Strong underlying activity
 - Deposits up 8%
 - ATH in active players
- EBIT was SEK 241 m, -3.7%
- Betting duties increased 50% to SEK 43.3 m (28.8)
- Negative currency impact on EBIT of SEK 19 m

SEK m	Q1 2017	Q1 2016	Change	FY 2016
Revenue	1,102.0	1,000.1	10.2%	4,117
EBIT	240.9	250.1	-3.7%	946
EBIT margin	21.9%	25.0%	-	23.0%
Net income	214.4	234.0	-8.3%	878
Casino revenue	822.9	669.1	23.0%	2,908
SB revenue	250.3	292.8	-14.5%	1,080
SB margin	6.1%	6.1%	-	6.5%
Deposits	3,789	3,517	7.7%	14,458
Active players	607,333	538,077	12.9%	-

QUARTERLY DEVELOPMENT

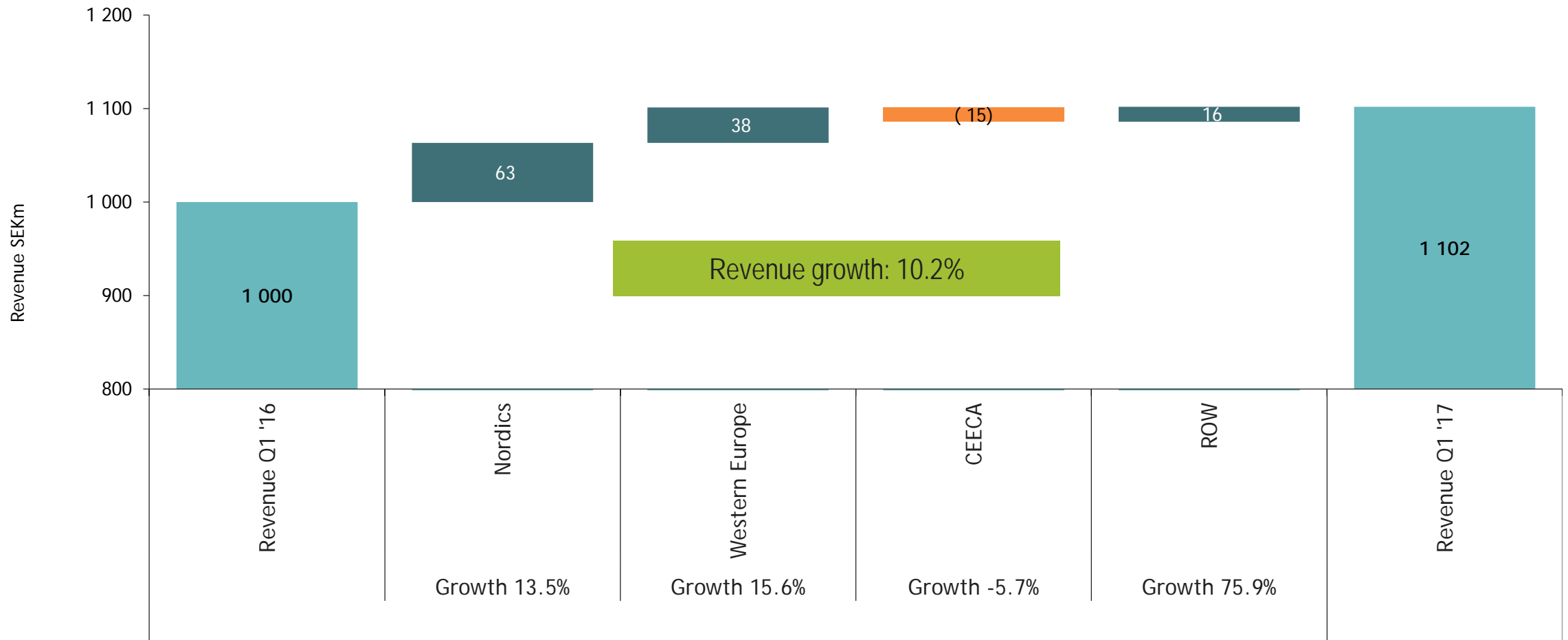
Revenue



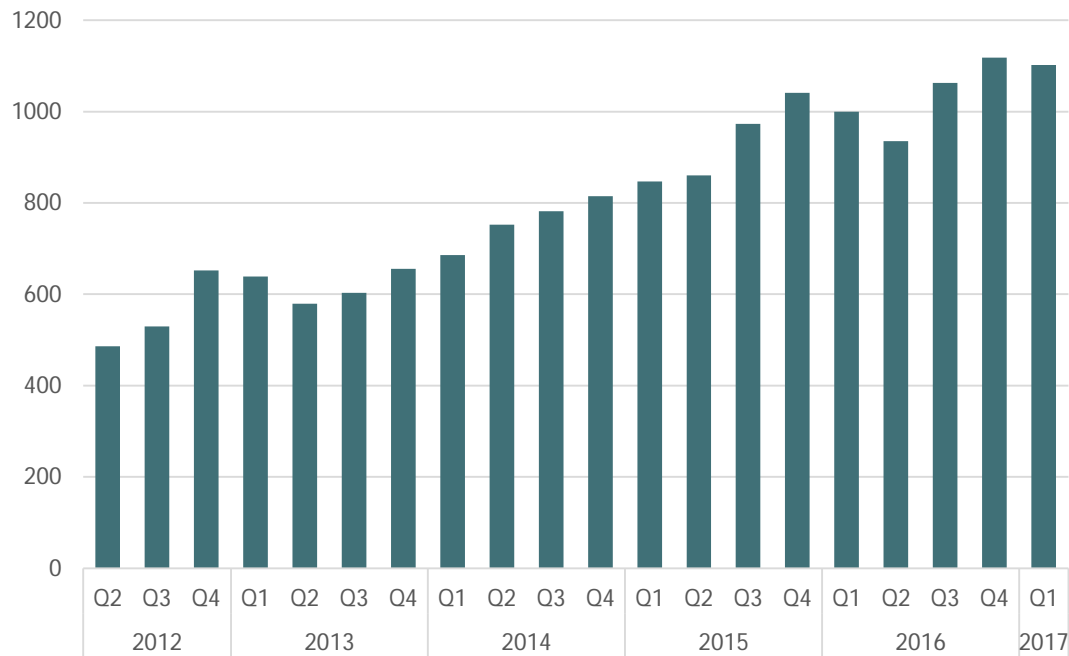
Earnings per share (EPS)



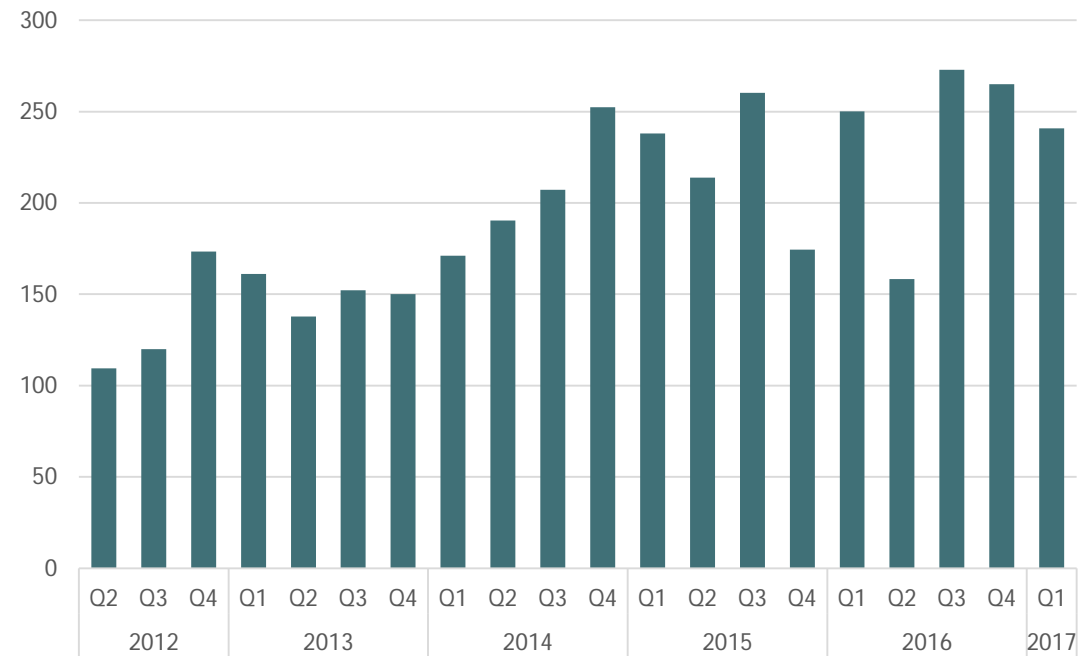
REVENUE DEVELOPMENT, Q1



REVENUE AND EBIT LONG TERM TRENDS



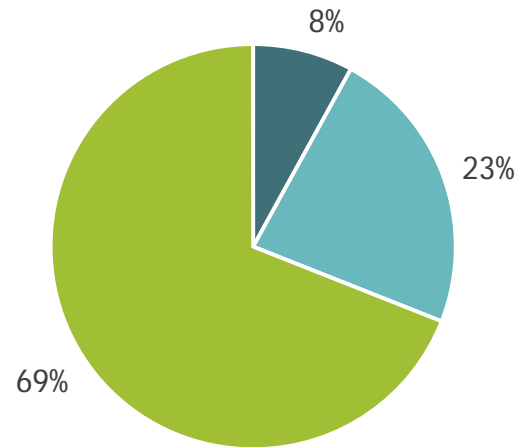
- Q4 is normally strongest
- Revenue SEK 1,102.0, +10.5% Y/Y
- Low sportsbook margin



- EBIT SEK 240.9 m, -3.7% Y/Y
- 16% decline in TYR Y/Y
- 50% increase in betting duties to SEK 43.3 m
- Conversion of revenue base to long-term sustainable and valuable revenues impacts margins

CONVERSION OF REVENUE BASE IN LINE WITH STRATEGY

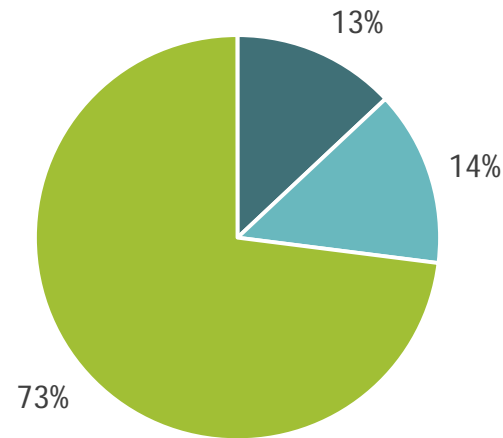
Q1 2015



■ Locally licensed ■ Realm ■ Other

- Acquisition of Europe-Bet added licensed revenue

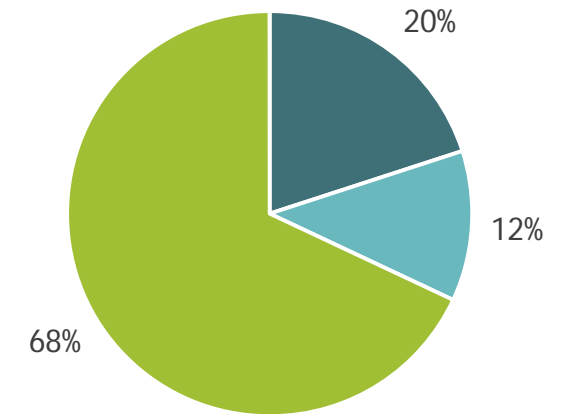
Q1 2016



■ Locally licensed ■ Realm ■ Other

- Added new licenses in four jurisdictions
- Negative currency fluctuation in TYR impacted license revenue from Realm

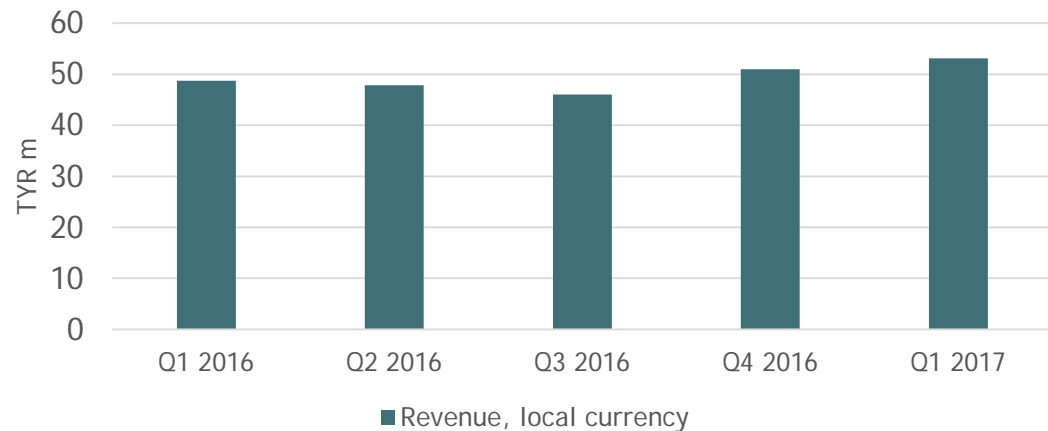
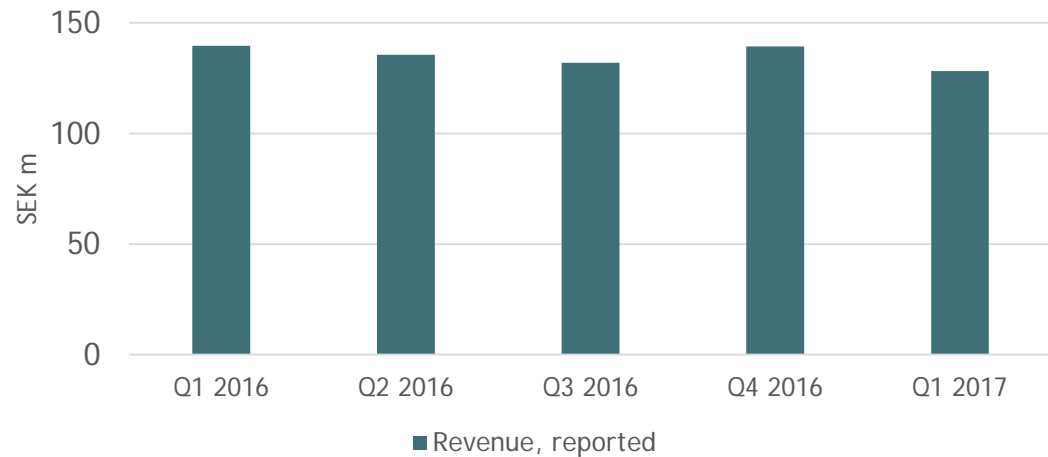
Q1 2017



■ Locally licensed ■ Realm ■ Other

- Acquired licensed company in the UK
- Added license in Spain
- Continued drop in TYR impacted license revenue from Realm

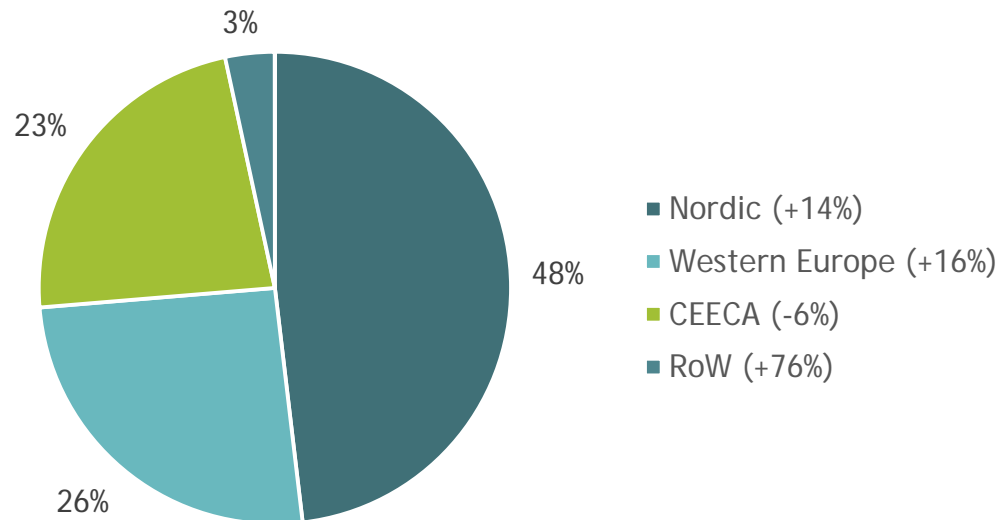
LICENSE REVENUE, B2B ASSOCIATE REALM



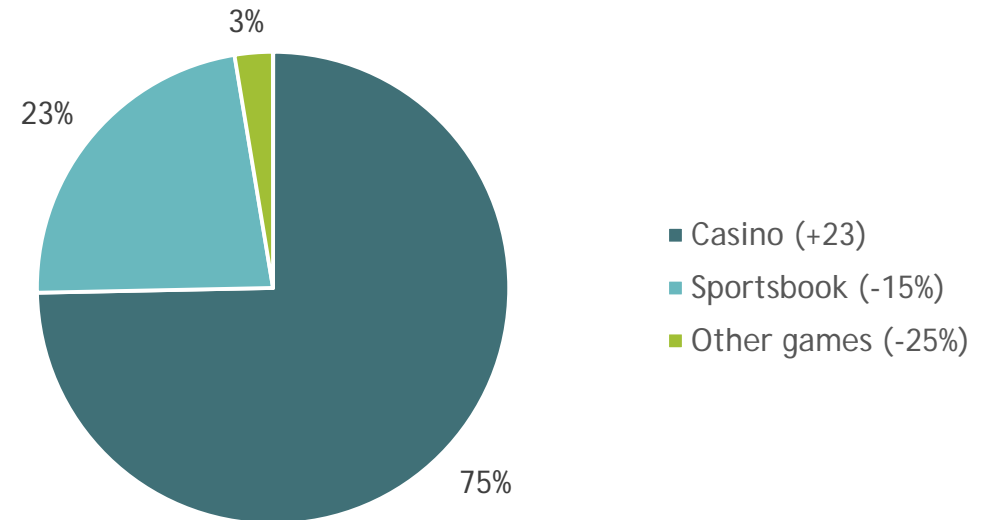
- License revenue SEK 128.2 million (139.4)
- 16% currency decline Y/Y
- 9% growth in local currency
- Realm is 11.6% (13.9) of Group revenue
- Stable outlook in local currency
- Continued currency uncertainty expected

STRONG GROWTH IN WESTERN EUROPE AND NORDICS

Geography



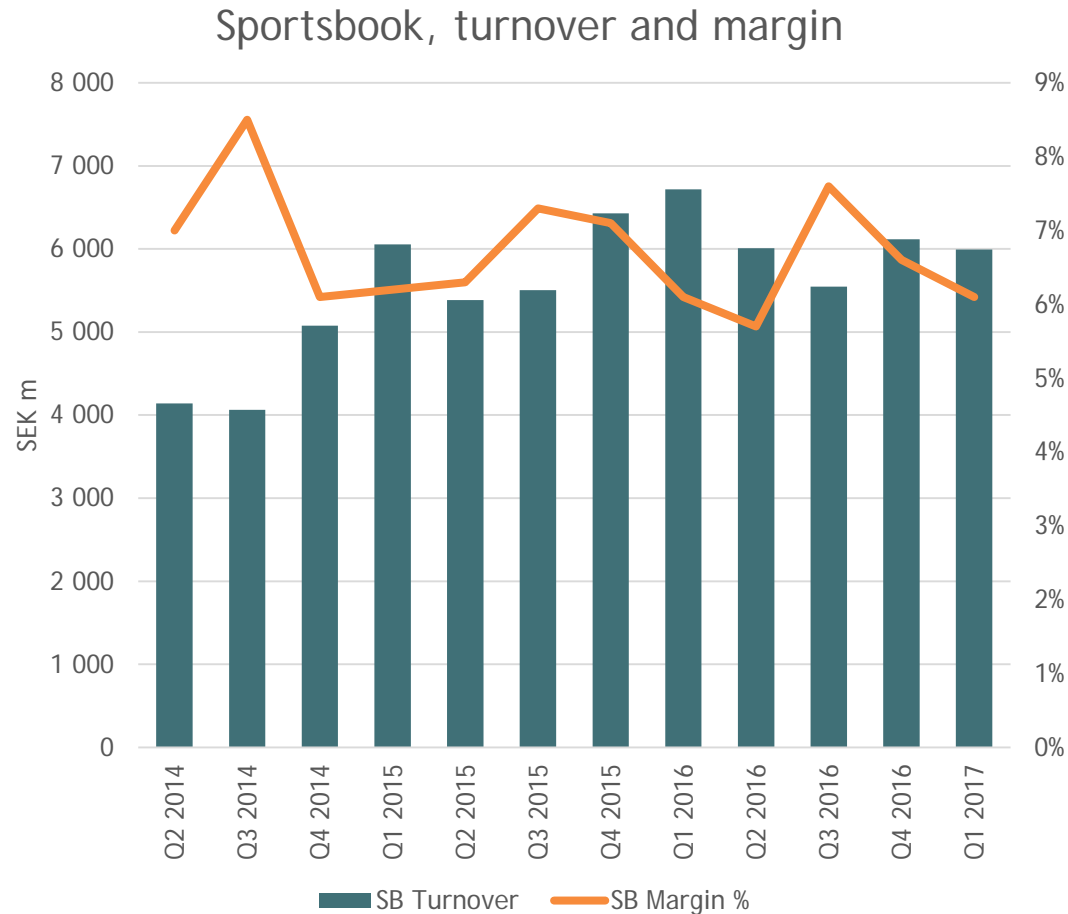
Product



- Region Western Europe now larger than region CEECA
- Sportbook Western Europe back to growth Q/Q
- Decline in CEECA due to currency effect and sportsbook margin
- Continued weak outlook for CEECA

- Casino +23% Y/Y
- Mobile casino growth +65% Y/Y
- Sportsbook -15% due to low sportsbook margin and negative currency impact

TURNOVER EXCLUDING REALM IS GROWING



- Sportsbook turnover SEK 6,006 million (6,718)
 - SB turnover includes 100% B2B
- Decline mainly due to weak TYR currency
- Turnover excl. Realm is approx. +15% Y/Y
- Sportsbook margin at 6.1% (6.1) due to player-friendly results
- 8 quarter rolling average sportsbook margin is 6.6%

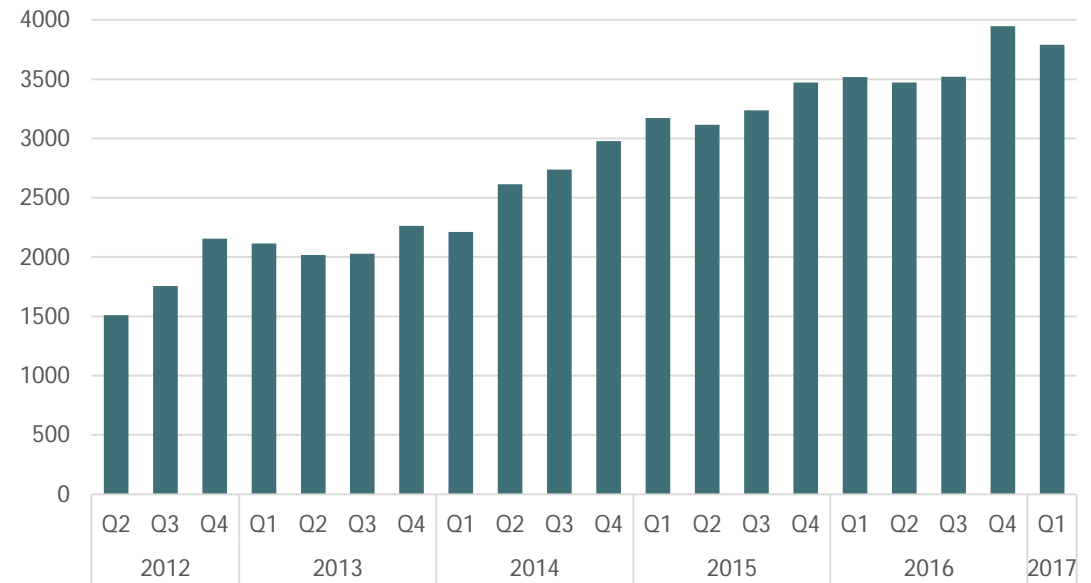
CONTINUED STRONG UNDERLYING ACTIVITY

Active players



– Active players was 607,333 (538,077)

Deposits



– Deposits were SEK 3,789 m (3,517)

– Deposits impacted by negative currency effect in TYR

– New payment solutions added to platform in Q1

Q1 2017 Presentation

BUSINESS UPDATE

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LONG-TERM VIEW ON NETPLAY ACQUISITION

- Total consideration GBP 26.4 m
 - Net of cash: GBP 18.9 m
- Acquisition closed 31 March
- Expected revenue FY 2017 of around GBP 25 m
- Synergies
 - Consolidation of operations
 - Delisting of PLC
 - Migration to Techsson (2019)
- Restructuring cost
- Long-term view
- Strengthens position in the UK
 - Makes UK one of Betsson's bigger markets



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ACQUISITION OF LICENSED OPERATOR IN SPAIN

- Subscale operator in regulated environment
- Acquisition closed 31 March 2017
 - Consideration EUR 3 m
- Foothold in the Spanish market
- All relevant licenses in Spain incl. Sportsbook
- 260,000 registered customers
- Will be operated under StarCasino.es

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PROXIMAMENTE

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PRODUCT UPDATE



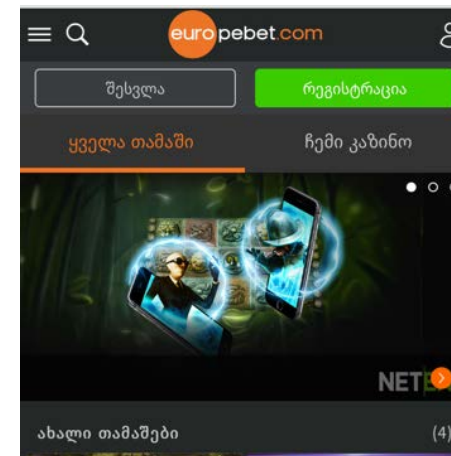
Sportsbook

- Added snooker to offer
- More live markets
- Betsafe first operator to pay out on Chelsea as PL winners



Casino

- 1,902 games, of which 1,446 on mobile
- New exclusive games launched

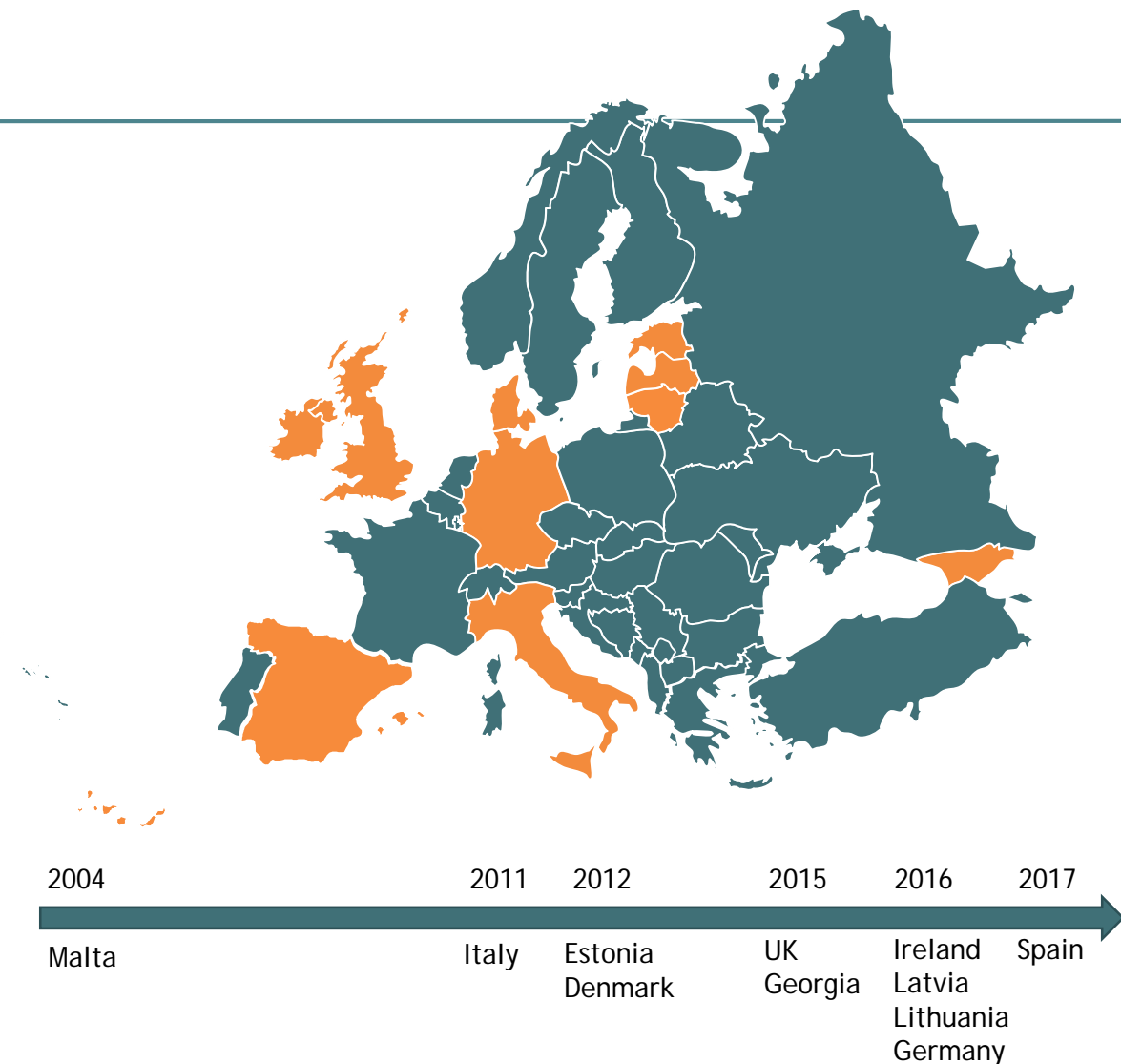


Europe-Bet

- Migrated to Techsson
- Best mobile casino in region

REGULATORY UPDATE

- License in Spain
- 20.3% (13.3) of revenues locally taxed
- SEK 43.3 m (28.8) betting duties paid
- Report on new gambling regulation for Sweden
 - 18% tax on GGR
 - Licenses for casino, sportsbook and other games
 - Implementation earliest Q1 2019
- Re-regulation of Netherlands best case mid 2019



TRADING UPDATE

- Revenue in the beginning of the second quarter:
 - higher than the daily average for the same quarter last year
 - lower than the daily average for the first quarter 2017
- The underlying activity remains strong



OUTLOOK

- The second quarter is normally seasonally weak. The company will continue its planned investments in marketing and product development. Operating expenses in the second quarter 2017 are therefore expected to grow slightly more than 10 percent, including acquired entities, compared to the operating expenses for the first quarter 2017.
- The management expects that revenue from regulated markets will continue to grow. This results in lower margins when the revenue base, in accordance with Betsson's strategy, transforms to a higher share of regulated revenue. However, local regulation creates improved possibilities for continued growth and conversion of our revenues to long-term sustainable and valuable revenues.

**SARAH ♥
BETSSON
= SANT**



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