

The background is a teal color with a repeating pattern of white line-art icons. These icons include various casino-related symbols such as dice, roulette wheels, playing cards, slot machines, and dollar signs.

betsson ab

Q1 2021

Pontus Lindwall, President & CEO Betsson AB

Martin Öhman, CFO Betsson AB

# OUTLINE

- Highlights
- Operational update
- Financials
- Trading update
- Regulation
- Summary
- Q&A

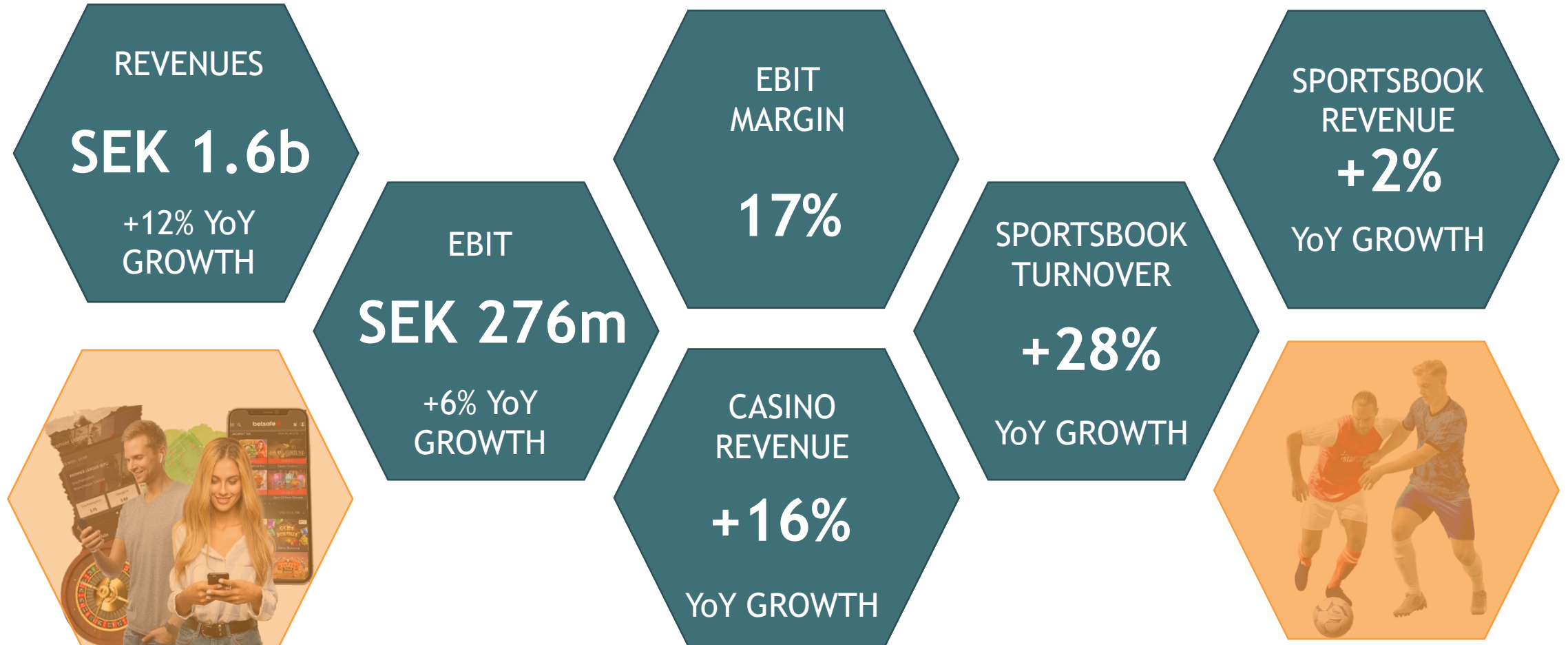


Pontus Lindwall  
CEO, Betsson AB



Martin Öhman  
CFO, Betsson AB

# Q1 HIGHLIGHTS

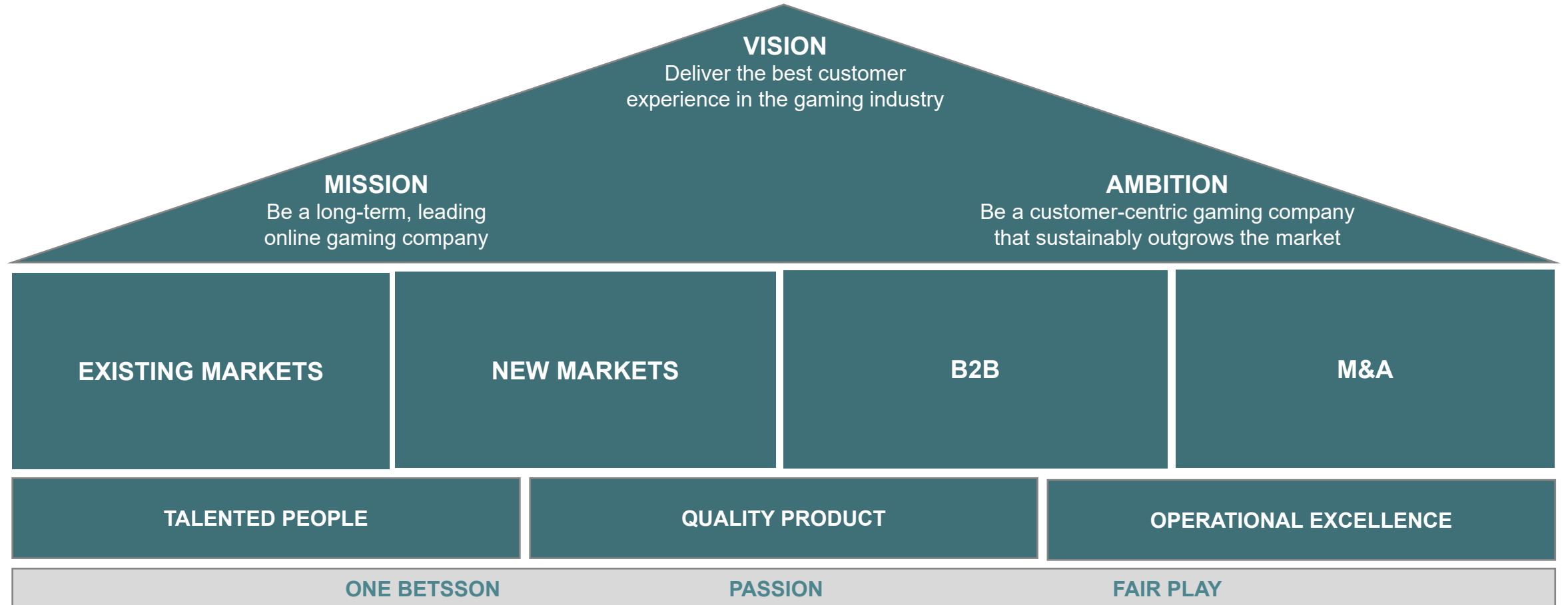


# OPERATIONAL UPDATE

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# THE BETSSON STRATEGY SUPPORTS GROWTH

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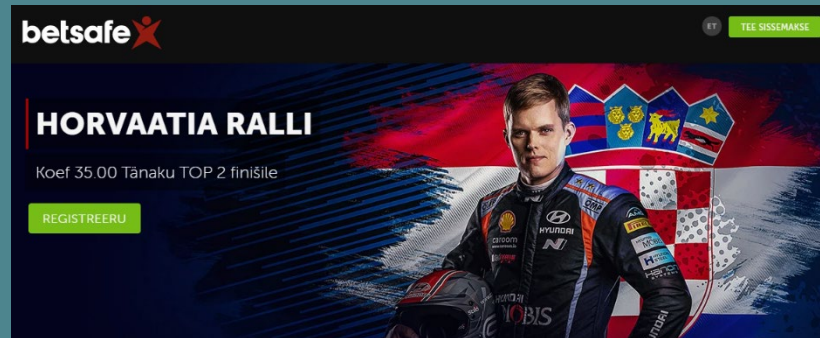
# EXISTING MARKETS

EXISTING  
MARKETS

NEW  
MARKETS

B2B

M&A



Betsafe.ee moved to new platform  
providing a dynamic site with the latest  
Sportsbook offerings in Estonia



Betsson received license in Germany  
for online sport betting



# NEW MARKETS

EXISTING  
MARKETS

NEW  
MARKETS

B2B

M&A



Launched Fantasy Sport  
in Brazil.

Brand awareness activities  
& customer database build-up  
preparing for licensing



Betsson is expanding into  
several LatAm markets  
including our latest  
partnership with Big Bola  
Casino in Mexico



Establishing service hub in  
Bogota to support expansion  
in the region

# NEW MARKETS

EXISTING  
MARKETS

NEW  
MARKETS

B2B

M&A



Sponsorship of Peru's  
premier league, Liga 1



Sponsorship of Chile's  
second division league,  
Primera B



Sponsorship of Chile's National  
Football Team, La Roja

# STRATEGIC INVESTMENTS AND COLLABORATIONS



## –Strategic investment

- 6.5 MUSD invested in strategic venture with TG Lab to encompass technology, IP and market expertise
- Investment in software company to provide efficient payment solutions for LatAm region

## –Strategic collaborations

- Agreement with TG Lab for PAM development will provide Betsson with a modern platform on the US market



# B2B AND SPORTSBOOK DEVELOPMENT



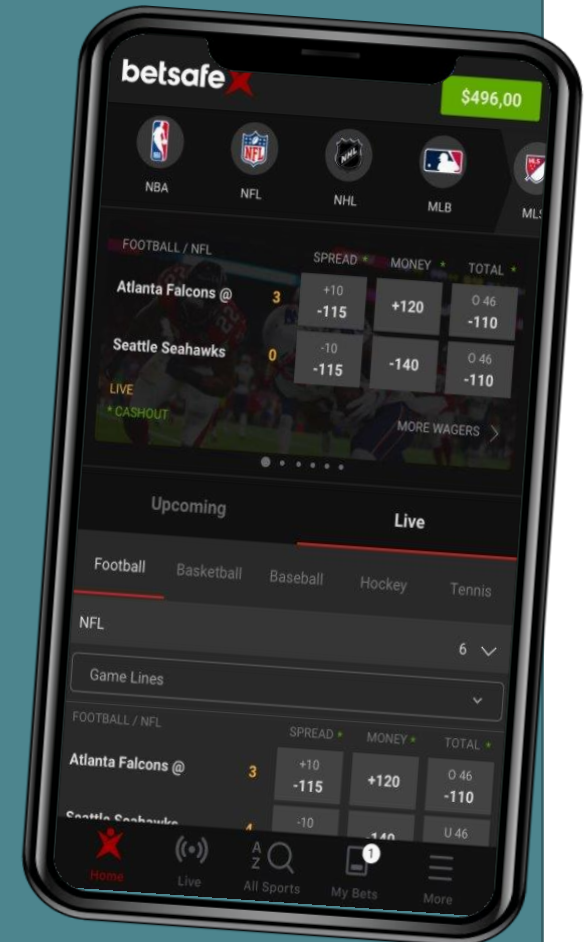
## ■ B2B development

- Betsson has a long history of B2B operations
- Profound experience and knowledge of how to run B2B business - We know **how** to work and **what** to do
- B2B organisation is scaling up, US project engage 120 people
- Extended B2B offerings will be solution orientated and can include customer support, risk and fraud, responsible gaming and other

## ■ Sportsbook development

- Betsson owns its proprietary Sportsbook
- Control over development
- Engaging 170 people
- We experience great interest in our Sportsbook

➔ Strategic decision to focus on B2B and US entry



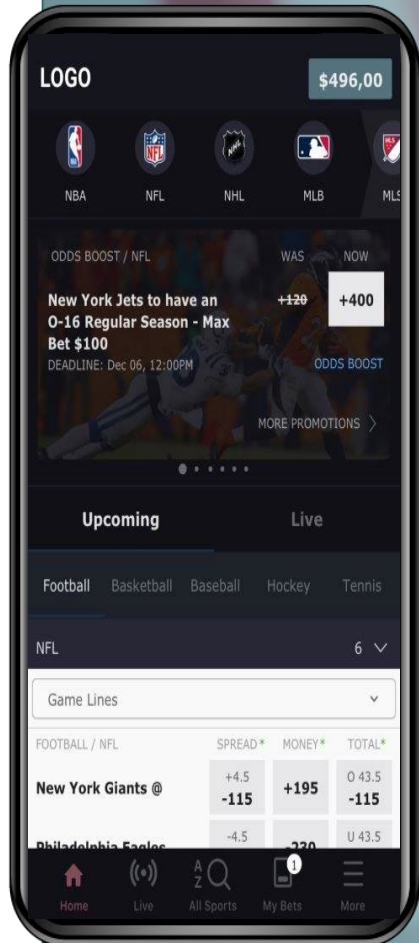
# US ENTRY

EXISTING  
MARKETS

NEW  
MARKETS

B2B

M&A



## ■ Development

- Still early days, more states opening up & more operators entering
- The US market will become the worlds largest gaming market within short
- B2B set up will enable us to address a large part of that market
- Tailoring our SB to be US friendly through extensive user testing
- Feedback over the last 12 months with US customers show high scores
- B2B organisation is scaling up, US project engage 120 people



## ■ Offering

- Entry to US market B2C in Colorado with Betsafe to showcase our SB in US
- Numerous companies, offline casinos and sports clubs in the US, with great brand equity as target group for our SB
- Modern SB with strong offering, relevant features & an “easy to use” interface
- Track record of solid trading operation in our SB
- Actively managing risk to ensure healthy margins

# INNOVATION SUPPORTING GROWTH

## SAMPLE OF TECH DEVELOPMENT



Tool for optimising Time-to-Market for efficient adaptations in new market entrances

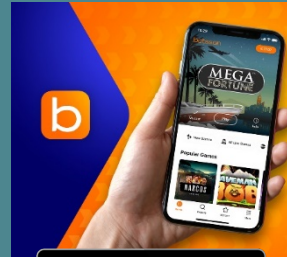


Several brands moving to the cloud for enhanced customer experience



Biometric login available in certain markets

Adding games to native iOS apps



Available for customers in Sweden, Peru, Chile and Malta



Android Apps launched and available on Google Play

PlayTech integration decrease dependence on one single Live Casino provider



New payments providers launched in several markets

# UPDATED SUSTAINABILITY FRAMEWORK

## SUSTAINABILITY FRAMEWORK

### EMPLOYEE IMPACT

Best workplace in  
the industry

### SOCIAL IMPACT

Positive impact where  
we operate

### CLIMATE IMPACT

Fighting climate  
change

## RESPONSIBLE GAMING

A healthy relationship to gaming

## BUSINESS COMPLIANCE

Conducting a responsible and transparent business



# RESPONSIBLE GAMING KPIs



**77,987**  
interactions with  
customers

**1.7%**  
of customer service  
contacts raised red flags



Selected KPIs  
measured on a  
quarterly basis



**13.1%**  
of customers use non-  
mandatory RG tools

**31.9%**  
of NDCs set a  
deposit limit



# SELECTED ACTIVITIES DURING Q1



## EMPLOYEE IMPACT

- 86%** of employees feel the "Betsson spirit" despite working from home
- 96%** of employees believe they can work efficiently from home
- 92%** of employees believe that Betsson is handling the pandemic well from a business perspective

## CLIMATE IMPACT



### Science based target

Betsson has submitted a 'commitment letter' to the Science Based Targets initiative (SBTi)



### Climate neutral company

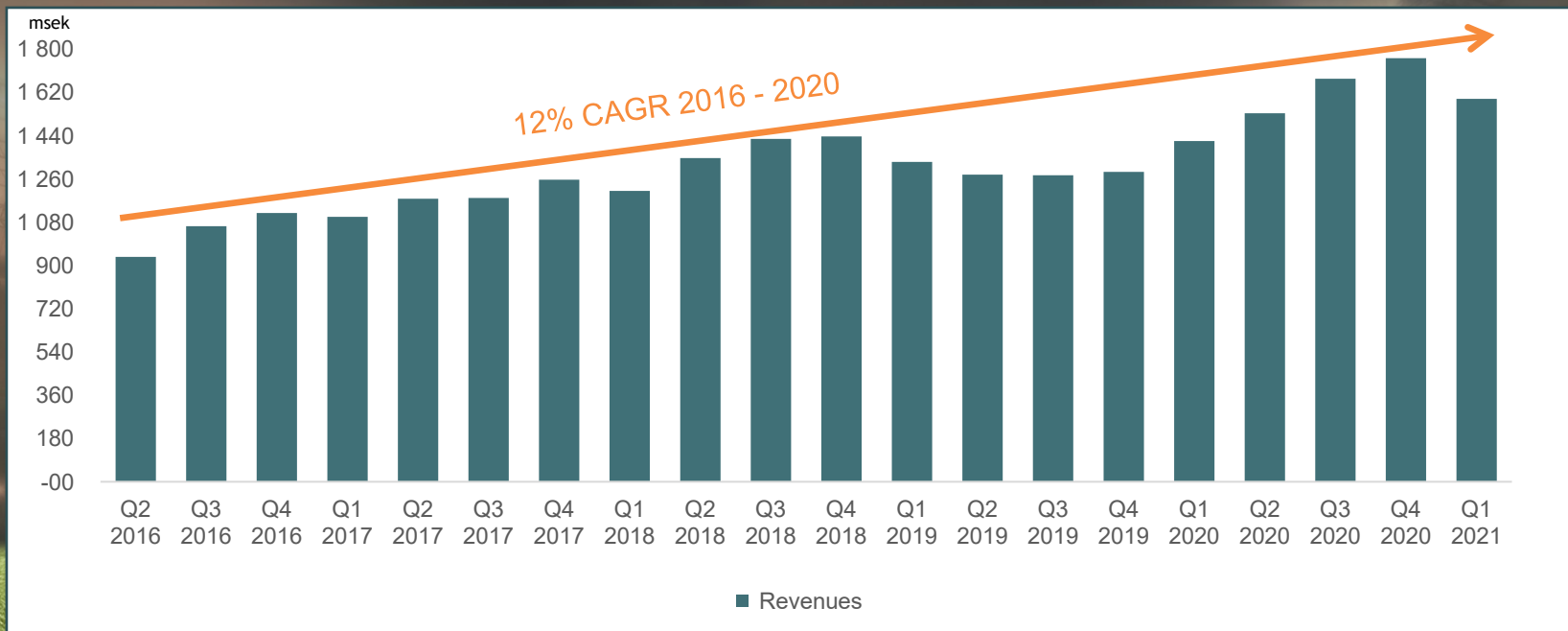
Betsson has purchased reduction units corresponding to 9,195 tonnes of greenhouse gas emissions:

- Xe Namnoy Hydropower Project, Laos
- Siam Solar Power Plant Project, Thailand

# FINANCIALS

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# 5Y REVENUE DEVELOPMENT AND KPIs



Active **customers** increased by 39% to 948,109



**Deposits** increased by 27% to MSEK 7,288.5



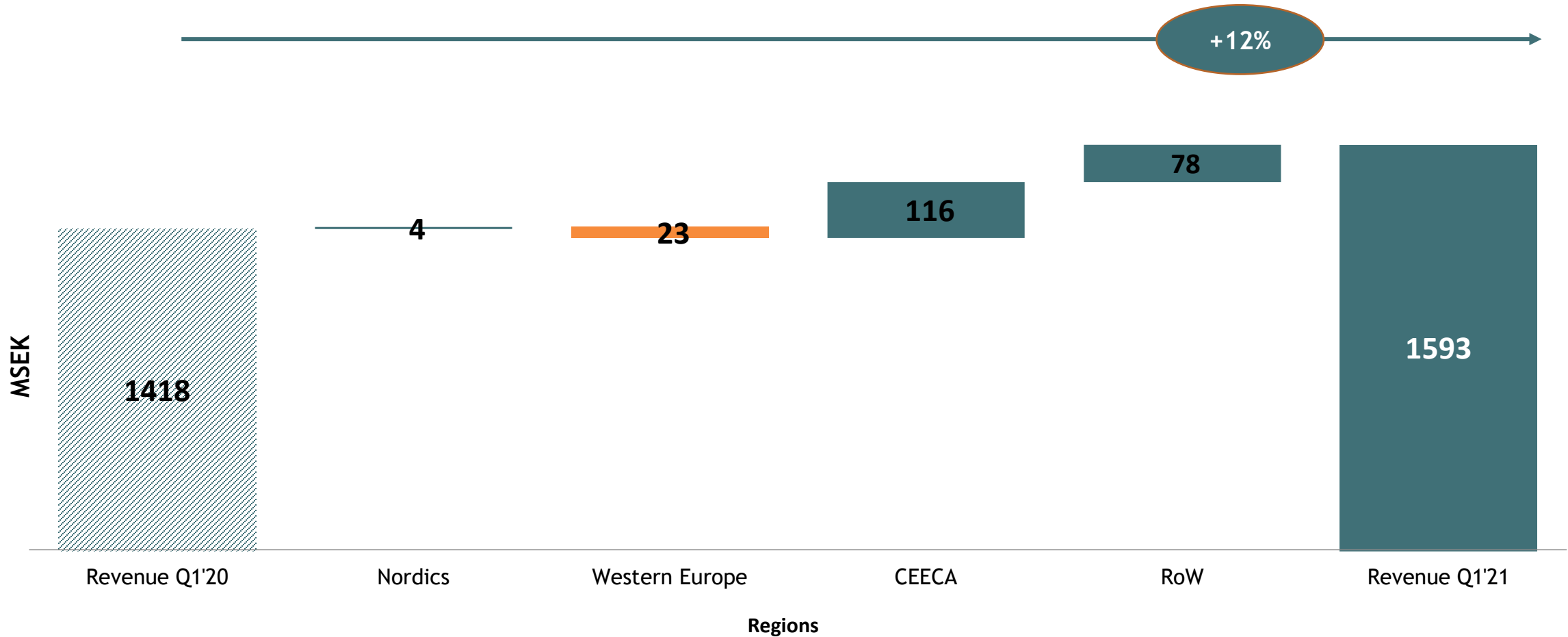
**Casino** revenue increased by 16% YoY

Mobile revenue 74% of total casino revenue

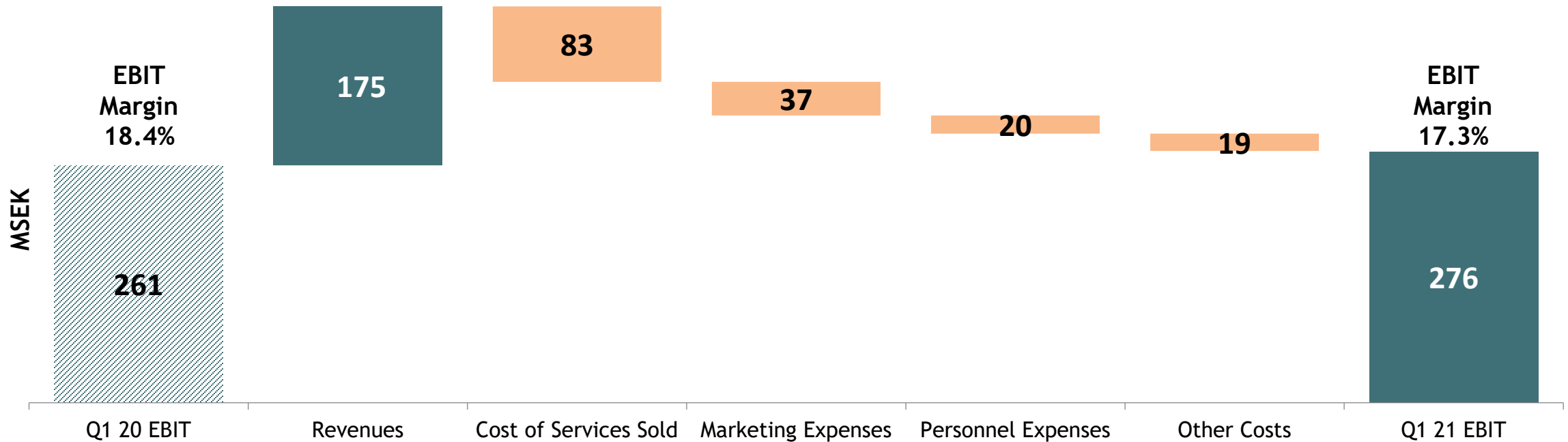
**Sportsbook** turnover increased by 28% YoY with a margin of 7.2%

Sportsbook revenue up 2% YoY  
Mobile revenue: 81% of total

# REVENUE DEVELOPMENT BY REGION



# EBIT DEVELOPMENT YOY



# CASH FLOW & FINANCIAL POSITION

- Operating cash flow
  - Mainly driven by operating income
  - Impacting from working capital close to zero, decrease in Receivables on payment providers offset by increased Prepaid expenses and decreased Other liabilities
- Investments
  - Driven by investments in Betsson’s proprietary technology
- Net debt SEK 45 (26) million
  - Net debt/EBITDA 0.1 (0.0)
- Equity/assets ratio 62% (67%)

SEK m	Q1 2021	Q1 2020
Operating cash flow	328	322
Cash flow from investing activities	-79	-87
Cash flow from financing activities	-12	-3
<b>Cash flow for the period</b>	<b>236</b>	<b>232</b>
Cash and cash equivalents, end of period	1,116	909

# Q2 2021 TRADING UPDATE\*

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Average daily revenue until 25 April was 12% higher than the average daily revenue of the full Q2 2020

Adjusted for negative currency effects average daily revenue **was 24% higher** than the average daily revenue of the full Q2 2020

*\* 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

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## DENMARK



Gaming tax increased from 20% to 28%.

Proposal to allow gaming operators to make sponsorship deals with sport teams

## SWEDEN



Temporary restrictions on online casino introduced by the Swedish government are proposed to be extended until 14 November 2021

## FINLAND



The Ministry of Interior has launched a project to reform the Lottery Act and to investigate how legislation can strengthen the system

## NETHERLANDS



KSA has clarified that once the player has completed the registration process as required by law, operators may use existing databases

## KENYA



Further extension of the temporary marketing ban during COVID push Betsson's commercial launch

# SUMMARY Q1

- Focus on growth
  - Expansion into new markets, primarily in LatAm
  - Scaling up the B2B organisation
  - Strategic investments/partnerships
  - Investments in Sportsbook for the US market
- Earnings and financial position allow us to execute the growth strategy
- Investments in technology to support expansion and to enhance customer experience



The logo for betsson ab, featuring the word "betsson" in a lowercase, sans-serif font, followed by "ab" in a smaller, lowercase, sans-serif font. The background is a teal color with a repeating pattern of various casino-related icons such as slot machines, roulette wheels, dice, and playing cards.

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THANK YOU

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TIME FOR Q&A