

Q2 2016

JANUARY - JUNE

Ulrik Bengtsson CEO & President

- Currency effect SEK -32.8 m
- Lower Sportsbook revenue
 - Lower than average Sportsbook margin
 - Effect of regulatory changes
 - Losses in one market
- Strong performance in Casino
- Strong increase in active players
 - +20% organic growth
- Europe-bet growth of 18%
- Strong start of Q3

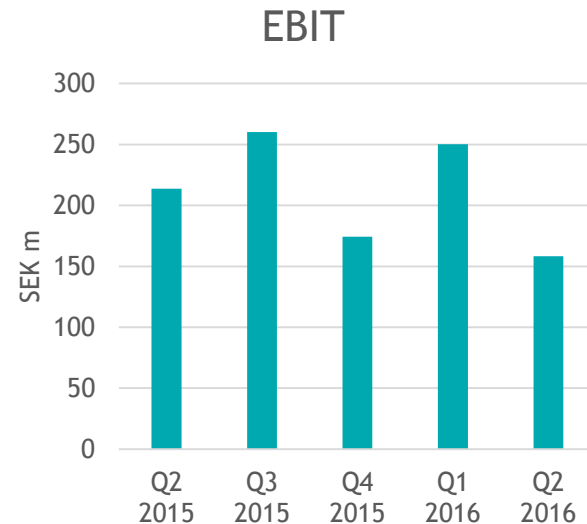
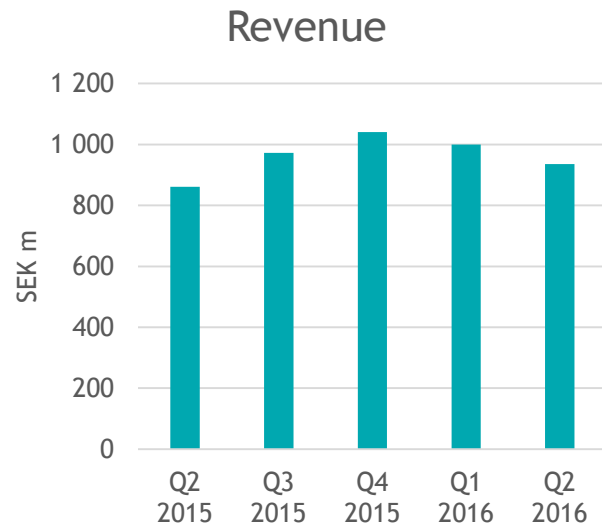
SEK m	Q2 2016	Q2 2015	Change	FY 2015
Revenue	935.4	860.6	8.7%	3,722.0
EBIT	158.3	213.8	-26.0%	886.4
Net income	146.4	201.6	-27.4%	831.7
Casino revenue	683.2	617.8	10.6%	2,543.6
SB revenue	223.0	206.4	8.0%	1,012.7
SB margin	5.7%	6.3%		6.7%
Deposits	3,472.8	3,116.6	11.4%	12,999.2
Active players, (000's)	563.2	357.6	57.5%	-

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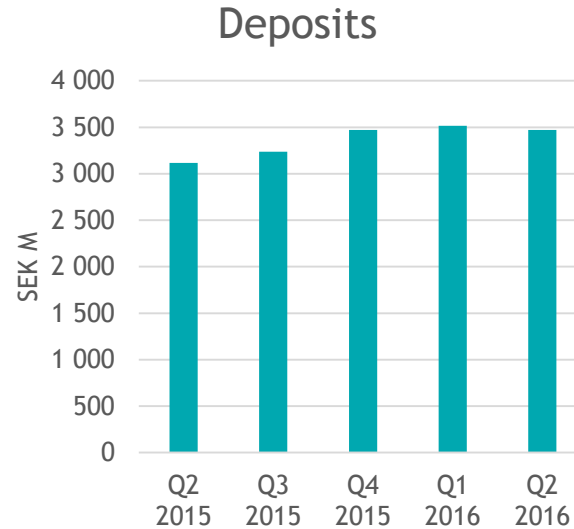
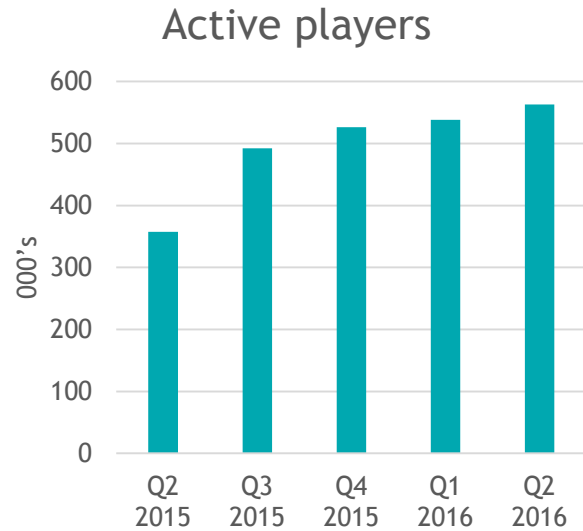
KEY PERFORMANCE INDICATORS





- Revenue of SEK 935 m
- Currency impact of SEK -32,8 m
- Lower than expected SB revenue

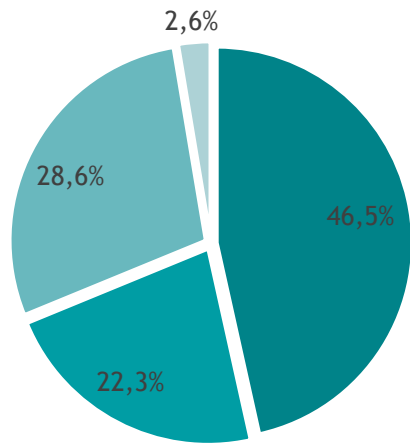
- EBIT of SEK 158 m
- Full impact of revenue decrease on EBIT
- Increased marketing spend during Euro 2016
- Continued investments in technology & product development



- 563,000 active players in Q2
- 58% growth y-o-y
- 20% organic growth

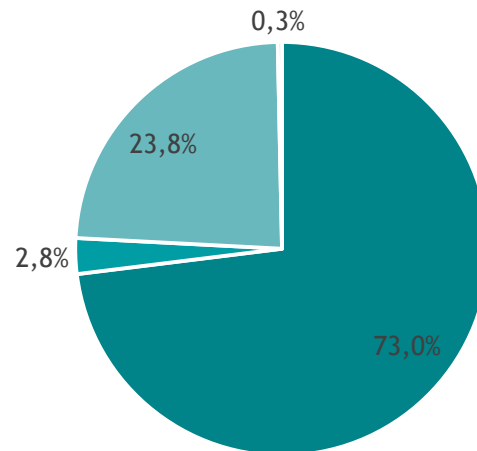
- Deposits of SEK 3.5 bn
- Increase 11% y-o-y despite negative currency effect

Geography



- Nordic (-1%)
- Western Europe (+3%)
- Central, Eastern Europe and Central Asia (+36%)
- RoW (+3%)

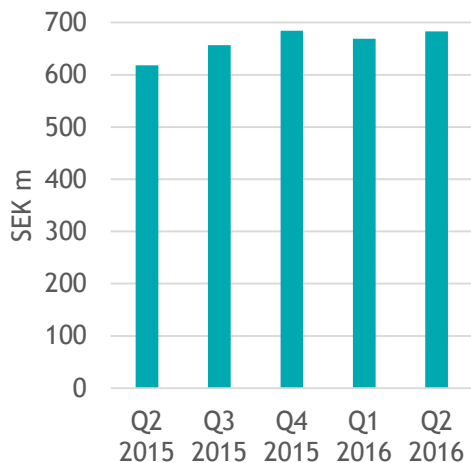
Product



- Casino (+11%)
- Poker (+6%)
- Sportsbook (+8%)
- Other (-74%)

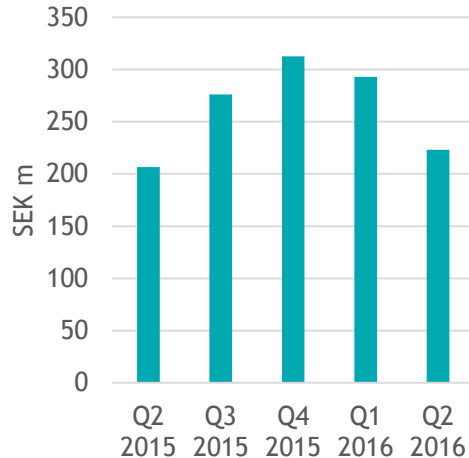
Numbers in brackets represent change from Q2 2015

Casino, revenue



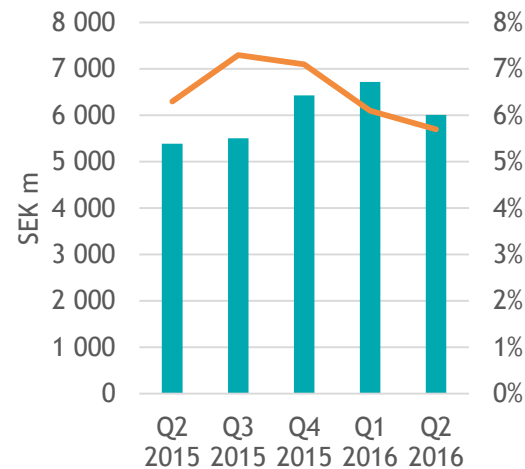
- Revenue SEK 683 m

Sportsbook, revenue



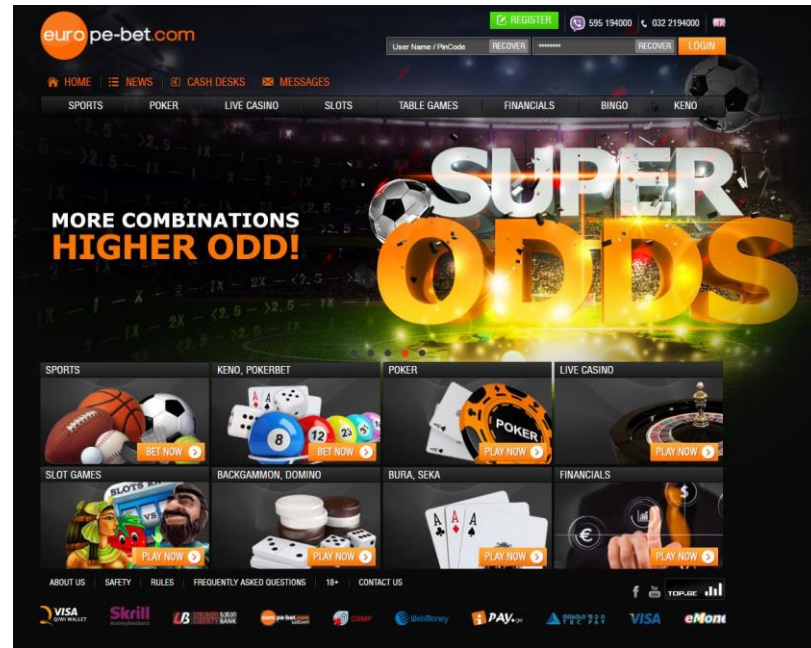
- Revenue SEK 223 m

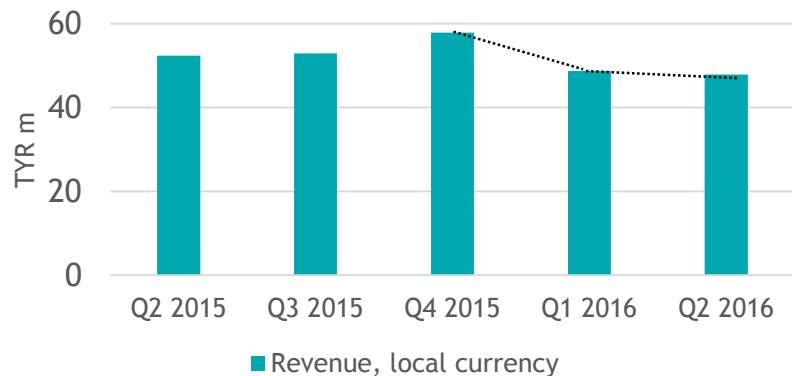
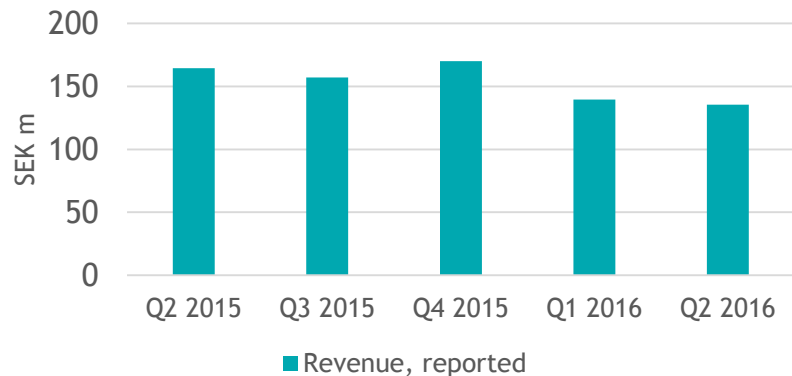
Sportsbook, turnover



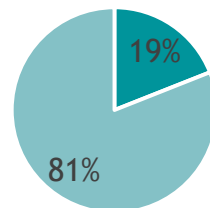
- Turnover
 — Margin
- Sportsbook margin in Q2 was 5.7%

- Acquired in Q3 2015 in line with our acquisition strategy
- Fully licensed in Georgia
- Revenue SEK 94.1 m
-of which 15.6 Offline
- Operating income SEK 22.9 m
- Online growth of 18%
- Continued improvement of local offering



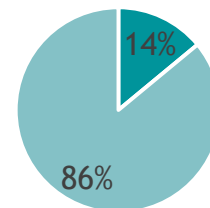


Share of revenue, Q2 2015



■ Realm ■ Other

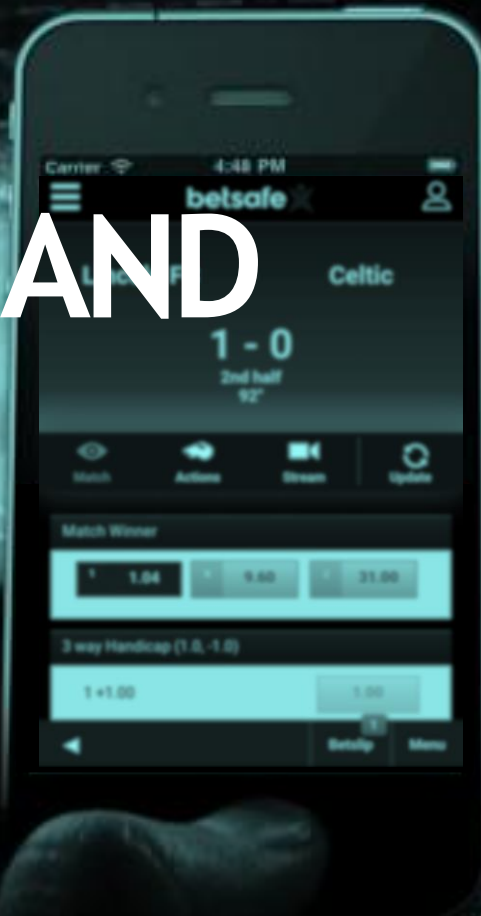
Share of revenue, Q2 2016



■ Realm ■ Other

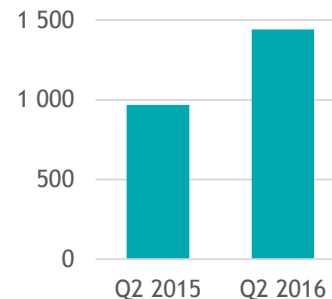
- Realm revenue share at same level as Q1
- Improved product offering for Realm
- Business is stabilizing
- Contract with Realm extended until December 2017

PRODUCTS AND OFFERING

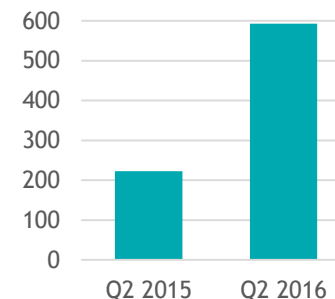


- Increase from 983 to 1,442 games
- Games available on mobile devices from 223 to 593
- Additional exclusive games
- Probably largest casino in the market

Total games



Mobile games



Betsson's jackpot app won two prizes at the 9th International Gaming Awards (IGA) ceremony: App of the Year and Best Slots Game App.



The screenshot shows the Betsafe website interface for virtual horse racing. At the top, the user's account balance is kr1,606.22. The navigation menu includes options like PROMOTIONS, SPORT, LIVE BETTING, CASINO, LIVE CASINO, POKER, and VIRTUALS. The main content area features a live video feed of a horse race titled "Raceday 7222 - Race 4/9 Kingdom Club Sprint" with a timer at 0:01.400. To the right is a "Race Calendar" listing several races with their respective times and track conditions. At the bottom, a progress bar shows the current race status: "Race Begin", "BET STOP", "Race" (00:41), and "Race End".

Virtual Sports

The screenshot displays the Bets10 live numbers game interface. The top navigation bar includes "SPORTSBOOK", "VIRTUAL SPORTS", "LIVE GAMES", "CASINO", "LIVE CASINO", "POKER", "GAMES", "SCRATCH", and "BINGO". The main area shows a live stream of a game host in a blue dress standing behind a table with a roulette wheel and a board. The interface includes a "BET SLIP" section with a message "Bets are not accepted while draw is running." and a "COMBINATIONS" table. The table lists betting options and their odds:

COMBINATIONS	Amount
At least one pair	1.04
Any two pairs (different)	3.50

The "Amount" column has a grid with values 1, 3, 5, 10, 20, 30, 50, 100. The interface also features a "LIVE" indicator and a "Draw numbers" button.

Live Numbers Games

Stability

Scalability

Functionality

The screenshot displays the betsson sportsbook website interface. The top navigation bar includes links for Home, Odds, Casino, Live Casino, Poker, Games, Basketball, Rings, Bingo, and About Help. The main content area is divided into several sections:

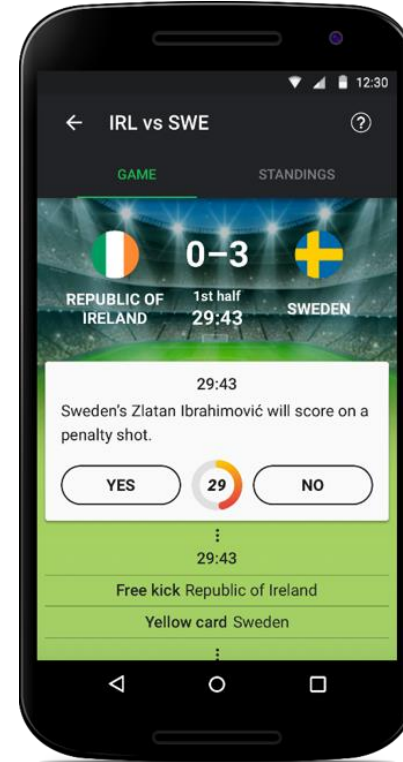
- Live just nu:** A section for live betting, featuring a large image of a soccer field and a "bet now" button.
- Termin:** A section for upcoming events, listing various sports and events with odds and betting options.
- Börjar snart:** A section for upcoming events, listing various sports and events with odds and betting options.
- Futboll:** A section for soccer betting, listing various leagues and events with odds and betting options.
- Basket:** A section for basketball betting, listing various leagues and events with odds and betting options.
- Baseboll:** A section for baseball betting, listing various leagues and events with odds and betting options.
- Volleyboll:** A section for volleyball betting, listing various leagues and events with odds and betting options.
- Fotboll:** A section for football betting, listing various leagues and events with odds and betting options.

The interface is clean and modern, with a focus on providing a comprehensive overview of betting options and live events.

- 41% of total revenues in Q2
- 61% of Sportsbook turnover on mobile

New releases:

- Emperor App
- Apple TV



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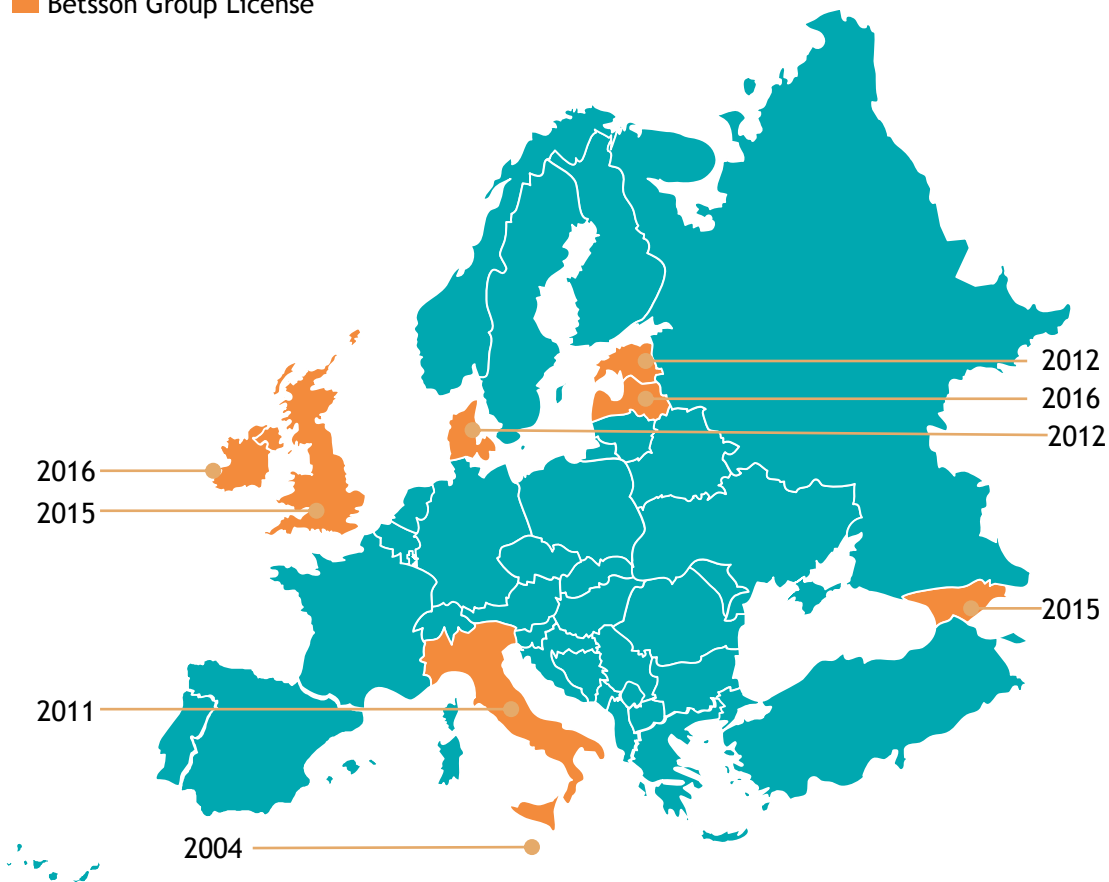
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REGULATORY UPDATE



- Lower House of the Dutch parliament has voted in favour of new remote gaming legislation
- Expected that the legislation will pass the Upper House this year
- Gaming Authority has indicated that licensing process should start on 1st July 2017
- New licenses estimated to be granted Q1 2018
- Proposed tax level: 29% on GGR

 Betsson Group License



- 2004  Malta (SB 0.5% TO / GoC 1.5K EUR per license)
- 2011  Italy (20% GGR)
- 2012  Estonia (5% GGR)
- 2012  Denmark (20% GGR)
- 2015  UK (15% GGR)
- 2015  Georgia (5% TO / GoC 15% profit)
- 2016  Ireland (SB 1% TO)
- 2016  Latvia (15% GGR)

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GOING FORWARD



**Strong
underlying
market drivers**



- Expected continued strong growth in overall gambling
 - Continued shift from offline to online
 - New digital channels like mobile driving additional revenue
-

**Strong
competitive
business**



- Strong organic growth
 - Strong EBIT margins
 - Multi-brand - attractive positions across countries and segments
 - Strong execution capabilities and operational excellence
-

**Scalable
business**



- 100% of revenue through one platform - Techsson
 - Digital marketing and customer acquisition capabilities transferable across countries
-

**Value
creative M&A
opportunities**



- Strong track record of value creating acquisitions
- Natural owner of small and mid sized operators
- Ambition to increase revenue from regulated markets

Q & A

