

Q4 2015

FOURTH QUARTER REVENUES GREW 28%



- Revenues of SEK 1,041.1 million (+28%) ↑
- Organic growth (constant currency) +18% ↑
- Gross turnover, Sportsbook +27% ↑
- Mobile revenue +100% ↑
- Deposits +17% ↑



- Betsson believes in the German market and intends to apply for a gaming license when possible
- The sports betting tax is 5% (based on turnover)
- Betsson Malta is submitting returns for historic tax on sports betting of total ~SEK 113 million (1 July 2012-31 December 2015). SEK 8.7 million was accrued during fourth quarter 2015
- The tax will not have material impact on the margins in Germany in future. It will be debited on the players (already launched)
- Betsson opposes the view of being subject to tax liability



BETSLIP (BETSAFE)

BETSLIP OPEN BETS

Single Combined

Montreal Canadiens - Ottawa Senators
Match Winner
1 1.84

1 EUR

€ 1000 Free Bet

1 Single

Total stake	1.00 EUR
Tax	0.05 EUR
Stake after tax	0.95 EUR
Potential win	1.75 EUR

Gaming tax will be paid in full to the Government for this transaction.

Buy slip

betsafe.com

1

5 cent of the actual stake (1 EUR) is allocated to tax

BET CONFIRMATION

BETSLIP OPEN BETS

Confirm

Montreal Canadiens - Ottawa... 1.84
Stake (EUR) 1

1 Single
Total stake (EUR): 1.00
Tax (EUR): 0.05
Stake after tax (EU... 0.95
Potential win (EUR): 1.75

Change Confirm

betsafe.com

Odds Format Decimal

2

Bet confirmation shows the same tax information as the betslip did so the customer remains aware of the tax



Including German tax *Excluding German tax*

Income Statement, SEK million

	Q4 2015 SEK m	Q4 2015 SEK m
Revenue	1041.1	1041.1
Cost of services provided	-257.1	-257.1
<i>Non-recurring items (1 July 2012-31 Sept 2015)</i>	-103.8	0
<i>Accrued item (1 October 2015-31 December 2015)</i>	-8.7	0
Gross profit	671.4	784



BUSINESS UPDATE



Products

Platform

Brands



Techsson



Business to Consumers (B2C)



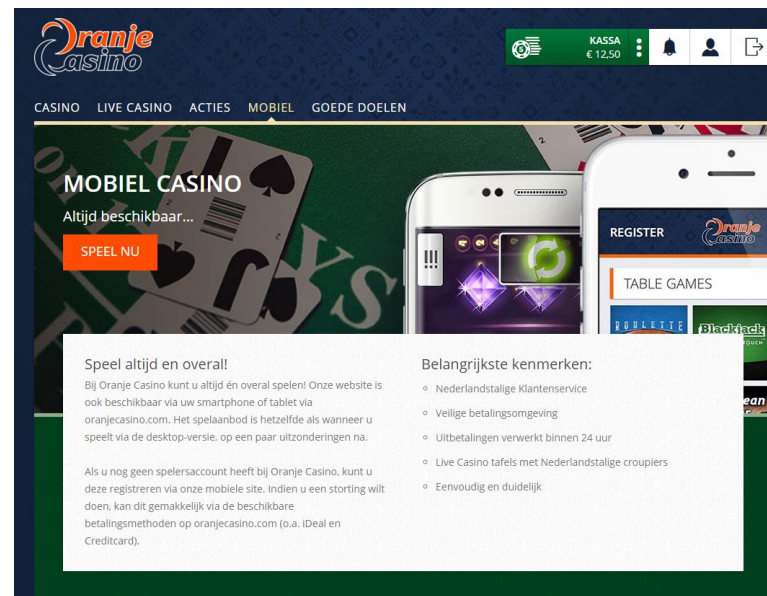
Business to Business (B2B)





Another successful migration

- New improved registration page
- New mobile website
- Extra deposit & withdrawal methods
- Tools to trace valuable transaction information
- New game providers
- Improved UX across the site

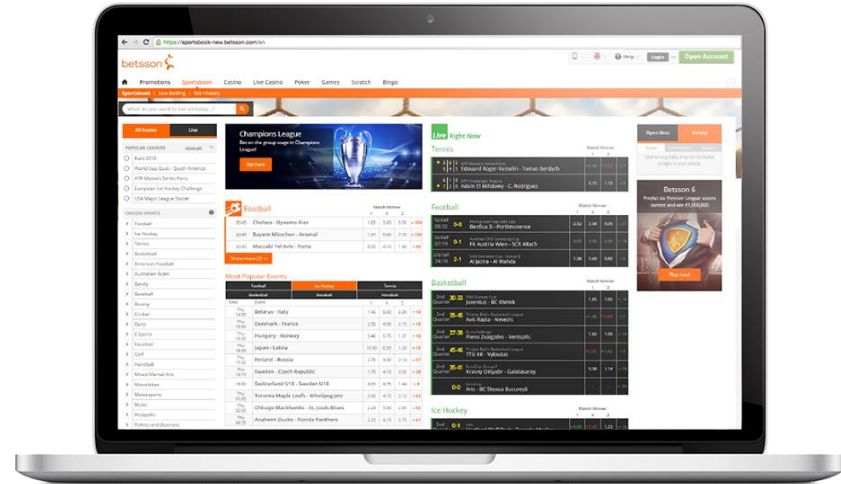


Front-end improvements

- Improved navigation and quick links
- Updated Lobby & Homepage Experience

Back-end improvements

- Enables features and functionality for all Betsson Group Brands
- Increase SEO value



*The new sportsbook on Betsson.com
- An experience to remember*

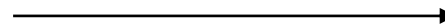


82.7%



Industry average

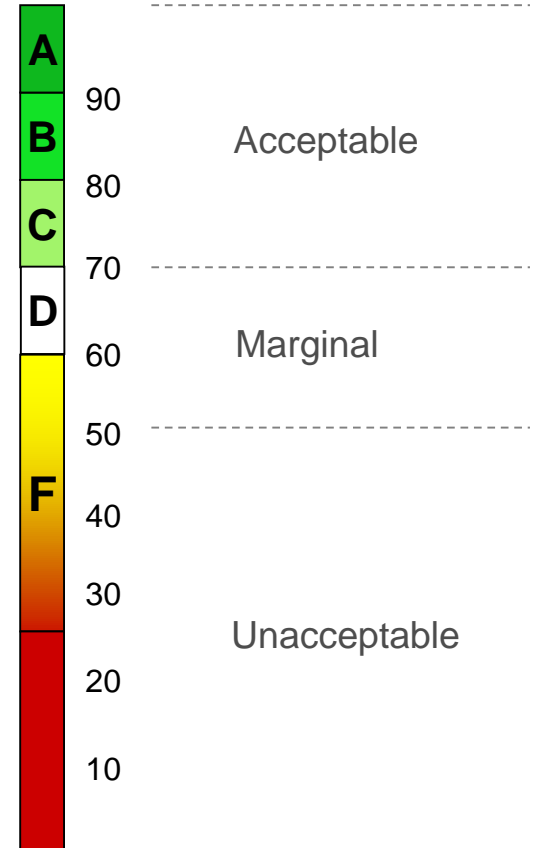
65%



Customer Centric Approach to Design

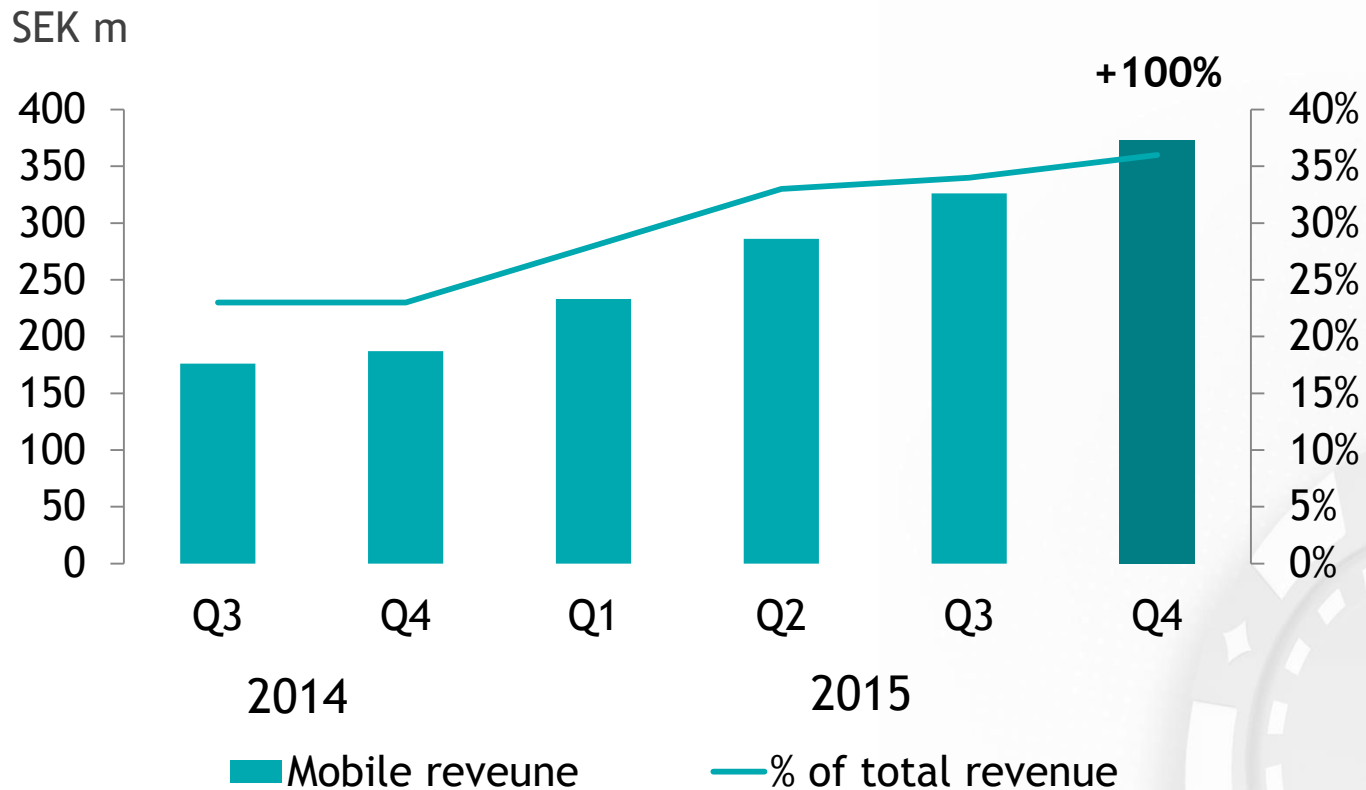
Betsson received a System Usability Scale Score (satisfaction metric) of **82.7%**, which is substantially higher than the industry average of 65%

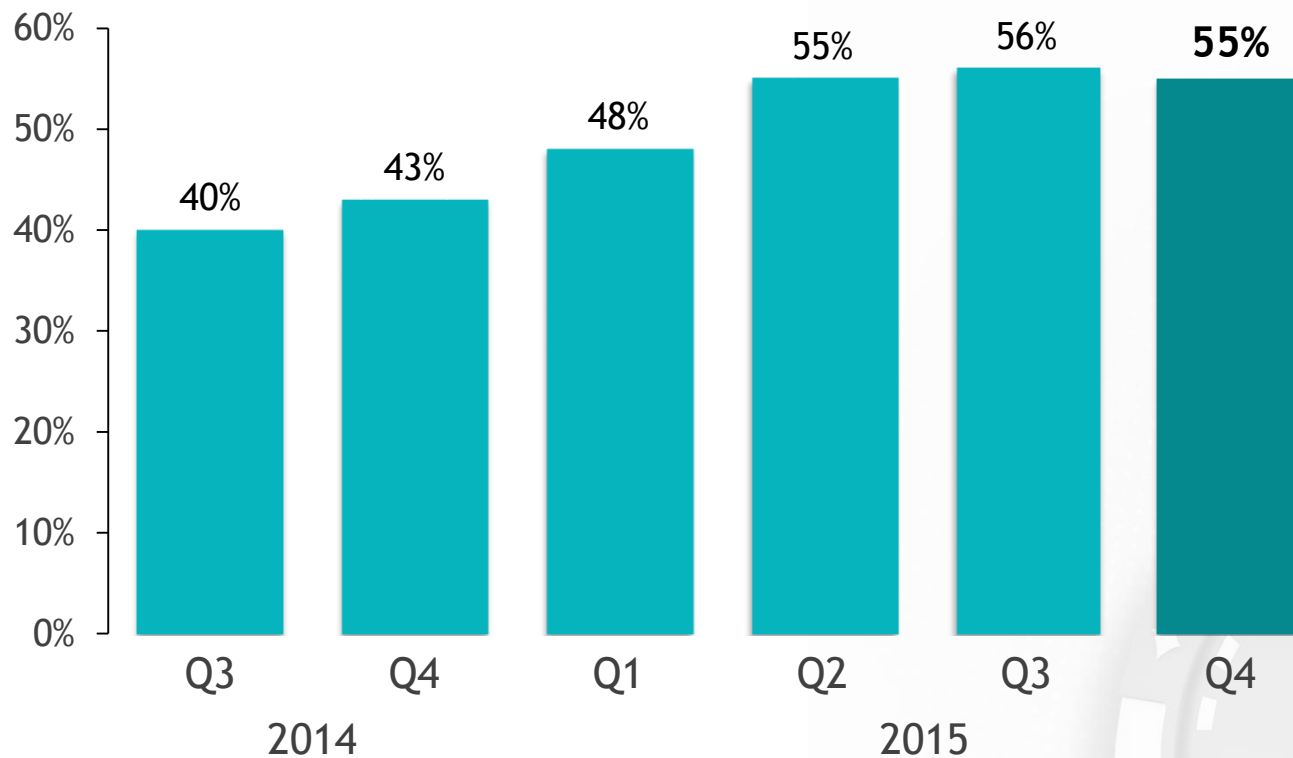
**Source - Global reviews, 2015*



- Revenue amounted to **SEK 373.3 million**
- **36 percent** of total revenues in Q4
- Growth of **100 percent**
- Release of iOS App NordicBet.dk









- Contributed with **SEK 96.1 million** in revenues
- Growth of **27 percent** (local currency)
- Operating income of **SEK 21.8 million**



*Europe-Bet grew by 21 percent in SEK

FINANCIAL HIGHLIGHTS



- Revenues of SEK 1041.1 (814.7) million
- Total growth of 28 percent
- Organic growth amounted to 18 percent (constant currency)

Figures in brackets refer to the same period last year



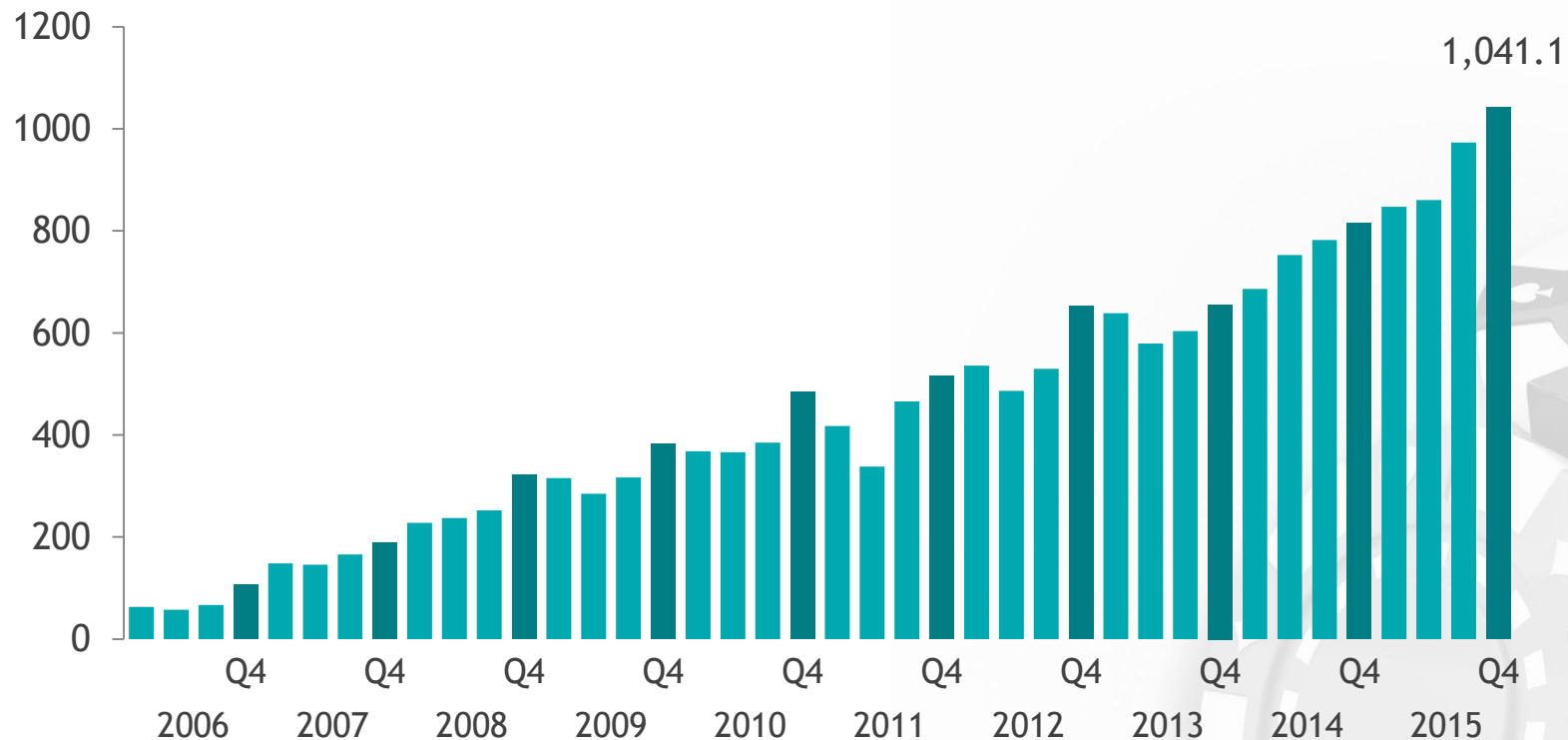
- EBIT of **SEK 174.4** (252.5) million
- EBIT of **SEK 286.9** million, if excluding German tax effect

Figures in brackets refer to the same period last year

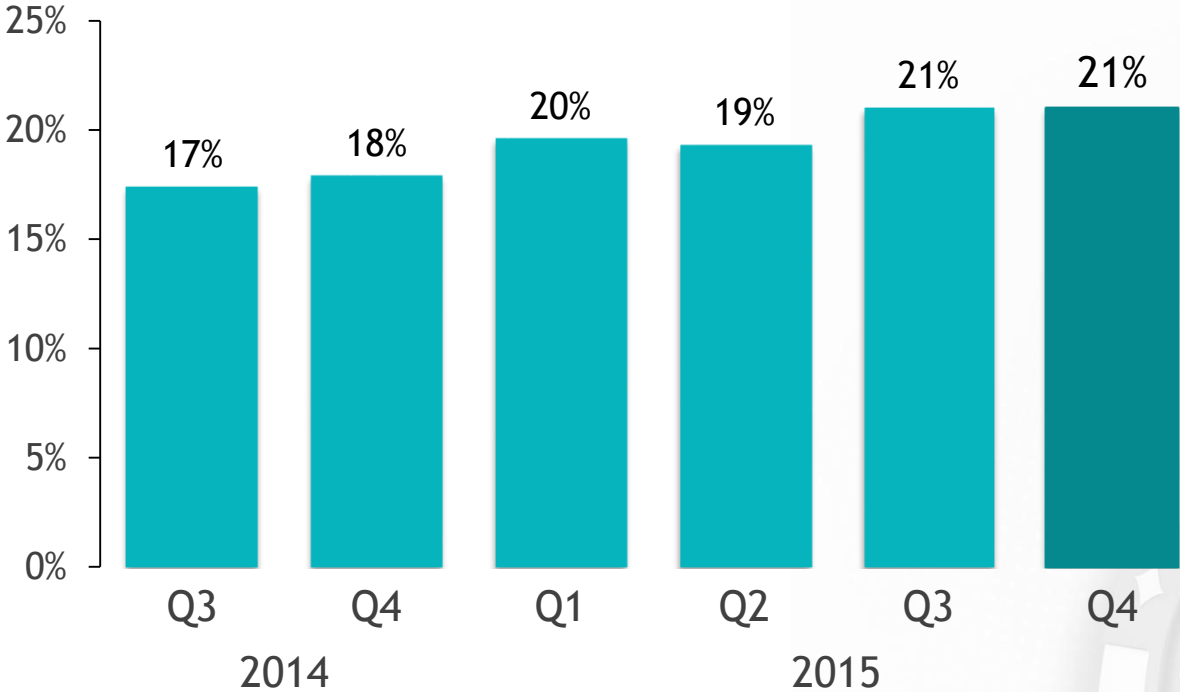


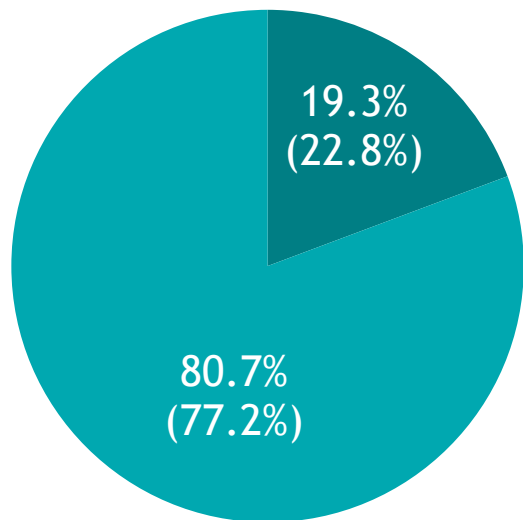
REVENUES, 28% GROWTH

SEK m



MARKETING OF TOTAL REVENUE (%)





- B2B, Business to business
- B2C, Business to consumers

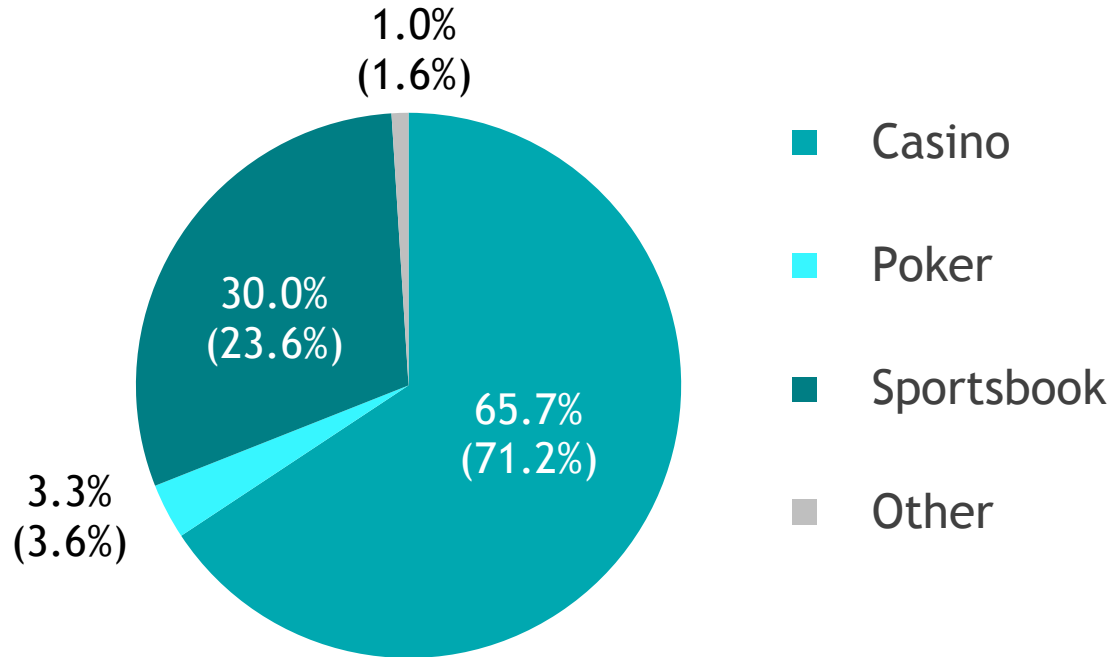
Figures in brackets refer to the same period last year



	Actual (SEK m)	Total Growth (%)
B2C	840.6	34%
B2B	200.5	8%

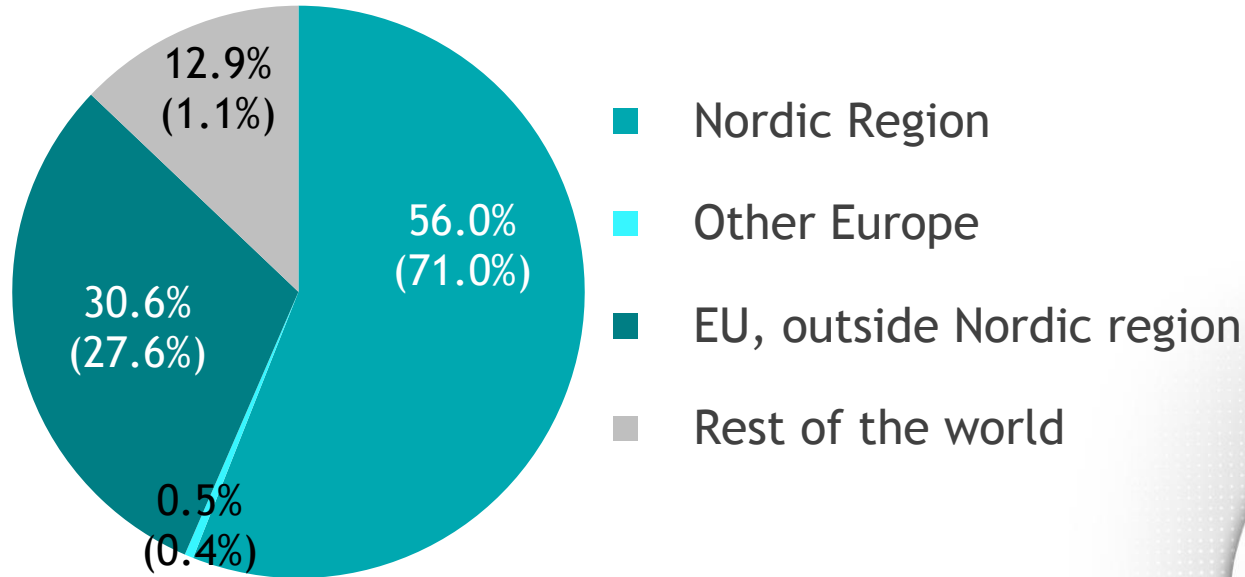


Total Growth is referring to the same period last year



Figures in brackets refer to the same period last year



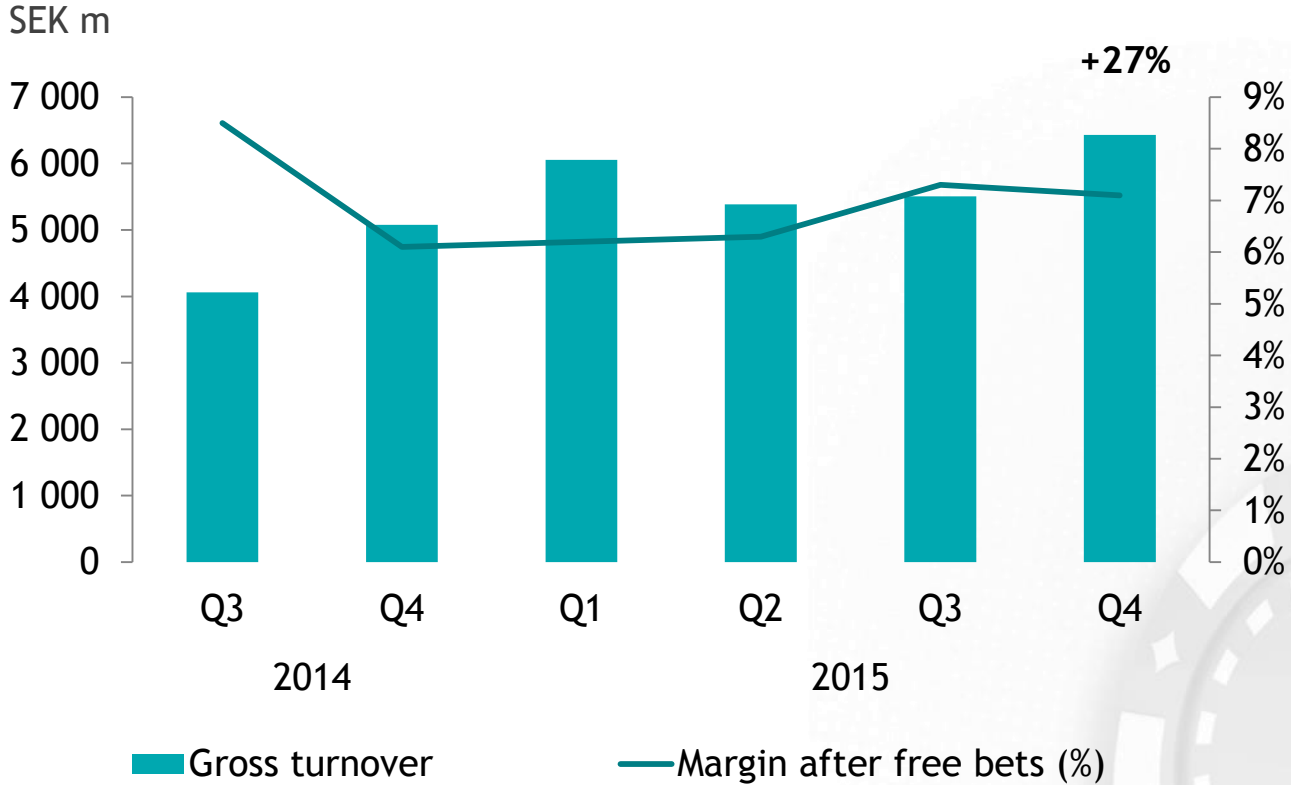


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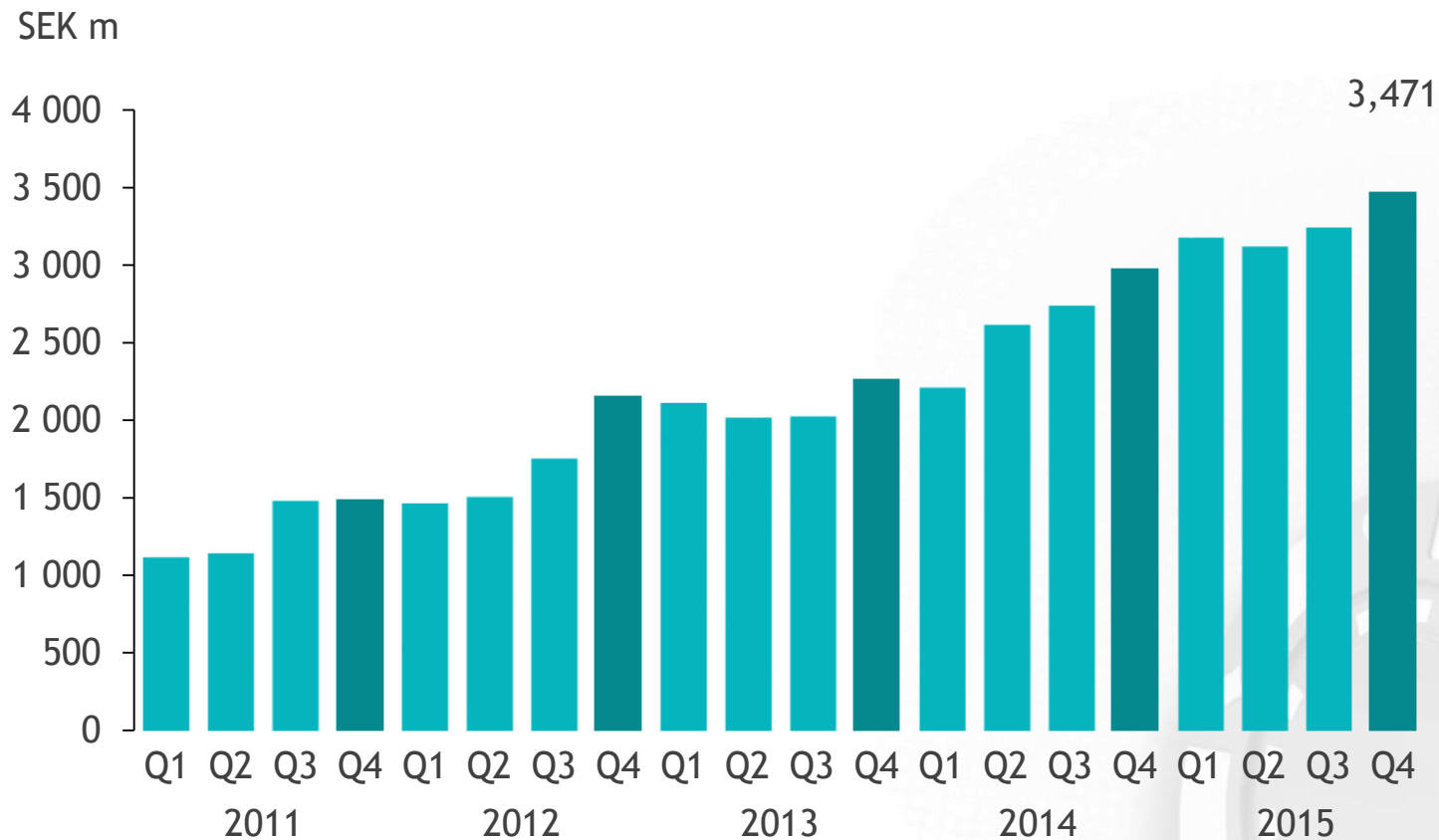


KEY PERFORMANCE INDICATORS



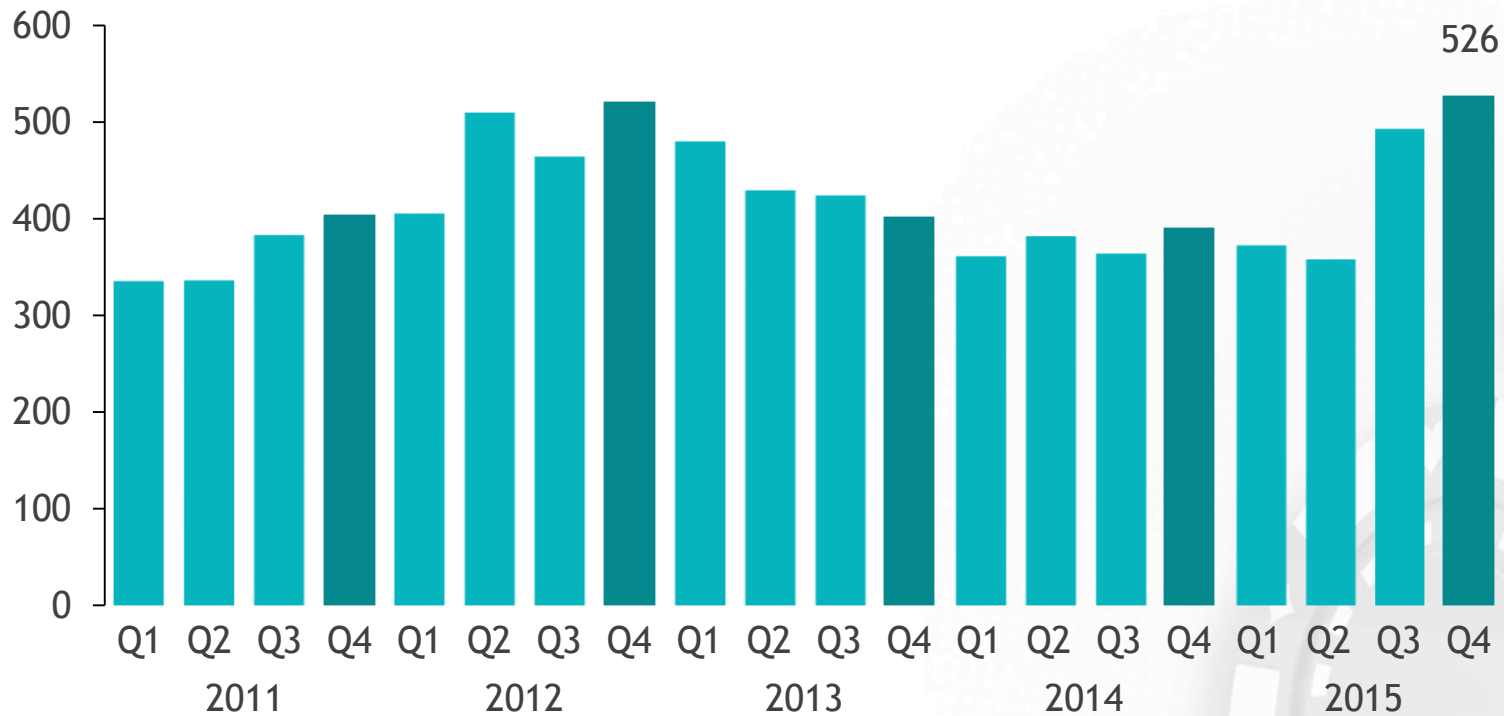


DEPOSITS - 17% GROWTH



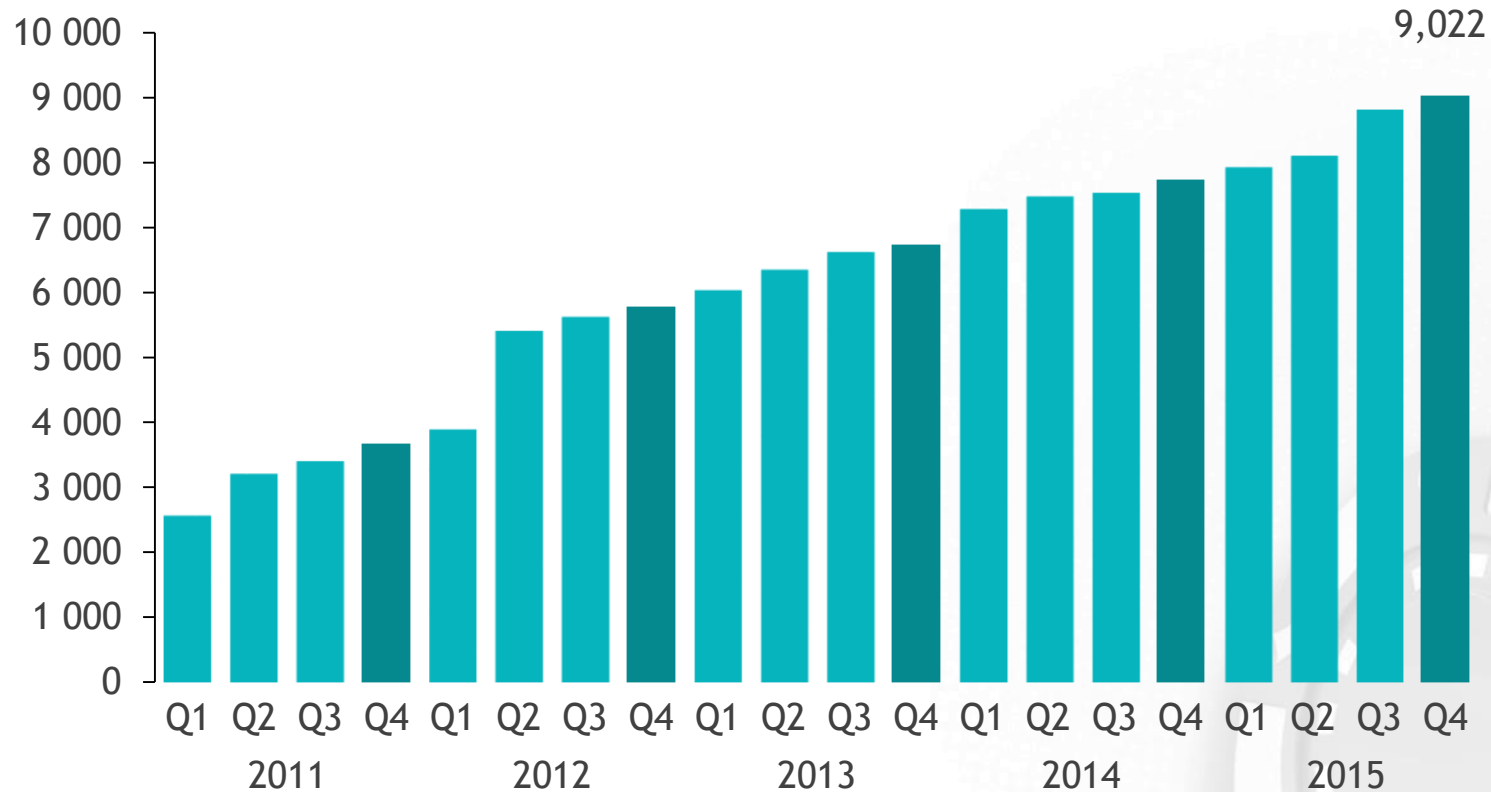
ACTIVE CUSTOMERS - 35% GROWTH

Thousand



REGISTERED CUSTOMERS

Thousand



LEGAL UPDATE



The Netherlands

- The proposed new Dutch legislation is still in the second chamber in the parliament waiting to be processed
- A political deal have been made between the ruling coalition partners to set both online and offline net tax of 29%
- A debate and vote in parliament is expected in March/April and, if passed, the senate will discuss and vote on the law in Q3/Q4 2016
- Too early to speculate the outcome. The construction of the law might also be legally challenged if passed
- If passed, implementation is estimated Q2 2017



Sweden - Timetable for new regulation

- Legislative process has been initiated and chairperson have been appointed
- Law proposal planned for Dec 2017
- Start of new legislation planned for **1 July 2018**

Portugal - Timetable for new regulation

- Betsson is preparing for the upcoming licensing process
- Licenses to be issued during 2016 but still considerable difficulties regarding the licencing requirements and implementation



Germany

- Existing legislation is constantly being questioned by the European Commission and by local politicians.
- A new ECJ judgement from this week (Ince, C 336/14), has confirmed such criticism and firmly ruled that the German sport betting regulation is contrary to EU Law.
- Politicians and regions are split on the issue but more and more support a licensing model. Supported by the INCE case the development towards a licensing model will accelerate.
- We believe that a licensing model is likely to prevail in the long run and we are taking steps to be ready to apply for a license when such opportunity opens up.



EVENTS **AFTER** Q4



- Due to lower Sportsbook margins, the first quarter of 2016 started with revenue *under* the daily average for the fourth quarter of 2015. The underlying activity follows seasonal patterns
- In the beginning of 2016 Betsson opened a development center in London
- There have been no other significant events after the end of the reporting period



Save the date

Betsson's yearly CMD is planned for
26 May 2016

Q&A

