

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 dark teal color with a repeating pattern of small, light teal icons related to gambling and finance, such as dice, roulette wheels, and playing cards.

betsson ab

Q4 2020

Pontus Lindwall, President & CEO Betsson AB

Martin Öhman, CFO Betsson AB

OUTLINE

- Highlights
- Strategic drivers & Achievements
- Sustainable operations
- Financial overview
- Product & Technology update
- Regulation
- Summary
- Q&A



Pontus Lindwall
CEO, Betsson AB

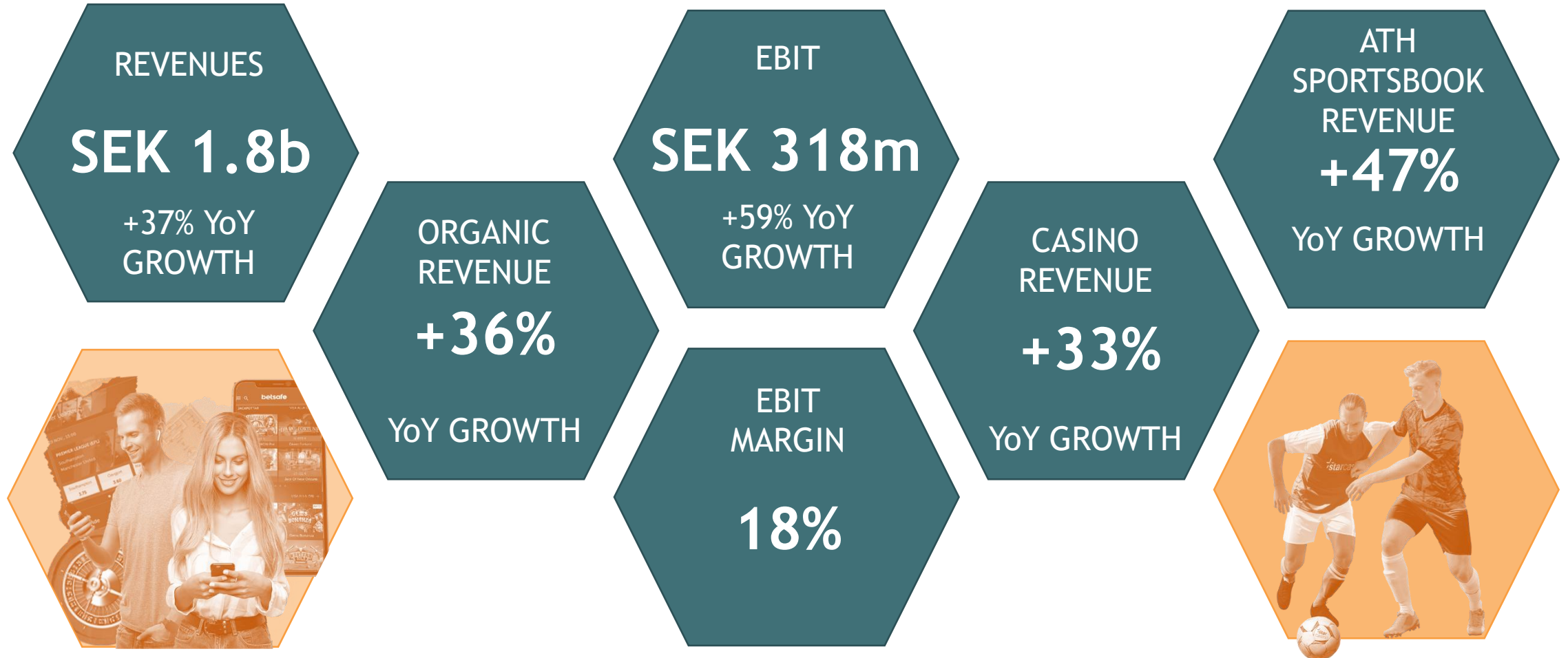


Martin Öhman
CFO, Betsson AB

HIGHLIGHTS

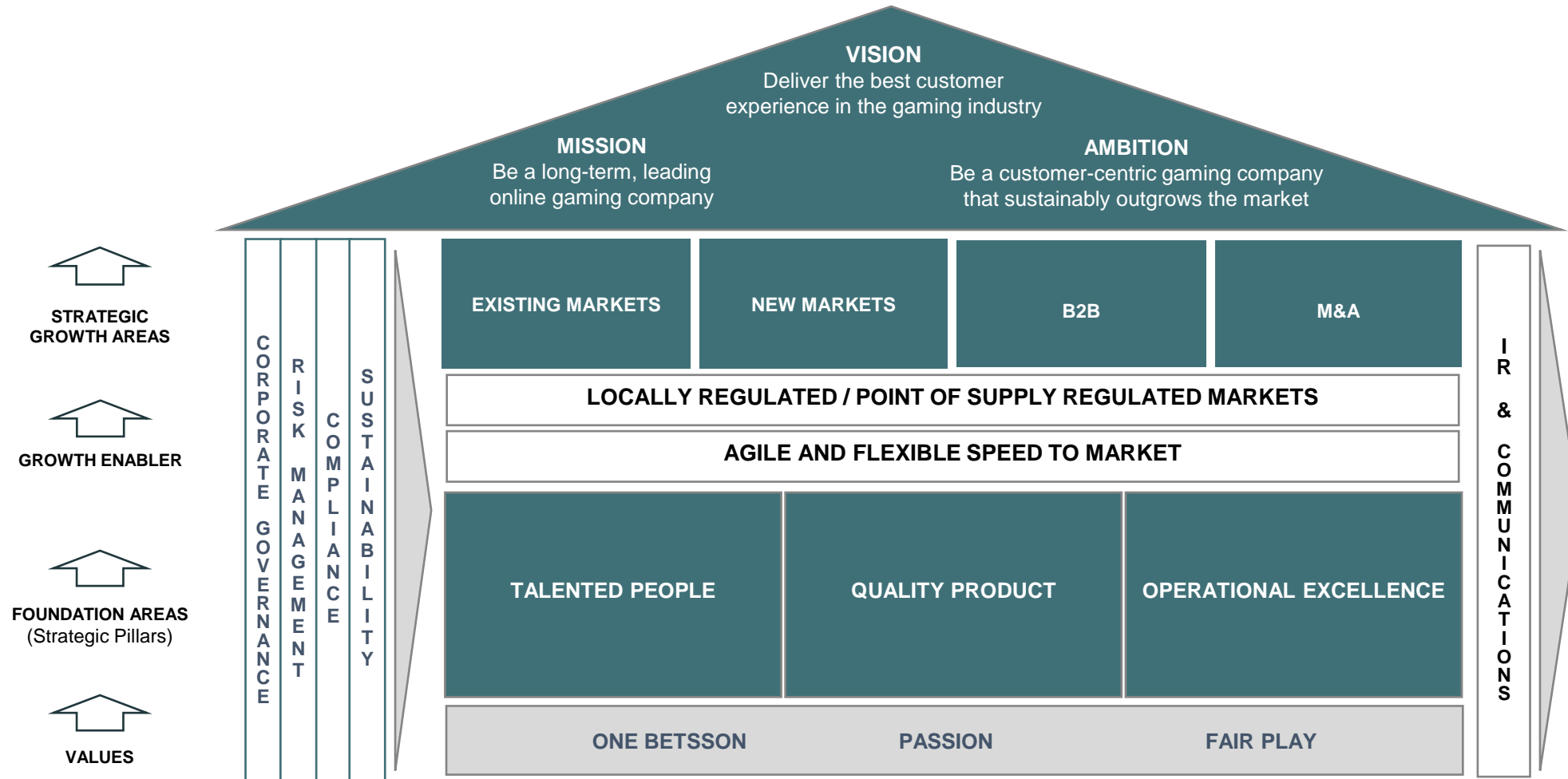
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FINANCIAL HIGHLIGHTS



STRATEGIC DRIVERS & ACHIEVEMENTS

THE BETSSON STRATEGY SUPPORTS GROWTH



EXPAND INTO NEW MARKETS WITH HIGH GROWTH POTENTIAL



Growth in CEECA and ROW supports strategy



The Betsafe brand launched in Kenya



Licence obtained in Argentina, as one of seven operators



B2B OPPORTUNITIES

EXISTING
MARKETS

NEW
MARKETS

B2B

M&A

- B2B organisation is being built up
- B2B client ibet is up and running since December 2020

ibet

- Long-time B2B client Realm opened up a new platform with Betsson's Sportsbook - JetBahis



Market interest for Betsson's Sportsbook



THE US MARKET



- 10 year agreement with Dostal Alley Casino to enter the Colorado online sports betting market
- Betsson obtained a sports betting license in Colorado on 17th December 2020
- Ongoing work include platform development, market adaptations, regulatory requirements
- Betsson has chosen TG Lab as supplier of Player Account Management System PAM (platform) to use in Colorado
- With this cooperation Betsson will provide a fully unique sports betting solution in Colorado
- Ambition to launch in H2 2021

tg lab

Colorado showcase supports Betsson's ambition to expand via B2B in the US market

FIVE OPERATING PRINCIPLES WILL DRIVE VALUE CREATION

Responsible business
putting the player first



Live the Betsson
culture and values:
One Betsson, Passion,
and Fair Play



Global scope with
local focus



Operational
excellence driving
efficiency and
effectiveness



Preferred employer
and business partner



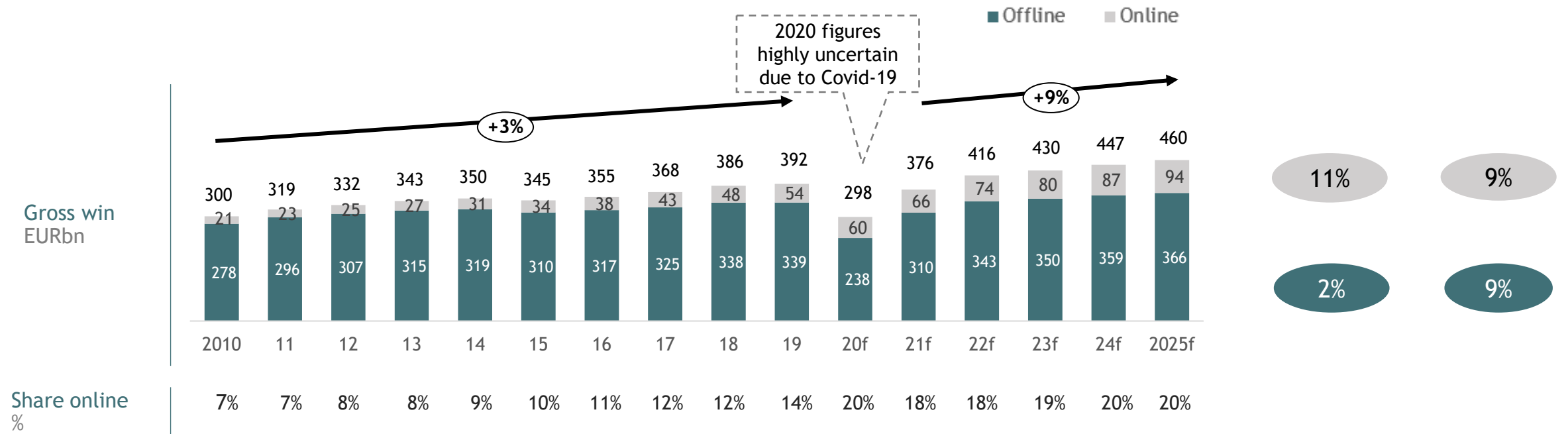
SUSTAINABLE OPERATIONS

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DIGITAL TRANSITION ACCELERATING DURING THE PANDEMIC

Total global gambling market
2010 - 2019 and 2020 - 2025E

CAGR 10-19 **CAGR 21-25**



Strong underlying global growth in online gambling with accelerating digital transition

REVENUE GROWTH WITH HIGH CUSTOMER PROTECTION AND SOCIAL RESPONSIBILITY

Betsson proactively increased vigilance in recognition of its customers' temporarily changed circumstances during the pandemic to ensure their safety is maintained

Responsible Gaming Tools



deposit limit



info pages



self-exclusion



product blocks



time-outs



self assessments



reality checks



24/7 support

Manual & automatic interactions



Q1: 26,300 | Q2: 55,300 | Q3: 91,800
Q4: 94,052

Q4 activities



Pandemic-specific messages to customers to increase support on how to control gambling



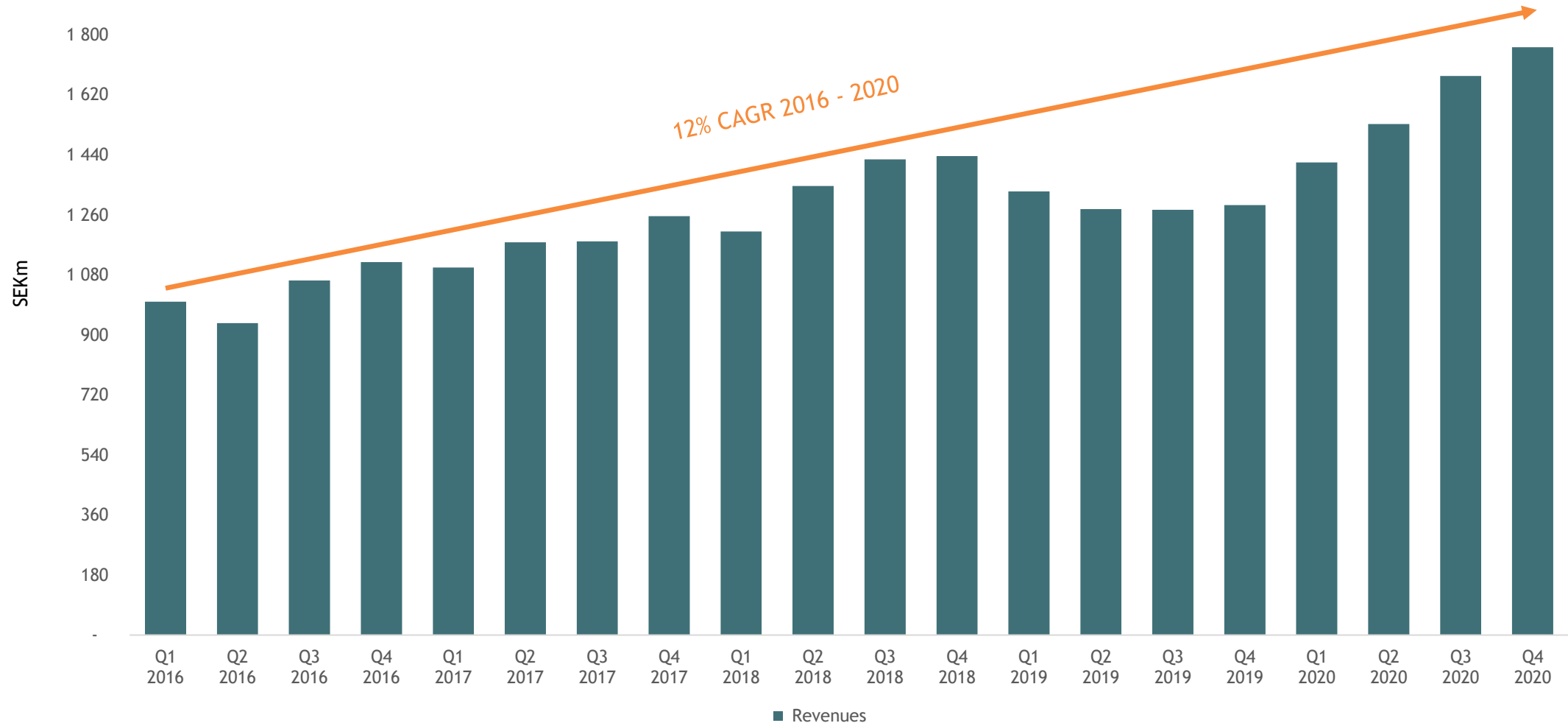
An additional compulsory web-based RG training to all employees



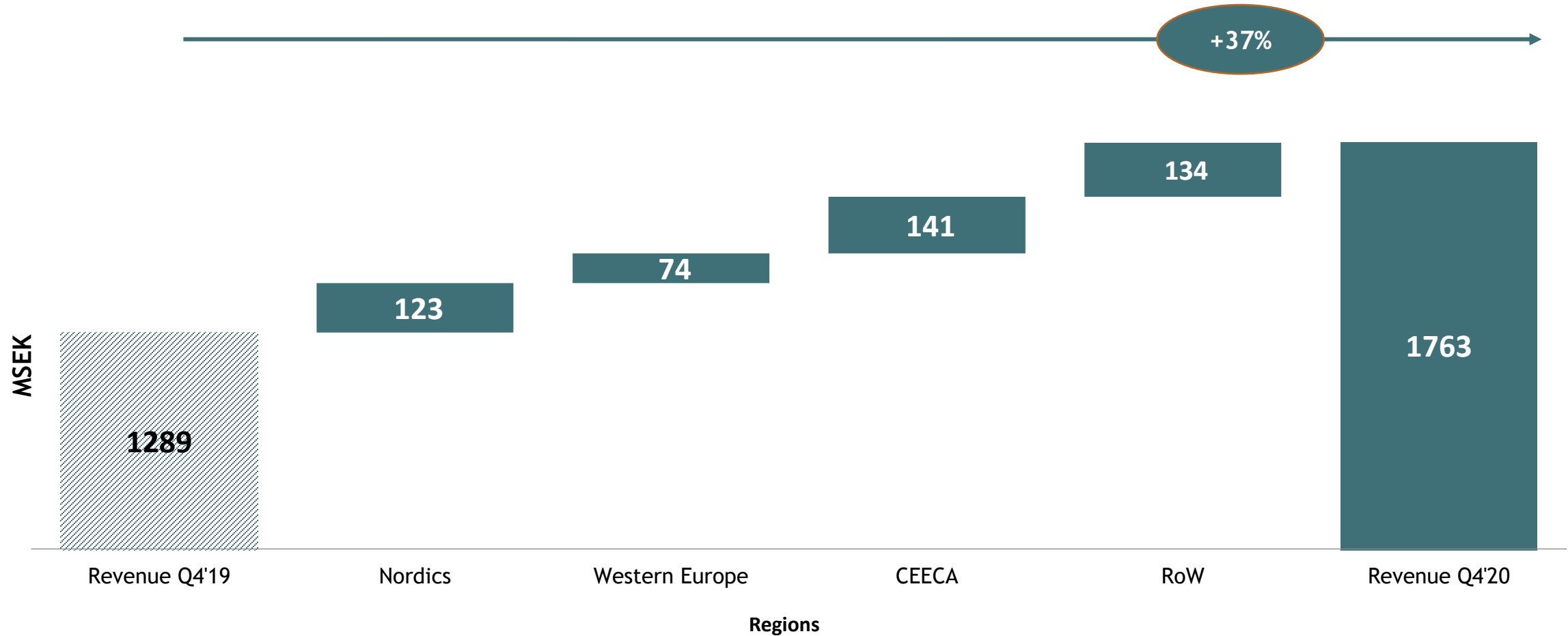
Donations to families in need during the pandemic as part of Betsson's local community engagement

FINANCIAL OVERVIEW

5Y REVENUE DEVELOPMENT



REVENUE DEVELOPMENT BY REGION

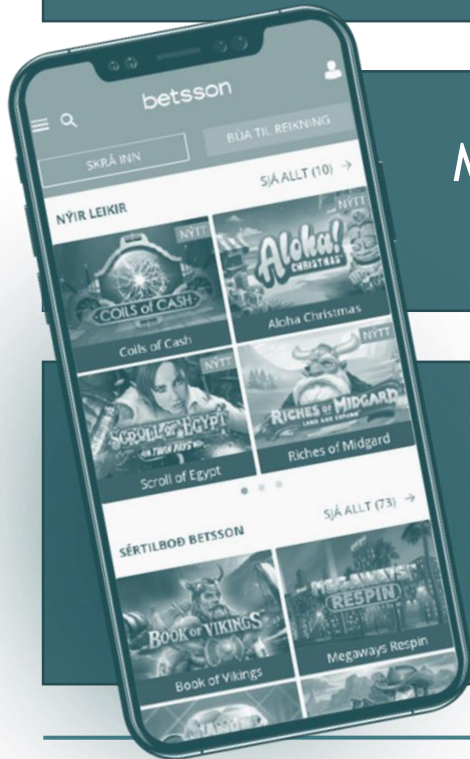


CASINO DEVELOPMENT IN Q4

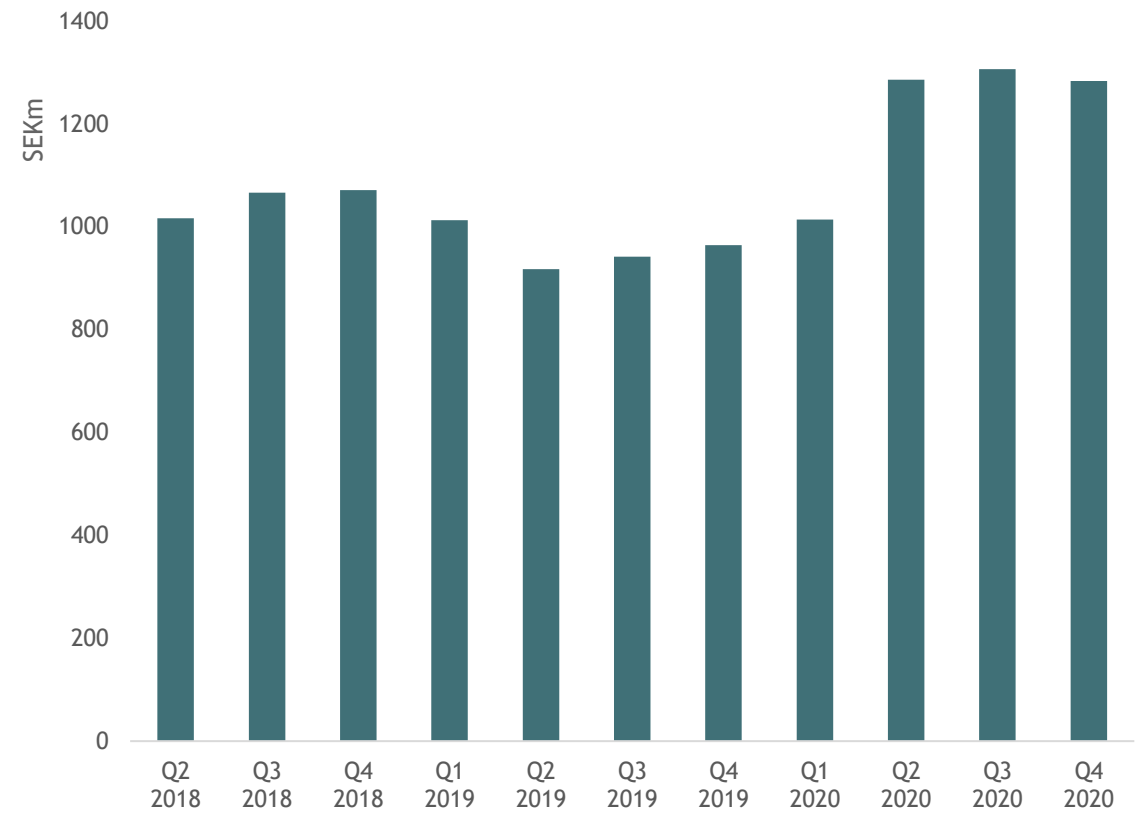
Casino revenue up by 33% (27% organic) YoY,
73% (75%) of total revenues

Mobile gambling 80% (68%)
of total casino revenue

Growth in all regions
provide more even
geographical distribution



Casino revenue



SPORTSBOOK DEVELOPMENT IN Q4



Sportsbook turnover up by 23% YoY, to all time high SEK 8,934m



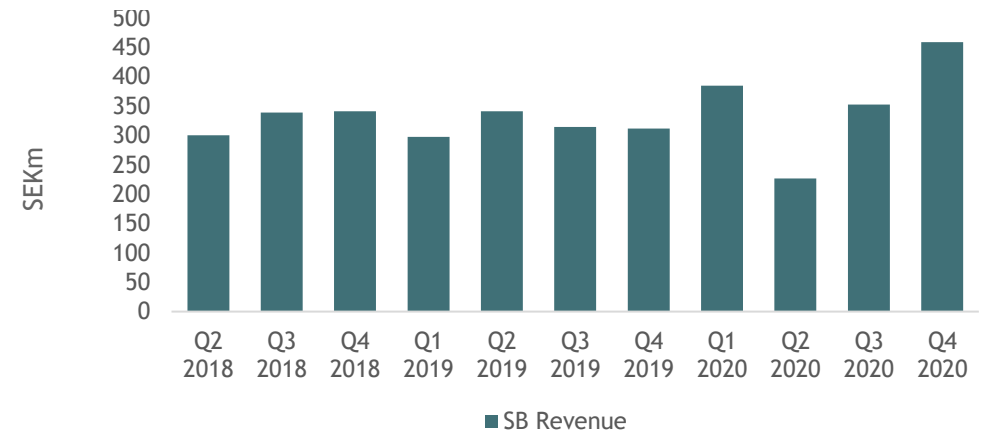
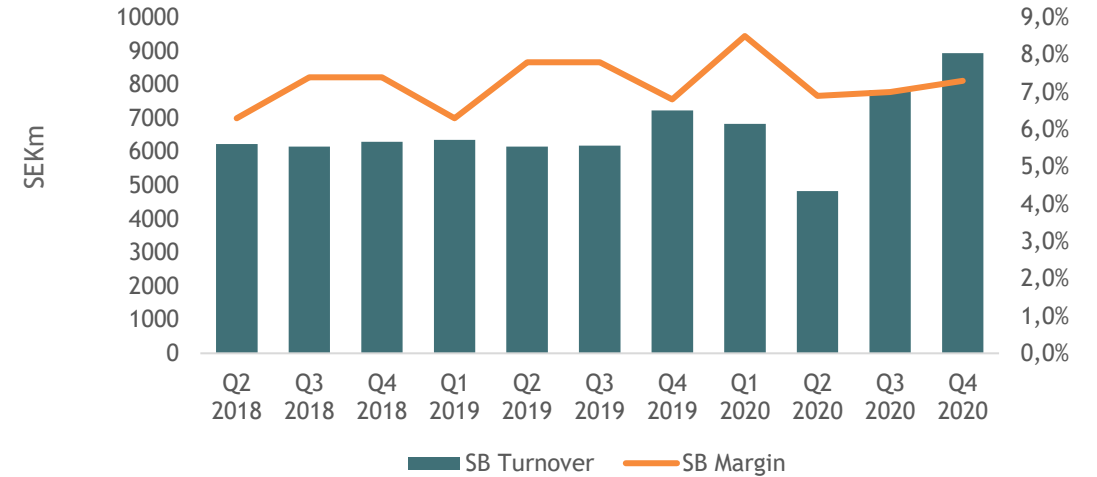
Sportsbook margin at 7.3% (6.8%), in line with 8-quarter average



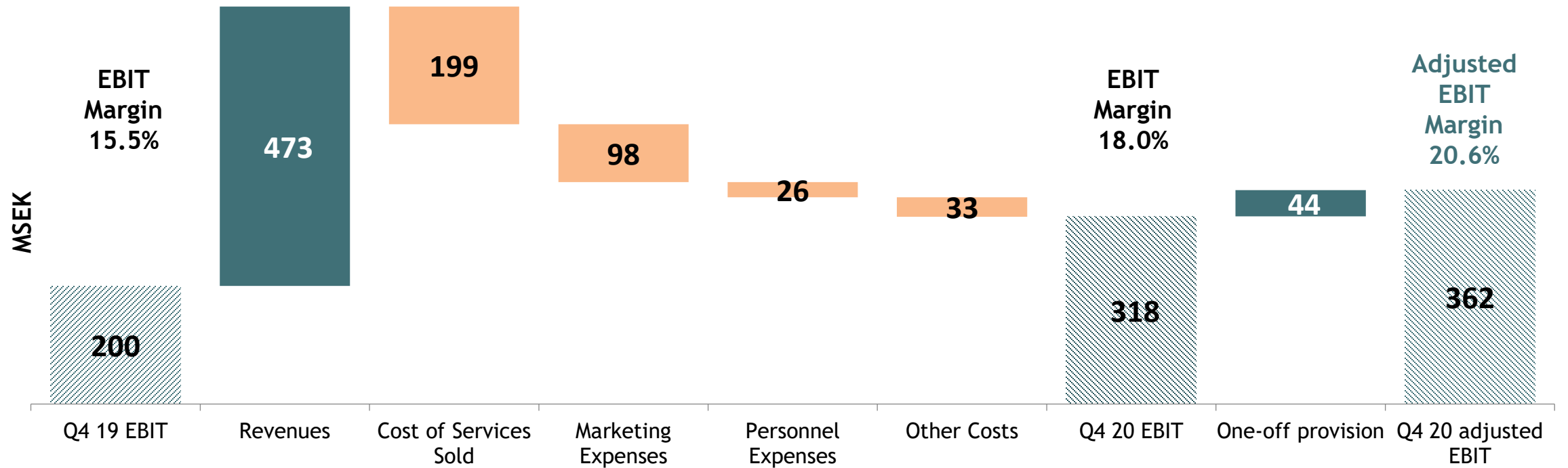
All time high sportsbook revenue up by 47% YoY, representing 26% (24%) of total revenue



Mobile represented 80% (83%) of total sportsbook revenue



EBIT DEVELOPMENT YOY



CASH FLOW & FINANCIAL POSITION

- Operating cash flow
 - Mainly driven by operating income and changes in working capital, in the form of decreased player liabilities and increased receivables on payment providers
- Investments
 - Driven by investments in Betsson’s proprietary technology
- Financing activities
 - Repayment of bank loans
- Net debt SEK 158 (186) million
 - Net debt/EBITDA 0.1 (0.2)
- Equity/assets ratio 61% (64%)

SEK m	Q4 2020	Q4 2019
Operating cash flow	224	238
Cash flow from investing activities	-111	-76
Cash flow from financing activities	-184	-470
Cash flow for the period	-70	-308
Cash and cash equivalents, end of period	863	639

PROPOSAL ON DIVIDEND AFTER STRONG 2020

2020

2020 Revenue

SEK 6.4b

2020 EBIT

SEK 1,125m

2020 EBIT Margin

18%

DIVIDEND

The total distributed through an automatic redemption process will be of

SEK 502.9m

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

SEK 3.68

In line with the dividend policy, the proposed dividend represents

50% of net income

Q1 2021 TRADING UPDATE*



Average daily revenue until 5 February was **11%** (14% organic) higher than the average daily revenue of the full Q1 2020

Adjusted for negative currency effects average daily revenue **was 26% higher** than the average daily revenue of the full Q1 2020

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

REGULATION

REGULATORY UPDATE

GERMANY

Interim tolerance regime implemented from 15 October 2020 with additional restrictions from 15 December

Eur1 slot stakes, 5-second delays on spins and larger jackpot ban

SWEDEN

The temporary restrictions on online casino introduced by the Swedish government extended six months until July 2021

New gaming investigation include proposals for a risk classification model of games and licensing requirements for gaming software

NETHERLANDS

Licensing process delayed by one month brings one month delay in first wave of licenses going live

The KSA has confirmed a ban to use databases that were established before the new regulation

2004

2011

2012

2015

2016

2017

2019

2020

LICENCES

Malta

Estonia
Denmark

Italy

Great Britain
Georgia

Ireland, Latvia
Lithuania, Germany

Spain

Sweden

Argentina, Colombia, Croatia,
Kenya, Colorado (US)

IMPACT FROM REGULATIONS



GERMANY

- Estimated revenue drop of 70% due to tolerance regime
- Channelisation will go down due to regulatory framework as players find alternative offers



NETHERLANDS

- Licensing process expected to start 1 April 2021, and first licenses expected six months later
- “Cooling off” period of 2yrs & 9 months implies foreign operators can expect licenses by the end of 2021

PRODUCT & TECHNOLOGY UPDATE

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Q4 ACTIVITIES IN PRODUCT DEVELOPMENT

NEW LAUNCHES

Launch of
betsafe 
in Kenya in November

Launch of new brand
bingo!
che cool.
offering casino, bingo,
and sportsbook

CONTINUED ROLL OUT OF NEW NATIVE APPS



Next Gen Mobile apps for SGA
launched on the Betsson brand:
Most modern Casino App in the
Swedish market

PAYMENTS



Faster withdrawals



New payments providers
launched in several markets

SUMMARY Q4

- All-time high revenue driven by both casino and sport
 - Growth in all regions
 - All-time high revenue in sportsbook
- EBIT SEK 318m, 59% growth, EBIT adjusted for one-off provisions amounts to SEK 362m
- Up to speed in executing our growth strategy
 - Expansion on, and evaluation of, existing markets
 - Entering new markets and launching new brands
 - Entering the US with our competitive sportsbook as part of B2B ambitions



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