

# 2022

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## INFORMATION REGARDING PROPOSED REDEMPTIONS OF SHARES IN BETSSON AB

Betsson AB (publ) is a holding company that invests in and manages fast-growing companies within online gaming. The company is one of the largest in online gaming in Europe and has the ambition to outgrow the market, organically and through acquisitions. This should be done in a profitable and sustainable manner, and with local adaptations.

Betsson AB is listed on Nasdaq Stockholm (BETS). [www.betssonab.com](http://www.betssonab.com)

**MANGOLD**

# CONTENT

Background and reasons	3
Description of the redemption procedures	4
Terms and conditions	6
Financial implications	7
Tax issues in Sweden	8
Questions and answers	10

## THE FIRST REDEMPTION PROCEDURE AND THE SECOND REDEMPTION PROCEDURE IN SUMMARY

> Upon approval by shareholders at the Annual General Meeting on 10 May 2022, each Betsson share is split into two shares (share split 2:1) of which one will be named redemption share in the Euroclear system. The share split occurs at two occasions in connection with the First redemption procedure and the Second redemption procedure.

> The redemption shares are automatically redeemed at two occasions at SEK 1.97 each, corresponding a total of SEK 3.94. The payment is expected to be settled on 15 June 2022 for the First redemption procedure and on 5 October 2022 for the Second redemption procedure.

> The redemption procedures are automatic and requires no action from the shareholders.

> Record date for the share split and entitlement to redemption shares is 19 May 2022 for the First redemption procedure and record date for the share split and entitlement to redemption shares is 12 September 2022 for the Second redemption procedure.

> Trading in the redemption shares of class B will take place on Nasdaq Stockholm during the period 23 May – 7 June 2022 for the First redemption procedure and during the period 14 September – 27 September 2022 for the Second redemption procedure. Trading in redemption shares of class A will be offered by Mangold on the Mangold List (First redemption procedure) and through Spotlight (Second redemption procedure).

> Shareholders who reside outside of Sweden may be liable to withhold tax upon the redemption of shares. No Swedish tax should be withheld on the sales proceeds received if the redemption shares are disposed in the market during the trading period for unlisted instruments.

> For questions regarding the redemption procedures, please contact Betsson at Tel. No. + 46 (0)8 506 403 00, or email [ir@betssonab.com](mailto:ir@betssonab.com).

## DEFINITIONS

("Betsson" or the "Company") refers to Betsson AB (publ) or the group in which Betsson AB (publ) is the parent company, depending on the context.

("Euroclear") refers to Euroclear Sweden AB.

("First redemption procedure") refers to the redemption procedure with record date on 19 May 2022.

("Second redemption procedure") refers to the redemption procedure with record date on 12 September 2022.

("Mangold") refers to Mangold Fondkommission AB.

("Nasdaq Stockholm") refers to Nasdaq Stockholm AB (The Stockholm Stock Exchange).

("Spotlight") refers to Spotlight Stock Market.

## MISCELLANEOUS

ISIN codes for the redemption shares for the First redemption procedure:

Class A share: SE0017767759

Class B share: SE0017767767

Tickers for the redemption shares:

Class A share: BETS IL A

Class B share: BETS IL B

ISIN codes for the Betsson shares after split in connection with the First redemption procedure:

Class A share: SE0017767734

Class B share: SE0017767742

ISIN codes for the Betsson shares and the redemption shares for the Second redemption procedure will be press released during September 2022.

## CALENDAR

Interim report first quarter 2022	28 April 2022
Annual General Meeting	10 May 2022
Interim report second quarter 2022	21 July 2022
Interim report third quarter 2022	26 October 2022
Year-end report 2022	09 February 2023

This information brochure provides information on the Board of Directors' proposal of capital distribution to the shareholders of Betsson through automatic redemption of shares. The purpose of this information brochure is to provide the shareholders of Betsson with information for the Annual General Meeting on 10 May 2022. The document is not a prospectus under the Act (1991:980) trading in financial instruments or other regulations. This information brochure is not intended for shareholders whose participation in the redemption procedures requires additional information or the implementation of registration measures or other measures beyond those required by Swedish law. This information brochure may not be distributed to countries requiring additional information or measures pursuant to

the preceding sentence or to countries in which distribution would conflict with applicable regulations. It is the responsibility of each individual to observe the restrictions ensuing from foreign law.

It is Betsson who is responsible for this information brochure. Mangold, who has advised the Company in connection with the preparation of this information, have examined the information provided but does not assume any responsibility for the accuracy or completeness and disclaims any responsibility for decisions made on the basis of the document.

Disputes arising from the redemption procedure pursuant to this information brochure shall be settled exclusively by Swedish law in a Swedish court.

# BACKGROUND AND REASONS

The Board of Directors proposes that the Annual General Meeting authorises distribution to shareholders of SEK 3.94 per share through two separate redemption procedures. At each occasion of redemption procedure it is proposed that a distribution of SEK 1.97 for each share is authorised to the shareholders. This corresponds to a total amount of approximately SEK 539 million, considering that the Company currently holds 681,233 series B shares and 5,247,433 series C shares which will be redeemed without compensation. Betsson may, provided continued attractive capital structure, distribute up to 50 percent of net earnings, through a cash transfer, automatic redemption process or via repurchase of own shares.

The Board of Directors has a positive view of the Company's future development and believes that the business may continue to develop with existing liquidity even after the proposed redemption procedures.

Provided that the Annual General Meeting of shareholders on 10 May 2022 approves the proposal of the Board of Directors, each Betsson share will be divided into two shares at two occasions in connection with the First redemption procedure and the Second redemption procedure, of which one will be named redemption share. The redemption shares will be traded during the period 23 May – 7 June 2022 for the First redemption procedure and 14 September – 27 September 2022 for the Second redemption procedure. After respectively date, the redemption shares will be automatically redeemed for SEK 1.97 in cash for each redemption share. No action is required by the shareholders to receive payment of the redemption settlement. Payment is expected to be made on 15 June 2022 for the First redemption procedure and on 5 October 2022 for the Second redemption procedure.

Stockholm, April 2022  
Betsson AB (publ)



# DESCRIPTION OF THE REDEMPTION PROCEDURES

## THE PROPOSAL OF THE BOARD OF DIRECTORS IN BRIEF

The Board of Directors proposes that the Annual General Meeting on 10 May 2022 authorises distribution of capital to shareholders through two automatic redemption procedures, the First redemption procedure and the Second redemption procedure, which occurs in two occasions during the year 2022. Provided that the proposal is approved, each share is split into two shares of which one will be named redemption share. The redemption shares will be automatically redeemed at SEK 1.97 for each redemption share and occasion, corresponding a total of SEK 3.94. The total capital distribution of the proposal amounts to approximately SEK 539 million, considering that the Company currently holds 681,233 series B shares and 5,247,433 series C shares.

Shareholders that are registered with Euroclear as of the record date, which is 19 May 2022 for the First redemption procedure and 12 September 2022 for the Second redemption Procedure, will be entitled to redemption shares at each occasion.

The last day of trading in Betsson shares with the right to receive entitlement to redemption shares is 17 May 2022 for the First redemption procedure and 8 September 2022 for the Second redemption procedure. After having received the redemption shares, the shareholders has two options:

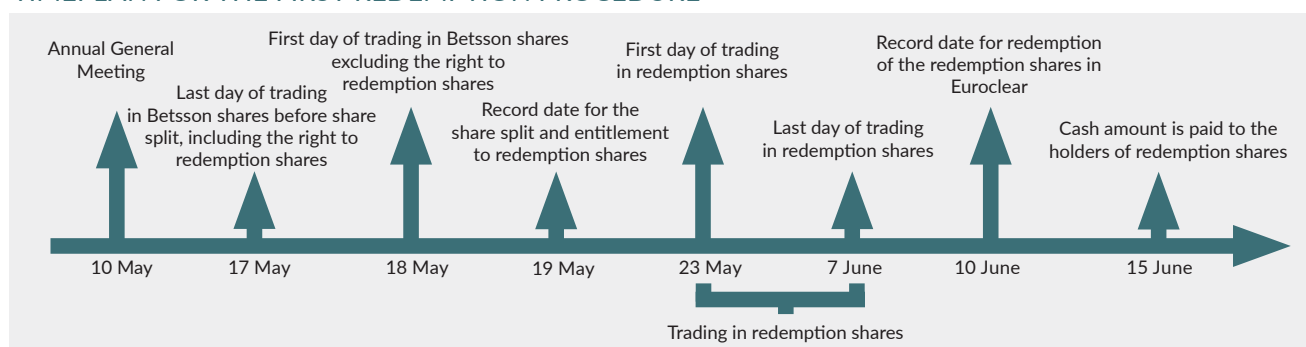
### Alternative 1

Receive payment of SEK 1.97 in cash for each redemption share in connection with the First redemption procedure and SEK 1.97 in cash for each redemption share in connection with the Second redemption procedure. This payment will be settled automatically unless alternative 2 below is chosen.

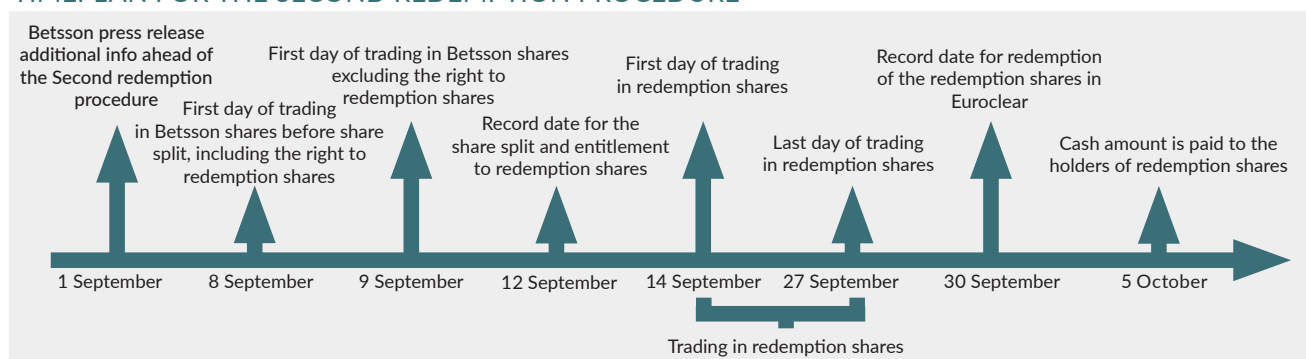
### Alternative 2

Sell the redemption shares of class B on Nasdaq Stockholm (class B redemption shares) or the redemption shares of class A through Mangold on the Mangold List via their securities institution/bank (First redemption procedure) or through Spotlight (Second redemption procedure) during the trading period of 23 May – 7 June 2022 for the First redemption procedure and the trading period of 14 September – 27 September 2022 for the Second redemption procedure. Individual shareholders who reside outside of Sweden may have a favourable tax situation when selling the redemption shares instead of having them redeemed.

## TIMEPLAN FOR THE FIRST REDEMPTION PROCEDURE



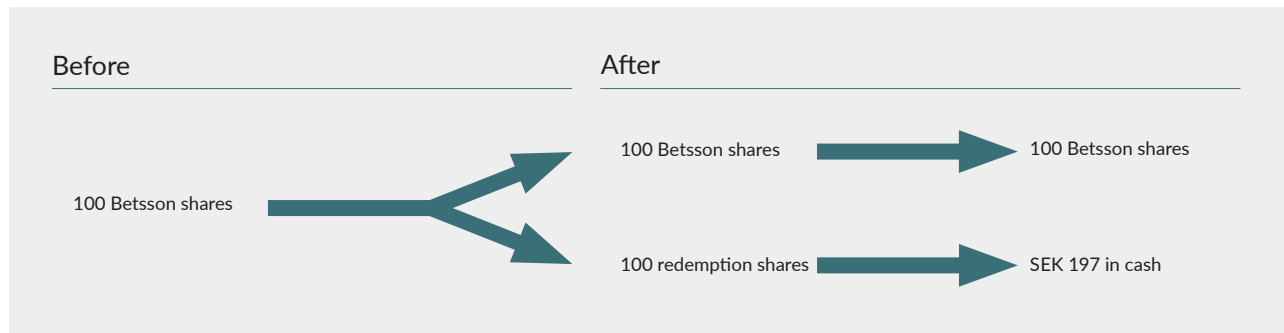
## TIMEPLAN FOR THE SECOND REDEMPTION PROCEDURE



## IMPORTANT DATES 2022

First redemption procedure	Second redemption procedure	
17 May	8 September	Last day of trading in Betsson shares before the share split, including the right to redemption shares
18 May	9 September	First day of trading in Betsson shares excluding the right to redemption shares
19 May	12 September	Record date for entitlement to redemption shares
23 May - 7 June	14 Sept - 27 Sept	Trading with the class B redemption shares are made on Nasdaq Stockholm and trading with the class A redemption shares are made through Mangold on the Mangold List (First redemption procedure) or through Spotlight (Second redemption procedure)
15 June	5 October	Payment in cash of redemption amount

## THIS IS HOW IT WORKS IN EACH REDEMPTION PROCEDURE



As of the record date for the First redemption procedure and the Second redemption procedure, you are the registered owner of 100 Betsson shares. In this example, the current share price is assumed to be SEK 60 per share. Hence, the value of your shares is:

- > 100 Betsson shares x SEK 60 = SEK 6,000

When the redemption procedures in both occasions starts, each share will be split into one Betsson share and one redemption share. The First redemption procedure starts in May 2022 and the Second redemption procedure starts in September 2022. Betsson will automatically redeem the redemption share for SEK 1.97 in cash. The theoretical price for the Betsson share after the split is calculated, according to this example, at approximately SEK 58.03 which equals the difference between the price per share before the split and the value of the redemption share. At both occasions, the First redemption procedure and the Second redemption procedure, the value of your holding becomes as follows:

- > 100 Betsson shares x SEK 58.03 = SEK 5,803
- > 100 redemption shares x SEK 1.97 = SEK 197

Betsson will then redeem your redemption shares at each occasion for SEK 1.97 each in cash, corresponding a total of SEK 3.94. This does not require any action on the shareholder's part.

After the redemption procedure at each occasion is completed, you will hold:

- > 100 Betsson shares x SEK 58.03 = SEK 5,803
- > Cash payment for 100 redemption shares x SEK 1.97 = SEK 197

Hence, you will own the same number of ordinary shares in Betsson as you did prior to the First redemption procedure and/or the Second redemption procedure and you have received SEK 1.97 in cash for every redemption share and occasion, corresponding a total of SEK 3.94.

For a summary of tax consequences, please see the sections under the headings "Tax Issues in Sweden" and "Questions and Answers" for further information.

The redemption shares of class B will be traded on Nasdaq Stockholm during the period of 23 May – 7 June 2022 for the First redemption procedure and the period of 14 September – 27 September 2022 for the Second redemption procedure, providing you as a shareholder the opportunity to sell your redemption shares. The redemption shares of series A will be traded on the Mangold List during the period of 23 May – 7 June 2022 for the First redemption procedure and through Spotlight during the period between the period of 14 September - 27 September 2022 for the Second redemption procedure. Shareholders who wish to sell their shares of class A are requested to contact their securities institution/bank so that they will forward the order to the Mangold List.



# TERMS AND CONDITIONS

## SHARE SPLIT AND REDEMPTIONS

Those registered with Euroclear as shareholders in Betsson on the record date for the share split in connection with the First redemption procedure, which is 19 May 2022, are entitled to redemption shares. Those registered with Euroclear as shareholders in Betsson on the record date for the share split in connection with the Second redemption procedure, which is 12 September 2022, are entitled to redemption shares. Each Betsson share is split into two shares, of which one will be named redemption share in the Euroclear system. Each redemption share in each occasion will be automatically redeemed for a cash payment of SEK 1.97, corresponding a total of SEK 3.94.

## LAST DAY OF TRADING IN SHARES INCLUDING THE RIGHT TO REDEMPTION SHARES

The last day of trading in Betsson shares before the share split and including the right to redemption shares is 17 May 2022 for the First redemption procedure and starting at 18 May 2022, the Betsson share is traded after the share split and excluding the right to redemption shares. The last day of trading in Betsson shares before the share split and including the right to redemption shares is 8 September 2022 for the Second redemption procedure and starting at 9 September 2022, the Betsson share is traded after the share split and excluding the right to redemption shares.

## RECORD DATE

The record date at Euroclear for the share split of the Betsson share and entitlement to redemption shares in the First redemption procedure is 19 May 2022. The record date at Euroclear for the share split of the Betsson share and entitlement to redemption shares in the Second redemption procedure is 12 September 2022. The new shares and the redemption shares will thereafter be booked into the shareholder's securities account. The shareholder will receive a notice from Euroclear as confirmation of the number of redemption shares received.

## PAYMENT OF REDEMPTION AMOUNT

In connection with the payment of the redemption amount, the redemption shares registered in the shareholder's securities account will be removed. A notice from Euroclear relating to this will not be sent out.

A cash payment of SEK 1.97 for each redemption share is expected to be made on 15 June 2022 for the First redemption procedure and on 5 October 2022 for the Second redemption procedure. Payment will be made through Euroclear to the yield account linked to the shareholder's securities account. A notice from Euroclear will be sent out as confirmation of payment.

## SHARES REGISTERED WITH NOMINEES

Shareholders of Betsson whose shares are registered with a nominee, for example, a bank or other securities company, will receive redemption shares in accordance with information given by each nominee.

## FOREIGN SHAREHOLDERS

Shareholders who are not tax residents in Sweden who participate in the redemption procedure and have shares redeemed are normally obliged to pay Swedish withholding tax on the redemption amount, see the section "Tax Issues in Sweden". Withholding tax will thus be withheld for foreign shareholders in connection with the payment of the redemption amount. However, no Swedish withholding tax should be levied on the sales proceeds received if the redemption shares are disposed of in the market during the trading period.

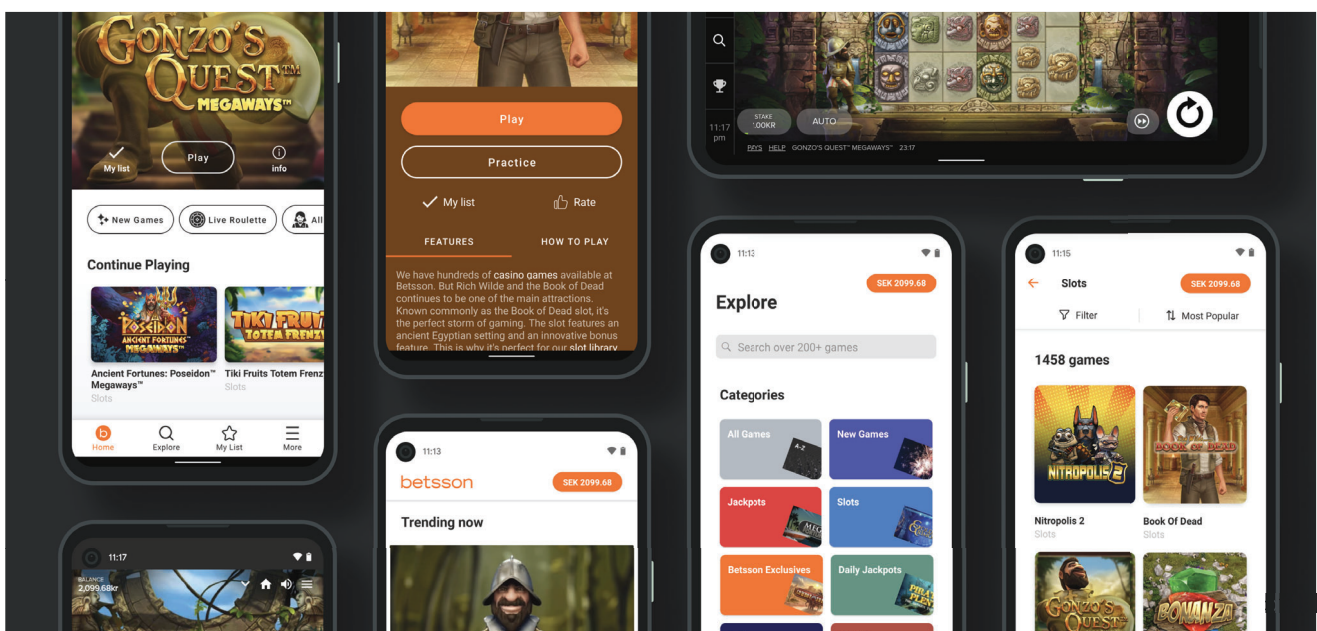
## TRADING IN REDEMPTION SHARES

Trading in redemption shares of class B will take place on Nasdaq Stockholm during the period from 23 May – 7 June 2022 for the First redemption procedure and 14 September – 27 September 2022 for the Second redemption procedure, under the ticker BETS IL B.

Banks and other securities companies with the necessary permits will assist with trading in redemption shares of class B.

Trading in redemption shares of class A will be offered by Mangold on the Mangold List (First redemption procedure) and through Spotlight (the Second redemption procedure), under the ticker BETS IL A.

Price information and the trading regarding redemption of shares of class A during the First redemption procedure is obtained from shareholder's banks or securities institutions, which in turn receive the information via Mangold's Market Making department, Tel. No. +46 (0)8-503 015 85.



# FINANCIAL IMPLICATIONS

In order to illustrate how the redemption procedure would affect Betsson's and the group's consolidated financial statements as of 31 December 2021, pro forma figures are presented below for certain balance sheet items as well as certain key ratios. The accounts are prepared assuming that the redemption procedure was completed as of 31 December 2021, fully financed by a decrease of the Company's cash

and cash equivalents. The capital distribution from Betsson through the redemption procedure will only have a marginal effect on the group's net interest income and on the result for the period. This effect is left out in the accounts below. As of 2022, Betsson has introduced a new accounting currency, euro. Thus, the presentation below for certain balance sheet items and certain key ratios has changed to euros from previous Swedish kronor.

## FINANCIAL EFFECTS OF THE REDEMPTION FOR THE GROUP, PRO FORMA

Key ratios as of 31 December 2021	Before redemption	Adjustments for redemption	Pro forma after redemption
Equity-to-assets ratio, % <sup>1</sup>	63.39	-2.28	61.11
Return on total capital, % <sup>2</sup>	13.73	0.44	14.17
Return on equity, % <sup>3</sup>	19.85	1.03	20.89

<sup>1</sup> Equity at the end of the period as a percentage of the balance sheet total at the end of the period.

<sup>2</sup> Income after financial items with the addition of financial expenses relative to average total capital.

<sup>3</sup> Reported profit for the year in relation to equity.

## CHANGES IN SHAREHOLDERS' EQUITY IN THE GROUP, PRO FORMA

Equity as of 31 December 2021	Before redemption, SEK	Before redemption, EUR	Share split 2:1, EUR	Redemption of shares, EUR	Bonus issue, EUR	Pro forma after redemption, EUR
Share capital, million	96.3	9.4		-4.7	4.7	9.4
Other paid-in capital, million	1,441.9	141.0				141.0
Reserves, million	270.8	26.5				26.5
Retained earnings including annual income (including minority interests), million	4,007.2	391.8		-48.0	-4.7	339.1
Total equity, million	5,816.2	568.7	-	-52.7	0.0	516.0
Quotient value	0.67	0.07	0.03	0.03	0.07	0.07
Total number of shares, million <sup>1</sup>	142.7	142.7	285.4	142.7	142.7	142.7

<sup>1</sup> Betsson currently holds 5,928,666 Betsson shares which will be redeemed without compensation.

## CHANGES IN SHAREHOLDERS' EQUITY IN THE PARENT COMPANY, PRO FORMA

Equity as of 31 December 2021	Before redemption, SEK	Before redemption, EUR	Share split 2:1, EUR	Redemption of shares, EUR	Bonus issue, EUR	Pro forma after redemption, EUR
Share capital, million	96.3	9.4		-4.7	4.7	9.4
Statutory reserve, million	253.3	24.8				24.8
Total restricted equity, million	349.6	34.2	-	-4.7	4.7	34.2
Share premium fund, million	1,192.4	116.6				116.6
Retained earnings including this year's profit, million	4,971.7	486.1		-48.0	-4.7	433.4
Total unrestricted equity, million	6,164.1	602.7	-	-52.7	-4.7	550.0
Total equity, million	6,513.7	636.9	-	-52.7	-	584.2
Quotient value	0.67	0.07	0.03	0.03	0.07	0.07
Total number of shares, million <sup>1</sup>	142.7	142.7	285.4	142.7	142.7	142.7

<sup>1</sup> Betsson currently holds 5,928,666 Betsson shares which will be redeemed without compensation.

# TAX ISSUES IN SWEDEN

The following is a summary of certain tax considerations in Sweden that can arise as a consequence of the proposed share split and redemption of shares for shareholders in Betsson. The summary is based on Swedish tax legislation as of the date of this brochure and is intended only as general information for shareholders who are fiscally domiciled in Sweden, unless otherwise indicated. The summary does not include all tax consequences that may occur in this context. For instance, it does not cover the specific rules on so-called "qualified shares" in closely held companies, nor situations where shares are held by a partnership or held as current assets in a business operation.

Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies and mutual funds, as well as foundations and non-profit organisations. Every shareholder should consult a tax consultant regarding the tax consequences that might occur in regards to the proposed share split and redemption of shares for shareholders, for example regarding taxation in foreign countries or the application of tax treaties or other legislation.

## SHARE SPLIT AND RECEIPT OF REDEMPTION SHARES

Taxation is not triggered by the share split or the receipt of redemption shares. However, the redemption or other disposal of redemption shares may trigger capital gains taxation.

## REDEMPTION AND SALE OF REDEMPTION SHARES

### Individuals

Individuals are normally subject to capital gains tax when shares are sold or redeemed. The current tax rate on capital gains is, as a main rule, 30 percent.

The capital gain is for tax purposes calculated to equal the difference between the proceeds received when the shares are sold or redeemed, after deduction for potential sale expenses, and the acquisition cost. The acquisition cost for listed shares is normally determined according to the so called average method. This means that the cost of acquiring all shares of the same type and class as the divested share are added together and calculated collectively, with respect to changes to the holding. Alternatively, the so called standard rule, according to which the acquisition cost is equal to 20 percent of the net proceeds received when the shares are sold or redeemed, may be applied to the disposal of listed shares and certain listed securities that are taxed in the same manner as shares.

In the case of Betsson, the redemption shares of class B will be listed on Nasdaq Stockholm during the trading period of 23 May – 7 June 2022 for the First redemption procedure and during the trading period of 14 September - 27 September 2022 for the Second redemption procedure. The redemption shares of class A should be classified as listed through the trade of redemption shares on the Mangold List and on Spotlight.

When a share split and redemption procedure is carried out the acquisition cost for the original shares is allocated to the original shares and the redemption shares. Betsson will request the Swedish Tax Agency to issue recommendations regarding the allocation of the pre-split acquisition cost between the remaining shares and the redemption shares, respectively, see the section "Acquisition Cost of the Redemption Shares – Example".

As a main rule, 70 percent of a capital loss on listed shares is deductible against any other taxable income from capital. Capital losses on listed shares and other listed securities taxed in the same manner as shares (except for listed shares in mutual funds containing only Swedish receivables), such as the redemption shares of class B, and likely also class A, are, however, fully deductible against taxable capital gains on such assets or on non-listed shares in Swedish limited liability companies and foreign legal entities. For losses on non-listed shares only five sixths of capital losses in Swedish limited liability companies and foreign legal entities are deductible.

If capital losses pertain to both listed and non-listed shares, the losses pertaining to the listed shares are deductible prior to the losses on the non-listed shares. 70 percent of any excess amount is deductible according to the main rule or five sixths of 70 percent is deductible if the capital loss relates to non-listed shares.

If a deficit arises within income from capital, a reduction of the tax on income from employment and from business operations, as well as the real estate tax and the municipal real estate fee, is allowed. The tax reduction amounts to 30 percent of any part of the deficit not exceeding SEK 100,000 and 21 percent of any part of the deficit in excess of SEK 100,000. Deficits may not be carried forward to a subsequent fiscal year.

## Legal Entities

For limited liability companies and certain other legal entities, capital gains on shares that are held for business purposes are normally tax-exempt and capital losses on such shares are normally non-deductible. Non-listed shares are considered held for business purposes. Listed shares held as capital assets are considered held for business purposes provided that the holding represents at least 10 percent of the voting rights or if the shares are held for business reasons. Moreover, a holding period requirement applies in respect of listed shares.

For limited liability companies and other legal entities, capital gains on shares that are not tax-exempt are normally taxed as income from business activities at a flat rate of 20.6 percent. For the calculation of capital gains and losses, see the section "Redemption and Sale of Redemption Shares – Individuals" above.

A capital loss on shares incurred by a corporate shareholder may be offset only against taxable gains on shares or other securities that are taxed in the same manner as shares. Such capital losses may, however, under certain circumstances, also be deducted against taxable capital gains within the same group of companies on shares and securities taxed in the same manner as shares, provided that the requirements for group contributions (tax consolidation) are met and both companies claim it in for taxation years that have the same final day for submitting the tax return. Capital losses on shares and securities taxed in the same manner as shares which are not deducted within a certain year may be carried forward and offset against capital gains on such assets in future years without any limitation in time.

## ACQUISITION COST OF THE REDEMPTION SHARES

### Example

The pre-split acquisition cost is normally allocated between the redemption share and the remaining share based on their respective market value at the time of the share split. Recommendations as to the allocation are normally issued by the Swedish Tax Agency. Information about the recommendations is expected to be made available on the Swedish Tax Agency's website, [www.skatteverket.se](http://www.skatteverket.se), and Betsson's website, [www.betssonab.com](http://www.betssonab.com), in the summer of 2022.

These principles are described in the following example.

Please note that the figures and amounts below only serve as an example.

A shareholder owns 100 Betsson shares of class B with an average acquisition cost of SEK 48 per share immediately prior to the share split. It is assumed that the lowest price paid on the last day of trading in the Betsson shares of class B before the split and separation of the redemption shares is SEK 60, that the redemption shares are listed and that the lowest price paid on the first day of trading in the redemption shares is SEK 1.97. Further, it is assumed that the Swedish Tax Agency based on this issues a recommendation that 3.28 percent (SEK 1.97 divided by SEK 60) of the pre-split acquisition cost should be allocated to the redemption share and that 96.72 percent should be allocated to the remaining share. Accordingly, the acquisition cost allocated to the redemption share should be SEK 1.57 (3.28 percent of SEK 48) and the acquisition cost allocated to the remaining share of class B should be SEK 46.43 (96.72 percent of SEK 48).

Should the redemption shares be disposed of (through sale or redemption) at a price of SEK 1.97 per share, the total capital gain would be  $(1.97 \times 100) - (1.57 \times 100) = \text{SEK } 40$ .

The acquisition cost for redemption shares that have not been acquired as a consequence of the share split is calculated using the average method. The calculation is based on the actual acquisition cost for such shares. When applying the average method, redemption shares and remaining shares are not considered to be of the same type and class.

The standard rule may be used when calculating the acquisition cost on listed shares. This means that if the acquisition cost of the redemption share in the example above was less than SEK 0.394, the standard rule would be more favourable, provided that the price paid for the redemption share is SEK 1.97.

## SHAREHOLDERS NOT FISCALLY DOMICILED IN SWEDEN

### Withholding Tax

For shareholders who are not fiscally domiciled in Sweden and not conducting business from a permanent establishment in Sweden, payments due to a reduction of the share capital by way of a redemption procedure are treated as dividend distributions, which normally means that a 30 percent Swedish withholding tax is levied on the redemption proceeds. The withholding tax rate is often reduced under tax treaties between Sweden and other countries.

The withholding of tax is normally affected by Euroclear or, if the shares are registered with a nominee, by the nominee. The withholding tax liability arises when the redemption proceeds are distributed. Please note that there should be no withholding tax on proceeds from the sale of redemption shares prior to the redemption date.

A shareholder may reclaim the amount of withholding tax that is attributable to an amount equal to the acquisition cost of the redemption share. Alternatively, the amount of withholding tax attributable to 20 percent of the redemption proceeds may be reclaimed, provided that the shares are listed. The acquisition cost should be calculated as explained in the section "Acquisition Cost of the Redemption Shares - Example". The refund application must be made in writing and submitted to the Swedish Tax Agency no later than by the end of the fifth calendar year following the redemption payment.

For shareholders that are legal entities and reside within the EU, there is normally no Swedish withholding tax if the shareholder holds 10 percent or more of the capital in the company whose shares are redeemed, provided that certain conditions are met.

### Income Tax

Generally, individual shareholders who reside outside of Sweden are normally not liable to Swedish tax on the sale of shares. Shareholders can, however, be subject to taxation in their country of residence.

Individuals who reside outside of Sweden which have previously been residents in Sweden may, however, be liable to tax on the sale of shares if they have been resident in Sweden or permanently lived in Sweden during the calendar year of the sale, or at any time during the ten preceding calendar years. The application of this rule may, however, be limited by tax treaties between Sweden and other countries.

Foreign legal entities are normally not liable to income tax on capital gains on Swedish shares unless the gains are connected to a permanent establishment in Sweden.

# QUESTIONS AND ANSWERS

## WHY IS BETSSON PROPOSING AUTOMATIC SHARE REDEMPTIONS?

Betsson has a dividend policy that states that up to 50 percent of the group's reported earnings can be distributed, provided that an appropriate capital structure can be maintained. The Board has a positive view of the Company's future development and assesses that Betsson can carry out the proposed capital transfer to shareholders and at the same time handle impending investments with existing liquidity through a strong cash flow in the business. Betsson has chosen to use automatic redemption procedures for capital transfer to shareholders as this is an effective way to transfer capital to the shareholders regardless of the geographical domicile of the shareholders.

## WHY IS TWO AUTOMATIC SHARE REDEMPTIONS PROPOSED AT TWO OCCASIONS?

Investors have begun to appreciate dividends that are paid out at more than one occasion per year and therefore it is proposed that the dividend will be paid in connection with two separate redemption procedures in 2022.

Furthermore, dividends on two different occasions also provides a harmonization against how other listed companies in the industry transfer capital to their shareholders.

## WHY IS THE CAPITAL NOT INVESTED IN THE BUSINESS INSTEAD OF BEING DISTRIBUTED?

The Board of Directors believes that the financial position of Betsson is satisfying and that the business may continue to develop with existing liquidity even after the proposed redemption procedures.

## WHAT DOES THE AUTOMATIC REDEMPTION OF SHARES ENTAIL?

The automatic redemption entails that the shares that are named redemption shares, once the share split has taken place, will be redeemed in exchange for a predetermined cash consideration, with no need for any action on the part of the shareholders. It is a simple and efficient way for Betsson to distribute funds to shareholders.

## AS A SHAREHOLDER, DO I NEED TO DO ANYTHING?

Provided that the Annual General Meeting on 10 May 2022 approves the automatic redemption procedure in accordance with the Board of Directors' proposal, you as a shareholder do not need to take any action. Betsson will automatically redeem your redemption shares and you will receive SEK 1.97 in cash for each redemption share and each occasion, corresponding to a total of SEK 3.94.

## WHAT DAY WILL BE THE RECORD DAY?

The record date for the share split and entitlement to redemption shares is 19 May 2022 for the First redemption procedure and 12 September 2022 for the Second redemption procedure.

## WHAT DAY IS THE LAST DAY TO BUY BETSSON SHARES IN ORDER TO RECEIVE THE REDEMPTION SHARES?

The last day of trading in Betsson shares is 17 May 2022 for the First redemption procedure and 8 September 2022 for the Second redemption procedure.

## WHAT OPTIONS DO I HAVE AS A SHAREHOLDER?

Once the redemption is approved at the Annual General Meeting on 10 May 2022, you can await the redemption procedure without doing anything. The redemption shares allocated to you will be automatically redeemed at SEK 1.97 per share in cash. Alternatively, you may sell your redemption shares before the redemption procedure is completed. Trading in redemption shares will take place during the period from 23 May – 7 June 2022 for the First redemption procedure and 14 September – 27 September 2022 for the Second redemption procedure.

## WHEN IS THE REDEMPTION AMOUNT PAID TO HOLDERS OF REDEMPTION SHARES?

Payment for redeemed shares is estimated to be made on 15 June 2022 for the First redemption procedure and 5 October 2022 for the Second redemption procedure.

## CAN I SELL MY REDEMPTION SHARES OF CLASS A?

Trading in redemption shares of class A will be offered by Mangold on the Mangold List during the First redemption procedure. Holders of redemption shares of series A are therefore asked during the First redemption procedure to contact their securities institution/bank in connection with the respective redemption procedure occasion and they will forward the order to the Mangold List. During the Second redemption procedure the redemption shares of class A will be traded through Spotlight.

## HOW DOES TRADING ON THE MANGOLD LIST WORK DURING THE FIRST REDEMPTION PROCEDURE?

Please note that, as an external party, only exchange members on Nasdaq Stockholm have the opportunity to place orders on the Mangold List. Holders of redemption shares of class A who wish to place orders the Mangold List are therefore asked to contact their bank or securities institution that forwards those orders to Mangold's brokerage.

Price and trading information regarding redemption shares of class A are obtained from investors' banks or securities institutions, which in turn receive the information via Mangold's Market Making department, Tel. No. +46 (0)8-503 015 85.

For the Second redemption procedure, the redemption shares of class A will be traded on Spotlight.

## HOW MANY SHARES WILL I HAVE?

You will have the same number of shares in Betsson after the redemption and split procedure is carried out, presuming that you do not buy or sell any Betsson shares. The redemption shares created through the share split will all be subject to automatic redemption.

## HOW AND WHEN WILL THE BETSSON SHARE PRICE BE AFFECTED?

It is impossible to predict in detail how the share price will be affected by the split into Betsson shares and redemption shares. Theoretically, the price of the Betsson share should decrease by the redemption payment that is SEK 1.97 for each redemption share and each occasion. This share price change should occur one trading day prior to the record date for the split of the Betsson share.

## WHY IS THE REDEMPTION PROCEDURES AUTOMATIC?

An automatic redemption procedure is relatively simple and cost-efficient since there is no need for action on the part of the shareholders.

## WHAT ARE THE TAX CONSEQUENCES OF THE SHARE REDEMPTION PROCEDURES?

The tax consequences for shareholders will vary depending on each shareholder's particular situation. Certain tax consequences for Swedish and foreign shareholders are briefly described in the section "Tax Issues in Sweden". In case you need more information on your personal tax consequences, we recommend you to contact a tax advisor for assessment of possible tax consequences and any required measures.

### Swedish shareholders

Upon the split of the Betsson share into two shares, of which one is named redemption share, the pre-split acquisition cost will be allocated between the remaining Betsson share and the redemption share. The redemption share is deemed as disposed of upon redemption. Any capital gain that arises will be subject to capital gains taxation. The capital gain is calculated as the difference between the redemption payment (SEK 1.97 per share and occasion, corresponding a total of SEK 3.94) and the acquisition cost for the redemption share (see further an example under the heading "Tax Issues in Sweden").

### Foreign shareholders

If you are a tax resident outside of Sweden, you will normally be subject to withholding tax in Sweden on the redemption proceeds upon the redemption of shares, regardless of the redemption shares being received by way of the split or acquired in the market. The tax rate is 30 percent. However, this rate is often reduced under tax treaties between Sweden and other countries. A refund of the part of the withholding tax that is attributable to the acquisition cost of the shares or, where the shares are listed, 20 percent of the redemption proceeds, may be granted if a claim for refund is filed with the Swedish Tax Agency. No Swedish withholding tax should become payable if the redemption shares are sold.

## WHAT WILL THE WITHHOLDING TAX RATE BE?

The withholding tax rate for shareholders tax resident outside of Sweden varies depending on the shareholder's tax residence. For further information, please visit the Swedish Tax Agency's website, [www.skatteverket.se](http://www.skatteverket.se).

## CONTACT

For more information, please contact Betsson at Tel. No. +46 (0)8 506 403 00, or email [ir@betssonab.com](mailto:ir@betssonab.com).





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