

## Betsson AB (publ) interim report January - March 2021

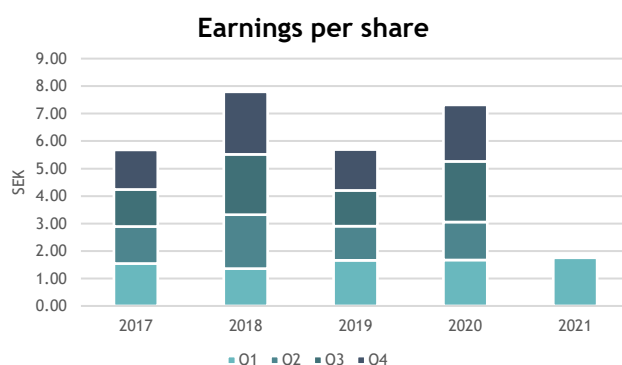
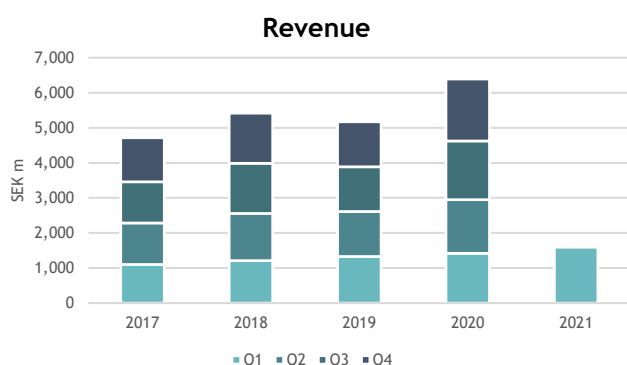
# Betsson delivers growth through geographical spread

### QUARTER JANUARY - MARCH 2021

- Group revenue was SEK 1,592.8 (1,417.5) million, an increase of 12% with an organic increase of 2%.
- Casino revenue increased by 16%. Sportsbook revenue increased by 2% and the sportsbook margin was 7.2% (8.5%).
- Operating income (EBIT) was SEK 276.1 (260.6) million, an increase of 6%, the EBIT margin was 17.3% (18.4%).
- Net income was SEK 240.1 (229.5) million, corresponding to SEK 1.76 (1.68) per share.
- Operating cash flow was SEK 327.7 (321.9 ) million.
- Active customers increased by 39% to 948,109 (680,938).



120 people are involved in preparations for Betsson's launch in the US.



### KEY DATA

SEK m	Q1 2021	Q1 2020	Δ	Jan-Dec 2020
Revenue	1,592.8	1,417.5	12%	6,389.6
Gross profit	1,035.9	943.9	10%	4,100.9
EBITDA	361.7	352.9	2%	1,484.3
EBITDA margin %	22.7	24.9	-	23.2
Operating income (EBIT)	276.1	260.6	6%	1,125.2
EBIT margin %	17.3	18.4	-	17.6
Net income	240.1	229.6	5%	990.8
Earnings per share (SEK)	1.76	1.68	5%	7.32
Operating cash flow	327.7	321.9	2%	1,384.4
Casino revenue	1,177.4	1,014.2	16%	4,890.6
Sportsbook gross turnover	8,739.4	6,833.9	28%	28,424.2
Sportsbook revenue	394.0	384.9	2%	1,423.0
Sportsbook margin after free bets %	7.2	8.5	-	7.5
Deposits	7,288.5	5,741.1	27%	27,801.0
Active customers (number of)	948,109	680,938	39%	

## CEO COMMENT

### “Betsson delivers growth through geographical spread.”

#### Continued focus on growth despite challenges in some markets.

2021 began with a quarter that showed growth compared to the same period last year. On several markets, such as Italy, Baltics, Peru and Chile, we continue to deliver strong growth and good profitability. This is very encouraging, however, we are not fully satisfied as we have experienced difficulties in a few other markets, for various reasons. As previously communicated, revenues from the German market have decreased significantly, due to the restrictions introduced and the fact that we closed several brands in connection with this. In Norway it's still difficult finding efficient payment solutions, but with its own proprietary payment platform, Betsson manages the situation. Operations in the Netherlands continue as before, pending the start of the licensing process for foreign operators. We are pleased by the continued favorable development in the CEECA and ROW regions, thanks to successful brand launches and continuous improvements in the product offering.

Thanks to a broad and diversified product portfolio with many brands in several markets, Betsson can deliver results to continue to create growth. The slightly lower operating margin is a result of ongoing strategic investments to ensure long-term growth and create shareholder value.

#### Several opportunities in new markets

Last quarter we described how Betsson expanded into new markets through acquisitions and new gaming licenses. Evaluations of interesting markets continue. Croatia continues to perform well with high levels of activity. We continue to strengthen our position in Latin America and is now establishing an office in Bogota, Colombia, which is the first regulated market in the region. In Brazil, Betsson is carrying out brand-strengthening activities ahead of the forthcoming regulation in the country.

#### Betsson enters the US market

We are currently adapting the sportsbook for the US market, initially with the intention to offer it as an operator in the state of Colorado, while we are preparing a B2B offering of the sportsbook in the US. The work of adapting and making the sportsbook attractive for the US market has been further intensified. Betsson's sportsbook will be integrated on TG Lab's new US facing entity's PAM before the launch in Colorado.



Pontus Lindwall  
President and  
CEO Betsson AB

Founded in

1963



Betsson AB's share is listed at Nasdaq Stockholm Large Cap

Ticker: BETS B



Betsson Group operates 20 brands

17

Licensed for gaming in 17 jurisdictions



*During the first quarter further investments for entering the US market have been made.*

## SIGNIFICANT EVENTS AND OUTLOOK

### SIGNIFICANT EVENTS DURING THE QUARTER

In March, Betsson received clearance from Darmstadt Regional Council to operate online sports betting throughout Germany. Besides the sports betting licenses which have now been granted, the New Interstate Treaty, which paves the way for the regulation and opening up of the market for online slots and poker in Germany, is scheduled to come into force on 1 July 2021.

In February, Betsson entered into an agreement with game platform provider TG Lab for delivery of a Player Account Management System (PAM), for Betsson's entry in Colorado, US, see further information below.

### SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

In April Betsson deepened the strategic partnership with TG Lab by acquiring 35 percent of the shares in the North American facing company Strive Platform Limited started by TG Lab, which holds the modern PAM, intellectual property rights and market-leading expertise. The purchase price amounted to MUS\$ 6.5 with the option to increase the ownership share by 5 percent further at the launch of Betsson's trademark Betsafe in Colorado. Strive is building a modern US-focused platform which together with Betsson's proprietary Sportsbook, will form a unique product on the US market. Launch is planned for latter part of the second half of 2021 in Colorado.

Mid April Betsson acquired 50 percent of the shares in the software development company JDP Tech Ltd, which owns a proprietary technology platform for handling of LatAm payments. The consideration payable for the shares amounts to EUR 8.8 million. This allows Betsson to secure customer payment flows during the continued expansion in Latin America.

In April, Betsson entered into partnership with a local partner (Big Bola Casinos) in the locally regulated Mexican market, where Betsson will offer online sportsbook and casino.

### TRADING UPDATE

This trading update is an indication of how the second quarter has started, however it is not a revenue forecast for the quarter.

The average daily revenue in the second quarter 2021 until April 25 was 12 percent higher than the average daily revenue of the full second quarter 2020. Adjusted for negative currency effects, the average daily revenue until April 25 was 24 percent higher than the average daily revenue of the full second quarter 2020.

## THE GROUP'S OPERATING ACTIVITIES

Betsson's operational subsidiaries offer online casino, sportsbook and other gaming. In the following sections, we comment on the development of the operational business as well as the financial developments of the Group.

### STRATEGIC DIRECTION FOR GROWTH

Betsson's long-term ambition is to outgrow the market, which should be done in a profitable and sustainable manner with local adaptations. Based on its strengths and thorough market analysis, Betsson has pointed out three growth areas; growth on existing markets, expansion into new markets and development of the B2B offering with focus on the in-house developed sportsbook.

Betsson sees opportunities to grow in these three areas, both organically through in-house development but also through acquisitions when the right targets are identified. Betsson's financial position allows good opportunities to supplement the existing offering with new geographical market, products and brands.

Betsson will strengthen its position in existing markets and will evaluate new markets by prioritising countries where the Group has the best conditions to offer market leading products. Betsson's broad brand portfolio, as well as its own technology and proprietary

platforms, create opportunities to quickly and flexibly establish a presence in new markets. The successful entry in Croatia create favorable prerequisites for further expansion in the region. The proprietary sportsbook means substantial opportunities to create new offerings with economies of scale.

During the first quarter, Betsson has continued its path on the journey to growth. Within existing markets Betsson has received an online sports betting license in Germany and in Estonia the Betsafe brand was migrated to the latest platform to provide customers in the country with a dynamic site with the latest sports betting offerings.

In the quarter the Group's investments spent on development of new markets and offerings amount to approximately SEK 50 million, in line with the communicated growth strategy, in Latin America but above all on the entry into the US. Betsson will initially launch gaming operations in Colorado together with Dostal Alley Casino. The goal is then to offer Betsson's in-house developed Sportsbook as a B2B solution. The investment in Strive Platform Limited provides Betsson with good conditions to be able to offer a modern product in Colorado and an attractive Sportsbook offer in other regulated states, bringing two leading iGaming technologies together.

## TECHNOLOGY DEVELOPMENT

Betsson has a solid technical position through its subsidiaries. Investments in innovation and technology are continually made with the customer experience in focus. The gaming sites are largely run on a proprietary platform, which makes up the core of the offering and user experience, covering games, transactions, payments, customer information and account management. By owning its technology, the Group is flexible and can adapt rapidly to market changes and it also enables fast integrations across jurisdictions and brands. The products offered mainly consist of casino and sportsbook.

Betsson is dedicated to the development of the proprietary gaming platform Techsson, where around 90 percent of the Group's current revenue is generated. There are extensive initiatives ongoing to simplify the structure and architecture to increase scalability. Even more brands are moved to the cloud resulting in faster downloads, which is core for the customer experience, while at the same time increase efficiency. A tool for optimizing "Time-to-market" is underway as multi market precense require local adaptations. Yet another requirement when being present in several different markets is the need to optimise the offering of payment solutions and during the first quarter new suppliers have been integrated. Biometric solutions are introduced on more devices and Betsson now offers biometric login in some markets to further enhance the customer experience. Betsson's iOS Native Casino apps have expanded by adding more games and apps are also offered for Android via Google Play. Playtech Live Casino has been launched, which leads to higher flexibility and less dependence on one single supplier.

Betsson is investing in its proprietary sportsbook, creating both a solid technical platform and flexible odds compiling which can be optimised depending on the market demand and availability of sporting events. The sportsbook is optimised for specific needs on local sportbook markets and is offered both in-house and sold B2B.

Currently over 170 people are working within Sportsbook product development and in the US-facing project 120 people are engaged in the integration with the PAM, adaptation of the offering of popular sports on the American market and adaptation of the user interface.

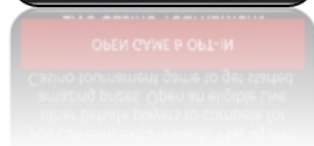
## SUSTAINABILITY AT BETSSON

Sustainability is an integral part of Betsson's business strategy and a prerequisite for generating shareholder value and at the same time taking long-term responsibility for customers, employees and the communities in which the Group operates.

Betsson's Sustainability framework establishes five focus areas: *Business compliance*, *Responsible Gaming*, *Employee Impact*, *Social Impact* and *Climate Impact*. For a more detailed description, see the Annual and Sustainability Report for 2020. Betsson reports in accordance with the Global Reporting Initiative (GRI) Standards, Core level.

### Business compliance

Betsson holds gaming licenses in seventeen countries with largely different legislation. The sustainability framework states that Betsson must comply with laws, regulations and ethical



standards in the countries where Betsson operates. This is a prerequisite for ensuring long-term sustainable operations and profitability for Betsson. During the quarter, Betsson completed AML audits for the markets Sweden and Denmark, carried out by EY.

At the same time, Betsson works to ensure that the gaming legislations themselves are sustainable long-term and ensure high channelisation (share of gaming that takes place within the licensing system) and customer protection, while at the same time taking into account player demand. Betsson also participates actively in national and international discussions and creates awareness of the issue, often together with industry organisations in the countries where Betsson operates.

Employees play an important role when it comes to compliance, and they are offered a number of e-learning courses within the area every year. During the quarter, a review of these trainings was initiated to further improve the content and structure of the courses.

### **Responsible gaming**

Betsson has a responsibility to support customers in controlling their gambling and to identify and help customers at risk of problem gambling. Betsson's ambition is to be a role model in the industry, inspire and create prerequisites for players to always have a healthy relationship to gambling.

Betsson offers its customers a wide range of tools for responsible gaming, for example deposit limits, self-exclusion, personal time limit for gambling, self-evaluation tests and access to well-trained and professional customer service staff 24 hours a day, 7 days a week. During the quarter 13.1 percent of Betsson's customers used non-mandatory tools to control their gambling, while 31.9 percent of all new depositing customers during the quarter set a deposit limit.

In addition, Betsson has an analysis tool, the Responsible Gaming Prediction Tool, which makes it possible to monitor customers' gaming behavior. Betsson's customers must register to be able to play, after which all players are monitored continuously using almost 500 different parameters. The monitoring is always done with regard to the customers' integrity and in accordance with the GDPR.

One important resource is the dedicated team for responsible gaming, which among other things handles the contacts with the customers who have been flagged through the analysis tool or by customer service staff. During the first quarter, 1.7 percent of all customers who contacted customer service were red-flagged, which is in line with 2020 figures.

During the first quarter, Betsson interacted with 77,987 (26,300) customers manually, automatically and via real-time messages. The increase compared to the first quarter of 2020 is a result of Betsson lowering the threshold last year for how and when the Group interacts with players due to the corona pandemic, in order to increase customer protection and detect early signs of problem gambling. The number of interactions has decreased slightly in Q1 compared with Q4 2020 (94,052), which is due to the fact that both new and existing customers have been much more active during the period October-December compared to the beginning of a year.

### **Employee impact**

Betsson's ambition is to be the best workplace in the gaming industry and the Employer of Choice - first choice for both current and potential employees. Diversity and equal opportunities are natural parts of the business and Betsson aim to offer top-class competence development and career opportunities.

During the first quarter, Betsson continued to invest in global employee activities to further strengthen the culture and feeling of solidarity within the Group. In a survey on how employees experience working from home which was conducted during the quarter, it was found that 86 percent still feel the "Betsson spirit", even as the majority of employees have worked from home for over a year. 95.7 percent believe that they can work efficiently from home and 92 percent of employees believe that Betsson has handled the pandemic well from a business perspective.

Attracting talent with the right skills, retaining and further developing employees is an important part of Betsson's success. During the first quarter, Betsson began recruiting local developers for a "technology hub" in Greece. This is a pilot project to find out how Betsson can utilize the local technology expertise available in the area.

# 77,987

Interactions in  
responsible gaming

## Social impact

During the quarter, Betsson continued to support the local communities in which the Group operates. For example, Betsson sponsored *the Malta Social Impact Awards* for the fourth year in a row, which provide mentorship and funding for initiatives to counter local social problems. Betsson also supports the *Doris Cusens Fund* (YMCA) which was launched in Malta on International Women's Day and helps individuals and families with financial support for basic needs. Betsson in Tallinn donated food to a local food bank during the quarter, and Betsson in Stockholm donated lunches to healthcare staff at St Görán's Hospital to facilitate for them during a period of extra heavy workload and at the same time support local restaurants.

## Climate impact

Betsson operates in an industry with relatively low CO<sub>2</sub> emissions, but nevertheless has a responsibility to help counteract the climate changes. Betsson has set a science-based climate goal (SBT) and during the quarter sent a so-called "commitment letter" to the Science Based Targets initiative (SBTi) to confirm that the Group has committed to setting goals according to SBTi.

Betsson fully compensates for its estimated greenhouse gas emissions in 2020 by purchasing reduction units corresponding to 9,195 tonnes of greenhouse gas emissions in the Gold Standard-certified climate projects *Xenamnoy Hydropower Project* in Laos and *Siam Solar Power Plant Project* in Thailand.

## FIRST QUARTER DEVELOPMENTS

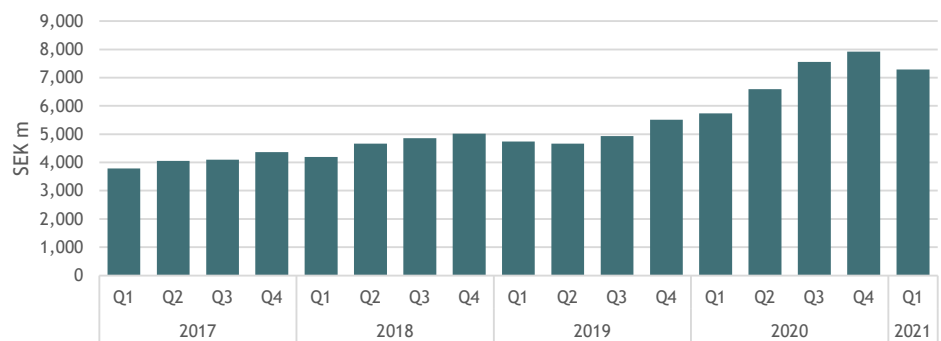
### CUSTOMER ACTIVITY

Customer deposits in all operational subsidiaries' gaming solutions during the quarter were SEK 7,288.5 (5,741.1) million, an increase of 27%.

By the end of the first quarter, the number of registered customers was 20.1 (15.5) million, an increase of 30%.

Active customers during the quarter were 948,109 (680,938), an increase of 39%.

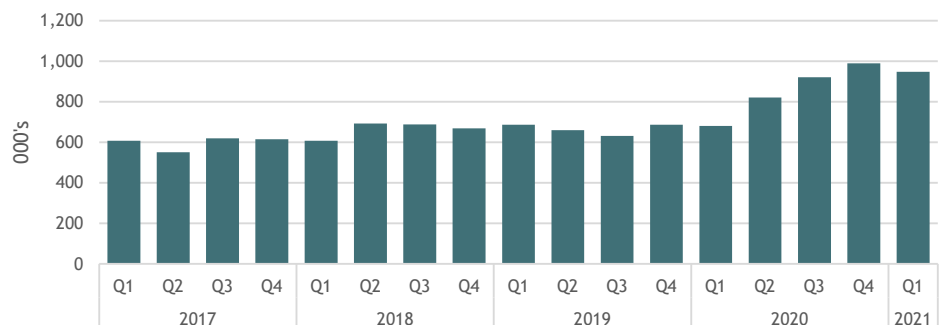
#### Customer deposits



# 39%

Increase of active customers compared to same period last year

#### Active customers



## MARKET DEVELOPMENT BY REGIONS

Betsson's long-term ambition is to outgrow the market, both organically and through acquisitions. This should be done in a profitable and sustainable manner with various local adaptations. Betsson operates in locally regulated markets, as well as in POS-regulated markets via the MGA license in Malta. (POS or Point of Supply regulation refers to markets that are targeted, based on EU and/or international law principles, without being licensed and taxed in such markets).

The reported revenues for each region include both gaming revenues from the B2C business as well as license revenues for system delivery to Betsson's B2B customers.

### Nordics

Revenue from the Nordics was SEK 487.0 (482.7) million, an increase of 1%.

Operations in the Swedish market continue to develop well. Despite the corona related restrictions on online casino Betsson has increased its market share compared with the previous year, mainly via Jalla Casino. The Danish operations are also developing well. In Norway, which is not a locally regulated market, the supply of efficient payment solutions is less than in regulated markets, which from time to time affects Betsson's revenue streams and places higher demands on commercial adaptation and technical solutions for integration of new payment methods.

### Western Europe

Revenue from Western Europe decreased by 6% and was SEK 383.6 (406.5) million.

Italy continues to develop strongly and reported ATH in revenue during the first quarter. The Netherlands also continues to generate good revenue. The authorities have now eased the announced ban on using old customer databases when applying for a gaming license, which is positive. Betsson estimates to be able to apply for a license in the beginning of 2022, but will operate as usual in the meantime.

Revenues from the UK decreased compared with the previous year. The UK regulatory framework has changed dramatically in recent years, leading to significant investment needs in technology, regulatory compliance and marketing. As Betsson no longer considered it economically justifiable to continue with the structure in the UK, Betsson made a strategic decision last quarter to further consolidate operations in the UK and focus growth on just one brand (Rizk), and three out of four licenses were returned to the UK Gambling Commission (UKGC).

Germany reported lower revenues than last year, in line with earlier communicated information, as a consequence of the restrictions on online casinos introduced in December and of Betsson's decision to close down several brands in the German market in connection with the new restrictions. At the beginning of March, Betsson received a sportsbook license in Germany. Gaming volumes are estimated to have bottomed out during the first quarter and revenues have increased slightly so far in April, but from low levels.

### CEECA

Revenue from Central & Eastern Europe and Central Asia (CEECA) was SEK 541.1 (424.7) million, an increase of 27%.

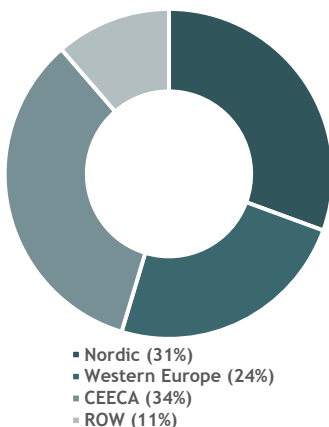
The operations in the Baltics are developing well, primarily driven by revenue growth in Lithuania. Operations in Georgia reported increased revenue, and the newly started licensed operations in Croatia show high levels of activity. During the first quarter the Betsafe brand was migrated to the latest platform to provide customers in Estonia with a dynamic site with the latest sports betting offerings. License revenues from B2B operations in the region show continued strong growth.

### ROW, Rest of the world

Revenue from RoW was SEK 181.1 (103.6) million, an increase of 75%.

The region's growth is mainly driven by Peru and Chile. Peru is one of Betsson's larger markets for sports betting. The level of activity in Peru is normally low in January and February as a result of many local leagues having a break. During the month of March, these reopened, which is also reflected in the level of activity and revenue. Betsson is the main sponsor of the Peruvian first league in football (Liga Uno Betsson).

Revenue by region



The business in Chile is growing and Betsson sponsors both the national football team and the second league in football (Ascenso Betsson).

In Bogota, Colombia, Betsson intends to establish its LatAm service hub. Colombia is the first locally regulated market in Latin America where Betsson established itself last year through the acquisition of 70 percent of the gaming operator Colbet. The intention of the LatAm hub is to support the expansion to other countries in the region as well. Through the investment in JDP Tech Ltd, which owns a proprietary technology platform for handling of LatAm payments, Betsson will secure customer payment flows for the continued expansion in Latin America.

In Argentina (City of Buenos Aires), Betsson has applied for a gaming license. Betsson already has a license in the Region of Buenos Aires.

In Brazil, Betsson has launched Daily Fantasy Sport, primarily with the intention of establishing a customer data base and increasing brand awareness ahead of the upcoming law change and license application.

In April, Betsson entered into a partnership with a local partner (Big Bola Casinos) in the Mexican market (locally regulated), where Betsson will offer a sports book and casino.

In Kenya, covid-related marketing bans are still in place, which has delayed a full-scale launch in the country. In April, Betsson also took the step into the licensed Nigerian market, through the acquisition of 25 percent of the local gaming operator Betbonanza.

## MARKET DEVELOPMENT BY PRODUCT

### Casino

Betsson's casino product includes a wide range of suppliers and a diverse content library, built to suit our growing global portfolio of markets and brands. The aim is to provide relevant content for each individual Region through using 'launch ready' off-the-shelf games from our central platform, as well as the Group's own exclusive titles. During the quarter, Betsson released 180 casino games, 14 of which came with a Period of Exclusivity for our brands. Betsson has a total of around 5,100 game titles available from over 100 different suppliers. More than 4,000 games are available on mobile casino.

During Q1 Betsson completed the integration of Playtech Live Casino. The addition of Playtech Live Casino and coming additions of suppliers means that Betsson further diversifies its Live Casino portfolio and will get a more varied Live Casino offering.

Betsson processed almost 4 billion game rounds on the in-house platform in Q1, an increase of 24 percent compared to the first quarter previous year.

Casino revenue was SEK 1,177.4 (1,014.2) million, an increase of 16%. Casino represented 74% (72%) of Group revenue.

Mobile Casino revenue was SEK 868.2 (674.8) million and accounted for 74% (67)% of total casino revenue.

### Sportsbook

The opening quarter of 2021 saw the continuation of major domestic football leagues, knock-out action from the Champions League & Europa League, plus qualification matches for next year's World Cup in Qatar.

The Champions League Round of 16 was responsible for seven of the ten highest turnover events in Q1, but margin was below average due to the results in the matches. Elsewhere football margin was generally positive. European World Cup Qualifiers in late March posted good winning margin after a number of major sides dropped points. The Premier League, Bundesliga and French Ligue 1 also each returned good margins.

In other sports, US competitions proved to be most popular. The NBA regular season was in full flow throughout the quarter and the NHL commenced in mid-January. Both competitions returned margins in line with expectations.

Betsson's Sportsbook continued to be improved with several important functions added during the quarter. New odds feed providers were added and improvements made to the Football product with an expanded Live-offering and to the overall customer experience. Additional improvements are also planned for the Football product ahead of the Euros in June.

Revenue by product



- Casino (74%)
- Sportsbook (25%)
- Other (1%)



Gross turnover in sportsbook in all Betsson's gaming solutions, was SEK 8,739.4 (6,833.9) million, which is an increase of 28% compared to the first quarter last year.

Sportsbook revenue in the first quarter was SEK 394.0 (384.9) million, an increase of 2%. Sportsbook represented 25% (27%) of Group revenue.

The sportsbook margin was 7.2% (8.5%). The eight-quarter rolling average margin was 7.4%.

Mobile sportsbook revenue was SEK 320.9 (312.3) million, representing 81% (81%) of total sportsbook revenue.

## Other products

Revenue from other products (poker, bingo and other) was SEK 21.3 (18.5) million, an increase of 15%, representing 1% (1%) of total revenues.

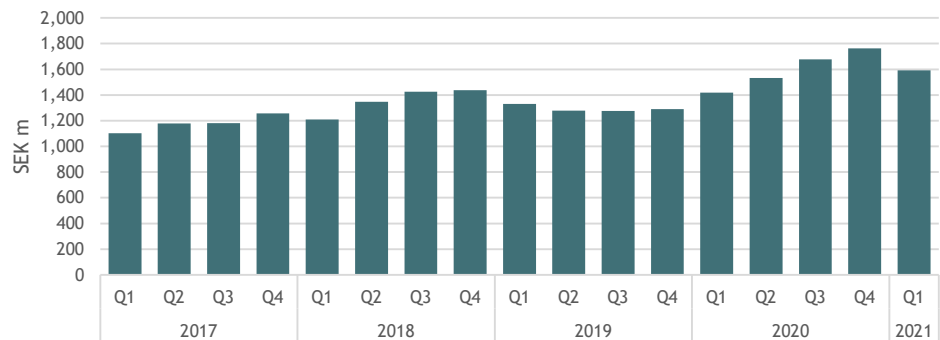
During 2020 migration of multiple brands to Playtech's iPoker network were done, which received positive feedback during the first quarter and active players increased by 38 percent compared to the first quarter last year. In March the Betsafe brand co-hosted the largest Poker tournament on iPoker for over a decade.

## FINANCIAL DEVELOPMENT

### Group revenue

Group revenue was SEK 1,592.8 (1,417.5) million, an increase of 12%, of which 2% was organic. Currency fluctuations had a negative effect on revenue of SEK 207.4 million compared with the first quarter 2020.

#### Revenue development



Locally taxed revenue from markets where Betsson pays local betting duties, increased by 9% compared to the first quarter last year and was SEK 548.3 (504.6) million, corresponding to 34.4% (35.6%) of total Group revenue.

Licence revenue for system delivery to B2B-customers was SEK 321.1 (230.2) million and corresponded to 20% (16%) of Group revenue. The increase is mainly due to enhanced performance in the products delivered by Betsson and successful brand launches.

Mobile revenue was SEK 1,191.3 (987.2) million, representing 75% (70%) of total revenue.

### Expenses

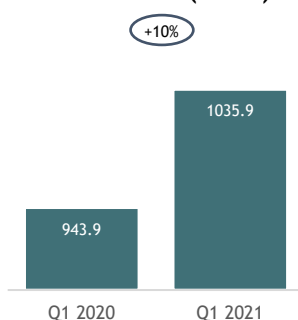
Cost of services provided was SEK 556.9 (473.7) million. The increased cost is mainly volume driven and correlates with revenue, but paid gaming tax and payment provider fees increased during the quarter.

Gross profit was SEK 1,035.9 (943.9) million, corresponding to a gross profit margin of 65.0% (66.6%).

Operating expenses were SEK 759.8 (683.2) million. The increased expenses are explained mainly by increased marketing activities, driven by Betsson's expansion by acquired companies, new trademarks, new markets and investments in technology.

Marketing expenses were SEK 284.4 (247.0) million. The increased expense is driven by increased marketing expenses in acquired companies, and as a result of expansions into new markets. The marketing ratio was 17.9 (17.4) percent of revenues.

### Gross Profit (msek)



Personnel expenses were SEK 232.0 (211.7) million. The average number of full-time employees in the Group during the first quarter was 1,819 (1,565) of which 1,105 (967) were based in Malta. The increase in personnel expenses is due to geographic expansion and as a result of the acquisitions in the second and third quarter 2020, additional 140 employees in total, and increased investments in technology.

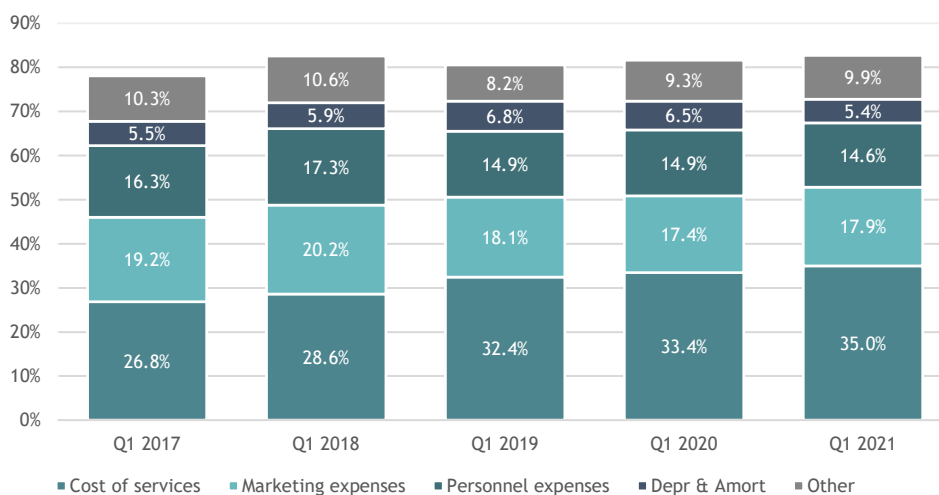
The Group had 235 (188) full-time consultants engaged by the end of the quarter, mainly within product development. This cost is recognised under other external expenses.

Other external expenses, which primarily include sportsbook related costs, consultants and software licences, were SEK 220.8 (202.7) million. The increased costs reflect investments in technology, geographic expansion and acquisitions.

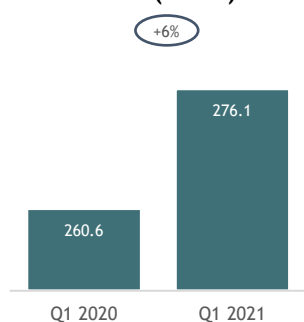
Capitalised development costs were SEK 62.5 (62.2) million. Amortisation of capitalised development costs was SEK 51.0 (52.8) million. Total amortisation and depreciation for the quarter was SEK 85.6 (92.3) million.

Other operating income/-expenses was SEK 0.5 (8.3) million. The increased expense is driven by foreign currency effects, mainly unrealised, on current assets and liabilities.

### Expenses as a percentage of revenues



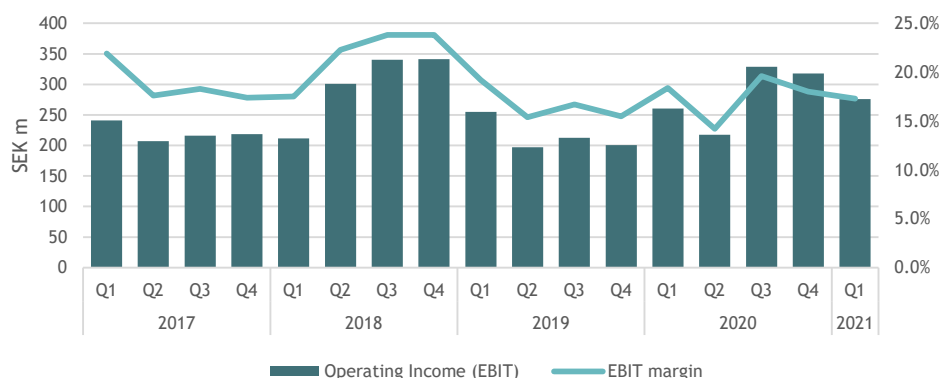
### EBIT (msek)



### Earnings

Operating income (EBIT) increased by 6% to SEK 276.1 (260.6) million. The EBIT margin was 17.3% (18.4%). EBIT was negatively impacted by currency exchange differences of SEK -107.1 million. Organically, and adjusted for the fx-effects, EBIT increased by 44% to SEK 375.7 million.

### Operating income development (EBIT)



Net financial items were SEK -12.8 (-18.8) million and are primarily related to interest costs.

Net income was SEK 240.1 (229.5) million, corresponding to SEK 1.76 (1.67) per share.

The reported corporate tax for the first quarter was SEK -23.2 (-12.3) million, corresponding to 8.8% (5.1%) of profit before taxes. The effective tax rate may fluctuate between quarters depending on the tax base in the countries where Betsson has subsidiaries. For example, corporate taxes in certain countries are based on dividend distribution which may result in a difference between the effective and statutory rate.

## Financial position

Cash and cash equivalents at the end of March 2021 was SEK 1,116.2 (908.9) million. Customer liabilities, including reserves for accumulated jackpots, were SEK 470.3 (409.6) million. Gaming regulations require the Group to reserve a certain share of cash to cover player liabilities and accumulated jackpots. Current receivables from payment providers for unsettled customer deposits were SEK 481.9 (564.8) million. The balance varies as a result of activity depending on when deposits are made, and at the same time payment terms differ depending on which payment providers are used.

## Cash flow

Cash flow from operating activities during the first quarter was SEK 327.7 (321.9) million including an impact of SEK 5.0 (56.2) million related to changes in working capital. Cash flow from investing activities was SEK -78.9 (-87.0) million and consists mainly of investments in own development. Cash flow from financing activities was SEK -12.5 (-2.7).

## External financing

As at 31 March 2021, total available bank credit facilities were SEK 880.0 (880.0) million, of which SEK 73.9 (73.9) million were utilised.

Credit facility	Amount	Utilised	Unutilised	Maturity date
RCF (SEK m)	800.0	73.9	726.1	May, 2021
Bank overdraft (SEK m)	80.0	0.0	80.0	Jan, 2022
Bond (SEK m)	992.5	992.5	0.0	Sep, 2022

## Equity

Equity in the Group was SEK 5,428.0 (5,430.3) million, corresponding to SEK 39.52 (39.73) per share.

## RISKS

The risk areas that Betsson has identified as most significant, and that can significantly affect the Group's operations, earnings and position, are strategic risks, operational risks, compliance risks and financial risks. These risk areas are described in more detail in the 2020 annual report.

## REGULATORY UPDATE

Betsson has through its subsidiaries gaming licenses in seventeen countries and operates in additional countries and is thus affected by gaming laws that largely differ between different countries. For an overall description of the gaming legislation in the jurisdictions in which the Group operates, please refer to the annual report of 2020. Below is a summary of the most recent implemented or planned changes in gaming legislation in markets relevant to the Group.

### Nordics

The temporary restrictions on online casino introduced by the Swedish government in 2020 due to the corona pandemic were extended late last year until July 2021, and the government has recently proposed to further extend these measures until 14 November 2021.

With effect from January 2021, the Danish government increased the rate of online gambling tax with 40 percent from 20 to 28 percent. The Danish government has reached a cross-party agreement, yet to be approved by parliament, that will allow sports teams to be sponsored by gambling companies, even if they have marketing ties with consumer loan providers, including banks. This is positive as many sporting clubs and associations have commercial agreements with gambling companies as well as banks in the local community.

In January 2021, the Ministry of Interior in Finland launched a project to reform the Lottery Act. The goal is to improve the prevention and reduction of harmful effects of gambling as well as investigate how legislation can support Veikkaus' operating conditions to strengthen the system with exclusive rights, that is to maintain the Finnish gambling system as a monopoly regime. The Finnish government's desire to maintain the status quo, despite the public criticism of the monopolistic regime being contrary to EU law, is disappointing.

## **Western Europe**

The new Dutch Remote Gambling Act went into force on 1 April 2021. As of the same date the Dutch regulator KSA started accepting licence applications. However, operators who are deemed to have actively targeted the Dutch players in the past (such as Betsson), cannot immediately apply for a Dutch online gambling licence. Those operators are only able to file their applications upon expiry of 33 months (the cooling off period) from the last date of them having actively targeted the Dutch market. Betsson estimates to file its licence application with the KSA in February 2022. Under the new law online gambling operators who have actively targeted Dutch customers would not be permitted to use their pre-established Dutch player databases (or other operators' databases that were established before the new regulation) once they commence operating under their new licences. However, the KSA has clarified that once the player has completed the registration process as required by law, operators may use existing databases.

In March 2020, changes to the Interstate Treaty in Germany were adopted allowing online casino slot games to be offered throughout Germany as from 30 June 2021. Online casino table games, however, will be licensed on a state-by-state basis where states may choose to run these products under a monopoly or choose a licensing model. The German states introduced a tolerance regime with effect on 15 October 2020 with limitations until summer 2021, including the removal of all casino table games (e.g. blackjack, baccarat and roulette), deposit limits across poker and slot gaming of EUR 1,000 per month as well as enhanced responsible gambling measures (player to set spending and time limits, along with cooling-off periods and panic button). It is also prohibited to use the term "casino" in reference to slot games. On 15 December 2020, an additional limitation of mandatory EUR1 slot stakes and five-second delays on spins, plus a ban on larger jackpots, became effective. Betsson operational subsidiaries have implemented these requirements accordingly and should thus be in a good position to apply for online casino licence as soon as licensing commences. Nevertheless, Betsson anticipates that licensing will be delayed due to the states' failure to establish a central regulatory authority. Betsson expects the transitional regime to continue to apply until the licensing process is clarified. In March 2021, a Betsson subsidiary received its sportbetting license.

Online gambling licenses in Italy are awarded through a public tender process, the latest in 2011 and 2018. The Italian regulator has not extended licenses issued in 2011 past 2020 while licenses issued in 2018 are valid until end of 2022. Several online gambling operators, including a Betsson subsidiary, have contested the regulator's refusal to extend the 2011 licenses in court. Betsson holds two online gambling licenses in Italy, one of them expired in the end of December 2020 and the other in the end of 2022. The court has granted an interim injunction in favour of the Betsson subsidiary to continue to operate until the final ruling in the matter is issued. Should the court, in its final ruling, side with the regulator, Betsson will continue to run all its Italian-facing operations on the other license.

In UK, new strict measures on online slots will come into effect in October 2021. These will include measures such as (i) customer withdrawal requests having to go into effect immediately without cancellation and (ii) displaying to any slots player their time spent playing and their net position regarding wins & losses in that session. The gambling industry also expects further measures regarding affordability checks from the UKGC.

## **CEECA**

On March 1, 2021, amendments to the Gambling Act entered into force in Georgia. The main changes relate to the introduction of supplier licensing, new technical requirements and new fines for non-compliance. Betsson does not foresee any material impact on its local subsidiaries from said amendments.

Since 2017, Poland has been blocking Polish consumers from accessing the websites of foreign-based gambling operators by way of its large blocklist. Betsson's view is that the Polish online gambling framework is contrary to EU law and has disputed in court the blocking of some of its websites by the Polish authorities.

## ROW, Rest of World

Despite a delay of more than two years, online sports betting regulation is expected to be in place in Brazil in the second half of 2021.

The marketing ban introduced in Kenya due to the corona pandemic has been further extended, which means further delays of Betsson's commercial launch in the country.

## OTHER INFORMATION

### EMPLOYEES

In the end of the first quarter 2021, the Group employed 1,831 (1,641) employees representing 60 nationalities. In addition, 235 (188) full-time consultants were engaged, mainly within product development.

Betsson corporate values - *One Betsson, Passion and Fair Play* - set the tone for how employees should treat each other, customers, suppliers and other stakeholders, and for how employees should approach their work and assignments. Betsson's ambition is to be the best workplace in the industry. Diversity and equal opportunities are key and included as a natural part of an innovative corporate culture. Skilled and engaged employees are a prerequisite to achieve the vision of providing the best customer experiences. New employees are hired based on skills, attitude and values. Betsson believes the key to success is that people of different backgrounds and experience work well together towards a common goal, promoting knowledge-sharing and cooperation.

The Group has, over time, retained people in leading positions, enabling its consistent delivery of its long-term strategy. To further inspire and support the people, leadership programmes, career development and other initiatives, are promoted to each employee.

### OWNERSHIP STRUCTURE AND SHARES OUTSTANDING

The Company's Series B shares are listed at Nasdaq Stockholm Large Cap list (BETS). At the end of the period, the Company had 27,068 (25,476) shareholders.

The total number of shares and votes in Betsson amounts to 144,493,238 and 287,692,238, divided into 15,911,000 A shares with ten votes each, 122,504,730 B shares with one vote each and 6,077,508 C shares with one vote each which may not be represented at general meetings of shareholders. Betsson's treasury shares were 1,763,400 B shares and 6,077,508 C shares.

Shareholders as at 31 March 2021

Name	A shares	B and C shares	% Capital (total capital)	% Votes (votes outstanding)
Hamberg family and companies	5,098,500	-	3.5%	18.2%
Danske Bank International S.A	3,931,000	533,500	3.1%	14.2%
Knutsson family and companies	3,010,000	3,150,000	4.3%	11.9%
Lindwall, Berit	1,683,000	85,000	1.2%	6.0%
State Street Bank & Trust Co	-	13,383,035	9.3%	4.8%
Lundström family and companies	1,323,500	90,600	1.0%	4.8%
DNB	-	11,703,314	8.1%	4.2%
JPM Chase	-	6,383,560	4.4%	2.3%
BNY Mellon NA	-	4,671,770	3.2%	1.7%
Lindwall, Pontus	415,000	615,000	0.7%	1.7%
Other	450,000	80,125,551	55.8%	30.2%
Betsson treasury shares	-	7,840,908	5.4%	0.0%
Total	15,911,000	128,582,238	100.0%	100.0%

## PARENT COMPANY

The Parent Company Betsson AB's (publ) business consists of investing in and administering shareholdings in companies, which, through partners or by themselves, offer games and sports betting to end users online. The Company provides and sells internal services related to financing, communication, accounting and administration to certain Group companies.

Revenue for the first quarter 2021 was SEK 7.1 (7.2) million, and net income was SEK -14.1 (36.7) million.

Cash and cash equivalents in the Parent Company was SEK 458.1 (315.7) million.

## ANNUAL GENERAL MEETING

The Annual General Meeting of shareholders in Betsson AB will be held on Wednesday, 5 May 2021 at 09:00 am CET. Post voting forms for shareholders wishing to vote is available on the Company's website.

**Stockholm, 29 April 2021**

Pontus Lindwall  
President and CEO

This interim report has not been subject to review by the Company's auditor.



*The 2020 Annual report comprise a sustainability report in accordance with GRI Standards. The sustainability report include an updated framework, long-term goals within Betsson's focus areas and a number of KPIs for reporting on the goals.*

## CONSOLIDATED INCOME STATEMENT

SEK m	Q1 2021	Q1 2020	Jan-Dec 2020
<b>Revenue</b>	<b>1,592.8</b>	<b>1,417.5</b>	<b>6,389.6</b>
Cost of services provided	-556.9	-473.7	-2,288.7
<b>Gross profit</b>	<b>1,035.9</b>	<b>943.9</b>	<b>4,100.9</b>
Marketing expenses	-284.4	-247.0	-1,096.5
Personnel expenses	-232.0	-211.7	-890.9
Other external expenses	-220.8	-202.7	-844.8
Capitalised development costs	62.5	62.2	245.4
Amortisation and depreciation	-85.6	-92.3	-359.1
Other operating income/expenses	0.5	8.3	-29.8
Operating expenses	-759.8	-683.2	-2,975.6
<b>Operating income</b>	<b>276.1</b>	<b>260.6</b>	<b>1,125.2</b>
Financial income and expenses	-12.8	-18.8	-56.5
<b>Income before tax</b>	<b>263.3</b>	<b>241.8</b>	<b>1,068.8</b>
Tax	-23.2	-12.3	-78.0
<b>Net income</b>	<b>240.1</b>	<b>229.5</b>	<b>990.8</b>
Net income attributable to:			
Equity holders of the Parent Company	242.2	229.6	1,006.5
Non-controlling interests	-2.1	-0.1	-15.7

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Q1 2021	Q1 2020	Jan-Dec 2020
<b>Net income</b>	<b>240.1</b>	<b>229.5</b>	<b>990.8</b>
<b>Other comprehensive income</b>			
<b>Revenue/expenses recognised directly in equity:</b>			
Hedge of net investments in foreign currency incl. deferred tax	11.9	36.5	19.6
Exchange differences in translating foreign operations	145.5	323.9	-419.5
<b>Other comprehensive income of the period (after tax)</b>	<b>157.4</b>	<b>360.4</b>	<b>-399.9</b>
<b>Total comprehensive income for the period</b>	<b>397.5</b>	<b>589.9</b>	<b>590.9</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Parent Company	399.6	590.0	606.6
Non-controlling interests	-2.1	-0.1	-15.7

## CONSOLIDATED BALANCE SHEET

SEK m	3/31/2021	3/31/2020	12/31/2020
<b>Assets</b>			
Intangible fixed assets	5,451.9	5,553.3	5,321.4
Property, plant and equipment	74.1	81.7	71.7
Right-of-use assets	219.7	137.3	207.6
Financial assets	23.7	18.4	18.3
Deferred tax receivables	39.5	45.6	34.6
Other longterm receivables	0.0	1.3	0.0
<b>Total non-current assets</b>	<b>5,808.9</b>	<b>5,837.8</b>	<b>5,653.6</b>
Current receivables	1,763.8	1,358.5	1,747.9
Cash and cash equivalents	1,116.2	908.9	863.2
<b>Total current assets</b>	<b>2,880.0</b>	<b>2,267.4</b>	<b>2,611.0</b>
<b>Total assets</b>	<b>8,688.9</b>	<b>8,105.2</b>	<b>8,264.6</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>5,428.0</b>	<b>5,430.3</b>	<b>5,062.9</b>
Provision gaming tax	0.0	15.2	0.0
Deferred tax liabilities	18.0	16.6	17.1
<b>Total Provisions</b>	<b>18.0</b>	<b>31.8</b>	<b>17.1</b>
Bond	992.5	987.5	991.3
Non-current liabilities to credit institutions	0.0	77.6	0.0
Lease liabilities	151.8	83.9	131.7
<b>Total non-current liabilities</b>	<b>1,144.3</b>	<b>1,149.0</b>	<b>1,123.0</b>
Current liabilities to credit institutions	71.7	0.0	70.3
Lease liabilities	57.2	43.8	58.4
Other current liabilities	1,969.7	1,450.3	1,932.9
<b>Total current liabilities</b>	<b>2,098.6</b>	<b>1,494.1</b>	<b>2,061.6</b>
<b>Total equity and liabilities</b>	<b>8,688.9</b>	<b>8,105.2</b>	<b>8,264.6</b>



## CONSOLIDATED CASH FLOW STATEMENT

SEK m	Q1 2021	Q1 2020	Jan-Dec 2020
Profit/loss before tax	263.3	241.8	1,068.8
Adjustments for non-cash items	80.2	89.2	393.3
Taxes paid	-20.8	-65.4	-76.6
Cash flow from operating activities			
before changes in working capital	322.7	265.6	1,385.2
Changes in working capital	5.0	56.2	-1.1
<b>Cash flow from operating activities</b>	<b>327.7</b>	<b>321.9</b>	<b>1,384.4</b>
Investments in intangibles/tangibles	-78.9	-82.3	-365.7
Acquisition of shares in subsidiaries	0.0	0.0	-385.0
Acquired cash and cash equivalents	0.0	0.0	61.6
Acquisition of shares in associates	0.0	-4.7	-4.7
<b>Cash flow from investing activities</b>	<b>-78.9</b>	<b>-87.0</b>	<b>-693.8</b>
Lease payments	-12.5	-16.6	-49.6
Changes in bank loans	0.0	74.0	74.0
Share redemption programme	0.0	0.0	-393.6
Warrant premiums received	0.0	0.0	1.0
Repurchase own shares	0.0	-60.1	-60.1
<b>Cash flow from financing activities</b>	<b>-12.5</b>	<b>-2.7</b>	<b>-428.3</b>
<b>Changes to cash and cash equivalents</b>	<b>236.4</b>	<b>232.2</b>	<b>262.3</b>
Cash and cash equivalents at beginning of period	863.2	639.2	639.2
Exchange differences	16.6	37.6	-38.2
<b>Cash and cash equivalents at end of period</b>	<b>1,116.2</b>	<b>908.9</b>	<b>863.2</b>

## CHANGES IN GROUP EQUITY

SEK m	3/31/2021	3/31/2020	12/31/2020
<b>Equity opening balance attributable to the equity holders of the Parent Company</b>	<b>5,037.2</b>	<b>4,899.0</b>	<b>4,897.6</b>
Total comprehensive income for the period	397.5	590.0	590.9
<b>Total change excluding owner transactions</b>	<b>397.5</b>	<b>590.0</b>	<b>590.9</b>
Share redemption programme	0.0	0.0	-393.6
Warrants paid premium	0.0	0.0	1.0
Share options - value of employee services	0.4	0.3	1.4
Repurchase own shares	0.0	-60.1	-60.1
<b>Equity at end of period attributable to the Equity holders of the Parent Company</b>	<b>5,435.1</b>	<b>5,429.2</b>	<b>5,037.2</b>
Equity attributable to:			
Equity holders of the Parent Company	5,435.1	5,429.2	5,037.2
Non-controlling interests	-7.1	1.1	25.7
<b>Total Equity at end of period</b>	<b>5,428.0</b>	<b>5,430.3</b>	<b>5,062.9</b>

## PARENT COMPANY, INCOME STATEMENT

SEK m	Q1 2021	Q1 2020	Jan-Dec 2020
<b>Revenue</b>	<b>7.1</b>	<b>7.2</b>	<b>36.1</b>
Operating expenses	-23.7	-3.8	-111.8
<b>Operating income</b>	<b>-16.6</b>	<b>3.3</b>	<b>-75.7</b>
Financial income and expenses	2.6	33.3	1,016.5
<b>Income before tax</b>	<b>-14.1</b>	<b>36.7</b>	<b>940.9</b>
Income tax	0.0	0.0	0.0
<b>Net income</b>	<b>-14.1</b>	<b>36.7</b>	<b>940.9</b>

## PARENT COMPANY, BALANCE SHEET

SEK m	3/31/2021	3/31/2020	12/31/2020
<b>Assets</b>			
Property, plant and equipment	3.9	4.9	4.2
Financial assets	5,737.8	5,168.9	5,737.8
<b>Total non-current assets</b>	<b>5,741.7</b>	<b>5,173.8</b>	<b>5,742.0</b>
Current receivables	866.9	966.3	947.3
Cash and cash equivalents	458.1	315.7	373.6
<b>Total current assets</b>	<b>1,324.9</b>	<b>1,282.0</b>	<b>1,321.0</b>
<b>Total Assets</b>	<b>7,066.6</b>	<b>6,455.8</b>	<b>7,062.9</b>
Restricted equity	352.2	351.0	352.2
Unrestricted equity	5,360.3	4,863.9	5,374.5
<b>Total equity</b>	<b>5,712.5</b>	<b>5,214.8</b>	<b>5,726.6</b>
Bond	992.5	987.5	991.3
Non-current liabilities to credit institutions	0.0	74.0	0.0
<b>Total non-current liabilities</b>	<b>992.5</b>	<b>1,061.5</b>	<b>991.3</b>
Current liabilities to credit institutions	73.9	0.0	73.9
Other current liabilities	287.7	179.4	271.0
<b>Total current liabilities</b>	<b>361.6</b>	<b>179.4</b>	<b>345.0</b>
<b>Total equity and liabilities</b>	<b>7,066.6</b>	<b>6,455.8</b>	<b>7,062.9</b>

## QUARTERLY DATA

### CONSOLIDATED INCOME STATEMENT, IN SUMMARY

SEK m	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
Revenue	1,592.8	1,762.5	1,676.7	1,532.8	1,417.5	1,289.5	1,275.2	1,277.7
Cost of services provided	-556.9	-649.8	-590.9	-574.3	-473.7	-450.6	-444.4	-418.8
<b>Gross profit</b>	<b>1,035.9</b>	<b>1,112.7</b>	<b>1,085.8</b>	<b>958.5</b>	<b>943.9</b>	<b>838.8</b>	<b>830.8</b>	<b>858.9</b>
Marketing expenses	-284.4	-310.2	-282.5	-256.8	-247.0	-211.8	-213.3	-231.8
Personnel expenses	-232.0	-227.0	-232.3	-219.9	-211.7	-201.5	-192.2	-197.8
Other external expenses	-220.8	-204.7	-214.4	-223.0	-202.7	-183.9	-171.2	-184.5
Capitalised development costs	62.5	60.1	60.7	62.4	62.2	53.5	51.5	49.2
Amortisation and depreciation	-85.6	-92.7	-87.5	-86.5	-92.3	-91.8	-91.7	-90.5
Other operating income/expenses	0.5	-20.4	-0.7	-17.0	8.3	-2.8	-1.3	-6.5
<b>Operating expenses</b>	<b>-759.8</b>	<b>-795.0</b>	<b>-756.7</b>	<b>-740.8</b>	<b>-683.2</b>	<b>-638.3</b>	<b>-618.3</b>	<b>-662.0</b>
<b>Operating income</b>	<b>276.1</b>	<b>317.8</b>	<b>329.1</b>	<b>217.7</b>	<b>260.6</b>	<b>200.5</b>	<b>212.5</b>	<b>196.9</b>
Financial items, net	-12.8	-11.5	-15.1	-11.0	-18.8	-13.5	-15.6	-14.7
<b>Income before tax</b>	<b>263.3</b>	<b>306.3</b>	<b>314.0</b>	<b>206.7</b>	<b>241.8</b>	<b>187.0</b>	<b>197.0</b>	<b>182.1</b>
Tax	-23.2	-28.6	-23.4	-13.8	-12.3	17.4	-15.2	-10.5
<b>Net income</b>	<b>240.1</b>	<b>277.8</b>	<b>290.6</b>	<b>192.8</b>	<b>229.5</b>	<b>204.4</b>	<b>181.8</b>	<b>171.6</b>

### CONSOLIDATED BALANCE SHEET, IN SUMMARY

SEK m	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
Non-current assets	5,808.9	5,653.6	5,854.8	5,875.1	5,837.8	5,457.2	5,587.3	5,512.7
Current assets	2,880.0	2,611.0	2,332.6	2,352.4	2,267.4	2,236.7	2,591.9	2,027.1
<b>Total assets</b>	<b>8,688.9</b>	<b>8,264.6</b>	<b>8,187.4</b>	<b>8,227.6</b>	<b>8,105.2</b>	<b>7,693.9</b>	<b>8,179.1</b>	<b>7,539.9</b>
Equity	5,428.0	5,062.9	5,079.6	5,215.9	5,430.3	4,899.0	4,837.7	4,573.3
Provisions and non-current liabilities	1,162.3	1,140.1	1,074.2	1,079.5	1,180.8	1,049.6	1,294.0	311.1
Current liabilities	2,098.6	2,061.6	2,033.6	1,932.1	1,494.1	1,745.2	2,047.4	2,655.5
<b>Total equity and liabilities</b>	<b>8,688.9</b>	<b>8,264.6</b>	<b>8,187.4</b>	<b>8,227.6</b>	<b>8,105.2</b>	<b>7,693.9</b>	<b>8,179.1</b>	<b>7,539.9</b>

### CONSOLIDATED CASH FLOW STATEMENT, IN SUMMARY

SEK m	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
Operating cash flow	327.7	223.9	494.6	343.9	321.9	237.8	307.0	390.6
Cash flow from investing activities	-78.9	-110.7	-107.6	-388.5	-87.0	-76.0	-82.0	-58.1
Cash flow from financing activities	-12.5	-183.7	-401.5	159.6	-2.7	-470.4	234.6	-463.4
<b>Total cash flow</b>	<b>236.4</b>	<b>-70.5</b>	<b>-14.4</b>	<b>115.0</b>	<b>232.2</b>	<b>-308.6</b>	<b>459.5</b>	<b>-130.9</b>

## KEY RATIOS

	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Key financial ratios</b>								
Gross Margin (% of revenue)	65.0	63.1	64.8	62.5	66.6	65.1	65.2	67.2
EBITDA-margin (% of revenue)	22.7	23.3	24.8	19.8	24.9	22.7	23.9	22.5
EBIT-margin (% of revenue)	17.3	18.0	19.6	14.2	18.4	15.5	16.7	15.4
Profit margin (% of revenue)	16.5	17.4	18.7	13.5	17.1	14.5	15.4	14.3
Marketing expenses (% of revenue)	17.9	17.6	16.8	16.8	17.4	16.4	16.7	18.1
Basic earnings per share (SEK)	1.76	2.05	2.20	1.39	1.67	1.48	1.31	1.24
Diluted earnings per share (SEK)	1.76	2.05	2.20	1.39	1.67	1.48	1.31	1.24
Equity per share (SEK)	39.52	37.05	37.17	38.17	39.73	35.38	34.95	33.04
Executed dividend/redemption per share (SEK)	0.00	0.00	2.88	0.00	0.00	0.00	0.00	3.89
Equity/assets ratio (%)	62	61	62	63	67	64	59	61
Return on equity (% , 12 months)	18	20	18	15	16	16	19	21
Return on total capital (% , 12 months)	13	14	12	11	11	11	13	15
Return on capital employed (% , 12 months)	17	18	15	14	14	14	17	19
Net debt (SEK m)	45	158	236	116	26	186	402	544
Net debt / EBITDA (Multiple, 12 months)	0.1	0.1	0.2	0.1	0.0	0.2	0.3	0.4
<b>Shares</b>								
Average share price (SEK)	76.58	71.64	68.92	55.34	43.47	46.42	51.32	65.00
Share price at end of period (SEK)	81.05	73.70	69.00	64.80	39.94	43.68	46.65	56.80
Highest share price (SEK)	87.90	78.80	80.00	68.90	58.45	51.70	58.70	76.28
Lowest share price (SEK)	66.00	64.50	62.50	34.92	25.70	42.30	46.30	54.20
Number of shareholders at end of period	27,068	24,430	25,010	25,622	25,476	25,421	26,139	26,720
Number of shares outstanding at end of period	136.7	136.7	136.7	136.7	136.7	138.4	138.4	138.4
Number of shares at end of period (million)	144.5	144.5	144.5	144.5	144.5	144.5	144.5	144.5
<b>Personnel</b>								
Average number of employees	1,819	1,793	1,710	1,642	1,565	1,572	1,526	1,494
Number of employees at end of period	1,831	1,792	1,796	1,722	1,641	1,589	1,588	1,577

## CUSTOMERS

	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
Registered customers (000's)	20,125	19,618	19,112	18,490	15,490	15,115	14,865	14,595
Active customers (000's)	948	990	920	821	681	686	632	659

## CUSTOMER DEPOSITS

SEK m	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
Customer deposits	4,676.1	5,304.9	5,172.6	4,658.5	3,765.1	3,845.1	3,657.8	3,675.1
Customer deposits, all gaming solutions	7,288.5	7,919.6	7,554.0	6,592.5	5,741.1	5,511.8	4,937.0	4,662.0

## SPORTSBOOK DATA

	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
Gross turnover, all gaming solutions (SEK m)	8,739.4	8,933.6	7,827.1	4,829.7	6,833.9	7,235.3	6,178.9	6,157.3
of which gross turnover live betting (SEK m)	5,874.7	5,958.2	5,566.6	3,632.1	5,018.5	5,019.6	4,549.2	4,299.4
Sportbook margin after free bets (%)	7.2	7.3	7.0	6.9	8.5	6.8	7.8	7.8
Revenue (SEK m)	394.0	459.0	352.6	226.5	384.9	311.6	314.6	341.0

## REVENUE BY PRODUCT

	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Revenue (SEK m)</b>								
Casino	1,177.4	1,283.7	1,306.5	1,286.3	1,014.2	964.1	942.2	917.8
Sportsbook	394.0	459.0	352.6	226.5	384.9	311.6	314.6	341.0
Other products	21.3	19.8	17.6	20.1	18.5	13.8	18.4	18.9
<b>Total</b>	<b>1,592.8</b>	<b>1,762.5</b>	<b>1,676.7</b>	<b>1,532.8</b>	<b>1,417.5</b>	<b>1,289.5</b>	<b>1,275.2</b>	<b>1,277.8</b>

	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Share of total revenue (%)</b>								
Casino	74	73	78	84	72	75	74	72
Sportsbook	25	26	21	15	27	24	25	27
Other products	1	1	1	1	1	1	1	1

	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Growth, compared with previous quarter (%)</b>								
Casino	-8	-2	2	27	5	2	3	-9
Sportsbook	-14	30	56	-41	24	-1	-8	15
Other products	8	13	-12	9	34	-25	-3	-6
<b>Total</b>	<b>-10</b>	<b>5</b>	<b>9</b>	<b>8</b>	<b>10</b>	<b>1</b>	<b>-0</b>	<b>-4</b>

	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Growth, compared with same period previous year (%)</b>								
Casino	16	33	39	40	0	-10	-12	-10
Sportsbook	2	47	12	-34	29	-9	-7	14
Other products	15	43	-4	6	-8	-41	-15	-36
<b>Total</b>	<b>12</b>	<b>37</b>	<b>31</b>	<b>20</b>	<b>7</b>	<b>-10</b>	<b>-11</b>	<b>-5</b>

## REVENUE BY REGION

	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Sportsbook (SEK m)</b>								
Nordics	98.9	146.0	107.4	77.8	142.3	112.3	111.4	140.2
Western Europe	23.3	32.8	25.3	29.6	33.6	28.7	34.9	38.2
Central & Eastern Europe and Central Asia	187.4	169.5	139.0	72.8	143.7	129.6	118.0	107.4
RoW	84.4	110.8	80.8	46.2	65.3	41.0	50.3	55.2
<b>Total</b>	<b>394.0</b>	<b>459.0</b>	<b>352.6</b>	<b>226.5</b>	<b>384.9</b>	<b>311.6</b>	<b>314.6</b>	<b>341.0</b>
	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Casino (SEK m)</b>								
Nordics	379.9	421.1	446.4	401.8	336.0	334.4	360.3	374.3
Western Europe	358.3	428.2	459.8	519.8	372.0	358.1	357.5	349.4
Central & Eastern Europe and Central Asia	344.8	331.5	299.0	278.6	270.1	232.4	194.1	168.8
RoW	94.4	102.8	101.4	86.1	36.0	39.2	30.3	25.3
<b>Total</b>	<b>1,177.4</b>	<b>1,283.7</b>	<b>1,306.5</b>	<b>1,286.3</b>	<b>1,014.2</b>	<b>964.1</b>	<b>942.2</b>	<b>917.8</b>
	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Total, for all products, per region (SEK m)</b>								
Nordics	487.0	573.5	558.9	485.0	482.7	450.2	476.7	519.3
Western Europe	383.6	462.1	486.5	550.2	406.5	387.7	396.7	392.2
Central & Eastern Europe and Central Asia	541.1	511.4	447.1	363.6	424.7	369.9	319.6	284.2
RoW	181.1	215.6	184.2	133.9	103.6	81.7	82.1	82.0
<b>Total</b>	<b>1,592.8</b>	<b>1,762.5</b>	<b>1,676.7</b>	<b>1,532.8</b>	<b>1,417.5</b>	<b>1,289.6</b>	<b>1,275.2</b>	<b>1,277.7</b>
	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Share per region (%)</b>								
Nordics	31	33	33	32	34	35	37	41
Western Europe	24	26	29	36	29	30	31	31
Central & Eastern Europe and Central Asia	34	29	27	24	30	29	26	22
RoW	11	12	11	9	7	6	6	6
	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Growth, compared with previous quarter (%)</b>								
Nordics	-15	3	15	0	7	-6	-8	-11
Western Europe	-17	-5	-12	35	5	-2	1	-9
Central & Eastern Europe and Central Asia	6	14	23	-14	15	16	12	15
RoW	-16	17	38	29	27	-1	0	16
	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Growth, compared with same period previous year (%)</b>								
Nordics	1	27	17	-7	-17	-32	-29	-17
Western Europe	-6	19	23	40	-6	-15	-11	-12
Central & Eastern Europe and Central Asia	27	38	40	28	71	37	33	33
RoW	75	164	124	63	46	56	15	23

## SPECIFICATION OF COST OF SERVICES PROVIDED

SEK m	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
Licence fees	157.8	168.5	169.3	162.0	142.6	134.3	129.9	123.8
Betting duties	119.8	129.1	123.7	121.7	99.6	94.6	88.4	90.6
Affiliates and partners commission	112.1	123.7	115.6	120.2	91.9	90.3	100.1	97.7
Other cost of services provided	167.3	228.5	182.3	170.3	139.6	131.5	126.0	106.7
<b>Total</b>	<b>556.9</b>	<b>649.8</b>	<b>590.9</b>	<b>574.3</b>	<b>473.7</b>	<b>450.6</b>	<b>444.4</b>	<b>418.8</b>

## SPECIFICATION OF AMORTISATION AND DEPRECIATION

SEK m	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
Depreciation property, plant, and equipment	7.9	10.7	10.3	9.8	10.8	14.0	13.0	11.9
Depreciation right-of-use assets	14.4	12.0	12.0	11.4	13.2	12.9	13.1	12.5
Amortisation intangible fixed assets (whereof amortisation of capitalised development costs)	63.3	70.1	65.2	65.3	68.3	64.9	65.6	66.1
<b>Total</b>	<b>85.6</b>	<b>92.7</b>	<b>87.5</b>	<b>86.5</b>	<b>92.3</b>	<b>91.8</b>	<b>91.7</b>	<b>90.5</b>

## EFFECTS FROM CURRENCY

	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Reported revenues</b>	<b>1,592.8</b>	<b>1,762.5</b>	<b>1,676.7</b>	<b>1,532.8</b>	<b>1,417.5</b>	<b>1,289.5</b>	<b>1,275.2</b>	<b>1,277.7</b>
- Currency effects	207.5	198.3	146.7	58.6	8.5	-13.1	-11.5	8.4
<b>Currency adjusted revenues</b>	<b>1,800.3</b>	<b>1,960.8</b>	<b>1,823.4</b>	<b>1,591.4</b>	<b>1,426.0</b>	<b>1,276.4</b>	<b>1,263.7</b>	<b>1,286.1</b>
Currency adjusted growth (YoY)	27%	52%	43%	25%	7%	-11%	-11%	-4%
Reported growth (YoY)	12%	37%	31%	20%	7%	-10%	-11%	-5%
<b>Reported operating income (EBIT)</b>	<b>276.1</b>	<b>317.8</b>	<b>329.1</b>	<b>217.7</b>	<b>260.6</b>	<b>200.5</b>	<b>212.5</b>	<b>196.9</b>
- Currency effects	107.1	110.7	82.2	40.5	20.9	6.0	1.1	24.0
<b>Currency adjusted operating income</b>	<b>383.2</b>	<b>428.5</b>	<b>411.3</b>	<b>258.2</b>	<b>281.5</b>	<b>206.5</b>	<b>213.6</b>	<b>220.9</b>
Currency adjusted growth (YoY)	47%	114%	94%	31%	10%	-40%	-37%	-27%
Reported growth (YoY)	6%	59%	55%	11%	2%	-41%	-38%	-35%

## EFFECTS FROM AQUISITIONS

	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Reported revenues</b>	<b>1,592.8</b>	<b>1,762.5</b>	<b>1,676.7</b>	<b>1,532.8</b>	<b>1,417.5</b>	<b>1,289.5</b>	<b>1,275.2</b>	<b>1,277.7</b>
- Revenue from acquisitions	-145.2	-202.9	-206.5	-164.8	-4.7	-1.0	-	-
<b>Organic revenues</b>	<b>1,447.6</b>	<b>1,559.6</b>	<b>1,470.2</b>	<b>1,368.0</b>	<b>1,412.8</b>	<b>1,288.5</b>	<b>1,275.2</b>	<b>1,277.7</b>
Organic growth (YoY)	2%	21%	15%	7%	6%	-10%	-11%	-5%
Reported growth (YoY)	12%	37%	31%	20%	7%	-10%	-11%	-5%
<b>Reported operating income (EBIT)</b>	<b>276.1</b>	<b>317.8</b>	<b>329.1</b>	<b>217.7</b>	<b>260.6</b>	<b>200.5</b>	<b>212.5</b>	<b>196.9</b>
- Result from acquisitions	-7.5	-26.5	-6.6	-11.8	0.3	1.4	0.0	0.0
<b>Organic operating income</b>	<b>268.6</b>	<b>291.3</b>	<b>322.5</b>	<b>205.9</b>	<b>260.9</b>	<b>201.9</b>	<b>212.5</b>	<b>196.9</b>
Organic growth (YoY)	3%	45%	52%	5%	2%	-41%	-38%	-35%
Reported growth (YoY)	6%	59%	55%	11%	2%	-41%	-38%	-35%

## OTHER NOTES

### CURRENCY EXCHANGE RATES

The exchange rates below are applied in the interim report.

#### Income Statement (average rate during the period)

	2021	2020	Δ
EUR/SEK	10.1176	10.6647	-5.1%
GBP/SEK	11.5855	12.3685	-6.3%
GEL/SEK	2.5299	3.4068	-25.7%
NOK/SEK	0.9865	1.0213	-3.4%
TRY/SEK	1.1355	1.5817	-28.2%

#### Balance Sheet (closing rate)

	3/31/2021	3/31/2020	Δ
EUR/SEK	10.2376	11.0832	-7.6%
GBP/SEK	11.9968	12.3879	-3.2%
GEL/SEK	2.5635	3.6046	-28.9%

### TRANSACTIONS WITH RELATED PARTIES

No significant transactions took place between Betsson and related parties that affected Betsson's financial position and performance in the period. The extent and nature of transactions with related parties in the period are consistent with previous year's transactions with related parties, as described in the 2020 annual report.

### ACCOUNTING POLICIES

Betsson complies with IFRS standards and interpretations (IFRIC) as adopted by the EU. This Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting. The Parent Company's financial statements have been prepared in accordance with RFR 2.

The accounting policies applied are consistent with those presented in the Annual Report for 2020. Detailed information about the Group's accounting and valuation principles can be found in the Annual Report for 2020 (Note 2), which is available on [www.betssonab.com](http://www.betssonab.com) or at the Company's head office.

### DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

This financial report refers to key figures that Betsson and others use in the evaluation of Betsson. These so-called Alternative Performance Measures (APMs) are not defined in IFRS. The measures provide management and investors with important information to analyze trends in the company's and group's business operations. These APMs are intended to supplement, not replace, financial measures presented in accordance with IFRS.

**Active customers:** Number of customers who have played on any of Betsson's gaming sites in the past three months, without any deposit requirement.

**All gaming solutions:** In this term KPIs attributable to Betsson are consolidated with KPI's attributable to B2B associates.

**Average equity:** Equity in the beginning of the quarter plus equity at the end of the quarter, divided by two.

**Average capital employed:** Total assets less non-interest bearing debts at beginning and end of quarter, divided by two.

**Average number of employees:** Number of employees expressed as full-time equivalent, FTE (full year's work).



**Average number of shares outstanding:** Weighted average number of shares outstanding.

**B2B:** Business-to-Business

**Betting duties:** Includes consumption tax attributable to local licences to operate gaming. Fixed fees for gaming licences are not included.

**Deposits:** Customers' deposits to gaming accounts.

**Dividend per share:** Actual/proposed dividend. Includes share redemption programmes.

**Earnings per share after dilution:** Net income, attributable to owners of the parent company, divided by the weighted average number of shares outstanding during the year, adjusted for additional number of shares for options with dilutive effect.

**Earnings per share:** Net income attributable to owners of the parent company, in relation to the average number of shares outstanding.

**EBITDA:** Income before financial items, taxes, depreciation and amortisation.

**EBITDA margin:** EBITDA as a percentage of revenue.

**Equity per share:** Equity, attributable to owners of the parent company, as a percentage of the number of shares outstanding at the end of the period.

**Equity/assets ratio:** Equity at the end of the period as a percentage of the balance sheet total at the end of the period.

**Gross profit:** Revenues less commission to partners and affiliates, betting duties, licensing fees to games suppliers, payments to payment suppliers and so called fraud (unapproved payments).

**Mobile revenue:** Revenues from customers using mobile devices.

**NDC:** New Depositing Customer

**Net debt:** Financial liabilities (bond, bank loans and leasing debts) plus customer liabilities less Cash and cash equivalents and 90% of receivables from payment providers.

**Number of employees:** Number of employees on last month's payroll.

**Number of shareholders:** Number of direct shareholders and shareholders listed through a nominee shareholder registered in the shareholder register kept by Euroclear Sweden AB.

**Number of shares outstanding:** Number of shares outstanding (excluding C-shares and repurchased shares) at the end of the period.

**Organic:** Excluding contribution from acquired entities over the past 12 months.

**Operating income (EBIT):** Income before financial items and taxes.

**Operating margin (EBIT):** Operating income as a percentage of revenue.

**Operational expenses:** Expenses for marketing, personnel, other external expenses, amortisation and depreciation, capitalised development costs and other operating income/expenses.

**Profit margin:** Income before taxes as a percentage of revenue.

**Return on equity:** Income after tax in relation to average equity.

**Return on total capital:** Income after financial items plus financial expenses, in relation to average total capital.

**Return on total capital employed:** Income after financial items plus financial expenses, in relation to average capital employed.

**Revenues:** Revenues from gaming business is reported after payment/payout of players' winnings, less deductions for jackpot contributions, loyalty programs and bonuses and other operating income. Licence fees from B2B partners consists of invoiced revenue for providing technical platforms for external gaming operators.



## FINANCIAL CALENDAR

Annual General Meeting 2021	5 May 2021
Q2 2021 January - June	22 July 2021
Q3 2021 January - September	26 October 2021
Q4 2021 and Year-End report	10 February 2022

## PRESENTATION OF THE INTERIM REPORT

Betsson invites analysts, investors and media to participate in the results presentation of the first quarter at 10:00 CEST on 29 April 2021. The results will be presented by CEO Pontus Lindwall and CFO Martin Öhman. The presentation will be held in English, followed by a Q&A session. Participants are welcome to join via the link or phone, see details below.

### Dial-in numbers:

Sweden: +46 8 5055 83 55  
UK: +44 33 33 00 92 72  
US: +1 83 35 26 83 95

### Webcast link:

<https://tv.streamfabriken.com/betsson-financial-hearing-q1-2021>



## CONTACTS

Pontus Lindwall, President and CEO Betsson AB  
+46 8 506 403 00 [pontus.lindwall@betssonab.com](mailto:pontus.lindwall@betssonab.com)

Martin Öhman, CFO Betsson AB  
+46 8 506 403 00 [martin.ohman@betssonab.com](mailto:martin.ohman@betssonab.com)

## ABOUT BETSSON

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 at Nasdaq Stockholm Large Cap (BETS).

Betsson's operational subsidiaries' vision is to deliver the best customer experience in the industry. They offer casino, sportsbook and other games via gaming licences in seventeen countries in Europe, Africa, North- and South America. The business model is to offer gaming under multiple brands, including Betsson, Betsafe, NordicBet and Casinoeuro. The brands are operated on a proprietary platform, which is the core of the offer and the customer experience.

Being a responsible operator in relation to customers, suppliers, authorities, investors and other stakeholders is a cornerstone of the Betsson's business. Betsson is a member of the European Gaming and Betting Association (EGBA), ESSA (Sports Betting Integrity) and G4 (The Global Gambling Guidance Group). Learn more about the Group on [www.betssonab.com](http://www.betssonab.com)

*In this interim report the name Betsson or the Group is used to describe the entire business run by the operational subsidiaries.*