

Betsson AB (publ) interim report July - September 2021

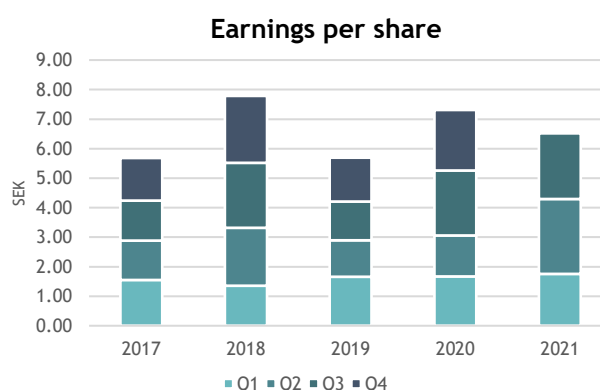
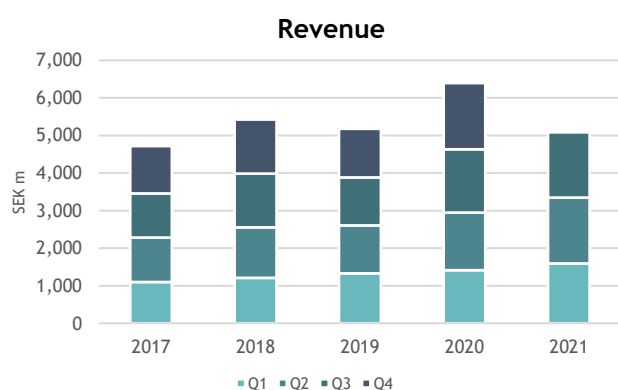
Yet another strong quarter driven by the sportsbook

QUARTER JULY - SEPTEMBER 2021

- Group revenue was SEK 1,733.3 (1,676.7) million, an increase of 3%. Organic increase of 8%.
- Casino revenue decreased by 2%. Sportsbook revenue increased by 24% and the sportsbook margin was 7.9% (7.0%).
- Operating income (EBIT) was SEK 323.6 (329.1) million, a decrease of 1.7%, the EBIT margin was 18.7% (19.6%).
- Net income was SEK 287.4 (290.6) million, corresponding to SEK 2.22 (2.22) per share.
- Operating cash flow was SEK 423.5 (494.6) million.
- Active customers increased by 7% to 986,429 (920,045).
- Acquisition of Inkabet and investment (28%) in Slapshot Media Inc.

PERIOD JANUARY - SEPTEMBER 2021

- Group revenue was SEK 5,077.7 (4,627.0) million, an increase of 10%. Organic increase of 20%.
- Operating income (EBIT) was SEK 983.2 (807.4) million, an increase of 21.8%, the EBIT margin was 19.4% (17.4%).
- Net income was SEK 865.4 (713.0) million, corresponding to SEK 6.51 (5.30) per share.
- Operating cash flow was SEK 1,321.9 (1,160.4) million.
- The Annual General Meeting approved dividend to shareholders of SEK 3.68 per share, corresponding to SEK 502.9 million.



KEY DATA

SEK m	Q3 2021	Q3 2020	Δ	Jan-Sep 2021	Jan-Sep 2020	Δ	Jan-Dec 2020
Revenue	1,733.3	1,676.7	3%	5,077.7	4,627.0	10%	6,389.6
Gross profit	1,120.5	1,085.8	3%	3,329.4	2,988.2	11%	4,100.9
EBITDA	418.5	416.6	0%	1,252.6	1,073.7	17%	1,484.3
EBITDA margin %	24.1	24.8	-	24.7	23.2	-	23.2
Operating income (EBIT)	323.6	329.1	-2%	983.2	807.4	22%	1,125.2
EBIT margin %	18.7	19.6	-	19.4	17.4	-	17.6
Net income	287.4	290.6	-1%	865.4	713.0	21%	990.8
Earnings per share (SEK)	2.22	2.22	-	6.51	5.30	23%	7.32
Operating cash flow	423.5	494.6	-14%	1,321.9	1,160.4	14%	1,384.4
Casino revenue	1,275.7	1,306.5	-2%	3,675.2	3,607.0	2%	4,890.6
Sportsbook gross turnover	8,395.5	7,827.1	7%	25,477.0	19,490.7	31%	28,424.2
Sportsbook revenue	435.7	352.6	24%	1,339.8	963.9	39%	1,423.0
Sportsbook margin after free bets %	7.9	7.0	-	7.8	7.5	-	7.5
Deposits	7,720.3	7,554.0	2%	22,364.4	19,887.5	12%	27,801.0
Active customers (number of)	986,429	920,045	7%				

CEO COMMENT

“Yet another strong quarter driven by the sportsbook”



Pontus Lindwall
President and CEO Betsson AB

After several records during the previous quarter, we managed to increase revenue by just over 3 per cent during the third quarter, compared with the corresponding quarter last year, which was a very strong quarter. At that time, the strong increase in revenue was driven by a surge in demand for digital entertainment. The further increase in revenue is explained by the successes with our sportsbook in combination with good results in the ending rounds of the EURO 2020 and CONMEBOL Copa América and the return of the domestic football leagues from mid-August. All in all, this has resulted in sportsbook revenue increasing by approximately 24 per cent year-on-year. The increase in revenue has also benefited from successes in new markets such as LatAm, Croatia and Greece.

Against the background of strong development this year, it was unfortunate that the Dutch Gaming Authority unexpectedly published a new policy at the end of September that entails a deviation from the previously communicated guidelines during the cooling off period. The new policy implies that operators who are waiting out the cooling off period is forced to cease operations completely, pending an obtained license. Based on the new policy, Betsson decided to temporarily stop accepting Dutch customers on international websites in order to create good conditions for the upcoming licensing process. Betsson continues to have strong faith in the Dutch market and an ambition to be able to conduct business in the future in accordance with the new regulations. The efforts to prepare the license applications and preparations for certifying our technical platform in the Dutch market are ongoing. The application is expected to be submitted no later than at the end of the first quarter 2022 in connection with the end of the cooling-off period. The outcome of the application process is expected to be communicated after the summer of 2022 and I then hope our position in the Netherlands gradually can be regained thanks to strong brands and an organization with good local knowledge.

Continued investments in the US

The investments in the US market to be able to launch our B2C offerings in Colorado during the first quarter of 2022 continue according to plan. This quarter has been an intense period to secure everything from meeting the authorities' reporting requirements to adapting the platform and technology so that the US-adapted sportsbook can enter a testing and certification process. The sportsbook has also been integrated into the Strive platform, which has now been certified in the state of Colorado. The fact that the Strive platform is certified will benefit us during the testing and certification processes that are initiated now.

Strengthening Betsson through acquisitions

During the quarter, we acquired Inkabet's B2C business. Inkabet is a fast-growing sportsbook and casino business aimed at the western region of South America. The acquisition further strengthens and expands our presence and position in the Latin America region and builds on the previous acquisitions of JDP Tech Ltd, Suaposta, and Colbet. We have also invested in the Canadian startup company Slapshot Media Inc by acquiring 28 per cent of the shares. The investment in Slapshot Media Inc means a partnership with local Canadian expertise that enables Betsson to create a strong position in the Canadian market ahead of the upcoming regulation in Ontario. Strengthening our business through acquisitions is an important component of our strategy and it has been a successful way to create growth but also to build competence in the organization. In this way, a dynamic business is created that also positively impacts existing operations.

A strong team paves the way for future success

An important guiding star for my leadership has always been to drive the company towards the goals set for it, regardless of obstacles along the way and I intend to continue according to that. We have built a very strong and competent team at Betsson and I look forward to continuing to build the company even stronger in the future.

Founded in

1963



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

Ticker: BETS B



Betsson Group operates 20 brands

19

Licensed for gaming in 19 jurisdictions

SIGNIFICANT EVENTS AND OUTLOOK

SIGNIFICANT EVENTS DURING THE QUARTER

In August, SW Nordic Limited, a subsidiary of Betsson AB (publ), signed an agreement to acquire Inkabet's B2C online gambling business, a rapidly growing sportsbook and casino operation targeting the western region of South America. The initial consideration of the acquisition was USD 25 million. Additionally, Betsson will pay up to USD 4 million depending on the performance of Inkabet in reaching the agreed revenue and EBIT targets during the six months following the closing, together with a deferred payment of USD 5 million. The full purchase price is the equivalent of 3.8 times EBIT of the last 12 months ending June 2021. Inkabet's revenue over the last 12 months as of June 2021 was USD 25.2 million and operating income (EBIT) USD 8.8 million. Through this acquisition, Betsson continues to take market share in Latin America, a strategically important region where the company has big ambitions for the future.

Betsson Perch Investments AB, a subsidiary of Betsson AB (publ), acquired 28 per cent of the shares in Canadian start-up Slapshot Media Inc for the purchase price of CAD 3 million (SEK 21 million). The investment is another step in Betsson's continued ambition to grow in the North American market. Through this investment, Betsson strongly positions itself with the help of local expertise on the Canadian market where a re-regulation in Ontario is imminent.

As a result of the Dutch Gambling Authority's (the KSA) publication of a new enforcement policy, Betsson's operational subsidiaries decided to stop accepting Dutch customers on their international websites in furtherance of Betsson Group's long-term goal of obtaining a license in the Netherlands.

In July Betsson expanded its presence in Eastern Europe by launching in the Republic of Belarus. Betsson are now offering casino, sportsbook and poker under the Europebet brand. Europebet.by is the first brand to offer poker in the Belarusian market. Several gaming providers are already committed, and a wider portfolio of games will be added shortly.

In September Betsson AB's board of directors decided to begin the process of finding a replacement for CEO and founder Pontus Lindwall as they had concluded that Pontus Lindwall had completed the assignment "Back on Track", the program for which he was hired to execute as CEO in 2017. Shortly after the board's decision to begin the process of finding a replacement for the CEO, Patrick Svensk, chose to resign from the board of Betsson AB and his assignment as Chairman of the Board with immediate effect, based on the lack of confidence from the company's major shareholders. Following that, Johan Lundberg, currently a member of Betsson AB's Board, was appointed as the new Chairman.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

The acquisition of Inkabet's online gambling business was completed on October 1, 2021. Betsson expects the acquisition to increase scale in the business and to unleash synergies, being both revenue and earnings accretive from the fourth quarter 2021 onwards.

On October 20, 2021, Jan Nord informed the Board that he is resigning from the Board with immediate effect.

The Extra General Meeting (EGM) on October 25 resolved on to re-elect Fredrik Carlsson, Johan Lundberg and Eva Leach as board members, and to elect Peter Hamberg and Pontus Lindwall as new board members until the end of the next AGM. The EGM also resolved that the instructions for the Nomination Committee adopted should be adjusted so that the Chairman of the Board of Directors shall not be part of that Committee.

The new Board of Directors of Betsson AB has decided to withdraw the decision to replace Betsson AB CEO Pontus Lindwall.

TRADING UPDATE

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

The average daily revenue in the fourth quarter 2021 up until and including 17 October was 17.6 per cent lower than the average daily revenue of the full fourth quarter 2020. Adjusted for currency effects and acquisitions, the average daily revenue until 17 October was 12.9

per cent lower than the average daily revenue of the full fourth quarter 2020. During this period, the sportsbook margin has been 4.2% which is extra ordinary low compared to the average over a longer period of time. The strongest reason behind the decrease in revenue is the low sportsbook margin, but the decision to close down international gaming sites for customers from Netherlands also had a negative effect on revenue.

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 identified three growth areas: growth in 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 opportunities are identified. Betsson's financial position allows room for manoeuvre to take advantage of good opportunities that supplement existing offerings with new geographical markets, 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 proprietary sportsbook means substantial opportunities to create new offerings with economies of scale.

In the United States Betsson will launch its US-adapted sportsbook during the first quarter of 2022 through a B2C offering in Colorado together with Dostal Alley Casino. The Strive platform was certified in Colorado during the third quarter and is paving the way for the testing and certification of Betsson's sportsbook that will begin during the fourth quarter. By combining two leading iGaming technologies, Betsson will be able to offer a modern product in Colorado. The goal is to offer Betsson's proprietary sportsbook as a B2B solution after the B2C offering has been launched in Colorado.

As a further step in growing on the North American market, Betsson acquired 28 per cent of the shares in the Canadian start-up Slapshot Media Inc. The investment is in line with Betsson's strategy of partnering locally in order to position itself in locally regulated markets and markets soon to be regulated.

Examples of new markets include the successful establishment in Croatia and the swift start-up in Greece after the launch in early June, which create a good foundation for further expansion in the region. Another strategically important area for Betsson is Latin America. To strengthen the Group's presence in the region, Inkabet's B2C operations and their rapidly growing sportsbook were acquired in September and the transaction was closed in October. Inkabet will contribute positively to both revenue and earnings in the region from the fourth quarter of 2021 and onwards.

TECHNOLOGY DEVELOPMENT

Betsson has a solid technical position through its subsidiaries. Investments in innovation and technology are always done with the customer experience in focus. The gaming sites are largely run on a proprietary platform, a PAM, (Techsson), 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. It also enables fast integrations across jurisdictions and brands. The products offered mainly consist of casino and sportsbook.

Betsson is dedicated to developing its proprietary gaming platform Techsson, through which around 90 per cent of the Group's current revenue is generated. During the third quarter the focus was to maintain a continued high system capacity, despite a high activity, linked

to the ending rounds of Euro 2020 and CONMEBOL Copa América. This was achieved by continued migration of brands to the cloud, which allowed for scaling to meet high demand (through improved capacity and efficiency) as well as overall improved customer experience (through efforts to improve performance of sites and apps).

Updates to the technological platform during the third quarter resulted in an improved user experience (UX) in games lobbies including improved views allowing for faster game selection, integration of additional payment providers and solutions, and speed and performance improvements for mobile apps, customer registration and the sportsbook product.

Technological updates also enabled the upgrade of BetBuilder, a digital tool that enables customers to combine odds themselves. The most important upgrades were an expanded offering of sports, tiers and results to set odds on, as well as an improved customer experience. These upgrades are also necessary to adapt Betsson's products ahead of the sportsbook launch in the United States. In August, Betsafe for iOS and Android were launched in Peru and Sweden, a milestone in Betsson's initiative to develop Next Generation Native Apps (apps adapted for a specific operating system) that are scalable and can support additional brands and markets. This development lays the groundwork for future expansion in additional brands and markets.

In Colombia, the Colbet brand was migrated from the Sirplay platform to Tecnalis, a sportsbook platform that was already certified in the market and appreciated by customers. This change entails a richer customer offering supported by a technology that Betsson already uses in several other markets.

Efforts to launch the sportsbook offering in the United States continue. The third quarter has been an intensive period with focus on securing everything from fulfilling agency reporting requirements to ensuring a high quality of the platform and technology. Among other things, Betsson's U.S. sportsbook has been integrated into the Strive platform. Currently, 120 people are working on the sportsbook technology targeted for U.S. audiences. From a customer perspective several preparations have been made to ensure that Betsson has an attractive product for the U.S. market and development of so-called native apps for the market is one example.

During the third quarter the Strive platform became certified in the state of Colorado which is an important milestone. Betsson's sportsbook adapted for the US market will go through a testing and certification phase during the fourth quarter of 2021, which is expected to take approximately 3-4 months.

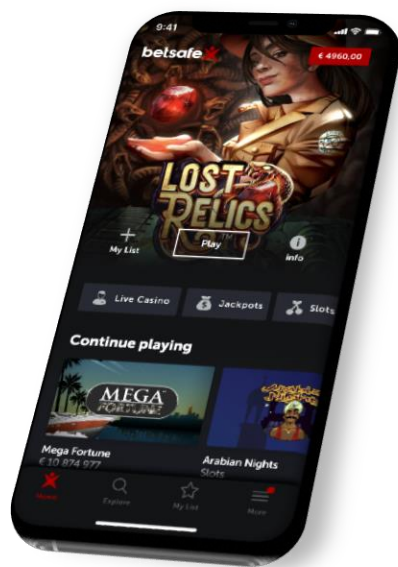
SUSTAINABILITY AT BETSSON

Sustainability is an integrated 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 of the areas, see the Annual and Sustainability Report for 2020.

During the third quarter Betsson established a new governance model for how to coordinate and drive its sustainability work. The model is comprised of a Sustainability Council and a Sustainability Task Force. Both the Council and the Task Force had their first meetings during the quarter.

The Sustainability Council, which consists of the CEOs and elected members from the management team in Betsson AB and the operational management team for Betsson Operations, has the responsibility, on behalf of the respective management teams, to ensure that the sustainability framework is kept up to date and delivered on through-out the organization.

The Sustainability Task Force is comprised by employees from relevant parts of the operational organization and is responsible for driving and coordinating work around the sustainability framework, as well as continuously keeping track of and evaluating sustainably KPIs and activities. Task force members report on KPIs and activities on a quarterly basis to the Sustainability Council and also in connection with the annual sustainability report.



Business Compliance

Betsson holds gaming licenses in 19 jurisdictions and works in several countries with largely different legislations. 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.

In July, the European Gaming and Betting Association (EGBA), of which Betsson Group is a member, published its first-ever annual Sustainability Report, in which the CEOs of member companies commit to taking the lead in fostering a stronger culture of safer gambling across Europe's online gambling sector. Data in the report also confirms that EGBA members are significantly stepping up their safer gambling efforts towards their customers, including through the greater deployment of safer gambling tools and increased communications to promote safer gambling.

During the quarter, the Compliance Team provided specifically tailored training for the Information Security Team and Legal Team, including in relation to recent data protection regulatory developments. The Compliance Team is also currently developing automated processes which will optimize existing data privacy procedures and controls.

The Compliance Team also worked with an existing third-party training platform provider in order to improve compliance training platform functionalities, including working with the provider in relation to AML and Responsible Gaming trainings material for new markets.

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 and to 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, the Responsible Gaming Team continued to work on the updated version of the company's Responsible Gaming Prediction Tool. Preliminary modelling and analysis have been successful so far and Betsson is aiming to launch by end of Q4 2021 and complete the full integration in Q1 2022.

As the quarter saw the return of major football events such as the UEFA Euro 2020 and the CONMEBOL Copa América, the Responsible Gaming teams were supporting the influx of new players. Betsson ensured staff availability and that increased attention was paid to sportsbook players, although it should be noted that these high-profile tournaments attract mostly recreational players with low risk of problem gambling.

In the third quarter, 10.6 per cent of customers used non-mandatory tools to control their gambling (17.8 per cent) and 35.7 per cent of all new depositing customers during the quarter set a deposit limit (36.0 per cent). The decrease in these numbers is related to the customer mix during the quarter since customers in some markets are more prone to using non-mandatory tools than others. Also, as more markets introduce mandatory tools, this consequently brings down the usage of non-mandatory tools.

In the third quarter, 1.2 per cent of all customers who contacted customer service were red flagged (1.4 per cent). This is a result of a conscious effort by Betsson, where Betsson has provided its Customer Service Agents with enhanced training and updated procedures so that the agents can deal with certain matters directly themselves. This has led to a decreased need for escalation and increased efficiency and customer satisfaction.

Betsson had 74,475 interactions with customers manually, automatically and via real-time messages during the third quarter (91,833). Betsson significantly increased its interactions with customers during the pandemic.

Red flagged customers are assessed individually, based on the customer's profile and gambling activity. Betsson has a wide spectrum of follow-up actions, ranging from providing more information about safer gambling to the player or asking the customer for feedback to a set of questions, to encouraging the customer to set deposit limits or to take a timeout. Betsson also has the ability to shut-out players from continued gambling.

74,475

Interactions for
responsible gaming

Employee impact

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

During the quarter, Betsson launched a Hybrid Working from Home Model pilot in five locations: Malta, Sweden, Hungary, Estonia, and Lithuania. The model allows eligible employees to work from home three days per week, with the remaining two days mandatory in the office. This combines the flexibility of working remotely with the added benefits of seeing colleagues face to face on a regular basis. The pilot will run for three months and will be followed by an evaluation in December 2021.

Social impact

During the quarter, Betsson continued to support the local communities in which the Group operates.

As an example, a donation to the Women for Women Social Fund in Malta was granted. The fund is run by the Women for Women foundation and caters for the emergency financial needs of women with children.

The donation is in line with Betsson's approach to support female empowerment and gender equality and will go towards buying baby products as well as women's personal care items. To build employee engagement, employees will during Q4 be asked to donate similar items.

Climate impact

Betsson operates in an industry with relatively low CO2 emissions, but nevertheless has a responsibility to help counteract climate changes.

Betsson has set climate targets according to science-based targets (SBT), of reducing greenhouse gases by at least 55 per cent for Scope 1 and 2 and by at least 15 per cent for Scope 3 by 2030.

During the third quarter, Betsson has started work on a climate roadmap for how to reach its climate goals. A number of qualitative interviews with internal stakeholders have been held, which is followed by an internal workshop facilitated by an external agency. The roadmap will be presented in the Annual and Sustainability report 2021.

THIRD QUARTER DEVELOPMENTS

CUSTOMER ACTIVITY

Customer deposits in all operational subsidiaries' gaming solutions during the quarter were SEK 7,720.3 (7,554.0) million, an increase of 2%.

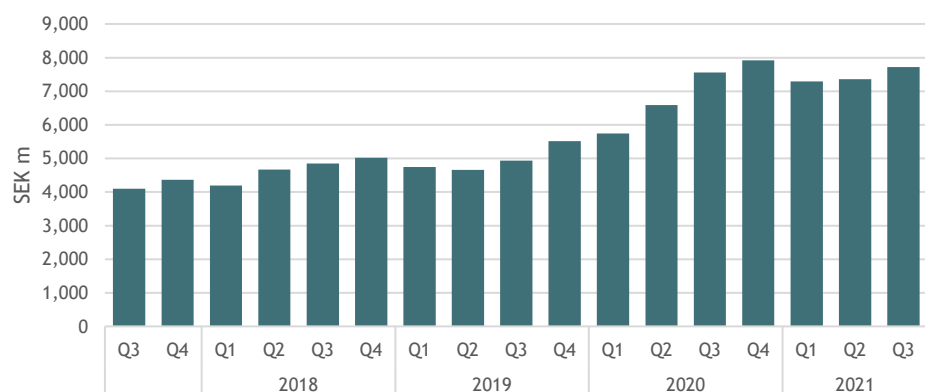
By the end of the third quarter, the number of registered customers was 21.6 (19.1) million, an increase of 13%.

Active customers during the quarter were 986,429 (920,045), an increase of 7%.

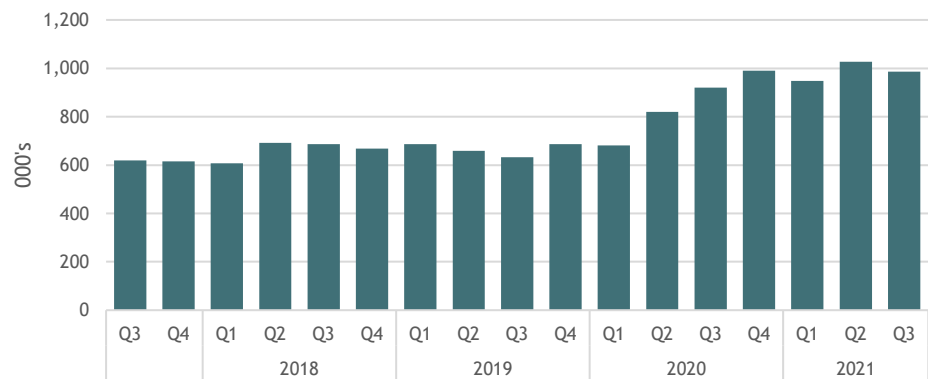
7%

Increase of active customers compared to the same period last year

Customer deposits



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 licence in Malta. POS or Point of Supply regulation refers to markets that are targeted, based on EU and/or international law principles, without being licenced and taxed in such markets.

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

Nordics

Revenue from the Nordics was SEK 544.9 (558.9) million, a decrease of 2.5%.

Operations in the Swedish market continued to develop well. Betsson increased its market share in Sweden compared with the previous year thanks to both Jalla Casino and the sportsbook contributing strongly to the revenue growth.

In Finland, revenue increased both compared to last year and compared with the previous quarter. The year-on-year increase is driven by a higher sportsbook activity while the increase compared to last quarter is explained by a higher casino activity. In Denmark casino contributed to increased revenue compared to the corresponding period previous year. The Norwegian revenue decreased compared with previous year due to payment challenges in the market.

Western Europe

Revenue from Western Europe was SEK 352.9 (486.5) million, a decrease of 27.5%.

Revenue in the UK decreased compared to last year, in line with Betsson's expectations and as a result of Betsson's strategy to consolidate its operation to only one brand (Rizk) as a result of the changes in the UK market regulation.

In Germany, restrictions were implemented for online casino in October and December 2020, which contributes to continued low activity and a decline in revenue. Compared with the previous quarter revenue declined further due to implementation of gaming taxes.

In Italy, revenue increased in relation to the corresponding period of the previous year mainly driven by a strong growth in active customers and casino turnover.

CEECA

Revenue from Central & Eastern Europe and Central Asia (CEECA) was SEK 543.0 (447.1) million, an increase of 21.4%.

The region as well as the majority of countries within the region reported all time high revenue for the quarter. Croatia and the new market Greece, where Betsson launched in June, showed positive trends in activity and revenue performance. Poland was the only country that reported a decrease in revenue.

Revenue by region



- Nordic (32%)
- Western Europe (20%)
- CEECA (31%)
- ROW (17%)

In Estonia, casino operations reported all time high revenue driven by cross sales from the Euro 2020. In Latvia, all time high revenue were also reported within casino. In Lithuania, deposits increased and casino operations had a strong development in addition to the sportsbook that benefited from the local basketball league and conclusion of the NBA season.

ROW, Rest of the world

Revenue from RoW was SEK 292.6 (184.2) million, an increase of 58.8%.

In ROW, Chile together with Peru were the main contributors to the growth for the region. Activity levels continued to be high in the region and deposits were at all time high.

In Peru, all time high revenue were reported for the quarter. Betsson operates two brands in Peru, Betsson, which is the market leading brand and the challenger Betsafe. Through the acquisition of Inkabet's B2C online gaming operations, Betsson is strengthening and expanding its business in the western region of South America.

In Brazil, the highest revenue since the acquisition of Suaposta in 2019 were reported. During the quarter, Betsson continued its efforts to strengthen the brand awareness before the upcoming market reregulation, including the activation of Betsson's ambassadors. Another initiative in the efforts to increase brand awareness has been the launch of fantasy football.

MARKET DEVELOPMENT BY PRODUCT

Casino

Betsson's casino product includes a wide range of suppliers and a diverse content library, custom made for a 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 the central platform Techsson, as well as the Group's own exclusive titles.

During the quarter, Betsson released 294 new casino games, 16 of which came with a Period of Exclusivity for Betsson's brands. This corresponds to an average of four new games per day and an increase of 54 games compared with the previous quarter.

At the beginning of the third quarter Betsson had a total of 3,300 games available; taking into account variations connected to regions, markets and brands this means that the company manages over 5,600 game titles on Techsson including 145 poker games and 300 live casino games. With a solid base of technical platforms and local partnerships Betsson has a strong and regionally diverse live casino offering on the market and continuously invests in improvements to the customer experience to strengthen the market position in Live Casino.

Casino revenue was SEK 1,275.7 (1,306.5) million, a decrease of 2.4%. The change was largely driven by decreased activity in Germany as a result of the changed regulations which affected customer offerings, as well as decreased activity in the UK as a result of Betsson's consolidation and focus on only one brand. Casino represented 74% (78%) of Group revenue.

Mobile Casino revenue was SEK 1,046.9 (984.1) million and accounted for 82% (75%) of total casino revenue.

Sportsbook

The quarter saw the final rounds of the Euro 2020 and Copa América tournaments impacted the quarter, followed by friendlies, club-level and International qualification football matches and then the return of the domestic football season from mid-August.

Gross turnover in sportsbook in all Betsson's gaming solutions, was SEK 8,395.5 (7,827.1) million, which is an increase of 7.3% compared to the third quarter last year.

Sportsbook revenue in the third quarter was SEK 435.7 (352.6) million, an increase of 23.6%. Sportsbook represented 25% (21%) of Group revenue.

The sportsbook margin was 7.9% (7.0%). The eight-quarter rolling average margin was 7.5%.

Mobile sportsbook revenue was SEK 352.9 (281.1) million, representing 81% (80%) of total sportsbook revenue.

Revenue by product



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

Other products

Revenue from other products (poker, bingo and other) was SEK 21.9 (17.6) million, an increase of 24%, representing 1% (1%) of total revenue.

FINANCIAL DEVELOPMENT

Group revenue

Group revenue was SEK 1,733.3 (1,676.7) million, an increase of 3%, with 8% being organic.

Revenue development



Locally taxed revenue from markets where Betsson pays local betting duties decreased by 8% compared to the third quarter last year and was SEK 558.1 (607.0) million, corresponding to 32.2% (36.2%) of total Group revenue. Reduced share of locally taxed revenue is explained by strong sportsbook growth in LatAm and decreased revenue in UK and Germany during the quarter.

License revenue for system delivery to B2B-customers amounted to SEK 291.9 (260.8) million and corresponded to 17% (16%) of Group revenue. The increase is mainly due to enhanced performance in the products delivered by Betsson, new customers and successful brand launches.

Mobile revenue was SEK 1,398.9 (1,271.5) million, representing 81% (76%) of total revenue.

Expenses

Cost of services provided was SEK 612.8 (590.9) million. The cost increase is mainly driven by increased payment provider fees, but is partly offset by lower cost of affiliates and partner's commission.

Gross profit was SEK 1,120.5 (1,085.8) million, corresponding to a gross profit margin of 64.6% (64.8%).

Operating expenses were SEK 796.9 (756.7) million.

Marketing expenses were SEK 280.5 (282.5) million, corresponding to a marketing to revenue ratio of 16.2 (16.8) per cent. The Group continues to capitalise on the increased investments made during the second quarter in connection with Copa América and Euro 2020.

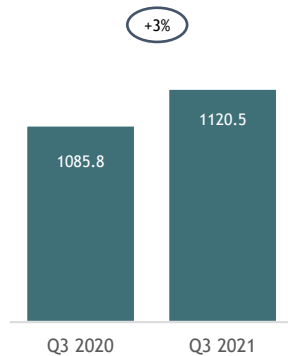
Personnel expenses were SEK 240.4 (232.3) million. The average number of full-time employees in the Group during the third quarter was 1,933 (1,710) of which 1,164 (1,070) were based in Malta. The increase in personnel expenses comes from geographic expansion, and increased investments in technology (mainly from development and adaptation of the sportsbook for the US market).

The Group had 231 (217) full-time consultants engaged by the end of the quarter, mainly within product development. This cost is recognized under other external expenses.

Other external expenses, which primarily include sportsbook related costs, consultants and software licences, were SEK 240.3 (214.4) million. The increased costs are mainly driven by sustained increased investments in product development and technology, also connected with the Group's plans for the US.

Costs related to new market entries in the third quarter amounted to SEK 105 million, of which SEK 15 million is attributed to the US expansion divided by personnel costs and other

Gross Profit (msek)

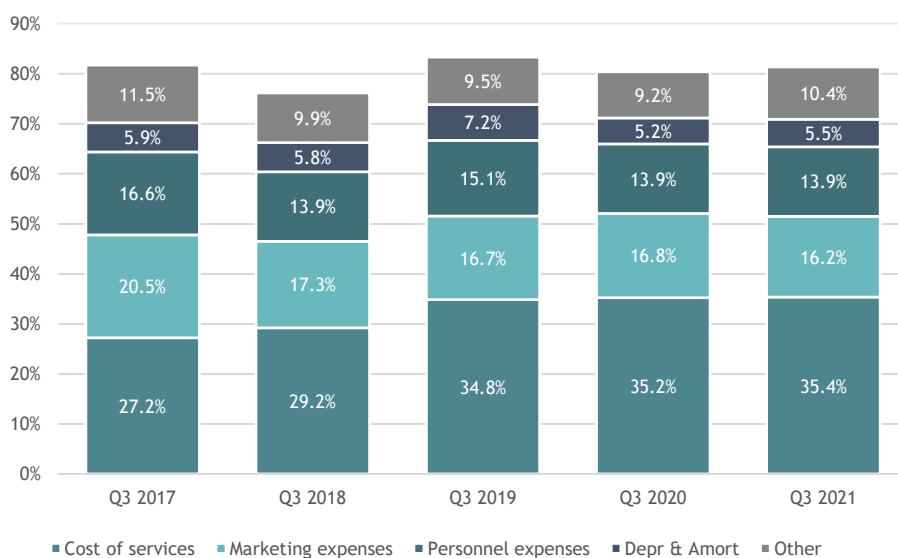


external expenses (consultants). The remaining SEK 90 million consist of SEK 51 million related to marketing costs, and other costs of SEK 31 million, of which the latter mainly consist of costs for external consultants, and SEK 8 million of personnel costs.

Capitalised development costs were SEK 60.9 (60.7) million. Amortisation of capitalised development costs was SEK 56.0 (52.8) million. Total amortisation and depreciation for the quarter was SEK 94.9 (87.5) million.

Other operating income/-expenses was SEK -1.7 (-0.7) million. The cost increase is driven by foreign currency effects, mainly realised, on current assets and liabilities.

Expenses as a percentage of revenue



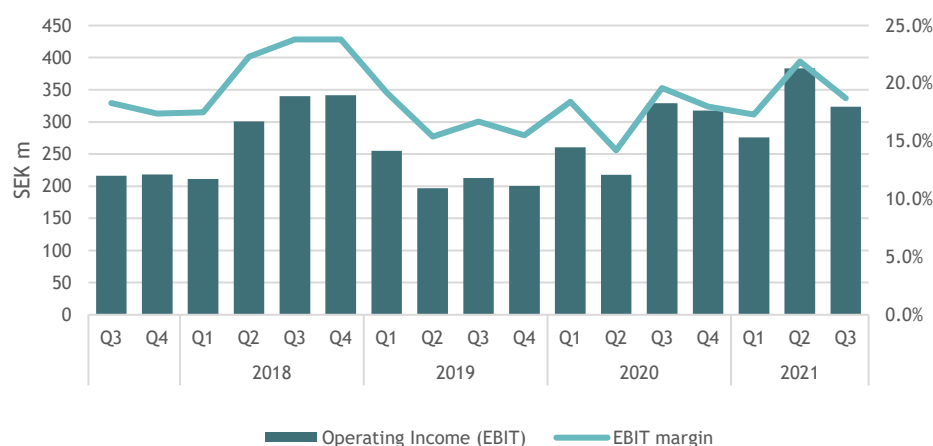
EBIT (msek)



Operating income and net income

Operating income (EBIT) decreased by 1.7% to SEK 323.6 (329.1) million. The EBIT margin was 18.7% (19.6%). EBIT was negatively impacted by currency exchange differences of SEK -51.2 million. Organically, EBIT increased by 14% to SEK 374.8 million.

Operating income development (EBIT)



Net financial items were SEK -13.3 (-15.1) million and are primarily related to interest costs.

Net income was SEK 287.4 (290.6) million, corresponding to SEK 2.22 (2.22) per share.

The reported corporate tax for the third quarter was SEK -23.0 (-23.4) million, corresponding to 7.4% (7.5%) 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 September 2021 was SEK 1,295.8 (962.5) million. Customer liabilities, including reserves for accumulated jackpots, were SEK 435.5 (495.1) 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 483.4 (533.8) 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 third quarter was SEK 423.5 (494.6) million including an impact of SEK 21.3 (99.0) million related to changes in working capital. Positive effect on working capital is mainly driven by declined balances on Payment providers. Cash flow from investing activities was SEK -153.4 (-107.6) million and consists mainly of investments in own development and acquisition of shares in associated companies (Slapshot Media and second installment of JDP Tech Ltd.). Cash flow from financing activities was SEK 114.4 (-401.5), mainly driven by usage of the RCF. Last year, the share redemption program was performed during the third quarter to Betsson's shareholders.

External financing

As of 30 September 2021, total available bank credit facilities were SEK 500.0 (880.0) million, of which SEK 137.5 (248.1) million were utilized.

Credit facility	Amount	Utilised	Unutilised	Maturity date
RCF (SEK m)	500.0	137.5	362.5	May, 2022
Bond (SEK m)	995.0	995.0	0.0	Sep, 2022

Equity

Equity in the Group was SEK 5,592.0 (5,079.6) million, corresponding to SEK 40.93 (37.17) 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 gaming licenses in 19 jurisdictions and operates in additional countries and is thus affected by gaming laws that largely differ between different jurisdictions. For an overall description of the gaming legislation in the jurisdictions in which the Group operates, please refer to the annual report. Below is a summary of the most recent implemented or planned changes in gaming legislation in markets relevant to the Group.

Nordics

The draft Gambling Act (meant to replace the existing acts on lottery, gambling and totalisator) was submitted to the Norwegian parliament in June. This draft proposes a ban on credit card gambling, new marketing restrictions as well as grants the local regulator additional means for implementing the current monopoly-based gambling regime (e.g. by imposing infringement fines).

On July 1 the Norwegian regulator Lotteritilsynet (NGA) published a statement on their website informing of a letter regarding an ongoing decision sent to Betsson's operational subsidiary BML Group Ltd, requiring that BML Group Ltd was to cease offering its gambling services on specific websites allegedly directed towards the Norwegian market. BML Group Ltd does not agree with the decision and claims that the company's online gambling services are offered pursuant to the freedom to provide services in accordance with EU/EES law.

In August Betsson's operational subsidiary BML Group responded to the letter from the NGA requiring that the company cease offering its gambling services on specific websites allegedly directed towards the Norwegian market. BML Group Ltd objected to the regulator's argument and maintained that its online gambling services were offered

pursuant to the freedom to provide services under the EU/EES law. The company expects the NGA to follow up with a cease-and-desist order which may be appealed.

In September, the Norwegian government announced a legislative proposal to introduce DNS blocking of websites offering gambling services to Norwegian residents without local licence. The proposal has been notified to the EU via the TRIS notification system with standstill period ending in December 2021.

Sweden's temporary restrictions on online casino games (in relation to the COVID-19 pandemic) continue to be in force until 14 November 2021.

In June the Swedish Administrative Court overruled the Swedish Gambling Authority's (SGA) decision in the case applying to Betsson Mastercard and gambling vouchers and where Betsson was fined, with the justification that the SGA's actions lacked legal grounds. The authority decided not to appeal the decision which means that the original fine amount for Betsson Nordic Ltd has now been dismissed by the court in its entirety.

During the summer the Swedish government announced a proposal to further restrict gambling advertising by subjecting respective ads to special moderation (i.e. the same standards as for alcohol industry). Consultations on the proposal would close on 14 October 2021, with the SGA announcing its support for the initiative in September. The proposed restrictions are expected to go into effect in July 2022.

In September, the final version of the Finnish government proposal to amend the Lottery Act was published. The scope of marketing prohibition of unlicensed offer would extend to natural persons eliminating marketing performed by influencers via social media. As new measure, the police could propose to local court the imposition of a penalty payment for marketing in breach of the law: for operators the amount shall not be less than EUR 10,000 and up to EUR 5 million. Scope of payment ban was clarified to apply to all forms of payment transactions (e.g. bank transfers, credit and debit cards as well as cryptocurrency) as well as to any service provider offering payment services in Finland regardless of whether they are established there or not. The proposed changes are intended to enter into force during 2022 while the payment ban would enter into force on 1 January 2023.

Western Europe

The Dutch Gambling Authority (the KSA) published a new enforcement policy at the end of September, in which a central aspect was a novel rule that providers who do not actively target the Dutch market without a licence but do serve Dutch players should cease their supply. The above constitutes an unforeseeable break with an established policy towards operators currently under the cooling off period. Betsson's operational subsidiaries took the decision to stop accepting Dutch customers on their international websites as of October 2021 in furtherance of the Group's long-term goal of a Dutch licence as well as putting themselves in a good position for the Dutch licensing process. This decision has been taken in furtherance of that goal. Licence application may be filed in February 2022 with application review process taking up to six months.

In Germany, the amended Interstate Treaty on Gambling (IST 2021) entered into force on 1 July 2021, introducing a Germany-wide online casino regulation. All online casino games are subject to a turnover tax of 5.3 per cent. Betsson operational subsidiaries submitted three licence applications in August and are currently waiting for regulator feedback on the same.

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.

The Italian regulator (ADM) has finalised the draft of the new public tender. In summary, only 40 online licenses would be made available while the starting price for each license is set at EUR 2.5 million and the duration is 9 years. The initial plan of ADM was to issue the tender by end of June 2021, but the draft has become subject to heavy industry criticism, especially regarding its non-compliance with EU and national law in terms of competition and consumer protection. The tender situation thus remains unclear.

However, in July, the local Ministry of Economy and Finance stated that a draft proposal for reorganising the entire Italian gambling regime would be submitted by the end of year 2021, with the goal of condensing complex regional and national rules into simpler uniform legislation.

CEECA

In May 2021 the Lithuanian legislator adopted a bill widening the ban on various forms of gambling advertising. On 1 July 2021, new prohibitions on various forms of gambling advertising went into effect. It is now prohibited to promote gambling through activities such as special events, test games, promotions (including bonuses), discounts, gifts and other incentives.

In September, the local parliament approved amendments to law introducing substantial changes to Lithuanian gambling regulations. The amendments remove the current requirement for online operators to operate a certain number of land-based gambling venues in the country. A new online-only gambling licence would cost EUR 500,000 and be valid indefinitely. Licences granted under previous regulations would remain valid until 2027. The amendments will enter into force on 1 July 2022.

Rest of World

In Brazil, the online sports betting regulation continues to be delayed. Legislation signed by the president into law in July 2021 changed the previous turnover-based tax on sports betting to a more palatable GGR based tax. Regulated sports betting operators in Brazil will pay as tax a combination of 0.05 to 0.1 per cent of turnover plus 4.99 per cent of GGR after prize payouts. Following the tax reform, the industry now expects implementing regulations to be approved and licence tender process to commence before the end of 2021. Additionally, formation of a new special congressional committee on gambling expansion in September signals movement on the previously stalled bill to legalize online gambling as well as casino resorts and bingo halls.

In June, Canada's parliament passed a law allowing each province to determine how it wishes to regulate sports betting within its jurisdiction. Canada's largest province Ontario is already in the process of setting up an open market regulation for sports betting, with plans to launch already in December 2021. In September, the Ontario regulator adopted final standards for online casino gaming and sports betting and published a draft of the commercial contract that licensed operators need to sign to be able to operate in Ontario.

OTHER INFORMATION

EMPLOYEES

In the end of the third quarter 2021, the Group employed 1,970 (1,796) employees representing 60 nationalities. In addition, 231 (217) 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 experiences 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 programs, career development and other initiatives, are promoted to each employee.

OWNERSHIP STRUCTURE AND SHARES OUTSTANDING

The Company's Series B shares are listed on Nasdaq Stockholm Large Cap list (BETS). At the end of the period, the Company had 25,282 (25,010) shareholders.

The total number of shares and votes in Betsson amounts to 142,729,838 and 285,928,838 respectively, divided into 15,911,000 A shares with ten votes each, 121,571,405 B shares with one vote each and 5,247,433 C shares with one vote each which may not be represented at general meetings of shareholders. Betsson's treasury shares were 5,247,433 C shares and 681 233 B-shares.

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 third quarter 2021 was SEK 7.3 (6.9) million, and net income was SEK -30.5 (-0.7) million.

Cash and cash equivalents in the Parent Company was SEK 506.9 (353.6) million.

EXTRAORDINARY GENERAL MEETING

At the Extraordinary General Meeting of shareholders in Betsson AB on October 25, elect Fredrik Carlsson, Johan Lundberg and Eva Leach was re-elected as board members, and Peter Hamberg and Pontus Lindwall was elected as new board members, for the period until the end of the next Annual General Meeting. Johan Lundberg was elected Chairman of the Board.

The Extraordinary General Meeting resolved that the Board of Directors for the period until the end of the next Annual General Meeting would consist of five members without deputies.

The Extraordinary General Meeting resolved on board fees in accordance with a proposal from Hamberg Förvaltning AB and which had been presented in the notice convening the meeting.

The Extraordinary General Meeting resolved that the instructions for the Nomination Committee adopted at the Annual General Meeting 2021 should be adjusted so that the Chairman of the Board of Directors shall not be part of the Nomination Committee.

For more information about the resolutions from the Extraordinary General Meeting, see Betsson's website.

Stockholm, 26 October 2021

Pontus Lindwall
President and CEO



With almost 60 years of experience in iGaming, it goes without saying that Betsson has a long-term approach to business. Sustainability is therefore an integral part of our strategy, crucial to generating value for shareholders while taking responsibility for customers, employees and the communities where we operate.

Read more about Betsson's Sustainability Framework in the 2020 Annual Report.

AUDITOR'S REPORT

Betsson AB (publ) reg. no. 556090-4251

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Betsson AB (publ) as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 26 October 2021
PricewaterhouseCoopers AB

Niklas Renström
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

SEK m	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Revenue	1,733.3	1,676.7	5,077.7	4,627.0	6,389.6
Cost of services provided	-612.8	-590.9	-1,748.3	-1,638.9	-2,288.7
Gross profit	1,120.5	1,085.8	3,329.4	2,988.1	4,100.9
Marketing expenses	-280.5	-282.5	-887.7	-786.3	-1,096.5
Personnel expenses	-240.4	-232.3	-720.0	-663.9	-890.9
Other external expenses	-240.3	-214.4	-659.0	-640.1	-844.8
Capitalised development costs	60.9	60.7	189.1	185.3	245.4
Amortisation and depreciation	-94.9	-87.5	-269.4	-266.4	-359.1
Other operating income/expenses	-1.7	-0.7	0.8	-9.4	-29.8
Operating expenses	-796.9	-756.7	-2,346.2	-2,180.7	-2,975.6
Operating income	323.6	329.1	983.2	807.4	1,125.2
Financial income and expenses	-13.3	-15.1	-39.9	-45.0	-56.5
Income before tax	310.3	314.0	943.3	762.4	1,068.8
Tax	-23.0	-23.4	-77.9	-49.4	-78.0
Net income	287.4	290.6	865.4	713.0	990.8
Net income attributable to:					
Equity holders of the Parent Company	303.2	302.8	890.4	724.1	1,006.5
Non-controlling interests	-15.8	-12.2	-25.0	-11.1	-15.7

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Net income	287.4	290.6	865.3	713.0	990.8
Other comprehensive income					
Revenue/expenses recognised directly in equity:					
Hedge of net investments in foreign currency incl. deferred tax	3.2	-2.0	10.0	15.7	19.6
Exchange differences in translating foreign operations	78.4	-37.6	186.3	-101.4	-419.5
Other comprehensive income of the period (after tax)	81.6	-39.6	196.3	-85.7	-399.9
Total comprehensive income for the period	369.0	251.0	1,061.6	627.3	590.9
Total comprehensive income attributable to:					
Equity holders of the Parent Company	384.8	263.2	1,086.7	638.4	606.6
Non-controlling interests	-15.8	-12.2	-25.1	-11.1	-15.7

CONSOLIDATED BALANCE SHEET

SEK m	9/30/2021	9/30/2020	12/31/2020
Assets			
Intangible fixed assets	5,501.2	5,612.4	5,321.4
Property, plant and equipment	74.5	78.5	71.7
Right-of-use assets	229.2	92.4	207.6
Financial assets	204.6	18.3	18.3
Deferred tax receivables	30.9	52.1	34.6
Other longterm receivables	0.0	1.0	0.0
Total non-current assets	6,040.5	5,854.8	5,653.6
Current receivables	1,717.3	1,370.1	1,747.9
Cash and cash equivalents	1,295.8	962.5	863.2
Total current assets	3,013.1	2,332.6	2,611.0
Total assets	9,053.6	8,187.4	8,264.6
Equity and liabilities			
Equity	5,592.0	5,079.6	5,062.9
Provision gaming tax	0.0	14.4	0.0
Deferred tax liabilities	18.6	15.2	17.1
Total Provisions	18.6	29.6	17.1
Bond	0.0	990.0	991.3
Lease liabilities	164.3	54.5	131.7
Total non-current liabilities	164.3	1,044.6	1,123.0
Current liabilities to credit institutions	137.7	242.4	70.3
Bond	995.0	0.0	0.0
Lease liabilities	54.5	29.1	58.4
Other current liabilities	2,091.5	1,762.1	1,932.9
Total current liabilities	3,278.7	2,033.6	2,061.6
Total equity and liabilities	9,053.6	8,187.4	8,264.6

CONSOLIDATED CASH FLOW STATEMENT

SEK m	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Profit/loss before tax	310.3	313.9	943.3	762.4	1,068.8
Adjustments for non-cash items	96.8	84.0	273.3	281.9	393.3
Taxes paid	-5.0	-2.3	-52.9	-72.7	-76.6
Cash flow from operating activities before changes in working capital	402.1	395.6	1,163.7	971.6	1,385.5
Changes in working capital	21.3	99.0	158.2	188.8	-1.1
Cash flow from operating activities	423.5	494.6	1,321.9	1,160.4	1,384.4
Investments in intangibles/tangibles	-86.5	-94.0	-250.9	-255.0	-365.7
Acquisition of shares in subsidiaries	0.0	-13.6	0.0	-385.0	-385.0
Acquired cash and cash equivalents	0.0	-0.0	0.0	61.6	61.6
Acquisition of shares in associates	-66.9	0.0	-179.8	-4.7	-4.7
Cash flow from investing activities	-153.4	-107.6	-430.7	-583.1	-693.8
Cash paid upon redemption of warrants	-0.3	0.0	-0.3	0.0	0.0
Lease payments	-24.9	-8.9	-43.8	-40.1	-49.6
Changes in bank loans	137.7	-0.0	67.4	248.2	74.0
Share redemption programme	0.0	-393.6	-502.9	-393.6	-393.6
Warrant premiums received	1.9	1.0	1.9	1.0	1.0
Repurchase own shares	0.0	0.0	0.0	-60.1	-60.1
Cash flow from financing activities	114.4	-401.5	-477.7	-244.6	-428.3
Changes to cash and cash equivalents	384.5	-14.4	413.5	332.7	262.3
Cash and cash equivalents at beginning of period	902.7	980.5	863.2	639.2	639.2
Exchange differences	8.6	-3.6	19.1	-9.4	-38.2
Cash and cash equivalents at end of period	1,295.8	962.5	1,295.8	962.5	863.2

CHANGES IN GROUP EQUITY

SEK m	9/30/2021	9/30/2020	12/31/2020
Equity opening balance attributable to the equity holders of the Parent Company	5,037.2	4,899.0	4,897.6
Total comprehensive income for the period	1,061.6	638.4	590.9
Total change excluding owner transactions	1,061.6	638.4	590.9
Share redemption programme	-502.9	-393.6	-393.6
Warrants paid premium	1.9	1.0	1.0
Payment on exercise of options	-0.3	0.0	0.0
Share options - value of employee services	1.3	0.9	1.4
Repurchase own shares	0.0	-60.1	-60.1
Equity at end of period attributable to the Equity holders of the Parent Company	5,598.8	5,085.6	5,037.2
Equity attributable to:			
Equity holders of the Parent Company	5,598.8	5,085.6	5,037.2
Non-controlling interests	-6.8	-6.0	25.7
Total Equity at end of period	5,592.0	5,079.6	5,062.9

PARENT COMPANY, INCOME STATEMENT

SEK m	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Revenue	7.3	6.9	21.0	28.5	36.1
Operating expenses	-26.3	-24.3	-69.6	-74.9	-111.8
Operating income	-19.0	-17.3	-48.6	-46.4	-75.7
Financial income and expenses	-11.5	16.7	0.4	10.2	1,016.5
Income before tax	-30.5	-0.7	-48.2	-36.3	940.9
Income tax	0.0	0.0	0.0	0.0	0.0
Net income	-30.5	-0.7	-48.2	-36.3	940.9

PARENT COMPANY, BALANCE SHEET

SEK m	9/30/2021	9/30/2020	12/31/2020
Assets			
Property, plant and equipment	3.3	4.2	4.2
Financial assets	5,918.7	5,654.9	5,737.8
Total non-current assets	5,922.0	5,659.0	5,742.0
Current receivables	355.1	190.2	947.3
Cash and cash equivalents	506.9	353.6	373.6
Total current assets	862.0	543.8	1,321.0
Total Assets	6,784.0	6,202.8	7,062.9
Restricted equity	349.6	352.2	349.6
Unrestricted equity	4,827.6	4,397.3	5,377.0
Total equity	5,177.2	4,749.5	5,726.6
Bond	0.0	990.0	991.3
Total non-current liabilities	0.0	990.0	991.3
Bond	995.0	0.0	0.0
Current liabilities to credit institutions	137.5	248.1	73.9
Other current liabilities	474.3	215.2	271.0
Total current liabilities	1,606.8	463.3	345.0
Total equity and liabilities	6,784.0	6,202.8	7,062.9

QUARTERLY DATA

CONSOLIDATED INCOME STATEMENT, IN SUMMARY

SEK m	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Revenue	1,733.3	1,751.6	1,592.8	1,762.5	1,676.7	1,532.8	1,417.5	1,289.5
Cost of services provided	-612.8	-578.6	-556.9	-649.8	-590.9	-574.3	-473.7	-450.6
Gross profit	1,120.5	1,173.0	1,035.9	1,112.7	1,085.8	958.5	943.9	838.8
Marketing expenses	-280.5	-322.9	-284.4	-310.2	-282.5	-256.8	-247.0	-211.8
Personnel expenses	-240.4	-247.6	-232.0	-227.0	-232.3	-219.9	-211.7	-201.5
Other external expenses	-240.3	-197.9	-220.8	-204.7	-214.4	-223.0	-202.7	-183.9
Capitalised development costs	60.9	65.7	62.5	60.1	60.7	62.4	62.2	53.5
Amortisation and depreciation	-94.9	-88.9	-85.6	-92.7	-87.5	-86.5	-92.3	-91.8
Other operating income/expenses	-1.7	2.1	0.5	-20.4	-0.7	-17.0	8.3	-2.8
Operating expenses	-796.9	-789.6	-759.8	-795.0	-756.7	-740.8	-683.2	-638.3
Operating income	323.6	383.4	276.1	317.8	329.1	217.7	260.6	200.5
Financial items, net	-13.3	-13.8	-12.8	-11.5	-15.1	-11.0	-18.8	-13.5
Income before tax	310.3	369.6	263.3	306.3	314.0	206.7	241.8	187.0
Tax	-23.0	-31.8	-23.2	-28.6	-23.4	-13.8	-12.3	17.4
Net income	287.4	337.9	240.1	277.8	290.6	192.9	229.5	204.4

CONSOLIDATED BALANCE SHEET, IN SUMMARY

SEK m	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Non-current assets	6,040.5	5,929.4	5,808.9	5,653.6	5,854.8	5,875.1	5,837.8	5,457.2
Current assets	3,013.1	2,507.1	2,880.0	2,611.0	2,332.6	2,352.4	2,267.4	2,236.7
Total assets	9,053.6	8,436.5	8,688.9	8,264.6	8,187.4	8,227.6	8,105.2	7,693.9
Equity	5,592.0	5,232.9	5,428.0	5,062.9	5,079.6	5,215.9	5,430.3	4,899.0
Provisions and non-current liabilities	182.9	1,180.7	1,162.3	1,140.1	1,074.2	1,079.5	1,180.8	1,049.6
Current liabilities	3,278.7	2,022.8	2,098.6	2,061.6	2,033.6	1,932.1	1,494.1	1,745.2
Total equity and liabilities	9,053.6	8,436.5	8,688.9	8,264.6	8,187.4	8,227.6	8,105.2	7,693.9

CONSOLIDATED CASH FLOW STATEMENT, IN SUMMARY

SEK m	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Operating cash flow	423.5	570.7	327.7	223.9	494.6	343.9	321.9	237.8
Cash flow from investing activities	-153.4	-198.4	-78.9	-110.7	-107.6	-388.5	-87.0	-76.0
Cash flow from financing activities	114.4	-579.6	-12.5	-183.7	-401.5	159.6	-2.7	-470.4
Total cash flow	384.5	-207.4	236.4	-70.5	-14.4	115.0	232.2	-308.6

KEY RATIOS

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Key financial ratios								
Gross Margin (% of revenue)	64.6	67.0	65.0	63.1	64.8	62.5	66.6	65.1
EBITDA-margin (% of revenue)	24.1	27.0	22.7	23.3	24.8	19.8	24.9	22.7
EBIT-margin (% of revenue)	18.7	21.9	17.3	18.0	19.6	14.2	18.4	15.5
Profit margin (% of revenue)	17.9	21.1	16.5	17.4	18.7	13.5	17.1	14.5
Marketing expenses (% of revenue)	16.2	18.4	17.9	17.6	16.8	16.8	17.4	16.4
Basic earnings per share (SEK)	2.22	2.53	1.76	2.05	2.22	1.40	1.67	1.48
Diluted earnings per share (SEK)	2.22	2.53	1.76	2.05	2.22	1.40	1.67	1.48
Equity per share (SEK)	40.93	38.24	39.52	37.05	37.17	38.17	39.73	35.38
Executed dividend/redemption per share (SEK)	0.00	3.68	0.00	0.00	2.88	0.00	0.00	0.00
Equity/assets ratio (%)	62	62	62	61	62	63	67	64
Return on equity (% , 12 months)	22	22	18	20	18	15	16	16
Return on total capital (% , 12 months)	15	15	13	14	12	11	11	11
Return on capital employed (% , 12 months)	20	21	17	18	15	14	14	14
Net debt (SEK m)	-65	148	45	158	236	116	26	186
Net debt / EBITDA (Multiple, 12 months)	-0.1	0.1	0.1	0.1	0.2	0.1	0.0	0.2
Shares								
Average share price (SEK)	76.59	75.13	76.58	71.64	68.92	55.34	43.47	46.42
Share price at end of period (SEK)	72.80	69.80	81.05	73.70	69.00	64.80	39.94	43.68
Highest share price (SEK)	91.90	84.15	87.90	78.80	80.00	68.90	58.45	51.70
Lowest share price (SEK)	68.40	67.90	66.00	64.50	62.50	34.92	25.70	42.30
Number of shareholders at end of period	25,282	27,377	27,068	24,430	25,010	25,622	25,476	25,421
Number of shares outstanding at end of period (million)	136.8 142.7	136.7 142.7	136.7 144.5	136.7 144.5	136.7 144.5	136.7 144.5	136.7 144.5	138.4 144.5
Personnel								
Average number of employees	1,933	1,852	1,819	1,793	1,710	1,642	1,565	1,572
Number of employees at end of period	1,970	1,924	1,831	1,792	1,796	1,722	1,641	1,589

CUSTOMERS

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Registered customers (000's)	21,569	20,940	20,125	19,618	19,112	18,490	15,490	15,115
Active customers (000's)	986	1,028	948	990	920	821	681	686

CUSTOMER DEPOSITS

SEK m	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Customer deposits	4,963.1	4,932.3	4,676.1	5,304.9	5,172.6	4,658.5	3,765.1	3,845.1
Customer deposits, all gaming solutions	7,720.3	7,355.6	7,288.5	7,919.6	7,554.0	6,592.5	5,741.1	5,511.8

SPORTSBOOK DATA

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Gross turnover, all gaming solutions (SEK m)	8,395.5	8,342.2	8,739.4	8,933.6	7,827.1	4,829.7	6,833.9	7,235.3
of which gross turnover live betting (SEK m)	6,013.6	5,654.4	5,874.7	5,958.2	5,566.6	3,632.1	5,018.5	5,019.6
Sportsbook margin after free bets (%)	7.9	8.5	7.2	7.3	7.0	6.9	8.5	6.8
Revenue (SEK m)	435.7	510.1	394.0	459.0	352.6	226.5	384.9	311.6

REVENUE BY PRODUCT

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Revenue (SEK m)								
Casino	1,275.7	1,222.1	1,177.4	1,283.7	1,306.5	1,286.3	1,014.2	964.1
Sportsbook	435.7	510.1	394.0	459.0	352.6	226.5	384.9	311.6
Other products	21.9	19.4	21.3	19.8	17.6	20.1	18.5	13.8
Total	1,733.3	1,751.6	1,592.8	1,762.5	1,676.7	1,532.8	1,417.4	1,289.5

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Share of total revenue (%)								
Casino	74	70	74	73	78	84	72	75
Sportsbook	25	29	25	26	21	15	27	24
Other products	1	1	1	1	1	1	1	1

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Growth, compared with previous quarter (%)								
Casino	4	4	-8	-2	2	27	5	2
Sportsbook	-15	29	-14	30	56	-41	24	-1
Other products	13	-9	8	13	-12	9	34	-25
Total	-1	10	-10	5	9	8	10	1

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Growth, compared with same period previous year (%)								
Casino	-2	-5	16	33	39	40	0	-10
Sportsbook	24	125	2	47	12	-34	29	-9
Other products	25	-3	15	43	-4	6	-8	-41
Total	3	14	12	37	31	20	7	-10

REVENUE BY REGION

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Sportsbook (SEK m)								
Nordics	111.1	150.8	98.9	146.0	107.4	77.8	142.3	112.3
Western Europe	20.4	30.9	23.3	32.8	25.3	29.6	33.6	28.7
Central & Eastern Europe and Central Asia	154.5	164.5	187.4	169.5	139.0	72.8	143.7	129.6
RoW	149.6	163.9	84.4	110.8	80.8	46.2	65.3	41.0
Total	435.7	510.1	394.0	459.0	352.6	226.5	384.9	311.6
Casino (SEK m)								
Nordics	426.7	391.7	379.9	421.1	446.4	401.8	336.0	334.4
Western Europe	330.3	370.1	358.3	428.2	459.8	519.8	372.0	358.1
Central & Eastern Europe and Central Asia	379.3	330.3	344.8	331.5	299.0	278.6	270.1	232.4
RoW	139.4	130.0	94.4	102.8	101.4	86.1	36.0	39.2
Total	1,275.7	1,222.1	1,177.4	1,283.7	1,306.5	1,286.3	1,014.2	964.1
Total, for all products, per region (SEK m)								
Nordics	544.9	550.4	487.0	573.5	558.9	485.0	482.7	450.2
Western Europe	352.9	402.9	383.6	462.1	486.5	550.2	406.5	387.7
Central & Eastern Europe and Central Asia	543.0	501.9	541.1	511.4	447.1	363.6	424.7	369.9
RoW	292.6	296.5	181.1	215.6	184.2	133.9	103.6	81.7
Total	1,733.3	1,751.6	1,592.8	1,762.5	1,676.7	1,532.8	1,417.5	1,289.5
Share per region (%)								
Nordics	32	31	31	33	33	32	34	35
Western Europe	20	23	24	26	29	36	29	30
Central & Eastern Europe and Central Asia	31	29	34	29	27	24	30	29
RoW	17	17	11	12	11	9	7	6
Growth, compared with previous quarter (%)								
Nordics	-1	13	-15	3	15	0	7	-6
Western Europe	-12	5	-17	-5	-12	35	5	-2
Central & Eastern Europe and Central Asia	8	-7	6	14	23	-14	15	16
RoW	-1	64	-16	17	38	29	27	-1
Growth, compared with same period previous year (%)								
Nordics	-3	13	1	27	17	-7	-17	-32
Western Europe	-27	-27	-6	19	23	40	-6	-15
Central & Eastern Europe and Central Asia	21	38	27	38	40	28	71	37
RoW	59	121	75	164	124	63	46	56

SPECIFICATION OF COST OF SERVICES PROVIDED

SEK m	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Licence fees	175.9	157.1	157.8	168.5	169.3	162.0	142.6	134.3
Betting duties	129.9	114.3	119.8	129.1	123.7	121.7	99.6	94.6
Affiliates and partners commission	105.7	116.8	112.1	123.7	115.6	120.2	91.9	90.3
Other cost of services provided	201.4	190.4	167.3	228.5	182.3	170.3	139.6	131.5
Total	612.8	578.6	556.9	649.8	590.9	574.3	473.7	450.6

SPECIFICATION OF AMORTISATION AND DEPRECIATION

SEK m	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Depreciation property, plant, and equipment	10.4	9.5	7.9	10.7	10.3	9.8	10.8	14.0
Depreciation right-of-use assets	15.6	13.8	14.4	12.0	12.0	11.4	13.2	12.9
Amortisation intangible fixed assets (whereof amortisation of capitalised development costs)	68.9	65.6	63.3	70.1	65.2	65.3	68.3	64.9
	56.0	53.8	51.0	51.6	52.8	52.3	52.8	55.5
Total	94.9	88.9	85.6	92.7	87.5	86.5	92.3	91.8

ORGANIC CALCULATION (EFFECTS FROM ACQUISITIONS AND CURRENCY)

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Reported revenues	1,733.3	1,751.6	1,592.8	1,762.5	1,676.7	1,532.8	1,417.5	1,289.5
- Revenue from acquisitions	0.0	-27.1	-145.2	-202.9	-206.5	-164.8	-4.7	-1.0
- Currency effects	76.1	179.9	207.5	198.3	146.7	58.6	8.5	-13.1
Organic revenues	1,809.4	1,904.4	1,655.1	1,757.9	1,616.9	1,426.6	1,421.3	1,275.4
Organic growth (YoY)	8%	24%	17%	36%	27%	12%	7%	-11%
Reported growth (YoY)	3%	14%	12%	37%	31%	20%	7%	-10%
Reported operating income (EBIT)	323.6	383.4	276.1	317.8	329.1	217.7	260.6	200.5
- Result from acquisitions	0.0	0.2	-7.5	-26.5	-6.6	-11.8	0.3	1.4
- Currency effects	51.2	94.8	107.1	110.7	82.2	40.5	20.9	6.0
Organic operating income	374.8	478.4	375.7	402.0	404.7	246.4	281.8	207.9
Organic growth (YoY)	14%	120%	44%	101%	90%	25%	10%	-39%
Reported growth (YoY)	-2%	76%	6%	59%	55%	11%	2%	-41%

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	10.1515	10.5567	-3.8%
GEL/SEK	2.6097	3.0740	-15.1%
NOK/SEK	0.9924	0.9866	+0.6%
TRY/SEK	1.0491	1.4045	-25.3%

Balance Sheet (closing rate)

	9/30/2021	9/30/2020	Δ
EUR/SEK	10.2010	10.5410	-3.2%
GEL/SEK	2.8302	2.7051	+4.6%

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 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: Revenue 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: Revenue 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: Total number of shares (excluding C-shares and repurchased shares) at the end of the period.

Organic: Excluding effects from currency fluctuations, in relation to the comparable period, and 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.

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



FINANCIAL CALENDAR

Q4 2021 and Year-End report	10 February 2022
Q1 2022	28 April 2022
Annual General Meeting	10 May 2022
Q2 2022	21 July 2022
Q3 2022	26 October 2022
Q4 2022 and Year-End report	23 February 2023

PRESENTATION OF THE INTERIM REPORT

Betsson invites analysts, investors and media to participate in the results presentation of the third quarter at 10:00 CEST on 26 October 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 50 55 83 66

UK: +44 33 33 00 92 69

US: +1 631 913 1422 PIN US: 79535039#

Webcast link: <https://tv.streamfabriken.com/betsson-financial-hearing-q3-2021>



CONTACTS

Pontus Lindwall, President and CEO Betsson AB +46 8 506 403 00
pontus.lindwall@betssonab.com

Martin Öhman, CFO Betsson AB +46 8 506 403 00
martin.ohman@betssonab.com

Jonas Rodney, Interim Head of Investor Relations Betsson AB +46 76 190 90 51
jonas.rodney@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 19 jurisdictions 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 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

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