

## Betsson AB (publ) interim report April - June 2022

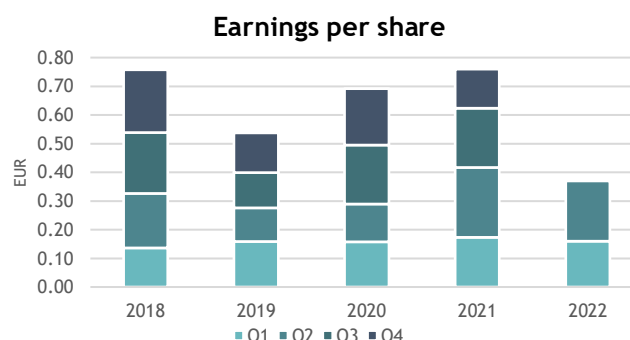
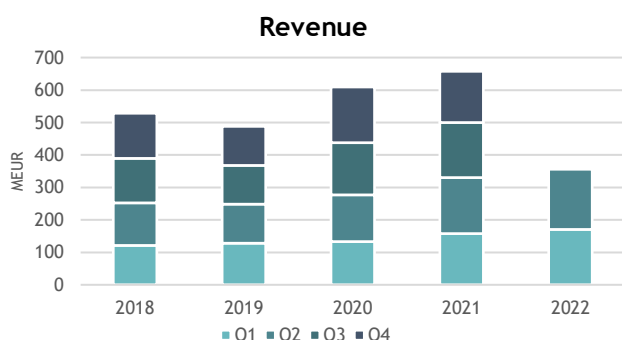
“All-time high revenue driven by sportsbook performance and growth in Latin America and the CEECA region”

### QUARTER APRIL - JUNE 2022

- Group revenue was EUR 186.3 (172.8) million, an increase of 8%. Organic increase of 13%.
- Casino revenue increased by 1%. Sportsbook revenue increased by 22% and the sportsbook margin was 8.3% (8.5%).
- EBITDA was EUR 39.3 (46.6) million, a decrease of 16%. The EBITDA margin was 21.1% (27.0%).
- Operating income (EBIT) was EUR 29.2 (37.8) million, a decrease of 23%. The EBIT margin was 15.7% (21.9%).
- Net income was EUR 28.6 (33.3) million, corresponding to EUR 0.21 (0.24) per share.
- Operating cash flow was EUR 37.8 (56.3) million.
- Net debt was EUR -19.8 (14.6) million.
- Active customers increased by 21% to 1,246,719 (1,027,635).

### THE PERIOD JANUARY - JUNE 2022

- Group revenue was EUR 356.4 (330.2) million, an increase of 8%. Organic increase of 14%.
- EBITDA was EUR 72.7 (82.3) million, a decrease of 12%. The EBITDA margin was 20.4% (24.9%).
- Operating income (EBIT) was EUR 52.8 (65.1) million, a decrease of 19%. The EBIT margin was 14.8% (19.7%).
- Net income was EUR 49.4 (57.1) million, corresponding to EUR 0.37 (0.43) per share.
- Operating cash flow was EUR 64.6 (88.7) million.
- The AGM approved dividend to shareholders of SEK 539.0 (502.9) million, corresponding to SEK 3.94 (3.68) per share. The first of two installments was distributed to the shareholders in June.



### KEY DATA

MEUR	Q2 2022	Q2 2021	Δ	Jan-Jun 2022	Jan-Jun 2021	Δ	Jan-Dec 2021
Revenue	186.3	172.8	8%	356.4	330.2	8%	657.7
Gross profit	118.8	115.7	3%	225.8	218.1	4%	425.6
EBITDA	39.3	46.6	-16%	72.7	82.3	-12%	153.7
EBITDA margin %	21.1	27.0	-	20.4	24.9	-	23.4
Operating income (EBIT)	29.2	37.8	-23%	52.8	65.1	-19%	117.6
EBIT margin %	15.7	21.9	-	14.8	19.7	-	17.9
Net income	28.6	33.3	-14%	49.4	57.1	-13%	103.9
Earnings per share (EUR)	0.21	0.24	-13%	0.37	0.43	-14%	0.78
Operating cash flow	37.8	56.3	-33%	64.6	88.7	-27%	143.6
Casino revenue	122.2	120.6	1%	233.2	237.0	-2%	477.1
Sportsbook gross turnover	991.3	822.8	20%	1,938.8	1,686.6	15%	3,532.0
Sportsbook revenue	61.6	50.3	22%	118.0	89.2	32%	172.1
Sportsbook margin after free bets %	8.3	8.5	-	8.3	7.8	-	7.3
Deposits	845.5	725.5	17%	1,628.0	1,448.1	12%	2,987.7
Active customers (number of)	1,246,719	1,027,635	21%				

## CEO COMMENT

### All-time high revenue driven by sportsbook performance and growth in Latin America and the CEECA region



Pontus Lindwall  
President and CEO Betsson AB

Betsson's second quarter featured continued good growth with all-time high revenue and further investments to support our expansion. The Group's organic growth was 13 percent, mainly driven by Latin America and the CEECA region (Central and Eastern Europe and Central Asia), where we see long-term growth potential as these markets still have a low share of online gaming.

The sportsbook business showed a strong development in the quarter - gross turnover increased by 20 percent and the margin was 8.3 (8.5) percent - leading to all-time high revenue. Some of the football World Cup qualifiers in June ended in particularly favourable outcomes for Betsson and contributed positively to the margin in the quarter. Casino gross turnover also reached a new quarterly all-time high, while revenue came in at the second-best level ever.

Betsson's strategy is based on diversified revenues from existing and new markets, and in June Betsson became majority owner of the local gaming operator Betbonanza in Nigeria. Since last year, the regulated market in Germany is marked by a low level of channelisation, due to extensive restrictions, high taxes, and an unclear licensing process. During the quarter, a decision was taken to only apply for one online casino license in Germany. On the sports side, Betsson continues to offer betting on horses through the Racebets brand and has a sportsbook license which is currently not operated.

The B2B initiatives continue according to plan, and discussions are currently being held with several potential sportsbook customers in both North America and other parts of the world. The Group's ownership in the technology platform provider Strive, focused on North America, increased from 35 to 40 percent during the quarter. Strive provides a new, purpose-built and modern US iGaming platform, i.e. Player Account Management system (PAM), which supports Betsson's US strategy.

Operating income (EBIT) amounted to 29.2 (37.8) MEUR, corresponding to an EBIT margin of 15.7 (21.9) percent. The cost increase compared to last year was driven by the general expansion while the change in geographic mix, with a higher revenue share from Latin America and no revenue from the Netherlands, led to a lower realised margin. We continue to invest in product and tech development to secure that we have a competitive product for all our markets. Our sportsbook offering was strengthened in motor sports, table tennis and esports, resulting in a significant increase in the number of live events offered for betting. In Sweden, a new native app was developed for the brand Jalla Casino, and our live casino offering was broadened in Italy. On top of the positive financial development in the second quarter, we also won six industry awards in different categories related to an attractive customer offering and a sustainable business model for gaming.

Betsson's commitment to football continues. After eleven years of waiting, AC Milan once again were crowned Italian champions and we share the fans' great joy in recapturing the scudetto. In May, the sponsorship with AC Milan was renewed, which means that Betsson now also becomes exclusive sponsor for the club in Latin America. The region is important for the club with millions of fans and the history of stars like Kaká and Ronaldinho. Further, similarly to last summer Betsson is a proud sponsor of Copa America Femenina 2022, which is the Latin American equivalent of the UEFA Women's Euro 2022 and takes place during July. The interest in women's football is growing strongly and the previous championship had more than 20 million TV viewers.

In conclusion, we see that macro and geopolitical factors continue to dominate the world around us, with great uncertainty and concerns around war, inflation, higher interest rates and potentially a coming recession. Despite uncertain capital markets, we recently refinanced our bond until 2025, which gives us financial flexibility to continue investing in both organic growth and selective acquisitions. We continuously monitor the macroeconomic trends but also note that historically Betsson's business has been relatively unaffected by the general business cycle. The first weeks of July are off to a good start and despite the macro factors, we are rather optimistic as we look ahead to the rest of 2022, which has many planned activities for Betsson, including market launches in Mexico and Ontario, as well as the football World Cup during the seasonally strongest fourth quarter.

Founded in

1963



Betsson AB's share is listed on Nasdaq Stockholm Mid 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 June, an automatic share redemption program was completed by Betsson AB, through which the first half of the ordinary cash distribution to shareholders for 2021 took place. A total of SEK 269.5 million, or SEK 1.97 per share, was paid out. The second redemption program will be concluded in October.

In June, Betsson AB issued new senior unsecured bonds to a total amount of EUR 90 million with a tenor of three years, a floating interest rate of EURIBOR three months plus 650 bps and final maturity date in June 2025. In conjunction with the issue of new bonds, the company announced that SEK 700 million out of the total of SEK 1 billion in the 2019/2022 bond would be redeemed.

The Group paid USD 4 million as earn-out payment related to the acquisition of Inkabet.

The Group increased its ownership in the local gaming operator Betbonanza in Nigeria from 25 to 60 percent.

The Group's ownership in the technology platform provider Strive, focused on North America, increased from 35% to 40%. Strive provides a new, purpose-built and modern US iGaming platform, i.e. Player Account Management system (PAM), which supports Betsson's US strategy.

### SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

In July, it was decided to use the early redemption clause in the 2019/2022 bond agreement to redeem the remaining SEK 300 million as of 18 July.

### TRADING UPDATE

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

The average daily revenue in the third quarter 2022 up until and including 17 July was 9.4 percent higher than the average daily revenue of the full third quarter 2021. Adjusted for currency effects and acquisitions, the average daily revenue until 17 July was 21.0 percent higher than the average daily revenue of the full third quarter 2021.

## THE GROUP'S OPERATING ACTIVITIES

Betsson's operational subsidiaries offer online casino, sportsbook and other types of 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 the following growth areas: growth in existing markets, expansion into new markets and development of the B2B offering with focus on the proprietary sportsbook.

Betsson sees opportunities to grow in these areas, both organically through in-house development and 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 shall strengthen its position in existing markets and shall evaluate new markets by prioritising countries where the Group has the best conditions to offer competitive products profitably. 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 entails substantial opportunities to create new offerings with economies of scale.

Operations in existing markets have continued to primarily focus on adapting and developing Betsson's offerings to changing player behaviour, regulatory requirements and the competitive landscape.

During the quarter, Betsson continued to allocate resources on growth initiatives in Latin America and parts of CEECA, as well as the B2B sportsbook offering.

## PRODUCT AND TECHNOLOGY DEVELOPMENT

Betsson's gaming sites are largely run on the proprietary platform Techsson, a so-called Player Account Management System (PAM), which makes up the core of the offering and user experience. Techsson manages payments, customer information and account management and games. The proprietary platform provides flexibility and enables rapid adaptation to new market conditions or as part of preparing for launches in new jurisdictions and of new brands. Betsson also works continuously to meet authorities' rising demands for data and background information and has developed a tool to automate a large share of these deliverables. Adaptations and further development of Betsson's tech platform and sportsbook are also being made to support a B2B offering.

In the second quarter, Betsson broadened the sportsbook offering in motorsports, table tennis and esports. The new content provides a significant increase in the number of live events offered, with availability 24/7 and odds complemented by live video streaming for these events. Further, the live casino offering was strengthened for the Italian market, and the casino games catalogue was extended in Greece.

Work to migrate Betsson's brands to the cloud to optimize the proprietary platform continued during the quarter. The cloud migration provides both improved system capacity and an overall improved customer experience in the form of faster and more responsive websites and mobile apps.

During the quarter, development and launch of native apps (apps specifically built to perform on iOS or Android) have continued in some markets. As an example, a native app was developed for the brand Jalla Casino in Sweden.

## 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: Responsible Gaming, Business Compliance, Employee Impact, Social Impact and Climate Impact. For a more detailed description of these areas, see the Annual and Sustainability Report for 2021.

### 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 conditions 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.

The Sustainability framework states that Betsson should raise awareness and educate key stakeholders by participating in conferences, seminars and panel discussions on responsible gaming. During the quarter, Betsson's Head of Responsible Gaming took part in the iGamingFuture virtual round table series on the topic 'UK and European Responsible Gaming: Are We Ready To Adapt To Change?'. He was also a speaker at the Betting on Sports Europe 2022 event in London, in a panel titled 'Player protection - making sure your customers are safe'.

During the second quarter, 12.9 percent of customers used non-mandatory tools to control their gambling (11.0 percent) and 36.7 percent of all new depositing customers during the quarter set a deposit limit (30.3 percent). The change 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.

Betsson initiated 85,943 (76,025) interactions within responsible gaming with customers manually, automatically and via real-time messages during the second quarter.

# 85 943

Proactive interactions for responsible gaming

Customers who exhibit risky behaviour according to certain established parameters can be red-flagged after interaction with Betsson's customer service. These customers are assessed individually, based on the customers' profile and gaming activity. Betsson has a wide spectrum of follow-up actions to deal with risk behaviour. These efforts range from providing the player with more information about safer gambling 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 can also exclude customers from continued gambling.

In recent years, Betsson has made a conscious and structured effort where customer service employees have received additional training and updated routines so that they can handle more cases directly. This has led to a decreased need for escalation and increased efficiency and customer satisfaction. As a result of the efforts, the proportion of red-flagged customers amounted to 1.1 percent (1.0 percent) of all customers who contacted customer service during the second quarter of 2022. Betsson's customer service is continuously evaluated by independent assessors on the quality of management. In this context, Betsson has received a number of awards for its efforts in the field.

## **Business compliance**

Betsson holds gaming licenses in 19 jurisdictions 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.

During the second quarter of 2022, Betsson rolled out specific training courses for the compliance team as part of a new training program. Some of the courses focused on requirements applicable to certain markets (such as licensing codes and practices) whereas others were related to general compliance aspects. The new training program is aimed at ensuring that the compliance team can continue to support the business in an efficient way and in accordance with all relevant standards.

Moreover, Betsson successfully completed the first audit and integration report regarding its operations in the Greek market. This audit was part of the platform certification. In addition, Betsson is completing the platform certification for the Italian market.

## **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.

Diversity and Inclusion has long been a focus area for Betsson. In June, the Group hosted its first Diversity & Inclusion conference in Malta, which brought together subject-matter experts, well-renowned academics, iGaming industry leaders and representatives from the community, to discuss how to create a more diverse and inclusive workplace.

During the second quarter, Betsson launched a new intranet that enables employees across locations to stay informed and engaged around key focus topics, including sustainability.

In April, Betsson ran an internal global health month with both online and offline events such as health talks with external speakers and wellness competitions. Any social activities always follow local health guidelines.

Betsson continues its focus on leaders, and during the second quarter, Betsson launched a leadership framework in order to further promote and build an outstanding leadership culture.

## **Social Impact**

Betsson defines Social Impact as taking action to have a positive impact in the locations where we operate. Through direct donations to charity and employees donating their time to volunteer in various projects, Betsson gives back and influences society in a positive direction.

During the quarter, Betsson continued its humanitarian support to Ukraine. Several of Betsson's local offices are located in countries which have witnessed a large influx of refugees, and therefore support was directed at refugee shelters, food banks etc in these locations.

In addition, Betsson engaged in the Fidem Charity Organisation in Malta which supports vulnerable women through access to educational opportunities and wellbeing guidance.

Betsson's new Social Impact Strategy sets out three main focus areas for CSR activities: Sports, Diversity and Environment. All activities will be branded under the umbrella brand Betsson Impact for clearer communication whilst allowing for local adaptation of initiatives.

## Climate Impact

Betsson operates in an industry with relatively low CO2 emissions, but nevertheless has a responsibility to help counteract climate change. Betsson has set climate targets according to science-based targets (SBT) of reducing greenhouse gases by at least 55 percent for Scope 1 and 2 and by at least 15 percent for Scope 3 by 2030.

Betsson has established a climate roadmap which identifies the main emission sources and how these will be reduced. This work continued during the quarter, for example through moving on premises data servers to a cloud solution which will lead to decreased emissions. Also, employees in Malta participated in several clean-ups during the quarter, organised by the iGaming European Network iGen.

Betsson climate compensates for its emissions, including those of customers playing on Betsson brands, by investing in climate positive projects.

# 110%

Betsson compensates for all emissions and adds an additional 10% to be climate positive

## SECOND QUARTER DEVELOPMENTS

### CUSTOMER ACTIVITY

Customer deposits in all operational subsidiaries' gaming solutions during the quarter were EUR 845.5 (725.5) million, an increase of 16.5%.

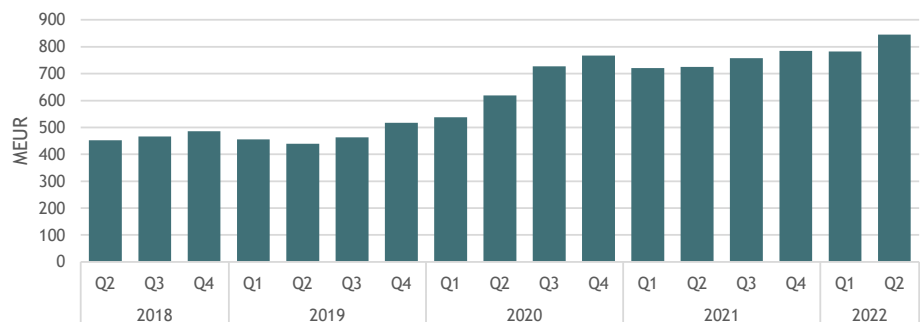
By the end of the second quarter, the number of registered customers was 25.0 (20.9) million, an increase of 19.2%.

Active customers during the quarter were 1,246,719 (1,027,635), an increase of 21.3%.

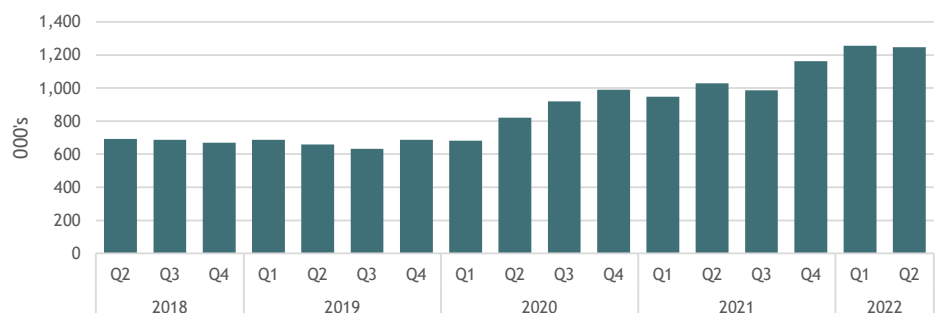
# > 1.2M

Active customers, million

Customer deposits



Active customers



# 21%

Increase of active customers compared to the same period last year

## 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 locally in such markets.

The reported revenue for each region includes 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 EUR 51.2 (54.3) million, a decrease of 5.7%.

Revenue declined in Sweden and Norway compared to the corresponding period last year, mainly driven by the sportsbook. During the corresponding period last year, the Euros in football took place, which brought with it favourable results for the sportsbook margin and high activity levels. In the second quarter Betsson launched a native app for the brand Jalla Casino in the Swedish market.

Denmark reported all-time high revenue in the second quarter, mainly driven by the casino operations.

### Western Europe

Revenue from Western Europe was EUR 24.8 (40.8) million, a decrease of 39.1%.

Starting from the end of the third quarter 2021, Betsson decided to temporarily stop accepting Dutch customers on international websites in order to create good conditions for the licensing process in the country. The decision was made in accordance with the Dutch Gaming Authority's new policy implying that operators who are waiting out the cooling off period are forced to cease operations completely, pending an obtained license. Hence, no revenue from Netherlands was reflected in the second quarter.

In Germany, restrictions were implemented for online casino at the end of 2020, and additional gaming taxes were introduced in the third quarter of 2021 which have contributed to continued low activity as well as declined revenue. During the quarter, it was decided to only apply for one online casino license in Germany, through the subsidiary Zecure Gaming Ltd. On the sports side, Betsson continues to offer betting on horses through its brand Racebets and also has a sportsbook license which is currently not active.

Italy continues to develop well and reported an all-time high in revenue, deposits, turnover and active customers during the second quarter.

### CEECA

Revenue from Central & Eastern Europe and Central Asia (CEECA) was EUR 61.1 (49.5) million, an increase of 23.4%.

The region reported an all-time high in revenue in the second quarter, mainly driven by the casino operations. Croatia and Greece showed continued positive trends in activity and revenue performance.

Georgia reported growth both compared to the previous quarter and the corresponding period last year, mainly driven by the casino operations. The Baltics continued to perform well during the second quarter were Lithuania and Latvia reported growth for both the casino and sportsbook products. Estonia reported decreased revenue in the quarter, mainly driven by a lower sportsbook activity compared to the corresponding period last year.

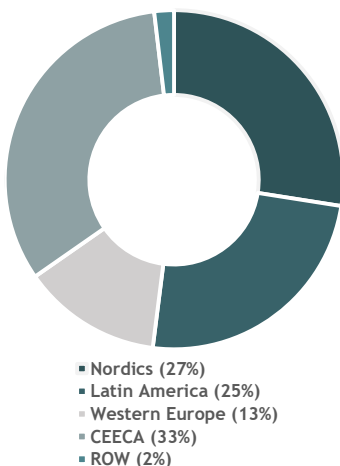
### Latin America

Revenue from Latin America was EUR 45.7 (24.5) million, an increase of 86.2%.

The region reported an all-time high in revenue and in deposits during the second quarter. Most of the countries in the region report growth both compared to the previous quarter and compared to the corresponding period last year. Levels of activity remained high in the second quarter, especially within the sportsbook segment. The quarter had some high profile events such as World Cup qualifying games in football, which Betsson sponsors.

In the quarter, sponsoring partnerships were entered with AC Milan for the Latin America region as well as with CONMEBOL Copa America Femenina 2022, which is the regional championship in Women's football.

Revenue by region



## ROW, Rest of the world

Revenue from RoW was EUR 3.5 (3.7) million, a decrease of 4.7%.

In June, Betsson increased its ownership in the local gaming operator Betbonanza in Nigeria from 25 to 60 percent. The Group's ownership in the technology platform provider Strive, focused on North America, increased from 35 to 40 percent during the quarter. Strive provides a new, purpose-built and modern US iGaming platform, i.e. Player Account Management system (PAM), which supports Betsson's US strategy.

## MARKET DEVELOPMENT BY PRODUCT

### Casino

Betsson's casino product includes a wide range of suppliers and diverse content, customised for a growing global portfolio of markets and brands. The aim is to provide relevant content for each individual region through using off-the-shelf games, as well as the Group's exclusive titles.

During the quarter, Betsson released 241 new casino games, 12 of which came with a period of exclusivity for Betsson's brands.

At the beginning of the second quarter Betsson had a total of 6,250 games available. Betsson has a strong and regionally diverse live casino offering on the market and continuously invests in improvements of the customer experience to strengthen the market position in live casino.

The casino operations reported all-time high in gross turnover in the second quarter, despite that Betsson stopped accepting Dutch customers in the third quarter 2021 and the regulatory changes in Germany. Gross turnover in casino in all Betsson's gaming solutions was EUR 5,665.8 (5,119.5) million, an increase of 10.7% compared to the second quarter last year.

Casino revenue was EUR 122.2 (120.6) million, an increase of 1.3%. Casino represented 66% (70%) of Group revenue.

Mobile casino revenue was EUR 96.8 (88.7) million and accounted for 79% (74%) of total casino revenue.

### Sportsbook

The second quarter of 2022 resulted in all-time high sportsbook revenue driven by a high sportsbook turnover and an above-average margin. Positively contributing factors to the margin were, among other things, strong returns from domestic football leagues and in football World Cup Qualifiers.

Gross turnover in sportsbook across all Betsson's gaming solutions, was EUR 991.3 (822.8) million, an increase of 20.5% compared to the second quarter last year, which had high-profile events such as the European Championship and Copa America in football.

Sportsbook revenue in the second quarter was EUR 61.6 (50.3) million, an increase of 22.4%. Sportsbook represented 33% (29%) of Group revenue.

The sportsbook margin was 8.3% (8.5%). The eight-quarter rolling average margin was 7.5%.

Mobile sportsbook revenue was EUR 48.2 (41.4) million, representing 78% (82%) of total sportsbook revenue.

### Other products

Revenue from other products (poker, bingo and other) was EUR 2.5 (1.9) million, an increase of 28.9%, representing 1% (1%) of total revenue.

Revenue by product



- Casino (66%)
- Sportsbook (33%)
- Other (1%)

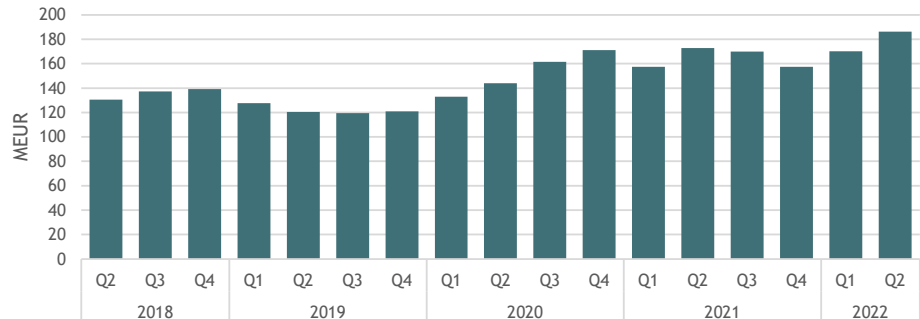


## FINANCIAL DEVELOPMENT

### Group revenue

Group revenue was EUR 186.3 (172.8) million, an increase of 7.8%. In constant currencies and adjusted for acquisitions, organic growth was 12.8%.

#### Revenue development



Locally taxed revenue from markets where Betsson pays local betting duties increased by 18% and was EUR 65.2 (55.0) million, corresponding to 35.0% (31.8%) of total Group revenue.

License revenue for system delivery to B2B-customers amounted to EUR 31.4 (26.9) million and corresponded to 17% (16%) of Group revenue. The increase is mainly due to enhanced performance in the products delivered by Betsson.

Mobile revenue was EUR 144.9 (131.3) million, representing 78% (76%) of total revenue.

### Expenses

Cost of services provided was EUR 67.5 (57.1) million in the quarter. The cost increase is mainly driven by higher cost of betting duties from increased share of locally regulated revenue and increased costs for payment services.

Gross profit was EUR 118.8 (115.7) million, corresponding to a gross profit margin of 63.8% (67.0%).

Operating expenses were EUR 89.6 (77.9) million.

Marketing expenses were EUR 30.5 (31.9) million, corresponding to a marketing to B2C-revenue ratio of 20 (22) %. During the second quarter, the focus of marketing initiatives was on the Latin America region and other new markets, while investments were reduced somewhat in some of the more expensive European markets where Betsson, for the time being, see lower future returns.

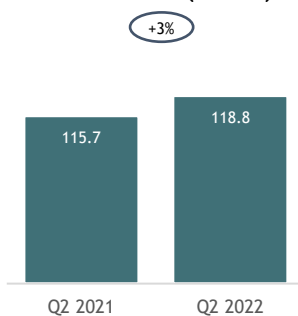
Personnel expenses were EUR 29.8 (24.4) million. The average number of full-time employees in the Group during the second quarter was 1,942 (1,852) of which 1,156 (1,133) were based in Malta. The increase in personnel expenses come from yearly salary revisions, geographic expansion and increased investments in product and technology development.

The Group had 220 (237) 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 EUR 25.8 (19.5) million. The increased costs are mainly driven by sustained increased investments in product development and technology, specifically from increased investments in cloud-based environments and from extension of the sportsbook offering. In the second quarter 2021, the costs were positively impacted by a reversal of a provision for a sanction fee of SEK 20 million to the Swedish Gambling Authority that the Swedish Administrative Court overruled.

Costs related to new market entries in the second quarter amounted to EUR 9.5 million, of which EUR 1.5 million was attributed to the US expansion, divided between personnel costs and other external expenses. The remaining EUR 8.0 million consist of marketing costs constituting EUR 6.3 million and other costs of EUR 1.7 million, of which the latter mainly consists of external consultants.

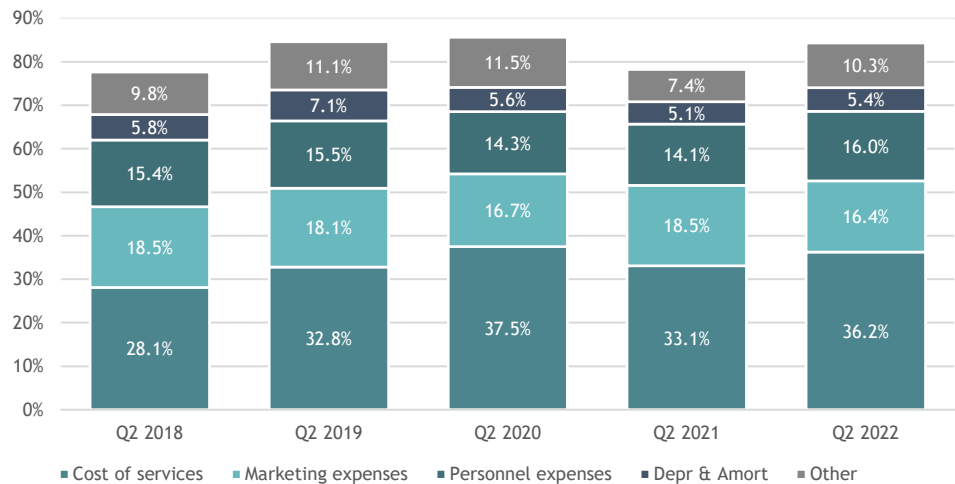
### Gross Profit (MEUR)



Capitalised development costs were EUR 6.0 (6.5) million. Amortisation of capitalised development costs was EUR 5.8 (5.3) million. Total amortisation and depreciation for the quarter was EUR 10.1 (8.8) million.

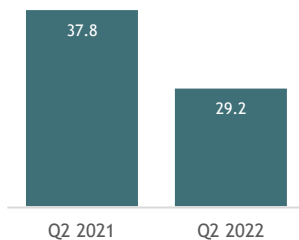
Other operating income/-expenses was EUR 0.6 (0.2) million. The increased income is driven by foreign currency effects, mainly unrealised, on current assets and liabilities.

### Expenses as a percentage of revenue



### EBIT (MEUR)

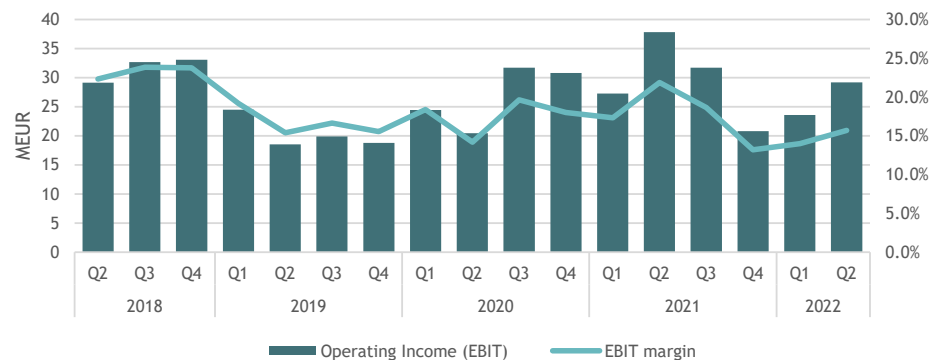
-23%



### Operating income and net income

Operating income (EBIT) decreased by 22.9% to EUR 29.2 (37.8) million. The EBIT margin was 15.7% (21.9%). Organically, EBIT increased by 20.6% to EUR 45.6 million.

### Operating income development (EBIT)



Net financial items were EUR 2.2 (-1.4) million and are primarily related to reversal of earn-out provision for the acquisition of GiG amounting to EUR 4.3 million.

Net income was EUR 28.6 (33.3) million, corresponding to EUR 0.21 (0.24) per share.

The reported corporate tax for the second quarter was EUR -2.8 (-3.1) million, corresponding to 9.0% (8.6%) 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.

### Earnings for the period

Operating income (EBIT) for the first six months 2022 amounted to EUR 52.8 (65.1) million. Net income amounted to EUR 49.4 (57.1) million, corresponding to EUR 0.37 (0.43) per share.

## Financial position

Cash and cash equivalents at the end of June 2022 were EUR 130.7 (89.2) million. Customer liabilities, including reserves for accumulated jackpots, were EUR 48.9 (43.5) million. Gaming regulations require the Group to reserve a certain share of cash to cover player liabilities and accumulated jackpots. Current receivables related to payment providers for unsettled customer deposits were EUR 62.7 (53.4) 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. Net debt amounted to EUR -19.8 (14.6) million at the end of the period.

## Cash flow

Cash flow from operating activities during the second quarter was EUR 37.8 (56.3) million including an impact of EUR 1.1 (13.1) million related to changes in working capital. The variance compared to the corresponding period last year is mainly driven by a positive effect from collection of a VAT receivable in the second quarter 2021. Cash flow from investing activities was EUR -14.8 (-19.6) million and consists mainly of investments in own development and earn-out for Inkabet. Cash flow from financing activities was EUR -4.4 (-57.2), mainly driven by issuance of new bonds, paid dividends to shareholders and early redemption of bonds.

## External financing

As of 30 June 2022, total available bank credit facilities were SEK 0.0 (580.0) million.

During the second quarter, Betsson issued new senior unsecured bonds of EUR 90 million under a framework of EUR 250 million. The bonds have a tenor of three years and a floating interest rate of EURIBOR three months plus 650 bps and will mature in June 2025. In conjunction with the issue of new bonds, Betsson redeemed in full the outstanding bonds of series 2019/2022. The series 2019/2022 bonds amounted to SEK 1,000 million, SEK 700 million was redeemed in June to a price corresponding to 100.5 percent of the nominal amount per bond, SEK 300 million was redeemed in July at 100.0 percent of the nominal amount per bond.

Credit facility	Amount	Utilised	Unutilised	Maturity date
Bond 2019/2022 (MEUR)	28.0	28.0	0.0	July, 2022
Bond 2022/2025 (MEUR)	88.7	88.7	0.0	June, 2025

## Equity

Equity in the Group was EUR 604.0 (516.8) million, corresponding to EUR 4.42 (3.78) 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 latest annual report.

## REGULATORY UPDATE

Betsson has gaming licenses in 19 countries 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 latest annual report. Below is a summary of the latest implemented or planned changes in gaming legislation in markets relevant to the Group.

### Nordics

In the pending complaint regarding the cease-and-desist order of the Norwegian regulator against BML Group Ltd, the company requested that the implementation of the order be deferred during the administrative dispute proceedings. The Ministry of Culture (as the body reviewing the complaint) decided to defer the implementation until the complaint is finally decided by the administrative review bodies.

The Swedish government tabled several proposals in May, addressing the licencing of gambling software companies (B2B licensing), prohibition of promotion of illegal gambling

and new requirements for moderate marketing. Most of the amendments are intended to take effect in January 2023 while the B2B licensing requirement is expected to enter into force in July 2023.

In June, the Swedish Ministry of Finance also proposed new measures to minimise unlicensed gambling in Sweden and counter match-fixing in sports. Under the proposed measures, payment blocking will be replaced by requirement on payment service providers to disclose information used in payment intermediation for unlicensed gambling. The Swedish regulator will be authorised to conduct so called test-purchases making it easier for them to collect information from PSPs and then block transactions related to unlicensed gambling. New measures would allow gambling licensees to share data with leagues to help in efforts to stop match-fixing, as well as to allow the government to issue regulations that would force licensees to cooperate with law enforcement when match-fixing is suspected. If approved by the parliament, the amendments to the gambling legislation will enter into force on July 1, 2023.

## **Western Europe**

The Dutch regulator KSA is still in the process of reviewing the licence applications filed by Betsson's operational subsidiaries. In June, the subsidiaries were asked to provide certain additional documentation, including in connection with the changes mandated by the regulator to the remote gambling data safe (CDB). At the end of June, the Council of State (the highest court instance in administrative matters) handed down its judgment in the pending dispute regarding the fine issued by the KSA against the Group subsidiary Corona Ltd in 2018. Unfortunately, the court decided to not refer the matter to the Court of Justice of the EU and ultimately found against Corona Ltd by upholding the fine. This brings the matter to a close as there are no appeal possibilities left.

As part of ongoing gambling advertising reform, from June 30, a ban on the use of role models in gambling ads entered into force. The Dutch parliament has compelled the government to consider additional restrictions. In July, the Netherlands' Minister for Legal Protection Franc Weerwind submitted a proposal to the country's Council of Ministers to ban all untargeted gambling advertising. The proposal, which would take effect from 1 January 2023, would also see a complete ban on event and sport sponsorships by gambling firms.

In April, the State Administration Office in Saxony-Anhalt granted the first German virtual slots and online poker license to a company belonging to Gauselmann Group. More licenses are expected to follow in the summer of 2022. After the recent court clarification of the financial guarantee requirement of the virtual slots licence, two Betsson operational subsidiaries withdrew their licence applications and only one operational subsidiary – Zecure Gaming Ltd – will proceed with the licence application process for online casino.

## **CEECA**

In May, the Latvian Budget and Finance Commission filed a new draft law in the parliament with the intention of amending the Law on Gambling and Lotteries. The bill aims to improve the protection of the general public from gambling by restricting availability. One of the amendments introduces a requirement for a mandatory break in operations between 6-9pm for all land-based gambling establishments but also in online gambling operations. Further, the bill also proposes that the minimum age for gambling be increased from 18 to 21 years.

## **Latin America**

The Brazilian regulatory decree on sports betting still awaits enacting by the country's president and the timing of this remains uncertain.

The Brazilian gambling expansion bill – despite being approved by the Brazilian Parliament's lower house of in February 2022 – still awaits further handling in the senate.

On 15 July, the Peruvian Congress passed a new gambling bill, which will regulate both online sportsbetting and casino in Peru once it is approved by the President. The new law imposes a direct tax applied to gross gaming revenue of 12 percent.

Argentina's Province of Cordoba has decided to open a national and international public license tender through the local regulator "Loteria de Cordoba". Participants will bid for one of ten online gambling licences on offer, with each lasting 15 years. Betsson has decided to participate in the tender through a new joint venture with Casino de Victoria.

## **Rest of World**

The newly regulated Ontario online gambling market in Canada launched on 4 April 2022. Betsson Group has applied for B2C and B2B licences in Ontario. Given that the B2C

application was submitted before the new framework went live on 4 April, the Group's Betsafe-branded business that applied to be licenced may continue offering its services in Ontario on a transitional basis until the relevant licence is granted. It is expected that a fully licenced market will be in place in Q3 of 2022.

## OTHER INFORMATION

### EMPLOYEES

In the end of the second quarter 2022, the Group employed 1,957 (1,924) employees representing 60 different nationalities. In addition, 220 (237) full-time consultants were engaged, mainly within product development.

Betsson's 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 consistent delivery of its long-term strategy. To further inspire and support employees, leadership programs, career development and other initiatives are offered and promoted to them.

### OWNERSHIP STRUCTURE AND SHARES OUTSTANDING

The Company's Series B shares are listed on Nasdaq Stockholm Mid Cap list (BETS B). At the end of the period, the Company had 25,343 (27,377) 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 second quarter of 2022 was EUR 0.9 (0.7) million, and net income was EUR -1.6 (-0.4) million.

Cash and cash equivalents in the Parent Company was EUR 64.3 (36.9) million.

## DECLARATION BY THE BOARD

The Board and the CEO in Betsson AB hereby confirm that this interim report gives a fair view of the operations, balance sheet and income statement of the Parent Company and the Group and that it describes the material risks faced by the Company and the Group.

Stockholm, 21 July 2022

**Johan Lundberg**  
Chairman of the board

**Pontus Lindwall**  
President and CEO

**Eva Leach**  
Board Member

**Louise Nylén**  
Board member

**Peter Hamberg**  
Board member

**Tristan Sjöberg**  
Board member

**Eva de Falck**  
Board member

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



*With almost 60 years of experience in gambling, it goes without saying that Betsson has a long-term approach to business. Sustainability is therefore an integral part of our strategy. We generate value for shareholders by taking responsibility for customers, employees and the communities where we operate. Read more about Betsson's Sustainability Framework in the 2021 Annual Report.*

## CONSOLIDATED INCOME STATEMENT

MEUR	Q2 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
<b>Revenue</b>	<b>186.3</b>	<b>172.8</b>	<b>356.4</b>	<b>330.2</b>	<b>657.7</b>
Cost of services provided	-67.5	-57.1	-130.6	-112.1	-232.1
<b>Gross profit</b>	<b>118.8</b>	<b>115.7</b>	<b>225.8</b>	<b>218.1</b>	<b>425.6</b>
Marketing expenses	-30.5	-31.9	-57.9	-60.0	-113.1
Personnel expenses	-29.8	-24.4	-55.8	-47.4	-95.0
Other external expenses	-25.8	-19.5	-51.2	-41.3	-88.2
Capitalised development costs	6.0	6.5	12.1	12.7	24.8
Amortisation and depreciation	-10.1	-8.8	-19.9	-17.2	-36.1
Other operating income/expenses	0.6	0.2	-0.3	0.3	-0.4
Operating expenses	-89.6	-77.9	-173.0	-153.0	-308.0
<b>Operating income</b>	<b>29.2</b>	<b>37.8</b>	<b>52.8</b>	<b>65.1</b>	<b>117.6</b>
Financial income and expenses	2.2	-1.4	0.9	-2.6	-5.6
<b>Income before tax</b>	<b>31.4</b>	<b>36.4</b>	<b>53.7</b>	<b>62.5</b>	<b>112.0</b>
Tax	-2.8	-3.1	-4.3	-5.4	-8.1
<b>Net income</b>	<b>28.6</b>	<b>33.3</b>	<b>49.4</b>	<b>57.1</b>	<b>103.9</b>
Net income attributable to:					
Equity holders of the Parent Company	29.2	34.0	50.4	58.0	106.4
Non-controlling interests	-0.7	-0.7	-1.0	-0.9	-2.5

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q2 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
<b>Net income</b>	<b>28.6</b>	<b>33.3</b>	<b>49.4</b>	<b>57.1</b>	<b>103.9</b>
<b>Other comprehensive income</b>					
<b>Revenue/expenses recognised directly in equity:</b>					
Hedge of net investments in foreign currency incl. deferred tax	1.4	-0.5	2.4	0.7	0.8
Exchange differences in translating foreign operations	2.9	-3.7	5.2	10.7	13.7
<b>Other comprehensive income of the period (after tax)</b>	<b>4.3</b>	<b>-4.2</b>	<b>7.6</b>	<b>11.4</b>	<b>14.5</b>
<b>Total comprehensive income for the period</b>	<b>32.9</b>	<b>29.1</b>	<b>57.0</b>	<b>68.5</b>	<b>118.4</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Parent Company	33.6	29.8	58.0	69.4	120.9
Non-controlling interests	-0.7	-0.7	-1.0	-0.9	-2.5

## CONSOLIDATED BALANCE SHEET

MEUR	6/30/2022	6/30/2021	12/31/2021
<b>Assets</b>			
Intangible fixed assets	581.0	536.3	572.9
Property, plant and equipment	8.3	7.5	6.6
Right-of-use assets	18.8	23.6	21.0
Financial assets	24.2	13.6	24.0
Deferred tax receivables	3.4	4.6	1.1
<b>Total non-current assets</b>	<b>635.7</b>	<b>585.6</b>	<b>625.6</b>
Current receivables	167.1	158.4	176.0
Cash and cash equivalents	130.7	89.2	95.6
<b>Total current assets</b>	<b>297.8</b>	<b>247.6</b>	<b>271.6</b>
<b>Total assets</b>	<b>933.5</b>	<b>833.2</b>	<b>897.2</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>604.0</b>	<b>516.8</b>	<b>568.8</b>
Deferred tax liabilities	2.6	2.0	1.8
Bond	88.7	98.2	0.0
Lease liabilities	11.3	16.4	13.9
<b>Total non-current liabilities</b>	<b>102.6</b>	<b>116.6</b>	<b>15.7</b>
Bond	28.0	0.0	97.4
Lease liabilities	6.1	5.6	5.8
Other current liabilities	192.8	194.2	209.5
<b>Total current liabilities</b>	<b>226.9</b>	<b>199.8</b>	<b>312.7</b>
<b>Total equity and liabilities</b>	<b>933.5</b>	<b>833.2</b>	<b>897.2</b>



## CONSOLIDATED CASH FLOW STATEMENT

MEUR	Q2 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Profit/loss before tax	31.4	36.4	53.7	62.5	112.0
Adjustments for non-cash items	9.8	9.5	20.0	17.4	37.0
Taxes paid	-4.5	-2.7	-7.3	-4.7	-5.8
Cash flow from operating activities					
before changes in working capital	36.7	43.2	66.4	75.2	143.2
Changes in working capital	1.1	13.1	-1.8	13.5	0.4
<b>Cash flow from operating activities</b>	<b>37.8</b>	<b>56.3</b>	<b>64.6</b>	<b>88.7</b>	<b>143.6</b>
Investments in intangibles/tangibles	-9.6	-8.4	-17.9	-16.2	-32.1
Acquisition of shares in subsidiaries	0.0	0.0	0.0	0.0	-21.5
Paid earn out	-4.3	0.0	-5.4	0.0	-0.4
Acquisition of shares in associates	-0.9	-11.2	-0.9	-11.2	-17.6
<b>Cash flow from investing activities</b>	<b>-14.8</b>	<b>-19.6</b>	<b>-24.2</b>	<b>-27.4</b>	<b>-71.6</b>
Bond issue	88.6	0.0	88.6	0.0	0.0
Bond redemption	-65.8	0.0	-65.8	0.0	0.0
Lease payments	-1.8	-0.6	-3.0	-1.9	-5.8
Changes in bank loans	0.0	-6.9	0.0	-6.9	-6.9
Share redemption programme	-25.4	-49.7	-25.4	-49.7	-49.7
Warrant premiums received	0.0	0.0	0.0	0.0	0.2
<b>Cash flow from financing activities</b>	<b>-4.4</b>	<b>-57.2</b>	<b>-5.6</b>	<b>-58.5</b>	<b>-62.2</b>
<b>Changes to cash and cash equivalents</b>	<b>18.6</b>	<b>-20.5</b>	<b>34.8</b>	<b>2.8</b>	<b>9.8</b>
Cash and cash equivalents at beginning of period	111.8	109.0	95.6	86.0	86.0
Exchange differences	0.3	0.7	0.3	0.3	-0.2
<b>Cash and cash equivalents at end of period</b>	<b>130.7</b>	<b>89.2</b>	<b>130.7</b>	<b>89.2</b>	<b>95.6</b>

## CHANGES IN GROUP EQUITY

MEUR	6/30/2022	6/30/2021	12/31/2021
<b>Equity opening balance attributable to the equity holders of the Parent Company</b>	<b>571.8</b>	<b>500.0</b>	<b>501.8</b>
Total comprehensive income for the period	57.0	68.5	118.4
<b>Total change excluding owner transactions</b>	<b>57.0</b>	<b>68.5</b>	<b>118.4</b>
Share redemption programme	-25.4	-49.7	-49.2
Warrants paid premium	0.0	0.0	0.2
Share options - value of employee services	0.1	0.0	0.2
Equity share, associated companies	3.6	0.0	0.0
<b>Equity at end of period attributable to the Equity holders of the Parent Company</b>	<b>607.1</b>	<b>518.7</b>	<b>571.8</b>
Equity attributable to:			
Equity holders of the Parent Company	607.1	518.7	571.8
Non-controlling interests	-3.1	-1.9	-3.0
<b>Total equity at end of period</b>	<b>604.0</b>	<b>516.8</b>	<b>568.8</b>

## PARENT COMPANY, INCOME STATEMENT

MEUR	Q2 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
<b>Revenue</b>	<b>0.9</b>	<b>0.7</b>	<b>1.5</b>	<b>1.4</b>	<b>2.8</b>
Operating expenses	-3.0	-1.9	-5.1	-4.3	-9.8
<b>Operating income</b>	<b>-2.1</b>	<b>-1.3</b>	<b>-3.7</b>	<b>-2.9</b>	<b>-7.0</b>
Financial income and expenses	0.5	0.9	0.5	1.2	133.9
<b>Income before tax</b>	<b>-1.6</b>	<b>-0.4</b>	<b>-3.1</b>	<b>-1.7</b>	<b>126.9</b>
Income tax	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-1.6</b>	<b>-0.4</b>	<b>-3.1</b>	<b>-1.7</b>	<b>126.9</b>

## PARENT COMPANY, BALANCE SHEET

MEUR	6/30/2022	6/30/2021	12/31/2021
<b>Assets</b>			
Property, plant and equipment	0.2	0.3	0.3
Financial assets	657.5	636.8	657.5
<b>Total non-current assets</b>	<b>657.7</b>	<b>637.1</b>	<b>657.8</b>
Current receivables	105.9	28.1	121.8
Cash and cash equivalents	64.3	36.9	33.0
<b>Total current assets</b>	<b>170.2</b>	<b>65.0</b>	<b>154.8</b>
<b>Total Assets</b>	<b>827.9</b>	<b>702.1</b>	<b>812.6</b>
Restricted equity	34.9	34.9	34.2
Unrestricted equity	632.3	531.4	660.8
<b>Total equity</b>	<b>667.2</b>	<b>566.3</b>	<b>695.0</b>
Bond	88.7	98.2	0.0
<b>Total non-current liabilities</b>	<b>88.7</b>	<b>98.2</b>	<b>0.0</b>
Bond	28.0	0.0	97.4
Other current liabilities	44.0	37.6	20.2
<b>Total current liabilities</b>	<b>72.0</b>	<b>37.6</b>	<b>117.6</b>
<b>Total equity and liabilities</b>	<b>827.9</b>	<b>702.1</b>	<b>812.6</b>

## QUARTERLY DATA

### CONSOLIDATED INCOME STATEMENT, IN SUMMARY

MEUR	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Revenue	186.3	170.2	157.5	170.0	172.8	157.4	171.0	161.5
Cost of services provided	-67.5	-63.1	-59.8	-60.1	-57.1	-55.0	-63.0	-56.9
<b>Gross profit</b>	<b>118.8</b>	<b>107.1</b>	<b>97.7</b>	<b>109.9</b>	<b>115.7</b>	<b>102.4</b>	<b>108.0</b>	<b>104.6</b>
Marketing expenses	-30.5	-27.3	-25.7	-27.5	-31.9	-28.1	-30.1	-27.2
Personnel expenses	-29.8	-26.0	-24.0	-23.6	-24.4	-22.9	-22.0	-22.4
Other external expenses	-25.8	-25.5	-23.2	-23.6	-19.5	-21.8	-19.9	-20.7
Capitalised development costs	6.0	6.1	6.2	6.0	6.5	6.2	5.8	5.8
Amortisation and depreciation	-10.1	-9.8	-9.6	-9.3	-8.8	-8.5	-9.0	-8.4
Other operating income/expenses	0.6	-1.0	-0.5	-0.2	0.2	0.0	-2.0	-0.1
<b>Operating expenses</b>	<b>-89.6</b>	<b>-83.5</b>	<b>-76.9</b>	<b>-78.1</b>	<b>-77.9</b>	<b>-75.1</b>	<b>-77.1</b>	<b>-72.9</b>
<b>Operating income</b>	<b>29.2</b>	<b>23.6</b>	<b>20.8</b>	<b>31.7</b>	<b>37.8</b>	<b>27.3</b>	<b>30.8</b>	<b>31.7</b>
Financial items, net	2.2	-1.3	-1.7	-1.3	-1.4	-1.3	-1.1	-1.5
<b>Income before tax</b>	<b>31.4</b>	<b>22.3</b>	<b>19.1</b>	<b>30.4</b>	<b>36.4</b>	<b>26.0</b>	<b>29.7</b>	<b>30.3</b>
Tax	-2.8	-1.4	-0.4	-2.3	-3.1	-2.3	-2.8	-2.3
<b>Net income</b>	<b>28.6</b>	<b>20.9</b>	<b>18.7</b>	<b>28.1</b>	<b>33.3</b>	<b>23.7</b>	<b>27.0</b>	<b>28.0</b>

### CONSOLIDATED BALANCE SHEET, IN SUMMARY

MEUR	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Non-current assets	635.7	627.6	625.6	592.1	585.6	567.4	563.2	555.4
Current assets	297.8	287.0	271.6	295.4	247.6	281.3	260.1	221.3
<b>Total assets</b>	<b>933.5</b>	<b>914.6</b>	<b>897.2</b>	<b>887.5</b>	<b>833.2</b>	<b>848.7</b>	<b>823.4</b>	<b>776.7</b>
Equity	604.0	591.8	568.8	548.2	516.8	530.2	504.4	481.9
Provisions and non-current liabilities	102.6	17.3	15.7	17.9	116.6	113.5	113.6	101.9
Current liabilities	226.9	305.5	312.7	321.4	199.8	205.0	205.4	192.9
<b>Total equity and liabilities</b>	<b>933.5</b>	<b>914.6</b>	<b>897.2</b>	<b>887.5</b>	<b>833.2</b>	<b>848.7</b>	<b>823.4</b>	<b>776.7</b>

### CONSOLIDATED CASH FLOW STATEMENT, IN SUMMARY

MEUR	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Operating cash flow	37.8	26.9	13.4	41.7	56.3	32.3	22.3	46.9
Cash flow from investing activities	-14.8	-9.4	-29.3	-15.0	-19.6	-7.7	-11.0	-10.2
Cash flow from financing activities	-4.4	-1.2	-15.1	11.2	-57.2	-1.2	-18.3	-38.1
<b>Total cash flow</b>	<b>18.6</b>	<b>16.3</b>	<b>-31.0</b>	<b>37.9</b>	<b>-20.5</b>	<b>23.4</b>	<b>-7.0</b>	<b>-1.4</b>

## KEY RATIOS

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
<b>Key financial ratios</b>								
Gross Margin (% of revenue)	63.8	62.9	62.0	64.6	67.0	65.0	63.1	64.8
EBITDA-margin (% of revenue)	21.1	19.6	19.3	24.1	27.0	22.7	23.3	24.8
EBIT-margin (% of revenue)	15.7	13.9	13.2	18.7	21.9	17.3	18.0	19.6
Profit margin (% of revenue)	16.9	13.1	12.1	17.9	21.1	16.5	17.4	18.7
Marketing expenses (% of revenue)	16.4	16.0	16.3	16.2	18.4	17.9	17.6	16.9
Basic earnings per share (EUR)	0.21	0.16	0.14	0.21	0.24	0.17	0.20	0.20
Diluted earnings per share (EUR)	0.21	0.16	0.14	0.21	0.24	0.17	0.20	0.20
Equity per share (EUR)	4.42	4.33	4.16	4.01	3.78	3.88	3.69	3.53
Executed dividend/redemption per share (SEK)	3.94	0.00	0.00	0.00	3.68	0.00	0.00	2.88
Equity/assets ratio (%)	65	65	63	62	62	62	61	62
Return on equity (% , 12 months)	17	18	19	22	22	18	20	18
Return on total capital (% , 12 months)	12	13	13	15	15	13	14	12
Return on capital employed (% , 12 months)	15	16	18	20	21	17	18	15
Net debt (MEUR)	-20	-17	3	-6	15	4	16	22
Net debt / EBITDA (Multiple, 12 months)	-0.1	-0.1	0.0	-0.1	0.1	0.1	0.1	0.2
<b>Shares</b>								
Average share price (SEK)	61.66	53.21	56.50	76.59	75.13	76.58	71.64	68.92
Share price at end of period (SEK)	64.73	57.25	54.60	72.80	69.80	81.05	73.70	69.00
Highest share price (SEK)	68.15	58.20	70.90	91.90	84.15	87.90	78.80	80.00
Lowest share price (SEK)	54.08	47.80	47.50	68.40	67.90	66.00	64.50	62.50
Number of shareholders at end of period	25,343	25,805	26,003	25,282	27,377	27,068	24,430	25,010
Number of shares outstanding at end of period	136.8	136.8	136.8	136.8	136.7	136.7	136.7	136.7
Total number of shares at end of period (million)	142.7	142.7	142.7	142.7	142.7	144.5	144.5	144.5
<b>Personnel</b>								
Average number of employees	1,942	1,957	1,958	1,933	1,852	1,819	1,793	1,710
Number of employees at end of period	1,957	1,926	1,955	1,970	1,924	1,831	1,792	1,796

## CUSTOMERS

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Registered customers (000's)	24,967	24,200	23,307	21,569	20,940	20,125	19,618	19,112
Active customers (000's)	1,247	1,256	1,162	986	1,028	948	990	920

## CUSTOMER DEPOSITS

MEUR	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Customer deposits	534.6	514.1	512.0	486.7	486.5	462.2	514.5	497.7
Customer deposits, all gaming solutions	845.5	782.5	784.6	757.2	725.5	720.4	767.8	726.9

## SPORTSBOOK DATA

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Gross turnover, all gaming solutions (MEUR)	991.3	947.5	1,024.5	821.0	822.8	863.8	864.2	752.1
of which gross turnover live betting (MEUR)	648.4	620.6	653.2	587.5	557.7	580.6	577.2	535.2
Sportbook margin after free bets (%)	8.3	8.3	6.0	7.8	8.5	7.2	7.3	7.0
Revenue (MEUR)	61.6	56.4	40.2	42.7	50.3	38.9	44.4	34.0

## REVENUE BY PRODUCT

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
<b>Revenue (MEUR)</b>								
Casino	122.2	111.0	115.1	125.1	120.6	116.4	124.5	125.9
Sportsbook	61.6	56.5	40.2	42.7	50.3	38.9	44.5	34.0
Other products	2.5	2.7	2.3	2.1	1.9	2.1	1.9	1.7
<b>Total</b>	<b>186.3</b>	<b>170.2</b>	<b>157.5</b>	<b>170.0</b>	<b>172.8</b>	<b>157.4</b>	<b>171.0</b>	<b>161.5</b>

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
<b>Share of total revenue (%)</b>								
Casino	66	65	73	74	70	74	73	78
Sportsbook	33	33	26	25	29	25	26	21
Other products	1	2	1	1	1	1	1	1

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
<b>Growth, compared with previous quarter (%)</b>								
Casino	10	-4	-8	4	4	-7	-1	4
Sportsbook	9	41	-6	-15	29	-13	31	60
Other products	-9	20	5	12	-9	10	13	-11
<b>Total</b>	<b>9</b>	<b>8</b>	<b>-7</b>	<b>-2</b>	<b>10</b>	<b>-8</b>	<b>6</b>	<b>35</b>

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
<b>Growth, compared with same period previous year (%)</b>								
Casino	1	-5	-8	-1	-0	22	38	43
Sportsbook	22	45	-10	26	137	8	52	15
Other products	29	29	17	27	1	24	48	-2
<b>Total</b>	<b>8</b>	<b>8</b>	<b>-8</b>	<b>5</b>	<b>20</b>	<b>18</b>	<b>41</b>	<b>-35</b>

## REVENUE BY REGION

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
<b>Casino (MEUR)</b>								
Nordics	38.6	39.4	40.8	41.9	38.6	37.5	40.9	43.0
Latin America*	13.7	11.3	11.2	10.0	8.8	5.6	-	-
Western Europe	22.8	20.7	19.0	33.1	37.4	36.5	41.5	44.3
Central & Eastern Europe and Central Asia	44.4	36.6	41.0	37.2	32.6	34.1	32.2	28.8
RoW*	2.7	2.9	3.1	2.9	3.2	2.6	10.0	9.8
<b>Total</b>	<b>122.2</b>	<b>111.0</b>	<b>115.1</b>	<b>125.1</b>	<b>120.5</b>	<b>116.4</b>	<b>124.5</b>	<b>125.9</b>

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
<b>Sportsbook (MEUR)</b>								
Nordics	11.7	13.7	10.1	10.9	14.9	9.8	14.2	10.3
Latin America*	31.8	25.2	14.6	14.3	15.6	7.7	-	-
Western Europe	1.9	1.3	1.3	2.1	3.1	2.5	3.2	2.4
Central & Eastern Europe and Central Asia	15.7	15.7	14.0	15.1	16.2	18.5	16.4	13.4
RoW*	0.6	0.6	0.3	0.3	0.5	0.4	10.7	7.8
<b>Total</b>	<b>61.7</b>	<b>56.4</b>	<b>40.2</b>	<b>42.7</b>	<b>50.3</b>	<b>38.9</b>	<b>44.5</b>	<b>34.0</b>

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
<b>Total, for all products, per region (MEUR)</b>								
Nordics	51.2	54.1	51.9	53.4	54.3	48.1	55.6	53.8
Latin America*	45.7	36.8	26.0	24.4	24.5	13.4	-	-
Western Europe	24.8	22.2	20.4	35.5	40.8	39.3	44.8	46.9
Central & Eastern Europe and Central Asia	61.1	53.4	55.9	53.2	49.5	53.5	49.6	43.1
RoW*	3.5	3.7	3.4	3.3	3.7	3.1	20.9	17.7
<b>Total</b>	<b>186.3</b>	<b>170.2</b>	<b>157.5</b>	<b>170.0</b>	<b>172.8</b>	<b>157.4</b>	<b>171.0</b>	<b>161.5</b>

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
<b>Share per region (%)</b>								
Nordics	27	32	33	31	31	31	33	33
Latin America*	25	22	16	14	14	9	0	0
Western Europe	13	13	13	21	24	25	26	29
Central & Eastern Europe and Central Asia	33	31	36	31	29	34	29	27
RoW*	2	2	2	2	2	2	12	11

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
<b>Growth, compared with previous quarter (%)</b>								
Nordics	-5	4	-3	-2	13	-13	3	18
Latin America*	24	42	6	-0	83	-	-	-
Western Europe	12	9	-43	-13	4	-12	-4	-9
Central & Eastern Europe and Central Asia	14	-4	5	8	-7	8	15	26
RoW*	-4	7	3	-10	20	-85	18	41

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
<b>Growth, compared with same period previous year (%)</b>								
Nordics	-6	12	-7	-1	19	6	32	21
Latin America*	86	174	-	-	-	-	-	-
Western Europe	-39	-44	-55	-24	-21	3	23	26
Central & Eastern Europe and Central Asia	23	-0	13	24	45	34	43	44
RoW*	-5	19	-84	-81	-70	-68	173	130

\*During 2020 Latin America was part of RoW

## SPECIFICATION OF COST OF SERVICES PROVIDED

MEUR	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Licence fees	18.2	17.0	16.6	17.3	15.5	15.6	16.3	16.3
Betting duties	14.1	14.0	13.2	12.7	11.3	11.8	12.5	11.9
Affiliates and partners commission	9.3	9.9	8.5	10.4	11.5	11.1	12.0	11.1
Other cost of services provided	25.8	22.2	21.5	19.8	18.8	16.5	22.2	17.6
<b>Total</b>	<b>67.5</b>	<b>63.1</b>	<b>59.8</b>	<b>60.1</b>	<b>57.1</b>	<b>55.0</b>	<b>63.0</b>	<b>56.9</b>

## SPECIFICATION OF AMORTISATION AND DEPRECIATION

MEUR	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Depreciation property, plant, and equipment	0.9	0.8	1.1	1.0	0.9	0.8	1.0	1.0
Depreciation right-of-use assets	1.4	1.4	1.5	1.5	1.4	1.4	1.2	1.2
Amortisation intangible fixed assets <i>(whereof amortisation of capitalised development costs)</i>	7.8	7.6	7.0	6.8	6.5	6.3	6.8	6.3
<b>Total</b>	<b>10.1</b>	<b>9.8</b>	<b>9.6</b>	<b>9.3</b>	<b>8.8</b>	<b>8.5</b>	<b>9.0</b>	<b>8.4</b>

## ORGANIC CALCULATION (EFFECTS FROM ACQUISITIONS AND CURRENCY)

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
<b>Reported revenues</b>	<b>186.3</b>	<b>170.2</b>	<b>157.5</b>	<b>170.0</b>	<b>172.8</b>	<b>157.4</b>	<b>171.0</b>	<b>161.5</b>
- Revenue from acquisitions	-8.4	-7.3	-5.4	0.0	-2.7	-14.3	-19.6	-19.7
- Currency effects	17.0	17.3	6.9	4.5	8.3	12.4	13.1	9.9
<b>Organic revenues</b>	<b>194.9</b>	<b>180.2</b>	<b>159.0</b>	<b>174.5</b>	<b>178.4</b>	<b>155.5</b>	<b>164.5</b>	<b>151.8</b>
Organic growth (YoY)	13%	14%	-7%	8%	24%	17%	36%	27%
Reported growth (YoY)	8%	8%	-85%	5%	20%	18%	41%	35%
<b>Reported operating income (EBIT)</b>	<b>29.2</b>	<b>23.6</b>	<b>20.8</b>	<b>31.7</b>	<b>37.8</b>	<b>27.3</b>	<b>30.8</b>	<b>31.7</b>
- Result from acquisitions	-0.8	-1.4	-0.3	0.0	0.0	-0.7	-2.5	0.6
- Currency effects	17.2	16.0	7.6	4.3	7.1	8.6	9.5	5.7
<b>Organic operating income</b>	<b>45.6</b>	<b>38.2</b>	<b>28.1</b>	<b>36.0</b>	<b>45.0</b>	<b>35.2</b>	<b>37.8</b>	<b>37.8</b>
Organic growth (YoY)	21%	40%	-9%	14%	120%	44%	101%	90%
Reported growth (YoY)	-23%	-13%	-33%	0%	85%	12%	64%	59%

## OTHER NOTES

### CURRENCY EXCHANGE RATES

The exchange rates below are applied in the report.

#### Income Statement (average rate during the period January-June)

	2022	2021	Δ
SEK/EUR	0.0955	0.0987	-3.3%
GEL/EUR	0.2997	0.2499	+19.9%
NOK/EUR	0.1002	0.0983	+2.0%
TRY/EUR	0.0618	0.1066	-42.0%

#### Balance Sheet (closing rate)

	6/30/2022	6/30/2021	Δ
SEK/EUR	0.0936	0.0988	-5.2%
GEL/EUR	0.3245	0.2662	+21.9%

### 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 2021 annual report.

### ACCOUNTING POLICIES

Betsson complies with IFRS standards and interpretations (IFRIC) as adopted by the EU. This 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 2021. Detailed information about the Group's accounting and valuation principles can be found in the Annual Report for 2021 (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 during the period.



**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 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:** The total number of A, B and C shares at the end of the period.

**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

Q3 2022  
Q4 2022 and Year-end report

26 October 2022  
09 February 2023

## PRESENTATION OF THE INTERIM REPORT

Betsson invites analysts, investors and media to participate in the results presentation of the second quarter at 10:00 CEST on 21 July 2022. 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 5051 6386  
United Kingdom: +44 20 3198 4884  
United States: +1 412 317 6300 / PIN US: 1711427#

Webcast link: <https://tv.streamfabriken.com/betsson-financial-hearing-q2-2022>



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## 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 Mid Cap (BETS B).

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](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.*