

## Betsson AB (publ) year-end report 1 January - 31 December 2022

“Strong finish to the best year ever for Betsson, driven by high activity and new customers”

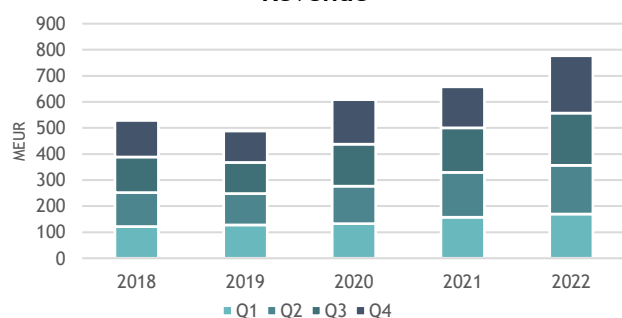
### QUARTER OCTOBER - DECEMBER 2022

- Group revenue was EUR 220.6 (157.5) million, an increase of 40%. Organic increase of 48%.
- Casino revenue increased by 27%. Sportsbook revenue increased by 76% and the sportsbook margin was 7.3% (6.0%).
- EBITDA was EUR 51.1 (30.4) million, an increase of 68%. The EBITDA margin was 23.2% (19.3%).
- Operating income (EBIT) was EUR 40.0 (20.8) million, an increase of 92%. The EBIT margin was 18.1% (13.2%).
- Net income was EUR 32.7 (18.7) million, corresponding to EUR 0.26 (0.14) per share.
- Operating cash flow was EUR 75.5 (13.4) million.
- Net debt was EUR -65.7 (2.5) million.
- Active customers increased by 23% to 1,424,794 (1,161,683).

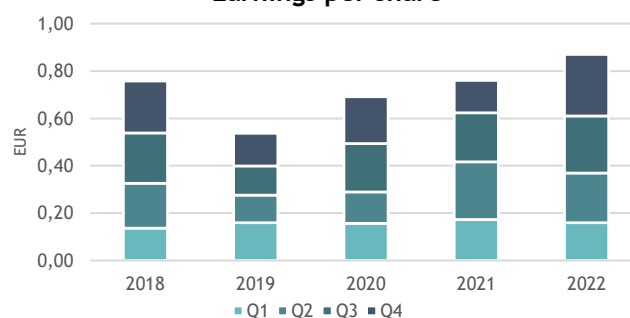
### THE PERIOD JANUARY - DECEMBER 2022

- Group revenue was EUR 777.2 (657.7) million, an increase of 18%. Organic increase of 27%.
- EBITDA was EUR 172.4 (153.7) million, an increase of 12%. The EBITDA margin was 22.2% (23.4%).
- Operating income (EBIT) was EUR 131.2 (117.6) million, an increase of 11%. The EBIT margin was 16.9% (17.9%).
- Net income was EUR 114.7 (103.9) million, corresponding to EUR 0.87 (0.78) per share.
- Operating cash flow was EUR 178.7 (143.6) million.
- The Board of Directors proposes to the AGM that EUR 59.7 (50.3) million, corresponding EUR 0.436 (0.367) per share, to be distributed to shareholders through an automatic share redemption program.

Revenue



Earnings per share



### KEY DATA

MEUR	Q4 2022	Q4 2021	Δ	Jan-Dec 2022	Jan-Dec 2021	Δ
Revenue	220.6	157.5	40%	777.2	657.7	18%
Gross profit	144.8	97.7	48%	504.4	425.6	18%
EBITDA	51.1	30.4	68%	172.4	153.7	12%
EBITDA margin %	23.2	19.3	-	22.2	23.4	-
Operating income (EBIT)	40.0	20.8	92%	131.2	117.6	11%
EBIT margin %	18.1	13.2	-	16.9	17.9	-
Net income	32.7	18.7	75%	114.7	103.9	10%
Earnings per share (EUR)	0.26	0.14	86%	0.87	0.78	12%
Operating cash flow	75.5	13.4	463%	178.7	143.6	24%
Casino revenue	146.1	115.1	27%	514.7	477.1	8%
Sportsbook gross turnover	1,416.2	1,024.5	38%	4,413.1	3,532.0	25%
Sportsbook revenue	70.7	40.2	76%	250.6	172.1	46%
Sportsbook margin after free bets %	7.3	6.0	-	8.0	7.3	-
Deposits	1,096.0	784.6	40%	3,667.2	2,991.2	23%
Active customers (number of)	1,424,794	1,161,683	23%			

## CEO COMMENT

### Strong finish to the best year ever for Betsson, driven by high activity and new customers



Pontus Lindwall  
President and CEO Betsson AB

We can look back at the best year ever for Betsson with strong growth and profitability, driven by disciplined capital allocation, geographical diversification and investments in new markets, as well as continuous strengthening of the tech platform and product offering. For the full year, revenue increased by 18 percent and EBIT increased by 11 percent. Organically, revenue increased by 27 percent for the year.

The fourth quarter was dominated by the largest sports event of the year, the Football World Cup. In sports terms, it was perhaps one of the best tournaments of all times, with both real surprises and favourites playing some incredibly exciting games in the knock-out stage. As expected, for Betsson the World Cup turned out to be the largest sports event ever and contributed to new records for all possible key performance indicators in the quarter, such as revenues (despite a significantly lower sportsbook margin than in the previous quarter), EBIT, sportsbook turnover, casino turnover, active customers and customer deposits.

In the fourth quarter, organic revenue growth for the Group was 48 (27) percent year over year, with an EBIT margin of 18.1 (13.2) percent. Geographically, once again growth was driven by the regions Latin America and CEECA (Central and Eastern Europe and Central Asia). Above all, Latin America recorded new highs on most key parameters. Our strategic investments in the region continue at full speed - in Peru, the naming rights sponsorship for the highest football league, Liga 1 Betsson, was extended another four years, and in Chile, a new naming rights deal was agreed with the highest football league, which will be named Campeonato Betsson. Both leagues kicked off at the end of January, and it is gratifying to see the continued engagement in football together with clubs, fans and customers.

Further development of Betsson's tech platform is constantly taking place and the investments of the past years have paid off. Within product and tech, the focus was also on the World Cup during the quarter. All targets were met regarding scalability, quality and stability, at times in exceptional circumstances with very high player activity. As an example, during the final customers placed three times as many bets as during the Champions League final, which is otherwise often the busiest event for the sportsbook during the entire year. Some new functionality was also added, such as boosted odds for live betting, which was frequently used during the tournament. Additionally, a native app was launched for the Greek market.

Finally, I would also like to take the opportunity to thank our employees for all the hard work put in during the past year. Together we will continue to deliver the best customer experience in the gaming industry and create long-term value for our shareholders. Even if the macroeconomic and geopolitical situation in the world remains uncertain, we remain optimistic about 2023 thanks to our geographical diversification, focus on profitable growth, strong balance sheet and our sustainable gaming solutions.

Pontus Lindwall  
President and CEO Betsson AB

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

#### **Dividend**

The second part of the automatic share redemption program was completed by Betsson AB in October. A total of SEK 269.5 million, or SEK 1.97 per share, was paid out. This was the second half of the ordinary cash distribution to shareholders for 2021.

#### **Acquisition**

In October, Betsson acquired 80% of the shares in KickerTech Malta Limited from TG Holdings Limited. KickerTech has a business-to-business (B2B) sportsbook operation.

#### **Regulatory matters**

In Italy, the budget law 2023, approved by the parliament at the end of December 2022, extended all existing online licenses until December 2024. This means that the license held by Betsson's subsidiary BML Group Ltd was also extended.

In Germany, Zecure Gaming Limited's license application for virtual slots and online poker was approved by the regulator in December.

In the pending complaint regarding the cease-and-desist order of the gambling authority in Norway against BML Group Ltd, BML Group Ltd was granted deferred implementation of the cease-and-desist order until the Ministry of Culture and the Lottery Committee decided on the complaint and whether to uphold the order. The Ministry of Culture and the Lottery Committee issued their decisions to uphold the cease-and-desist order, in November and December, respectively. Subsequently, BML Group Ltd and the Norwegian gambling authority started a dialogue with regards to the changes made and planned to be made to the company's websites.

### SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

At the beginning of February, Betsson through subsidiaries was granted an online gaming license in the province of Cordoba in Argentina, which is the third license for the Group in Argentina.

### TRADING UPDATE

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

The average daily revenue in the first quarter 2023 up until and including 8 February was 33.9 percent higher than the average daily revenue of the full first quarter 2022. Adjusted for currency effects and acquisitions, the average daily revenue until 8 February was 41.0 percent higher than the average daily revenue of the full first quarter 2022. During this period, the sportsbook margin has been higher than the average margin over time.

## THE GROUP'S OPERATING ACTIVITIES

Betsson's operational subsidiaries offer online casino, sports betting 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 the existing offering with new geographical markets, products, and brands.

Betsson shall strengthen its position in existing markets and 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.

Betsson owns 40 percent of the shares in Strive Gaming, which has a proprietary Player Account Management system (PAM) which is specially adapted for the North American gaming market. So far, Strive Gaming has signed contracts with six customers, three of which they are live with; these are Golden Nugget and Desert Diamond in Arizona, as well as Betsafe in Colorado.

## 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.

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 several markets. Among other things, a native app was launched for the Greek market.

Within product and tech, the focus was also mainly on the World Cup during the quarter. The organization reached all goals regarding scalability, quality and stability, at times in exceptional circumstances with very high player activity. Some new functionality was also added, such as boosted odds for live betting, which was frequently used during the World Cup.

## SUSTAINABILITY

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 gaming and to identify and help customers at risk of problem gaming. 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 gaming. Betsson offers its customers a wide range of tools for responsible gaming, for example deposit limits, self-exclusion, personal time limit for gaming, self-evaluation tests and access to well-trained and professional customer service staff 24 hours a day, 7 days a week.

During the fourth quarter, the CEO of Betsson AB and the Head of Responsible Gaming participated in several seminars during the European Safer Gambling Week. Betsson also organised a webinar titled When Safer Gambling Becomes Personal presenting an account by a former compulsive gambler followed by a discussion with Betsson's Head of Responsible Gaming and questions from the participants.

At the SiGMA Europe 2022 Awards Betsson won the Responsible Gaming of the Year Award for the second consecutive year. This category recognises the operator that is leading the industry in terms of safer gaming.

During the fourth quarter, 9.15 percent (12.25%) of customers used non-mandatory tools to control their gaming and 32.83 percent (37.83%) of all new depositing customers during the quarter set a deposit limit. The change in these numbers is related to the customer mix during the quarter since customers in some markets are more prone to using control tools than others.

Betsson initiated 80,099 (81,738) interactions within responsible gaming with customers manually, automatically and via real-time messages during the quarter. The number of interactions continue to be high as Betsson works actively to interact frequently with customers and raise awareness about responsible gaming.

Betsson uses a number of different ways, some manual and others automated, to pinpoint customers who exhibit risky behaviour according to certain established parameters, among other through the company's proprietary Responsible Gaming Prediction Tool. Yet another way is for customers to be red-flagged after interaction with Betsson's customer service. Customers are then 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 gaming 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 gaming.

The proportion of red-flagged customers in the quarter amounted to 0.9 percent (1.2 percent) of all customers who contacted customer service during the period. Due to the large number of customers playing during the World Cup, contacts with Customer Service increased. However, the vast majority of these queries were not related to Responsible Gaming, hence the share of red-flags as a percentage of all customer service contacts decreased. 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 over the years for its efforts in the field.

In order to increase transparency and raise awareness about risky gambling in Sweden and how proactive contacts can change player behaviour, Betsson has started to report KPIs for problem gambling for the Swedish market.

## 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.

In Q4, Betsson successfully renewed its required licenses to keep offering B2B and B2C sportsbook services in Colorado (U.S.A.) until December 2024.

In relation to the new gambling regulation in Peru, Betsson submitted its official feedback on the draft legislation during the public consultation period opened by the Peruvian Regulator.

## 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.

In the fourth quarter, Betsson ran its yearly Employee Survey. Benchmarked against 200,000 responses across multiple companies which also use the same survey tool, Betsson's results are significantly higher in terms of positive answers when it comes to among other the

# 80 099

Proactive interactions for responsible gaming

employees' belief in the company vision and values, satisfaction with working conditions and trust in management.

During the quarter, Betsson also won the Diversity & Inclusion Model of the Year at the EGR Operator Awards. This award recognises the operator that demonstrates its commitment to diversity and inclusion. Some of the key criteria that the jury looked at included the details of the Diversity & Inclusion strategy, the positive impacts on representation and retention, as well as employee engagement, education, and commitment.

## 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. Betsson's Social Impact framework has three main focus areas: Sports, Diversity and Environment, but Betsson also adapts to world events and has therefore directed the majority of its support in 2022 to humanitarian aid for Ukraine.

Examples of projects supported in the quarter is a nationwide tree planting initiative in Lithuania and refurbishing therapy rooms for the Hand in Hand Foundation in Hungary, which aims to support people with disabilities. In Peru employees collected food for local families in need.

Every year in December, Malta organises 'L-istrina' - a telethon in aid of The Malta Community Chest Fund Foundation that supports individuals and entities to improve health, quality of life, and the well-being of people in need. Since 2016, Betsson has participated by giving a donation towards this cause. Employees in Malta can volunteer to make a monthly donation through payroll, which the company then tops up.

In the fourth quarter, Betsson also made a monetary donation to the Foodbank Lifeline Foundation in Malta, whereas employees donated food items and volunteered at the foodbank to sort and label donated food.

## 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 climate compensates for its emissions, including estimated emissions by customers when playing on Betsson brands, by investing in climate positive projects.

Betsson has established a climate roadmap which identifies the main emission sources and how these will be reduced. In the fourth quarter, work according to the climate roadmap continued.

In Q4, Betsson revised its travel policy for its biggest location, Malta, to emphasize that Betsson is committed to reducing its climate footprint and that virtual meetings should take priority over business travel whenever possible.

Betsson continues with internal communication on our climate efforts to further increase knowledge, commitment, and initiative among employees to ensure that the organization takes ownership of targets and activities.

# 110%

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



## FOURTH QUARTER DEVELOPMENTS

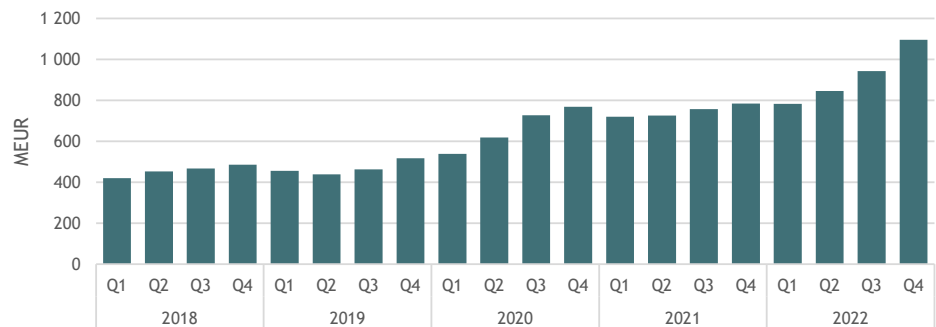
### CUSTOMER ACTIVITY

Customer deposits in all operational subsidiaries' gaming solutions during the quarter were EUR 1,096.0 (784.6) million, an increase of 39.7%.

By the end of the fourth quarter, the number of registered customers was 26.8 (23.3) million, an increase of 15.1%.

Active customers during the quarter amounted to 1,424,794 (1,161,683), an increase of 22.6%.

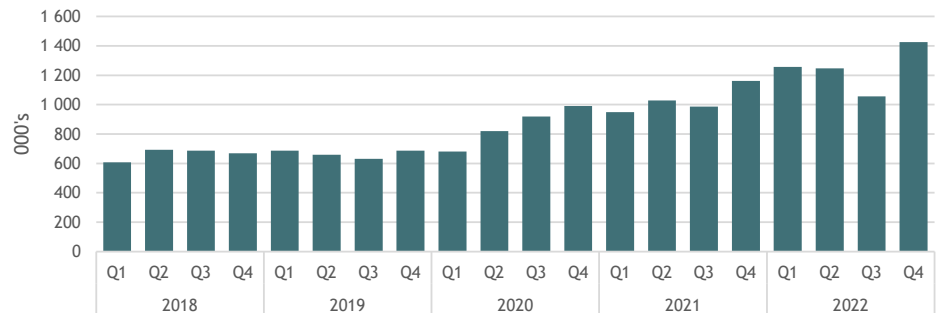
Customer deposits by quarter



# 40%

Increase of customer deposits compared to the same period last year

Active customers by quarter



# > 1.4M

Active customers, million

### MARKET DEVELOPMENT BY REGIONS

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

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

## Nordics

Revenue from the Nordics was EUR 53.1 (51.9) million, an increase of 2.4%.

Finland reported revenue growth both compared to the previous quarter and the corresponding period last year, mainly driven by the sportsbook operations. Denmark reported all-time high revenue in the fourth quarter, where both the casino product and the sportsbook operation reported all-time high turnover. Revenue declined in Sweden compared to the corresponding period last year, mainly driven by the casino product. Norway reported slightly higher revenue compared with the corresponding period last year, mainly driven by the casino product.

## Western Europe

Revenue from Western Europe was EUR 25.8 (20.4) million, an increase of 26.4%.

The business in Italy continues to develop well and reported all-time high levels in revenue, deposits and turnover during the fourth quarter. The increase in revenue is mainly driven by the casino product. A new sports betting product was launched in Italy during the third quarter and further improvements of the offering were implemented in the fourth quarter. Focus has been placed on marketing activities in Italian football, where collaborations with several clubs have been signed during 2022.

In Germany, revenue declined both compared to the corresponding period last year and the previous quarter, mainly driven by the market restrictions that have been implemented in the past years.

## CEECA

Revenue from Central & Eastern Europe and Central Asia (CEECA) was EUR 85.4 (55.9) million, an increase of 52.8%.

The region reported an all-time high in revenue in the fourth quarter, driven by strong underlying activity in both casino and sports betting. Croatia and Greece showed continued positive trends in activity and revenue levels.

Georgia reported growth both compared to the previous quarter and the corresponding period last year, driven by both the casino product and the sportsbook operations. The Baltics continued to perform well during the fourth quarter, where Latvia and Lithuania reported growth, both compared to the previous quarter and compared with the corresponding period last year. Estonia reported decreased revenue in the quarter, mainly driven by a lower margin in the casino product compared with the corresponding period last year.

## Latin America

Revenue from Latin America was EUR 52.3 (26.0) million, an increase of 101.6%.

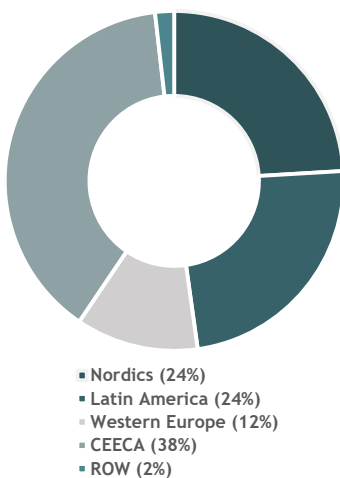
The region reported an all-time high in revenue in the fourth quarter where all the countries in the region reported revenue growth both compared to the corresponding period last year and compared with the previous quarter. This was mainly driven by strong underlying activity where active players, deposits and turnover in both casino and sportsbook were all-time high in the fourth quarter. The World Cup in football that was held in November and December contributed to the increased activity in the region during the quarter.

## ROW, Rest of the world

Revenue from RoW was EUR 4.0 (3.4) million, an increase of 17.3%.

The region reported growth both compared to the corresponding period last year and the previous quarter. In the second quarter Betsson increased its ownership from 25 to 60 percent in the Nigerian gaming operator Betbonanza. The reported revenue increase for the region compared to the corresponding period last year is mainly explained by the revenue from Nigeria.

Revenue by region





## 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's offering expanded with 230 new casino games, 14 of which came with a period of exclusivity for Betsson's brands.

Betsson has strong, regionally customized offerings in live casino on the market and continuously invests in improvements of the customer experience to strengthen the market position in this segment.

The casino product reported all-time highs in gross turnover and revenue in the fourth quarter. Casino gross turnover in all of Betsson's gaming solutions was EUR 7,090.8 (5,264.9) million, an increase of 34.7% compared to the fourth quarter last year.

Casino revenue amounted to EUR 146.1 (115.1) million, an increase of 27.0%. Casino represented 66% (73%) of Group revenue.

Mobile casino revenue was EUR 118.9 (91.5) million and accounted for 81% (79%) of total casino revenue.

### Sportsbook

The fourth quarter of 2022 resulted in all-time high sportsbook revenue driven by all-time high sportsbook turnover. The World Cup in football was played in November and December and contributed to the increased activity in the quarter.

Sportsbook gross turnover across all Betsson's gaming solutions, was EUR 1,416.2 (1,024.5) million, an increase of 38.2% compared to the fourth quarter of last year.

Sportsbook revenue in the fourth quarter was EUR 70.7 (40.2) million, an increase of 75.9%. Sportsbook represented 32% (26%) of Group revenue.

The sportsbook margin was 7.3% (6.0%). The eight-quarter rolling average margin has been 7.7%.

Mobile sportsbook revenue was EUR 57.3 (31.8) million, representing 82% (79%) of total sportsbook revenue.

### Other products

Revenue from other products (poker, bingo and other) amounted to EUR 3.8 (2.3) million, an increase of 68.5%, representing 2% (1%) of total revenue.

Revenue by product



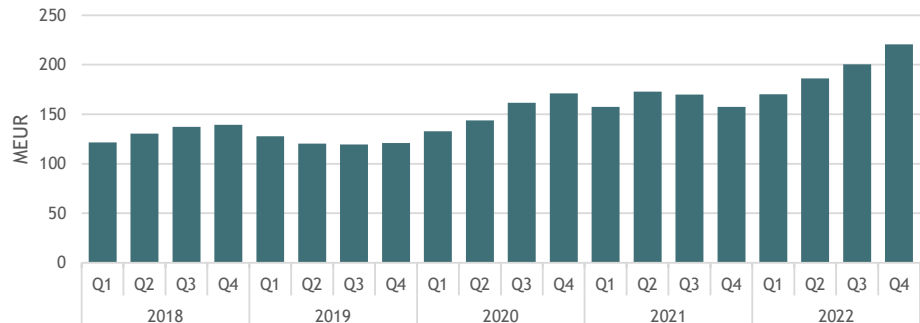
- Casino (66%)
- Sportsbook (32%)
- Other (2%)

## FINANCIAL DEVELOPMENT

### Group revenue

Group revenue was EUR 220.6 (157.5) million, an increase of 40.0%. In constant currencies and adjusted for acquisitions (organic), revenue growth was 47.6%.

#### Revenue by quarter



Revenue from locally regulated markets where Betsson pays local betting duties increased by 31% and was EUR 75.5 (57.4) million, corresponding to 34.2% (36.5%) of total Group revenue.

License revenue for system delivery to B2B-customers amounted to EUR 48.8 (29.6) million and corresponded to 22% (19%) of Group revenue. The increase is mainly due to enhanced performance in the products delivered by Betsson, within both casino and sportsbook. In October, Betsson acquired 80% of the shares in KickerTech Malta Limited. KickerTech is a B2B sportsbook operation and adds new customers, further capabilities in building advanced odds models, trading technology and sportsbook features to the B2B-offering.

Mobile revenue was EUR 178.8 (124.2) million, representing 81% (79%) of total revenue.

### Expenses

Cost of services provided was EUR 75.8 (59.8) million in the quarter. In relation to revenue, cost of services decreased, mainly due to a product-mix effect on revenue where the share of sportsbook revenue increased in relation to total revenue.

Gross profit was EUR 144.8 (97.7) million, corresponding to a gross profit margin of 65.6% (62.0%).

Operating expenses were EUR 104.8 (76.9) million.

Marketing expenses (excluding affiliate- and partner commissions) were EUR 37.0 (25.7) million and corresponded to 17% (16%) of total revenue and 22% (20%) of B2C revenue. During the fourth quarter, the focus of marketing initiatives was on the Latin America region and specifically in new markets such as Argentina. The purpose was to increase brand awareness in the market ahead of and during the World Cup in football.

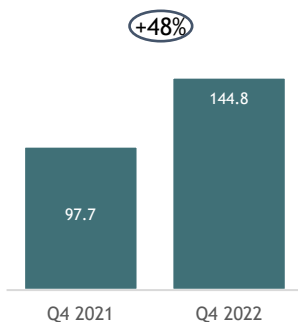
Personnel expenses were EUR 32.4 (24.0) million. The average number of full-time employees in the Group during the fourth quarter was 2,043 (1,958) of which 1,179 (1,174) were based in Malta. The increase in personnel expenses come from yearly salary revisions, performance related compensation, geographic expansion and increased investments in product and technology development. As of October 2022, personnel of the newly acquired company KickerTech Ltd. are included in the figures.

The Group had 224 (217) 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 licenses, were EUR 28.8 (23.3) million. The increased costs are driven by sustained increased investments in product development and technology, specifically from increased investments in cloud-based environments, increased legal costs from licensing processes and acquisition related costs, as well as from an extension of the sportsbook offering.

Costs related to new market entries in the fourth quarter amounted to EUR 15.3 million, of which EUR 2.7 million was attributed to the US expansion, divided between personnel costs and other external expenses. The remaining EUR 12.6 million consist of marketing costs

### Gross Profit (MEUR)

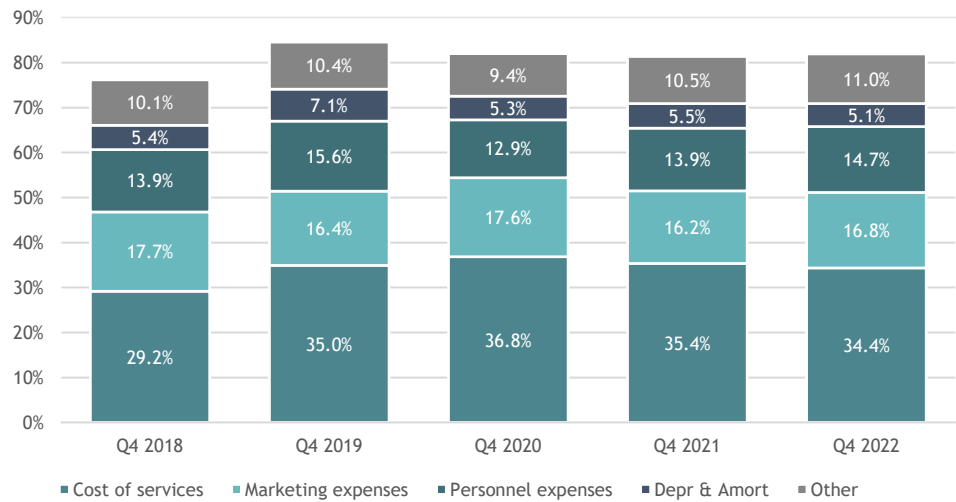


constituting EUR 9.2 million and other costs of EUR 3.4 million, of which the latter mainly consists of external consultants.

Capitalised development costs were EUR 6.1 (6.2) million. Amortisation of capitalised development costs was EUR 6.1 (5.6) million. Total amortisation and depreciation for the quarter was EUR 11.1 (9.6) million.

Other operating income/-expenses was EUR -1.6 (-0.5) million.

### Expenses as a percentage of revenue

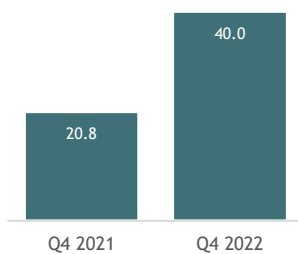


### Operating income and net income

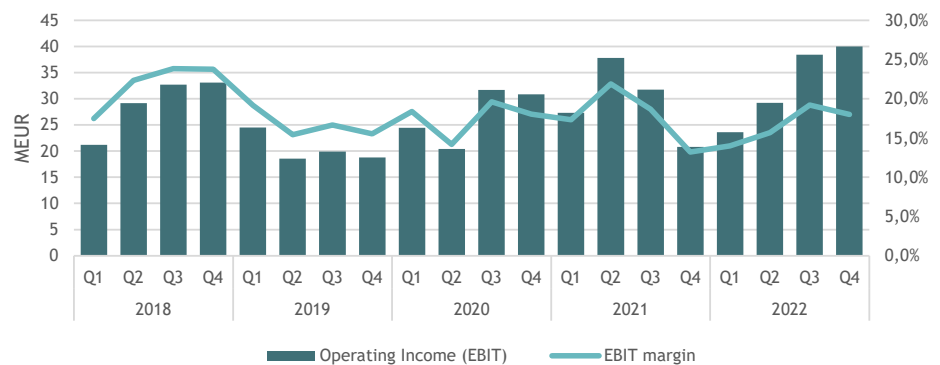
Operating income (EBIT) increased by 92.4% to EUR 40.0 (20.8) million. The EBIT margin was 18.1% (13.2%). Organically, EBIT increased by 166.1% to EUR 55.4 million.

#### EBIT (MEUR)

+92%



### Operating income (EBIT) by quarter



Net financial items were EUR -4.2 (-1.7) million and are primarily related to interest expenses and results of associated companies.

Net income was EUR 32.7 (18.7) million, corresponding to EUR 0.26 (0.14) per share.

The reported corporate tax for the fourth quarter was EUR -3.1 (-0.4) million, corresponding to 8.8% (2.2%) 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 tax rate.

### Earnings for the full year 2022

Operating income (EBIT) for the full year of 2022 amounted to EUR 131.2 (117.6) million. Net income amounted to EUR 114.7 (103.9) million, corresponding to EUR 0.87 (0.78) per share.

## Financial position

Cash and cash equivalents amounted to EUR 168.3 (95.6) million at the end of the period. Customer liabilities, including reserves for accumulated jackpots, were EUR 56.1 (42.7) 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 57.4 (55.2) million. The balance varies as a result of activity and depending on when deposits are made. Net debt amounted to EUR -65.7 (2.5) million at the end of the period.

## Cash flow

Cash flow from operating activities during the fourth quarter was EUR 75.5 (13.4) million including a positive impact of EUR 25.8 (-15.1) million related to changes in working capital. The positive effect on working capital is mainly driven by decreased receivables related to payment providers. Cash flow from investing activities was EUR -17.9 (-29.3) million and consists mainly of investments in own development and the acquisition of KickerTech Limited. Cash flow from financing activities was EUR -31.3 (-15.1), mainly driven by paid dividend to shareholders.

## External financing

The external financing at the end of the period constituted of bonds amounting to EUR 98.6 million. The bonds have a tenor of three years and a floating interest rate of 3 months EURIBOR plus 650 basis points and final maturity in 2025.

Credit facility	Amount	Utilised	Unutilised	Maturity date
Bond 2022/2025 (MEUR)	98.6	98.6	0.0	June, 2025

## Equity

Equity in the Group was EUR 647.8 (568.8) million at the end of the period, corresponding to EUR 4.74 (4.16) 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 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 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 gambling authority against BML Group Ltd, BML Group Limited was granted deferred implementation of the cease-and-desist order until the Ministry of Culture and the Lottery Committee decided on the complaint and whether to uphold the order. The Ministry of Culture and the Lottery Committee issued their decisions to uphold the cease-and-desist order, in November and December, respectively. Subsequently, BML Group Ltd and the Norwegian gambling authority started a dialogue with regards to the changes made and planned to be made to the company's websites.

In Finland, on 5 January 2023, the government announced that they were considering the possibility of replacing the country's gaming monopoly with a license-based online gaming system. As a first step, the Ministry of the Interior will carry out a research project over three months that examines alternatives to the current exclusive rights system. The project will look at legislative, legal and marketing issues around any transition to a license-based regulation. It will also evaluate the success of the current monopoly system in terms of countering problem gambling, one of the main objectives of the Lotteries Act.

Despite these developments, the payment block on customer deposits to blacklisted unlicensed online gambling operators still took effect in January 2023.

In Sweden, several changes to the gaming legislation were approved by the parliament in December, such as the introduction of a permit system for B2B providers in the regulated Swedish gambling market and the prohibition of promoting illegal gambling. From 1 July 2023, a permit will be required to supply gaming software used for online gambling in Sweden whereas a B2B supplier with a permit will be prohibited from supplying its software to unlicensed gambling operators. Similarly, licensed operators will be required to ensure that the gambling software used by them is duly permitted in Sweden.

Other changes in the gaming legislation relate to new measures to minimise unlicensed gambling in Sweden and counter match-fixing in sports. Payment blocking will be replaced by a requirement on payment service providers to disclose information used in payment intermediation for unlicensed gambling. Further, the Swedish gaming regulator will be authorised to conduct test-purchases, making it easier for them to collect information from PSPs and then block transactions related to unlicensed gambling. New measures will also allow gambling licensees to share data with leagues to support efforts to stop match-fixing, as well as allowing the government to issue regulations that force licensees to cooperate with law enforcement when match-fixing is suspected.

In February, the Supreme Administrative Court in Sweden decided not to review the subsidiary NGG Nordic Ltd's appeal in the matter regarding the company's breach of the bonus restrictions in 2019. This upholds the ruling by the Administrative Court of Appeal of a sanction charge amounting to SEK 14 million.

## **Western Europe**

In the Netherlands, the Dutch regulator KSA is still in the process of reviewing the license applications filed by Betsson's operational subsidiaries.

In Germany, Zecure Gaming Limited's license application for virtual slots and online poker was approved by the regulator in December.

In Italy, online gambling licenses are awarded through a public tender process, and the latest tenders occurred in 2011 and 2018. The Italian regulator has not extended the licenses issued in 2011 past 2020 while the licenses issued in 2018 were valid until the end of 2022. Despite this, the regulator still has not announced any public tender for new online licenses. The budget law 2023, approved by the parliament at the end of December 2022, extended all online licenses until December 2024, including the license held by Betsson's operational subsidiary BML Group Ltd.

## **CEECA**

In Georgia, a draft law introducing changes to the online gambling regulation is intended to go into effect on 1 July 2024. The draft law passed two hearings and the third and final hearing is expected to take place in the spring 2023 when the parliamentary sessions begin. The draft law seeks to prescribe a new separate license form for online gambling, changing the current system where an offline license allowed online operations based on the same license. Online games of chance would be divided into two separate license categories: one for online casino games and one for online slots (RNG based games). Each online license will cost approximately EUR 35,000. Further, operators are mandated to possess an offline license in order to operate online gambling unless the operator is willing to pay a higher-than-normal fee of approximately EUR 1.75 million for an online casino license or EUR 350,000 for an online slots license. This exemption only applies to online casino and slots, i.e. offline presence is still required to run an online sportsbook business.

## **Latin America**

In Brazil, the regulatory decree on sports betting had waited for sign off by the country's president for almost four years while the deadline to regulate was set to 12 December 2022. The situation was made more complex by the change in presidency as Jair Bolsonaro ended his term as president on 31 December 2022 after losing the elections to Luiz Inacio da Silva. Despite the failure to enact the law, the Ministry of the Economy (SEAE) commenced work on the technical regulations during 2022.

In Peru, the country's President Pedro Castillo was arrested for attempts to dissolve the parliament in December and an emergency government was put in place. In the interim, the former vice president has been installed as President and many ministers have changed.

Publishing of the regulation on the law in the official gazette, which is required for the new licensing regime to enter into force, is somewhat delayed at this time due to the recent political developments.

## Rest of World

In Ontario, the local regulator AGCO issued a consultation document in August whereby 31 October 2022 was set as the deadline for gaming operators without a license to stop serving Ontario customers. In September, the AGCO issued an Operator registration to GWN Limited, a Betsson operational subsidiary, as well as a Gaming Related Supplier registration to Betsson Platform Solutions Limited. The remaining step in the licensing process is to obtain signed agreements with IGO (provincial agency/lottery subsidiary corporation of the AGCO), which is expected to happen within the first quarter of 2023.

In Colorado, USA, the local Betsson subsidiary Betsson U.S. Corp. recently renewed its licenses until the end of 2024.

## OTHER INFORMATION

### EMPLOYEES

At the end of 2022, the Group employed 2,023 (1,955) employees representing 60 different nationalities. In addition, 224 (217) 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 according to 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 24,715 (26,003) 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. The C shares may not be represented at general meetings of shareholders. Betsson's treasury shares were 5,247,433 C shares and 519 710 B-shares at the end of the period.

### 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 full year of 2022 was EUR 2.9 (2.8) million, and net income was EUR 118.6 (126.9) million.

Cash and cash equivalents in the Parent Company were EUR 58.1 (33.0) million.



## PROPOSAL FOR DIVIDEND TO SHAREHOLDERS

The Board of Directors proposes to the Annual General Meeting that EUR 59.7 (50.3) million, corresponding to EUR 0.436 (0.367) per share, should be distributed to shareholders through an automatic redemption program. The Board proposes and the General Meeting decides on dividends in Euros whilst the distribution of dividends to shareholders is made in Swedish kronor (SEK). The record date for the distribution of dividends is also the date for setting the conversion rate from Euro to Swedish kronor. The Board has also submitted a proposal that the dividend will be paid in two equal parts, both through automatic redemption, with the first payment in the second quarter and second payment in the fourth quarter of 2023.

## ANNUAL GENERAL MEETING AND ANNUAL REPORT

The Annual General Meeting of Betsson AB will be held on Wednesday 10 May 2023 in Stockholm. Shareholders who wish to submit proposals to the Nomination Committee can do so via e-mail to [info@betssonab.com](mailto:info@betssonab.com) or by post to Betsson AB, Nomination Committee, Regeringsgatan 28, 111 53 Stockholm. The annual report will be available at the Company and on the Company's website [www.betssonab.com](http://www.betssonab.com) no later than 19 April 2023.

**Stockholm, 14 February 2023**

Pontus Lindwall  
President and CEO

This year-end report has not been subject to review by the Company's auditor.

## CONSOLIDATED INCOME STATEMENT

MEUR	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Revenue</b>	<b>220.6</b>	<b>157.5</b>	<b>777.2</b>	<b>657.7</b>
Cost of services provided	-75.8	-59.8	-272.8	-232.1
<b>Gross profit</b>	<b>144.8</b>	<b>97.7</b>	<b>504.4</b>	<b>425.6</b>
Marketing expenses	-37.0	-25.7	-129.0	-113.1
Personnel expenses	-32.4	-24.0	-119.0	-95.0
Other external expenses	-28.8	-23.3	-106.4	-88.2
Capitalised development costs	6.1	6.2	24.4	24.8
Amortisation and depreciation	-11.1	-9.6	-41.2	-36.1
Other operating income/expenses	-1.6	-0.5	-2.0	-0.4
Operating expenses	-104.8	-76.9	-373.2	-308.0
<b>Operating income</b>	<b>40.0</b>	<b>20.8</b>	<b>131.2</b>	<b>117.6</b>
Financial income and expenses	-4.2	-1.7	-6.6	-5.6
<b>Income before tax</b>	<b>35.8</b>	<b>19.1</b>	<b>124.6</b>	<b>112.0</b>
Tax	-3.1	-0.4	-9.9	-8.1
<b>Net income</b>	<b>32.7</b>	<b>18.7</b>	<b>114.7</b>	<b>103.9</b>
Net income attributable to:				
Equity holders of the Parent Company	36.2	18.7	119.6	106.4
Non-controlling interests	-3.5	0.0	-4.9	-2.5

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Net income</b>	<b>32.7</b>	<b>18.7</b>	<b>114.7</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	0.1	-0.2	3.0	0.8
Exchange differences in translating foreign operations	-8.1	1.7	5.6	11.6
Other comprehensive income of the period (after tax)	-8.0	1.5	8.6	12.4
<b>Total comprehensive income for the period</b>	<b>24.7</b>	<b>20.2</b>	<b>123.3</b>	<b>116.3</b>
Total comprehensive income attributable to:				
Equity holders of the Parent Company	28.2	20.2	128.2	118.8
Non-controlling interests	-3.5	0.0	-4.9	-2.5

## CONSOLIDATED BALANCE SHEET

MEUR	12/31/2022	12/31/2021
<b>Assets</b>		
Intangible fixed assets	596.2	572.9
Property, plant and equipment	8.1	6.6
Right-of-use assets	18.1	21.0
Financial assets	19.6	24.0
Deferred tax receivables	8.1	1.1
<b>Total non-current assets</b>	<b>650.1</b>	<b>625.6</b>
Current receivables	200.3	176.0
Cash and cash equivalents	168.3	95.6
<b>Total current assets</b>	<b>368.6</b>	<b>271.6</b>
<b>Total assets</b>	<b>1,018.7</b>	<b>897.2</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>647.8</b>	<b>568.8</b>
Deferred tax liabilities	3.2	1.8
Bond	98.6	0.0
Lease liabilities	10.3	13.9
<b>Total non-current liabilities</b>	<b>112.1</b>	<b>15.7</b>
Lease liabilities	6.1	5.8
Bond	0.0	97.4
Other current liabilities	252.7	209.5
<b>Total current liabilities</b>	<b>258.8</b>	<b>312.7</b>
<b>Total equity and liabilities</b>	<b>1,018.7</b>	<b>897.2</b>

## CONSOLIDATED CASH FLOW STATEMENT

MEUR	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Profit/loss before tax</b>	<b>35.8</b>	<b>19.1</b>	<b>124.6</b>	<b>112.0</b>
Adjustments for non-cash items	15.0	10.0	46.6	37.0
Taxes paid	-1.1	-0.6	-9.8	-5.8
Cash flow from operating activities before changes in working capital	49.7	28.5	161.4	143.2
Changes in working capital	25.8	-15.1	17.3	0.4
<b>Cash flow from operating activities</b>	<b>75.5</b>	<b>13.4</b>	<b>178.7</b>	<b>143.6</b>
Investments in intangibles/tangibles	-9.2	-7.4	-35.5	-32.1
Acquisition of shares in subsidiaries	-5.9	-21.5	-6.6	-21.5
Acquisition of shares in associates	0.0	0.0	-0.9	-17.6
Paid earn out	-2.8	-0.4	-8.2	-0.4
<b>Cash flow from investing activities</b>	<b>-17.9</b>	<b>-29.3</b>	<b>-51.2</b>	<b>-71.6</b>
Bond issue	0.0	0.0	98.6	0.0
Bond redemption	0.0	0.0	-94.2	0.0
Lease payments	-2.0	-1.6	-6.4	-5.8
Loan Associates	-4.3	0.0	-4.3	0.0
Changes in bank loans	0.0	-13.5	0.0	-6.9
Share redemption programme	-25.0	0.0	-50.3	-49.7
Warrant premiums received	0.0	-0.0	1.9	0.2
<b>Cash flow from financing activities</b>	<b>-31.3</b>	<b>-15.1</b>	<b>-54.7</b>	<b>-62.2</b>
<b>Changes to cash and cash equivalents</b>	<b>26.3</b>	<b>-31.0</b>	<b>72.8</b>	<b>9.8</b>
Cash and cash equivalents at beginning of period	142.9	127.0	95.6	86.0
Exchange differences	-0.9	-0.4	-0.1	-0.2
<b>Cash and cash equivalents at end of period</b>	<b>168.3</b>	<b>95.6</b>	<b>168.3</b>	<b>95.6</b>

## CHANGES IN GROUP EQUITY

MEUR	12/31/2022	12/31/2021
<b>Equity opening balance attributable to the equity holders of the Parent Company</b>	<b>575.6</b>	<b>508.6</b>
Total comprehensive income for the period	123.3	116.3
<b>Total change excluding owner transactions</b>	<b>123.3</b>	<b>116.3</b>
Share redemption programme	-50.3	-49.7
Warrant premium received	1.9	0.2
Share options - value of employee services	0.3	0.2
Equity share, associated companies	-1.5	-3.8
<b>Equity at end of period attributable to the Equity holders of the Parent Company</b>	<b>649.3</b>	<b>571.8</b>
Non-controlling interests	-1.5	-3.0
<b>Total equity at end of period</b>	<b>647.8</b>	<b>568.8</b>

## PARENT COMPANY, INCOME STATEMENT

MEUR	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Revenue</b>	<b>0.7</b>	<b>0.8</b>	<b>2.9</b>	<b>2.8</b>
Operating expenses	-4.3	-2.9	-11.9	-9.8
<b>Operating income</b>	<b>-3.6</b>	<b>-2.1</b>	<b>-9.0</b>	<b>-7.0</b>
Financial income and expenses	123.9	133.9	123.5	133.9
<b>Income before tax</b>	<b>120.3</b>	<b>131.7</b>	<b>114.5</b>	<b>126.9</b>
Income tax	4.1	0.0	4.1	0.0
<b>Net income</b>	<b>124.4</b>	<b>131.7</b>	<b>118.6</b>	<b>126.9</b>

## PARENT COMPANY, BALANCE SHEET

MEUR	12/31/2022	12/31/2021
<b>Assets</b>		
Property, plant and equipment	0.2	0.3
Financial assets	603.5	599.5
<b>Total non-current assets</b>	<b>603.7</b>	<b>599.8</b>
Current receivables	194.3	121.8
Cash and cash equivalents	58.1	33.0
<b>Total current assets</b>	<b>252.4</b>	<b>154.8</b>
<b>Total Assets</b>	<b>856.1</b>	<b>754.6</b>
<b>Equity and liabilities</b>		
Restricted equity	34.9	34.2
Unrestricted equity	672.2	602.8
<b>Total equity</b>	<b>707.1</b>	<b>637.0</b>
Bond	98.6	0.0
<b>Total non-current liabilities</b>	<b>98.6</b>	<b>0.0</b>
Bond	0.0	97.4
Other current liabilities	50.4	20.2
<b>Total current liabilities</b>	<b>50.4</b>	<b>117.6</b>
<b>Total equity and liabilities</b>	<b>856.1</b>	<b>754.6</b>

## QUARTERLY DATA

### CONSOLIDATED INCOME STATEMENT, IN SUMMARY

MEUR	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Revenue	220.6	200.3	186.3	170.2	157.5	170.0	172.8	157.4
Cost of services provided	-75.8	-66.5	-67.5	-63.1	-59.8	-60.1	-57.1	-55.0
<b>Gross profit</b>	<b>144.8</b>	<b>133.8</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>
Marketing expenses	-37.0	-34.1	-30.5	-27.3	-25.7	-27.5	-31.8	-28.1
Personnel expenses	-32.4	-30.8	-29.8	-26.0	-24.0	-23.6	-24.4	-22.9
Other external expenses	-28.8	-26.5	-25.9	-25.4	-23.2	-23.6	-19.5	-21.8
Capitalised development costs	6.1	6.2	6.0	6.1	6.2	6.0	6.5	6.2
Amortisation and depreciation	-11.1	-10.2	-10.1	-9.8	-9.6	-9.3	-8.8	-8.5
Other operating income/expenses	-1.6	-0.0	0.6	-1.0	-0.5	-0.2	0.2	0.0
<b>Operating expenses</b>	<b>-104.8</b>	<b>-95.4</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>Operating income</b>	<b>40.0</b>	<b>38.4</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>
Financial items, net	-4.2	-3.3	2.2	-1.3	-1.7	-1.3	-1.4	-1.3
<b>Income before tax</b>	<b>35.8</b>	<b>35.1</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>
Tax	-3.1	-2.5	-2.8	-1.4	-0.4	-2.2	-3.1	-2.3
<b>Net income</b>	<b>32.7</b>	<b>32.6</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>

### CONSOLIDATED BALANCE SHEET, IN SUMMARY

MEUR	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Non-current assets	650.1	641.2	635.7	627.6	625.6	592.1	585.6	567.4
Current assets	368.6	342.4	297.8	287.0	271.6	295.3	247.6	281.3
<b>Total assets</b>	<b>1,018.7</b>	<b>983.6</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>
Equity	647.8	646.4	604.0	591.8	568.8	548.2	516.8	530.2
Provisions and non-current liabilities	112.1	112.9	102.6	17.3	15.7	17.9	116.6	113.5
Current liabilities	258.8	224.7	226.9	305.5	312.7	321.4	199.8	205.0
<b>Total equity and liabilities</b>	<b>1,018.7</b>	<b>983.6</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>

### CONSOLIDATED CASH FLOW STATEMENT, IN SUMMARY

MEUR	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Operating cash flow	75.5	38.5	37.8	26.9	13.4	41.7	56.3	32.3
Cash flow from investing activities	-17.9	-9.1	-14.8	-9.4	-29.3	-15.0	-19.6	-7.7
Cash flow from financing activities	-31.3	-17.7	-4.4	-1.2	-15.1	11.2	-57.2	-1.2
<b>Total cash flow</b>	<b>26.3</b>	<b>11.7</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>



## KEY RATIOS

	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
<b>Key financial ratios</b>								
Gross Margin (% of revenue)	65.6	66.8	63.8	62.9	62.0	64.6	67.0	65.0
EBITDA-margin (% of revenue)	23.2	24.3	21.1	19.6	19.3	24.1	27.0	22.7
EBIT-margin (% of revenue)	18.1	19.2	15.7	13.9	13.2	18.7	21.9	17.3
Profit margin (% of revenue)	16.2	17.5	16.9	13.1	12.1	17.9	21.1	16.5
Marketing expenses (% of revenue)	16.8	17.0	16.4	16.0	16.3	16.2	18.4	17.9
Basic earnings per share (EUR)	0.26	0.24	0.21	0.16	0.14	0.21	0.24	0.17
Diluted earnings per share (EUR)	0.26	0.24	0.21	0.16	0.14	0.21	0.24	0.17
Equity per share (EUR)	4.74	4.75	4.42	4.33	4.16	4.01	3.78	3.88
Executed dividend/redemption per share (SEK)	1.97	0.00	1.97	0.00	0.00	0.00	3.68	0.00
Equity/assets ratio (%)	64	66	65	65	63	62	62	62
Return on equity (% , 12 months)	18	17	17	18	19	22	22	18
Return on total capital (% , 12 months)	14	13	12	13	13	15	15	13
Return on capital employed (% , 12 months)	18	17	15	16	18	20	21	17
Net debt (MEUR)	-66	-55	-20	-17	3	-6	15	4
Net debt / EBITDA (Multiple, 12 months)	-0.4	-0.4	-0.1	-0.1	0.0	-0.1	0.1	0.1
<b>Shares</b>								
Average share price (SEK)	81.96	64.98	61.66	53.21	56.50	76.59	75.13	76.58
Share price at end of period (SEK)	84.77	65.05	64.73	57.25	54.60	72.80	69.80	81.05
Highest share price (SEK)	86.57	70.65	68.15	58.20	70.90	91.90	84.15	87.90
Lowest share price (SEK)	63.65	54.20	54.08	47.80	47.50	68.40	67.90	66.00
Number of shareholders at end of period	24,715	25,148	25,343	25,805	26,003	25,282	27,377	27,068
Number of shares outstanding at end of period	137.0	137.0	136.8	136.8	136.8	136.8	136.7	136.7
Total number of shares at end of period (million)	142.7	142.7	142.7	142.7	142.7	142.7	142.7	144.5
<b>Personnel</b>								
Average number of employees	2,043	1,938	1,942	1,957	1,958	1,933	1,852	1,819
Number of employees at end of period	2,023	1,948	1,957	1,926	1,955	1,970	1,924	1,831

## CUSTOMERS

	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Registered customers (000's)	26,816	25,629	24,967	24,200	23,307	21,569	20,940	20,125
Active customers (000's)	1,425	1,056	1,247	1,256	1,162	986	1,028	948

## CUSTOMER DEPOSITS

MEUR	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Customer deposits	618.2	560.5	534.6	514.1	512.0	486.7	486.5	462.2
Customer deposits, all gaming solutions	1,096.0	943.2	845.5	782.5	784.6	758.5	727.7	720.4

## CASINO DATA

	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Gross turnover, all gaming solutions Casino (MEUR)	7,090.8	6,280.3	5,668.4	5,124.3	5,265.0	5,489.3	5,119.8	5,097.5
Revenue (MEUR)	146.1	135.4	122.2	111.0	115.1	125.1	120.6	116.4

## SPORTSBOOK DATA

	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Gross turnover, all gaming solutions (MEUR)	1,416.2	1,058.1	991.3	947.5	1,024.5	821.0	822.8	863.8
of which gross turnover live betting (MEUR)	893.1	733.0	648.4	620.6	653.2	587.5	557.7	580.6
Sportbook margin after free bets (%)	7.3	8.3	8.3	8.3	6.0	7.8	8.5	7.2
Revenue (MEUR)	70.7	61.9	61.6	56.4	40.2	42.7	50.3	38.9

## REVENUE BY PRODUCT

	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
<b>Revenue (MEUR)</b>								
Casino	146.1	135.4	122.2	111.0	115.1	125.1	120.6	116.4
Sportsbook	70.7	61.9	61.6	56.5	40.2	42.7	50.3	38.9
Other products	3.8	3.0	2.5	2.7	2.3	2.2	1.9	2.1
<b>Total</b>	<b>220.6</b>	<b>200.3</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>Share of total revenue (%)</b>								
Casino	66	68	66	65	73	74	70	74
Sportsbook	32	31	33	33	26	25	29	25
Other products	2	2	1	2	1	1	1	1
<b>Growth, compared with previous quarter (%)</b>								
Casino	8	11	10	-4	-8	4	4	-7
Sportsbook	14	0	9	41	-6	-15	29	-13
Other products	25	23	-9	20	5	12	-9	10
<b>Total</b>	<b>10</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>-7</b>	<b>-2</b>	<b>10</b>	<b>-8</b>
<b>Growth, compared with same period previous year (%)</b>								
Casino	27	8	1	-5	-1	-1	-0	22
Sportsbook	76	45	22	45	-10	26	137	8
Other products	68	41	29	29	17	27	1	24
<b>Total</b>	<b>40</b>	<b>18</b>	<b>8</b>	<b>8</b>	<b>-8</b>	<b>5</b>	<b>20</b>	<b>18</b>

## REVENUE BY REGION

	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
<b>Casino (MEUR)</b>								
Nordics	39.1	39.9	38.6	39.4	40.8	41.9	38.6	37.5
Latin America	17.6	14.6	13.7	11.3	11.2	10.0	8.8	5.6
Western Europe	24.4	23.5	22.8	20.7	19.0	33.1	37.4	36.5
Central & Eastern Europe and Central Asia	62.3	54.9	44.4	36.6	41.0	37.2	32.6	34.1
RoW	2.8	2.5	2.7	2.9	3.1	2.9	3.2	2.6
<b>Total</b>	<b>146.1</b>	<b>135.4</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>
	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
<b>Sportsbook (MEUR)</b>								
Nordics	12.6	13.0	11.7	13.7	10.1	10.9	14.9	9.8
Latin America	34.3	23.9	31.8	25.2	14.6	14.3	15.6	7.7
Western Europe	1.2	1.3	1.9	1.3	1.3	2.1	3.1	2.5
Central & Eastern Europe and Central Asia	21.6	22.6	15.7	15.7	14.0	15.1	16.2	18.5
RoW	1.0	1.1	0.6	0.6	0.3	0.3	0.5	0.4
<b>Total</b>	<b>70.7</b>	<b>61.9</b>	<b>61.6</b>	<b>56.4</b>	<b>40.2</b>	<b>42.7</b>	<b>50.3</b>	<b>38.9</b>
	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
<b>Total, for all products, per region (MEUR)</b>								
Nordics	53.1	53.8	51.2	54.1	51.9	53.4	54.3	48.1
Latin America	52.3	38.8	45.7	36.8	26.0	24.4	24.5	13.4
Western Europe	25.8	25.0	24.8	22.2	20.4	35.5	40.8	39.3
Central & Eastern Europe and Central Asia	85.4	78.8	61.1	53.4	55.9	53.2	49.5	53.5
RoW	4.0	3.8	3.5	3.7	3.4	3.3	3.7	3.1
<b>Total</b>	<b>220.6</b>	<b>200.3</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>
	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
<b>Share per region (%)</b>								
Nordics	24	27	27	32	33	31	31	31
Latin America	24	19	25	22	16	14	14	9
Western Europe	12	13	13	13	13	21	24	25
Central & Eastern Europe and Central Asia	38	39	33	31	36	31	29	34
RoW	2	2	2	2	2	2	2	2
	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
<b>Growth, compared with previous quarter (%)</b>								
Nordics	-1	5	-5	4	-3	-2	13	-13
Latin America	35	-15	24	42	6	-0	83	-
Western Europe	3	1	12	9	-43	-13	4	-12
Central & Eastern Europe and Central Asia	8	29	14	-4	5	8	-7	8
RoW	6	8	-4	7	3	-10	20	-85
	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
<b>Growth, compared with same period previous year (%)</b>								
Nordics	2	1	-6	12	-7	-1	20	6
Latin America	102	59	86	174	-	-	-	-
Western Europe	26	-30	-39	-44	-55	-24	7	3
Central & Eastern Europe and Central Asia	53	48	23	-0	13	24	24	34
RoW	17	15	-5	19	-84	-81	-62	-68

## SPECIFICATION OF COST OF SERVICES PROVIDED

MEUR	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Licence fees	20.1	18.9	18.2	17.0	16.6	17.3	15.5	15.6
Betting duties	18.1	15.7	14.1	14.0	13.2	12.7	11.3	11.8
Affiliates and partners commission	7.7	7.4	9.3	9.9	8.5	10.4	11.5	11.1
Other cost of services provided	29.9	24.5	25.8	22.2	21.5	19.8	18.8	16.5
<b>Total</b>	<b>75.8</b>	<b>66.5</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>

## SPECIFICATION OF AMORTISATION AND DEPRECIATION

MEUR	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Depreciation property, plant, and equipment	0.9	0.9	0.9	0.8	1.1	1.0	0.9	0.8
Depreciation right-of-use assets	1.6	1.5	1.4	1.4	1.5	1.5	1.4	1.4
Amortisation intangible fixed assets (whereof amortisation of capitalised development costs)	8.6	7.8	7.8	7.6	7.0	6.8	6.5	6.3
<b>Total</b>	<b>11.1</b>	<b>10.2</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>

## ORGANIC CALCULATION (EFFECTS FROM ACQUISITIONS AND CURRENCY)

	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
<b>Reported revenues</b>	<b>220.6</b>	<b>200.3</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>
- Revenue from acquisitions	-1.6	-6.9	-8.4	-7.3	-5.4	0.0	-2.7	-14.3
- Currency effects	13.4	35.7	17.0	17.3	6.9	4.5	8.3	12.4
<b>Organic revenues</b>	<b>232.4</b>	<b>229.1</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>
Organic growth (YoY)	48%	35%	13%	14%	-7%	8%	24%	17%
Reported growth (YoY)	40%	18%	8%	8%	-85%	5%	20%	18%
<b>Reported operating income (EBIT)</b>	<b>40.0</b>	<b>38.4</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>
- Result from acquisitions	1.0	-0.4	-0.8	-1.4	-0.3	0.0	0.0	-0.7
- Currency effects	14.4	35.2	17.2	16.0	7.6	4.3	7.1	8.6
<b>Organic operating income</b>	<b>55.4</b>	<b>73.1</b>	<b>45.6</b>	<b>38.2</b>	<b>28.0</b>	<b>36.0</b>	<b>45.0</b>	<b>35.2</b>
Organic growth (YoY)	166%	131%	21%	40%	-9%	14%	120%	44%
Reported growth (YoY)	92%	21%	-23%	-13%	-33%	0%	85%	12%

## OTHER NOTES

### CURRENCY EXCHANGE RATES

The exchange rates below are applied in the report.

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

	2022	2021	Δ
SEK/EUR	0.0941	0.0986	-4.5%
GEL/EUR	0.3274	0.2848	+14.9%
NOK/EUR	0.0990	0.1003	-1.2%
TRY/EUR	0.0579	0.0986	-41.3%

#### Balance Sheet (closing rate)

	12/31/2022	12/31/2021	Δ
SEK/EUR	0.0899	0.0978	-8.1%
GEL/EUR	0.3467	0.2848	+21.7%

### ACQUISITIONS Q4 2022

During the fourth quarter, Betsson AB (publ) has through a subsidiary acquired 80 percent of the shares in KickerTech Malta Limited from TG Holdings Limited. KickerTech owns a business-to-business (B2B) sportsbook operation. The acquisition will support Betsson's B2B growth strategy by expanding its client base and providing additional scalable technology as well as strengthening the existing sportsbook with advanced trading and modeling tools and added sportsbook features for players.

In the last 12 months, ending on 30 September 2022, the acquired business generated revenue of approximately EUR 2.6 million and EBIT of approximately EUR 1.3 million. The total consideration for 80 percent of the shares amounts to EUR 14 million on a cash and debt free basis. The consideration is paid in three instalments, with EUR 6 million in cash paid upon closing, EUR 4 million in cash in six months after closing, with an additional EUR 4 million in twelve months after closing, either in cash or shares issued by Betsson.

The acquired assets have been valued at EUR 8 million, consisting of customer databases and technology. The amortization of the acquired assets will be charged to the Group's income over a period of two years respectively three years, in accordance with the Group's accounting policies. Goodwill is valued at EUR 6 million attributable to scalable technology and cost synergies. The value of the acquired assets is considered to be final.

<b>Total purchase price MEUR</b>	<b>14</b>
Customer relationships	3
Technology	5
<b>Total identifiable net assets</b>	<b>8</b>
Goodwill	6
<b>Cashflow effects of acquisitions</b>	
Paid purchase price	6
<b>Cashflow net effect as of 2022-12-31</b>	<b>6</b>

## 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.

### Adjustment of ingoing balances in the Parent company

Adjusted FX-rates in connection to the change from SEK to Euro as reporting currency for the Parent company, with effect from the 1<sup>st</sup> of January 2022, has resulted in a re-classification between participation in group companies and equity. The re-classification has affected the ingoing balances as each decrease by EUR 58.0 million. The adjustment has no impact on the Group's figures and no impact on unappropriated retained earnings determined by the 2022 Annual General Meeting.

## 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 licenses to operate gaming. Fixed fees for gaming licenses 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

Annual report, web publication	No later than 19 April 2023
Q1 2023	27 April 2023
Annual General Meeting	10 May 2023
Q2 2023	20 July 2023
Q3 2023	26 October 2023
Q4 2023 and Year-end report	15 February 2024

## PRESENTATION OF THE INTERIM REPORT

At 09:00 CET on 14 February 2023, Betsson invites analysts, investors and media to participate in the presentation of the results for the fourth quarter and full year 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 webcast or telephone conference. Link with information on how to participate in the webcast and telephone conference: <https://financialhearings.com/event/43209>



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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 on 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 licenses in 19 jurisdictions in Europe, Africa, North- and South America. The business model is to offer gaming under multiple brands, including Betsson, Betsafe and NordicBet. 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.*