

Betsson AB (publ) interim report January - March 2023

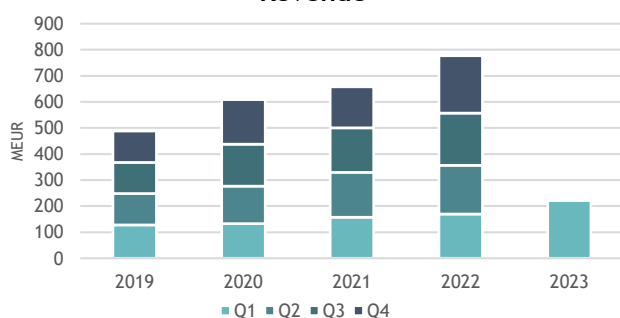
“Record-strong start to 2023 with positive developments in both sports betting and casino”

QUARTER JANUARY - MARCH 2023

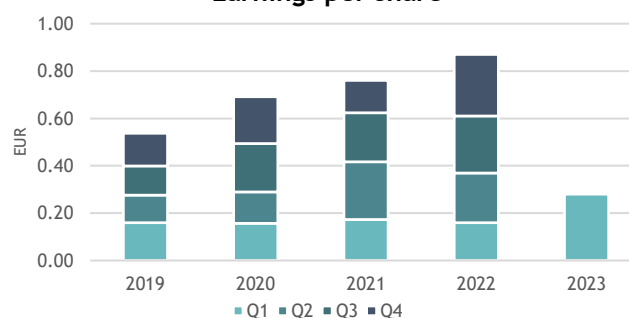
- Group revenue was EUR 221.9 (170.2) million, an increase of 30%. Organic increase of 38%.
- Casino revenue increased by 37%. Sportsbook revenue increased by 19% and the sportsbook margin was 8.0% (8.3%).
- EBITDA was EUR 54.3 (33.4) million, an increase of 62%. The EBITDA margin was 24.5% (19.6%).
- Operating income (EBIT) was EUR 43.0 (23.6) million, an increase of 82%. The EBIT margin was 19.4% (13.9%).
- Net income was EUR 36.6 (20.9) million, corresponding to EUR 0.28 (0.16) per share.
- Operating cash flow was EUR 48.8 (26.9) million.
- Net debt was EUR -104.5 (-16.9) million.
- Active customers decreased by 11% to 1,115,641 (1,256,449).



Revenue



Earnings per share



KEY DATA

MEUR	Q1 2023	Q1 2022	Δ	Jan-Dec 2022
Revenue	221.9	170.2	30%	777.2
Gross profit	147.5	107.1	38%	504.4
EBITDA	54.3	33.4	62%	172.4
EBITDA margin %	24.5	19.6	-	22.2
Operating income (EBIT)	43.0	23.6	82%	131.2
EBIT margin %	19.4	13.9	-	16.9
Net income	36.6	20.9	75%	114.7
Earnings per share (EUR)	0.28	0.16	75%	0.87
Operating cash flow	48.8	26.9	81%	178.7
Casino revenue	152.0	111.0	37%	514.7
Sportsbook gross turnover	1,329.2	947.5	40%	4,413.1
Sportsbook revenue	67.2	56.4	19%	250.6
Sportsbook margin after free bets %	8.0	8.3	-	8.0
Deposits	1,148.2	782.5	47%	3,667.2
Active customers (number of)	1,115,641	1,256,449	-11%	

CEO COMMENT

Record-strong start to 2023 with positive developments in both sports betting and casino

For 60 years we have been offering entertainment in the form of casino games, sports betting and other types of games. Having a long-term perspective is the key when it comes to Betsson's view about how the business should be run and how value is created for shareholders. In the past years investments have been made to expand geographically to new markets and to strengthen the product offering and the competitive position. We can see that these efforts continue to pay off.

Betsson started 2023 with yet another strong quarter, again delivering record numbers for revenue and EBIT, even though the first quarter has historically often had less activity than other quarters. Revenue increased organically by 38 percent, with sustained positive developments in both sports betting and casino. Geographically, revenue increased in all regions except for the Nordics.

The new business in Argentina is developing well – revenue increased strongly during the quarter, and Betsson continues to invest in marketing to build brand awareness in this regulated market. In February, a third license in the country was obtained, in the province of Cordoba, where a launch will take place later this year. Revenue from B2B continues to increase, which is a sign of strength that reflects the investments made in the past years into product and tech development as well as M&A. Thanks to Betsson's scalable business model, these investments can be absorbed with maintained or higher profitability over time. EBIT increased by 82 percent and the EBIT margin was 19.4 (13.9) percent during the quarter.

We are proud that Betsson's involvement in sports is continuing together with clubs, fans and customers. During the quarter, Betsson was the main sponsor of the tennis tournament ATP 250 Chile Open, which took place in February and March in Santiago, Chile. The winner of the tournament was home-grown player Nicolas Jarry, who won his second ATP title this time, after having won the Swedish Open in Båstad in 2019.

Responsible gaming is an integrated part of Betsson's strategy and a prerequisite for long-term success as a gaming operator. To increase transparency and raise awareness about risky gambling in Sweden and how proactive contacts can change player behaviour, in the first quarter Betsson started to report KPIs for risky gambling for the Swedish market.

To conclude, the year has started well for Betsson with continued profitable growth and strong cash flows. We can look ahead to the rest of the year with a solid financial position that enables continued investments in sustainable growth and value creation for our shareholders.



Pontus Lindwall
President and CEO Betsson AB



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 more than 20 brands

21

Holder of local licenses in 21 countries

SIGNIFICANT EVENTS AND OUTLOOK

SIGNIFICANT EVENTS DURING THE QUARTER

Obtained licenses

In February, the Group obtained a license for online gaming for the province of Cordoba in Argentina, which is the third license in the country for the Group. The launch is expected to take place later in 2023.

In February, the Group was granted operator and supplier licenses for online gaming for the locally regulated market in the province of Ontario, Canada. A B2C offering was launched through Betsson's global brand Betsafe.

Investments

The Group's ownership stake in Colbet, Colombia, was increased from 88 to 91 percent during the quarter.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

No significant events have occurred after the end of the quarter.

TRADING UPDATE

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

The average daily revenue in the second quarter 2023 up until and including 23 April was 26.1 percent higher than the average daily revenue of the full second quarter 2022. Adjusted for currency effects and acquisitions, the average daily revenue until 23 April was 35.4 percent higher than the average daily revenue of the full second quarter 2022. The sportsbook margin has been more or less in line with the historical average.

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 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 establish a presence quickly and flexibly 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) 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 and Ontario.

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.

During the quarter, development and launch of native apps (apps specifically built to perform on iOS or Android) have continued in several markets.

At the end of February, Betsafe was launched on the regulated market in Ontario, Canada. The B2C offering, which includes casino and sports betting, is available in native apps for both Android and iOS.

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.

FIRST QUARTER DEVELOPMENTS

CUSTOMER ACTIVITY

Customer deposits in all operational subsidiaries' gaming solutions during the quarter were EUR 1,148.2 (782.5) million, an increase of 46.7%.

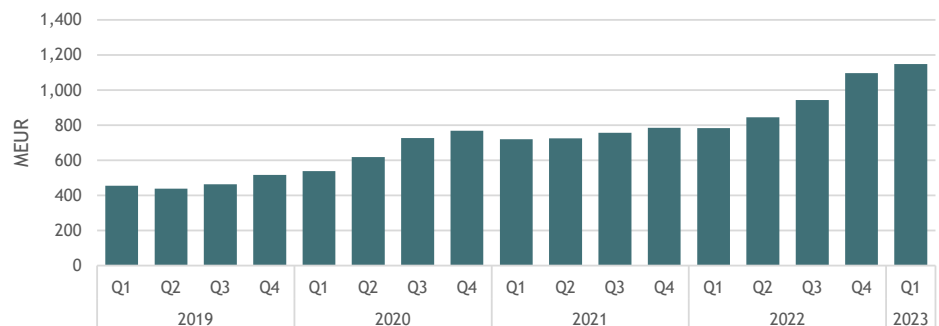
By the end of the first quarter, the number of registered customers was 27.5 (24.2) million, an increase of 13.5%.

Active customers during the quarter amounted to 1,115,641 (1,256,449), a decrease of 11.2%.

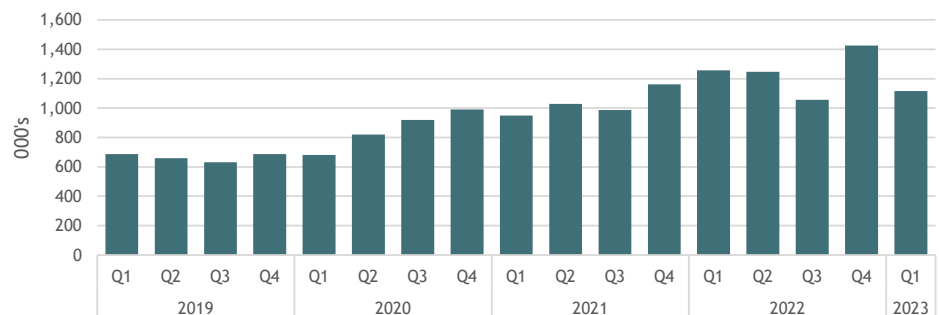
47%

Increase in customer deposits compared to the same period last year

Customer deposits by quarter



Active customers by quarter



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 51.9 (54.1) million, a decrease of 4.2%.

Sweden and Norway reported decreased revenue both compared to the corresponding period last year and the previous quarter. The offering in Norway has been modified to comply with the Norwegian authorities' requirements on, among other things, removing all Norwegian names, words and associations to Norway from websites.

Finland reported revenue growth compared to the corresponding period last year, mainly driven by the sportsbook product. Denmark reported all-time high revenue in the first quarter, where both the casino product and the sportsbook operation reported all-time high turnover.

Western Europe

Revenue from Western Europe was EUR 27.2 (22.2) million, an increase of 22.4%.

The business in Italy continues to develop well and reported all-time high levels in revenue, deposits, and turnover during the first quarter. The increase in revenue is mainly driven by the casino product, but the newly launched sports betting product continued to grow during the first quarter and further improvements of the offering were implemented.

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 93.5 (53.4) million, an increase of 75.1%.

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

Georgia reported growth compared to the corresponding period last year, mainly driven by the casino product. Lithuania reported all-time high revenue in the first quarter, mainly driven by the casino product. 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 45.2 (36.8) million, an increase of 23.1%.

All of the countries in the region reported growth compared to the same period last year driven by underlying activity where deposits and turnover for both sportsbook and casino grew in the region.

Revenue decreased compared to the previous quarter due to seasonal effects and that the World Cup in football was held in the fourth quarter. The negative seasonal effect (post World Cup) was the largest in Latin America since most of the revenue comes from the sportsbook product in the region. The seasonal effects combined with political turbulence delaying the start of the highest football league in Peru (Liga 1 Betsson), contributed to the decreased revenue compared to the fourth quarter.

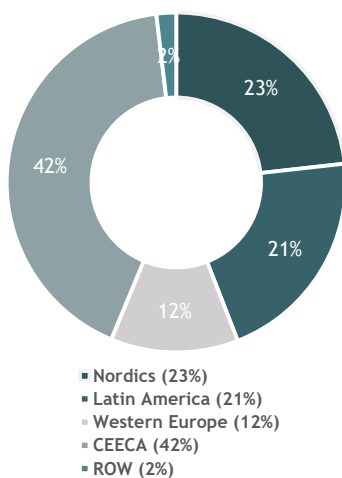
At the beginning of February, Betsson was granted an online gaming license in the province of Cordoba in Argentina, which is the third license for the Group in Argentina.

ROW, Rest of the world

Revenue from RoW was EUR 4.2 (3.7) million, an increase of 13.2%.

The region reported growth both compared to the corresponding period last year and the previous quarter. In the second quarter last year 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 consolidated 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 319 new casino games, 16 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 first quarter. Casino gross turnover in all of Betsson's gaming solutions was EUR 7,739.7 (5,122.6) million, an increase of 51.1% compared to the first quarter last year.

Casino revenue amounted to EUR 152.0 (111.0) million, an increase of 36.9%. Casino represented 69% (65%) of Group revenue.

Mobile casino revenue was EUR 122.8 (87.1) million and accounted for 81% (78%) of total casino revenue.

Sportsbook

Sportsbook gross turnover across all Betsson's gaming solutions, was EUR 1,329.2 (947.5) million, an increase of 40.3% compared to the first quarter of last year.

Sportsbook revenue in the first quarter was EUR 67.2 (56.4) million, an increase of 19.1%. Sportsbook represented 30% (33%) of Group revenue.

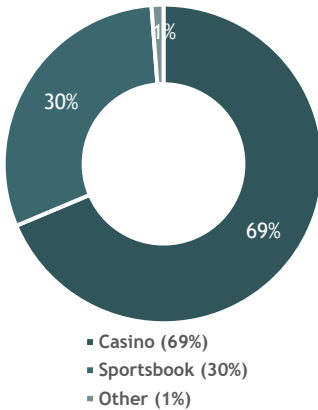
The sportsbook margin was 8.0% (8.3%). The eight-quarter rolling average margin has been 7.8%.

Mobile sportsbook revenue was EUR 55.7 (45.0) million, representing 83% (80%) of total sportsbook revenue.

Other products

Revenue from other products (poker, bingo and other) amounted to EUR 2.7 (2.7) million, a decrease of 1.9%, representing 1% (2%) of total revenue.

Revenue by product

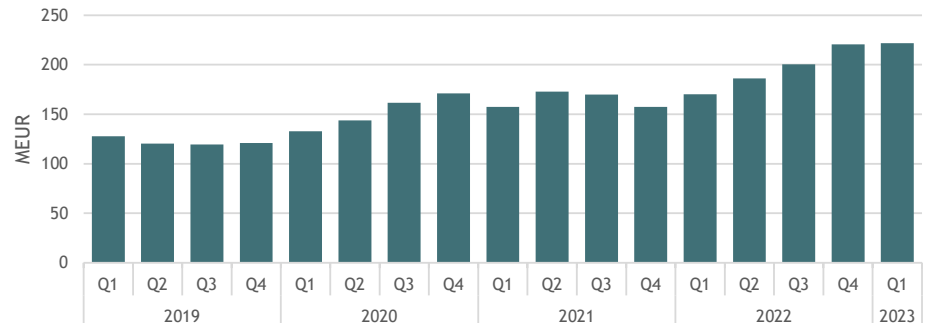


FINANCIAL DEVELOPMENT

Group revenue

Group revenue was EUR 221.9 (170.2) million, an increase of 30.4%. In constant currencies and adjusted for acquisitions (organic), revenue growth was 38.0%.

Revenue by quarter



Revenue from locally regulated markets where Betsson pays local betting duties increased by 31% and was EUR 80.6 (61.3) million, corresponding to 36.3% (36.0%) of total Group revenue.

License revenue for system delivery to B2B-customers amounted to EUR 57.3 (25.8) million and corresponded to 26% (15%) of Group revenue. The increase is mainly due to enhanced performance in the products delivered by Betsson, within both casino and sportsbook. In the beginning of the fourth quarter last year, 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 178.9 (131.9) million, representing 81% (78%) of total revenue.

Expenses

Cost of services provided was EUR 74.4 (63.1) million in the quarter. In relation to revenue, cost of services decreased, mainly due to decreased affiliate- and partner commission marketing costs and from a mix effect on revenue.

Gross profit was EUR 147.5 (107.1) million, corresponding to a gross profit margin of 66.5% (62.9%).

Operating expenses were EUR 104.5 (83.5) million.

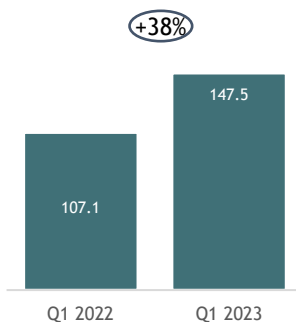
Marketing expenses (excluding affiliate- and partner commissions) were EUR 35.9 (27.3) million and corresponded to 16% (16%) of total revenue and 22% (19%) of B2C revenue. During the first quarter, the focus of marketing initiatives was on the Latin America region and specifically in new markets such as Argentina.

Personnel expenses were EUR 33.3 (26.0) million. The average number of full-time employees in the Group during the first quarter was 1,967 (1,957) of which 1,081 (1,153) 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 acquired company KickerTech Ltd. are included in the figures.

The Group had 222 (210) 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 29.4 (25.4) million. The increased costs are driven by sustained increased investments in product development and technology, specifically from increased investments in cloud-based environments and increased legal costs including licensing processes.

Gross Profit (MEUR)

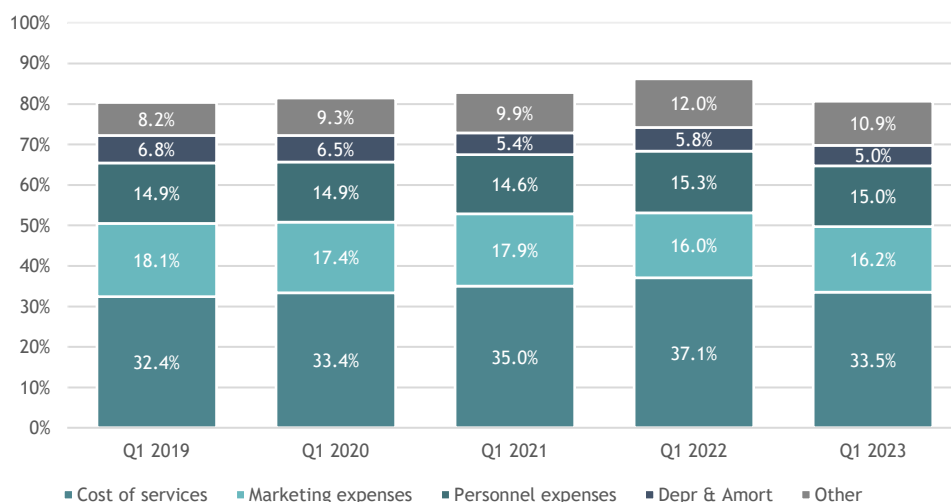


Costs related to new market entries in the first quarter amounted to EUR 12.5 million, of which EUR 2.0 million was attributed to the US expansion, divided between personnel costs and other external expenses. The remaining EUR 10.5 million consist of marketing costs constituting EUR 7.0 million and other costs of EUR 3.5 million, of which the latter mainly consists of external consultants.

Capitalised development costs were EUR 7.3 (6.1) million. Amortisation of capitalised development costs was EUR 6.0 (5.6) million. Total amortisation and depreciation for the quarter was EUR 11.3 (9.8) million.

Other operating income/-expenses was EUR -2.1 (-1.0) million. The increased cost is driven by foreign currency effects, mainly unrealised, on current assets and liabilities.

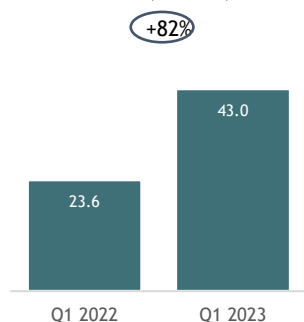
Expenses as a percentage of revenue



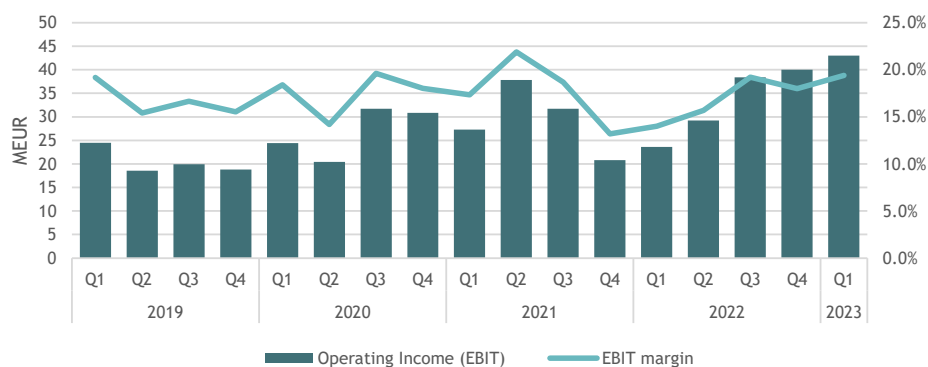
Operating income and net income

Operating income (EBIT) increased by 82.2% to EUR 43.0 (23.6) million. The EBIT margin was 19.4% (13.9%). Organically, EBIT increased by 145.0% to EUR 57.8 million.

EBIT (MEUR)



Operating income (EBIT) by quarter



Net financial items were EUR -2.1 (-1.3) million and are primarily related to interest expenses and results of associated companies.

Net income was EUR 36.6 (20.9) million, corresponding to EUR 0.28 (0.16) per share.

The reported corporate tax for the first quarter was EUR -4.3 (-1.4) million, corresponding to 10.5% (6.3%) 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.

Financial position

Cash and cash equivalents amounted to EUR 204.9 (111.8) million at the end of the period. Customer liabilities, including reserves for accumulated jackpots, were EUR 52.4 (48.8) 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 55.8 (62.0) million. The balance varies as a result of activity and depending on when deposits are made. The Group's net financial debt amounted to EUR -104.5 (-16.9) million at the end of the period.

Cash flow

Cash flow from operating activities during the first quarter was EUR 48.8 (26.9) million including a negative impact of EUR -3.4 (-2.9) million related to changes in working capital. The negative effect on working capital is mainly driven by increased receivables. Cash flow from investing activities was EUR -10.2 (-9.4) million and consists mainly of investments in own development. Cash flow from financing activities was EUR -1.9 (-1.2).

External financing

The external financing at the end of the period constituted of bonds amounting to EUR 98.8 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.

Equity

Equity in the Group was EUR 688.7 (591.8) million at the end of the period, corresponding to EUR 5.03 (4.33) 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 local gaming licenses in 21 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 Norway, in the pending matter regarding the cease-and-desist order of the Norwegian gambling authority (NGA) against the subsidiary BML Group Ltd, the implementation of the cease-and-desist order has been further deferred by the NGA until 15 May, considering the changes to its offering that the company has carried out and will continue to carry out.

In Finland, due to various stakeholders raising concerns last year over the low channelisation of the monopoly model, the government launched a three-month research project in January to look at alternatives to the current system. The winning parties of the recent parliamentary elections have also confirmed their willingness to move away from the current model towards an open licensing system. Meanwhile, the payment block on customer deposits to blacklisted unlicensed online gambling operators went into effect in January 2023.

In Sweden, the first B2B permits were issued in March ahead of the July 1 deadline for all suppliers of gaming software used in the Swedish market to start operating under permits issued by the Swedish Gambling Authority.

Western Europe

In the Netherlands, an advertising ban for gambling will enter into force on 1 July 2023. Operators in the Netherlands will be prohibited from advertising on TV, radio, and in public spaces, both indoor and outdoor. Online gambling advertising on the Internet and through on-demand media services will be allowed only subject to certain restrictive conditions. The ban will also apply to sports sponsorships; sponsorships entered into before 1 July 2023, will be subject to a transition period until 1 July 2025, after which they will also be prohibited.

In Germany, the regulator approved Zecure Gaming Limited's license application for virtual slots and online poker in December. However, the company is still waiting for the license to be formally issued.

In Italy, the Budget Law 2023 was approved by the parliament, extending all existing online licenses until December 2024, including the license held by Betsson's operational subsidiary BML Group Ltd.

CEECA

In Latvia, discussions are ongoing about proposed changes to the gambling law. The main difference is related to the increase in gambling age (from 18 to 21 years), daily breaks in operations (from 6 am to 9 am), the introduction of a central government system for all gaming systems to be connected to and a regulator to be made the responsible authority for gaming marketing regulations.

Latin America

In Brazil, the Ministry of Finance has confirmed a series of recent reports that Brazil's government is finally gearing up to implement the December 2018 federal law that authorised fixed-odds sports betting. Before the publication of the regulatory Presidential Decree that would allow licensing, the delayed implementation of the regulatory regime for sports betting is expected to involve emergency legislation that would make various amendments to the original 2018 law: i) penalty regime, ii) changes to the withholding tax structure, iii) licensing modality, and iv) destination of the tax revenue. Once published by the President, the legislation must be adopted as a permanent law by the Chamber of Deputies and Senate in a fast-tracked congressional review. The Ministry expects the Presidential Decree to be published within days of the legislation's publication. It will detail the relevant procedures following the principles established by the legislation.

In Chile, the local tax authority announced in March that offshore gambling operators can no longer register for and pay digital VAT tax despite previous demands by the authority. This development results from the demands by the Superintendence of Gaming Casinos that the tax authority be removed from the list of digital VAT systems accessible by online gaming platforms, rendering them unable to pay. Also, in February, the Superintendence of Gaming Casinos sent official notices to television channels, radio stations, and the football association, ANFP, warning about the illegality of advertising of online betting platforms.

In Peru, publishing of the regulation on the new sports betting and online gaming law, which is required for the new licensing regime to enter into force, continues to be delayed.

In Argentina, the Group together with its partner Casino de Victoria obtained a gaming license in February for the Province of Cordoba. This license is one out of eight licenses awarded by the local regulator. The joint venture is waiting for the regulator to provide it with the date for the signature of the concession agreement.

In the Province of Buenos Aires, Argentina, a new regulation about live casinos has established that live casino games would only be authorised if offered through a local studio based in Argentina. Currently, there is only one studio in Argentina for these services. As the local regulator gave only 30 days to comply with this requirement, licensed operators intend to request an extension of the deadline.

Rest of World

In February, the Group was granted operator and supplier licenses for online gaming for the locally regulated market in the province of Ontario, Canada. At the same time, a B2C offering was launched through Betsson's global brand Betsafe.

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. Betsson is a participant of the UN Global Compact and a Nasdaq ESG transparency partner. For a more detailed description of these areas, see the Annual and Sustainability Report for 2022.

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. 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.

As of Q1 2023, Betsson will report quarterly on the Responsible Gaming KPIs as stated in the sustainability framework and presented in the Annual and Sustainability report.

During the first quarter, 87.4% of active customers had some kind of tools for responsible gaming activated. This measurement includes any of the available tools such as reality checks, self-assessment tests, deposit and time limits etc.

20.3% (18.7%) of active customers used some type of control tools in Q1, such as deposit limits, time out and/or self-exclusion. 18.3% (11.0%) of active customers used deposit limits during the quarter. These numbers depend on the customer mix during the quarter since customers in some markets are more prone to using control tools than others.

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 others through the company's proprietary Responsible Gaming Prediction Tool. If a concern is raised about risky behaviour, regardless of method, customers are then assessed individually, based on the customers' profile and gaming activity. 15,124 (14,564) customers were manually analysed and checked during the quarter.

Betsson has a wide spectrum of follow-up actions to deal with risky player 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. During the quarter, 1.4% (2.3%) of customers self-excluded for a period less than 6 months. 2.7% (2.0%) of customers self-excluded for a period longer than 6 months. Betsson can also exclude customers from continued gaming.

To increase transparency and raise awareness about risky gaming in Sweden and how proactive contacts can change player behaviour, Betsson has started to report KPIs for risky gaming for the Swedish market. Numbers for the second half of 2022 were published on www.betssonab.com/sv in January, and numbers for the first half of 2023 will be published in July.

During Q1, Betsson successfully completed the yearly safer gambling accreditation by the Global Gambling Guidance Group (G4). This external audit has been carried out uninterrupted for the past 17 years. The audits include a full review of Betsson's safer gaming practices and procedures, technical website reviews, and random interviews of personnel to ensure that the Group remains customer centric and sensitive to potential problem gaming.

In February, Betsson supported the Consumer Protection Zone (CPZ) at ICE London 2023 and Betsson's Head of Sustainability spoke on a panel about encompassing Diversity and ESG into the broader social impact strategy. The CPZ promotes innovation and dialogue on safer gambling. The proceeds from the donations of participating companies go to charitable organisations dedicated to consumer protection.

15 124

Customers were analysed for responsible gaming

For the fourth year in a row, Betsson won the 2023 International Gaming Awards Safer Gambling Operator Award. The judges looked at advancement in age verification technology, support for those recognised to have problem gambling issues, safeguards in problem gambling and strong KYC procedures. The judges also considered how the company has been part of the discussions around safer gambling and campaigned for advancement in research.

Business compliance

Betsson holds local gaming licenses in 21 countries with largely different legislations. The sustainability framework states that Betsson must comply with laws, regulations, and ethical standards in the countries where Betsson operates. This is a prerequisite for ensuring long-term sustainable operations and profitability for Betsson.

Betsson has extensive controls and processes in place around anti-money laundering and combating financing of terrorism which were developed over many years, and which are constantly advanced in line with the latest regulatory and industry standards and trends. In Q1, the European Gaming and Betting Association (EGBA) released its first pan-European guidelines to fight money laundering in online gaming. The guidelines offer practical guidance to operators on areas such as risk assessments, due diligence, reporting, and record-keeping. As one of the founding members of the EGBA and members of the Working Group that drafted the Code of Conduct, Betsson welcomes self-regulatory mechanisms such as the Code, which will help to further strengthen AML standards across the industry.

Betsson is working on the introduction of a semi-automated Compliance Management System, which will contain requirements for all markets in which Betsson operates. In parallel, Betsson is also working on the implementation of a Contract Lifecycle Management System, which will streamline Betsson's internal processes when it comes to the onboarding and management of suppliers.

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 Q1, Betsson launched the first Diversity and Inclusion Network in Malta, aimed at promoting a more inclusive and diverse workplace culture. The launch event saw participants from the public sector, academia, as well as other gaming companies. The network will serve as a platform for dialogue on the topic of diversity, inclusion and belonging, and provide practical tools and resources for organisations to make a positive impact, whichever industry they operate in.

In the first quarter, Betsson was recognised as the Employer of the Year at the EGR Nordics Awards for its commitment to performance improvement through investment in recruitment and skills development, and in the motivation of employees.

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 for example humanitarian aid for Ukraine.

In the first quarter of 2023, Betsson Greece set up a public, global donation page to help those affected by the earthquakes in Turkey. All contributions submitted through the page go to the Galatasaray Foundation which provides victims of the earthquakes with accommodation. In addition to the funds gathered through the donation page, Betsson contributed with a substantial sum. The initiative is run together with Betsson's sponsorship partner, the basketball club AEK Athens.

Throughout March Betsson employees also donated items for women in need, which were distributed through the Women for Women Foundation in Malta, another long-term collaboration partner for Betsson with the mission to empower women through access to education and the promotion of gender equality.

110%

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

Climate Impact

Betsson operates in an industry with relatively low CO₂ emissions, but nevertheless has a responsibility to help counteract climate change. Betsson has established a climate roadmap which identifies the main emission sources and how these will be reduced. In the first quarter, work according to the climate roadmap continued.

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's operations have been climate neutral for several years, which means that Betsson offsets its emissions, including estimated emissions by customers when playing on Betsson brands. Offsetting occurs through investments in climate positive projects.

For the calculated emissions generated in 2022, i.e., 8,695 tonnes of carbon dioxide equivalent (tCO₂e), and for an additional 10 percent, in total 9,565 tCO₂e, Betsson climate compensated by purchasing reduction units in the verified projects Jepirachi Wind Power in Colombia, Hong Phong Solar in Vietnam, as well as in the carbon capture project Bussme biochar in Sweden and in a project to exchange inefficient, unhealthy cooking stoves in Haiti.

OTHER INFORMATION

EMPLOYEES

At the end of the first quarter, the Group employed 2,112 (1,926) employees representing 60 different nationalities. In addition, 222 (210) 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.

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 25,308 (25,805) 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 first quarter was EUR 0.7 (0.6) million, and net income was EUR -0.7 (-1.5) million.

Cash and cash equivalents in the Parent Company amounted to EUR 57.7 (31.6) million.

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 or by post to Betsson AB, Nomination Committee, Regeringsgatan 28, 111 53 Stockholm. The annual report is available at the Company and on the Company's website www.betssonab.com.

Stockholm, 27 April 2023

Pontus Lindwall
President and CEO

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

CONSOLIDATED INCOME STATEMENT

MEUR	Q1 2023	Q1 2022	Jan-Dec 2022
Revenue	221.9	170.2	777.2
Cost of services provided	-74.4	-63.1	-272.8
Gross profit	147.5	107.1	504.4
Marketing expenses	-35.9	-27.3	-129.0
Personnel expenses	-33.3	-26.0	-119.0
Other external expenses	-29.4	-25.4	-106.4
Capitalised development costs	7.3	6.1	24.4
Amortisation and depreciation	-11.3	-9.8	-41.2
Other operating income/expenses	-2.1	-1.0	-2.0
Operating expenses	-104.5	-83.5	-373.2
Operating income	43.0	23.6	131.2
Financial income and expenses	-2.1	-1.3	-6.6
Income before tax	40.9	22.3	124.6
Tax	-4.3	-1.4	-9.9
Net income	36.6	20.9	114.7
Net income attributable to:			
Equity holders of the Parent Company	37.7	21.2	119.6
Non-controlling interests	-1.1	-0.3	-4.9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q1 2023	Q1 2022	Jan-Dec 2022
Net income	36.6	20.9	114.7
Other comprehensive income			
Revenue/expenses recognised directly in equity:			
Hedge of net investments in foreign currency incl. deferred tax	0.0	1.0	3.0
Exchange differences in translating foreign operations	3.4	1.6	5.6
Other comprehensive income of the period (after tax)	3.4	2.6	8.6
Total comprehensive income for the period	40.0	23.5	123.3
Total comprehensive income attributable to:			
Equity holders of the Parent Company	41.1	23.8	128.2
Non-controlling interests	-1.1	-0.3	-4.9

CONSOLIDATED BALANCE SHEET

MEUR	3/31/2023	3/31/2022	12/31/2022
Assets			
Intangible fixed assets	598.7	573.9	596.2
Property, plant and equipment	8.3	6.4	8.1
Right-of-use assets	16.9	20.0	18.1
Financial assets	18.8	23.9	19.6
Deferred tax receivables	8.5	3.4	8.1
Total non-current assets	651.2	627.6	650.1
Current receivables	217.1	175.2	200.3
Cash and cash equivalents	204.9	111.8	168.3
Total current assets	422.0	287.0	368.6
Total assets	1,073.2	914.6	1,018.7
Equity and liabilities			
Equity	688.7	591.8	647.8
Deferred tax liabilities	3.2	4.0	3.2
Bond	98.8	0.0	98.6
Lease liabilities	9.2	13.3	10.3
Total non-current liabilities	111.2	17.3	112.1
Bond	0.0	96.5	0.0
Lease liabilities	6.4	5.9	6.1
Other current liabilities	266.9	203.1	252.7
Total current liabilities	273.3	305.5	258.8
Total equity and liabilities	1,073.2	914.6	1,018.7

CONSOLIDATED CASH FLOW STATEMENT

MEUR	Q1 2023	Q1 2022	Jan-Dec 2022
Profit/loss before tax	40.9	22.4	124.6
Adjustments for non-cash items	14.1	10.2	46.6
Taxes paid	-2.8	-2.8	-9.8
Cash flow from operating activities before changes in working capital	52.2	29.8	161.4
Changes in working capital	-3.4	-2.9	17.3
Cash flow from operating activities	48.8	26.9	178.7
Investments in intangibles/tangibles	-10.1	-8.3	-35.5
Acquisition of shares in subsidiaries	-0.1	0.0	-6.6
Acquisition of shares in associates	0.0	0.0	-0.9
Paid earn out	0.0	-1.1	-8.2
Cash flow from investing activities	-10.2	-9.4	-51.2
Bond issue	0.0	0.0	98.6
Bond redemption	0.0	0.0	-94.2
Lease payments	-0.9	-1.2	-6.4
Loan Associates	-1.0	0.0	-4.3
Share redemption programme	0.0	0.0	-50.3
Warrant premiums received	0.0	0.0	1.9
Cash flow from financing activities	-1.9	-1.2	-54.7
Changes to cash and cash equivalents	36.7	16.3	72.8
Cash and cash equivalents at beginning of period	168.3	95.6	95.6
Exchange differences	-0.1	-0.1	-0.1
Cash and cash equivalents at end of period	204.9	111.8	168.3

CHANGES IN GROUP EQUITY

MEUR	3/31/2023	3/31/2022	12/31/2022
Equity opening balance attributable to the equity holders of the Parent Company	649.3	570.9	575.6
Total comprehensive income for the period	40.0	23.5	123.3
Total change excluding owner transactions	40.0	23.5	123.3
Share redemption programme	0.0	0.0	-50.3
Warrant premium received	0.0	0.0	1.9
Share options - value of employee services	0.1	0.7	0.3
Equity share, associated companies	0.0	0.0	-1.5
Equity at end of period attributable to the Equity holders of the Parent Company	689.4	595.1	649.3
Non-controlling interests	-0.7	-3.3	-1.5
Total equity at end of period	688.7	591.8	647.8

PARENT COMPANY, INCOME STATEMENT

MEUR	Q1 2023	Q1 2022	Jan-Dec 2022
Revenue	0.7	0.6	2.9
Operating expenses	-1.6	-2.1	-11.9
Operating income	-0.9	-1.5	-9.0
Financial income and expenses	0.2	0.0	123.5
Income before tax	-0.7	-1.5	114.5
Income tax	0.0	0.0	4.1
Net income	-0.7	-1.5	118.6

PARENT COMPANY, BALANCE SHEET

MEUR	3/31/2023	3/31/2022	12/31/2022
Assets			
Property, plant and equipment	0.3	0.3	0.2
Financial assets	603.1	599.4	603.5
Total non-current assets	603.4	599.7	603.7
Current receivables	186.7	122.4	194.3
Cash and cash equivalents	57.7	31.6	58.1
Total current assets	244.4	154.0	252.4
Total Assets	847.8	753.7	856.1
Restricted equity	34.9	34.9	34.9
Unrestricted equity	671.5	600.5	672.2
Total equity	706.4	635.4	707.1
Bond	98.8	0.0	98.6
Total non-current liabilities	98.8	0.0	98.6
Bond	0.0	96.5	0.0
Other current liabilities	42.6	21.8	50.4
Total current liabilities	42.6	118.3	50.4
Total equity and liabilities	847.8	753.7	856.1

QUARTERLY DATA

CONSOLIDATED INCOME STATEMENT, IN SUMMARY

MEUR	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Revenue	221.9	220.6	200.3	186.3	170.2	157.5	170.0	172.8
Cost of services provided	-74.4	-75.8	-66.5	-67.5	-63.1	-59.8	-60.1	-57.1
Gross profit	147.5	144.8	133.8	118.8	107.1	97.7	109.9	115.7
Marketing expenses	-35.9	-37.0	-34.1	-30.5	-27.3	-25.7	-27.5	-31.8
Personnel expenses	-33.3	-32.4	-30.8	-29.8	-26.0	-24.0	-23.6	-24.4
Other external expenses	-29.4	-28.8	-26.5	-25.9	-25.4	-23.2	-23.6	-19.5
Capitalised development costs	7.3	6.1	6.2	6.0	6.1	6.2	6.0	6.5
Amortisation and depreciation	-11.3	-11.1	-10.2	-10.1	-9.8	-9.6	-9.3	-8.8
Other operating income/expenses	-2.1	-1.6	-0.0	0.6	-1.0	-0.5	-0.2	0.2
Operating expenses	-104.5	-104.8	-95.4	-89.6	-83.5	-76.9	-78.1	-77.9
Operating income	43.0	40.0	38.4	29.2	23.6	20.8	31.7	37.8
Financial items, net	-2.1	-4.2	-3.3	2.2	-1.3	-1.7	-1.3	-1.4
Income before tax	40.9	35.8	35.1	31.4	22.3	19.1	30.4	36.4
Tax	-4.3	-3.1	-2.5	-2.8	-1.4	-0.4	-2.2	-3.1
Net income	36.6	32.7	32.6	28.6	20.9	18.7	28.1	33.3

CONSOLIDATED BALANCE SHEET, IN SUMMARY

MEUR	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Non-current assets	651.2	650.1	641.2	635.7	627.6	625.6	592.1	585.6
Current assets	422.0	368.6	342.4	297.8	287.0	271.6	295.3	247.6
Total assets	1,073.2	1,018.7	983.6	933.5	914.6	897.2	887.5	833.2
Equity	688.7	647.8	646.4	604.0	591.8	568.8	548.2	516.8
Provisions and non-current liabilities	111.2	112.1	112.9	102.6	17.3	15.7	17.9	116.6
Current liabilities	273.3	258.8	224.7	226.9	305.5	312.7	321.4	199.8
Total equity and liabilities	1,073.2	1,018.7	983.6	933.5	914.6	897.2	887.5	833.2

CONSOLIDATED CASH FLOW STATEMENT, IN SUMMARY

MEUR	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Operating cash flow	48.8	75.5	38.5	37.8	26.9	13.4	41.7	56.3
Cash flow from investing activities	-10.2	-17.9	-9.1	-14.8	-9.4	-29.3	-15.0	-19.6
Cash flow from financing activities	-1.9	-31.3	-17.7	-4.4	-1.2	-15.1	11.2	-57.2
Total cash flow	36.7	26.3	11.7	18.6	16.3	-31.0	37.9	-20.5

KEY RATIOS

	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Key financial ratios								
Gross Margin (% of revenue)	66.5	65.6	66.8	63.8	62.9	62.0	64.6	67.0
EBITDA-margin (% of revenue)	24.5	23.2	24.3	21.1	19.6	19.3	24.1	27.0
EBIT-margin (% of revenue)	19.4	18.1	19.2	15.7	13.9	13.2	18.7	21.9
Profit margin (% of revenue)	18.4	16.2	17.5	16.9	13.1	12.1	17.9	21.1
Marketing expenses (% of revenue)	16.2	16.8	17.0	16.4	16.0	16.3	16.2	18.4
Basic earnings per share (EUR)	0.28	0.26	0.24	0.21	0.16	0.14	0.21	0.24
Diluted earnings per share (EUR)	0.28	0.26	0.24	0.21	0.16	0.14	0.21	0.24
Equity per share (EUR)	5.03	4.74	4.75	4.42	4.33	4.16	4.01	3.78
Executed dividend/redemption per share (SEK)	0.00	1.97	0.00	1.97	0.00	0.00	0.00	3.68
Equity/assets ratio (%)	64	64	66	65	65	63	62	62
Return on equity (% , 12 months)	20	18	17	17	18	19	22	22
Return on total capital (% , 12 months)	15	14	13	12	13	13	15	15
Return on capital employed (% , 12 months)	20	18	17	15	16	18	20	21
Net debt (MEUR)	-105	-66	-55	-20	-17	3	-6	15
Net debt / EBITDA (Multiple, 12 months)	-0.5	-0.4	-0.4	-0.1	-0.1	0.0	-0.1	0.1
Shares								
Average share price (SEK)	92.37	81.96	64.98	61.66	53.21	56.50	76.59	75.13
Share price at end of period (SEK)	98.60	84.77	65.05	64.73	57.25	54.60	72.80	69.80
Highest share price (SEK)	100.18	86.57	70.65	68.15	58.20	70.90	91.90	84.15
Lowest share price (SEK)	82.73	63.65	54.20	54.08	47.80	47.50	68.40	67.90
Number of shareholders at end of period	25,308	24,715	25,148	25,343	25,805	26,003	25,282	27,377
Number of shares outstanding at end of period	137.0	137.0	137.0	136.8	136.8	136.8	136.8	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	142.7
Personnel								
Average number of employees	1,967	2,043	1,938	1,942	1,957	1,958	1,933	1,852
Number of employees at end of period	2,112	2,023	1,948	1,957	1,926	1,955	1,970	1,924

CUSTOMERS

	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Registered customers (000's)	27,461	26,816	25,629	24,967	24,200	23,307	21,569	20,940
Active customers (000's)	1,116	1,425	1,056	1,247	1,256	1,162	986	1,028

CUSTOMER DEPOSITS

MEUR	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Customer deposits	578.3	618.2	560.5	534.6	514.1	512.0	486.7	486.5
Customer deposits, all gaming solutions	1,148.2	1,096.0	943.2	845.5	782.5	784.6	758.5	727.7

CASINO DATA

	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Gross turnover, all gaming solutions Casino (MEUR)	7,739.7	7,090.8	6,280.3	5,668.4	5,124.3	5,265.0	5,489.3	5,119.8
Revenue (MEUR)	152.0	146.1	135.4	122.2	111.0	115.1	125.1	120.6

SPORTSBOOK DATA

	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Gross turnover, all gaming solutions (MEUR)	1,329.2	1,416.2	1,058.1	991.3	947.5	1,024.5	821.0	822.8
of which gross turnover live betting (MEUR)	920.7	893.1	733.0	648.4	620.6	653.2	587.5	557.7
Sportbook margin after free bets (%)	8.0	7.3	8.3	8.3	8.3	6.0	7.8	8.5
Revenue (MEUR)	67.2	70.7	61.9	61.6	56.4	40.2	42.7	50.3

REVENUE BY PRODUCT

	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Revenue (MEUR)								
Casino	152.0	146.1	135.4	122.2	111.0	115.1	125.1	120.6
Sportsbook	67.2	70.7	61.9	61.6	56.5	40.2	42.7	50.3
Other products	2.7	3.8	3.0	2.5	2.7	2.3	2.2	1.9
Total	221.9	220.6	200.2	186.3	170.2	157.5	170.0	172.8

	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Share of total revenue (%)								
Casino	69	66	68	66	65	73	74	70
Sportsbook	30	32	31	33	33	26	25	29
Other products	1	2	1	1	2	1	1	1

	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Growth, compared with previous quarter (%)								
Casino	4	8	11	10	-4	-8	4	4
Sportsbook	-5	14	0	9	41	-6	-15	29
Other products	-30	25	23	-9	20	5	12	-9
Total	1	10	8	9	8	-7	-2	10

	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Growth, compared with same period previous year (%)								
Casino	37	27	8	1	-5	-8	-1	-0
Sportsbook	19	76	45	22	45	-10	26	137
Other products	-2	68	41	29	29	17	27	1
Total	30	40	18	8	8	-8	5	20

REVENUE BY REGION

	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Casino (MEUR)								
Nordics	37.6	39.1	39.9	38.6	39.4	40.8	41.9	38.6
Latin America	18.6	17.6	14.6	13.7	11.3	11.2	10.0	8.8
Western Europe	25.5	24.4	23.5	22.8	20.7	19.0	33.1	37.4
Central & Eastern Europe and Central Asia	67.4	62.3	54.9	44.4	36.6	41.0	37.2	32.6
RoW	2.9	2.8	2.5	2.7	2.9	3.1	2.9	3.2
Total	152.0	146.1	135.4	122.2	111.0	115.1	125.1	120.5
	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Sportsbook (MEUR)								
Nordics	13.5	12.6	13.0	11.7	13.7	10.1	10.9	14.9
Latin America	26.3	34.3	23.9	31.8	25.2	14.6	14.3	15.6
Western Europe	1.5	1.2	1.3	1.9	1.3	1.3	2.1	3.1
Central & Eastern Europe and Central Asia	24.9	21.6	22.6	15.7	15.7	14.0	15.1	16.2
RoW	1.0	1.0	1.1	0.6	0.6	0.3	0.3	0.5
Total	67.2	70.7	61.9	61.6	56.4	40.2	42.7	50.3
	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Total, for all products, per region (MEUR)								
Nordics	51.9	53.1	53.8	51.2	54.1	51.9	53.4	54.3
Latin America	45.2	52.3	38.8	45.7	36.8	26.0	24.3	24.5
Western Europe	27.2	25.8	25.0	24.8	22.2	20.4	35.5	40.8
Central & Eastern Europe and Central Asia	93.5	85.3	78.8	61.1	53.4	55.9	53.2	49.5
RoW	4.2	4.0	3.8	3.5	3.7	3.4	3.3	3.7
Total	221.9	220.6	200.3	186.3	170.2	157.6	169.8	172.8
	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Share per region (%)								
Nordics	23	24	27	27	32	33	31	31
Latin America	21	24	19	25	22	16	14	14
Western Europe	12	12	13	13	13	13	21	24
Central & Eastern Europe and Central Asia	42	38	39	33	31	36	31	29
RoW	2	2	2	2	2	2	2	2
	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Growth, compared with previous quarter (%)								
Nordics	-2	-1	5	-5	4	-3	-2	13
Latin America	-14	35	-15	24	42	6	-0	83
Western Europe	5	3	1	12	9	-43	-13	4
Central & Eastern Europe and Central Asia	10	8	29	14	-4	5	8	-7
RoW	4	6	8	-4	7	3	-10	20
	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Growth, compared with same period previous year (%)								
Nordics	-4	2	1	-6	12	-7	-1	20
Latin America	23	102	59	86	174	-	-	-
Western Europe	22	26	-30	-39	-44	-55	-24	7
Central & Eastern Europe and Central Asia	75	53	48	23	-0	13	24	24
RoW	13	17	15	-5	19	-84	-81	-62

SPECIFICATION OF COST OF SERVICES PROVIDED

MEUR	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Licence fees	19.3	20.1	18.9	18.2	17.0	16.6	17.3	15.5
Betting duties	20.0	18.1	15.7	14.1	14.0	13.2	12.7	11.3
Affiliates and partners commission	7.9	7.7	7.4	9.3	9.9	8.5	10.4	11.5
Other cost of services provided	27.2	29.8	24.5	25.8	22.2	21.5	19.8	18.8
Total	74.4	75.8	66.5	67.5	63.1	59.8	60.1	57.1

SPECIFICATION OF AMORTISATION AND DEPRECIATION

MEUR	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Depreciation property, plant, and equipment	0.9	0.9	0.9	0.9	0.8	1.1	1.0	0.9
Depreciation right-of-use assets	1.5	1.6	1.5	1.4	1.4	1.5	1.5	1.4
Amortisation intangible fixed assets <i>(whereof amortisation of capitalised development costs)</i>	8.9 6.0	8.6 6.1	7.8 6.0	7.8 5.8	7.6 5.6	7.0 5.6	6.8 5.5	6.5 5.3
Total	11.3	11.1	10.2	10.1	9.8	9.6	9.3	8.8

ORGANIC CALCULATION (EFFECTS FROM ACQUISITIONS AND CURRENCY)

	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Reported revenues	221.9	220.6	200.3	186.3	170.2	157.5	170.0	172.8
- Revenue from acquisitions	-1.5	-1.6	-6.9	-8.4	-7.3	-5.4	0.0	-2.7
- Currency effects	14.5	13.4	35.7	17.0	17.3	6.9	4.5	8.3
Organic revenues	234.9	232.4	229.1	194.9	180.2	159.0	174.5	178.4
Organic growth (YoY)	38%	48%	35%	13%	14%	-7%	8%	24%
Reported growth (YoY)	30%	40%	18%	8%	8%	-8%	5%	20%
Reported operating income (EBIT)	43.0	40.0	38.4	29.2	23.6	20.8	31.7	37.8
- Result from acquisitions	1.2	1.0	-0.4	-0.8	-1.4	-0.3	0.0	0.0
- Currency effects	13.6	14.4	35.2	17.2	16.0	7.6	4.3	7.1
Organic operating income	57.8	55.4	73.1	45.6	38.2	28.0	36.0	45.0
Organic growth (YoY)	145%	166%	131%	21%	40%	-9%	14%	120%
Reported growth (YoY)	82%	92%	21%	-23%	-13%	-33%	0%	85%

OTHER NOTES

CURRENCY EXCHANGE RATES

The exchange rates below are applied in the report.

Income Statement (average rate during the period January - March)

	2023	2022	Δ
SEK/EUR	0.0893	0.0948	-5.8%
GEL/EUR	0.3535	0.2806	+26.0%
NOK/EUR	0.0912	0.1027	-11.2%
TRY/EUR	0.0493	0.0620	-20.5%
PEN/EUR	0.2445	0.2341	+4.4%

Balance Sheet (closing rate)

	3/31/2023	3/31/2022	Δ
SEK/EUR	0.0887	0.0967	-8.3%
GEL/EUR	0.3589	0.2898	+23.8%

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 2022 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 2022. Detailed information about the Group's accounting and valuation principles can be found in the Annual Report for 2022 (Note 2), which is available on www.betssonab.com or at the Company's head office.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

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

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

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

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

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

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

Average number of shares outstanding: Weighted average number of shares outstanding 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 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 10:00 CEST on 27 April 2023, Betsson invites analysts, investors and media to participate in the presentation of the results for the first quarter. 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/46178>.



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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

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