

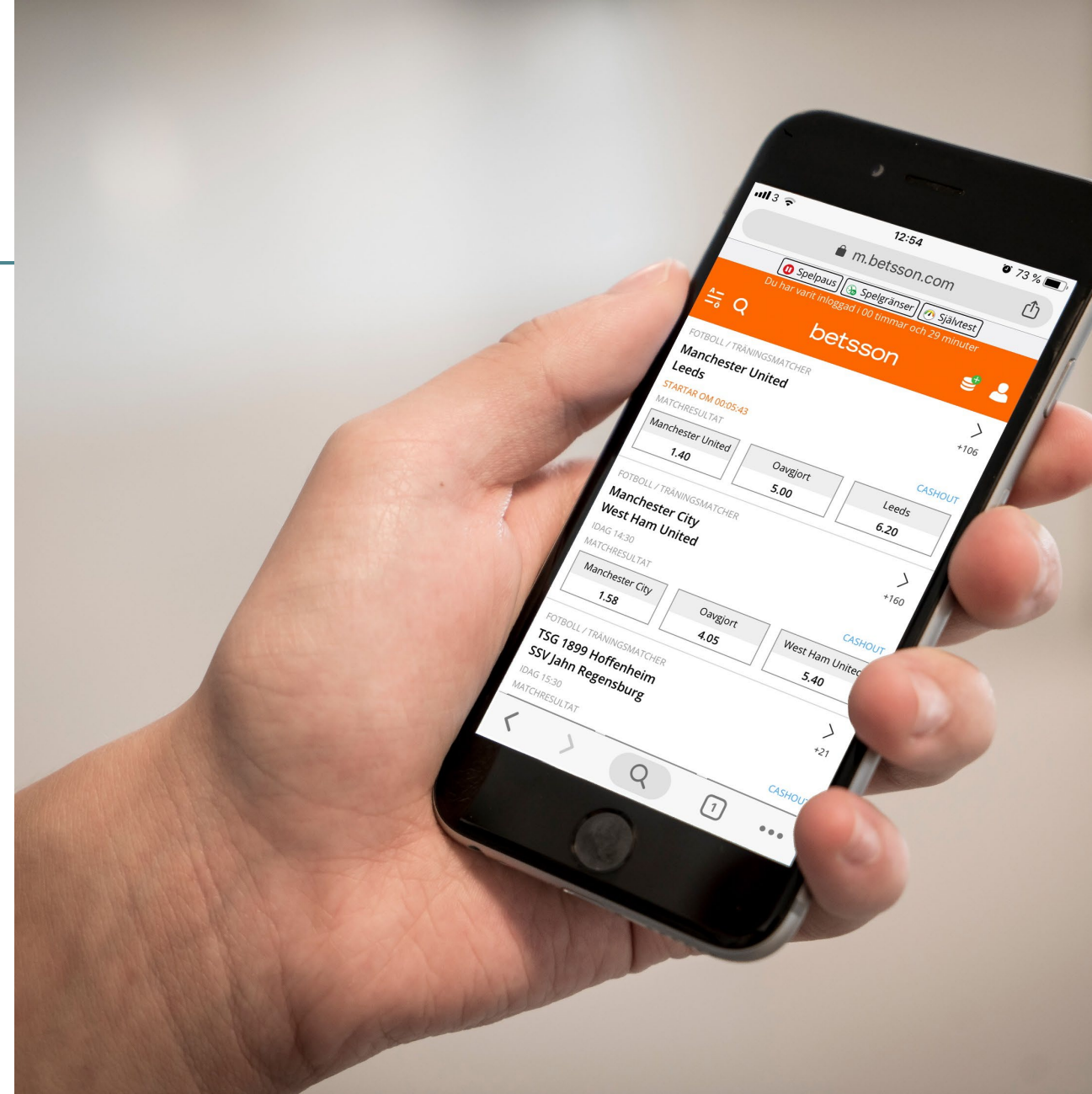
betsson ab

Q2 2019

Pontus Lindwall
CEO Betsson AB

HIGHLIGHTS Q2

- Revenue SEK 1,278 million
 - Positive Sportsbook development despite challenging World cup 2018 comparatives
 - Geographical spread help absorbing short term regulatory challenges
- Reported EBIT at SEK 197 million
 - EBIT margin 15.4%
 - Burdened by SGA fine of SEK 19 million
 - Continued cost efficiencies
 - Underlying EBIT margin 16.9%
- NGGs SEK 19 million fine by SGA appealed



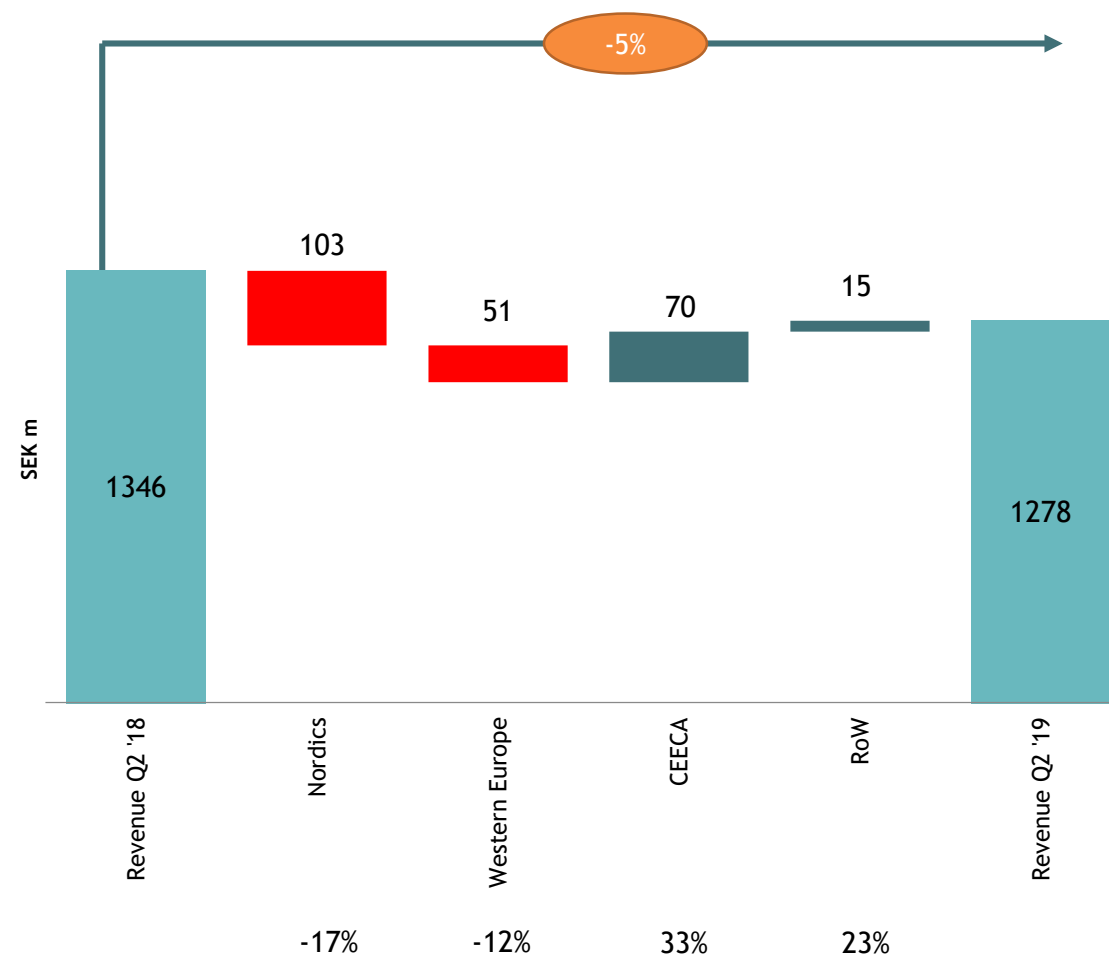
FINANCIAL SUMMARY Q2

- Total revenue SEK 1,278 million
- Sportsbook revenue growth of 14%
 - Gross turnover organic growth of 7%
 - Q2 Sportsbook margin at 7.8%
- Casino revenue decline of 10%
- Cost efficiencies, with Opex decline
- EBIT at SEK 197 million, impacted by gaming tax, payment costs and SGA fine
- EBIT margin at 15.4%
- Underlying EBIT margin (adjusted for SGA fine) at 16.9%

SEK m	Q2 2019	Q2 2018	Change	H1 2019	H1 2018
Revenue	1,278	1,346	-5.1%	2,608	2,556
Gross profit	859	968	-11.3%	1,758	1,832
Gross margin	67.2%	71.9%		67.4%	71.7%
EBITDA	287	379	-24.3%	633	662
EBITDA margin	22.5%	28.2%		24.3%	25.9%
EBIT	197	301	-34.5%	452	512
EBIT margin	15.4%	22.3%		17.3%	20.0%
EPS, SEK	1.24	1.96	-36.7%	2.90	3.32
Casino revenue	918	1,017	-9.7%	1,931	1,940
SB revenue	341	300	13.6%	639	564
SB margin	7.8%	6.3%		7.0%	6.4%

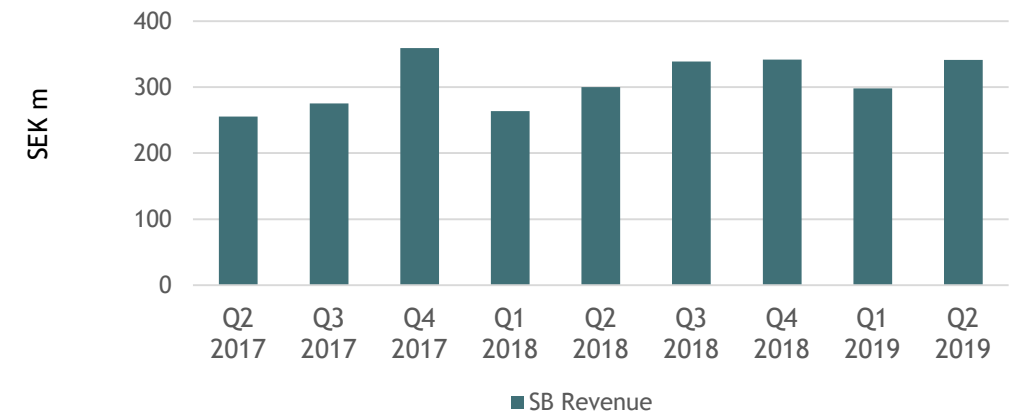
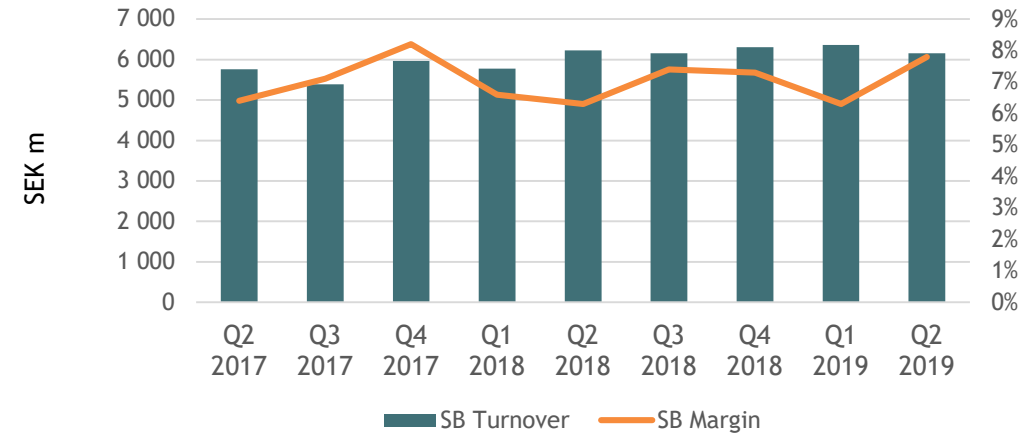
SECOND QUARTER - BY REGION

- Decline in Q2 in Nordics and Western Europe
- Sweden
 - Continued weak market development due to regulatory challenges
 - After drop in Q1 with impact on revenue and operating profit, revenue flat in Q2
- The Netherlands
 - Initial revenue decline in direct connection with actions taken to be in the best possible position for license and long-term sustainable business
 - After the initial decline revenue has stabilised, Q2 revenue is on par with revenue in the end of Q1



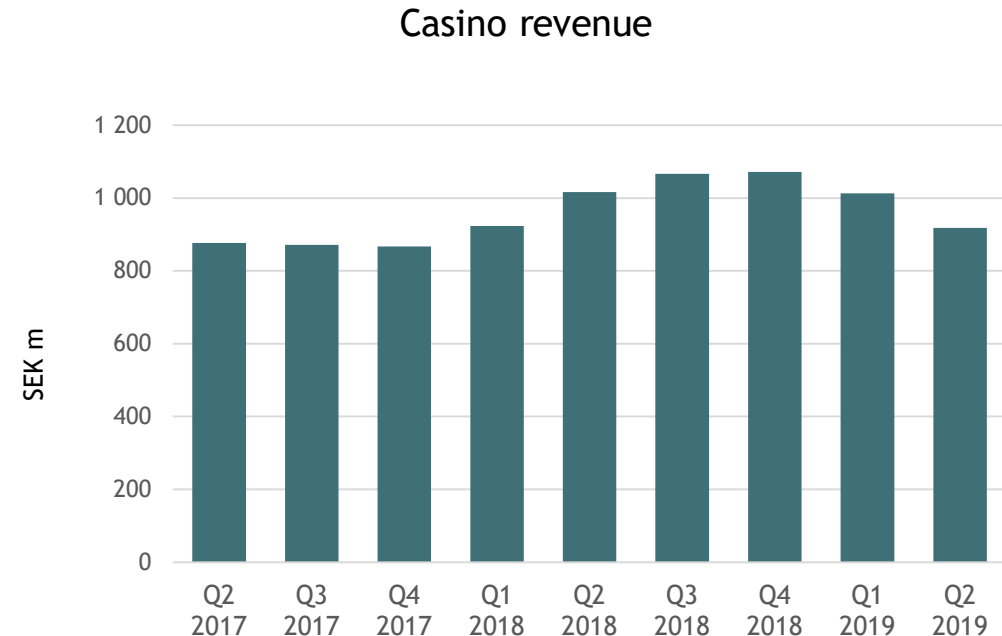
SPORTSBOOK DEVELOPMENT

- Sportsbook gross turnover 7% organic growth
- Strong SB performance with 48,215 live betting events in Q2 2019
- SB revenue grew 14%, with 17% organic growth
 - SB revenue growth in Nordics, CEECA and RoW
 - SB revenue 27% of total revenue
 - Mobile SB grew 31% and accounts for 77% of total SB revenue
 - SB margin at 7.8% (6.3%)



CASINO DEVELOPMENT

- Betsson offer 2,700 casino games of which 2,000 on mobile
- Casino revenue decreased by 10%
 - Organic decrease 10%
 - Decline in Nordics and Western Europe
 - Casino 72% of total revenue
 - Negative impact from Swedish regulation and Dutch adjustments
- Mobile casino revenue increased 3%
- Launch of OBG on desktop for core brands
- Liveroulette.com launched



REGULATORY UPDATE

– Sweden

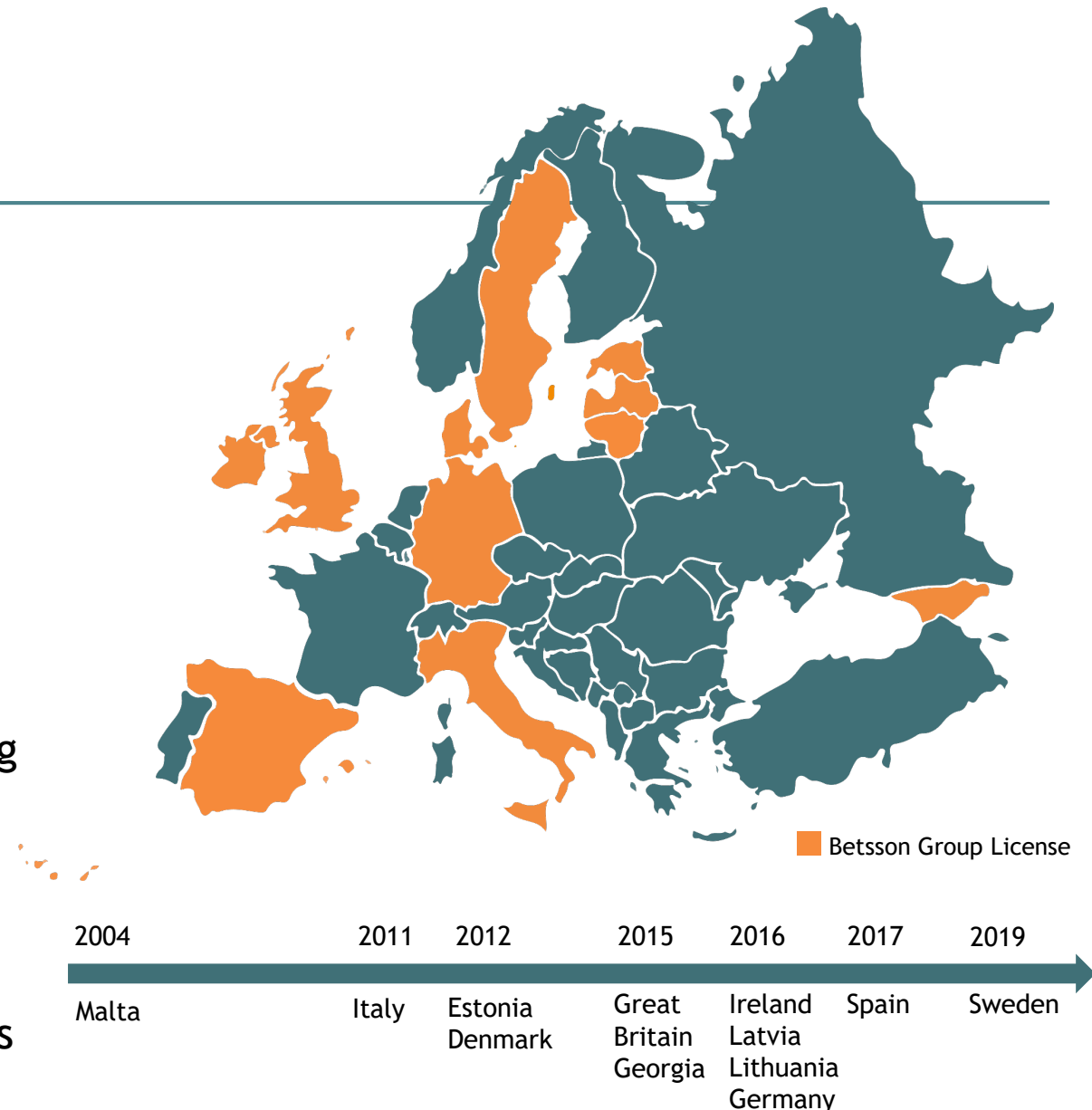
- Sweden is an important market long-term, in which Betsson aims to grow sustainably
- NGG fined SEK 19 million by the SGA, the fine is appealed

– The Netherlands

- Market expected to open Q1 2021
- Betsson made adjustments to the product offering and is compliant with cooling-off period
- Expression of interest for license filed in June

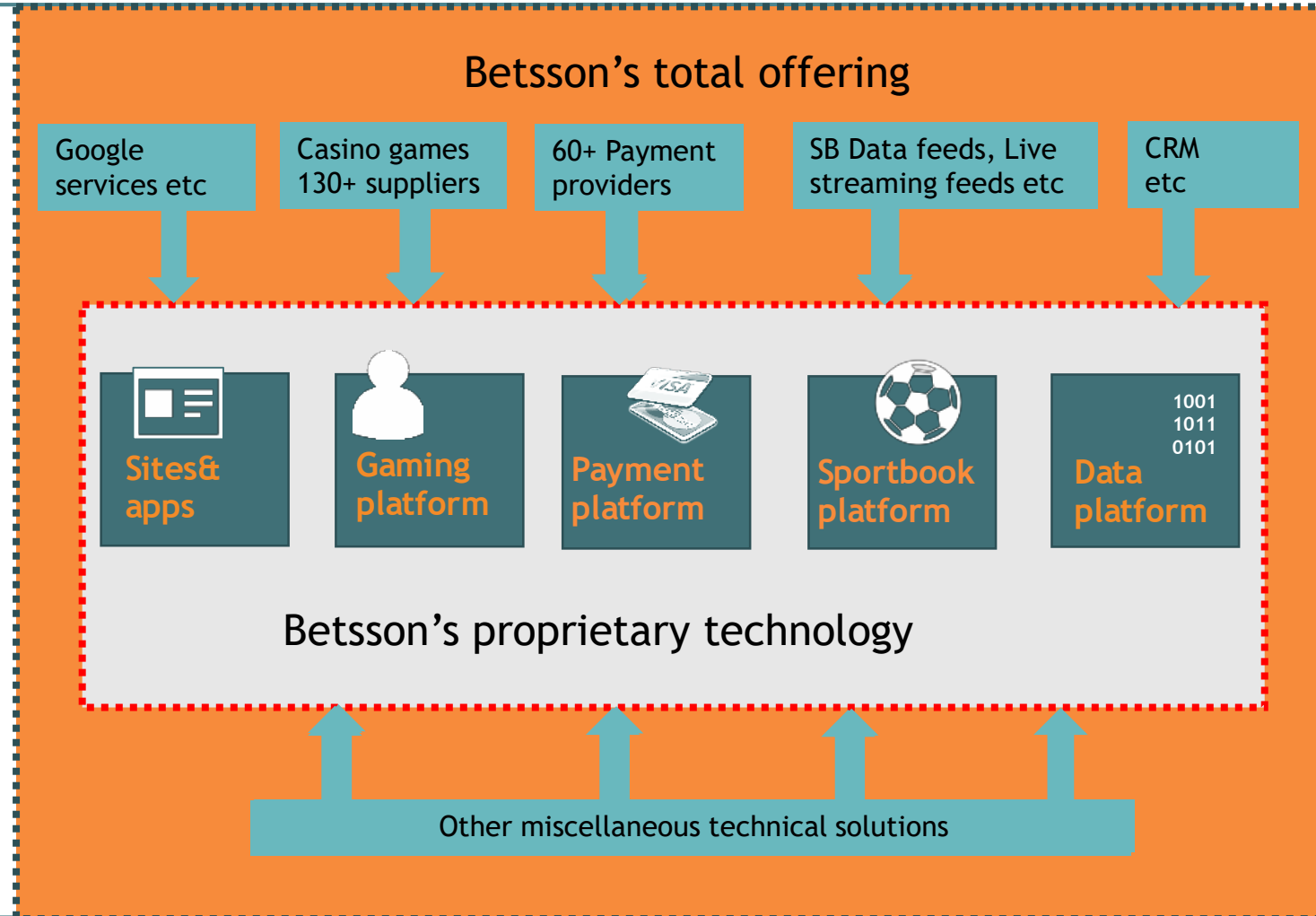
– Other markets

- Applied for license in the Province of Buenos Aires



PROPRIETARY TECHNOLOGY PROVIDE BUSINESS OPPORTUNITIES

- Our proprietary technology secures the future
- We can differentiate the customer experience as we control our technology
- We develop our core business critical capabilities in house, while we use standardized solutions when appropriate
- Proprietary technology allows scalability
- Our own technology allows us to control prioritisation and adapt fast to changing market conditions



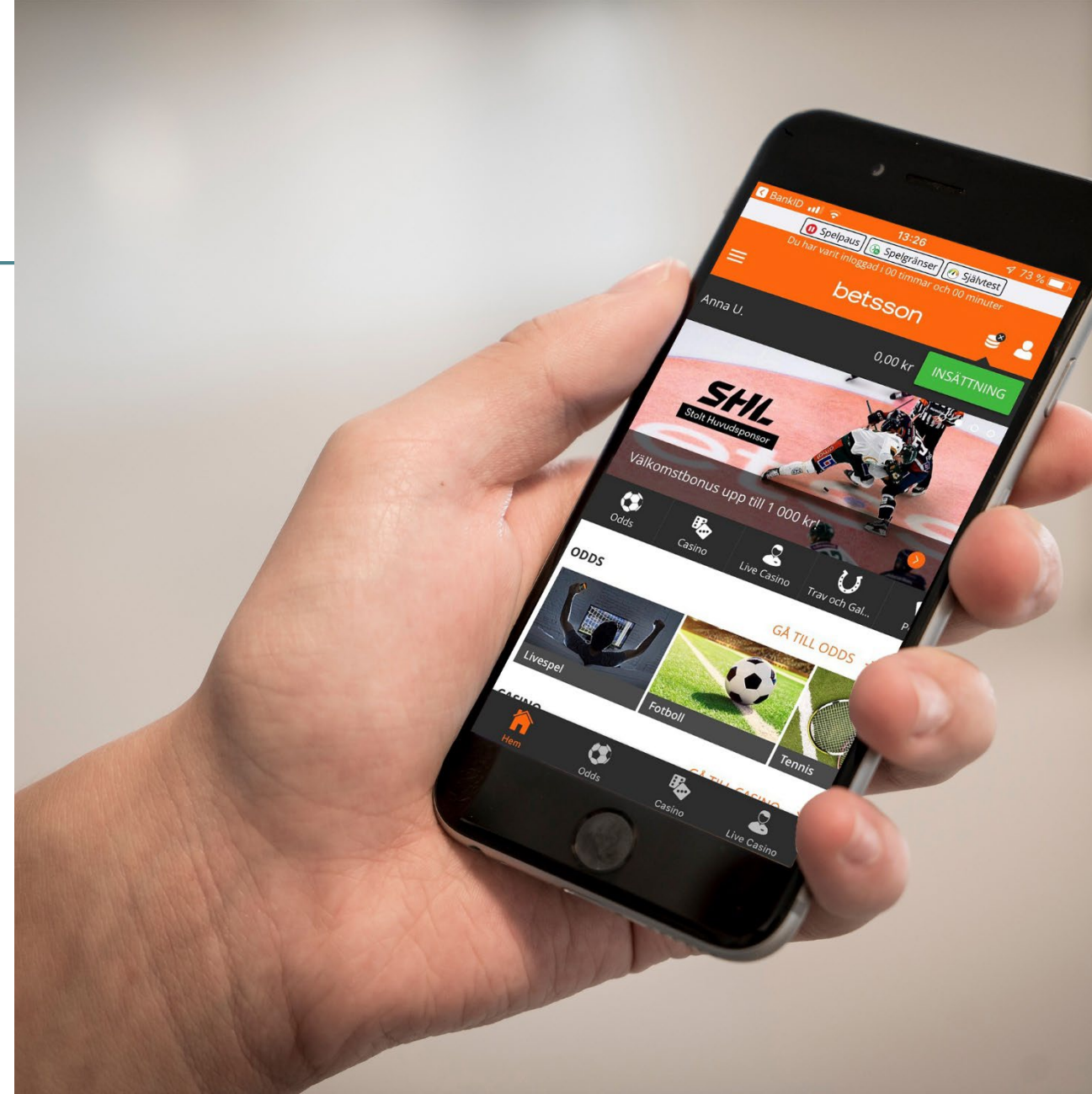
RECENT PRODUCT & TECHNOLOGY INITIATIVES

- Re-branding
 - Re-branded sites in Netherlands
 - Launch of Liveroulette.com
- OBG Platform
 - Launched in new markets
 - Roll-out completed for Betsson, Betsafe and Nordicbet
- Sportsbook enhancements
 - More markets added in several sports
 - 458 pre-match betting markets on the Champions league final, one of the largest CL offerings in the industry
- Mobile Game Frame
 - Integrated >90% of games and providers into our new Game Frame Solution for enhanced customer experience



COMITTMENT TO PLAYER PROTECTION

- Betsson was the first company to hire a person within Responsible Gaming (RG) more than 10 years ago
- “Duty to care” principle in operations
- Investments in RG beyond what is required
- Analytics to understand customer behaviour due to large volumes of data
- Recent development and initiatives
 - Participation at SNSUS conference in Finland with focus on problem gambling research in the Nordics
 - Documentation of all customer communication
 - Categorisation of customers, based on >50 attributes, in low/medium/high risk lead to appropriate actions
 - Monthly communication with information about RG tools
 - At log in customer get info on last log in, results from gaming during the year, deposit limits
 - Use of AI in Customer Service Operations which amongst other tasks is able to identify words and sequences which helps to identify potential RG issues



SUMMARY

- Challenging second quarter for the industry in several markets
 - Comparatives include World cup
 - Regulatory challenges
- Betsson remains confident about the long-term opportunities within the markets where we operate
 - Positive Sportsbook development, both turnover and margin
 - Cost efficiencies with declining organic operating expenses
 - Geographical spread offset challenges in some markets
- In line with strategy Betsson continuously evaluate new markets to grow in the future
- Betsson's strong financial position and proprietary technology provide a solid foundation to handle market changes and to offer customers competitive product solutions



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