



Betsson AB (publ) year-end report 1 January - 31 December 2023

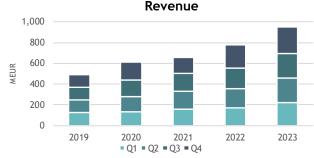
"A new record year for Betsson ended with continued high customer activity and record-strong figures in the fourth quarter"

QUARTER OCTOBER - DECEMBER 2023

- Group revenue was EUR 251.9 (220.6) million, an increase of 14%. Organic increase of 36%.
- Casino revenue increased by 25%. Sportsbook revenue decreased by 5% and the sportsbook margin was 6.2% (7.3%).
- EBITDA was EUR 71.9 (51.1) million, an increase of 40%.
 The EBITDA margin was 28.6% (23.2%).
- Operating income (EBIT) was EUR 57.0 (40.0) million, an increase of 42%. The EBIT margin was 22.6% (18.1%).
- Net income was EUR 43.3 (32.7) million, corresponding to EUR 0.30 (0.26) per share.
- Operating cash flow was EUR 47.6 (75.5) million.
- Net debt was EUR -59.6 (-65.7) million.
- Active customers decreased by 6% to 1,345,129 (1,424,794).

THE PERIOD JANUARY - DECEMBER 2023

- Group revenue was EUR 948.2 (777.2) million, an increase of 22%. Organic increase of 40%.
- EBITDA was EUR 262.7 (172.4) million, an increase of 52%. The EBITDA margin was 27.7% (22.2%).
- Operating income (EBIT) was EUR 210.5 (131.2) million, an increase of 60%. The EBIT margin was 22.2% (16.9%).
- Net income was EUR 173.0 (114.7) million, corresponding to EUR 1.29 (0.87) per share.
- Operating cash flow was EUR 230.4 (178.7) million.
- The Board of Directors proposes to the AGM that EUR 88.5 (59.7) million, corresponding to EUR 0.645 (0.436) per share, should be distributed to shareholders through an automatic share redemption program in two installments.





KEY DATA

MEUR	Q4 2023	Q4 2022	Δ	Jan-Dec 2023	Jan-Dec 2022	Δ
Revenue	251.9	220.6	14%	948.2	777.2	22%
Gross profit	165.2	144.8	14%	631.8	504.4	25%
EBITDA	71.9	51.1	40%	262.7	172.4	52%
EBITDA margin %	28.6	23.2	-	27.7	22.2	-
Operating income (EBIT)	57.0	40.0	42%	210.5	131.2	60%
EBIT margin %	22.6	18.1	-	22.2	16.9	-
Net income	43.3	32.7	14%	173.0	114.7	44%
Earnings per share (EUR)	0.30	0.26	15%	1.29	0.87	48%
Operating cash flow	47.6	75.5	-37%	230.4	178.7	29%
Casino revenue	182.8	146.1	25%	672.0	514.7	31%
Sportsbook gross turnover	1,675.0	1,416.2	18%	5,625.3	4,413.1	27%
Sportsbook revenue	67.0	70.7	-5%	267.0	250.6	7%
Sportsbook margin after free bets %	6.2	7.3	-	7.4	8.0	-
Deposits	1,392.0	1,096.0	27%	5,018.2	3,667.2	37%
Active customers (number of)	1,345,129	1,424,794	-6%			

CEO COMMENT

A new record year for Betsson ended with continued high customer activity and record-strong figures in the fourth quarter

Recently we celebrated the fact that it has been 60 years since the Group started to offer entertainment in the form of casino games, sports betting and other types of games. In recent decades, we have been leading the digitalisation of the gaming industry with the transition to online gaming. We continue to find our own ways and act as pioneers in everything we do. When we sum up the jubilee year 2023, we can look back on a new record year for Betsson. Several important strategic initiatives were taken to strengthen the product offering, manage risks through geographic diversification, and to create the conditions for continued profitable growth with an increased share of revenues from locally regulated markets.

For the full year 2023, revenue increased by 22 percent to EUR 948 million and operating profit (EBIT) increased by 60 percent to EUR 211 million, which corresponds to an operating margin of 22.2 percent. For the full year, operating cash flow amounted to EUR 230 million, which means that the year ended with a net cash position of EUR 60 million. The strong cash flows of the business and the solid balance sheet allow us to continue paying out attractive dividends to our shareholders and investing in future growth. The Board proposes a 48 percent increase in the dividend for 2023 to EUR 0.645 per share.

The high customer activity continued during the fourth quarter with new record levels in customer deposits and gaming turnover in both casino and sports betting. Once again, the Group reports the highest levels ever for revenue and operating profit, marking the eighth consecutive quarter of sequential growth. The growth rate compared to the fourth quarter of the previous year should be viewed in light of the fact that the comparative period included the World Cup in football.

The football results continued to be favourable for players with favorite wins and plenty of goals, leading to the quarter's sportsbook margin of 6.2 (7.3) percent being the lowest reading for a single quarter in the past two years. Our vision is to offer the best customer experience in the gaming industry and an important feature of this is that we always offer competitive odds and chances for our customers to win. This simply means that sometimes players win a bit more and the sportsbook margin varies from quarter to quarter, depending on the sports results.

The share of revenue from locally regulated markets continued to increase and amounted to 45.9% (34.2%) in the fourth quarter. We see a continued positive development where more countries introduce regulation to enable online gaming with local gaming licenses and reasonable conditions for players and operators. In 2024, Peru and Brazil are expected to introduce licensing systems for online gaming and Betsson is preparing to apply for gaming licenses in these markets.

Betsson's involvement in football continues and recently a shirt sponsorship agreement was signed with the biggest football club in Colombia, Atletico Nacional. In addition, a new collaboration was initiated in Greece, through which Betsson will have the naming rights to the classic and important cup in Greek football. 2024 will be a big year for football with both the European Championship and Copa America in the summer months, and we look forward to following the games together with fans, customers and employees.

I look forward to 2024 with confidence. Betsson is well positioned for continued value creation thanks to a strong financial position, proprietary technology, an attractive customer offering and - above all - our employees. I would like to thank our employees for all their great efforts in 2023 and also extend my gratitude to our shareholders for the trust they have shown.



Pontus Lindwall, President and CEO Betsson AB, during a visit to SSC Napoli, one of the football clubs that the Group is collaborating with this season.

Founded in

1963

Betsson AB's share is listed on Nasdaq Stockholm
Ticker: BETS B

The Betsson Group operates more than 20 brands

123

Holder of local licenses

in 23 countries

Pontus Lindwall
President and CEO Betsson AB

SIGNIFICANT EVENTS AND OUTLOOK

SIGNIFICANT EVENTS DURING THE QUARTER

New markets

In November, an online sports betting offering was introduced in France with the Betsson brand under a local gaming license.

Licenses

In October, a license for online casino (category A+) was obtained in Belgium within the scope of the partnership with Groupe Partouche.

Dividend

The annual general meeting (AGM) decided in May on dividend to shareholders of EUR 59.7 (50.3) million, corresponding to EUR 0.436 (0.367) per share, by means of two redemption programs. The second redemption program was completed at the beginning of October, with payment to shareholders.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

New markets

At the end of January, a new online casino offering was launched in Belgium under the brand name betFIRST, based on the license (category A+) obtained in October 2023. The license enables a full online casino offering, including slot games, table games and Live Casino.

Sponsorship

At the beginning of January, it was announced that Betsson will be the new main sponsor of Atletico Nacional, the largest football club in Colombia. The new league season in Colombia started at the end of January.

TRADING UPDATE

This trading update is an indication of how the first quarter 2024 has started, however it is not a revenue forecast for the quarter.

The average daily revenue in the first quarter 2024 up until and including 11 February was 5.9 percent higher than the average daily revenue of the full first quarter 2023. Adjusted for currency effects and acquisitions, the average daily revenue until 11 February was 16.3 percent higher than the average daily revenue of the full first quarter 2023. During this period, the sportsbook margin has been significantly lower than the average margin for the last eight quarters.

As of 1 January 2024, the definition of organic growth has changed and now only includes adjustments for currencies with direct impact as well as adjustments for acquisitions. In this report, this only affects the trading update for the first quarter of 2024.

THE GROUP'S OPERATING ACTIVITIES

Betsson's operational subsidiaries offer online casino, sports betting and other types of games. 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 for flexibility to take advantage of opportunities that supplement the existing business 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.

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 as well as the 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.

Within the Betsson Group, artificial intelligence (AI) and machine learning have been important innovation factors supporting, for example, customer services and the proprietary responsible gambling tool and other predictive tools. During the year, steps have been taken to further enhance the way new customer experience-strengthening functions are integrated into the sportsbook using AI and machine learning.

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.

Geographical expansion continued to be a strong focus during the quarter, as well as strengthening the product offering. Technical preparations were made to be ready for the new regulation in Peru, as well as significant enhancements to the product in Colombia ahead of planned new marketing activities during 2024.

During the quarter, especially large focus was put into integrating and launching new payment solutions in several markets.

FOURTH QUARTER DEVELOPMENTS

CUSTOMER ACTIVITY

Customer deposits in all operational subsidiaries' gaming solutions during the quarter were EUR 1,392.0 (1,096.0) million, an increase of 27.0%.

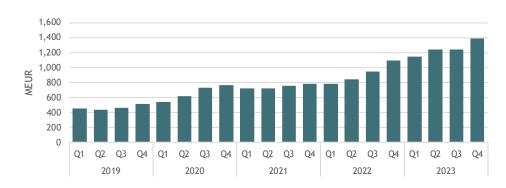
By the end of the fourth quarter, the number of registered customers was 29.7 (26.8) million, an increase of 10.7%.

Active customers during the quarter amounted to 1,345,129 (1,424,794), a decrease of 5.6% compared with the fourth quarter last year, which included the World Cup in football.

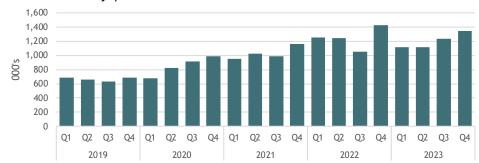
Customer deposits by quarter

27%

Increase in customer deposits compared to the same period last year



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 with local licenses, as well as in POS-regulated markets based on a license from the Malta Gaming Authority (MGA). POS-regulation refers to markets in which a product offering is made available 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 46.4 (53.1) million, a decrease of 12.6%.

Sweden reported decreased revenue compared to the corresponding period last year due to lower activity in both the sportsbook and casino product.

Denmark reported increased revenue compared with the corresponding period last year, driven by growth in both the sportsbook and casino product. Finland reported decreased revenue compared to the corresponding period last year, mainly driven by lower activity within the casino product.

Western Europe

Revenue from Western Europe was EUR 41.7 (25.8) million, an increase of 61.8%.

The business in Italy continues to develop well and reported all-time high revenue in the fourth quarter. The increase in revenue is mainly driven by the casino product and a high activity in the market where both deposits and turnover were the highest ever. In July, the acquisition and the consolidation of the Belgian gaming operator betFIRST was completed. Revenue in Belgium increased compared with the previous quarter, despite the operations being affected by a low sportsbook margin in the fourth quarter.

In Germany, revenue declined compared to the corresponding period last year, 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 106.8 (85.3) million, an increase of 25.2%.

The region reported growth in the fourth quarter both compared with the corresponding period last year and the previous quarter, driven by strong underlying activity and revenue growth in casino. Greece reported all-time high revenue in the fourth quarter, driven by a strong underlying activity with new records in turnover, number of active customers and in deposits. Croatia continued to develop well in the fourth quarter, driven by the casino product.

Georgia reported decreased revenue compared to the corresponding period last year, mainly driven by a lower sportsbook margin. Both Lithuania and Estonia reported growth in revenue compared to the corresponding period last year, mainly driven by the casino product. Latvia reported decreased revenue in the fourth quarter driven by the sportsbook product.

In Serbia, the Group was granted a local gaming license for online casino in September, and an offering was launched at the end of the third quarter. The Serbian operation is in an early build-up phase but demonstrated good development in the fourth quarter where the launch of the company's offering was well-received in the locally regulated market.

Latin America

Revenue from Latin America was EUR 53.3 (52.3) million, an increase of 1.7%.

The region reported somewhat increased revenue both compared to the corresponding period last year and the previous quarter. Sportsbook revenue was limited during the quarter due to a sportsbook margin that was lower than the historical average. The activity level in the sportsbook decreased compared with the corresponding period last year, which included the World Cup in football. At the same time, the casino product developed well, with increased revenue compared to both the previous quarter and the corresponding period previous year.

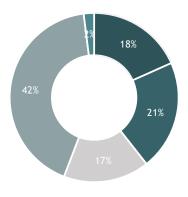
Argentina reported growth both compared to the corresponding period last year and the previous quarter mainly driven by the casino product. Colombia reported growth both compared to the corresponding period last year and the previous quarter. Peru reported decreased revenue compared to the corresponding period last year driven by lower activity in both the casino and sportsbook products and a lower sportsbook margin.

ROW, Rest of the world

Revenue from RoW was EUR 3.7 (4.0) million, a decrease of 8.9%.

The region reported declined revenue in the fourth quarter compared to the corresponding period last year, mainly driven by a lower sportsbook margin in Nigeria compared with the corresponding period last year and a lower activity in the Canadian operations.

Revenue by region



- Nordics (18%)
- Latin America (21%)
- Western Europe (17%)
- = CEECA (42%)
- ROW (2%)

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 325 new casino games, 20 of which came with a period of exclusivity for the Group'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 the highest gaming turnover and revenue ever in the fourth quarter. Casino gross turnover in all of Betsson's gaming solutions was EUR 9,163.0 (7,090.8) million, an increase of 29.2% compared to the fourth quarter last year.

Casino revenue amounted to EUR 182.8 (146.1) million, an increase of 25.1%. Casino represented 72% (66%) of Group revenue.

Casino revenue from mobile devices was EUR 157.8 (118.9) million and accounted for 86% (81%) of total casino revenue.

Sportsbook

Sportsbook gross turnover across all Betsson's gaming solutions, was EUR 1,675.0 (1,416.2) million, which is the highest level ever and corresponds to an increase of 18.3% compared to the fourth quarter of last year.

Sportsbook revenue in the fourth quarter was EUR 67.0 (70.7) million, a decrease of 5.2%. Sportsbook represented 27% (32%) of Group revenue.

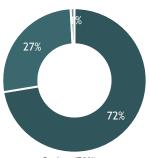
The sportsbook margin was 6.2% (7.3%). The eight-quarter rolling average margin was 7.6%.

Sportsbook revenue from mobile devices was EUR 51.2 (57.3) million, representing 78% (82%) of total sportsbook revenue.

Other products

Revenue from other products (poker, bingo and other) amounted to EUR 2.1 (3.8) million, representing 1% (2%) of total revenue.

Revenue by product



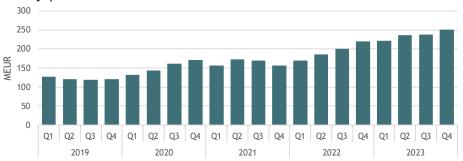
- Casino (72%)
- Sportsbook (27%)
- Other (1%)

FINANCIAL DEVELOPMENT

Group revenue

Group revenue was EUR 251.9 (220.6) million, an increase of 14.2%. In constant currencies and adjusted for acquisitions (organic), revenue growth was 36.5%.

Revenue by quarter



Revenue from locally regulated markets increased by 53% and was EUR 115.7 (75.5) million, corresponding to 45.9% (34.2%) of total Group revenue.

License revenue for system delivery to B2B-customers amounted to EUR 65.1 (48.8) million and corresponded to 26% (22%) of Group revenue. The increase is mainly due to enhanced performance in the products delivered by Betsson, within both casino and sportsbook. At the beginning of the fourth quarter 2022, Betsson acquired 80% of the shares in KickerTech Ltd. 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.

Revenue from mobile devices was EUR 209.8 (178.8) million, representing 84% (81%) of total revenue.

Expenses

Cost of services provided was EUR 86.7 (75.8) million in the quarter. The increased cost of services is mainly due to higher gaming taxes. The increased gaming taxes is driven by an increased share of locally regulated revenue, which amounted to 45.9% of total revenue in the fourth quarter compared to 34.2% of total revenue in the corresponding period last year.

Gross profit was EUR 165.2 (144.8) million, corresponding to a gross profit margin of 65.6% (65.6%).

Operating expenses were EUR 108.2 (104.8) million.

Marketing expenses (excluding affiliate- and partner commissions) were EUR 32.4 (37.0) million and corresponded to 17% (22%) of B2C revenue. The reduced marketing costs compared with the corresponding period last year are mainly driven by a step-up in marketing activities during and ahead of the World Cup in football in the comparable period.

Personnel expenses were EUR 39.3 (32.4) million. The average number of full-time employees in the Group during the fourth quarter was 2,192 (2,043) of which 1,252 (1,179) were based in Malta. The increase in personnel expenses comes from yearly salary revisions, performance-related compensation, geographic expansion and increased investments in product and technology development. As of the third quarter 2023 personnel of the acquired company betFIRST are included in the figures.

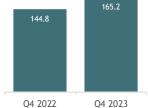
The Group had 240 (224) full-time consultants engaged by the end of the quarter, mainly within product development. This cost is recognised under other external expenses.

Other external expenses, which primarily include sportsbook-related costs, consultants and software licenses, were EUR 33.9 (28.8) million. The increased costs are driven by sustained increased investments in technology and product development.

Capitalised development costs were EUR 7.2 (6.1) million. Amortisation of capitalised development costs was EUR 6.5 (6.1) million.

Gross Profit (MEUR)





2023/Q4

Total amortisation and depreciation for the quarter was EUR 14.9 (11.1) million. The increase is mainly driven by increased depreciation from the acquisition of betFIRST that was acquired in July 2023.

Other operating income/-expenses was EUR 5.1 (-1.6) million. The increased income is driven by foreign currency effects, mainly unrealised, on intercompany balances.

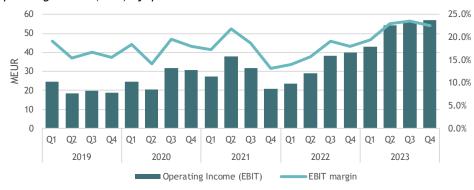
Expenses as a percentage of total revenue



Operating income and net income

Operating income (EBIT) increased by 42.5% to EUR 57.0 (40.0) million. The EBIT margin was 22.6% (18.1%). Organically, EBIT increased by 192.4% to EUR 117.0 million.

Operating income (EBIT) by quarter



Net financial items were EUR -6.1 (-4.2) million and are primarily related to interest expenses and results of associated companies.

Net income was EUR 43.3 (32.7) million, corresponding to EUR 0.30 (0.26) per share.

The reported corporate tax for the fourth quarter was EUR -7.6 (-3.1) million, corresponding to 15.0% (8.8%) 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. The increased tax cost in the fourth quarter also follows an increased tax base in Georgia and Belgium.

Legislation regarding Pillar 2 is effective from January 1, 2024, in Sweden, where Betsson AB is headquartered. According to the legislation, the Group is obligated to pay a supplementary tax for the difference between the effective tax rate calculated according to the rules of Global Anti-Base Erosion (GloBE-rules) and the minimum tax rate of 15%. Historically, the Group has had a significant portion of its income from low-tax markets, such as Malta. In recent years, the Group has expanded its operations and added local companies in more highly taxed jurisdictions, such as Belgium. This, in combination with the supplementary tax of Pillar 2, will result in a substantially higher total corporate tax for the Group starting from January 2024.



Q4 2023

Q4 2022

Earnings for the full year 2023

Operating income (EBIT) for the full year of 2023 amounted to EUR 210.5 (131.2) million. Net income amounted to EUR 173.0 (114.7) million, corresponding to EUR 1.29 (0.87) per share.

Financial position

Cash and cash equivalents amounted to EUR 237.1 (168.3) million at the end of the period. Customer balances and reserves for accumulated jackpots, were EUR 56.7 (56.1) million. Gaming regulations require the Group to reserve a certain share of cash to cover customer balances and accumulated jackpots. Current receivables related to payment providers for unsettled customer deposits were EUR 50.2 (57.4) 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 -59.6 (-65.7) million at the end of the period.

Cash flow

Cash flow from operating activities during the fourth quarter was EUR 47.6 (75.5) million including a negative impact of EUR -13.4 (25.8) million related to changes in working capital. The negative effect on working capital is mainly driven by increased accounts receivables and increased pre-paid expenses. Cash flow from investing activities was EUR -13.9 (-17.9) million and consists mainly of investments in own development and paid earn-out for KickerTech Malta Ltd. Cash flow from financing activities was EUR -35.1 (-31.3) million, mainly driven by dividends paid to shareholders.

48 MEUR

Operating cash flow in the quarter

External financing

The external financing at the end of the period constituted of bonds amounting to EUR 173.1 million. The bonds have a tenor of three years and a floating interest rate of 3 months EURIBOR plus 650 basis points for the bonds in series 2022/2025 and 3 months EURIBOR plus 460 basis points for the bonds in series 2023/2026.

Credit facility	Amount	Coupon rate	Maturity date
Bond 2022/2025 (MEUR)	99.1	EURIBOR + 6,5%	July, 2025
Bond 2023/2026 (MEUR)	74.0	EURIBOR + 4,6%	Sep, 2026

Equity

Equity in the Group was EUR 759.2 (647.8) million at the end of the period, corresponding to EUR 5.61 (4.74) per share.

RISKS

The risk areas that Betsson has identified as most significant and which 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 23 countries and is thus affected by gaming laws that broadly differ between different jurisdictions. For an overall description of the gaming legislation in the jurisdictions where 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, BML Group Ltd continued the dialogue with the Norwegian Gambling Authority (NGA) regarding the cease-and-desist order against the company. In November, the NGA found that while the company's general offer was indeed compliant, the fact that Norwegian residents could deposit and withdraw money on the sites operated by the company indicated, in the NGA's view, that the company's offer was still targeting Norway. As requested, the company submitted its views to the NGA in December 2023. Correspondence with the NGA has continued in January 2024.

2023/Q4

The Finnish Ministry of the Interior commenced work on the legal project to reform gambling regulations. In November, an open hearing of the project was organised, where various organisations presented their views regarding the reform. The government is expected to submit the new draft Lottery Act to a consultation round in June 2024, followed by two months for consultations. The government aims to send the draft to the EU in October 2024 and the Finnish parliament in February 2025. The new licensing system is expected to enter into force in 2026.

In Sweden, the Patent and Market Court of Appeal on 21 December 2023 ruled in the pending matter of a former customer's claim against BML Group Ltd. The court of appeal reversed the earlier judgement of the lower court and ruled in favour of the former customer. The court of appeal ordered BML Group Ltd to pay an amount of EUR 527,396 to the former customer, based on unfair profit. BML Group Ltd has appealed the judgment to the Supreme Court.

In Denmark, the Ministry of Tax proposed various amendments to the Gambling Act to support greater powers for the regulator (DGA), such as issuing injunctions and reprimands. The government also suggested introducing a new licence for B2B suppliers. The proposed amendments, if approved, would come into force on 1 July 2024, with the new supplier licence to become effective on 1 January 2025.

Western Europe

In Italy, the government approved a decree to reform the online gambling sector in December. The decree aims to enhance player protection, combat crime, and increase tax revenue. The decree will form the basis for a new public tender of gambling licences, thus eliminating the need to extend further the current concessions set to expire at the end of 2024. Each concession will be for a term of nine years. The cost of concessions has been increased significantly, from EUR 250,000 to EUR 7 million per concession. There is no cap on the number of concessions available. The operators holding concessions would also be responsible for paying an annual concession fee of 3 percent and an annual fee of 0.2 percent of net revenue to fund responsible gaming campaigns by the government. With the increased cost of concessions, the government aims to significantly reduce the number of licenced websites.

Latin America

In October, the Peruvian regulator Mincetur published the technical regulations required for implementing the online gambling framework and authorising Mincetur to issue licenses, causing the new online gambling framework to become enforceable in March 2024. Entities previously active in the market may continue to operate by applying for a license within 30 days following the regulation's entry into force. A gaming tax of 12% on Gross Gaming Revenue (GGR) shall be payable as of April 2024. The Group has commenced preparations for license applications.

In Chile, Congress voted on the law proposed by the Economy and Treasury Committees in early December. The law introduces a 19% gaming tax on GGR, a 19% VAT on GGR, a 12-month blackout period for operators who were previously active on the market, as well as a 36-month retroactive 31% tax rate on GGR to those operators who have been active in the market between 36 and 12 months before the implementation of the new law. The approved text will move to the Senate for further discussion and vote, although the date is unknown.

In Brazil, the bill regulating online sportsbooks and casinos was adopted after a lengthy process. The President approved the law on 29 December 2023, and it was published in the Official Gazette on 30 December 2023. The new law establishes a 12% tax on GGR, a 15% tax on winnings for players with an exemption up to R\$ 2,112.00 (EUR 393), a license fee of R\$ 30M (EUR 5.5 million) for five years, and that 20% of the company's share capital must be from Brazilian companies or board members. License holders may launch up to three brands in the market. The Ministry of Finance is responsible for issuing technical regulations. Once the regulations are approved, existing operators will have 180 days to submit license applications to keep operating in the market without any business disruption.

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. To further support the link between the sustainability perspective and the financial control in the Group, Betsson has included an ESG criterion in the Group's long-term incentive plan.

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 more details, see the latest annual and sustainability report, which is available on the company's website https://www.betssonab.com/en/sustainability.

Responsible gaming

Betsson's ambition is to be a role model in the industry and to create conditions for players to have a healthy relationship to gaming. Betsson has a responsibility to support customers in controlling their gaming and to identify and help customers at risk of problem gaming.

Betsson offers its customers a wide range of tools for responsible gaming, 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 for its efforts in the field.

During the fourth quarter Betsson entered into an agreement with a new supplier to use their AI tool to further enhance customer protection within the casino product. The tool monitors customer risk in real time, using the customer's own player behaviour as a baseline, and will work in parallel with the Group's in-house Responsible Gaming Prediction Tool and other processes. The new tool will lead to an even more personalised and sustainable experience across Betsson's portfolio of brands.

In November, Betsson participated in the European Safer Gambling Week (ESGW) - an industry wide initiative which aims to raise awareness about safer gambling and available resources. The initiative also serves as a platform for discussions on the latest developments in regulations and research within responsible gaming.

Betsson supported the ESGW by producing a podcast with the head of responsible gaming for the Group and in addition participated in several panel discussions and seminars. The Group also pushed safer gaming awareness messages in its corporate social media channels.

During the quarter, further improvements to Betsson's proprietary technical platform were finalised. These will increase the quality and relevance of onsite responsible gaming notifications and interactions.

During the fourth quarter, 89.2% 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. During the quarter, 39.1% (26.6%) of active customers used control tools, such as deposit limits, time out and/or self-exclusion. In the quarter, 24.2% (31.6%) of active customers used deposit limits. These numbers vary between markets and depend on the geographic customer mix during the quarter since the usage of control tools can be different between markets depending on local regulations and customer preferences.

Betsson uses a number of manual and automated ways to monitor customers, among other through the company's proprietary responsible gaming prediction tool. If a customer exhibits a potentially risky behaviour according to certain established parameters, an individual assessment is made, based on the customer's profile and gaming activity. 16,781 (14,339) customers were manually analysed and checked during the quarter. Betsson then uses a wide spectrum of follow-up actions, for example by 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.

During the quarter, 1.2% (1.8%) of customers self-excluded for a period less than 6 months. 2.2% (2.4%) of customers self-excluded for a period longer than 6 months.

89.2%

Share of active customers with activated tools for responsible gaming

16 781

Customers analysed for potentially risky gaming

To increase transparency and raise awareness about how proactive contacts can change player behaviour, Betsson reports KPIs for risky gaming for the Swedish market. These KPIs are published twice a year on the Company's website at: https://www.betssonab.com/sv/ansvarsfullt-spelande-0

Business compliance

Betsson has extensive controls and processes in place around anti-money laundering and combating financing of terrorism which have been developed over many years, and which are constantly advanced in line with the latest regulatory and industry standards and trends.

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 new 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 conducted its yearly employee survey. A record high number of employees took part in the survey, and the results show that 85% are proud to work at Betsson.

December 2023 marked Betsson's 60th anniversary. This was celebrated across the Group as well as with external partners, highlighting milestones in the Group's successful journey.

Social Impact

Betsson's social impact framework has three focus areas: sports, diversity, and environment, but Betsson also adapts to world events, for example by providing support for humanitarian aid for Ukraine.

In Q4, as part of Betsson's Social Impact initiatives in Sweden, the Group donated funds for a specialized ambulance in support of Operation Aid in Ukraine. In addition, employees in Stockholm gathered essential items such as food, clothing, and more for the organisation to be distributed to people in need in Ukraine.

Other examples of social impact initiatives in the fourth quarter include donations to foodbanks and other charities across the locations where Betsson has offices.

Read more about Betsson's social impact activities at: www.onebetsson.com/csr

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 shall be reduced.

In Q4, work according to the climate roadmap continued with the aim to reduce Betsson's climate footprint. As an online gaming company, the Group needs servers both for its customers to play and employees to work. Betsson has consolidated, optimized, and virtualised its servers to improve energy efficiency. The Group uses suppliers of cloud services which have a green strategy and goals for renewable energy.

Another area that causes emissions is business travel. According to Betsson's Code of Conduct, virtual meetings must be chosen in the first instance, and according to the Group Travel policy, employees must have travel applications approved by a member of the management team.

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 certified climate positive projects.

110%

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

OTHER INFORMATION

EMPLOYEES

At the end of 2023, the Group employed 2,189 (2,023) employees representing around 70 different nationalities. In addition, 240 (224) 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 elements and are 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 (BETS B). At the end of the period, the Company had 27,446 (24,715) 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 amounted to 5,247,433 C shares and 196,433 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 2023 was EUR 2.7 (2.9) million, and net income was EUR 123.1 (118.6) million.

Cash and cash equivalents in the Parent Company amounted to EUR 70.0 (58.1) million.

PROPOSAL FOR DIVIDEND TO SHAREHOLDERS

The Board of Directors proposes to the Annual General Meeting that EUR 88.5 (59.7) million, corresponding to EUR 0.645 (0.436) 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 first payment in the second quarter and second payment in the fourth quarter of 2024.

ANNUAL GENERAL MEETING 2024

Betsson AB's Annual General Meeting (AGM) 2024 will be held on Tuesday, 7 May 2024, in Stockholm. For more information, please visit https://www.betssonab.com/en/general-meetings

Stockholm, 15 February 2024

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 2023	Q4 2022	Jan-Dec 2023	Jan-Dec 2022
Revenue	251.9	220.6	948.2	777.2
Cost of services provided	-86.7	-75.8	-316.4	-272.8
Gross profit	165.2	144.8	631.8	504.4
Marketing expenses	-32.4	-37.0	-127.2	-129.0
Personnel expenses	-39.3	-32.4	-140.6	-119.0
Other external expenses	-33.9	-28.8	-126.5	-106.4
Capitalised development costs	7.2	6.1	29.0	24.4
Amortisation and depreciation	-14.9	-11.1	-52.2	-41.2
Other operating income/expenses	5.1	-1.6	-3.7	-2.0
Operating expenses	-108.2	-104.8	-421.3	-373.2
Operating income	57.0	40.0	210.5	131.2
Financial income and expenses	-6.1	-4.2	-15.7	-6.6
Income before tax	50.9	35.8	194.8	124.6
Tax	-7.6	-3.1	-21.8	-9.9
Net income	43.3	32.7	173.0	114.7
Net income attributable to:				
Equity holders of the Parent Company	41.7	36.2	177.3	119.6
Non-controlling interests	1.6	-3.5	-4.2	-4.9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q4 2023	Q4 2022	Jan-Dec 2023	Jan-Dec 2022
Net income	43.3	32.7	173.0	114.7
Other comprehensive income				
Revenue/expenses recognised directly in equity:				
Hedge of net investments in foreign currency	-10.2	0.1	-10.2	3.0
Exchange differences in translating foreign operations	1.4	-8.1	7.2	7.9
Other comprehensive income of the period	-8.8	-8.0	-3.0	10.9
Total comprehensive income for the period	34.5	24.7	170.0	125.6
Total comprehensive income attributable to:				
Equity holders of the Parent Company	32.9	28.2	174.2	130.5
Non-controlling interests	1.6	-3.5	-4.2	-4.9

CONSOLIDATED BALANCE SHEET

MEUR	31/12/202	3 31/12/2022
Assets		
Intangible fixed assets	717.2	596.2
Property, plant and equipment	9.9	8.1
Right-of-use assets	12.5	18.1
Financial assets	16.9	19.6
Deferred tax receivables	9.0	8.1
Total non-current assets	765.9	650.1
Current receivables	197.7	200.3
Cash and cash equivalents	237.1	168.3
Total current assets	434.2	368.6
Total assets	1,200.1	1,018.7
Equity and liabilities		
Equity	759.2	647.8
Deferred tax liabilities	12.2	3.2
Bond	173.1	98.6
Lease liabilities	1.4	10.3
Total non-current liabilities	186.7	112.1
Lease liabilities	9.7	6.1
Other current liabilities	244.5	252.7
Total current liabilities	254.2	258.8
Total equity and liabilities	1,200.1	1,018.7

CONSOLIDATED CASH FLOW STATEMENT

MEUR	Q4 2023	Q4 2022	Jan-Dec 2023	Jan-Dec 2022
Profit/loss before tax	50.9	35.8	194.8	124.6
Adjustments for non-cash items	14.6	15.0	61.4	46.6
Taxes paid	-4.6	-1.1	-20.5	-9.8
Cash flow from operating activities				
before changes in working capital	60.9	49.7	235.7	161.4
Changes in working capital	-13.4	25.8	-5.4	17.3
Cash flow from operating activities	47.6	75.5	230.4	178.7
Investments in intangibles/tangibles	-9.9	-9.2	-41.4	-35.5
Acquisition of shares in subsidiaries	0.0	-5.9	-109.6	-6.6
Acquisition of shares in associates	0.0	0.0	0.0	-0.9
Paid earnout	-4.0	-2.8	-8.0	-8.2
Cash flow from investing activities	-13.9	-17.9	-159.0	-51.2
Bond issue	-0.0	0.0	73.8	98.6
Bond redemption	0.0	-0.0	0.0	-94.2
Lease payments	-2.1	-2.0	-6.2	-6.4
Loan Associates	-2.2	-4.3	-8.5	-4.3
Share redemption programme	-30.8	-25.0	-59.7	-50.3
Warrant premiums received	0.0	0.0	0.9	1.9
Cash flow from financing activities	-35.1	-31.3	0.3	-54.7
Changes to cash and cash equivalents	-1.4	26.3	71.7	72.8
Cash and cash equivalents at beginning of period	240.5	142.9	168.3	95.6
Exchange differences	-2.0	-0.9	-2.9	-0.1
Cash and cash equivalents at end of period	237.1	168.3	237.1	168.3

CHANGES IN GROUP EQUITY

MEUR	31/12/2023	31/12/2022
Equity opening balance attributable to the Equity holders of the Parent Company	654.2	571.8
Total comprehensive income attributable to Equity holders of the parent company	174.2	130.5
Total change excluding owner transactions	174.2	130.5
Share redemption programme	-59.7	-50.3
Warrant premium received	1.0	1.9
Share options - value of employee services	0.3	0.3
Equity share, associated companies	0.0	-1.5
Equity at end of period attributable to the Equity holders of the Parent Company	770.0	654.2
Non-controlling interests	-10.8	-6.4
Total equity at end of period	759.2	647.8

PARENT COMPANY, INCOME STATEMENT

MEUR	Q4 2023	Q4 2022	Jan-Dec 2023	Jan-Dec 2022
Revenue	0.7	0.7	2.7	2.9
Operating expenses	-4.9	-4.3	-11.7	-11.9
Operating income	-4.3	-3.6	-9.0	-9.0
Financial income and expenses	137.2	123.9	132.1	123.5
Income before tax	133.0	120.3	123.1	114.5
Income tax	0.0	4.1	0.0	4.1
Net income	133.0	124.4	123.1	118.6

PARENT COMPANY, BALANCE SHEET

MEUR	31/12/2023	31/12/2022
Assets		
Property, plant and equipment	0.2	0.2
Financial assets	603.1	603.5
Total non-current assets	603.3	603.7
Current receivables	277.5	194.3
Cash and cash equivalents	70.0	58.1
Total current assets	347.5	252.4
Total Assets	950.8	856.1
Equity and liabilities		
Restricted equity	34.9	34.9
Unrestricted equity	737.9	672.2
Total equity	772.8	707.1
Bond	173.1	98.6
Total non-current liabilities	173.1	98.6
Other current liabilities	4.9	50.4
Total current liabilities	4.9	50.4
Total equity and liabilities	950.8	856.1

QUARTERLY DATA

CONSOLIDATED INCOME STATEMENT, IN SUMMARY

	2023	2023	2023	2023	2022	2022	2022	2022
MEUR	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	251.9	237.6	236.8	221.9	220.6	200.3	186.3	170.2
Cost of services provided	-86.7	-81.0	-74.3	-74.4	-75.8	-66.5	-67.5	-63.1
Gross profit	165.2	156.6	162.5	147.5	144.8	133.8	118.8	107.1
Marketing expenses	-32.4	-27.0	-31.9	-35.9	-37.0	-34.1	-30.5	-27.3
Personnel expenses	-39.3	-34.8	-33.3	-33.3	-32.4	-30.8	-29.8	-26.0
Other external expenses	-33.9	-30.0	-33.2	-29.4	-28.8	-26.5	-25.9	-25.4
Capitalised development costs	7.2	7.2	7.2	7.3	6.1	6.2	6.0	6.1
Amortisation and depreciation	-14.9	-12.9	-13.1	-11.3	-11.1	-10.2	-10.1	-9.8
Other operating income/expenses	5.1	-3.2	-3.6	-2.1	-1.6	-0.0	0.6	-1.0
Operating expenses	-108.2	-100.6	-108.0	-104.5	-104.8	-95.4	-89.6	-83.5
Operating income	57.0	56.0	54.5	43.0	40.0	38.4	29.2	23.6
Financial items, net	-6.1	-5.2	-2.4	-2.1	-4.2	-3.3	2.2	-1.3
Income before tax	50.9	50.8	52.1	40.9	35.8	35.1	31.4	22.3
Tax	-7.6	-4.6	-5.2	-4.3	-3.1	-2.5	-2.8	-1.4
Net income	43.3	46.2	46.9	36.6	32.7	32.6	28.6	20.9

CONSOLIDATED BALANCE SHEET, IN SUMMARY

	2023	2023	2023	2023	2022	2022	2022	2022
MEUR	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Non-current assets	765.9	768.2	651.8	651.2	650.1	641.2	635.7	627.6
Current assets	434.2	457.5	428.5	422.0	368.6	342.4	297.8	287.0
Total assets	1,200.1	1,225.7	1,080.4	1,073.2	1,018.7	983.6	933.5	914.6
Equity	759.2	757.4	707.0	688.7	647.8	646.4	604.0	591.8
Provisions and non-current liabilities	186.7	183.8	111.2	111.2	112.1	112.9	102.6	17.3
Current liabilities	254.2	284.5	262.1	273.3	258.8	224.7	226.9	305.5
Total equity and liabilities	1,200.1	1,225.7	1,080.4	1,073.2	1,018.7	983.6	933.5	914.6

CONSOLIDATED CASH FLOW STATEMENT, IN SUMMARY

	2023	2023	2023	2023	2022	2022	2022	2022
MEUR	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating cash flow	47.6	44.9	89.4	48.8	75.5	38.5	37.8	26.9
Cash flow from investing activities	-13.9	-119.2	-15.4	-10.2	-17.9	-9.1	-14.8	-9.4
Cash flow from financing activities	-35.1	71.1	-34.1	-1.9	-31.3	-17.7	-4.4	-1.2
Total cash flow	-1.4	-3.1	39.9	36.7	26.3	11.7	18.6	16.3

2023/Q4

KEY RATIOS

	2023	2023	2023	2023	2022	2022	2022	2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Key financial ratios								
Gross Margin (% of revenue)	65.6	65.9	68.6	66.5	65.6	66.8	63.8	62.9
EBITDA-margin (% of revenue)	28.6	29.0	28.5	24.5	23.2	24.3	21.1	19.6
EBIT-margin (% of revenue)	22.6	23.6	23.0	19.4	18.1	19.2	15.7	13.9
Profit margin (% of revenue)	20.2	21.4	22.0	18.4	16.2	17.5	16.9	13.1
Marketing expenses (% of revenue)	12.9	11.4	13.5	16.2	16.8	17.0	16.4	16.0
Basic earnings per share (EUR)	0.30	0.35	0.37	0.28	0.26	0.24	0.21	0.16
Diluted earnings per share (EUR)	0.30	0.35	0.37	0.28	0.26	0.24	0.21	0.16
Equity per share (EUR)	5.61	5.60	5.20	5.03	4.74	4.75	4.42	4.33
Executed dividend/redemption per share (EUR)	0.218	0.000	0.218	0.000	0.184	0.000	0.184	0.000
Equity/assets ratio (%)	62	62	65	64	64	66	65	65
Return on equity (%, 12 months)	25	24	23	20	18	17	17	18
Return on total capital (%, 12 months)	19	17	17	15	14	13	12	13
Return on capital employed (%, 12 months)	22	23	22	20	18	17	15	16
Net debt (MEUR)	-60	-66	-139	-105	-66	-55	-20	-17
Net debt / EBITDA (Multiple, 12 months)	-0.3	-0.3	-0.6	-0.5	-0.4	-0.4	-0.1	-0.1
Shares								
Average share price (SEK)	109.52	121.18	109.40	92.37	81.96	64.98	61.66	53.21
Share price at end of period (SEK)	108.50	120.20	114.80	98.60	84.77	65.05	64.73	57.25
Highest share price (SEK)	120.30	130.70	122.80	100.18	86.57	70.65	68.15	58.20
Lowest share price (SEK)	102.00	105.79	93.78	82.73	63.65	54.20	54.08	47.80
Number of shareholders at end of period	27,492	26,521	25,300	25,308	24,715	25,148	25,343	25,805
Number of shares outstanding at end of period	137.3	137.3	137.0	137.0	137.0	137.0	136.8	136.8
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	2,192	2,149	2,098	1,967	2,043	1,938	1,942	1,957
Number of employees at end of period	2,189	2,158	2,119	2,112	2,023	1,948	1,957	1,926

CUSTOMERS

	2023	2023	2023	2023	2022	2022	2022	2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Registered customers (000's)	29,674	29,393	28,121	27,461	26,816	25,629	24,967	24,200
Active customers (000's)	1,345	1,237	1,120	1,116	1,425	1,056	1,247	1,256

CUSTOMER DEPOSITS

	2023	2023	2023	2023	2022	2022	2022	2022
MEUR	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Customer deposits	662.2	625.9	591.4	578.3	618.2	560.5	534.6	514.1
Customer deposits, all gaming solutions	1,392.0	1,237.4	1,240.6	1,148.2	1,096.0	943.2	845.5	782.5

CASINO DATA

	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Gross turnover, all gaming solutions Casino (MEUR)	9,163.0	8,289.8	8,354.4	7,739.7	7,090.8	6,280.3	5,668.4	5,124.3
Revenue (MEUR)	182.8	172.1	165.1	152.0	146.1	135.4	122.2	111.0

SPORTSBOOK DATA

	2023	2023	2023	2023	2022	2022	2022	2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Gross turnover, all gaming solutions (MEUR)	1,675.0	1,308.8	1,312.3	1,329.2	1,416.2	1,058.1	991.3	947.5
of which gross turnover live betting (MEUR)	1,072.0	887.2	921.9	920.7	893.1	733.0	648.4	620.6
Sportbook margin after free bets (%)	6.2	7.3	8.2	8.0	7.3	8.3	8.3	8.3
Revenue (MEUR)	67.0	63.3	69.5	67.2	70.7	61.9	61.6	56.4

REVENUE BY PRODUCT								
	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Revenue (MEUR)								
Casino	182.8	172.1	165.1	152.0	146.1	135.4	122.2	111.0
Sportsbook	67.0	63.3	69.5	67.2	70.7	61.9	61.6	56.5
Other products	2.1	2.1	2.3	2.7	3.8	3.0	2.5	2.7
Total	251.9	237.6	236.8	221.9	220.6	200.3	186.3	170.2
	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Share of total revenue (%)								
Casino	72	72	70	69	66	68	66	65
Sportsbook	27	27	29	30	32	31	33	33
Other products	1	1	1	1	1	2	1	2
	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Growth, compared with previous quarter (%)	· ·		- Q2	<u> </u>			- QZ	<u> </u>
Casino	6	4	9	4	8	11	10	-4
Sportsbook	6	-9	3	-5	14	0	9	41
Other products	1	-6	-15	-30	25	23	-9	20
Total	6	0	7	1	10	8	9	8
	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Growth, compared with same period previous year (%)								
Casino	25	27	35	37	27	8	1	-5
Sportsbook	-5	2	13	19	76	45	22	45
Other products	-44	-31	-9	-2	68	41	29	29
Total	14	19	27	30	40	18	8	8

2023/Q4

REVENUE BY REGION

REVENUE DI REGION								
	2023	2023	2023	2023	2022	2022	2022	2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Casino (MEUR)								
Nordics	32.7	33.6	37.1	37.6	39.1	39.9	38.6	39.4
Latin America	31.1	28.3	22.5	18.6	17.6	14.6	13.7	11.3
Western Europe	32.6	30.0	25.7	25.5	24.4	23.5	22.8	20.7
Central & Eastern Europe and Central Asia	83.9	77.9	76.7	67.4	62.3	54.9	44.4	36.6
RoW	2.6	2.4	3.1	2.9	2.8	2.5	2.7	2.9
Total	182.8	172.1	165.1	152.0	146.1	135.4	122.2	111.0
	2023	2023	2023	2023	2022	2022	2022	2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sportsbook (MEUR)								
Nordics	12.9	11.8	13.8	13.5	12.6	13.0	11.7	13.7
Latin America	21.9	23.1	28.6	26.3	34.3	23.9	31.8	25.2
Western Europe	9.0	9.1	1.2	1.5	1.2	1.3	1.9	1.3
Central & Eastern Europe and Central Asia	22.1	18.2	25.0	24.9	21.6	22.6	15.7	15.7
RoW	1.1	1.1	0.9	1.0	1.0	1.1	0.6	0.6
Total	67.0	63.3	69.5	67.2	70.7	61.9	61.6	56.4
	2023	2023	2023	2023	2022	2022	2022	2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total, for all products, per region (MEUR)								
Nordics	46.4	46.1	51.7	51.9	53.1	53.8	51.2	54.1
Latin America	53.3	51.7	51.4	45.2	52.3	38.8	45.7	36.8
Western Europe	41.7	39.2	27.0	27.2	25.8	25.0	24.8	22.2
Central & Eastern Europe and Central Asia	106.8	97.0	102.6	93.5	85.3	78.8	61.1	53.4
RoW	3.7	3.6	4.2	4.2	4.0	3.8	3.5	3.7
Total	251.9	237.6	236.8	221.9	220.6	200.3	186.3	170.2
	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
	प्र	<u> </u>	Q.	٧٠	Q 1	<u></u>	<u> </u>	۷,
Share per region (%)	40	40	22	22	24	27	27	22
Nordics	18	19 22	22 22	23 21	24	27 19	27 25	32 22
Latin America	21 17	16	11	12	24 12	13	13	13
Western Europe Central & Eastern Europe and Central Asia	42	41	43	42	38	39	33	31
RoW	1	1	2	2	2	2	2	2
	2022	2022	2022	2022	2022	2022	2022	2022
	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Growth, compared with previous quarter (%)		-		-	-	-	-	-
Nordics	1	-11	-0	-2	-1	5	-5	4
Latin America	3	1	14	-14	35	-15	24	42
Western Europe	6	45	-1	5	3	1	12	9
Central & Eastern Europe and Central Asia	10	-5	10	10	8	29	14	-4
RoW	3	-15	1	4	6	8	-4	7
	2023	2023	2023	2023	2022	2022	2022	2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Growth, compared with same period previous year (%)	12	4.4	4	4	า	4	4	43
Nordics Latin America	-13 2	-14 33	1 13	-4 23	2 102	1 59	-6 86	12 174
	62	53 57	9	23 22	26	-30	-39	-44
Western Europe Central & Eastern Europe and Central Asia	25	23	68	75	26 53	-30 48	-39 23	- 44 -0
RoW	-9	-7	19	13	17	15	-5	19
NOTE	-7	-7	17	13	17	13	- ,	17

SPECIFICATION OF COST OF SERVICES PROVIDED

	2023	2023	2023	2023	2022	2022	2022	2022
MEUR	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Licence fees	21.8	21.5	20.5	19.3	20.2	18.9	18.2	17.0
Betting duties	27.7	25.9	22.0	20.0	18.1	15.7	14.1	14.0
Affiliates and partners commission	10.0	9.4	7.4	7.9	7.7	7.4	9.3	9.9
Other cost of services provided	27.2	24.1	24.5	27.2	29.8	24.5	25.8	22.2
Total	86.7	81.0	74.3	74.4	75.8	66.5	67.5	63.1

SPECIFICATION OF AMORTISATION AND DEPRECIATION

	2023	2023	2023	2023	2022	2022	2022	2022
MEUR	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Depreciation property, plant, and equipment	1.2	1.2	0.9	0.9	0.9	0.9	0.9	0.8
Depreciation right-of-use assets	1.5	1.5	1.5	1.5	1.6	1.5	1.4	1.4
Amortisation intangible fixed assets	12.3	10.3	10.7	8.9	8.6	7.8	7.8	7.6
(whereof amortisation of capitalised								
development costs)	6.5	6.4	6.2	6.0	6.1	6.0	5.8	5.6
Total	14.9	12.9	13.1	11.3	11.1	10.2	10.1	9.8

ORGANIC CALCULATION (EFFECTS FROM ACQUISITIONS AND CURRENCY)

,	2023	2023	2023	2023	2022	2022	2022	2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Reported revenues	251.9	237.6	236.8	221.9	220.6	200.3	186.3	170.2
- Revenue from acquisitions	-11.4	-11.7	-1.2	-1.5	-1.6	-6.9	-8.4	-7.3
- Currency effects	60.5	52.7	30.0	14.5	13.4	35.7	17.0	17.3
Organic revenues	301.0	278.6	265.6	234.9	232.4	229.1	194.9	180.2
Organic growth (YoY)	36%	39%	43%	38%	48%	35%	13%	14%
Reported growth (YoY)	14%	19%	27%	30%	40%	18%	8%	8%
Reported operating income (EBIT)	57.0	56.0	54.5	43.0	40.0	38.4	29.2	23.6
- Result from acquisitions	1.0	-0.9	0.8	1.2	1.0	-0.4	-0.8	-1.4
- Currency effects	59.0	32.9	14.7	13.6	14.4	35.2	17.2	16.0
Organic operating income	117.0	88.0	70.0	57.8	55.4	73.1	45.6	38.2
Organic growth (YoY)	192%	129%	140%	145%	166%	131%	20%	40%
Reported growth (YoY)	42%	46%	87%	82%	92%	21%	-23%	-13%

OTHER NOTES

CURRENCY EXCHANGE RATES

The exchange rates below have a direct or indirect effect on the figures in the report.

Income Statement (average rate during the period October - December)

	2023	2022	Δ
SEK/EUR	0.0872	0.0941	-7.3%
GEL/EUR	0.3520	0.3274	+7.5%
ARS/EUR	0.0035	0.0067	-47.6%
PEN/EUR	0.2472	0.2479	-0.3%

Balance Sheet (closing rate)

	31/12/2023	31/12/2022	Δ
SEK/EUR	0.0901	0.0899	+0.2%
GEL/EUR	0.3361	0.3467	-3.1%

ACQUISITIONS 2023

On June 15, Betsson announced the acquisition of Belgian Sports betting operator betFIRST and announced a new strategic partnership with listed French Casino operator Groupe Partouche to offer online casino games in regulated markets.

The total up-front consideration for the acquisition of betFIRST amounts to EUR 117 million on a cash and debt-free basis, payable in cash. In addition, Betsson may pay up to EUR 3 million as earnout, subject to delivery on certain agreed financial targets.

The table below summarizes the purchase consideration paid, and fair value of recognized assets and liabilities. Current receivables and liabilities do not involve any derivatives and their fair values are equivalent to their reported values.

The acquired customer base has been valued at EUR 18.4 million and the ongoing amortization of this item will be charged to the Group's income over a period of three years. The acquired brand is valued at EUR 5.2 million and is deemed to have an indefinite useful life and is not subject to depreciation but will be annually subject to tests to identify any need for impairment. Revenue synergies, integration and cost synergies explain the total excess value in goodwill. No part of reported goodwill is expected to be tax deductible.

Expenses related to the acquisition amount to EUR 2.1 million and refer to fees for consultants in connection with the acquisition and are recorded in operating costs. Amortisation on customer database has affected the result by circa EUR 1.5 million in the quarter.

In the last financial year ending 31 December 2022, betFIRST recorded net gaming revenue of EUR 51.2 million and adjusted EBITDA of EUR 10.0 million.

If betFIRST had been consolidated from 1 January 2023, Betsson's revenue for the full year would have amounted to EUR 975.5 million instead of the reported EUR 948.2 million and EBIT to 211.2 million instead of the reported EUR 210.5 million. This includes amortization of the customer database from 1 January 2023, which arises in the acquisitions, but excludes any acquisition cost related to the acquisitions.

Purchase price			
allocation			

	u
Purchase price	129.6
Reported amount of identifiable acquired assets and taken over liabilities	
Customer database	18.4
Brands	5.2
Non-current liabilities	2.2
Current receivables	2.0
Current liabilities	10.3
Liquid funds	17.3
Deferred tax liability	5.9
Total identifiable net assets	28.9
Goodwill	100.7

The purchase price allocation should be considered preliminary, but an update has been made compared to the allocation presented in the third quarter. The major changes that have occurred include an increase in allocated values to customer database and brands, as well as a decrease in goodwill.

Cashflow effect of acquisition:	
Paid purchase price	126.6
Acquired liquid funds	17.3
Cashflow, net effect	109.3

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.

Consolidated statement of comprehensive income

In the presentation of the consolidated statement of comprehensive income, other comprehensive income for the period has increased for the period from January 1, 2022, to December 31, 2022, due to the correction of a previous error in the reporting of exchange differences in translating foreign operations.

Changes within the Group's total equity

A correction has been made to the Group's opening balances of equity with effect from January 1, 2022. The correction relates to a reclassification within total equity. This reclassification has no impact on the Group's total equity or on unappropriated earnings.

Pillar 2

Legislation regarding Pillar 2 is effective from January 1, 2024, in Sweden, where Betsson AB is headquartered. According to the legislation, the Group is obligated to pay a supplementary tax for the difference between the effective tax rate calculated according to the rules of Global Anti-Base Erosion (GloBE-rules) and the minimum tax rate of 15%. Historically, the Group has had a significant portion of its income from low-tax markets, such as Malta. In recent years, the Group has expanded its operations and added local companies in more highly taxed jurisdictions, such as Belgium. This, in combination with the supplementary tax of Pillar 2, will result in a substantially higher total corporate tax for the Group starting from January 2024.

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

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Net debt: Financial liabilities (bond, bank loans and leasing debts) plus customer balances 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, excluding redemption shares.

Number of shares outstanding: Total number of shares (excluding treasury shares and redemption 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

Q1 2024 26 April, 2024
Publication of annual report 2023 5 April, 2024
Annual General Meeting 7 May, 2024
Q2 2024 19 July, 2024
Q3 2024 24 October, 2024
Q4 2024 and Year-end report 13 February, 2025

PRESENTATION OF THE INTERIM REPORT

At 09:00 CET on 15 February 2024, Betsson invites analysts, investors and media to participate in the presentation of the results for the fourth 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 to the webcast: https://ir.financialhearings.com/betsson-q4-report-2023 Link with information on how to participate in the telephone conference: https://financialhearings.com/event/46181



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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 Large Cap (BETS B).

Betsson's operational subsidiaries' vision is to deliver the best customer experience in the industry. They offer casino, sports betting and other games via gaming licenses in 23 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.

