

Betsson AB (publ) interim report July - September 2022

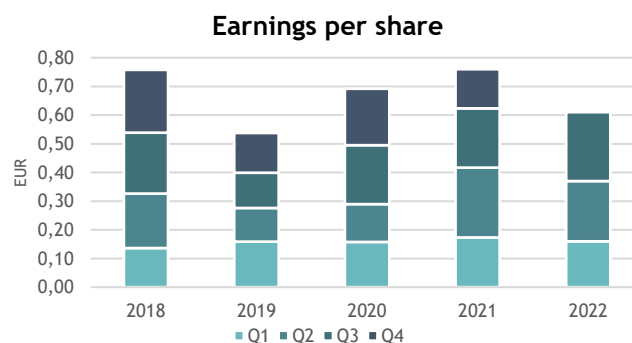
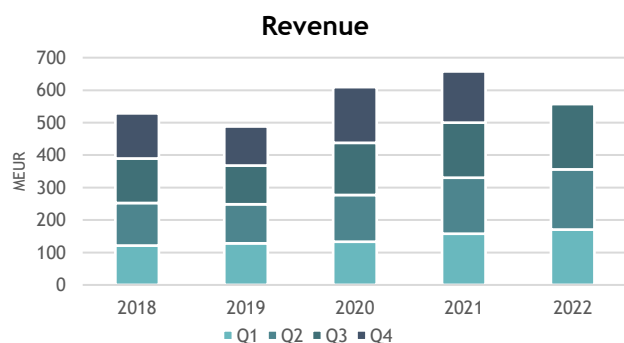
“Betsson’s best quarter ever, driven by both sports and casino”

QUARTER JULY - SEPTEMBER 2022

- Group revenue was EUR 200.3 (170.0) million, an increase of 18%. Organic increase of 35%.
- Casino revenue increased by 8%. Sportsbook revenue increased by 45% and the sportsbook margin was 8.3% (7.8%).
- EBITDA was EUR 48.6 (41.0) million, an increase of 19%. The EBITDA margin was 24.3% (24.1%).
- Operating income (EBIT) was EUR 38.4 (31.7) million, an increase of 21%. The EBIT margin was 19.2% (18.7%).
- Net income was EUR 32.6 (28.2) million, corresponding to EUR 0.24 (0.21) per share.
- Operating cash flow was EUR 38.5 (41.4) million.
- Net debt was EUR -54.7 (-6.4) million.
- Active customers increased by 7% to 1,056,400 (986,429).

THE PERIOD JANUARY - SEPTEMBER 2022

- Group revenue was EUR 556.7 (500.2) million, an increase of 11%. Organic increase of 21%.
- EBITDA was EUR 121.2 (123.4) million, a decrease of 2%. The EBITDA margin was 21.8% (24.7%).
- Operating income (EBIT) was EUR 91.2 (96.8) million, a decrease of 6%. The EBIT margin was 16.4% (19.4%).
- Net income was EUR 82.1 (85.2) million, corresponding to EUR 0.61 (0.62) per share.
- Operating cash flow was EUR 103.1 (130.1) million.
- The AGM approved dividend to shareholders of SEK 539.0 (502.9) million, corresponding to SEK 3.94 (3.68) per share. The first of two instalments was distributed to the shareholders in June.



KEY DATA

MEUR	Q3 2022	Q3 2021	Δ	Jan-Sep 2022	Jan-Sep 2021	Δ	Jan-Dec 2021
Revenue	200.3	170.0	18%	556.7	500.2	11%	657.7
Gross profit	133.8	109.9	22%	359.6	328.0	10%	425.6
EBITDA	48.6	41.0	19%	121.2	123.4	-2%	153.7
EBITDA margin %	24.3	24.1	-	21.8	24.7	-	23.4
Operating income (EBIT)	38.4	31.7	21%	91.2	96.8	-6%	117.6
EBIT margin %	19.2	18.7	-	16.4	19.4	-	17.9
Net income	32.6	28.2	16%	82.1	85.2	-3%	103.9
Earnings per share (EUR)	0.24	0.21	14%	0.61	0.62	-1%	0.78
Operating cash flow	38.5	41.4	-7%	103.1	130.1	-21%	143.6
Casino revenue	135.4	125.1	8%	368.5	362.0	2%	477.1
Sportsbook gross turnover	1,058.1	821.0	29%	2,997.0	2,507.6	20%	3,532.0
Sportsbook revenue	61.9	42.7	45%	179.9	131.9	36%	172.1
Sportsbook margin after free bets %	8.3	7.8	-	8.3	7.8	-	7.3
Deposits	943.2	758.5	24%	2,571.2	2,206.6	17%	2,987.7
Active customers (number of)	1,056,400	986,429	7%				

CEO COMMENT

Betsson's best quarter ever, driven by both sports and casino



Pontus Lindwall
President and CEO Betsson AB

We saw a continued positive development during the third quarter with high growth and profitability for the Group as a whole. Betsson reported new records for revenue and operating profit, driven by both sports betting and casino. The organic growth was 35 percent compared to the corresponding quarter last year, again generated mainly by the regions Latin America and Central and Eastern Europe and Central Asia (CEECA). Another growth factor in the quarter was high sportsbook turnover, partly because of the early start of the European football leagues in August, due to the upcoming FIFA World Cup in November-December. I am particularly pleased with the high growth overall given the fact that we have not had any revenue from the Netherlands, where our license applications are still being processed.

The sportsbook continues to develop into a more important part of the total business for Betsson thanks to investments in the past years to strengthen the product and to expand geographically to markets with structural growth potential. The gross turnover in the sportsbook increased by 29 percent and the margin was 8.3 percent in the quarter. The margin is in line with the previous two quarters this year, but somewhat higher than the average of the last eight quarters of 7.7 percent. To illustrate the momentum that we are experiencing in the sportsbook, it's worth mentioning that eight of the ten best days ever in terms of turnover have occurred since the beginning of the third quarter this year.

Betsson continues to deliver on the growth strategy, which is based on geographic expansion and diversification, and in August an online casino offering was launched on the regulated market in Mexico. This is a soft launch so far, but marketing will increase during the fourth quarter and especially during 2023 and we see considerable potential for this market in the long term given the size of the economy, the population, and the low level of online gaming penetration in the country.

As always, there has been a high level of activity on the product and technology side during the quarter. Our horse race betting product, under the Racebets brand, was strengthened and a new sportsbook app was launched for Betsson on several key markets - just to mention a few things.

Italy continues to be a shining star for us within the region Western Europe, and during the quarter a new sports betting product was launched, and two new sponsorships were entered with the football clubs Salernitana and Palermo. This means that we now have sponsorships with six geographically diverse Italian teams - in addition to the two clubs mentioned also with Milan, Roma, Torino and Sassuolo.

Betsson's business has historically been relatively unaffected by the general business cycle and so far, we have not seen any signs of weaker demand due to the general macroeconomic situation. We are excited as we look forward to the rest of the fourth quarter and the World Cup in football, which has good chances of becoming the biggest sports event ever for Betsson.

Founded in

1963



Betsson AB's share is listed on Nasdaq Stockholm Mid Cap

Ticker: BETS B



Betsson Group operates 20 brands

19

Licensed for gaming in 19 jurisdictions

Pontus Lindwall
President and CEO Betsson AB

SIGNIFICANT EVENTS AND OUTLOOK

SIGNIFICANT EVENTS DURING THE QUARTER

In July, Betsson AB redeemed the remaining SEK 300 million of the 2019/2022 bonds, using the early redemption clause.

In August, a tap bond issue of EUR 10 million was carried out under the Company's existing framework of senior unsecured bonds totaling EUR 250 million. The subsequent bonds were priced at 100.0 percent and run with a floating interest rate of EURIBOR three months plus 650 bps with final maturity in June 2025.

Through subsidiaries, a technical launch on the regulated market in Mexico took place under the Betsson brand. The commercial launch is planned to happen gradually during the fourth quarter and the coming year.

Through subsidiaries, a new sportsbook product was launched for the Italian market, under the local brand StarCasino Bet.

In August, the Group increased its ownership in the operator Colbet, Colombia, from 70% to 88%.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

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

In October, Betsson acquired 80% of the shares in KickerTech Malta Limited from TG Holdings Limited. KickerTech owns a business-to-business (B2B) sportsbook operation. KickerTech has a team of 50 professionals building advanced odds models, trading technology and sportsbook features. The team is based in Vilnius, Lithuania. In the last 12 months, ending on 30 September 2022, the acquired business generated revenue of approximately EUR 2.6 million and EBIT of approximately EUR 1.3 million. The total consideration for 80% of the shares amounts to EUR 14 million on a cash and debt free basis. The consideration will be paid in three instalments, with EUR 6 million in cash immediately, EUR 4 million in cash in six months with an additional EUR 4 million in twelve months, either in cash or shares issued by Betsson. The cash portion of the acquisition will be financed with Betsson's existing funds. The acquisition will support Betsson's B2B growth strategy by expanding its client base and providing additional scalable technology as well as strengthening the existing sportsbook with advanced trading and modelling tools and added sportsbook features for players.

TRADING UPDATE

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

The average daily revenue in the fourth quarter 2022 up until and including 24 October was 38.1 percent higher than the average daily revenue of the full fourth quarter 2021. During the start of the fourth quarter, the sportsbook margin has been somewhat higher than the average margin over time. The sportsbook margin in the full fourth quarter last year was 6.0%, which is significantly lower than the historical average. The fourth quarter last year was also the first quarter without any revenue from the Netherlands. Adjusted for currency effects and acquisitions, the average daily revenue until 24 October was 44.4 percent higher than the average daily revenue of the full fourth quarter 2021.

THE GROUP'S OPERATING ACTIVITIES

Betsson's operational subsidiaries offer online casino, sports betting and other types of gaming. In the following sections, we comment on the development of the operational business as well as the financial developments of the Group.

STRATEGIC DIRECTION FOR GROWTH

Betsson's long-term ambition is to outgrow the market, which should be done in a profitable and sustainable manner with local adaptations. Based on its strengths and thorough market analysis, Betsson has identified the following growth areas: growth in existing markets, expansion into new markets and development of the B2B offering with focus on the proprietary sportsbook.

Betsson sees opportunities to grow in these areas, both organically through in-house development and through acquisitions when the right opportunities are identified. Betsson's financial position allows room for manoeuvre to take advantage of good opportunities that supplement existing offerings with new geographical markets, products, and brands.

Betsson shall strengthen its position in existing markets and shall evaluate new markets by prioritising countries where the Group has the best conditions to offer competitive products profitably. Betsson's broad brand portfolio, as well as its own technology and proprietary platforms, create opportunities to quickly and flexibly establish a presence in new markets. The proprietary sportsbook entails substantial opportunities to create new offerings with economies of scale.

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

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

PRODUCT AND TECHNOLOGY DEVELOPMENT

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

A new sportsbook app was introduced on several markets in the Nordic region and Latin America. Adaptations and further development of Betsson's tech platform and sportsbook are also being made to support a B2B offering.

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

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

In the third quarter, the horse race betting product on the Racebets brand was strengthened. New payment solutions were integrated for the German market and live streaming was introduced for South Africa.

SUSTAINABILITY AT BETSSON

Sustainability is an integrated part of Betsson's business strategy and a prerequisite for generating shareholder value and at the same time taking long-term responsibility for customers, employees, and the communities in which the Group operates. Betsson's Sustainability Framework establishes five focus areas: Responsible Gaming, Business Compliance, Employee Impact, Social Impact and Climate Impact. For a more detailed description of these areas, see the Annual and Sustainability Report for 2021.

Responsible gaming

Betsson has a responsibility to support customers in controlling their gaming and to identify and help customers at risk of problem gaming. Betsson's ambition is to be a role model in the industry and to create conditions for players to always have a healthy relationship to gaming. Betsson offers its customers a wide range of tools for responsible gaming, for example deposit limits, self-exclusion, personal time limit for gaming, self-evaluation tests

and access to well-trained and professional customer service staff 24 hours a day, 7 days a week.

During the quarter, Betsson launched a responsible gaming themed campaign in Greece with the message “Athletes should go all in. Maybe you shouldn’t.” where Betsson encourages customers to set boundaries and reminds them that the game is only fun when played responsibly.

Betsson has also further strengthened its commitment to responsible gaming in Greece with the creation of the Betsson Foundation. The Foundation’s website <https://betssonfoundation.gr> promotes tips on safe and responsible gaming and also lists the many social impact initiatives that Betsson organises in Greece. Through the Betsson Foundation, donations will be given to non-profit organizations in the fields of education, health, and sports.

In Q3, Betsson had a visit from the European Gaming and Betting Association (EGBA) where Betsson is a member. Betsson presented its approach when it comes to the close connection between responsible gaming, anti-money laundering and customer service to EGBA.

In October, Betsson participated in several seminars on responsible gaming organised during the yearly European Safer Gambling Week.

Betsson always offers its customers various tools to control their gaming. During the third quarter, 9.8 percent of customers used non-mandatory tools to control their gaming (10.6 percent) and 42.2 percent of all new depositing customers during the quarter set a deposit limit (35.7 percent). The change in these numbers is related to the customer mix during the quarter since customers in some markets are more prone to using control tools than others.

Betsson initiated 72,382 (74,475) interactions within responsible gaming with customers manually, automatically and via real-time messages during the third quarter. The number of interactions continue to be high as Betsson works actively to interact frequently with customers and raise awareness about responsible gaming.

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

The proportion of red-flagged customers in the quarter amounted to 1.15 percent (1.2 percent) of all customers who contacted customer service during the period. 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.

Business compliance

Betsson holds gaming licenses in 19 jurisdictions with largely different legislations. The sustainability framework states that Betsson must comply with laws, regulations, and ethical standards in the countries where Betsson operates. This is a prerequisite for ensuring long-term sustainable operations and profitability for Betsson.

In Q3, Betsson rolled-out the supplier due diligence process to enhance the management of potential risks coming from the relationship with third-party suppliers. With the introduction of an automated, data-driven software, Betsson aims to ensure that due diligence checks on third parties are carried out in a holistic and comprehensive manner.

Betsson finalised a new whistleblowing framework in accordance with local and European requirements to ensure the highest standards of professionalism, integrity, and ethical behaviour as well as to prevent or reduce the risks of unlawful or improper practices by granting a safe and confidential way to report any wrongdoings. The new whistleblowing framework will be introduced shortly.

An industry AML Code of Conduct is being prepared by the European Gaming and Betting Association (EGBA) and its members, including Betsson. Following a period of public consultation, EGBA will adopt the Code and make it binding for its members.

72 382

Proactive interactions for responsible gaming

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.

During the quarter, Betsson hosted its second Diversity and Inclusion Conference, held in London and highlighting women in gaming. The half day focused on actionable steps to take to attract and retain women in the gaming industry and heard from subject-matter experts, industry leaders and HR professionals.

Betsson also hosted its third Diversity and Inclusion Conference during the quarter, this time in Valletta. The agenda covered a wide spectrum of topics such as inclusive leadership, Diversity and Inclusion best practices, unconscious bias, gender stereotypes, trans-inclusivity, and neurodiversity.

During the quarter, Betsson also celebrated Pride with among other participation in the Malta Pride Parade and an external speaker who held a global online session for all employees titled 'Creating an LGBTQ+ Inclusive Workplace'.

Betsson won three awards at the Women in Gaming Diversity and Employee Wellbeing Awards 2022: Company of the Year, Best Diverse Place to Work and Innovation in Employee Engagement.

To be the Employer of Choice, a welcoming and functional office space is one important component. In Q3, Betsson opened a new, modern office in Colombia which serves as the Group's hub for Latin America. The Betsson office in Tallinn also moved to new premises while the office in Stockholm was redesigned in the quarter.

Social Impact

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

During the quarter, Betsson's Social Impact Strategy was finalised. The strategy introduces the umbrella brand Betsson Impact which will be used for Betsson's social impact activities to strengthen communication efforts.

The strategy also sets out three main focus areas: Sports, Diversity and Environment. An example of an activity covering both Sports and Diversity, is the donation made during the quarter of training equipment to the Szent Margit Day Care centre in Budapest, which is a facility for people with intellectual disability.

Beyond the focus areas in the strategy, Betsson adopts to world events and directs its support where it is most needed. Consequently, in Q3, the Group continued its support to humanitarian aid to Ukraine with a fund raising among employees in the Stockholm office which the company then matched with an equal sum.

Climate Impact

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

Betsson has a standalone tool for internal reporting on the Group's global electricity consumption, waste, business travel etc in a transparent and continuous way. During the quarter, improvements were made to the tool which will facilitate follow-up of emissions going forward.

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

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

110%

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

THIRD QUARTER DEVELOPMENTS

CUSTOMER ACTIVITY

Customer deposits in all operational subsidiaries' gaming solutions during the quarter were EUR 943.2 (758.5) million, an increase of 24.3%.

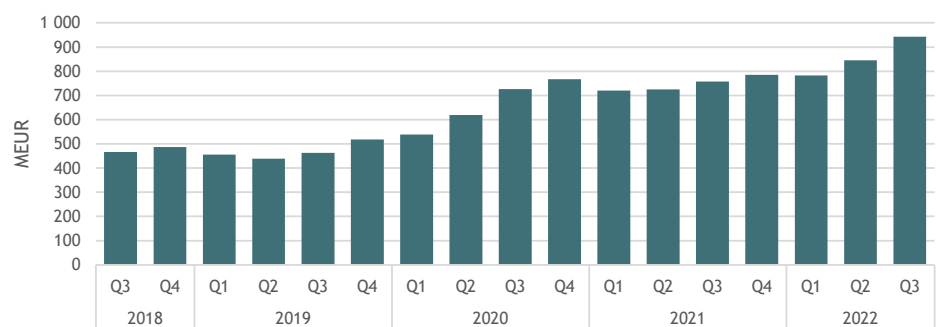
By the end of the third quarter, the number of registered customers was 25.6 (21.6) million, an increase of 18.8%.

Active customers during the quarter were 1,056,400 (986,429), an increase of 7.1%.

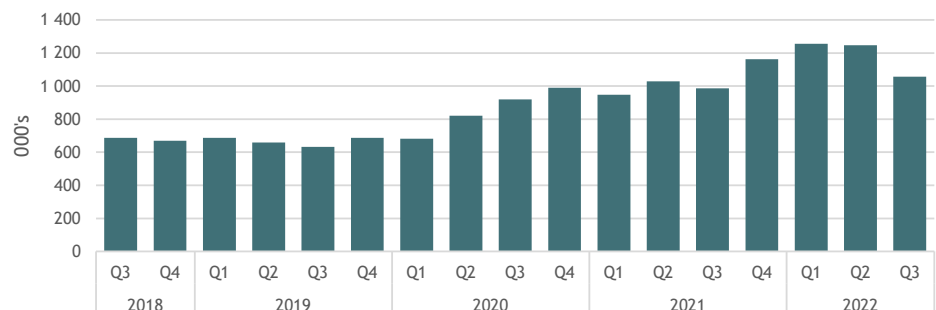
Customer deposits

24%

Increase of customer deposits compared to the same period last year



Active customers



MARKET DEVELOPMENT BY REGIONS

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

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

Nordics

Revenue from the Nordics was EUR 53.8 (53.4) million, an increase of 0.7%.

Finland reported revenue growth both compared to the previous quarter and the corresponding period last year, mainly driven by the sportsbook operations. Denmark reported all-time high revenue in the third quarter, where the casino product continued to drive growth in the market. Revenue declined in Sweden and Norway compared to the corresponding period last year, mainly driven by the casino product.

Western Europe

Revenue from Western Europe was EUR 25.0 (35.5) million, a decrease of 29.7%.

Starting from the end of the third quarter 2021, Betsson decided to temporarily stop accepting Dutch customers on international websites in order to create good conditions for the licensing process in the country. The decision was made in accordance with the Dutch Gaming Authority's new policy implying that operators who are waiting out the cooling off period are forced to cease operations completely, pending an obtained license. Hence, there was no revenue from the Netherlands in the third quarter of 2022.

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

The business in Italy continues to develop well and reported all-time high levels in revenue and deposits during the third quarter. A new sports betting product was launched in Italy and two new sponsorships were entered with the football clubs Salernitana and Palermo during the quarter. This broadens the customer offering and strengthens the local brand StarCasino on the Italian market.

CEECA

Revenue from Central & Eastern Europe and Central Asia (CEECA) was EUR 78.8 (53.2) million, an increase of 48.0%.

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

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

Latin America

Revenue from Latin America was EUR 38.8 (24.4) million, an increase of 58.9%.

All of the countries in the region reported revenue growth compared to the corresponding period last year driven by a strong underlying activity where deposits, active customers, turnover in both casino and sportsbook grew in the region. Revenue declined compared to the previous quarter due to a lower sportsbook margin.

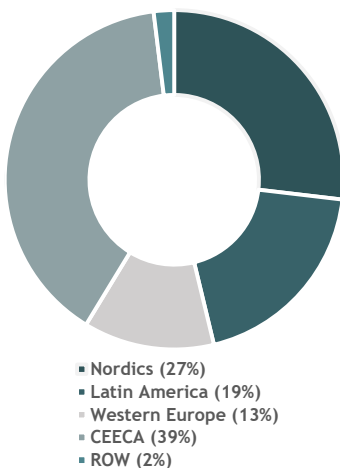
During the third quarter the Betsson brand was launched in Mexico, where the offer includes casino, live casino and sports betting. Mexico is a locally regulated market and Betsson has a partnership with the local land-based operator Big Bola Casinos, which holds a local gaming license in the country. During the quarter the Group increased its ownership in the Colombian operator Colbet, from 70 to 88 percent.

ROW, Rest of the world

Revenue from RoW was EUR 3.9 (3.3) million, an increase of 14.5%.

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

Revenue by region



MARKET DEVELOPMENT BY PRODUCT

Casino

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

During the quarter, Betsson released 260 new casino games, 25 of which came with a period of exclusivity for Betsson's brands.

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

The casino product reported all-time highs in gross turnover and revenue in the third quarter, despite the fact that Betsson stopped accepting Dutch customers at the end of the third quarter 2021. Casino gross turnover in all of Betsson's gaming solutions was EUR 6,274.1 (5,488.6) million, an increase of 14.3% compared to the third quarter last year.

Casino revenue amounted to EUR 135.4 (125.1) million, an increase of 8.2%. Casino represented 68% (74%) of Group revenue.

Mobile casino revenue was EUR 109.4 (102.8) million and accounted for 81% (82%) of total casino revenue.

Sportsbook

The third quarter of 2022 resulted in all-time high sportsbook revenue driven by all-time high sportsbook turnover and an above-average margin. The European football leagues and cups started two weeks earlier than usual, because of the upcoming World Cup in November and December, which also contributed to the increased activity in the quarter.

Sportsbook gross turnover across all Betsson's gaming solutions, was EUR 1,058.1 (821.0) million, an increase of 28.9% compared to the third quarter of last year.

Sportsbook revenue in the third quarter was EUR 61.9 (42.7) million, an increase of 44.9%. Sportsbook represented 31% (25%) of Group revenue.

The sportsbook margin was 8.3% (7.8%). The eight-quarter rolling average margin was 7.7%.

Mobile sportsbook revenue was EUR 47.4 (34.6) million, representing 77% (81%) of total sportsbook revenue.

Other products

Revenue from other products (poker, bingo and other) amounted to EUR 3.0 (2.2) million, an increase of 40.9%, representing 1% (1%) of total revenue.

Revenue by product



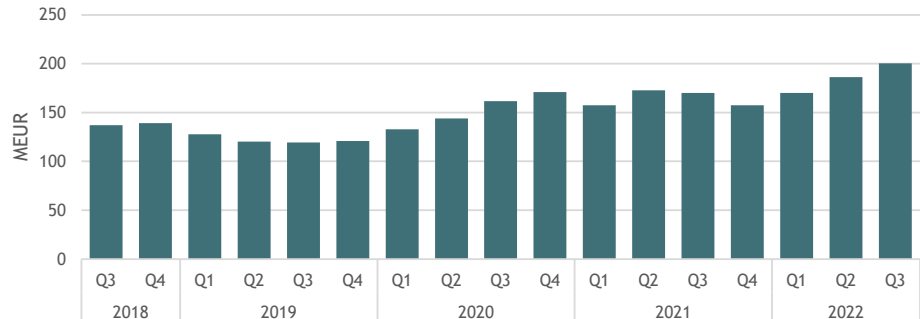
- Casino (68%)
- Sportsbook (31%)
- Other (1%)

FINANCIAL DEVELOPMENT

Group revenue

Group revenue was EUR 200.3 (170.0) million, an increase of 17.8%. In constant currencies and adjusted for acquisitions (organic), revenue growth was 34.8%.

Revenue development



Revenue from locally regulated markets where Betsson pays local betting duties increased by 31% and was EUR 71.5 (54.7) million, corresponding to 35.7% (32.2%) of total Group revenue.

License revenue for system delivery to B2B-customers amounted to EUR 45.1 (28.6) million and corresponded to 22% (17%) of Group revenue. The increase is mainly due to enhanced performance in the products delivered by Betsson, within both casino and sportsbook.

Mobile revenue was EUR 156.3 (137.2) million, representing 78% (81%) of total revenue.

Expenses

Cost of services provided was EUR 66.5 (60.1) million in the quarter. The cost increase is mainly driven by higher cost of betting duties from increased share of locally regulated revenue and increased costs for payment services.

Gross profit was EUR 133.8 (109.9) million, corresponding to a gross profit margin of 66.8% (64.6%). In relation to revenue, cost of services is down, mainly due to a mixed effect on revenue where also the share of sportsbook revenue has increased in relation to total revenue.

Operating expenses were EUR 95.4 (78.2) million.

Marketing expenses were EUR 34.1 (27.5) million, corresponding to a marketing to B2C-revenue ratio of 22% (19%). During the third quarter, the focus of marketing initiatives was on the Latin America region and other new markets. Betsson increased marketing investments during the quarter to increase brand awareness ahead of the World Cup in football that takes place in the fourth quarter.

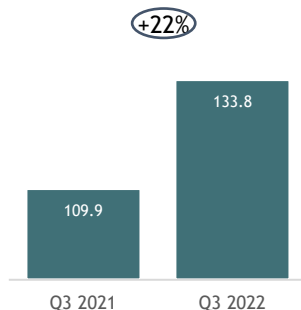
Personnel expenses were EUR 30.8 (23.6) million. The average number of full-time employees in the Group during the third quarter was 1,938 (1,933) of which 1,143 (1,164) were based in Malta. The increase in personnel expenses come from yearly salary revisions, performance related compensation, geographic expansion and increased investments in product and technology development.

The Group had 222 (231) 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 26.5 (23.6) million. The increased costs are mainly driven by sustained increased investments in product development and technology, specifically from increased investments in cloud-based environments and from extension of the sportsbook offering.

Costs related to new market entries in the third quarter amounted to EUR 11.8 million, of which EUR 1.5 million was attributed to the US expansion, divided between personnel costs and other external expenses. The remaining EUR 10.3 million consist of marketing costs constituting EUR 7.9 million and other costs of EUR 2.4 million, of which the latter mainly consists of external consultants.

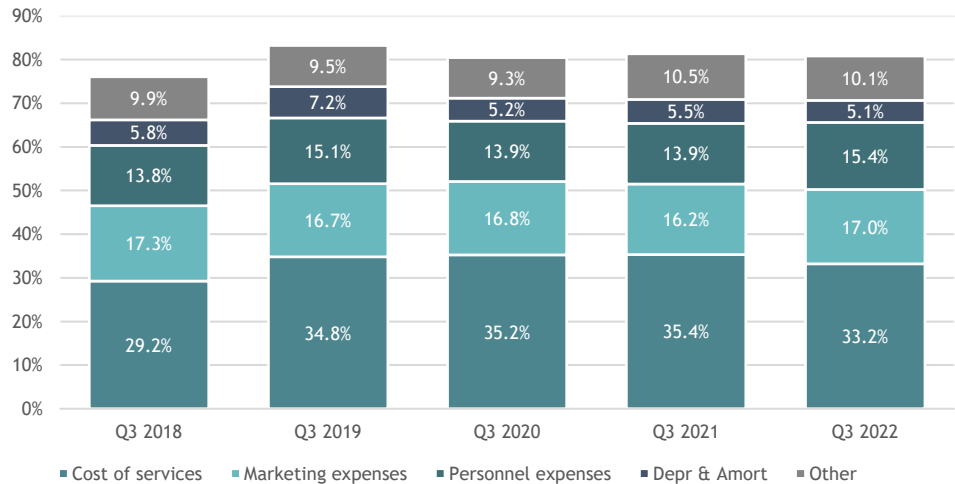
Gross Profit (MEUR)



Capitalised development costs were EUR 6.2 (6.0) million. Amortisation of capitalised development costs was EUR 6.0 (5.5) million. Total amortisation and depreciation for the quarter was EUR 10.2 (9.3) million.

Other operating income/-expenses was EUR 0.0 (-0.2) million.

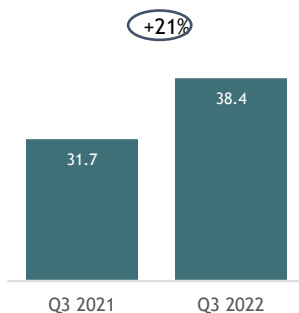
Expenses as a percentage of revenue



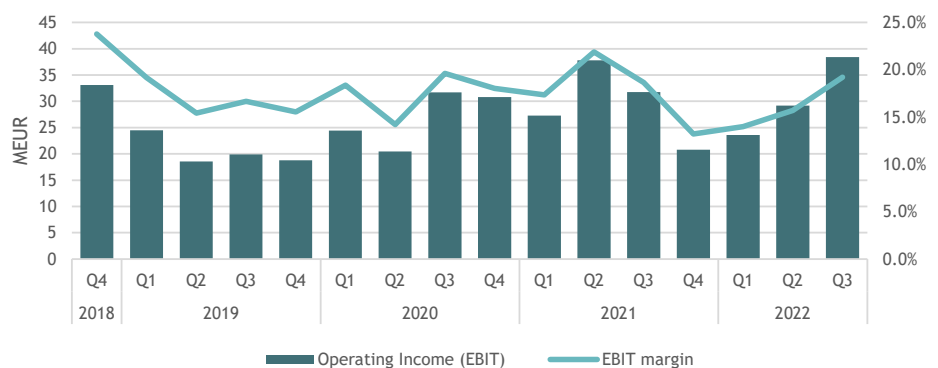
Operating income and net income

Operating income (EBIT) increased by 21.0% to EUR 38.4 (31.7) million. The EBIT margin was 19.2% (18.7%). Organically, EBIT increased by 131.0% to EUR 73.2 million.

EBIT (MEUR)



Operating income development (EBIT)



Net financial items were EUR -3.3 (-1.3) million and are primarily related to interest expenses and results of associated companies.

Net income was EUR 32.6 (28.2) million, corresponding to EUR 0.24 (0.21) per share.

The reported corporate tax for the third quarter was EUR -2.5 (-2.2) million, corresponding to 7.1% (7.2%) of profit before taxes. The effective tax rate may fluctuate between quarters depending on the tax base in the countries where Betsson has subsidiaries. For example, corporate taxes in certain countries are based on dividend distribution which may result in a difference between the effective and statutory rate.

Earnings for the period

Operating income (EBIT) for the first nine months 2022 amounted to EUR 91.2 (96.8) million. Net income amounted to EUR 82.1 (85.2) million, corresponding to EUR 0.61 (0.62) per share.

Financial position

Cash and cash equivalents at the end of September 2022 were EUR 142.9 (127.0) million. Customer liabilities, including reserves for accumulated jackpots, were EUR 53.9 (42.7) million. Gaming regulations require the Group to reserve a certain share of cash to cover player liabilities and accumulated jackpots. Current receivables related to payment

providers for unsettled customer deposits were EUR 73.2 (47.4) million. The balance varies as a result of activity and depending on when deposits are made. In the third quarter, the deposits and turnover both reached all-time high, which contributes to the increased balance. Net debt amounted to EUR -54.7 (-6.4) million at the end of the period. The positive change in net debt is mainly driven by increased cash and cash equivalents amounting to EUR 142.9 (127.0) million and no revolving credit facility (RCF) in the third quarter, which amounted to EUR 13.5 million in the third quarter 2021.

Cash flow

Cash flow from operating activities during the third quarter was EUR 38.5 (41.4) million including an impact of EUR -6.8 (2.0) million related to changes in working capital. The negative effect on working capital is mainly driven by increased receivables related to payment providers. Cash flow from investing activities was EUR -9.1 (-14.8) million and consists mainly of investments in own development and acquisition of shares in subsidiaries. Cash flow from financing activities was EUR -17.7 (11.2), mainly driven by early redemption of bonds.

External financing

In July, the clause on early redemption was exercised of the outstanding bonds in the 2019/2022 series to a value of SEK 300 million, corresponding to 100.0 percent of the nominal amount per bond.

In August, additional senior unsecured bonds of EUR 10 million were issued under the Company's existing framework of a total of EUR 250 million. The bonds have a tenor of three years and a floating interest rate of 3 months EURIBOR plus 650 basis points and final maturity in 2025.

Credit facility	Amount	Utilised	Unutilised	Maturity date
Bond 2022/2025 (MEUR)	98.5	98.5	0.0	june, 2025

Equity

Equity in the Group was EUR 646.0 (548.2) million, corresponding to EUR 4.75 (4.01) per share.

RISKS

The risk areas that Betsson has identified as most significant, and that can significantly affect the Group's operations, earnings, and position, are strategic risks, operational risks, compliance risks and financial risks. These risk areas are described in more detail in the latest annual report.

REGULATORY UPDATE

Betsson has gaming licenses in 19 jurisdictions and operates in additional countries and is thus affected by gaming laws that largely differ between different jurisdictions. For an overall description of the gaming legislation in the jurisdictions in which the Group operates, please refer to the latest annual report. Below is a summary of the latest implemented or planned changes in gaming legislation in markets relevant to the Group.

Nordics

In the pending complaint regarding the cease-and-desist order of the Norwegian regulator against BML Group Ltd, BML Group Limited has been granted deferred implementation of the cease-and-desist order until the Ministry and the Committee decide on the complaint and whether to uphold the order. The Ministry of Culture is expected to issue its decision before the end of October 2022.

In Finland, almost all political parties have voiced willingness to explore the idea of an open gaming licensing system while cautioning that any change would require further investigations. This comes after the local monopoly Veikkaus stated in its latest report that a licensing system could be more fair if the company's market share in Finland continues its downward trend. The National Coalition Party's parliamentary group recently issued an official statement that strongly supports the license model: in their view a license model should be the goal of the next government's program. The group also called for the current

government to prepare for the licensed model so that the transition would be quicker and smoother after next year's parliamentary elections.

In September the Swedish regulator issued an update on the government's proposal to license gambling software companies (B2B licensing). Under the proposal a license is required to supply gaming software used for online gambling in Sweden whereas a licensed supplier is prohibited from supplying its software to unlicensed gambling operators. Similarly, licensed operators are required to ensure that the gambling software used by them is duly licensed in Sweden. It is expected that applications for B2B licenses can be submitted from 1 March 2023. The Swedish regulator also opened a consultation on the proposal for new responsible gambling regulations.

Western Europe

The Dutch regulator KSA is still in the process of reviewing the license applications filed by Betsson's operational subsidiaries. In August, the subsidiaries were asked to provide further information relating to Module B of the license application, whereby additional involvements and ancillary entities were requested as part of the regulator's reliability investigations. The request has been fulfilled and the KSA has been provided with all relevant information.

Zecure Gaming Limited's license application for virtual slots and online poker in Germany is still pending. In August, the local regulator requested additional documentation and further requirements to be implemented, and the request was complied with.

In September, the Italian Ministry of Finance announced a decree on regulation of fixed-odds bets on sporting events and non-sporting events. Pursuant to the decree, published in the official gazette, the tax on online betting revenue will increase from 22 percent to 24 percent. The decree is expected to enter into force on 28 October 2022. With regards to the licensing process, despite all online licenses in Italy expiring in December 2022, the regulator has still not announced a public tender for new online licenses. The most probable solution appears to be yet another extension (for at least an additional year) of all existing online gambling licenses latest in December 2022.

CEECA

In July 2022, the Lithuanian regulator imposed a new fine of 25,000 EUR on the group's local subsidiary for sending an informative email to customers containing game rules on a casino slot and information on how to recover their password or to contact the customer support. In the regulator's view, this kind of information was aimed at promoting and encouraging gambling in violation of the restrictions laid down by law. The local subsidiary has filed a complaint with a court of first instance. A competitor recently won an identical case in the court of first instance.

Latin America

The Brazilian regulatory decree on sports betting still awaits enacting by the country's president. Despite this, the Ministry of the Economy (SEAE) has commenced work on the technical regulations. Meanwhile, the Brazilian senate has been debating the so-called Law Pelé. Although the bill focuses primarily on sports, several provisions regarding sports betting have been introduced, such as a new levy (1% GGR) as well as an advertising ban for operators that are not based in the country. The Ministry of Justice announced that it had requested football clubs to provide copies of their sponsorship contracts with sports betting operators.

On 15 July, the Peruvian Congress passed a new gambling bill, which will regulate both online sports betting and casino in Peru. The main characteristics of the new law are as follows: (i) licenses are issued for 6 years, (ii) licensed sites must be on bet.pe domains, (iii) the applicable gaming tax rate is 12% of GGR for local companies or foreign companies with a branch in Peru. On 12 August, the country's president approved and signed the new law. The law will enter into effect 60 days after it is published in Peru's official gazette. The local regulator is required to promulgate more detailed implementing regulations within 120 days of publication.

In Argentina, Betsson together with its joint venture partner Casino de Victoria submitted an application for the licensing tender in the Province of Cordoba in August 2022.

Rest of World

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

In Colorado, USA, the local Betsson subsidiary Betsson U.S. Corp. is in the process of renewing its Internet Sports Betting Operator license.

OTHER INFORMATION

EMPLOYEES

In the end of the third quarter 2022, the Group employed 1,948 (1,970) employees representing 60 different nationalities. In addition, 222 (231) full-time consultants were engaged, mainly within product development.

Betsson's corporate values - *One Betsson, Passion and Fair Play* - set the tone for how employees should treat each other, customers, suppliers and other stakeholders, and for how employees should approach their work and assignments. Betsson's ambition is to be the best workplace in the industry. Diversity and equal opportunities are key and included as a natural part of an innovative corporate culture. Skilled and engaged employees are a prerequisite to achieve the vision of providing the best customer experiences. New employees are hired based on skills, attitude and values. Betsson believes the key to success is that people of different backgrounds and experiences work well together towards a common goal, promoting knowledge-sharing and cooperation.

The Group has, over time, retained people in leading positions, enabling consistent delivery of its long-term strategy. To further inspire and support employees, leadership programs, career development and other initiatives are offered and promoted to them.

OWNERSHIP STRUCTURE AND SHARES OUTSTANDING

The Company's Series B shares are listed on Nasdaq Stockholm Mid Cap list (BETS B). At the end of the period, the Company had 25,148 (25,282) shareholders.

In September a share split (2:1) took place, which constitutes a step in the implementation of the second of the two automatic redemption procedures of shares that were decided on by the Annual General Meeting on 10 May 2022.

As of 30 September 2022, the total number of shares amounted to 285,459,676 and the total number of votes amounts to 571,857,676. These are divided into 31,822,000 class A shares equaling 318,220,000 votes, 243,142,810 class B shares carrying the same number of votes and 10,494,866 class C shares carrying the same number of votes. Half of all outstanding shares after the split are redemption shares. The number of shares and votes will be restored in October 2022 after the completion of the redemption procedure.

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 third quarter of 2022 was EUR 0.8 (0.7) million, and net income was EUR -2.6 (-3.0) million.

Cash and cash equivalents in the Parent Company were EUR 43.8 (49.7) million.

Stockholm, 26 October 2022

Pontus Lindwall
President and CEO

AUDITOR'S REPORT

Betsson AB (publ) reg. no. 556090-4251

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Betsson AB (Publ) as of 30 September 2022 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 26 October 2022
PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

MEUR	Q3 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Revenue	200.3	170.0	556.7	500.2	657.7
Cost of services provided	-66.5	-60.1	-197.1	-172.2	-232.1
Gross profit	133.8	109.9	359.6	328.0	425.6
Marketing expenses	-34.1	-27.5	-92.0	-87.5	-113.1
Personnel expenses	-30.8	-23.6	-86.6	-70.9	-95.0
Other external expenses	-26.5	-23.6	-77.7	-64.9	-88.2
Capitalised development costs	6.2	6.0	18.2	18.6	24.8
Amortisation and depreciation	-10.2	-9.3	-30.0	-26.5	-36.1
Other operating income/expenses	-0.0	-0.2	-0.3	0.0	-0.4
Operating expenses	-95.4	-78.2	-268.4	-231.2	-308.0
Operating income	38.4	31.7	91.2	96.8	117.6
Financial income and expenses	-3.3	-1.3	-2.4	-3.9	-5.6
Income before tax	35.1	30.4	88.8	92.9	112.0
Tax	-2.5	-2.2	-6.7	-7.7	-8.1
Net income	32.6	28.2	82.1	85.2	103.9
Net income attributable to:					
Equity holders of the Parent Company	33.1	29.7	83.6	87.7	106.4
Non-controlling interests	-0.5	-1.6	-1.5	-2.5	-2.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q3 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net income	32.7	28.2	82.1	85.2	103.9
Other comprehensive income					
Revenue/expenses recognised directly in equity:					
Hedge of net investments in foreign currency incl. deferred tax	0.5	0.3	2.9	1.0	0.8
Exchange differences in translating foreign operations	9.3	-0.8	13.8	9.9	11.6
Other comprehensive income of the period (after tax)	9.8	-0.5	16.7	10.9	12.4
Total comprehensive income for the period	42.5	27.7	98.8	96.1	116.3
Total comprehensive income attributable to:					
Equity holders of the Parent Company	43.0	29.3	100.3	98.6	118.8
Non-controlling interests	-0.5	-1.6	-1.5	-2.5	-2.5

CONSOLIDATED BALANCE SHEET

MEUR	9/30/2022	9/30/2021	12/31/2021
Assets			
Intangible fixed assets	586.6	539.3	572.9
Property, plant and equipment	8.2	7.3	6.6
Right-of-use assets	18.9	22.5	21.0
Financial assets	24.1	20.1	24.0
Deferred tax receivables	3.4	3.0	1.1
Total non-current assets	641.2	592.2	625.6
Current receivables	199.5	168.3	176.0
Cash and cash equivalents	142.9	127.0	95.6
Total current assets	342.4	295.3	271.6
Total assets	983.6	887.5	897.2
Equity and liabilities			
Equity	646.0	548.2	568.8
Deferred tax liabilities	2.6	1.8	1.8
Bond	98.5	0.0	0.0
Lease liabilities	11.8	16.1	13.9
Total non-current liabilities	112.9	17.9	15.7
Current liabilities to credit institutions	0.0	13.5	0.0
Bond	0.0	97.5	97.4
Lease liabilities	6.3	5.3	5.8
Other current liabilities	218.4	205.1	209.5
Total current liabilities	224.7	321.4	312.7
Total equity and liabilities	983.6	887.5	897.2

CONSOLIDATED CASH FLOW STATEMENT

MEUR	Q3 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Profit/loss before tax	35.1	30.4	88.8	92.9	112.0
Adjustments for non-cash items	11.6	9.5	31.6	26.9	37.0
Taxes paid	-1.4	-0.5	-8.7	-5.2	-5.8
Cash flow from operating activities					
before changes in working capital	45.3	39.4	111.7	114.6	143.2
Changes in working capital	-6.8	2.0	-8.6	15.5	0.4
Cash flow from operating activities	38.5	41.4	103.1	130.1	143.6
Investments in intangibles/tangibles	-8.3	-8.4	-26.2	-24.6	-32.1
Acquisition of shares in subsidiaries	-0.8	0.0	-0.8	0.0	-21.5
Paid earn out	-0.0	0.0	-5.4	0.0	-0.4
Acquisition of shares in associates	0.0	-6.4	-0.9	-17.6	-17.6
Cash flow from investing activities	-9.1	-14.8	-33.3	-42.2	-71.6
Bond issue	10.0	0.0	98.6	0.0	0.0
Bond redemption	-28.4	0.0	-94.2	0.0	0.0
Lease payments	-1.2	-2.4	-4.3	-4.3	-5.8
Changes in bank loans	0.0	13.3	0.0	6.6	-6.9
Share redemption programme	0.0	0.0	-25.3	-49.7	-49.7
Warrant premiums received	1.9	0.3	1.9	0.2	0.2
Cash flow from financing activities	-17.7	11.2	-23.3	-47.2	-62.2
Changes to cash and cash equivalents	11.7	37.8	46.5	40.7	9.8
Cash and cash equivalents at beginning of period	130.7	89.2	95.6	86.0	86.0
Exchange differences	0.5	0.0	0.8	0.3	-0.2
Cash and cash equivalents at end of period	142.9	127.0	142.9	127.0	95.6

CHANGES IN GROUP EQUITY

MEUR	9/30/2022	9/30/2021	12/31/2021
Equity opening balance attributable to the equity holders of the Parent Company	575.6	508.6	508.6
Total comprehensive income for the period	98.8	96.1	116.3
Total change excluding owner transactions	98.8	96.1	116.3
Share redemption programme	-25.4	-49.7	-49.7
Warrant premium received	1.9	0.2	0.2
Share options - value of employee services	0.2	0.1	0.2
Equity share, associated companies	-1.6	-3.9	-3.8
Equity at end of period attributable to the Equity holders of the Parent Company	649.5	551.4	571.8
Equity attributable to:			
Equity holders of the Parent Company	649.5	551.4	571.8
Non-controlling interests	-3.5	-3.2	-3.0
Total equity at end of period	646.0	548.2	568.8

PARENT COMPANY, INCOME STATEMENT

MEUR	Q3 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Revenue	0.7	0.7	2.2	2.1	2.8
Operating expenses	-2.4	-2.6	-7.5	-6.9	-9.8
Operating income	-1.7	-1.9	-5.3	-4.8	-7.0
Financial income and expenses	-0.9	-1.1	-0.4	0.0	133.9
Income before tax	-2.6	-3.0	-5.7	-4.8	126.9
Income tax	0.0	0.0	0.0	0.0	0.0
Net income	-2.6	-3.0	-5.7	-4.8	126.9

PARENT COMPANY, BALANCE SHEET

MEUR	9/30/2022	9/30/2021	12/31/2021
Assets			
Property, plant and equipment	0.2	0.3	0.3
Financial assets	599.4	578.8	599.5
Total non-current assets	599.6	579.1	599.8
Current receivables	80.2	34.8	121.8
Cash and cash equivalents	43.8	49.7	33.0
Total current assets	124.0	84.5	154.8
Total Assets	723.6	663.6	754.6
Restricted equity	34.9	34.9	34.2
Unrestricted equity	572.9	471.2	602.8
Total equity	607.8	506.1	637.0
Bond	98.5	0.0	0.0
Total non-current liabilities	98.5	0.0	0.0
Bond	0.0	97.5	97.4
Current liabilities to credit institutions	0.0	13.5	0.0
Other current liabilities	17.3	46.5	20.2
Total current liabilities	17.3	157.5	117.6
Total equity and liabilities	723.6	663.6	754.6

QUARTERLY DATA

CONSOLIDATED INCOME STATEMENT, IN SUMMARY

MEUR	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Revenue	200.3	186.3	170.2	157.5	170.0	172.8	157.4	171.0
Cost of services provided	-66.5	-67.5	-63.1	-59.8	-60.1	-57.1	-55.0	-63.0
Gross profit	133.8	118.8	107.1	97.7	109.9	115.7	102.4	108.0
Marketing expenses	-34.1	-30.5	-27.3	-25.7	-27.5	-31.8	-28.1	-30.1
Personnel expenses	-30.8	-29.8	-26.0	-24.0	-23.6	-24.4	-22.9	-22.0
Other external expenses	-26.5	-25.9	-25.4	-23.2	-23.6	-19.5	-21.8	-19.9
Capitalised development costs	6.2	6.0	6.1	6.2	6.0	6.5	6.2	5.8
Amortisation and depreciation	-10.2	-10.1	-9.8	-9.6	-9.3	-8.8	-8.5	-9.0
Other operating income/expenses	-0.0	0.6	-1.0	-0.5	-0.2	0.2	0.0	-2.0
Operating expenses	-95.4	-89.6	-83.5	-76.9	-78.1	-77.9	-75.1	-77.1
Operating income	38.4	29.2	23.6	20.8	31.7	37.8	27.3	30.8
Financial items, net	-3.3	2.2	-1.3	-1.7	-1.3	-1.4	-1.3	-1.1
Income before tax	35.1	31.4	22.3	19.1	30.4	36.4	26.0	29.7
Tax	-2.5	-2.8	-1.4	-0.4	-2.2	-3.1	-2.3	-2.8
Net income	32.6	28.6	20.9	18.7	28.1	33.3	23.7	27.0

CONSOLIDATED BALANCE SHEET, IN SUMMARY

MEUR	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Non-current assets	641.2	635.7	627.6	625.6	592.1	585.6	567.4	563.2
Current assets	342.4	297.8	287.0	271.6	295.3	247.6	281.3	260.1
Total assets	983.6	933.5	914.6	897.2	887.5	833.2	848.7	823.4
Equity	646.0	604.0	591.8	568.8	548.2	516.8	530.2	504.4
Provisions and non-current liabilities	112.9	102.6	17.3	15.7	17.9	116.6	113.5	113.6
Current liabilities	224.7	226.9	305.5	312.7	321.4	199.8	205.0	205.4
Total equity and liabilities	983.6	933.5	914.6	897.2	887.5	833.2	848.7	823.4

CONSOLIDATED CASH FLOW STATEMENT, IN SUMMARY

MEUR	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Operating cash flow	38.5	37.8	26.9	13.4	41.7	56.3	32.3	22.3
Cash flow from investing activities	-9.1	-14.8	-9.4	-29.3	-15.0	-19.6	-7.7	-11.0
Cash flow from financing activities	-17.7	-4.4	-1.2	-15.1	11.2	-57.2	-1.2	-18.3
Total cash flow	11.7	18.6	16.3	-31.0	37.9	-20.5	23.4	-7.0

KEY RATIOS

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Key financial ratios								
Gross Margin (% of revenue)	66.8	63.8	62.9	62.0	64.6	67.0	65.0	63.1
EBITDA-margin (% of revenue)	24.3	21.1	19.6	19.3	24.1	27.0	22.7	23.3
EBIT-margin (% of revenue)	19.2	15.7	13.9	13.2	18.7	21.9	17.3	18.0
Profit margin (% of revenue)	17.5	16.9	13.1	12.1	17.9	21.1	16.5	17.4
Marketing expenses (% of revenue)	17.0	16.4	16.0	16.3	16.2	18.4	17.9	17.6
Basic earnings per share (EUR)	0.24	0.21	0.16	0.14	0.21	0.24	0.17	0.20
Diluted earnings per share (EUR)	0.24	0.21	0.16	0.14	0.21	0.24	0.17	0.20
Equity per share (EUR)	4.75	4.42	4.33	4.16	4.01	3.78	3.88	3.69
Executed dividend/redemption per share (SEK)	0.00	1.97	0.00	0.00	0.00	3.68	0.00	0.00
Equity/assets ratio (%)	66	65	65	63	62	62	62	61
Return on equity (% , 12 months)	17	17	18	19	22	22	18	20
Return on total capital (% , 12 months)	13	12	13	13	15	15	13	14
Return on capital employed (% , 12 months)	17	15	16	18	20	21	17	18
Net debt (MEUR)	-55	-20	-17	3	-6	15	4	16
Net debt / EBITDA (Multiple, 12 months)	-0.4	-0.1	-0.1	0.0	-0.1	0.1	0.1	0.1
Shares								
Average share price (SEK)	64.98	61.66	53.21	56.50	76.59	75.13	76.58	71.64
Share price at end of period (SEK)	65.05	64.73	57.25	54.60	72.80	69.80	81.05	73.70
Highest share price (SEK)	70.65	68.15	58.20	70.90	91.90	84.15	87.90	78.80
Lowest share price (SEK)	54.20	54.08	47.80	47.50	68.40	67.90	66.00	64.50
Number of shareholders at end of period	25,148	25,343	25,805	26,003	25,282	27,377	27,068	24,430
Number of shares outstanding at end of period	137.0	136.8	136.8	136.8	136.8	136.7	136.7	136.7
Total number of shares at end of period (million)	142.7	142.7	142.7	142.7	142.7	142.7	144.5	144.5
Personnel								
Average number of employees	1,938	1,942	1,957	1,958	1,933	1,852	1,819	1,793
Number of employees at end of period	1,948	1,957	1,926	1,955	1,970	1,924	1,831	1,792

CUSTOMERS

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Registered customers (000's)	25,629	24,967	24,200	23,307	21,569	20,940	20,125	19,618
Active customers (000's)	1,056	1,247	1,256	1,162	986	1,028	948	990

CUSTOMER DEPOSITS

MEUR	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Customer deposits	560.5	534.6	514.1	512.0	486.7	486.5	462.2	514.5
Customer deposits, all gaming solutions	943.2	845.5	782.5	784.6	758.5	725.5	720.4	767.8

SPORTSBOOK DATA

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Gross turnover, all gaming solutions (MEUR)	1,058.1	991.3	947.5	1,024.5	821.0	822.8	863.8	864.2
of which gross turnover live betting (MEUR)	733.0	648.4	620.6	653.2	587.5	557.7	580.6	577.2
Sportbook margin after free bets (%)	8.3	8.3	8.3	6.0	7.8	8.5	7.2	7.3
Revenue (MEUR)	61.9	61.6	56.4	40.2	42.7	50.3	38.9	44.4

REVENUE BY PRODUCT

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Revenue (MEUR)								
Casino	135.4	122.2	111.0	115.1	125.1	120.6	116.4	124.5
Sportsbook	61.9	61.6	56.5	40.2	42.7	50.3	38.9	44.5
Other products	3.0	2.5	2.7	2.3	2.2	1.9	2.1	1.9
Total	200.3	186.3	170.2	157.5	170.0	172.8	157.4	171.0

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Share of total revenue (%)								
Casino	68	66	65	73	74	70	74	73
Sportsbook	31	33	33	26	25	29	25	26
Other products	1	1	2	1	1	1	1	1

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Growth, compared with previous quarter (%)								
Casino	11	10	-4	-8	4	4	-7	-1
Sportsbook	0	9	41	-6	-15	29	-13	31
Other products	23	-9	20	5	12	-9	10	13
Total	8	9	8	-7	-2	10	-8	6

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

REVENUE BY REGION

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Casino (MEUR)								
Nordics	39.9	38.6	39.4	40.8	41.9	38.6	37.5	40.9
Latin America*	14.6	13.7	11.3	11.2	10.0	8.8	5.6	-
Western Europe	23.5	22.8	20.7	19.0	33.1	37.4	36.5	41.5
Central & Eastern Europe and Central Asia	54.9	44.4	36.6	41.0	37.2	32.6	34.1	32.2
RoW*	2.5	2.7	2.9	3.1	2.9	3.2	2.6	10.0
Total	135.4	122.2	111.0	115.1	125.1	120.5	116.4	124.5

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Sportsbook (MEUR)								
Nordics	13.0	11.7	13.7	10.1	10.9	14.9	9.8	14.2
Latin America*	23.9	31.8	25.2	14.6	14.3	15.6	7.7	-
Western Europe	1.3	1.9	1.3	1.3	2.1	3.1	2.5	3.2
Central & Eastern Europe and Central Asia	22.6	15.7	15.7	14.0	15.1	16.2	18.5	16.4
RoW*	1.1	0.6	0.6	0.3	0.3	0.5	0.4	10.7
Total	61.9	61.6	56.4	40.2	42.7	50.3	38.9	44.5

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Total, for all products, per region (MEUR)								
Nordics	53.8	51.2	54.1	51.9	53.4	54.3	48.1	55.6
Latin America*	38.8	45.7	36.8	26.0	24.4	24.5	13.4	-
Western Europe	25.0	24.8	22.2	20.4	35.5	40.8	39.3	44.8
Central & Eastern Europe and Central Asia	78.8	61.1	53.4	55.9	53.2	49.5	53.5	49.6
RoW*	3.9	3.5	3.7	3.4	3.3	3.7	3.1	20.9
Total	200.3	186.3	170.2	157.5	170.0	172.8	157.4	171.0

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Share per region (%)								
Nordics	27	27	32	33	31	31	31	33
Latin America*	19	25	22	16	14	14	9	0
Western Europe	13	13	13	13	21	24	25	26
Central & Eastern Europe and Central Asia	39	33	31	36	31	29	34	29
RoW*	2	2	2	2	2	2	2	12

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Growth, compared with previous quarter (%)								
Nordics	5	-5	4	-3	-2	13	-13	3
Latin America*	-15	24	42	6	-0	83	-	-
Western Europe	1	12	9	-43	-13	4	-12	-4
Central & Eastern Europe and Central Asia	29	14	-4	5	8	-7	8	15
RoW*	8	-4	7	3	-10	20	-85	18

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Growth, compared with same period previous year (%)								
Nordics	1	-6	12	-7	-1	20	6	32
Latin America*	59	86	174	-	-	-	-	-
Western Europe	-30	-39	-44	-55	-24	7	3	23
Central & Eastern Europe and Central Asia	48	23	-0	13	24	24	34	43
RoW*	15	-5	19	-84	-81	-62	-68	173

*During 2020 Latin America was part of RoW

SPECIFICATION OF COST OF SERVICES PROVIDED

MEUR	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Licence fees	18.9	18.2	17.0	16.6	17.3	15.5	15.6	16.3
Betting duties	15.7	14.1	14.0	13.2	12.7	11.3	11.8	12.5
Affiliates and partners commission	7.4	9.3	9.9	8.5	10.4	11.5	11.1	12.0
Other cost of services provided	24.5	25.8	22.2	21.5	19.8	18.8	16.5	22.2
Total	66.5	67.5	63.1	59.8	60.1	57.1	55.0	63.0

SPECIFICATION OF AMORTISATION AND DEPRECIATION

MEUR	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Depreciation property, plant, and equipment	0.9	0.9	0.8	1.1	1.0	0.9	0.8	1.0
Depreciation right-of-use assets	1.5	1.4	1.4	1.5	1.5	1.4	1.4	1.2
Amortisation intangible fixed assets <i>(whereof amortisation of capitalised development costs)</i>	7.8 6.0	7.8 5.8	7.6 5.6	7.0 5.6	6.8 5.5	6.5 5.3	6.3 5.0	6.8 5.0
Total	10.2	10.1	9.8	9.6	9.3	8.8	8.5	9.0

ORGANIC CALCULATION (EFFECTS FROM ACQUISITIONS AND CURRENCY)

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Reported revenues	200.3	186.3	170.2	157.5	170.0	172.8	157.4	171.0
- Revenue from acquisitions	-6.9	-8.4	-7.3	-5.4	0.0	-2.7	-14.3	-19.6
- Currency effects	35.7	17.0	17.3	6.9	4.5	8.3	12.4	13.1
Organic revenues	229.1	194.9	180.2	159.0	174.5	178.4	155.5	164.5
Organic growth (YoY)	35%	13%	14%	-7%	8%	24%	17%	36%
Reported growth (YoY)	18%	8%	8%	-85%	5%	20%	18%	41%
Reported operating income (EBIT)	38.4	29.2	23.6	20.8	31.7	37.8	27.3	30.8
- Result from acquisitions	-0.4	-0.8	-1.4	-0.3	0.0	0.0	-0.7	-2.5
- Currency effects	35.2	17.2	16.0	7.6	4.3	7.1	8.6	9.5
Organic operating income	73.2	45.6	38.2	28.1	36.0	45.0	35.2	37.8
Organic growth (YoY)	131%	21%	40%	-9%	14%	120%	44%	101%
Reported growth (YoY)	21%	-23%	-13%	-33%	0%	85%	12%	64%

OTHER NOTES

CURRENCY EXCHANGE RATES

The exchange rates below are applied in the report.

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

	2022	2021	Δ
SEK/EUR	0.0950	0.0985	-3.5%
GEL/EUR	0.3168	0.2571	+23.2%
NOK/EUR	0.1000	0.0978	+2.2%
TRY/EUR	0.0596	0.1046	-43.0%

Balance Sheet (closing rate)

	9/30/2022	9/30/2021	Δ
SEK/EUR	0.0916	0.0980	-6.6%
GEL/EUR	0.3639	0.2774	+31.2%

TRANSACTIONS WITH RELATED PARTIES

No significant transactions took place between Betsson and related parties that affected Betsson's financial position and performance in the period. The extent and nature of transactions with related parties in the period are consistent with previous year's transactions with related parties, as described in the 2021 annual report.

ACCOUNTING POLICIES

Betsson complies with IFRS standards and interpretations (IFRIC) as adopted by the EU. This Report has been prepared in accordance with IAS 34, Interim Financial Reporting. The Parent Company's financial statements have been prepared in accordance with RFR 2.

The accounting policies applied are consistent with those presented in the Annual Report for 2021. Detailed information about the Group's accounting and valuation principles can be found in the Annual Report for 2021 (Note 2), which is available on www.betssonab.com or at the Company's head office.

Adjustment of ingoing balances in the Parent company

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

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

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

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

All gaming solutions: In this term KPIs attributable to Betsson are consolidated with KPIs 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

Q4 2022 and Year-end report	14 February 2023
Q1 2023	27 April 2023
Annual General Meeting	10 May 2023
Q2 2023	20 July 2023
Q3 2023	26 October 2023
Q4 2023 and Year-end report	15 February 2024

PRESENTATION OF THE INTERIM REPORT

Betsson invites analysts, investors and media to participate in the results presentation of the third quarter at 09:00 CEST on 26 October 2022. The results will be presented by CEO Pontus Lindwall and CFO Martin Öhman. The presentation will be held in English, followed by a Q&A session. Participants are welcome to join via the link or phone, see details below.

Dial-in numbers:

Sweden: +46 8 5051 6386
United Kingdom: +44 20 3198 4884
United States: +1 412 317 6300 / PIN US: 6229448#

Webcast link: <https://ir.financialhearings.com/betsson-financial-hearing-q3-2022>



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ABOUT BETSSON

Betsson AB (publ) is a holding company that invests in and manages fast-growing companies within online gaming. The company is one of the largest in online gaming in Europe and has the ambition to outgrow the market, organically and through acquisitions. This should be done in a profitable and sustainable manner, and with local adaptations. Betsson AB is listed at Nasdaq Stockholm Mid Cap (BETS B).

Betsson's operational subsidiaries' vision is to deliver the best customer experience in the industry. They offer casino, sportsbook and other games via gaming licenses in 19 jurisdictions in Europe, Africa, North- and South America. The business model is to offer gaming under multiple brands, including Betsson, Betsafe, NordicBet and Casinoeuro. The brands are operated on a proprietary platform, which is the core of the offer and the customer experience.

Being a responsible operator in relation to customers, suppliers, authorities, investors and other stakeholders is a cornerstone of Betsson's business. Betsson is a member of the European Gaming and Betting Association (EGBA), ESSA (Sports Betting Integrity) and G4 (The Global Gambling Guidance Group). Learn more about the Group on www.betssonab.com

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