Industry Report

UNITED KINGDOM
BETTING FOCUS

BtoBet
Trusted Technology. Delivered.

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1. INTRODUCTION

A study[1] completed by market research company YouGov indicates that sports betting in Great Britain remains the second most popular form of online betting among online gamblers (40%), behind lottery draws (61%).

On a global level the United Kingdom has long been regarded as one of the leading countries in the world for sports betting.

Some of the biggest names in online betting, including William Hill, Bet365, and Ladbrokes hatched in the UK. But how has online sportsbook developed throughout the years in terms of market share? How is the engagement of players on the online channels shaping?

[1]The population sampled representation of people falling in the category of 18+ years amounts to 2,025.

2.

MARKET DETAILS

Sector	Status
Online Gambling	**Regulated.** Local licensing at the point of consumption.
Casinos	**Regulated.** Local licensing.
Gaming Machines	**Regulated.** Local licensing, subject to restrictions on different types of machines, established by the Gambling Act 2005.
Betting	**Regulated.** Local licensing. Virtual events may be offered in a casino or a betting shop under a casino operating licence or a general betting operating licence.
Racing	**Regulated.** Local licensing.
Lottery Games	**Regulated.** Monopoly,
Supplier Licensing	**Regulated.** Local licensing.

Provisional data from April 2020 until March 2021 published by the United Kingdom's Gambling Commission **indicate that £6.9 billion in Gross Gaming Revenue** were generated by the casino, betting, and bingo vertical via the online channels.

- Online casino games garner the largest market share in the online sector, generating **£4.0 billion in GGR**, £2.9 billion of which was from slots games.
- Gross Gaming Revenue for remote betting amounted to **£2.6 billion**, with football (£1.2 billion) and horse betting (£856.1 million) leading other sports.
- Gross Gaming Revenue for remote bingo amounted to **£189.1 million**.

The UKGC indicated that throughout this period the National Lottery generated the highest annual sales since the body started reporting the statistics. **National Lottery ticket sales totalled £8.4 billion, of which £4.9 billion (58%)** was returned as prizes.

As of 31 March 2021, there were a total of 2,439 operators licensed by the Gambling Commission, which represents a 5.4% decrease on the previous period. A total of 369 of these licensees operate across more than one sector.

£4.0 Billion

Overall online casino GGR 2020-2021

£2.6 Billion

Overall remote betting GGR 2020-2021

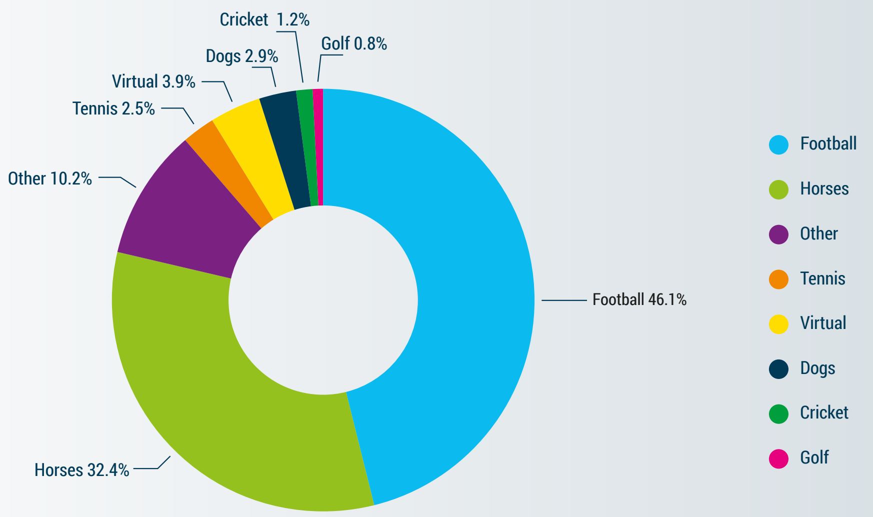
£189.1 Million

Overall remote Bingo GGR April 2016-March 2017 and April 2020-March 2021

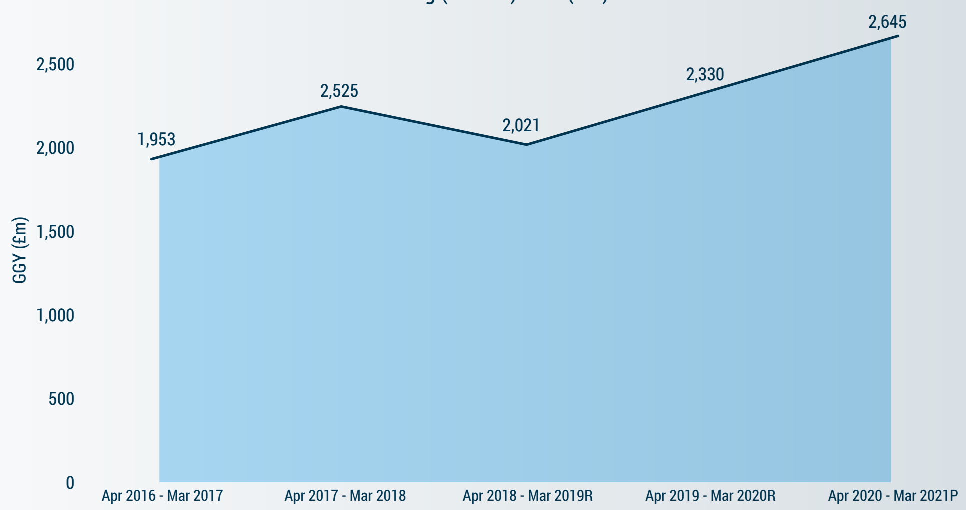
3.

THE COMPOSITION OF THE ONLINE MARKET

Betting (remote) GGY by category for latest period



Betting (remote) GGY (£m)



By making reference to the statistics published by the UKGC, one can ascertain that sports betting ranks amongst the most prominent forms of online wagering and it continues to develop at a significant rate year after year.

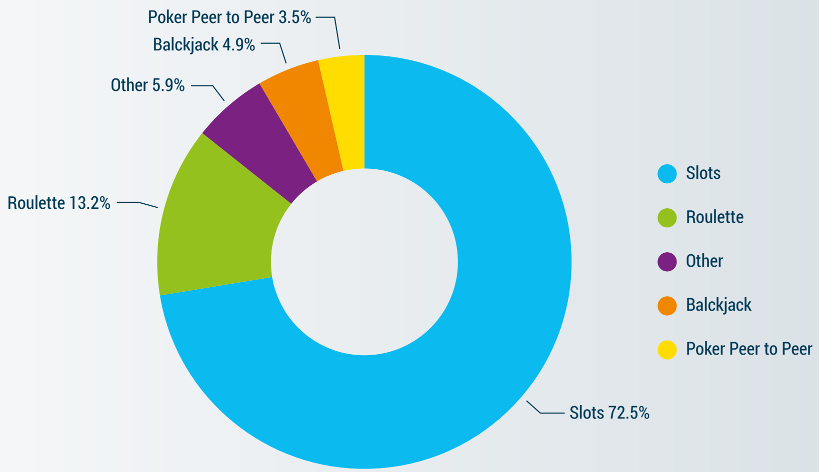
Football betting is well known in the UK and makes up for approximately **46.1% of the country's overall gambling market**.
Horse racing accounts for roughly **32% of all sports wagering in the UK**, coming second only to football.

Following horses, **tennis has a 2.5% market share**, **dog-related activities and races have a 2.9% market share**, and **golf has a 0.8%** market share.
A merger of other sports accounts for an **additional 10.2%** of the market share.

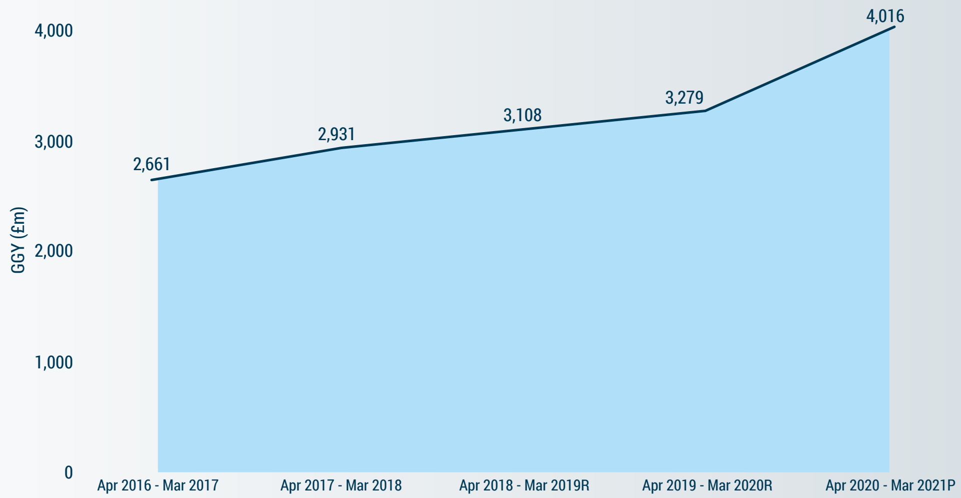
Virtual sports has become increasingly popular in recent years, and amounts to **around 3.9%** of the total market share.

3.1
THE COMPOSITION OF THE ONLINE MARKET

Casino (remote) GGY by type for latest period



Casino (remote) GGY (£m)



With its over £4 billion in Gross Gaming Revenue, online Casino is the largest online vertical.

In fact the GGR for the sector **increased by £736.7 million** (22.5%), from the £3.3 billion registered for the period April 2019-March 2020, **to £4 billion** registered between April 2020-March 2021.

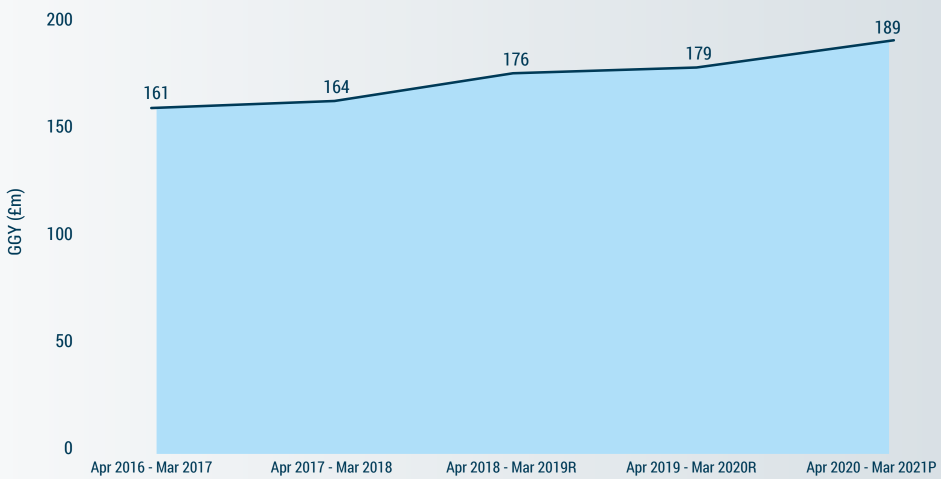
More significantly the UKGC's statistics indicate that between the periods of April 2016-March 2017 and April 2020-March 2021 the sector's **Gross Gaming Revenue increased by £1.4 billion (50.9%) from £2.7 billion to £4 billion.**

Slots amount to the sector's **predominant GGR generator with 72.5%**, having increased by **£532.4 million** from the previous period.

There was also significant growth when it comes to roulette with an increase of 21.4% (£93 million), and poker peer to peer which saw an increase of 44.2% (£43.6 million). Blackjack increased by 4.3% (£8.1 million), whilst a collection of other type of games saw their collective GGR increase by 33.6% (£59.7 million).

3.2
THE COMPOSITION OF THE ONLINE MARKET

Bingo (remote) GGY (£m)



The data provided by the UKGC indicates that between the periods April 2019-March 2020, and April 2020-March 2021, the **Gross Gaming Revenue for online bingo** saw an increment of 5.8%, from £178.7 million to **£189.1 million**.

The data also indicates that in a span of 4 years, between the periods April 2016-March 2017 and April 2020-March 2021 the GGR generated by the online bingo saw an increment from **£161.2 million to £189.1 million**, which translated in an increase of **17.3%**.

£189.1 Million

+17.3% Overall GGR increase for remote Bingo April 2016-March 2017 and April 2020-March 2021

4.
ACTIVE PLAYERS AND SESSION LENGTH

32+ Million

Active players in the period between Q2 2020 and Q4 2021

114.2 Million

betting session in Q4 2021

8,140,520 M

THE NUMBER OF SESSIONS LONGER THAN 1 HOUR REGISTERED IN Q4 2021

+19% Q2 2020 to Q4 2021 increase

The UKGC's provisional statistics, which are compiled from the data from the UK's biggest operators, which amongst them cover approximately 80% of the online gambling and betting market, indicate a steady increase in active players.

Whilst the Gambling Commission highlighted the fact that the players in the statistics should not be summarised as an overall total number of players due to instances where players are active in more than one product, nonetheless the data indicates a strong trajectory in terms of players active per vertical.

The vast number of active players were registered in the **real event betting vertical, with a peak of 6.7 million active players** registered in April 2021.

The number of active players between Q2 2020 and Q4 2021 **increased by almost 35%**, climbing **from the 24,276,460** active players t**o 32,725,115 active players**.

This trajectory was also reflected in the amount of sessions which took place throughout the same period, even though the average quarterly sessions dropped from 22 minutes to 19 minutes. Despite this decrease, the quarterly total number of sessions climbed steadily from the 76.8 million sessions registered for Q2 2020, **to the 114.2 million sessions registered for Q4 2021**.

Of particular interest is the data referring to those sessions longer than 1 hour. Whilst in Q2 2020 a total of 6,835,099 sessions longer than 1 hour were registered to have taken place, this eventually **increased to 8,140,520 in Q4 2021 (+19%)**.

5. UK TECHNOLOGICAL PROFILE

From an infrastructural point of view UK is very advanced in terms of mobile connectivity and internet usage.

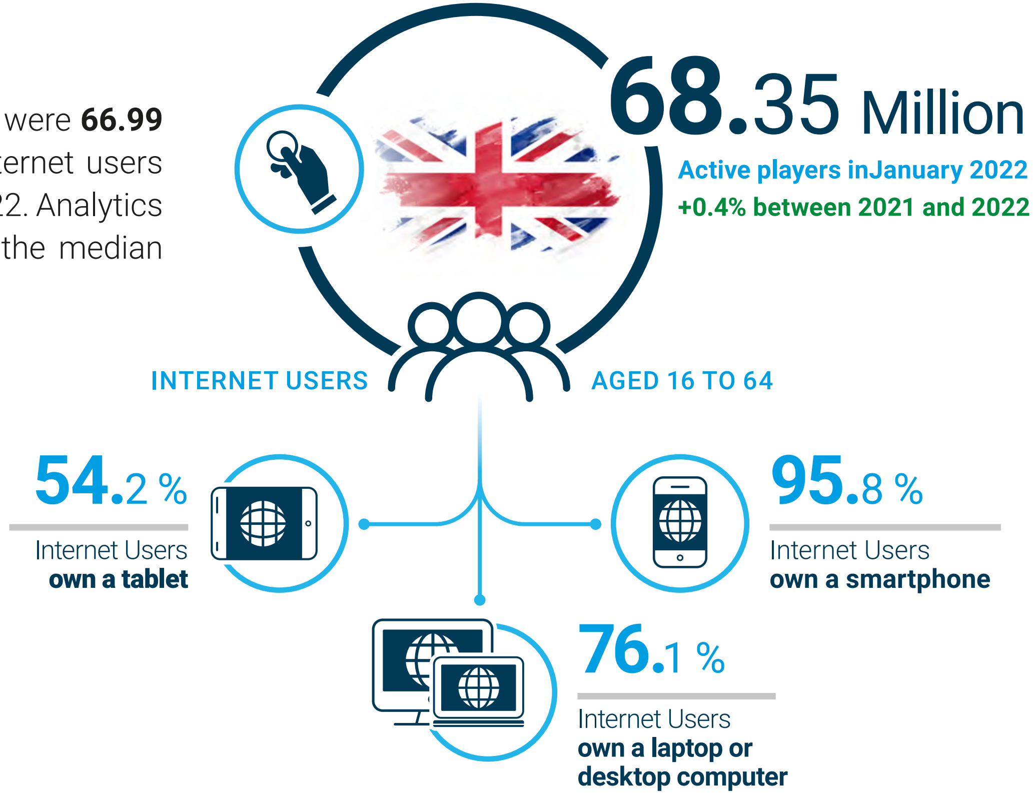
MOBILE CONNECTIONS

Whilst the country's population amounted to **68.35 million in January 2022**, mobile connectivity amounted to 71.84 million connections. Thus the number of mobile connections is the equivalent of 105.1% of the total population. The number of connections registered a 2.6 million increase (+3.8%) on a year-on-year basis.

INTERNET USERS

The same advanced scenario is also relevant to internet usage. There were **66.99 million internet users in UK** in January 2021, with the number of internet users significantly increasing by 300 thousand (+0.4%) between 2021 and 2022. Analytics of this data indicate an internet **penetration of 98%**, which reflects the median registered for Northern Europe.

When it comes to device ownership, **95.8%** of internet users aged 16 to 64 own a smartphone, **76.1%** own a laptop or desktop computer, with **54.2%** owning a tablet.
Standing at **6 hours 12 minutes** the daily time spent using the internet is relatively high, even when compared to countries in the mature European region, such as **Germany** with **5 hours** and **22 minutes**.



Source: Hootsuite

MOBILE INTERNET

89.4%
Internet users accessing the internet via mobile phones

2 HOURS 41 MINUTES
The average daily time using mobile device

With **89.4% of internet users** accessing the internet **via mobile phones**, the average daily time using the internet on mobile devices stands at **2 hours 41 minutes**.

One of the more interesting aspects about internet usage are the year-on-year improvements registered for the average speed of its mobile internet and fixed internet connections. With an average speed of mobile internet connection standing at **47 MBPS**, there was a **66.2% year-on-year increase**. Strong gains were also reported on the average speed for fixed internet connections with the **58.80 MBPS** for January 2022 registering a 28.2% increase from the previous year.

58.80 MBPS
+28.2%
Fixed Internet speed year-on-year increase

47.00 MBPS
+66.2%
Mobile Internet speed year-on-year increase

Source: Hootsuite

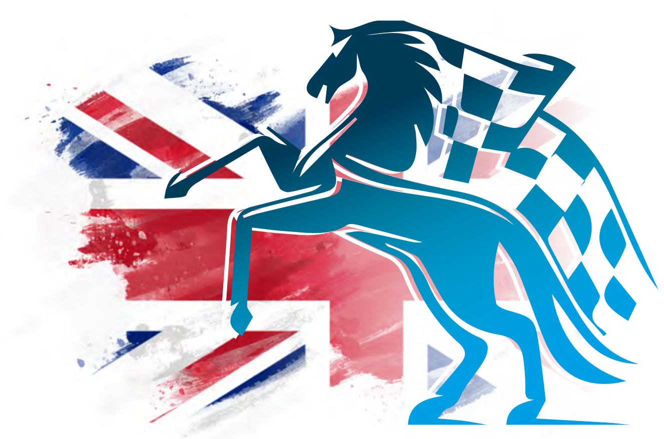
6.
LEVERAGING THE POPULARITY OF HORSE RACING IN THE UK

Gone are the days of horse racing as a niche offering for a small segment of players, with operators treating the sector as a separate channel.

This is surely the case when it comes to the UK market, with horse racing second only to football in terms of popularity amongst gamblers.

The industry's rapid evolution in terms of available content offering, aided by the rapid growth and migration towards the online channels has resulted in operators and bookmakers alike eyeing horse racing as a new revenue stream.

And as the online sports betting industry continues to be characterised by an ever-evolving landscape focusing on delivering an optimal betting experience to their players, horse race betting operators, platform suppliers and data providers seek to position themselves to leverage today's players thirst for a more diverse content offering.



Every gambling market is unique, as anyone in the global industry knows.

Anyone looking to bring horse racing products to the forefront must strike a balance between what works elsewhere and how local players will respond to new channels.

THE IMPACT OF COVID-19

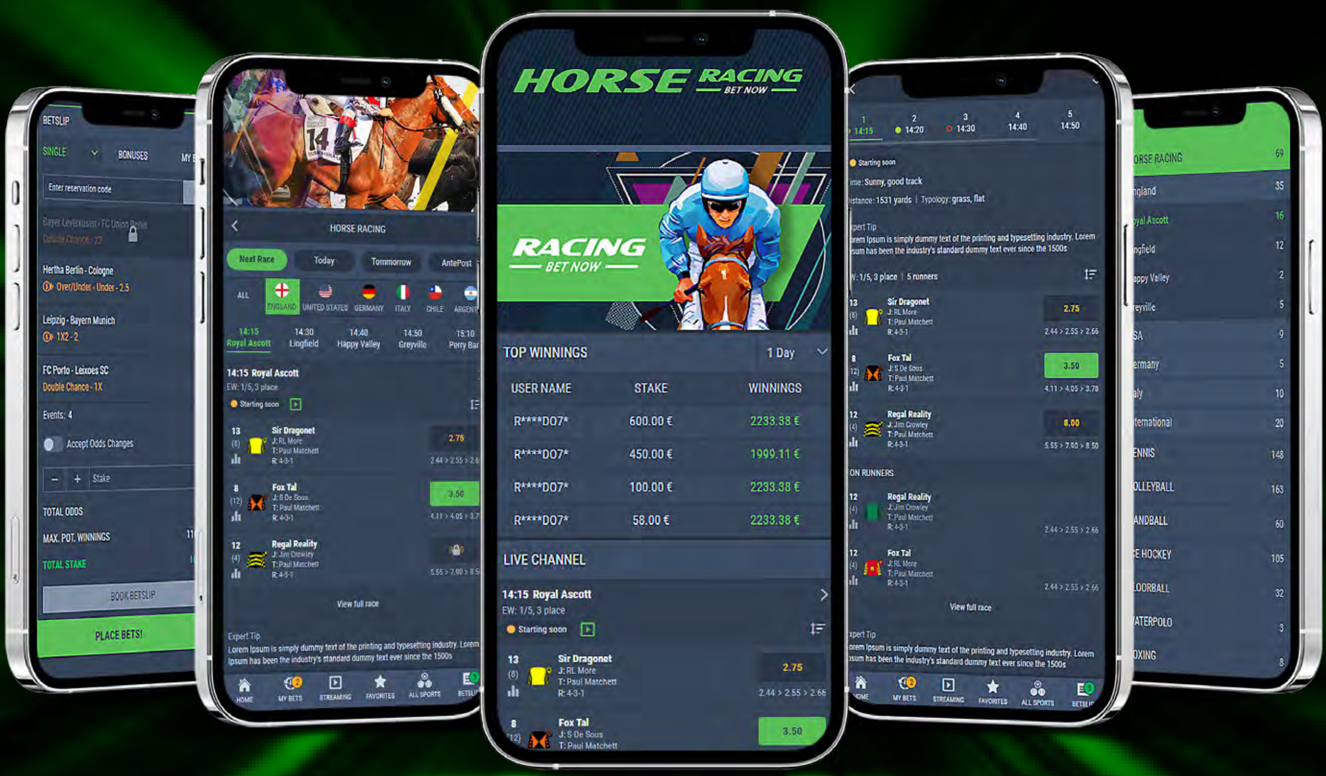
The Covid-19 pandemic has shook the world to its very roots. No industry was left untouched by the raging global pandemic, and the gambling and betting industry proved to be no exception.

Horse race betting in particular has seen some important shifts, with players from a retail background shifting to the online channels and as a direct result aiding in the sector's increased market share in specific markets.

The logistics of the sport enabled the vast majority of tracks to continue with their racing programmes albeit with the necessary safety protocols in place.

BTOBET'S HORSE RACING BETTING SOLUTION

BE ON TOP OF YOUR HORSE RACING BETTING OFFERING!



Industry Report | *Product focus*

Our horse racing product includes data racecards, silks, form, tipping, live shows and results both domestically and internationally; with every meeting in the UK, Ireland, South Africa and Dubai, selected meetings from the USA, India and Australia and selected Group One races across the globe.

- **UK (RDC, RMG, TRP)**
- **Ireland (HRI)**
- **South Africa (The Racing Partnership)**
- **USA (Quan, GWS, Equibase)**
- **Australia (GWS, Racing Australia)**
- **Dubai**
- **India (Sport Radar)**
- **France (PMU)**
- **Chile (EL Turf)**

AND MORE!

Data includes:

- Racecards
- Silks
- Live betting shows/ race day data
- Results
- Form (past performance data)
- Tipping – individual horse comments, race previews, selections
- Historical data
- Text commentary
- Close up comments

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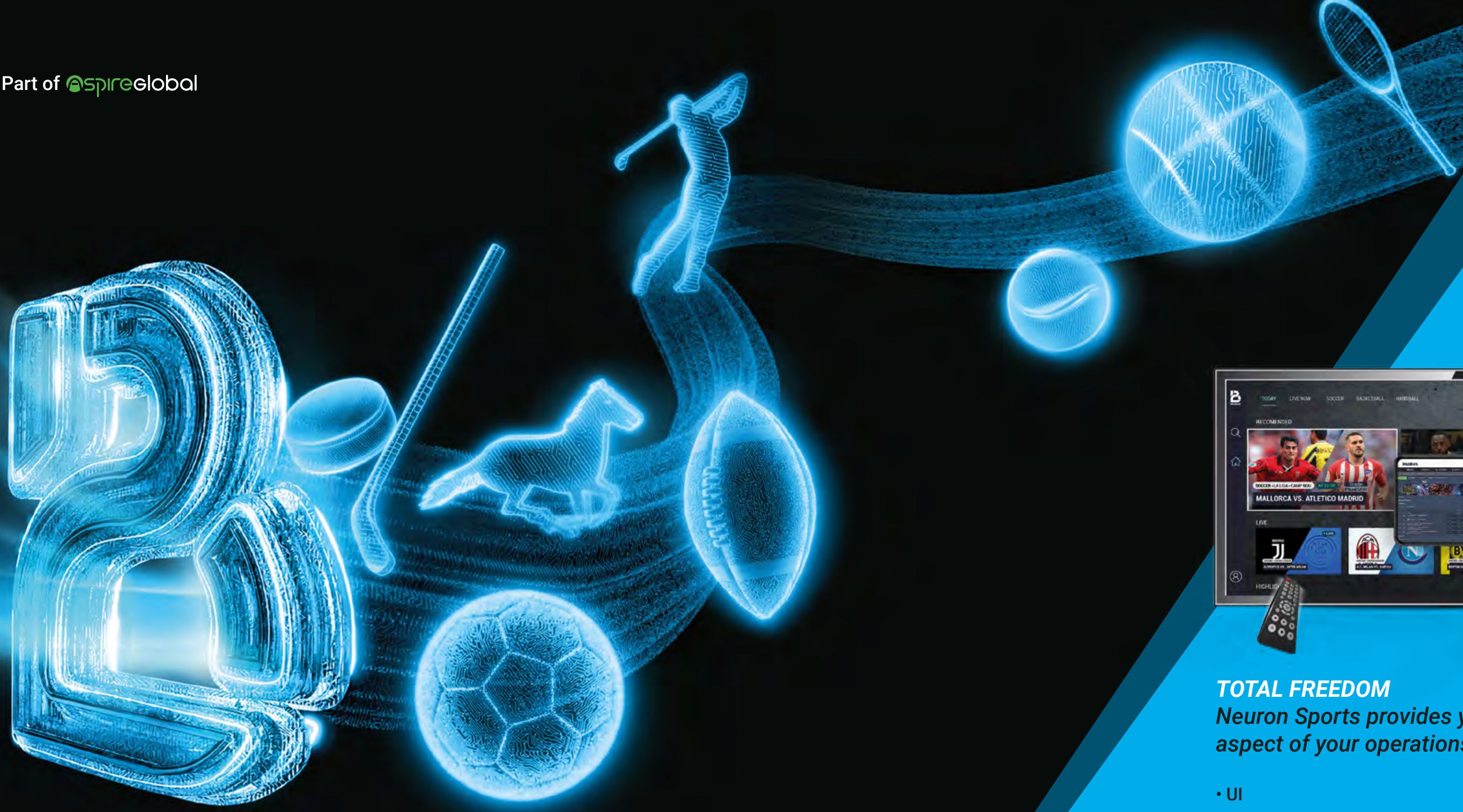

SPORTSBOOK THE WAY YOUR PLAYERS WANT IT

Boost your brand with a tailored betting environment. Meet your player requirements with a fully customizable sportsbook solution.

TOTAL FREEDOM

Neuron Sports provides you with total freedom under every aspect of your operations:

- UI
- Player management tools
- Risk management tools
- Data feeds
- Content offerings
- Real-time Esports API data coverage of all top tournaments & leagues

LIMITLESS SPORTS COVERAGE:

- 100,000 pre-match events per month across 35 sports
- 30,000 in-play events

PREMIUM ESPORTS COVERAGE

- 25,000 pre-game events
- 15,000 live games per year

All the leading game titles: COD, CS:GO, LOL, StarCraft 2, FIFA, Dota 2, NHL, NBA2K, Overwatch, Rainbow Six Siege, King of Glory, Rocket League and more

IN-DEPTH PLAYER ACTION ANALYSIS

EXCELLENT PROMOTION TOOLS

CASH-OUT

FULLY CUSTOMIZABLE AND TAILORED FRONT-END OPTIONS

MULTI FRONT-END MANAGEMENT

ENGAGING LIVE DATA VISUALISATIONS AND LIVE CHANNEL FEEDS

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BtoBet
Trusted Technology. Delivered.

Contacts
BtoBet Ltd
Headquarters
Sovereign Place, 117 Main Street
Gibraltar

Website
www.btobet.com

E-mail
sales@btobet.com

Skype
BtoBet

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