

## Interim Report for the period 1 January – 30 June 2016

ALL FIGURES IN THIS REPORT ARE EXPRESSED IN SEK, UNLESS STATED OTHERWISE. FIGURES IN PARENTHESES REFER TO THE CORRESPONDING PERIOD FOR THE PREVIOUS YEAR, UNLESS STATED OTHERWISE. THIS INFORMATION APPLIES TO THE GROUP UNLESS STATED OTHERWISE.

### Revenue in the second quarter increased by 9 percent

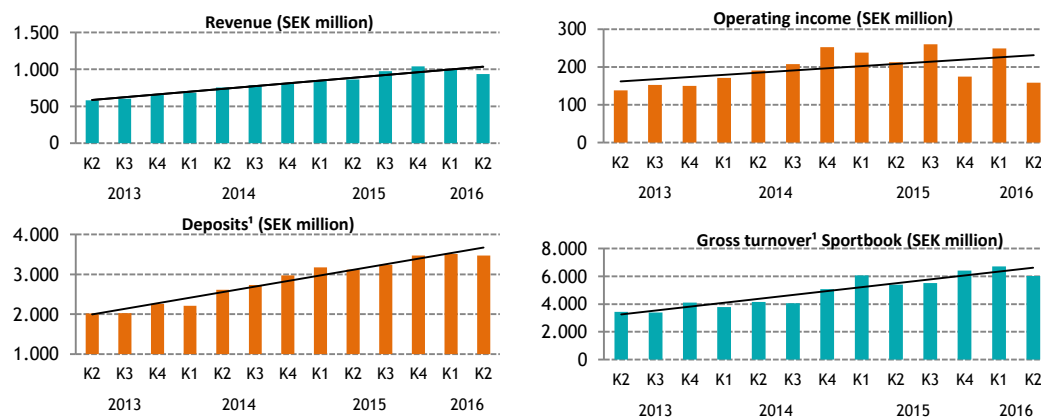
#### Second quarter

- Revenue increased by 9 percent to SEK 935.4 (860.6) million. Exchange rate fluctuations had a negative impact on revenue of SEK 32.8 million.
- Casino revenue amounted to SEK 683.2 (617.8) million, an increase of 11 percent. 73 (72) percent of the total revenue in the second quarter was attributable to Casino.
- Sportsbook revenue amounted to SEK 223.0 (206.4) million, an increase of 8 percent. A low sportsbook margin resulted in lower than expected revenues.
- Mobile revenue amounted to SEK 383.1 (286.1) million, an increase of 34 percent. Mobile revenue now represents 41 percent of Group revenue.
- Operating income amounted to SEK 158.3 (213.8) million and the operating margin was 17 (25) percent. Operating income was affected by unfavourable exchange rate fluctuations amounting to SEK 23.5 million.
- Income before tax amounted to SEK 156.4 (212.3) million.
- Net income amounted to SEK 146.4 (201.6) million, corresponding to SEK 1.06 (1.46) per share.
- During the quarter, the number of active players was 563 247, which corresponds to growth of 58 percent.
- Customer deposits in all of Betsson's gaming solutions amounted to SEK 3 472.8 (3 116.6) million, an increase of 11 percent.
- Europe-Bet, which was acquired in 2015, contributed by SEK 94.1 (-) million to revenue in the quarter, and by SEK 22.9 (-) million to operating income.

#### Interim period, January-June

- Revenue increased 13 percent to SEK 1,935.5 (1,708.0) million.
- Operating income amounted to SEK 408.4 (451.8) million.
- Income before tax amounted to SEK 405.3 (448.7) million.
- Net Income amounted to SEK 380.3 (425.7) million, corresponding to SEK 2.75 (3.08) per share.

#### Key Performance Indicators



<sup>1</sup>Deposits and gross turnover in Sportsbook refer to all gaming solutions.

#### Comment from Ulrik Bengtsson, CEO Betsson AB

"The results in the second quarter did not live up to our expectations. Many factors made the quarter challenging; primarily unfavourable currency effects, lower than average sportsbook margins and lower revenue in certain markets, partly due to regulatory changes. Betsson's subsidiaries operate in a dynamic environment which is highly demanding. They have taken several actions in the past months in order to increase growth and thereby profitability. The sportsbook offering and functionality have been improved considerably, new exciting products have been launched and our casino has been upgraded. These actions will have effect in future quarters, and we have already in the end of the second quarter seen a strong uplift in active customers. The third quarter has started with daily revenue significantly above the average of the second quarter."

#### Presentation of the Interim Report

Today, Thursday, 21 July, at 9:00 AM CEST, Betsson's CEO, Ulrik Bengtsson, will present the Interim Report from Betsson's office at Regeringsgatan 28, Stockholm, and through webcast on [www.betssonab.com](http://www.betssonab.com) or <http://edge.media-server.com/m/p/58i9m8jp> and by phone on +46 (0)8 505 564 74 (Sweden), +44 (0)203 364 53 74 (UK), or +1 (0) 855 753 22 30 (US). The presentation will be held in English and followed by a question and answer session.

BETSSON AB'S CORE BUSINESS CONSISTS OF INVESTING AND ADMINISTERING SHAREHOLDINGS IN COMPANIES THAT, THROUGH PARTNERS OR BY THEMSELVES, OFFER GAMES TO END USERS VIA THE INTERNET. THE GROUP OFFERS CASINO, SPORTSBOOK, POKER, SCRATCHCARDS, BINGO AND OTHER GAMES. CUSTOMERS MAINLY ORIGINATE FROM THE NORDIC COUNTRIES AND OTHER PARTS OF EUROPE. BETSSON AB IS LISTED ON NASDAQ STOCKHOLM, LARGE CAP LIST (BETS).

## Second quarter 2016

Group revenue totalled SEK 935.4 (860.6) million. Gross profit amounted to SEK 694.6 (631.2) million. Operating income amounted to SEK 158.3 (213.8) million and the operating margin was 16.9 (24.9) percent. The Group's income before tax amounted to SEK 156.4 (212.3) million and net income amounted to SEK 146.4 (201.6) million, corresponding to SEK 1.06 (1.46) per share.

During the second quarter, revenue attributable to Realm Entertainment Ltd, where a portion of the revenue derives from players in Turkey, was 14 (19) percent of total revenue. The share is unchanged compared to the first quarter 2016 despite lower sportsbook margin and negative currency effect.

Revenue for the second quarter (excl. Europe-Bet) was negatively impacted by SEK 32.8 million and expenses decreased by SEK 9.3 million due to exchange rate fluctuations compared with the rates applied in the comparative figures last year. The negative impact on revenue is mainly attributable to exchange rate fluctuations in NOK and TRY in relation to SEK. The overall effect of exchange rate fluctuations on operating income was minus SEK 23.5 million.

The table below shows the adjustment items which illustrate the comparison between years.

	2016	2015
	Quarter 2	Quarter 2
Revenue	935.4	860.6
Of which Europe-Bet	-94.1	-
Currency adjustment	32.8	-
	874.1	860.6
Change in revenue	1.6%	
Operating income	158.3	213.8
Of which Europe-Bet	-22.9	-
Currency adjustment	23.5	-
	158.9	213.8
Change in operating income	-25.7%	

Operating expenses amounted to SEK 536.3 (417.4) million. The increase in the second quarter is mainly attributable to investments in marketing related to the Euro 2016 football championship as well as ongoing investments in technology and product development made to increase the competitiveness of Betsson.

Marketing expenses amounted to SEK 219.2 (166.0) million, of which Europe-Bet represented SEK 10.1 (-) million. SEK 72.0 (81.7) million related to commission for affiliates and partners was included in the item Cost of services provided.

Personnel costs totalled SEK 160.6 (128.1) million. The increase compared to the previous year is attributable to investments in technology and product development and SEK 13.8 million is attributable to Europe-Bet.

Other external expenses amounted to SEK 156.7 (115.0) million, of which Europe-Bet represented SEK 15.7 (-) million and SEK 12.9 million were regularly occurring consulting costs mainly related to development of the Sportsbook.

Capitalised development costs amounted to SEK 50.8 (30.9) million.

Management sees good future growth opportunities and plan continued investments in marketing and technology and product development to drive growth on existing and new markets. Furthermore, management estimates operating expenditures in the third quarter to be in line with the level in the second quarter.

## Interim period

Group revenue amounted to SEK 1,935.5 (1,708.0) million, an increase of 13 percent. The gross profit amounted to SEK 1,440.4 (1,268.8) million, an increase of 14 percent. The operating income increased to SEK 408.4 (451.8) million and the operating margin was 21.1 (26.5) percent. The Group's income before tax amounted to SEK 405.3 (448.7) million and net income amounted to SEK 380.3 (425.7).

## Acquisition of Europe-Bet, 2015

During the second quarter, acquired operations contributed with SEK 94.1 million to the Group's revenue, corresponding to a growth in Europe-Bet of 9.4 percent. Growth in Europe-Bet's online operations was 18 percent. Europe-Bet's land-based operations generated SEK 15.6 million in revenue during the second quarter. Europe-Bet contributed with SEK 22.9 million to the Group's operating income during the second quarter. The tables below show the acquisition's contribution to Betsson's earnings in 2016.

### Europe-Bet's contribution to the second quarter

(SEK million)	Betsson excl Europe-Bet	Europe-Bet	Betsson
Revenue	841.3	94.1	935.4
Operating income	135.4	22.9	158.3
Net income for the period	126.7	19.7	146.4

### Europe-Bet's contribution in the interim period

(SEK million)	Betsson excl Europe-Bet	Europe-Bet	Betsson
Revenue	1,747.5	188.0	1,935.5
Operating income	350.2	58.2	408.4
Net income for the period	327.1	53.2	380.3

## Operations

Through subsidiaries, Betsson offers Internet gaming to end consumers via partner co-operations and its own gaming portals. Betsson also offers system solutions for other operators.

Mobile revenue in a rolling twelve months period amounted to SEK 1.5 billion, an increase of 67 percent compared to the previous twelve months. During the past twelve months, the mobile Sportsbook revenue increased with 51 percent and the mobile Casino revenue with 80 percent. Mobile revenue was 41 (33) percent of total revenue. Mobile gross turnover in the Sportsbook accounted for 61 (55) percent of total gross turnover in the Sportsbook during the second quarter.

## Products

During the second quarter, revenue in Casino amounted to SEK 683.2 (617.8) million, an increase of 11 percent. Europe-bet contributed with SEK 50.9 (-) million, meanwhile this product category was

negatively affected by SEK 19.6 million related to currency fluctuations. Organic growth in constant currency was 6 percent. Overall, Casino represented 73 (72) percent of Group revenue. Betsson's Casino offer has been expanded and comprises 1 442 different casino games, of which 593 are available on mobile devices. Betsson is now probably offering the largest number of games in the market.

Gross turnover in Sportsbook, in all of Betsson's gaming solutions, amounted to SEK 6,008.7 (5,385.7) million. The share of turnover generated from mobile devices amounted to 61 (55) percent during the second quarter. The margin after free bets across all of Betsson's gaming solutions in Sportsbook was 5.7 (6.3) percent, the Sportsbook margin is volatile and is affected by the outcome in different sports events. The average margin for the eight past quarters was 6.4 percent. Revenue from Sportsbook during the second quarter amounted to SEK 223.0 (206.4) million. Revenue from Europe-bet amounted to SEK 34.9 (-) million, meanwhile this product category has been negatively affected by SEK 12.4 million related to currency fluctuations. Sportsbook represented 24 (24) percent of the Group's revenue. 2.8 percent of the Group revenues in the second quarter was related to the Euro 2016 championship in football. During the period, Betsson's Sportsbook offer has been considerably increased with more events and markets.

Poker revenue during the second quarter amounted to SEK 26.1 (24.6) million. Europe-Bet contributed with SEK 8.8 million to the Poker revenue. Activity in Betsson's poker network continues to decrease, following a general market decline.

Revenue from other products amounted to SEK 3.1 (11.8) million during the second quarter.

### Customer deposits

Customer deposits in all of Betsson's gaming solutions during the quarter amounted to SEK 3,472.8 (3,116.6) million, an increase of 11 percent. Deposits have been negatively affected by currency fluctuations. The growth in deposits should due to normal quarterly variances be evaluated over a longer period than a quarter.

The term "all of Betsson's gaming solutions" includes B2B partnerships which are not operated under Betsson's licenses.

### Customers

At the end of the second quarter, the number of registered customers amounted to 9.5 (8.1) million, an increase of 17 percent. Active customers during the quarter amounted to 563,247 (357,577), an increase of 58 percent which is attributable to acquired operations, the Euro 2016 football championship and general growth. This key performance indicator reflects gaming activity in Betsson's solutions without any deposit requirement.

During the past twelve months, Betsson has closed a number of European markets as a consequence of a more conservative stance on what markets to accept players from. Betsson aims to lower the exposure in markets that have an unclear regulatory situation or an unclear tax situation.

### Equity

Equity in the Group amounted to SEK 3,028.1 (2,849.6) million, corresponding to SEK 21.88 (20.63) per share.

### Liquid funds and customer liabilities

Cash and cash equivalents at the end of June amounted to SEK 412.8 (355.7) million. During the second quarter SEK 624.3 million has been transferred to the shareholders through an automatic redemption process. At the end of the second quarter, available credit facilities amounted to SEK 1,312.3 million, of which SEK 1,136.8 (691.3) million was utilised and SEK 175.5 (838.3) million was unutilised. Gaming liabilities, including reserves for accumulated jackpots, amounted to SEK 423.3 (334.2). Due to the regulations of gaming authorities, this amount limits utilisation of the Company's liquid funds. Current receivables from payment providers for unsettled customer deposits were SEK 286.0 (282.2) million.

### Personnel

At the end of the second quarter, the company had 1,766 (928) employees. The average number of employees in the Group during the year amounted to 1,624 (900), of which 871 (690) were based in Malta.

In addition, the Group employed 209 (116) full-time consultants at the end of the quarter.

Europe-Bet has 547 employees, of which 180 are for the online operations. The number of employees for the land-based operations continues to decrease according to plan.

### Parent Company

The operations of the Parent Company, Betsson AB (publ), consist of the ownership and administration of shareholdings in companies which, on their own or through partnerships, offer end customers gaming over the Internet. The Company provides and sells internal services related to finance, communication, accounting and administration to certain Group companies.

Turnover for the interim period amounted to SEK 8.4 (8.3) million, and income before tax amounted to minus SEK 24.9 (plus 34.0) million.

Cash and cash equivalents in the Parent Company totalled SEK 69.3 (34.5) million.

### Ownership structure

The Company's Series B shares are listed on Nasdaq Stockholm Large Cap List (BETS). At the end of the period, the Company had 41,492 (27,727) shareholders. The three shareholders with the greatest proportion of the voting power were Per Hamberg and companies with 3.8 percent of the outstanding capital and 18.0 percent of the outstanding votes, the Knutsson family and companies with 5.1 percent of the outstanding capital and 10.7 percent of the outstanding votes, and the Lundström family and companies with 3.2 percent of the outstanding capital and 9.6 percent of the outstanding votes.

## Shares outstanding

The total number of shares and votes in Betsson amounts to 143,109,081 and 289,449,081, divided into 16,260,000 Series A shares with ten votes each, 122,155,730 Series B shares with one vote each and 4,693,351 Series C shares which may not be represented at general meetings of shareholders. This includes Betsson's holding of 1,173 Series B treasury shares which have been acquired in previous years at an average price of SEK 19.42 and 4,693,351 shares of Series C.

## Events after the end of the quarter

The third quarter has started with daily revenue significantly above the average of the second quarter.

There have been no other significant events after the end of the reporting period.

## Accounting principles

Betsson complies with IFRS standards and interpretations (IFRIC) as approved by the EU. This Interim 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 principles applied are consistent with those presented in the Annual Report for 2015. Detailed information about the Group's accounting and valuation principles can be found in the Annual Report for 2015 (Note 2), which is available on [www.betssonab.com](http://www.betssonab.com) or at the Company's head office.

This interim report refers to certain key performance indicators which Betsson and others use evaluating the performance of Betsson, KPIs which are not defined according to IFRS. These figures give management and investors important information to fully analyse the Betsson business and trends. These KPIs are ment not to replace but to complement those KPIs which are defined in IFRS.

## KPI definitions

*Growth (revenue) per quarter:* The difference in Revenue between the current quarter and the previous quarter, as percent of the Revenue in the previous quarter.

*Growth compared with corresponding period the previous year:* The difference in Revenue between the current quarter and the corresponding period the previous year, as percent of the Revenue in the corresponding period the previous year.

*Gross margin:* Gross profit in percent of Revenues.

*EBITDA margin (revenue):* Operating income increased with depreciation as percent of Revenue.

*EBITDA margin (gross profit):* Operating income increased with depreciation as percent of Gross profit.

*Operating margin (revenue):* Operating income as percent of Revenue.

*Operating margin (gross profit):* Operating income as percent of Gross profit.

*Profit margin (revenue):* Income before tax in percent of Revenue.

*Profit margin (gross profit):* Income before tax as percent of Gross profit.

*Marketing (revenue):* Marketing expenses as percent of Revenue.

*Marketing (gross profit):* Marketing expenses as percent of Gross profit.

*Earnings per share (SEK):* Net income distributed on the average number of outstanding shares in the period.

*Operating cash flow per share (SEK):* Cash flow from operating activities distributed on the average number of outstanding shares in the period.

*Equity per share (SEK):* Equity at the end of the period distributed on the number of outstanding shares at the end of the period.

*Equity/assets ratio:* Equity at the end of the period as percent of Total assets.

## Risks and factors of uncertainty

The legal landscape for online gaming is constantly changing, both at the EU level and in the various geographical markets. There is continued pressure on countries in the EU to bring their legislation in line with applicable EU law, especially regarding restrictions in the free movement of goods and services. As an example, the European Commission has recently indicated that new infringement procedures will be conducted against a number of countries during 2016. A number of countries have reported that they are working on new legislation which will be compatible with EU requirements, and certain countries have presented proposals for concrete legislation. There is still uncertainty as to the point in time at which such legislation will be introduced to those of Betsson's main markets which are yet to receive new regulations.

New legislation could result in changes in market conditions regarding, for example, tax rates, product ranges and local licensing fees, and this might have a negative impact on Betsson's profitability. At the same time, new legislation may lead to a significant market growth, as well as possibly provide Betsson with increased opportunities for marketing and an expanded presence in the market.

In 2010, Norway expanded its ban on promoting gaming organised from abroad. This ban negatively affects banks due to the fact that cashier services for online gaming payments via credit and debit cards have been made illegal. However, after the elections in September 2013, there has been a parliamentary majority in favour of re-regulating the Norwegian gaming market. Based on what is known today, the management of Betsson believes that it is likely that there will be new regulations in Norway up until the year 2020.

In Sweden, there is a consensus among the various parliamentary parties to re-regulate the Swedish gaming market. The Government has communicated a schedule, which, if implemented, would mean that Sweden will implement new regulations in 2018.

During the second quarter, Betsson has licence revenue corresponding to 14 (19) percent of total revenue for systems delivery to a gaming operator, Realm Entertainment Ltd, where a portion of the revenue derives from players in Turkey. Revenue arising from these players may be considered to incur a higher operational risk than revenue from other markets.

For a more detailed description of the above risks and other risks and uncertainties, please refer to the Annual Report for 2015.

### Transactions with related parties

No transactions took place between Betsson and related parties which significantly affected Betsson's financial position and performance in the quarter.

### Future prospects

Betsson expects that the market for online gaming will continue to develop strongly. The number of Internet users is growing rapidly worldwide, which is a driving force for the industry. The most crucial factor today is the growth of mobile solutions and the use of smart phones. In regions where the internet is available, the confidence in the internet and e-commerce is increasing as more people use the internet to perform their banking and stock market transactions, insurance business and other purchases. This behaviour and increasing confidence in e-commerce is important for the market development.

Betsson believes that, from a risk perspective, there is a lasting value in both the locally re-regulated markets as well as in the previously internationally regulated markets. Selected, internationally regulated markets constitute, for the foreseeable future, a base for strong growth and profitability.

Due to ongoing re-regulations in certain of Betsson's key markets and the strong growth Betsson has on already locally regulated markets the portion of sustainable revenue, locally taxed revenue, is increasing quarter to quarter. Management estimate that the portion of sustainable revenue will be above 50 percent of the total revenue up until 2020.

Management estimates that Betsson's markets as a whole will grow by 9 percent during 2016, based on analyses undertaken by, amongst others, H2 Gambling Capital. Betsson intends to continue growing, over time, faster than the market rate.

Furthermore, management believes that Betsson's mobile revenue will continue to demonstrate strong growth over the foreseeable future.

### Annual General Meeting 2016

The Annual General Meeting of shareholders in Betsson AB was held Thursday, 12 May 2016, in Stockholm. Pontus Lindwall was re-elected as the Chairman of the board and Lars Linder-Aronson, Patrick Svensk, Kicki Walje-Lund, Martin Wattin and Jan Nord were re-elected as board members. The AGM further resolved to distribute SEK 624.3 million to the shareholders through an automatic redemption process.

### Financial Calendar

The interim report for the third quarter on 20 October and for the year-end report for full-year 2016 (fourth quarter) on 9 February 2017.

### Presentation of the Interim Report

Today, Thursday, 21 July, at 9:00 AM CEST, Betsson's CEO, Ulrik Bengtsson, will present the Interim Report from Betsson's office at Regeringsgatan 28, Stockholm, and through webcast on [www.betssonab.com](http://www.betssonab.com) or <http://edge.media-server.com/m/p/58i9m8jp> and by phone on +46 (0)8 505 564 74 (Sweden), +44 (0)203 364 53 74 (UK), or +1 (0) 855 753 22 30 (US).

The presentation will be held in English and followed by a question and answer session. A copy of the presentation will be available at [www.betssonab.com](http://www.betssonab.com) as of Thursday, 21 July.

### Insurance from the board

The Board and the CEO in Betsson AB hereby confirm that this interim report gives a fair picture of the operations, the balance sheet and the income statement in the parent company and in the Group and that it describes the material risks connected with the company and the Group.

### Stockholm July 21, 2016

Ulrik Bengtsson President and CEO	Pontus Lindwall Chairman of the board
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Lars Linder-Aronson Board member	Patrick Svensk Board member
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Kicki Walje-Lund Board member	Martin Wattin Board member
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Jan Nord  
Board member

Betsson AB (publ),  
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CIN 556090-4251

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

The information in this interim report is information which Betsson AB (publ) is to publish in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. Submitted for publication on 21 July 2016 at 7:30 CEST.

### Translated copy

This is an English version of the Swedish original report.

<b>Consolidated Income Statement (SEK million)</b>	<b>Quarter 2 2016</b>	<b>Quarter 2 2015</b>	<b>Jan-Jun 2016</b>	<b>Jan-Jun 2015</b>	<b>Full year 2015</b>
<b>Revenue</b>	<b>935.4</b>	<b>860.6</b>	<b>1,935.5</b>	<b>1,708.0</b>	<b>3,722.0</b>
Cost of Services provided	-240.9	-229.4	-495.1	-439.2	-1,046.4
<b>Gross profit</b>	<b>694.6</b>	<b>631.2</b>	<b>1,440.4</b>	<b>1,268.8</b>	<b>2,675.6</b>
Marketing expenses	-219.2	-166.0	-415.9	-332.2	-752.9
Personnel expenses	-160.6	-128.1	-310.7	-252.7	-543.5
Other external expenses	-156.7	-115.0	-304.7	-220.1	-475.2
Capitalised development costs	50.8	30.9	96.7	64.3	146.9
Depreciation	-49.3	-36.7	-94.0	-72.9	-160.7
Other operating income/expenses	-1.3	-2.5	-3.3	-3.5	-3.8
Operating expenses	-536.3	-417.4	-1,032.0	-817.0	-1,789.2
<b>Operating income</b>	<b>158.3</b>	<b>213.8</b>	<b>408.4</b>	<b>451.8</b>	<b>886.4</b>
Financial income and expenses	-1.9	-1.5	-3.1	-3.1	-3.4
<b>Income before tax</b>	<b>156.4</b>	<b>212.3</b>	<b>405.3</b>	<b>448.7</b>	<b>883.0</b>
Tax	-10.1	-10.7	-25.0	-23.0	-51.2
<b>Net income</b>	<b>146.4</b>	<b>201.6</b>	<b>380.3</b>	<b>425.7</b>	<b>831.7</b>
Earnings per share before dilution (SEK)	1.06	1.46	2.75	3.08	6.02
Earnings per share after dilution (SEK)	1.06	1.46	2.75	3.08	6.02
Operating margin (% of Revenues)	16.9	24.8	21.1	26.5	23.8
Operating margin (% of Gross profit)	22.8	33.9	28.4	35.6	33.1
Profit margin (%)	16.7	24.7	20.9	26.3	23.7
Average number of outstanding shares (millions)	138.4	138.1	138.4	138.1	138.2
Number of outstanding shares at end of period (millions)	138.4	138.1	138.4	138.1	138.4
Return on equity (%)			12	14	27
Return on total capital (%)			7	9	17
Return on capital employed (%)			9	11	19

<b>Consolidated Statement of Comprehensive Income (SEK million)</b>	<b>Quarter 2 2016</b>	<b>Quarter 2 2015</b>	<b>Jan-Jun 2016</b>	<b>Jan-Jun 2015</b>	<b>Full year 2015</b>
<b>Net income</b>	<b>146.4</b>	<b>201.6</b>	<b>380.3</b>	<b>425.7</b>	<b>831.7</b>
<b>Other comprehensive income</b>					
<b>Revenue/expenses reported directly in equity</b>					
Hedge of net investments in foreign currency incl deferred tax	-12.9	4.9	-16.7	21.8	28.4
Exchange differences on translating foreign operations	106.0	-28.9	133.3	-110.4	-209.6
<b>Other comprehensive income of the period (after tax)</b>	<b>93.2</b>	<b>-23.9</b>	<b>116.7</b>	<b>-88.5</b>	<b>-181.2</b>
<b>Total comprehensive income for the period</b>	<b>239.5</b>	<b>177.7</b>	<b>497.0</b>	<b>337.2</b>	<b>650.5</b>

**Consolidated Balance Sheet**

30/06/2016

30/06/2015

31/12/2015

<b>(SEK million)</b>			
Intangible fixed assets	4,146.3	3,298.1	3,980.3
Tangible fixed assets	70.2	45.0	57.0
Financial fixed assets	14.6	21.9	16.9
Deferred tax receivables	25.1	23.1	21.2
<b>Total non-current assets</b>	<b>4,256.2</b>	<b>3,388.1</b>	<b>4,075.5</b>
Current receivables	1,044.3	990.9	1,126.9
Cash and liquid assets	412.8	355.7	524.9
<b>Total current assets</b>	<b>1,457.1</b>	<b>1,346.6</b>	<b>1,651.8</b>
<b>Total assets</b>	<b>5,713.2</b>	<b>4,734.6</b>	<b>5,727.4</b>
Equity	3,028.1	2,849.6	3,153.7
Provision gaming tax	-	-	109.9
Deferred tax liabilities	1.0	5.2	5.9
<b>Total Provisions</b>	<b>1.0</b>	<b>5.2</b>	<b>5.9</b>
Non-current liabilities to credit institutions	700.0	691.3	505.2
Current liabilities to credit institutions	436.8	0.0	228.4
Other current liabilities	1,547.4	1,188.6	1,724.3
<b>Total current liabilities</b>	<b>1,984.2</b>	<b>1,188.6</b>	<b>1,952.7</b>
<b>Total equity and liabilities</b>	<b>5,713.2</b>	<b>4,734.6</b>	<b>5,727.4</b>
<b>Consolidated Cash Flow Statement</b>			
<b>(SEK million)</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Full year</b>
	<b>2016</b>	<b>2015</b>	<b>2015</b>
Income after financial items	405.3	448.7	883.0
Adjustments for non-cash items	101.0	74.8	280.5
Taxes paid	-64.0	-33.0	-27.7
<b>Cash flows from operating activities</b>	<b>442.3</b>	<b>490.5</b>	<b>1 135.8</b>
before changes in working capital			
Changes in working capital	99.6	-26.4	18.7
<b>Cash flow from operating activities</b>	<b>541.9</b>	<b>464.1</b>	<b>1,154.5</b>
Investments	-143.5	-71.4	-200.4
Sale of tangible assets	2.8	-	-
Acquisition of liquid funds	-	-	22.9
Acquisition of shares in subsidiaries	-	-	-443.0
<b>Cash flows from investing activities</b>	<b>-140.7</b>	<b>-71.4</b>	<b>-620.5</b>
Cash paid upon redemption of warrants	-	-8.1	-21.0
Paid Gaming tax (Provision Germany)	-90.2	-	-
Remaining purchase consideration	-180.7	-137.1	-137.1
Bank loan	373.0	185.9	436.7
Repayment of bank loan	-	-	-200.1
Share redemption programme	-624.3	-549.7	-549.7
Premiums received for issued warrants	-	-	2.0
<b>Cash flows from financing activities</b>	<b>-522.1</b>	<b>-509.1</b>	<b>-469.2</b>
<b>Changes to cash and liquid assets</b>	<b>-121.0</b>	<b>-116.4</b>	<b>64.7</b>
Cash and liquid assets at beginning of period	524.9	478.1	478.1
Exchange rate differences	8.9	-6.0	-18.0
<b>Cash and liquid assets at end of period</b>	<b>412.8</b>	<b>355.7</b>	<b>524.9</b>
<b>Change in Group Equity</b>			
<b>(SEK million)</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Full year</b>
	<b>2016</b>	<b>2015</b>	<b>2015</b>
<b>Opening balance</b>	<b>3,153.7</b>	<b>3,073.8</b>	<b>3,073.8</b>
Total comprehensive income for the period	497.0	337.2	650.5
<b>Total change, excluding transactions with company owners</b>	<b>497.0</b>	<b>337.2</b>	<b>650.5</b>
Share Redemption Program	-624.3	-549.7	-549.7
Warrants, paid premium	-	-	2.0
Payment at exercise of options	-	-12.2	-25.1
Share options - value of employee services	1.6	0.5	2.2
<b>Equity at end of period</b>	<b>3,028.1</b>	<b>2,849.6</b>	<b>3,153.7</b>
<b>Attributable to:</b>			
Parent company's shareholders	3,028.1	2,849.6	3,153.7
Minority Interest	-	-	-
<b>Total equity</b>	<b>3,028.1</b>	<b>2,849.6</b>	<b>3,153.7</b>

<b>Parent Company Income Statement (SEK million)</b>	<b>Jan-Jun 2016</b>	<b>Jan-Jun 2015</b>	<b>Full year 2015</b>
<b>Revenues</b>	<b>8.4</b>	<b>8.3</b>	<b>16.8</b>
Operating expenses	-27.2	-26.5	-57.4
<b>Operating Income</b>	<b>-18.8</b>	<b>-18.1</b>	<b>-40.6</b>
Financial items	-6.1	52.1	829.6
<b>Income before tax</b>	<b>-24.9</b>	<b>34.0</b>	<b>789.0</b>
Tax	0.0	0.0	0.0
<b>Net income</b>	<b>-24.9</b>	<b>34.0</b>	<b>789.0</b>
<b>Parent Company Balance Sheet (SEK million)</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>31/12/2015</b>
Tangible fixed assets	2.0	1.0	1.2
Financial assets	3,912.7	3,470.2	3,912.6
Total non-current assets	3,914.7	3,471.3	3,913.8
Current receivables	50.0	71.9	426.9
Cash and liquid assets	69.3	34.5	103.3
Total current assets	119.3	106.4	530.1
<b>Total assets</b>	<b>4,034.0</b>	<b>3,577.7</b>	<b>4,444.0</b>
Restricted equity	348.7	346.4	348.7
Unrestricted equity	2,455.2	2,362.5	3,104.3
Total equity	2,803.9	2,708.9	3,453.0
Non-current liabilities to credit institutions	700.0	672.7	502.2
Current liabilities to credit institutions	410.7	0.0	221.3
Other Current liabilities	119.4	196.0	267.4
Total current liabilities	530.1	196.0	488.7
<b>Total equity and liabilities</b>	<b>4,034.0</b>	<b>3,577.7</b>	<b>4,444.0</b>

## Group Overview

<b>Consolidated Income Statement (SEK million)</b>	<b>2016 Q2</b>	<b>2016 Q1</b>	<b>2015 Q4</b>	<b>2015 Q3</b>	<b>2015 Q2</b>	<b>2015 Q1</b>	<b>2014 Q4</b>	<b>2014 Q3</b>	<b>2015 Full year</b>
<b>Revenues</b>	935.4	1,000.1	1,041.1	972.9	860.6	847.4	814.7	782.1	3,722.0
Cost of Sale	-240.9	-254.3	-369.6	-237.6	-229.4	-209.8	-221.9	-207.7	-1,046.4
<b>Gross Profit</b>	694.6	745.8	671.4	735.3	631.2	637.6	592.8	574.4	2,675.6
Marketing expenses	-219.2	-196.7	-215.2	-205.5	-166.0	-166.2	-145.5	-135.9	-752.9
Personnel expenses	-160.6	-150.2	-152.1	-138.7	-128.1	-124.6	-116.1	-120.2	-543.5
Other external expenses	-156.7	-148.0	-127.9	-127.1	-115.0	-105.2	-117.7	-111.3	-475.2
Capitalized development costs	50.8	45.9	42.5	40.1	30.9	33.4	36.2	33.3	146.9
Depreciation	-49.3	-44.7	-44.7	-43.1	-36.7	-36.2	-31.0	-33.3	-160.7
Other operating income/-expenses	-1.3	-2.0	0.4	-0.7	-2.5	-1.0	33.7	0.1	-3.8
Operating expenses	-536.3	-495.7	-497.1	-475.1	-417.4	-399.6	-340.3	-367.3	-1,789.2
<b>Operating income</b>	158.3	250.1	174.4	260.2	213.8	238.0	252.5	207.2	886.4
Financial items, net	-1.9	-1.2	-3.0	2.7	-1.5	-1.6	4.1	-3.1	-3.4
<b>Income before tax</b>	156.4	248.9	171.4	262.9	212.3	236.4	256.6	204.1	883.0
Tax	-10.1	-14.9	-12.3	-15.9	-10.7	-12.3	-13.6	-10.7	-51.2
<b>Net income</b>	146.4	234.0	159.1	247.0	201.6	224.1	243.0	193.4	831.7
<b>Consolidated Balance Sheet (SEK million)</b>	<b>2016 Q2</b>	<b>2016 Q1</b>	<b>2015 Q4</b>	<b>2015 Q3</b>	<b>2015 Q2</b>	<b>2015 Q1</b>	<b>2014 Q4</b>	<b>2014 Q3</b>	<b>2015 Full year</b>
Non-current assets	4,256.2	4,126.2	4,075.5	4,151.4	3,388.1	3,418.2	3 507.5	3,374.8	4,075.5
Current assets	1,457.1	1,601.0	1,651.8	1,537.0	1,346.6	1,610.3	1 503.2	1,278.6	1,651.8
Total assets	5,713.2	5,727.2	5,727.4	5,688.4	4,734.6	5,028.5	5 010.7	4,653.4	5,727.4
Equity	3,028.1	3,412.1	3,153.7	3,087.2	2,849.6	3,233.5	3 073.8	2,734.1	3,153.7
Non-current liabilities	701.0	677.7	620.9	968.6	696.5	516.0	528.7	508.4	620.9
Current liabilities	1,984.2	1,637.4	1,952.7	1,632.6	1,188.6	1,278.9	1 408.2	1,410.8	1,952.7
Total equity and liabilities	5,713.2	5,727.2	5,727.4	5,688.4	4,734.6	5,028.5	5 010.7	4,653.4	5,727.4
<b>Consolidated Cash Flow Statement (SEK million)</b>	<b>2016 Q2</b>	<b>2016 Q1</b>	<b>2015 Q4</b>	<b>2015 Q3</b>	<b>2015 Q2</b>	<b>2015 Q1</b>	<b>2014 Q4</b>	<b>2014 Q3</b>	<b>2015 Full year</b>
Operating cash flow	211.9	330.0	278.2	412.2	232.2	231.9	164.4	327.1	1,154.5
Cash flow from investing activities	-78.1	-62.6	-54.8	-494.3	-37.0	-34.4	-44.5	-55.2	-620.5
Cash flow from financing activities	-182.3	-339.8	-203.3	243.2	-372.0	-137.1	-147.0	-211.8	-469.2
Total Cash flow	-48.7	-72.3	20.1	161.1	-176.7	60.4	-27.1	60.1	64.7



Key Ratios	2016	2016	2015	2015	2015	2015	2014	2014	2015
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Full year
Quarterly revenue growth (%)	-6	-4	7	13	2	4	4	4	-
Growth compared to same period last year (%)	9	18	28	24	14	24	24	30	23
Gross Margin (% of Revenues)	74.2	74.6	64.5	75.6	73.3	75.2	72.8	73.4	71.9
EBITDA-margin (% of Revenues)	22.2	29.5	21.0	31.2	29.1	32.3	34.8	30.7	28.1
EBITDA-margin (% of Gross profit)	29.9	39.5	32.6	41.3	39.7	43.0	47.8	41.9	39.1
EBIT-margin (% of Revenues)	16.9	25.0	16.7	26.8	24.8	28.1	31.0	26.5	23.8
EBIT-margin (% of Gross profit)	22.8	33.5	26.0	35.4	33.9	37.3	42.6	36.1	33.1
Profit margin (% of Revenues)	16.7	24.9	16.5	27.0	24.7	27.9	31.5	26.1	23.7
Profit margin (% of Gross profit)	22.5	33.4	25.5	35.8	33.6	37.1	43.3	35.5	33.0
Marketing expenses (% of Revenues)	23.4	19.7	20.7	21.1	19.3	19.6	17.9	17.4	20.2
Marketing expenses (% of Gross profit)	31.6	26.4	32.1	27.9	26.3	26.1	24.5	23.7	28.1
Earnings per share (SEK)	1.06	1.69	1.15	1.78	1.46	1.62	1.76	1.40	6.02
Operating cashflow per share (SEK)	1.53	2.38	2.01	2.98	1.68	1.68	1.19	2.37	8.35
Equity per share (SEK)	21.88	24.65	22.78	22.30	20.63	23.42	22.27	19.81	22.78
Executed dividend/redemption per share (SEK)	4.51				3.98				3.98
Average share price (SEK)	94.88	125.14	145.12	141.94	118.60	100.35	85.26	80.51	127.59
Share price at end of period (SEK)	70.10	126.00	155.50	140.80	119.80	107.93	91.67	85.33	155.50
Highest share price (SEK)	128.30	153.00	160.00	157.00	132.40	110.97	94.33	90.50	160.00
Lowest share price (SEK)	63.35	104.30	127.10	120.40	106.30	91.33	73.83	74.67	91.33
Equity/asset ratio (%)	53	60	55	54	60	64	61	59	55
Investments (MSEK)	80.9	62.6	83.2	80.6	37.0	34.4	44.4	53.4	235.1
Average number of employees (accumulated)	1,624	1,554	1,584	1,610	900	875	850	845	1 584
Number of employees at end of period	1,766	1,631	1,639	1,692	928	905	870	885	1 639
Shareholders at end of period	41,492	36,771	35,156	30,878	27,727	25,234	21,443	20,604	35,156
Number of shares (million)	143.1	143.1	143.1	139.6	139.6	139.6	139.6	139.6	143.1
<b>Customers</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>	<b>2015</b>
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Full year
Registered Customers (thousands)	9,488.9	9,244.3	9,022.2	8,804.6	8,096.6	7,924.0	7,732.4	7,533.2	9,022.2
Quarterly growth (%)	3	2	2	9	2	2	3	2	-
Growth compared to same period last year (%)	17	17	17	17	10	10	15	14	17
Active Customers (thousands)	563.2	538.1	526.3	492.2	357.6	372.1	390.7	363.5	526.3
Quarterly growth (%)	4.7	2.2	6.9	37.6	-3.9	-4.8	7.5	-4.7	-
Growth compared to same period last year (%)	58	45	35	35	-6	3	-3	-14	35
Activity Rate, Active/Registered customers (%)	6	6	6	6	4	5	5	5	6
<b>Customer Deposits</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>	<b>2015</b>
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Full year
Customer Deposits, all gaming solutions (MSEK)	3,472.8	3,516.6	3,471.4	3,237.7	3,116.6	3,173.6	2,977.1	2,737.3	12,999.2
Quarterly growth (%)	-1	1	7	4	-2	7	9	5	-
Growth compared to same period last year (%)	11	11	17	18	19	43	32	35	23
<b>Sportbook Margin</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>	<b>2015</b>
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Full Year
Gross Turnover, all gaming solutions (MSEK)	6,008.7	6,717.7	6,428.8	5,506.1	5,385.7	6,054.4	5,074.8	4,063.3	23,375.0
Quarterly growth (%)	-10.6	4.5	16.8	2.2	-11.0	19.3	24.9	-1.9	-
Growth compared to same period last year (%)	12	11	27	36	30	60	24	20	37
Of which Gross Turnover Live Betting (MSEK)	4,326.1	5,029.4	4,715.1	4,294.9	4,148.9	4,575.3	3,692.0	2,963.1	17,734.2
Live Betting (% of Gross Turnover Sportsbook)	72.0	74.9	73.3	78.0	77.0	75.6	72.8	72.9	75.9
Quarterly growth (%)	-14.0	6.7	9.8	3.5	-9.3	23.9	24.6	4.1	-
Growth compared to same period last year (%)	4	10	28	45	46	75	33	25	46
Margin after free bets (%)	5.7%	6.1%	7.1%	7.3%	6.3%	6.2%	6.10%	8.5%	6.7%
Revenue (MSEK)	223.0	292.8	312.6	276.0	206.4	217.7	192.6	222.1	1,012.7
Gross Margin Sportsbook (%) <sup>1)</sup>	3.71%	4.36%	4.86%	5.01%	3.83%	3.60%	3.79%	5.47%	4.33%
<sup>1)</sup> Margin Revenue/ Gross Turnover, all gaming solutions									

<b>Gross Profit by Products</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>	<b>2015</b>
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Full year
<b>Revenue (SEK million)</b>									
Casino	683.2	669.1	684.0	656.8	617.8	585.0	580.4	524.0	2,543.6
Poker	26.1	33.3	34.2	29.7	24.6	29.3	28.9	25.5	117.8
Sportsbook	223.0	292.8	312.6	276.0	206.4	217.7	192.6	222.1	1,012.7
Other products	3.1	4.9	10.3	10.4	11.8	15.4	12.7	10.5	47.9
Total	935.4	1 000.1	1 041.1	972.9	860.6	847.4	814.7	782.1	3,722.0
<b>Share of total Revenue (%)</b>									
Casino	73.0	66.9	65.7	67.5	71.8	69.0	71.2	67.0	68.3
Poker	2.8	3.3	3.3	3.1	2.9	3.5	3.6	3.3	3.2
Sportsbook	23.8	29.3	30.0	28.4	24.0	25.7	23.6	28.4	27.2
Other products	0.3	0.5	1.0	1.1	1.4	1.8	1.6	1.3	1.3
<b>Quarterly Growth (%)</b>									
Casino	2	-2	4	6	6	1	11	-2	-
Poker	-22	-3	15	21	-16	1	14	-6	-
Sportsbook	-24	-6	13	34	-5	13	-13	25	-
Other products	-37	-52	-1	-12	-24	21	21	-17	-
Total all products	-6	-4	7	13	2	4	4	4	-
<b>Growth compared to same period last year (%)</b>									
Casino	11	14	18	25	16	28	30	30	21
Poker	6	14	18	17	-9	-15	-24	-21	1
Sportsbook	8	34	62	24	16	17	23	47	30
Other products	-74	-68	-19	-1	-7	69	-4	-31	6
Total all products	9	18	28	24	14	24	24	30	23
<b>Revenue per region</b>									
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>	<b>2015</b>
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Full year
<b>Sportsbook (SEK million)</b>									
Nordic countries	80.0	112.0	113.0	91.5	94.5	84.1	95.4	109.5	383.2
Western Europe	7.6	41.6	51.1	43.2	7.2	7.0	5.7	5.0	108.6
Central and Eastern Europe and Central Asia	128.3	131.8	145.1	136.3	99.1	122.3	90.6	102.5	502.8
Other products	7.1	7.4	3.4	4.9	5.6	4.3	0.9	5.1	18.2
Total	223.0	292.8	312.6	276.0	206.4	217.7	192.6	222.1	1,012.8
<b>Other products - casino, poker and other games</b>									
Nordic countries	355.2	355.1	362.4	361.7	343.4	351.1	354.2	338.0	1,418.7
Western Europe	200.8	202.1	192.3	194.9	195.2	160.8	166.3	138.3	743.1
Central and Eastern Europe and Central Asia	138.8	136.3	159.4	126.7	97.1	104.6	88.1	73.5	487.7
Other products	17.6	13.9	14.4	13.6	18.5	13.3	13.5	10.3	59.8
Total	712.4	707.4	728.5	696.9	654.2	629.7	622.0	560.1	2,709.3
<b>Total per region</b>									
Nordic countries	435.1	467.1	475.5	453.3	437.9	435.1	449.6	447.5	1,801.8
Western Europe	208.4	243.7	243.3	238.1	202.4	167.8	172.0	143.2	851.7
Central and Eastern Europe and Central Asia	267.2	268.1	304.5	263.0	196.2	226.9	178.7	176.0	990.5
Other products	24.7	21.2	17.9	18.5	24.0	17.6	14.4	15.4	78.0
Total	935.4	1,000.1	1,041.1	972.9	860.6	847.4	814.7	782.1	3,722.1
<b>Percentage of total (%)</b>									
Nordic countries	47	47	46	47	51	51	55	57	48
Western Europe	22	24	23	24	24	20	21	18	23
Central and Eastern Europe and Central Asia	29	27	29	27	23	27	22	23	27
Other products	3	2	2	2	3	2	2	2	2
<b>Growth on quarterly basis and YoY (%)</b>									
Nordic countries	-7	-2	5	4	1	-3	0	7	4
Western Europe	-14	0	2	18	21	-2	20	-8	51
Central and Eastern Europe and Central Asia	-0	-12	16	34	-14	27	2	8	45
Other products	16	19	-3	-23	37	22	-6	3	41
<b>Growth compared with same period last year (%)</b>									
Nordic countries	-1	7	6	1	5	4	4	8	4
Western Europe	3	45	42	66	29	83	168	126	51
Central and Eastern Europe and Central Asia	36	18	70	49	20	36	24	46	45
Other products	3	21	24	20	62	63	2	256	41