

Year-end report for the period 1 January – 31 December 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.

Casino revenue increased by 20 percent

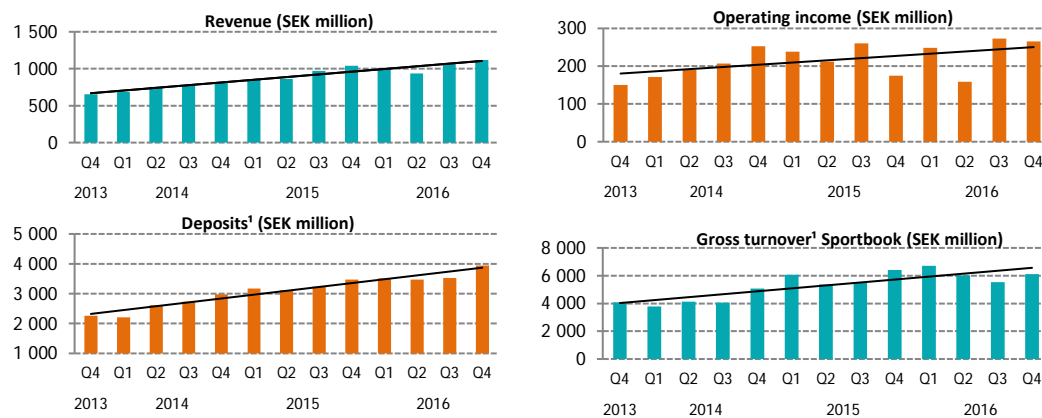
Fourth quarter

- Revenue amounted to SEK 1,118.5 (1,041.1) million, an increase of 7 percent.
- Revenue in the region Nordic amounted to SEK 556.9 (475.5) million, an increase of 17 percent.
- Casino revenue amounted to SEK 823.7 (684.0) million, an increase of 20 percent.
- Mobile revenue amounted to SEK 546.8 (373.3) million, an increase of 46 percent. Mobile revenue is now 49 percent of total revenue.
- Betsson has the largest mobile casino offering in the market with 1,246 different games and revenue from mobile casino grew by 83 percent.
- Operating income amounted to SEK 265.1 (174.4) million and the operating margin was 23.7 (16.7) percent. The operating income in the fourth quarter was charged with a non-recurring cost of SEK 10.3 million related to acquisition and in the fourth quarter 2015 there was a non-recurring cost of SEK 103.8 million.
- Net income amounted to SEK 243.6 (159.1) million, corresponding to SEK 1.76 (1.15) per share.
- Deposits in all of Betsson's gaming solutions amounted to SEK 3,947.1 (3,471.4) million, corresponding to a growth of 14 percent.
- The acquisition of the horse betting operator RaceBets was closed by December 30, 2016.
- During the fourth quarter, Betsson issued a three year unsecured bond of SEK 1 billion, within a SEK 2 billion frame.

Full year period

- Revenue increased by 11 percent to SEK 4,117.3 (3,722.0) million. Casino revenue, which constitute 71 percent of Betsson's total revenue, grew by 14 percent.
- Operating income amounted to SEK 946.4 (886.4) million, and the operating margin was 23.0 (23.8) percent.
- Net Income amounted to SEK 878.0 (831.7) million, corresponding to SEK 6.34 (6.02) per share.
- Cash flow from operating activities amounted to SEK 1,168.5 (1,154.5) million.
- The Board of Directors proposes distribution of SEK 658.9 (624.3) million to shareholders, which corresponds to SEK 4.76 (4.51) per share.

Key Performance Indicators



¹Deposits and gross turnover in Sportsbook refer to all gaming solutions.

Comment from Ulrik Bengtsson, CEO Betsson AB

"Betsson's positive development continues and the first quarter 2017 has started strong. The stable Casino business was 74 percent of revenue in the fourth quarter and Betsson's brands continue to gain market shares in the segment. Also Betsson's largest region, the Nordics, grew faster than the market and region Western Europe returned to growth. An increase of deposits by 14 percent and record level in active players shows a strong underlying momentum. In total, the growth in the quarter was 7.4 percent, despite decline in region Central and Eastern Europe and Central Asia (CEECA), compared to the fourth quarter 2015.

Betsson has made significant investments in product development throughout 2016, which has pushed the Casino growth. The Sportsbook investments are expected to have a positive effect in 2017. The acquisition of the horse betting operator RaceBets adds an important product to Betsson's Sportsbook offering and adds revenue from mainly locally regulated markets. The share of revenue from locally regulated markets is increasing, in accordance with our strategy, and is now close to 20 percent.

Increased investments in product development, higher share of revenue from regulated markets and less revenue from countries with high margin have had a negative impact on earnings during the year. The operating margin for the full year was 23 percent despite a very weak second quarter. This shows that Betsson has a good balance in its business and can absorb both temporary revenue decline and increased costs, over time."

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).

Fourth quarter 2016

Group revenue totalled SEK 1,118.5 (1,041.1) million. Gross profit amounted to SEK 830.6 (671.4) million. Operating income amounted to SEK 265.1 (174.4) million and the operating margin was 23.7 (16.7) percent. The Group's income before tax amounted to SEK 259.6 (171.4) million and net income amounted to SEK 243.6 (159.1) million, corresponding to SEK 1.76 (1.15) per share.

Exchange rate fluctuations, compared to the rates applied the same period the previous year, had a positive impact on revenue for the quarter of SEK 25.1 million, while the operating income was negatively impacted by SEK 30.9 million. In total, exchange rate fluctuations had a negative impact on operating income of SEK 5.8 million.

During the fourth quarter, license revenue for system deliveries to the gaming operator Realm Entertainment Ltd, amounted to SEK 139.4 (170.0) million, corresponding to 12 (16) percent of total revenue. Despite continued unfavourable exchange rate movements, the license revenue increased by 6 percent compared to the third quarter.

Operating expenses amounted to SEK 565.5 (497.1) million. The increase is mainly attributable to investments in technology and product development made to increase Betsson's competitiveness.

Marketing expenses amounted to SEK 206.3 (215.2) million. Commission for affiliates and partners, included in cost of sale, amounted to SEK 84.6 (82.9) million in the fourth quarter.

Personnel costs totalled SEK 175.9 (152.1) million. The increase compared to the previous year is attributable to planned investments in technology and product development.

Other external expenses amounted to SEK 166.4 (127.9) million. The increase is primarily related to development of the Sportsbook.

The income statement for the fourth quarter includes acquisition related items amounting to SEK 10.3 (0) million.

Capitalised development costs amounted to SEK 55.6 (42.5) million.

Full year

Group revenue amounted to SEK 4,117.3 (3,722.0) million, an increase of 11 percent. The gross profit amounted to SEK 3,078.0 (2,675.6) million, an increase of 15 percent. The operating income amounted to SEK 946.4 (886.4) million and the operating margin was 23.0 (23.8) percent. Income before tax amounted to SEK 936.0 (883.0) million and net income amounted to SEK 878.0 (831.7). Net income per share amounted to SEK 6.34 (6.02).

Operations

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

Products

Casino revenue in the fourth quarter amounted to SEK 823.7 (684.0) million, an increase of 20 percent. Overall, Casino represented 74 (66) percent of Group revenue. Significant investments have been made in Betsson's Casino during the year and the offering now comprises 1,758 different casino games, of which 1,246 are available on mobile devices.

Gross turnover in Sportsbook, in all of Betsson's gaming solutions, amounted to SEK 6,117.7 (6,428.8) million. The share of gross turnover generated from mobile devices amounted to 67 (55) percent during the fourth quarter.

The margin after free bets across all of Betsson's gaming solutions in Sportsbook was 6.6 (7.1) percent. The Sportsbook margin in December was negatively impacted by the outcome in a number of major football matches. The average margin in the past eight quarters was 6.6 percent.

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

Sportsbook revenue in the fourth quarter amounted to SEK 264.4 (312.6) million. Sportsbook represented 24 (30) percent of the Group's revenue. The decrease is mainly related to the decrease in revenue from Realm Entertainment Ltd. and the withdrawal from a number of markets for regulatory reasons.

During 2016, investments in the Sportsbook has resulted in improved performance, launch of new functionality, e.g. cashout, ad a wider offering.

Poker revenue in the fourth quarter amounted to SEK 28.3 (34.2) million. Activity in Betsson's poker network continues to decrease, following a decrease in demand.

Revenue from other products amounted to SEK 2.1 (10.3) million during the fourth quarter.

Mobile revenue in the fourth quarter amounted to SEK 546.8 (373.3) million, an increase of 46 percent. The growth in mobile Casino revenue was 83 percent and the growth in mobile Sportsbook was 5 percent. Mobile revenue is now 49 (36) percent of total revenue.

Betsson has launched a proprietary front-end technology (OBG) which has enabled widen the supply of games and improved functionality in Betsson's mobile Casino. In 2017, Sportsbook will be launched on OBG.

Customer deposits

Customer deposits in all of Betsson's gaming solutions during the fourth quarter amounted to SEK 3,947.1 (3,471.4) million, an increase of 14 percent. 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 fourth quarter, the number of registered customers amounted to 10.1 (9.0) million, an increase of 12 percent. The KPI includes 0.2 million registered customers from acquired operations TonyBet and RaceBets.

Active customers during the quarter amounted to 573,277 (526,291), an increase of 9 percent. This number includes 12, 929 active customers in TonyBet. Active customers in RaceBets are not included as the RaceBets acquisition was closed on December 30 2016. This key performance indicator reflects gaming activity in Betsson's solutions without any deposit requirement.

Equity

Equity in the Group amounted to SEK 3,502.9 (3,153.7) million, corresponding to SEK 25.31 (22.78) per share.

Liquid funds and customer liabilities

Cash and cash equivalents at the end of December amounted to SEK 444.3 (524.9) million. At the end of the fourth quarter, available credit facilities amounted to SEK 1,366.8 (1,522.2) million, of which SEK 334.8 (733.5) million was utilised and SEK 1,032.0 (788.6) million was unutilised.

To strengthen Betsson's financial position, mainly in order to make acquisitions, the Company issued senior unsecured bonds of SEK 1 billion within a frame amount of SEK 2 billion during the fourth quarter. The bond has a yearly coupon of Stibor 3m plus 3.5 percentage points and a tenor of 3 years, maturing on November 28th 2019. The bonds are listed at Nasdaq Stockholm as of December 23rd 2016

Cash flow from operating activities during the interim period amounted to SEK 1,168.5 (1,154.5) million.

Gaming liabilities, including reserves for accumulated jackpots, amounted to SEK 380.9 (366.7). Due to the regulations by gaming authorities, this amount limits utilisation of the Company's liquid funds. Current receivables from payment providers for unsettled customer deposits were SEK 307.0 (316.2) million.

Personnel

At the end of the fourth quarter, the company had 1,821 (1,639) employees, including all employees of recently acquired companies. The average number of employees in the Group during the year amounted to 1,661 (1,584), of which 952 (760) were based in Malta.

In addition, the Group employed 224 (151) full-time consultants at the end of the quarter.

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.

Revenue for the interim period amounted to SEK 17.2 (16.8) million, and income before tax amounted to SEK 919.3 (789.0) million.

Cash and cash equivalents in the Parent Company totalled SEK 45.3 (103.3) 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 41,056 (35,156) 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 11.0 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 144,493,238 and 290,833,238, divided into 16,260,000 Series A shares with ten votes each, 122,155,730 Series B shares with one vote each and 6,077,508 Series C shares with one vote each, but may not be represented at general meetings of shareholders. This includes Betsson's holding of 1,084 Series B shares which have been acquired in previous years at an average price of SEK 19.42 and 6,077,508 shares of Series C.

Events after the end of the quarter

Revenue in the beginning of the first quarter 2017 was significantly higher than the average revenue of the first quarter 2016 and higher than the average revenue in the fourth quarter 2016.

As of January 1st 2017, gaming tax on turnover in sportsbook and the yearly license fee in Georgia have been raised. If this had been applicable in the fourth quarter 2016, and all else equal, the operating income had been negatively impacted by SEK 5.7 million. Management's opinion is that a well-balanced regulation where all aspects of the market are taken into consideration is positive for Betsson's long-term earnings.

An additional purchase consideration related to the acquisition of Lošimij strateginè grupè, UAB (TonyBet) of EUR 2.0 million, which was reserved during 2016, has been paid during 2017 in conjunction with certain milestones reached.

Betsson AB and NetPlay TV plc ("NetPlay") have reached an agreement on the terms of a recommended public cash offer pursuant to which Betsson will acquire all shares of NetPlay, a company listed on the AIM market of the London Stock Exchange. The cash offer is GBP 0.09 per share, corresponding to a total consideration of GBP 26.4 million (on a fully diluted basis). The offer is subject to, amongst other things, the approval of NetPlay shareholders and also the High Court of Justice in the UK and is expected to be closed in April 2017.

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

Management's assessments

Management estimates that the operational expenditure in the first quarter 2017, including acquired companies, will increase by high single-digit percentage, compared to reported operational expenditures in the fourth quarter.

Currency fluctuations are expected to have continued negative impact on revenue in the region Central and Eastern Europe and Central Asia (CEECA).

Cost for product development is estimated to increase at a slower pace in 2017 than in 2016. Meanwhile, management sees good opportunities to market the Company's products during the year.

Based on analyses from H2 Gambling Capital and other, management estimates that the weighted annual growth in Betsson's markets 2017-2020 will amount to 8.5 percent. Betsson's objective is to outgrow the market organically over time, and in addition grow through acquisitions.

Management estimates that the share of revenue from locally regulated markets with local gaming tax will increase over time. The Company shows strong growth in locally regulated markets, in addition several of Betsson's key markets are planning re-regulation of gaming. Betsson's ambition is to continue to acquire businesses in locally regulated or soon to be locally regulated markets.

Market

Betsson expects that the market for online gaming will continue to develop strongly. Increased accessibility to digital platforms and the use of multiple screens is fuel consumption of online services, which is a driving force for the industry. The confidence in e-commerce is increasing and the internet is increasing as more people do their banking and stock market transactions, insurance business and other purchases online. This behaviour and increasing confidence in e-commerce is important for the market development.

More countries in Europe are introducing local gaming regulation and operators are more often choosing to apply for local gaming licenses and thereby pay local gaming tax. Betsson's ambition is to continue to apply for local gaming licenses where it is commercially viable.

There are sustainable values in both the locally regulated markets as well as in the internationally regulated markets. Selected, internationally regulated markets constitute, for the foreseeable future, a base for strong growth and profitability.

Today, Betsson holds gaming licenses in Denmark, Estonia, Georgia, Germany, Ireland, Italy, Latvia, Lithuania, Malta and the UK.

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 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, KPI's which are not defined according to IFRS. These figures give management and investors important information to fully analyse the Betsson business and trends. These KPI's are not meant to replace but to complement those KPI's 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. 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. There is an ongoing discussion regarding re-regulation of the Norwegian gaming market, but the current Government as expressed a will to maintain the gambling monopoly.

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.

The introduction of new gaming regulation in the Netherlands may be further delayed due to the political process in the Netherlands.

Betsson has licence revenue for system 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 risks mentioned above 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.

Distribution to shareholders

The Board of Directors proposes distribution to shareholders of SEK 658.9 (624.3) million, corresponding to SEK 4.76 (4.51) per share, through an automatic redemption process.

Annual General Meeting 2017

The Annual General Meeting of shareholders in Betsson AB will be held on Thursday, 11 May 2017, in Stockholm (time and place to be announced at a later date).

Shareholders who would like to make proposals to the Nomination Committee may do so by email to valberedning@betssonab.com or by post to Betsson AB, Nomination Committee, Regeringsgatan 28, 111 53 Stockholm, Sweden.

Financial Calendar

Q1 2017: 27 April 2017

January-June and Q2 2017: 19 July 2017

January-September and Q3 2017: 20 October 2017

Year-end report Q4 2017: 8 February 2018

Presentation of the year-end Report

Today, Thursday, 9 February, at 9:00 AM CEST, Betsson's CEO, Ulrik Bengtsson, will present the Year-end Report from Betsson's office at Regeringsgatan 28, Stockholm, Sweden and through webcast on www.betssonab.com or <http://edge.media-server.com/m/p/ezwbg5y6> and by phone on +46 (0)8 505 564 74 (SE), +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.

Stockholm 9 February, 2017

Ulrik Bengtsson
President and CEO

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This year-end report has not been subject to review by the Company's auditors.

Translated copy

This is an English version of the Swedish original report.

Acquisitions

Lošimų strateginė grupė, UAB

During the third quarter, an agreement was reached regarding the acquisition of Lošimų strateginė grupė, UAB, which is operational as TonyBet in Lithuania. The acquisition was closed during the fourth quarter. TonyBet is the second largest online operator in Lithuania and the acquisition strengthens Betsson's position in the Baltics with local licenses in Estonia, Latvia and Lithuania.

The initial acquisition consideration of EUR 4.0 million was paid during the fourth quarter. In the six month period to 30 June 2016, the revenue of the acquired entity was EUR 3.0 million and the adjusted EBIT was EUR 0.55 million. On an annualized basis, the transaction multiple is therefore around 3.6x 2016 EBIT. An additional purchase consideration of EUR 2.0 million has been paid out during 2017 following the achievement of certain milestones. Total consideration will then be a maximum 7.25x adjusted annualised EBIT for 2016.

The acquisition is consolidated as of the fourth quarter, but not regarded material to be reported separately.

RaceBets

Gaming operator RaceBets was acquired during the fourth quarter. The acquisition complements Betsson's offering with a competitive horse racing product and an experienced horse betting trading team. The horse betting product will be added to Betsson's offering and will benefit all Betsson brands. RaceBets holds licenses in the UK, Ireland, Malta and Germany.

The accounting revenue of RaceBets in 2015 amounted to EUR 9.3 million and adjusted EBIT was EUR 3.36 million. The annual growth rate 2013-2015 was 12 percent.

The initial acquisition consideration for the business is EUR 34 million, payable in cash. The acquisition multiple is 10.1x 2015 EBIT. Subject to achieving certain financial and non-financial milestones, a remaining purchase consideration amounting to EUR 6 million may be paid. The total maximum consideration for the business is capped at

EUR 40 million. Betsson has also paid for additional cash in the company, amounting to SEK 12.5 million.

The acquisition of RaceBets was closed December 30th 2016. This means that RaceBets is included in Betsson's balances as of December 31, but will be included in Betsson's income statement as of January 1st 2017. Restructuring effects of the acquired entity is estimated to have a temporary negative impact on revenue and EBIT of EUR 750,000 in 2017.

Acquired licences, integration and cost synergies related to the development of the acquired companies and revenue synergies explain the total goodwill. No part of reported goodwill is expected to be tax-deductible.

Accounting implications

The acquisitions have not had any material impact on Betsson's earnings during 2016 but is consolidated in the Group as of 31 December 2016.

Purchase price allocation related to acquisitions made 2016 (SEK m)

Purchase price

Paid purchase price (cash and cash equivalents)	370.0
Additional purchase price (conditional)	<u>83.8</u>
Total purchase price	453.8

Reported amount of identifiable acquired assets and taken over liabilities

Liquid funds	35.0
Tangible fixed assets	2.3
Customer base	15.8
Brands	114.2
Current receivables	31.7
Current liabilities	<u>-45.0</u>
Total identifiable net assets	154.1
Goodwill	299.7

Consolidated Income Statement (SEK million)	Quarter 4 2016	Quarter 4 2015	Full year 2016	Full year 2015
Revenue	1,118.5	1,041.1	4,117.3	3,722.0
Cost of Services provided	-288.0	-369.6	-1 039.3	-1046.4
Gross profit	830.6	671.4	3,078.0	2,675.6
Marketing expenses	-206.3	-215.2	-822.3	-752.9
Personnel expenses	-175.9	-152.1	-657.9	-543.5
Other external expenses	-166.4	-127.9	-638.4	-475.2
Capitalised development costs	55.6	42.5	211.8	146.9
Depreciation	-61.8	-44.7	-211.9	-160.7
Other operating income/expenses	-10.6	0.4	-12.9	-3.8
Operating expenses	-565.5	-497.1	-2,131.6	-1,789.2
Operating income	265.1	174.4	946.4	886.4
Financial income and expenses	-5.5	-3.0	-10.4	-3.4
Income before tax	259.6	171.4	936.0	883.0
Tax	-16.0	-12.3	-58.0	-51.2
Net income	243.6	159.1	878.0	831.7
Earnings per share before dilution (SEK)	1.76	1.15	6.34	6.02
Earnings per share after dilution (SEK)	1.76	1.15	6.34	6.02
Operating margin (per cent of Revenues)	23.7	16.7	23.0	23.8
Operating margin (per cent of Gross profit)	31.9	26.0	30.7	33.1
Profit margin (per cent)	23.2	16.5	22.7	23.7
Average number of outstanding shares (millions)	138.4	138.4	138.4	138.2
Number of outstanding shares at end of period (millions)	138.4	138.4	138.4	138.4
Return on equity (per cent)			26	27
Return on total capital (per cent)			16	17
Return on capital employed (per cent)			19	19

Consolidated Statement of Comprehensive Income (SEK million)	Quarter 4 2016	Quarter 4 2015	Full year 2016	Full year 2015
Net income	243.6	159.1	878.0	831.7
Other comprehensive income				
Revenue/expenses reported directly in equity				
Hedge of net investments in foreign currency incl deferred tax	-12.0	22.6	-51.6	28.4
Exchange differences on translating foreign operations	-72.6	-116.0	143.9	-209.6
Other comprehensive income of the period (after tax)	-84.6	-93.4	92.3	-181.2
Total comprehensive income for the period	159.0	65.7	970.3	650.5

Consolidated Balance Sheet (SEK million)	31/12/2016	31/12/2015
Intangible fixed assets	4,627.5	3,980.3
Tangible fixed assets	85.9	57.0
Financial fixed assets	12.6	16.9
Deferred tax receivables	34.9	21.2
Total non-current assets	4,760.8	4,075.5
Current receivables	1,057.4	1,126.9
Cash and liquid assets	444.3	524.9
Total current assets	1,501.7	1,651.8
Total assets	6,262.5	5,727.4
Equity	3,502.9	3,153.7
Provision gaming tax	20.1	109.9
Deferred tax liabilities	1.0	5.9
Total Provisions	21.0	115.8
Bond	990.8	
Non-current liabilities to credit institutions	334.8	505.2
Total non-current liabilities	1,325.6	505.2
Current liabilities to credit institutions	-	228.4
Other current liabilities	1,412.9	1,724.3
Total current liabilities	1,412.9	1,952.7
Total equity and liabilities	6,262.5	5,727.4
Consolidated Cash Flow Statement (SEK million)	Full year 2016	Full year 2015
Income after financial items	936.0	883.0
Adjustments for non-cash items	217.8	280.5
Taxes paid	-101.9	-27.7
Cash flows from operating activities before changes in working capital	1,051.8	1,135.8
Changes in working capital	116.6	18.7
Cash flow from operating activities	1,168.5	1,154.5
Investments	-316.7	-200.4
Sale of tangible assets	2.8	-
Acquisition of liquid funds	35.0	22.9
Acquisition of shares in subsidiaries	-370.0	-443.0
Cash flows from investing activities	-648.9	-620.5
Cash paid upon redemption of warrants	-0.7	-21.0
Paid Gaming tax provision	-90.2	-
Bond issue	993.0	-
Remaining purchase consideration	-430.7	-137.1
Raised Bank loans	-	436.7
Repayment of bank loan	-464.8	-200.1
Share redemption programme	-624.3	-549.7
Warrant premiums received	0.7	2.0
Cash flows from financing activities	-616.9	-469.2
Changes to cash and liquid assets	-97.4	64.7
Cash and liquid assets at beginning of period	524.9	478.1
Exchange rate differences	16.8	-18.0
Cash and liquid assets at end of period	444.3	524.9
Change in Group Equity (SEK million)	Full year 2016	Full year 2015
Opening balance	3,153.7	3,073.8
Total comprehensive income for the period	970.3	650.5
Total change, excluding transactions	970.3	650.5
with company owners	970.3	650.5
Share Redemption Program	-624.3	-549.7
Warrants, paid premium	0.7	2.0
Payment at exercise of options	-0.7	-25.1
Share options - value of employee services	3.1	2.2
Equity at end of period	3,502.9	3,153.7
Attributable to:		
Parent company's shareholders	3,502.9	3,153.7

Parent Company Income Statement (SEK million)	Full year 2016	Full year 2015
Revenues	17.2	16.8
Operating expenses	-62.9	-57.4
Operating Income	-45.6	-40.6
Financial items	964.9	829.6
Income before tax	919.3	789.0
Tax	0.0	0.0
Net income	919.3	789.0
Parent Company Balance Sheet (SEK million)	31/12/2016	31/12/2015
Tangible fixed assets	2.6	1.2
Financial assets	4,741.6	3,912.6
Total non-current assets	4,744.2	3,913.8
Current receivables	572.1	426.9
Cash and liquid assets	45.3	103.3
Total current assets	617.4	530.1
Total assets	5,361.6	4,444.0
Restricted equity	349.6	348.7
Unrestricted equity	3,397.8	3,104.3
Total equity	3,747.4	3,453.0
Bond	990.8	-
Non-current liabilities to credit institutions	313.6	502.2
Total non-current liabilities	1,304.4	502.2
Current liabilities to credit institutions		221.3
Other Current liabilities	309.8	267.4
Total current liabilities	309.8	488.7
Total equity and liabilities	5,361.6	4,444.0

Group Review

Consolidated Income Statement (SEK million)	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2016 Full Year
Revenues	1,118.5	1,063.3	935.4	1,000.1	1,041.1	972.9	860.6	847.4	4,117.3
Cost of Sale	-288.0	-256.2	-240.9	-254.3	-369.6	-237.6	-229.4	-209.8	-1,039.3
Gross Profit	830.6	807.0	694.6	745.8	671.4	735.3	631.2	637.6	3,078.0
Marketing expenses	-206.3	-200.1	-219.2	-196.7	-215.2	-205.5	-166.0	-166.2	-822.3
Personnel expenses	-175.9	-171.2	-160.6	-150.2	-152.1	-138.7	-128.1	-124.6	-657.9
Other external expenses	-166.4	-167.2	-156.7	-148.0	-127.9	-127.1	-115.0	-105.2	-638.4
Capitalized development costs	55.6	59.5	50.8	45.9	42.5	40.1	30.9	33.4	211.8
Depreciation	-61.8	-56.0	-49.3	-44.7	-44.7	-43.1	-36.7	-36.2	-211.9
Other operating income/-expenses	-10.6	0.9	-1.3	-2.0	0.4	-0.7	-2.5	-1.0	-12.9
Operating expenses	-565.5	-534.2	-536.3	-495.7	-497.1	-475.1	-417.4	-399.6	-2,131.6
Operating income	265.1	272.9	158.3	250.1	174.4	260.2	213.8	238.0	946.4
Financial items, net	-5.5	-1.8	-1.9	-1.2	-3.0	2.7	-1.5	-1.6	-10.4
Income before tax	259.6	271.1	156.4	248.9	171.4	262.9	212.3	236.4	936.0
Tax	-16.0	-17.0	-10.1	-14.9	-12.3	-15.9	-10.7	-12.3	-58.0
Net income (continuing operations)	243.6	254.1	146.4	234.0	159.1	247.0	201.6	224.1	878.0
Consolidated Balance Sheet (SEK million)	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2016 Full Year
Non-current assets	4,760.8	4,372.1	4,256.2	4,126.2	4,075.5	4,151.4	3,388.1	3,418.2	4,760.8
Current assets	1,501.7	1,576.3	1,457.1	1,601.0	1,651.8	1,537.0	1,346.6	1,610.3	1,501.7
Total assets	6,262.5	5,948.4	5,713.2	5,727.2	5,727.4	5,688.4	4,734.6	5,028.5	6,262.5
Equity	3,502.9	3,343.3	3,028.1	3,412.1	3,153.7	3,087.2	2,849.6	3,233.5	3,502.9
Non-current liabilities	1,346.7	721.2	701.0	677.7	620.9	968.6	696.5	516.0	1,346.7
Current liabilities	1,412.9	1,883.9	1,984.2	1,637.4	1,952.7	1,632.6	1,188.6	1,278.9	1,412.9
Total equity and liabilities	6,262.5	5,948.4	5,713.2	5,727.2	5,727.4	5,688.4	4,734.6	5,028.5	6,262.5
Consolidated Cash Flow Statement (SEK million, Continuing operations)	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2016 Full Year
Operating cashflow	332.2	294.4	211.9	330.0	278.2	412.2	232.2	231.9	1,161.5
Cashflow from investing activities	-426.1	-82.2	-78.1	-62.6	-54.8	-494.3	-37.0	-34.4	-648.9
Cashflow from financing activities	20.4	-115.2	-182.3	-339.8	-203.3	243.2	-372.0	-137.1	-609.9
Totals	-73.5	97.1	-48.6	-72.3	20.1	161.1	-176.7	60.4	-97.4

Group Overview

Key Ratios

	2016	2016	2016	2016	2015	2015	2015	2015	2016
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full Year
Quarterly top-line growth (per cent)	5	14	-6	-4	7	13	2	4	
Growth compared to same period last year (per cent)	7	9	9	18	28	24	14	24	11
Gross Margin (percent of Revenues)	74.3	75.9	74.2	74.6	64.5	75.6	73.3	75.2	74.8
EBITDA-margin (percent of Revenues)	29.2	30.9	22.2	29.5	21.0	31.2	29.1	32.3	28.1
EBITDA-margin (percent of Gross Profit)	39.4	40.8	29.9	39.5	32.6	41.3	39.7	43.0	37.6
EBIT-margin (percent of Revenues)	23.7	25.7	16.9	25.0	16.7	26.8	24.8	28.1	23.0
EBIT-margin (percent of Gross Profit)	31.9	33.8	22.8	33.5	26.0	35.4	33.9	37.3	30.7
Profit margin (percent of Revenues)	23.2	25.5	16.7	24.9	16.5	27.0	24.7	27.9	22.7
Profit margin (percent of Gross Profit)	31.3	33.6	22.5	33.4	25.5	35.8	33.6	37.1	30.4
Marketing expenses (percent of Revenues)	18.4	18.8	23.4	19.7	20.7	21.1	19.3	19.6	20.0
Marketing expenses (percent of Gross Profit)	24.8	24.8	31.6	26.4	32.1	27.9	26.3	26.1	26.7
Earnings per share (SEK)	1.76	1.84	1.06	1.69	1.15	1.78	1.46	1.62	6.34
Operating cash flow per share (SEK)	2.40	2.13	1.53	2.34	2.01	2.98	1.68	1.68	8.44
Equity per share (SEK)	25.31	24.15	21.88	24.65	22.78	22.30	20.63	23.42	25.31
Executed dividend/redemption per share (SEK)			4.51				3.98		4.51
Average share price (SEK)	88.47	79.61	94.88	125.14	145.12	141.94	118.60	100.35	93.80
Last paid share price (SEK)	87.90	94.80	70.10	126.00	155.50	140.80	119.80	107.93	87.90
Highest share price (SEK)	96.05	96.20	128.30	153.00	160.00	157.00	132.40	110.97	153.00
Lowest share price (SEK)	79.25	63.05	63.35	104.30	127.10	120.40	106.30	91.33	63.05
Equity/asset ratio (percent)	56	56	53	60	55	54	60	64	56
Investments (SEK million)	91.1	82.2	80.9	62.6	83.2	80.6	37.0	34.4	316.7
Average number of employees (accumulated)	1,661	1,595	1,624	1,554	1,584	1,610	900	875	1,661
Number of employees at end of period	1,821	1,680	1,766	1,631	1,639	1,692	928	905	1,821
Number of registered shareholders at end of period	41,056	42,237	41,492	36,771	35,156	30,878	27,727	25,234	41,056
Number of shares	144.5	143.1	143.1	143.1	143.1	139.6	139.6	139.6	144.5

Customers

	2016	2016	2016	2016	2015	2015	2015	2015	2016
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full Year
Registered Customers (thousands)	10,101.0	9,676.3	9,488.9	9,244.3	9,022.2	8,804.6	8,096.6	7,924.0	10,101.0
Quarterly growth (per cent)	4	2	3	2	2	9	2	2	
Growth compared to same period last year (per cent)	12	10	17	17	17	17	10	10	12
Active Customers (thousands)	573.3	515.1	563.2	538.1	526.3	492.2	357.6	372.1	573.3
Quarterly growth (per cent)	11.3	-8.5	4.7	2.2	6.9	37.6	-3.9	-4.8	
Growth compared to same period last year (per cent)	9	5	58	45	35	35	-6	3	9
Activity Rate, Active/Registered customers (per cent)	6	5	6	6	6	6	4	5	6

Customer Deposits

	2016	2016	2016	2016	2015	2015	2015	2015	2016
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full Year
Customer Deposits (SEK million)	3 090.8	2 737.1	2 624.1	2 630.7	2 605.0	2 439.8	2 222.0	2 170.4	11 082.7
Quarterly growth (per cent)	13	4	0	1	7	10	2	2	
Growth compared to same period last year (per cent)	19	12	18	21	22	18	15	38	17
Customer Deposits, all gaming solutions (MSEK)	3 947.1	3 521.2	3 472.8	3 516.6	3 471.4	3 237.7	3 116.6	3 173.6	14 457.6
Quarterly growth (per cent)	12	1	-1	1	7	4	-2	7	
Growth compared to same period last year (per cent)	14	9	11	11	17	18	19	43	11

Sportbook Margin

	2016	2016	2016	2016	2015	2015	2015	2015	2016
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full Year
Gross Turnover, all gaming solutions (SEK million)	6,117.7	5,548.0	6,008.7	6,717.7	6,428.8	5,506.1	5,385.7	6,054.4	24,392.1
Quarterly growth (per cent)	10.3	-7.7	-10.6	4.5	16.8	2.2	-11.0	19.3	
Growth compared to same period last year (per cent)	-5	1	12	11	27	36	30	60	4
Of which Gross Turnover Live Betting (SEK million)	4,492.0	4,216.9	4,326.1	5,029.4	4,715.1	4,294.9	4,148.9	4,575.3	18,064.4
Live Betting (per cent of Gross Turnover Sportsbook)	73.4	76.0	72.0	74.9	73.3	78.0	77.0	75.6	74.1
Quarterly growth (per cent)	6.5	-2.5	-14.0	6.7	9.8	3.5	-9.3	23.9	
Growth compared to same period last year (per cent)	-5	-2	4	10	28	45	46	75	2
Margin after free bets (per cent)	6.6	7.6	5.7	6.1	7.1	7.3	6.3	6.2	6.5
Gross Profit (SEK million)	264.4	300.2	223.0	292.8	312.6	276.0	206.4	217.7	1,080.4
Gross Margin Sportsbook (per cent) ¹⁾	4.3	5.4	3.7	4.4	4.9	5.0	3.8	3.6	4.4

¹⁾ Margin after allocated costs

Revenue by Products	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2016 Full Year
Revenue (SEK million)									
Casino	823.7	731.8	683.2	669.1	684.0	656.8	617.8	585.0	2,907.8
Poker	28.3	28.8	26.1	33.3	34.2	29.7	24.6	29.3	116.5
Sportsbook	264.4	300.2	223.0	292.8	312.6	276.0	206.4	217.7	1,080.4
Other products	2.1	2.5	3.1	4.9	10.3	10.4	11.8	15.4	12.6
Total	1,118.5	1,063.3	935.4	1,000.1	1,041.1	972.9	860.6	847.4	4,117.3
Share of total Revenues (per cent)									
Casino	73.6	68.8	73.0	66.9	65.7	67.5	71.8	69.0	70.6
Poker	2.5	2.7	2.8	3.3	3.3	3.1	2.9	3.5	2.8
Sportsbook	23.6	28.2	23.8	29.3	30.0	28.4	24.0	25.7	26.2
Other products	0.2	0.2	0.3	0.5	1.0	1.1	1.4	1.8	0.3
Quarterly Growth (per cent)									
Casino	13	7	2	-2	4	6	6	1	
Poker	-2	10	-22	-3	15	21	-16	1	
Sportsbook	-12	35	-24	-6	13	34	-5	13	
Other products	-16	-19	-37	-52	-1	-12	-24	21	
Total all products	5	14	-6	-4	7	13	2	4	
Growth compared to same period last year (per cent)									
Casino	20	11	11	14	18	25	16	28	14
Poker	-17	-3	6	14	18	17	-9	-15	-1
Sportsbook	-15	9	8	34	62	24	16	17	7
Other products	-80	-76	-74	-68	-19	-1	-7	69	-74
Total all products	7	9	9	18	28	24	14	24	11
Revenue per region									
	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2016 Full Year
Sportsbook									
Nordic countries	118.0	152.5	80.0	112.0	113.0	91.5	94.5	84.1	462.4
Western Europe	11.5	15.6	7.6	41.6	51.1	43.2	7.2	7.0	76.4
Central and Eastern Europe and Central Asia	127.1	119.1	128.3	131.8	145.1	136.3	99.1	122.3	506.4
Other products	7.8	13.0	7.1	7.4	3.4	4.9	5.6	4.3	35.2
Total	264.4	300.2	223.0	292.8	312.6	276.0	206.4	217.7	1,080.3
Other products - casino, poker and other games									
Nordic countries	438.9	402.1	355.2	355.1	362.4	361.7	343.4	351.1	1,551.3
Western Europe	244.3	202.7	200.8	202.1	192.3	194.9	195.2	160.8	849.9
Central and Eastern Europe and Central Asia	152.0	139.7	138.8	136.3	159.4	126.7	97.1	104.6	566.7
Other products	18.9	18.6	17.6	13.9	14.4	13.6	18.5	13.3	69.0
Total	854.1	763.1	712.4	707.4	728.5	696.9	654.2	629.7	3,036.9
Total per region									
Nordic countries	556.9	554.6	435.1	467.1	475.5	453.3	437.9	435.1	2,013.8
Western Europe	255.9	218.3	208.4	243.7	243.3	238.1	202.4	167.8	926.2
Central and Eastern Europe and Central Asia	279.1	258.7	267.2	268.1	304.5	263.0	196.2	226.9	1,073.1
Other products	26.6	31.6	24.7	21.2	17.9	18.5	24.0	17.6	104.2
Total	1,118.5	1,063.3	935.4	1,000.1	1,041.1	972.9	860.6	847.4	4,117.3
Percentage of total (per cent)									
Nordic countries	50	52	47	47	46	47	51	51	49
Western Europe	23	21	22	24	23	24	24	20	22
Central and Eastern Europe and Central Asia	25	24	29	27	29	27	23	27	26
Other products	2	3	3	2	2	2	3	2	3
Growth on quarterly basis and YoY(per cent)									
Nordic countries	0	27	-7	-2	5	4	1	-3	12
Western Europe	17	5	-14	0	2	18	21	-2	9
Central and Eastern Europe and Central Asia	8	-3	0	-12	16	34	-14	27	8
Other products	-16	28	16	19	-3	-23	37	22	34
Growth compared with same period last year(per cent)									
Nordic countries	17	22	-1	7	6	1	5	4	12
Western Europe	5	-8	3	45	42	66	29	83	9
Central and Eastern Europe and Central Asia	-8	-2	36	18	70	49	20	36	8
Other products	49	71	3	21	24	20	62	63	34