

## **Betsson's position regarding the online gaming framework in the Netherlands**

Betsson AB's subsidiaries operate brands that are .com offerings with valid EU licences and operate within a regulated spectrum.

The current law in the Netherlands is not in line with EU law. The European Commission instituted proceedings in 2006 and further in 2008. Infringement proceedings were not revived further given the Netherlands' pledge to review the framework and liberalise the market. These proceedings have however not yet been closed and senior executives at the EU commission have indicated that it will take the infringement proceedings to the next phase if progression is not made.

The prioritisation criteria were put in place to bridge the short gap until the market was opened to EU operators to apply for local licences. The purpose was to channel players who were registered with valid EU operators to the new regulated Dutch market (at such time as it would be introduced). The expectation at the time was that the market would be open by approximately 2015.

The market, to date, remains closed. The political situation places the likelihood of the introduction of any law liberalising the Dutch market and bringing it in line with EU law principles clearly in doubt. Given that the KSA is now seeking to further restrict and enforce under the current law, Betsson considers that the EU should reopen infringement proceedings.

Betsson have been in line with the prioritisation criteria since they were introduced by the KSA in 2012. Betsson purchased the brands Kroon and Orange when these criteria were in place with legitimate expectations that such brands did not infringe the prioritisation criteria and the fact that the new framework was imminent. However, while the law is still not forthcoming, the goalposts (prioritisation criteria) have further been changed without any legal basis.

The recent change in policy (which happened overnight) had the effect of making a legitimate EU operator in line with the 2012 prioritisation criteria, at risk of enforcement from the KSA. As a gesture of goodwill, we will continue to operate in accordance with the criteria as was put in place in 2012 but we will not change operations further as the change in policy has no legal basis.

Enforcement by the KSA is against central EU legal principles. Betsson Group will take all action necessary to defend any attempt of enforcement. We draw your attention to the recent ruling of the Court of Justice of the European Union (CJEU) (see: <http://www.egba.eu/online-gambling-court-rejects-non-transparent-licensing-regimes-and-prohibits-enforcement-measures/>) which provides that where a national regulation is in violation of EU law, a Member State is precluded from sanctioning an operator holding an EU licence.

Given the political landscape in the Netherlands and the current government coalition, we now believe that no fair and transparent regulation enabling local licences (and consequently no local point of consumption tax) will be in place until after the next election in four years from now.

Betsson will continue its business as usual, and continue providing Dutch customers the best customer experience in a safe and regulated environment.

Stockholm, June 30th 2017

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