



# Q1

## INTERIM REPORT

### 1 JANUARY – 31 MARCH 2023

FROM AB TRAV OCH GALOPP (ATG).  
PUBLISHED 27 APRIL 2023

*Francesco Zet was voted Årets Häst® 2022 (Horse of the year) at the Hästgalan® event at Åbytravet, which was broadcast live on the TV show V75® Direkt, on Saturday 11 February. Francesco Zet, which is trained by Daniel Redén, was undefeated in 2022 and won races including Svenskt Travderby.*

*Photo: Thomas Blomqvist/ATG*



## SMALLER ENTERTAINMENT WALLET MEANS LOWER REVENUE

**Year-on-year decline for ATG's first quarter 2023 net gambling revenue. Horse betting, the largest and most important gambling product, declined while sport betting and casino games continued to grow. Growth is strong in Denmark. Costs decreased slightly, but the change in revenue resulted in lower earnings. While customer numbers are stable, there has been a clear decrease in entertainment wallets due to inflation.**

### Q1 in summary, Group

- Net gambling revenue amounted to MSEK 1,193 (1,268).
- Total revenue was MSEK 1,372 (1,462).
- The period's operating profit amounted to MSEK 317 (381).
- Profit for the period totalled MSEK 308 (368).
- Cash flow from operating activities was MSEK 199 (331).

### Key events during the quarter

- On 3 February, the Swedish Patent and Market Court announced its ruling in favour of ATG in a dispute concerning the infringement of ATG's brand. The defendants are Dressman AB, LeeWrangler Sweden AB and Wrangler Apparel Corp.
- On one occasion during the quarter, a single winner has won Grand Slam 75<sup>®</sup> with guaranteed winnings of MSEK 10.

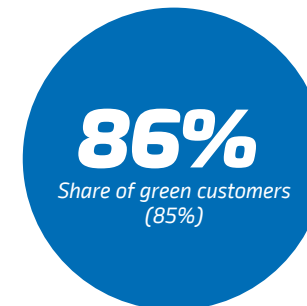
### Key events after the closing date

- At the V75<sup>®</sup> SpringRace over the Easter weekend, a new record was set for the highest Harry Boy win of all time. One SEK 100 Harry Boy resulted in winnings of MSEK 21.
- ATG is replacing consultants in roles that require long-term employees. In April, an employer branding campaign was launched to find new talents, primarily within IT.
- In April, one ATG customer won the jackpot in the casino game Hall of Goods. The winnings totalled MSEK 61.

KPIs, Group, MSEK	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net gambling revenue	1,193	1,268	5,224
Total revenue	1,372	1,462	6,042
Operating profit	317	381	1,686
Operating margin, %	23%	26%	28%
Cash flow from operating activities	199	331	2,010
Number of active customers, million	1.3	1.3	1.3

KPIs, Parent Company, MSEK	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net gambling revenue	1,124	1,213	4,941
Parent Company's profit before transactions with owners <sup>1)</sup>	481	563	2,252
Operating profit	313	381	1,688

1) For definition, see page 20.



## CONTINUED STRONG CUSTOMER INTEREST – BUT LOWER NET GAMBLING REVENUE

***Turbulence in the operating environment continued to affect ATG and our customers in the first quarter of the year. The prevailing recession in combination with high inflation and higher interest rates have left their mark on our customers' betting wallets. Our net gambling revenue declined 6 per cent year-on-year.***

In turbulent times, there is even greater focus on our assignment to create long-term prospects for our owners, the Swedish Trotting Association and the Swedish Jockey Club, and by extension to the entire Swedish horse industry.

The economic downturn in the first quarter was reflected in our operating profit, MSEK 317 (down 16 per cent), in the margin at 23 per cent (26) and in the Parent Company's profit before transactions with owners, which was MSEK 481 (down 15 per cent).

ATG is not the only one affected – in December 2022, and January and February this year, net gambling revenue in the entire commercial licence market declined compared with the same months the year before.

### **Largest in horse betting and sport betting**

However, there are bright spots in the first quarter worth highlighting:

- + ATG has a stable market share and retained its position as the largest betting company in the commercial licence market.

- + The number of customers (1.3 million customers) remains on a par with last year. A clear indicator that customers like ATG and what we offer as well as an important prerequisite for higher growth when the economy once again trends upward in the future.
- + Our Sport and Casino product areas posted continued growth of 10 and 20 per cent respectively. We are capturing market shares in both product areas.
- + Our Danish subsidiary 25syv continued to gain market shares and grew 25 per cent.
- + Ahead of 2023, we started a streamlining programme to lower costs, for example by replacing consultants with new employees and reducing marketing costs. We are already noting some of the effects in our costs in the first quarter. Streamlining initiatives will now be intensified over the remainder of the year.

### **Lower revenue for Horse betting**

While net gambling revenue for the horse betting product area declined to MSEK 854 (down 12 per

cent) compared with the same period last year, we retained our market share in horse betting. A partial explanation for the decline in revenue was that we had one less V75<sup>®</sup> and fewer V75<sup>®</sup> Jackpots during the period, and the positive pandemic effect on net gambling revenue during the initial months of last year. While it is gratifying that our major brands, V75<sup>®</sup>, V86<sup>®</sup> and Grand Slam 75<sup>®</sup>, remain attractive, our smaller brands were negatively impacted by our customers' shrinking betting wallets. 58 million-krona wins were disbursed in the period.

### **Growth in sport betting**

The sport betting product area continues to grow. Net gambling revenue was MSEK 194 (up 10 per cent). ATG is reinforcing its position as the second-largest sport betting operator and recaptured the number one spot in the sport betting segment in the first quarter. Big 9<sup>®</sup> pool betting has yet to meet our expectations, but we are continuing to develop the product and grow the customer base in the long term.

### **...and Casino games**

The casino games product area continues to grow. Net gambling revenue was MSEK 145 (up 20 per cent). We continued development of the product during the period and added more suppliers and new features such as Jackpot Drops. Everything with a focus on offering a casino



**Hasse Lord Skarplöth**  
CEO

product whereby customers enjoy their betting and play for pleasure.

### **Green customers and green turnover**

A key performance indicator (KPI) for measuring our responsible gambling – our most important sustainability topic – is the share of green customers and the share of green turnover. Both figures, 86 and 78 per cent respectively, were stable during the period. In January, together with Kindred and Svenska Spel, we presented four KPIs linked to how each company works with responsible gambling contacts with the group of

customers who exhibit signs of risky gambling and the effect of these contacts. [Click here](#) to read more about the KPIs. The objective of the KPIs is to increase transparency in terms of responsible gambling within the gaming industry.

### Channelling analysis tools

One component of ATG's mission is to be the gaming industry's compass and to promote a gaming industry that is better tomorrow than it is today. In terms of gambling policy, we have therefore continued to promote the proposal Spelpaus 2.0, whereby players who suspend themselves from gambling will be contacted by a support organisation. The Swedish Gambling Authority is now considering the proposal.

High channelling is a core issue for the gaming industry and pertains to the proportions of total gambling that are conducted within and outside the licence system. We have presented our new channelling analysis tool in Sweden to politicians, authorities, researchers, betting companies and gambling addiction associations. The analysis tool has attracted considerable attention.

### Higher employee satisfaction

In turbulent times, it is particularly important that our employees feel secure, committed and motivated. The increase in employee satisfaction (eNPS) at ATG and Kanal 75 in February to 36 (scale: -100 to 100) was therefore particularly gratifying.

Together, we are now continuing our efforts to deliver exciting, responsible and smooth gaming experiences to our customers.



**Hasse Lord Skarplöth**  
CEO ATG



Photo: Maria Holmén/ATG

## JANUARY – MARCH 2023

### Revenue

The Group's net gambling revenue in the first quarter was MSEK 1,193 (1,268), down 6 per cent. The Danish Group 25syv impacted the Group's net gambling revenue with MSEK 69 (55) for the quarter. Growth in Denmark was 25 per cent.

Year-on-year, the Group's net gambling revenue from horse betting decreased MSEK 116, down 12 per cent, sport betting rose MSEK 17 or 10 per cent and casino games increased MSEK 24 or 20 per cent. Inflation, which reduced entertainment wallets, negatively impacted the quarter and the comparative period was positively impacted by Covid-19 restrictions. The quarter

had one Saturday fewer with V75® and one fewer jackpot than the comparative period.

Gross turnover for Swedish horse betting was MSEK 2,751 (3,095), a decrease of 11 per cent. International gross turnover amounted to MSEK 779 (807), a decrease of 3 per cent. Total gross turnover for horse betting (Swedish and international) was MSEK 3,530 (3,902), down 10 per cent.

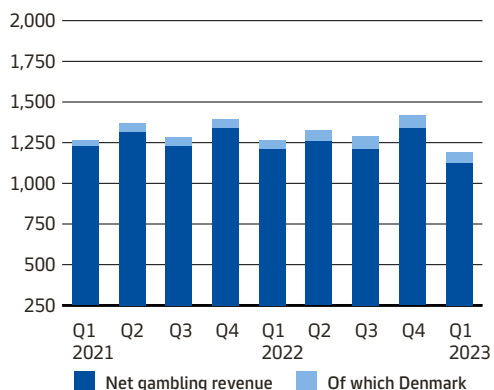
Other revenue for the Group amounted to MSEK 129 (136).

Agent revenue for the Group amounted to MSEK 50 (58).

The Group's total revenue was MSEK 1,372 (1,462).

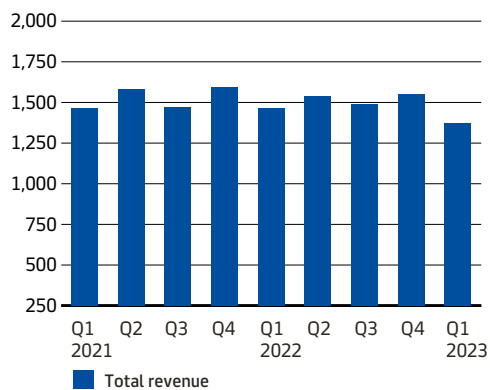
### Net gambling revenue

Quarterly, 2021–2023, MSEK

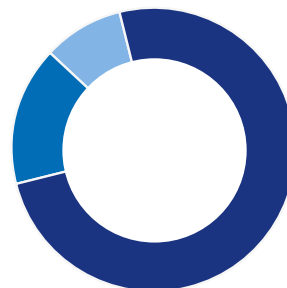


### Total revenue

Quarterly, 2021–2023, MSEK



### Q1 net gambling revenue by betting product, Sweden



- Horse betting: 75% (79)
- Sport betting: 16% (14)
- Casino games: 9% (7)

### Q1 net gambling revenue by betting product, Denmark



- Horse betting: 23% (26)
- Sport betting: 23% (18)
- Casino games: 54% (56)

**MSEK**  
**1,372**  
Group's total revenue for the quarter (1,462)

### Expenses

Gambling tax totalled MSEK 244 (259) for the quarter. Operating expenses for the quarter amounted to MSEK 811 (822), a decrease of 1 per cent. The services that ATG has agreed to provide to horse racing, relating to payment for horse racing information, rights and sponsorship comprise one expense item within the Group's other expenses that totalled MSEK 168 (182) for the quarter. Other expenses were adversely impacted by negative changes in the product mix, currency effects and inflation. Considerable focus is on efficiency as part of meeting cost increases. Personnel expenses are rising as ATG switches out consultants in favour of employed personnel in long-term roles. This is also aimed at improving long-term earnings.

### Investments

Cash investments in PPE and intangible assets for the quarter amounted to MSEK 64 (51). The investments during the year mainly related to the development of technical platforms and software for betting systems for existing and future betting products among other items, and the further development of the digital channels. The allocation of the company's investments in the three betting areas reflects future revenue expectations.

### Cash flow

Cash flow from operating activities amounted to MSEK 199 (331). Cash flow from investing activities amounted to an outflow of MSEK 64 (outflow: 51). Cash flow from financing activities amounted to an outflow of MSEK 313 (outflow: 260). Cash flow for the quarter amounted to an outflow of

MSEK 178 (inflow: 20). Closing cash and cash equivalents amounted to MSEK 688 (906).

### Financial position

The Group's long-term liabilities to credit institutions totalled MSEK 399 (398). The Group's current liabilities to credit institutions totalled MSEK 0 (0). ATG's unutilised credit facilities amounted to MSEK 390 (390) at the end of the period. The Group's total assets amounted to MSEK 2,648 (2,804).

### Operating profit and profit for the quarter

The operating profit for the quarter totalled MSEK 317 (381), which represents a decline of 17 per cent. Operating profit has decreased mainly as a result of lower revenue. The operating margin for the quarter was 23 per cent (26). Profit for the quarter totalled MSEK 308 (368).

### Operating profit

Quarterly, 2021–2023, MSEK



Suspicious Mind took home both the title of Årets äldre häst (Older horse of the year) and Årets Häst 2022 (Horse of the year) when the Swedish Jockey Club celebrated its two- and four-legged champions at the Galoppgalan event on 18 February in Malmö. Among the wins in 2022, the win in the Scandinavian Open Championship (Gr.3) was the highlight. Trainer Nina Lensvik here with Harald Dörum, CEO of the Swedish Jockey Club.

Photo: Stefan Olsson/Swedish Jockey Club

### Parent Company's profit before transactions with owners

The Parent Company's profit before transactions with owners (see definition on page 20) totalled MSEK 481 (563), a reduction of 15 per cent.

The KPI indicates the company's profitability before corporation tax and costs for the rights and information acquired by the owners. The KPI was prepared to enable comparison of the company's results after re-regulation in 2019 with previous years and with competitors in the gambling market.

### Monitoring sustainability indicators

Green customers and green turnover are measured on customers who have completed a self-assessment test and are also based on their actual gambling behaviour. In addition to broad communication about the self-assessment test, targeted encouragement is also sent to a

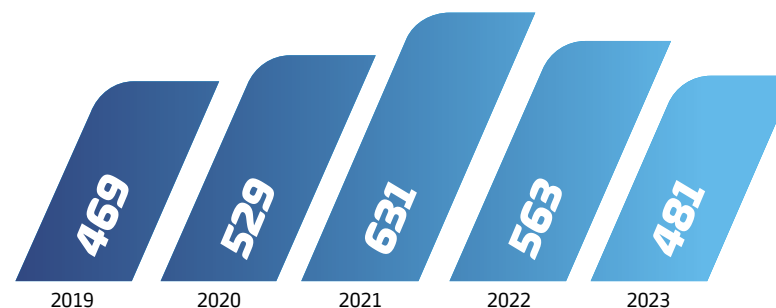
prioritised target group of ATG's digital customers who are assumed to be most in need of completing the test. Green turnover is calculated using self-assessment tests completed since 2019 as customers who have completed the self-assessment test and not changed their gambling behaviour are poorly motivated to redo the test. By 31 March 2023, 162,000 customers (127,000) had carried out a self-assessment test.

Loyalty and the willingness among ATG's customers to recommend ATG, which is measured in a Net Promoter Score (NPS), posted a positive trend in the quarter. The NPS outcome varies between customer segments and between channels, i.e., whether the betting takes place online or in stores. One important factor for a high level of loyalty and willingness to make recommendations is the broad betting offering provided by ATG combined with the convenience of navigating in the digital channels.

### Parent Company's profit before transactions with owners

Amounts in MSEK	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Operating profit	313	381	1,688
Costs for horse racing information, rights and sponsorship	168	182	564
<b>Total</b>	<b>481</b>	<b>563</b>	<b>2,252</b>

### PARENT COMPANY'S PROFIT BEFORE TRANSACTIONS WITH OWNERS, JAN-MAR MSEK.



### Green customers and green turnover <sup>1)</sup>

	Q1-2022	Q2-2022	Q3-2022	Q4-2022	Q1-2023
Share of green customers, %	85	86	86	86	86
Share of green turnover, %	79	79	79	79	78
No. of customers who have completed a self-assessment test (accumulated from 1 Jan 2019)	127,000	135,000	140,000	152,000	162,000
NPS (Net Promoter Score) <sup>2)</sup>	8	8	7	9	12

1) Share of green customers and share of green turnover for customers who have completed a self-assessment test at ATG.

2) Measures customer satisfaction. That is, the customer's willingness to recommend ATG.

## OTHER DISCLOSURES

### Employees

In the quarter, the average number of employees in the Group was 534 (508), of which 37 (29) in Denmark. During the quarter, some consultants were replaced with employees. In recent years, ATG has used consultants for permanent operational needs. A decision was taken last autumn to replace consultants with employees to improve cost efficiency and the process is planned to continue throughout the year.

### Seasonal effects

Sales have historically shown certain seasonal variation. There are several reasons for these variations, including the trotting and thoroughbred horse racing calendar, the number of V75® Saturdays during the period, the dates of public holidays and the company's market offerings.

### Number of scheduled V75®s

	Q1	Q2	Q3	Q4	Total
2023	12	13	14	14	53
2022	13	13	13	15	54

### Customers

The number of active customers at the end of the quarter was around 1.3 million (1.3).

### Related-party transactions

ATG's largest owner, the Swedish Trotting Association, is the company's main supplier. The Group had no other significant transactions with related parties during the year except for payments for horse racing information, rights and sponsorship, and loans to the owners.

### Group

The Group comprises the Parent Company Aktiebolaget Trav och Galopp (556180-4161), the wholly owned subsidiary Kanal 75 AB (556578-3965) and the wholly owned subsidiary 25syv Group A/S (30556372), with the wholly owned subsidiaries 25syv A/S (30897765) and Ecosys Ltd (C53354).

### Outlook

In the long term, the strongest correlating factor with the gambling market's turnover development is a change in household disposable income.

The ongoing recession, with high inflation, has a negative impact on entertainment wallets, which impacts spending on gambling.

Going forward, ATG will continue to work toward clearly formulated goals and customer promises. This entails continued work on the constant development of, and investments in, betting products for continued growth with cost-effectiveness. The aim of this is to continue



The overall standings in the ATG Riders League were decided at the Gothenburg Horse Show in February. From the left: Award presenter Johanna Åberg, Head of Marketing at ATG, Viktor Melin who won the winning 1.50 round on Atina, Henrik Ankarcróna, the national showjumping coach, and Douglas Lindelöv on Conrad van de Mispelaere who won the winning 1.35 round.

Photo: Roland Thunholm/Swedish Equestrian Federation

delivering positive results and thereby live up to the assignment and mission of being the engine of the horse racing industry and the gaming industry's compass.

### Significant risks and uncertainties

ATG's operations entail risks and uncertainties that, to varying degrees, can impact the company negatively. Risk management is an integral part

of the process for planning, implementing and monitoring operations within ATG.

The material risks and uncertainties are assessed as corresponding to those described in the last annual report. For a comprehensive description of ATG's risks and uncertainties and the management of these, refer to pages 40 and 42–46 of the 2022 Annual Report.



The Board of Directors and the CEO hereby give their assurance that this interim report provides a fair overview of the Parent Company's and the Group's operations, financial position and earnings and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

**Stockholm, 26 April 2023**

**Bo Netz**  
*Chairman of the Board*

**Anders Källström**  
*Deputy Chairman*

**Agneta Gille**  
*Board member*

**Anders Lilius**  
*Board member*

**Birgitta Losman**  
*Board member*

**Boris Lennerhov**  
*Board member*

**Johan Carlson**  
*Board member*

**Kerstin Peterson-Brodda**  
*Board member*

**Mats Norberg**  
*Board member*

**Susanna Rystedt**  
*Board member*

**Urban Karlström**  
*Board member*

**Marianne Martinsson**  
*Board member, employee representative*

**Hans Lord Skarplöth**  
*Managing Director and Group President*

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

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Net gambling revenue	2	1,193	1,268	5,224
Agent revenue		50	58	234
Other revenue		129	136	584
<b>Total revenue</b>		<b>1,372</b>	<b>1,462</b>	<b>6,042</b>
Gambling tax		-244	-259	-1,072
Capitalised work for own account		19	18	65
Personnel expenses		-139	-125	-529
Other expenses		-613	-641	-2,516
Depreciation, amortisation and impairment of PPE and intangible assets		-78	-74	-304
<b>Operating profit</b>		<b>317</b>	<b>381</b>	<b>1,686</b>
Profit/loss from financial items		4	0	23
<b>Profit before tax</b>		<b>321</b>	<b>381</b>	<b>1,709</b>
Income tax <sup>1)</sup>		-13	-13	-357
<b>Profit for the period</b>		<b>308</b>	<b>368</b>	<b>1,352</b>

MSEK	Note	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
<i>Items that may be transferred to profit for the year</i>				
Translation differences, foreign subsidiaries		0	0	-3
<b>Other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>-3</b>
<b>Comprehensive income for the period <sup>2)</sup></b>		<b>308</b>	<b>368</b>	<b>1,349</b>
<b>Earnings per share for the period, SEK</b>				
Before and after dilution <sup>3)</sup>		770	920	3,380
<b>Number of shares, thousand</b>				
Average number of shares outstanding		400	400	400

1) A lower estimated tax rate than the official tax rate of 20.6% is applied in the interim report, since a significant portion of the profit before tax for the year is expected to be distributed as a Group contribution to the Swedish Trotting Association on closing the books for the 2023 financial year. Group contributions paid of MSEK -1,631 and the associated tax effect of MSEK +336 were recognised in accordance with IFRS in the consolidated statement of changes in equity for the Jan–Dec 2022 period. Net tax expense for 2022 including this item therefore amounts to MSEK -21.

2) The profit for the period and the comprehensive income for the period are attributable in their entirety to the Parent Company's owners.

3) No dilution occurred during the reporting period.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MSEK	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Fixed assets</b>				
Intangible assets		841	858	853
Property, plant and equipment		389	408	392
Financial assets	3	108	68	109
Deferred tax assets		1	–	–
<b>Total fixed assets</b>		<b>1,339</b>	<b>1,334</b>	<b>1,354</b>
<b>Current assets</b>				
Accounts receivable		39	28	34
Receivables from Group companies		147	129	23
Current tax receivable		29	0	27
Other receivables		246	258	255
Prepaid expenses and accrued income		160	149	84
Cash and cash equivalents		688	906	866
<b>Total current assets</b>		<b>1,309</b>	<b>1,470</b>	<b>1,289</b>
<b>TOTAL ASSETS</b>		<b>2,648</b>	<b>2,804</b>	<b>2,643</b>

MSEK	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Equity attributable to Parent Company shareholders</b>				
Share capital		40	40	40
Other contributed capital		-40	-40	-40
Retained earnings including profit for the period		1,254	1,410	946
<b>Total shareholders' equity, Parent Company shareholders</b>		<b>1,254</b>	<b>1,410</b>	<b>946</b>
<b>Long-term liabilities</b>				
Liabilities to credit institutions	3	399	398	399
Lease liabilities	3	77	79	72
<b>Total long-term liabilities</b>		<b>476</b>	<b>477</b>	<b>471</b>
<b>Current liabilities</b>				
Liabilities to credit institutions		–	–	–
Lease liabilities		11	11	11
Accounts payable		98	89	216
Liabilities to Group companies		46	57	160
Liabilities, account customers		436	476	490
Current tax liabilities		0	3	0
Other current liabilities		217	165	243
Accrued expenses and deferred income		110	116	106
<b>Total current liabilities</b>		<b>918</b>	<b>917</b>	<b>1,226</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>2,648</b>	<b>2,804</b>	<b>2,643</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Share capital	Other contributed capital	Retained earnings	Translation reserve	Equity attributable to Parent Company shareholders
<b>Shareholders' equity, 1 January 2022</b>	<b>40</b>	<b>-40</b>	<b>1,042</b>	<b>0</b>	<b>1,042</b>
Profit for the year			1,352		1,352
<b>Other comprehensive income</b>					
Translation differences, foreign subsidiaries				-3	-3
<b>Transactions with owners</b>					
Group contributions paid			-1,631		-1,631
Tax effect of Group contributions			336		336
Dividend			-150		-150
<b>Shareholders' equity, 31 December 2022</b>	<b>40</b>	<b>-40</b>	<b>949</b>	<b>-3</b>	<b>946</b>
<b>Opening balance as of 1 January 2023 as originally presented</b>	<b>40</b>	<b>-40</b>	<b>949</b>	<b>-3</b>	<b>946</b>
Transition impact of deferred tax on leases *			1		1
<b>Restated opening balance as of 1 January 2023</b>	<b>40</b>	<b>-40</b>	<b>949</b>	<b>-3</b>	<b>946</b>
Profit for the period			308		308
<b>Other comprehensive income</b>					
Translation differences, foreign subsidiaries				0	0
<b>Shareholders' equity, 31 March 2023</b>	<b>40</b>	<b>-40</b>	<b>1,257</b>	<b>-3</b>	<b>1,254</b>

\* Refer to the description of new and amended accounting policies on page 17.



Photo: Maria Holmén/ATG

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

MSEK	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Operating activities</b>			
Operating profit	317	381	1,686
Adjustments for non-cash items			
Depreciation, amortisation and impairment of PPE and intangible assets	78	74	304
Other items	1	0	0
Interest received	8	2	27
Interest paid	-5	-3	-13
Income tax paid	-15	-14	-52
<b>Cash flow from operating activities before changes in working capital</b>	<b>384</b>	<b>440</b>	<b>1,952</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in operating receivables	-1	80	58
Increase (+)/Decrease (-) in operating liabilities	-184	-189	0
<b>Cash flow from operating activities</b>	<b>199</b>	<b>331</b>	<b>2,010</b>

MSEK	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Investing activities</b>			
Investments in intangible assets	-41	-36	-181
Investments in PPE	-23	-15	-74
Decrease/Increase in long-term receivables	0	0	1
<b>Cash flow from investing activities</b>	<b>-64</b>	<b>-51</b>	<b>-254</b>
<b>Financing activities</b>			
Loans raised	7	1	4
Repayment of loans	-2	-2	-12
Loans to shareholders, Group contributions and dividend	-318	-259	-1,768
<b>Cash flow from financing activities</b>	<b>-313</b>	<b>-260</b>	<b>-1,776</b>
<b>Cash flow for the period</b>	<b>-178</b>	<b>20</b>	<b>-20</b>
<b>Opening cash and cash equivalents</b>	<b>866</b>	<b>886</b>	<b>886</b>
Exchange-rate difference in cash and cash equivalents	0	0	0
Cash flow for the period	-178	20	-20
<b>Closing cash and cash equivalents <sup>1)</sup></b>	<b>688</b>	<b>906</b>	<b>866</b>

1) Of closing cash and cash equivalents, MSEK 432 (470) derived from funds held in trust that belong to account customers.

CONDENSED PARENT COMPANY INCOME STATEMENT

MSEK	Note	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net gambling revenue	2	1,124	1,213	4,941
Agent revenue		50	58	234
Other operating income		108	112	496
<b>Total revenue</b>		<b>1,282</b>	<b>1,383</b>	<b>5,671</b>
Gambling tax		-224	-242	-985
Capitalised work for own account		19	18	65
Personnel expenses		-116	-106	-438
Other external expenses		-577	-605	-2,353
Other operating expenses		-1	-2	-5
Depreciation, amortisation and impairment of PPE and intangible assets		-70	-65	-267
<b>Operating profit</b>		<b>313</b>	<b>381</b>	<b>1,688</b>

MSEK	Note	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Profit/loss from financial items <sup>1)</sup>	2	6	0	20
<b>Profit after financial items</b>		<b>319</b>	<b>381</b>	<b>1,708</b>
Group contributions paid		-	-	-1,631
<b>Profit before tax</b>		<b>319</b>	<b>381</b>	<b>77</b>
Income tax		-13	-13	-21
<b>Profit for the period</b>		<b>306</b>	<b>368</b>	<b>56</b>

1) Interest income from Group companies amounted to MSEK 2 (1) for the Jan-Mar period.

The Parent Company had no items in 2023 or 2022 that were recognised in other comprehensive income. The profit for the period for the Parent Company is thus the same as comprehensive income for the period.

## CONDENSED PARENT COMPANY BALANCE SHEET

MSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Fixed assets</b>			
Intangible assets	769	785	780
Property, plant and equipment	255	285	269
Financial assets	288	254	287
<b>Total fixed assets</b>	<b>1,312</b>	<b>1,324</b>	<b>1,336</b>
<b>Current assets</b>			
Accounts receivable	37	25	32
Receivables from Group companies	187	145	30
Current tax receivable	29	–	27
Other receivables	237	250	242
Prepaid expenses and accrued income	142	141	83
Cash and bank balances	669	891	851
<b>Total current assets</b>	<b>1,301</b>	<b>1,452</b>	<b>1,265</b>
<b>TOTAL ASSETS</b>	<b>2,613</b>	<b>2,776</b>	<b>2,601</b>

MSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Restricted equity	802	796	807
Non-restricted equity	570	733	259
<b>Total shareholders' equity</b>	<b>1,372</b>	<b>1,529</b>	<b>1,066</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	399	398	399
<b>Total long-term liabilities</b>	<b>399</b>	<b>398</b>	<b>399</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	–	–	–
Accounts payable	73	58	175
Liabilities to Group companies	50	74	186
Liabilities, account customers	425	470	478
Current tax liabilities	–	2	–
Other liabilities	199	147	221
Accrued expenses and deferred income	95	98	76
<b>Total current liabilities</b>	<b>842</b>	<b>849</b>	<b>1,136</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,613</b>	<b>2,776</b>	<b>2,601</b>

GROUP KEY PERFORMANCE INDICATORS

Key performance indicators calculated in accordance with IFRS	Jan–Mar 2023	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2020
Profit for the period, MSEK	308	368	416	1,352	1,521	1,749
Earnings per share, SEK	770	920	1,040	3,380	3,803	4,373
<b>KPIs not calculated in accordance with IFRS</b>						
Net gambling revenue, MSEK	1,193	1,268	1,268	5,224	5,256	5,359
Total revenue, MSEK	1,372	1,462	1,466	6,042	6,116	6,331
EBITDA, MSEK	395	455	510	1,990	2,222	2,520
Operating profit, MSEK	317	381	435	1,686	1,920	2,240
Operating margin, %	23%	26%	30%	28%	31%	35%
Debt/equity ratio, multiple	1.1	1.0	1.8	1.8	1.6	3.1
Profit before tax, MSEK	321	381	435	1,709	1,921	2,242
Shareholders' equity, MSEK	1,254	1,410	1,265	946	1,042	850
Shareholders' equity per share, SEK	3,135	3,525	3,163	2,365	2,605	2,125
Cash flow from operating activities, MSEK	199	331	171	2,010	2,100	2,609
Cash flow from operating activities per share, SEK	498	828	428	5,025	5,250	6,523
<b>KPIs, operations</b>						
Share of green turnover, % <sup>1)</sup>	78%	79%	76%	79%	77%	74%
Share of green customers, % <sup>1)</sup>	86%	85%	85%	86%	85%	86%
Number of active customers, million	1.3	1.3	1.3	1.3	1.3	1.4
Average number of employees	534	508	486	510	496	468

1) Share of green customers and share of green turnover for customers who have completed a self-assessment test at ATG. See page 7 for the number of customers who have completed a self-assessment test.



## Note 1 Accounting policies

### General information

Aktiebolaget Trav och Galopp (ATG), company registration number 556180-4161, is the Parent Company of the ATG Group. Aktiebolaget Trav och Galopp AB has its registered office in Stockholm, under the address SE-161 89 Stockholm.

The operations of the Parent Company ATG intend to safeguard the long-term development of trotting and thoroughbred racing through a responsible gambling offering. The mission has been formulated by our owners, trotting and thoroughbred racetracks, and the State, which regulates the company's operations.

All amounts are stated in millions of Swedish kronor (MSEK), unless otherwise stated. Amounts within parentheses pertain to the corresponding period in the preceding year.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. ATG applies the International Financial Reporting Standards (IFRS) as adopted by the EU, RFR 1 "Supplementary Accounting Rules for Groups" and the Annual Accounts Act. The Parent Company's financial statements are prepared in accordance with RFR 2, "Accounting for Legal Entities" and the Annual Accounts Act.

This interim report has been prepared pursuant to the accounting policies and calculation principles set out in the 2022 Annual Report on pages 68–74.

### Revenue recognition

ATG Group's net gambling revenue consists of horse betting, sport betting and casino games.

Revenue from the Group's betting operations is recognised net less the winnings returned to the players and bonus expenses. Revenue is recognised when the customer obtains control of the sold product or service and can use and benefit from the product or service. Revenue is recognised excluding VAT and discounts. The Group's gambling revenue is recognised at a point in time when the obligation/control is transferred to the customer at the same time as the service is delivered.

### Horse betting revenue

The Group's horse betting revenue is derived from betting on horse racing and is recognised when the results of trotting and thoroughbred races have been confirmed following the completion of races, which is also the point at which the obligation to the customer is satisfied. The revenue is measured at the fair value of the sums received. The Group's horse betting revenue comprises a net amount (net gambling revenue), based on the players' stakes less winnings returned to the players.

### Sport betting and casino games revenue

The Group's sport betting and casino games revenue is recognised as net gambling revenue in the period in which the betting event occurred. Net gambling revenue comprises the players' stakes (gross gambling revenue) less the winnings returned to the player. The revenue is measured at the fair value of the sums received. Gambling revenue from online casinos is recognised when payment is received as this coincides with the

time the bet takes place and the obligation to the customer is thereby fulfilled.

Gambling revenue for sport betting is recognised when the position in relation to the customer is closed, whereupon the commitment to the customer is satisfied. Sport betting transactions that are not settled by the end of the period have the nature of derivatives since the Group maintains an open position, with fixed odds against the customer. These are defined as a Financial liability and recognised at fair value through profit or loss under IFRS 9 Financial instruments. On the balance-sheet date, the value of these liabilities was insignificant. The revenue is recognised in the period in which the betting event occurs.

Gambling revenue from the sport pool betting system Big 9<sup>®</sup> is recognised when the results of football matches have been confirmed following the completion of the competition, which is also the point at which the obligation to the customer is satisfied. The revenue is measured at the fair value of the sums received.

### Other revenue

Other revenue pertains to revenue from activities outside the company's core operations. This revenue mainly consists of production revenue from TV and online services in trotting and thoroughbred racing, commission on international betting sales, partner income and store income. Other revenue also pertains to exchange gains on the translation of accounts payable and accounts receivable in foreign currency.

### Agent revenue

Agent revenue pertains to revenue from betting slips and revenue from the betting shares of agents. This revenue is a component of the customers' stakes for participating in betting and is included in the calculation of gambling tax. Costs for agent commissions are recognised under Other expenses in the financial statements.

### Group contributions

Group contributions paid, and tax on Group contributions, to owners are reported in the Group in shareholders' equity. The Parent Company recognises Group contributions received and paid as an appropriation in accordance with the alternative accounting rule.

### New and amended accounting policies

As of 1 January 2023, amendments to IAS 12 Income Taxes will be applied, which require the company to recognise deferred tax on transactions which on initial recognition give rise to equal amounts of taxable and deductible temporary differences. For the Group, the amendments apply to the recognition of leases. The amendment will be applicable as of 1 January 2023 when the accumulated effect of these adjustments totalling MSEK 1 is recognised in retained earnings in shareholders' equity.

No other new or amended standards, and interpretations of existing standards, have had an impact on the Group's financial reporting in 2023.

## Note 2 Net gambling revenue

### Net gambling revenue by category and geographic market

Amounts in MSEK	SWEDEN			DENMARK			GROUP		
	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Horse betting	838	956	3,963	16	14	81	854	970	4,044
Sport betting	178	167	594	16	10	56	194	177	650
Casino games	108	90	384	37	31	146	145	121	530
<b>Total net gambling revenue</b>	<b>1,124</b>	<b>1,213</b>	<b>4,941</b>	<b>69</b>	<b>55</b>	<b>283</b>	<b>1,193</b>	<b>1,268</b>	<b>5,224</b>

### Net gambling revenue by sales channel and geographic market

Amounts in MSEK	SWEDEN			DENMARK			GROUP		
	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Digital channels	972	1,012	4,183	56	48	234	1,028	1,060	4,417
Stores	152	201	758	13	7	49	165	208	807
<b>Total</b>	<b>1,124</b>	<b>1,213</b>	<b>4,941</b>	<b>69</b>	<b>55</b>	<b>283</b>	<b>1,193</b>	<b>1,268</b>	<b>5,224</b>

No single customer accounts for more than 10 per cent of turnover. All net gambling revenue is recognised at a point in time.

**Note 3 Financial instruments, Group – fair value**

Disclosures pertaining to the fair value of lending and borrowing as follows:

Amounts in MSEK	CARRYING AMOUNT			FAIR VALUE		
	31 Mar 2023	31 Mar 2022	31 Dec 2022	31 Mar 2023	31 Mar 2022	31 Dec 2022
Long-term receivables	108	68	109	108	68	109
<b>Total long-term receivables</b>	<b>108</b>	<b>68</b>	<b>109</b>	<b>108</b>	<b>68</b>	<b>109</b>
Lease liabilities	77	79	72	77	79	72
Liabilities to credit institutions	399	398	399	400	400	400
<b>Total long-term liabilities</b>	<b>476</b>	<b>477</b>	<b>471</b>	<b>477</b>	<b>479</b>	<b>472</b>

The current assets and liabilities recognised have short remaining maturities, which means that the difference between recognised value and fair value is not material.



Photo: Maria Holmén/ATG



## DEFINITIONS AND GLOSSARY

### FINANCIAL KPIS

ATG prepares its financial statements according to IFRS. Because IFRS defines only a few performance measures, ATG has decided to use additional performance measures.

**EBITDA** Operating profit before depreciation and impairment losses.

**Shareholders' equity per share** Shareholders' equity divided by the average number of shares, which amounts to 400,000 for the periods covered by the report.

**Cash flow from operating activities per share, SEK** Cash flow from operating activities divided by the average number of shares, which amounts to 400,000 for the periods covered by the report.

**Net gambling revenue** Customers' stakes less pay-out to customers.

**Sales growth** Sales increase or decrease expressed as a percentage.

**Earnings per share** Net profit divided by the average number of shares, which amounts to 400,000 for the periods covered by the report.

**Operating margin** Operating profit as a percentage of total revenue.

**Debt/equity ratio** Total liabilities including provisions divided by shareholders' equity.

**Equity/assets ratio** Shareholders' equity divided by total assets expressed as a percentage.

**Swedish gambling turnover** Total funds bet by Swedish customers on trotting and thoroughbred races during the period.

### STRATEGIC KPIS

**Share of green turnover** Net gambling revenue from customers identified as green customers in the self-assessment test in relation to net gambling revenue from customers who have completed a self-assessment test.

**Share of green customers** Share of ATG's customers who have completed a self-assessment test since 1 January 2019 and been identified as green and have placed a bet this year. Green customers have low risk of developing problem gambling according to an analysis in ATG's responsible gambling tool, PTS (Player Tracking System).

**Parent Company's profit before transactions with owners** Operating profit less previous lottery tax and plus transaction with owners regarding horse racing information, rights and sponsoring. See the reconciliation in the table on page 7. The performance measure is reported to create comparability between the years and also between the company and its competitors.

**Net Promoter Score (NPS)** Measures customer satisfaction, that is, the customer's willingness to recommend ATG.

### GLOSSARY

**Number of active customers** The number of customers who placed at least one winnings-monitored/registered bet over the past 12 months.

**Number of million-krona wins** Number of wins, Swedish customers' winnings, combinations resulting in wins of at least MSEK 1.

**ATG stores** The stores that supply ATG's products.

**Average number of employees** The average number of employees in the report period.

**Agent** Resellers of ATG's betting products in stores.

**Pools** For each betting product and race, the turnover for all betting products purchased are totalled in a pool, which is then distributed as winnings to the winners after deductions have been made.

**Swedish Gambling Authority** The authority that ensures that lotteries, casino games and other gambling operations in Sweden are conducted legally, securely and reliably.

**SPER** The Swedish Gambling Association, represents the gambling market in Sweden and works to promote the interests of its members. The association's mission is to promote a healthy, modern and sustainable gambling market.

**Totalisator (tote betting or tote board)** is a system for betting on horse races and is used in nearly all countries that arrange trotting and thoroughbred races. Players bet on the horse they believe will win and the players who bet on the winning horse share the total amount on a pro rata basis determined by the size of their bet. From the operator's perspective, it makes no difference which horse wins since the operator, as the administrator, is entitled to deduct a fixed percentage from the total amount before the remainder is paid out as winnings.

**Pay-out to customers** The nominal total of betting turnover paid out to customers.

## ABOUT ATG

***With the mission to be the engine of the horse racing industry and the gaming industry's compass.***

- ATG's task is to safeguard the long-term development of trotting and thoroughbred racing by offering responsible gambling.
- ATG is owned by the Swedish Trotting Association and the Swedish Jockey Club. Since it was founded in 1974, ATG has financed trotting and thoroughbred racing with approximately BSEK 53 – financing that makes ATG the engine of the horse racing industry.
- ATG's mission is to serve as the gaming industry's compass. To ensure customers enjoy their betting and play for pleasure, ATG strives to be a role model for the industry and drive the industry's important topics forward.
- ATG has two subsidiaries: media company Kanal 75 and the Danish gaming company 25syv. ATG also has an international business. A key aspect of ATG's international collaboration is the safeguarding of responsible gambling and animal welfare.
- ATG offers horse betting, sport betting and casino games. Sales take place both digitally and at about 1,500 store agents as well as at trotting and thoroughbred racetracks in Sweden and Denmark.

## OUR BRANDS



With brands such as V75<sup>®</sup> and Harry Boy<sup>®</sup>, betting on some 30 different sports and classic casino games, such as Blackjack and Roulette in Swedish, ATG offers a broad range of betting in Sweden and Denmark.

### HORSE BETTING



### SPORT BETTING



### CASINO GAMES



Under the brand Bet25, 25syv offers Danish customers a broad range of betting in the Horse betting, Sport betting and Casino games product areas.



Heste Sport Casino



**LOTTA NILSSON VIITALA**

Chief Financial Officer  
lotta.nilssonviitala@atg.se  
Switchboard: +46 8 627 20 00



**PATRIK BRISSMAN**

Chief Corporate  
Communications Officer  
patrik.brissman@atg.se  
corporate@atg.se  
Tel: +46 8 627 22 27  
Mobile: +46 70 527 22 27

**CONTACT INFORMATION**

**AB Trav & Galopp's headquarters:**

*Street address*  
Hästsportens Hus, Solvalla Travbana  
Travbaneplan 10, Bromma  
*Postal address*  
Hästsportens Hus, Solvalla  
AB Trav och Galopp  
SE-161 89 Stockholm

Corp. Reg. No. 556180-4161

**Switchboard & Reception**

Tel: +46 8 627 20 00

**Customer service**

Tel: +46 8 620 07 00  
E-mail: kundservice@atg.se

**Press room: Media | About ATG**

omatg.se

**ATG on social media**

LinkedIn: AB Trav och Galopp  
Instagram: @ATG  
Facebook: @ATG  
Twitter: @ATG

**Reporting calendar**

Interim report January–June	22 August 2023
Interim report January–September	25 October 2023



Photo: Maria Holmén/ATG