

## REVENUE MAINTAINED IN THE FIRST QUARTER

*ATG's net gambling revenue for the first quarter of 2022 equals the record from last year. The pandemic had an impact at that time and growth was high at 14 per cent. The product mix, that is, from which betting product the revenues derive, was different, which led to lower earnings, which were still the second highest for a first quarter.*

### Q1 in summary, Group

- Net gambling revenue amounted to MSEK 1,268 (1,268).
- Total revenue was MSEK 1,462 (1,466).
- The period's operating profit amounted to MSEK 381 (435).
- Profit for the period totalled MSEK 368 (416).
- Cash flow from operating activities was MSEK 331 (171).

### Key events during the quarter

- The Ministry of Finance has published a proposal referred to the Council on Legislation for consideration that includes the risk classification of forms of betting, greater protection for younger players regarding marketing, and licences for betting product operators.
- Many restrictions were lifted on 9 February, when Covid-19 was reclassified as a disease that

is no longer a danger to society. There is some uncertainty surrounding how the opening up of society will influence ATG's revenue in the future as competition from other recreational activities increases.

- Due to Russia's invasion of Ukraine, it was determined that the Group has consultants in Ukraine and employees from Ukraine. This could have an effect on IT development in the Danish subsidiary. There is no exposure to or operations in Russia. ATG has preparedness and continuously monitors developments in its business environment.
- ATG conducted its annual Responsible Gambling week, when each workday begins with a talk aimed at deepening employee knowledge within the area of responsible gambling.
- During the quarter, several of the sports associations with which ATG collaborates achieved major sporting successes. These included a European

gold for the Swedish men's handball team, a record number of podium places in the world cup and four Olympic medals in the biathlon and seven medals in the Paralympics.

- The subsidiary 25Sv took over the broadcasting and TV production rights for Danish trotting and thoroughbred racing.

### Key events after the closing date

- No key events occurred after the end of the quarter.

MSEK  
**1,268**  
Net gambling revenue  
(1,268)

MSEK  
**381**  
Operating profit  
(435)

**85%**  
Share of green  
customers  
(85)

<b>KPIs, Group, MSEK</b>	<i>Jan-Mar 2022</i>	<i>Jan-Mar 2021</i>	<i>Jan-Dec 2021</i>
Net gambling revenue	1,268	1,268	5,256
Total revenue	1,462	1,466	6,116
Operating profit	381	435	1,920
Operating margin, %	26	30	31
Cash flow from operating activities	331	171	2,100
Number of active customers, million	1.3	1.3	1.3

<b>KPIs, Parent Company, MSEK</b>	<i>Jan-Mar 2022</i>	<i>Jan-Mar 2021</i>	<i>Jan-Dec 2021</i>
Net gambling revenue	1,213	1,226	5,061
Parent Company's profit before transactions with owners <sup>1)</sup>	563	631	2,520
Operating profit	381	434	1,929

1) For definition, see page 20.



## A STABLE START TO 2022

**High net gambling revenue for the horse betting product area and substantial growth for Sport and Casino. ATG posted a stable performance in the first quarter. Unfortunately, the same cannot be said for the business environment due to Russia's war in Ukraine.**

The effects of the pandemic on our society subsided during the first quarter. Competition from the remainder of the entertainment industry returned to normal levels compared with the same period of the preceding year, which was characterised by restrictions. At the same time, our important sustainability initiatives on responsible gambling were further strengthened during the quarter, which had an impact on revenue.

Compared with the first quarter of 2021, ATG nonetheless ended the quarter with the same total net gambling revenue of MSEK 1,268. Figures that exceeded our expectations.

ATG also retained its position as the largest betting company in the commercial licence market in Sweden and our subsidiary 25syv in Denmark continued to show strong growth.

Our three most important KPIs as we sum up the first quarter:

- Net gambling revenue: MSEK 1,268 (+0%)
- Operating profit: MSEK 381 (-12%)
- Parent Company's profit before transactions with owners: MSEK 563 (-11%)

The decline in operating profit was due to changes in the total product mix, in which the Horse betting product area decreased and Sport and Casino increased. Both the operating profit and the Parent Company's profit before transactions with owners are the second-highest ever for the same period.

### Lower revenue for horse betting

Net gambling revenue for the horse betting product area fell 7 per cent to MSEK 970 (1,047). Despite being negative, the figure is historically high. V75® remained the most popular brand and retained its position as Sweden's largest pool betting system. In total, horse betting had 68 million-krona wins during the period.

The gaming experiences for our total of 1.3 million customers are being constantly developed and during the first quarter, we launched services that included the unique **Följ Spel** for computers and tablets, which enables customers to follow the position of the horses they have bet on during the race in real time at atg.se. In Denmark, 25syv strengthened its

position through the takeover of broadcasting rights and TV production of Danish trotting and thoroughbred racing.

### Large growth for sport betting

The net gambling revenue for the sport betting product area rose 27 per cent to MSEK 177 (139). We continue to capture market shares in sport betting and have reinforced our position as the second-largest company in Sweden. Big 9® pool betting, which was launched during the fourth quarter of last year, has stabilised at a level that I am confident we can continue to grow from.

### ...and Casino games

The net gambling revenue for the casino games product area rose 48 per cent to MSEK 121 (82). A large share of the increase can be attributed to the temporary regulation, including a deposit limit of SEK 5,000 per week, being lifted in November last year. Following this action, the number of casino games customers increased sharply. We want to create an entertaining and safe gaming experience for our



**Hasse Lord Skarplöth**  
CEO

customers who play casino games. Examples of this are an expanded offering, at the same time as we have mandatory loss and time limits and do not offer bonuses. Proof of our success with our strategy is that the revenue per customer remains at a low level compared with our competitors.

### Our most important sustainability topic

Responsible gambling is our most important sustainability topic. We will create a gaming experience that enables our customers to enjoy their gambling and gamble for pleasure. Without a sustainable customer base, we cannot live up to our assignment to create

## “We continue to capture market shares in sport betting and have reinforced our position as the second-largest company in Sweden.”

sustainable development for the Swedish Trotting Association and the Swedish Jockey Club. We ourselves have introduced a number of “air bags” beyond the requirements of the Gambling Act, and have conducted outreach conversations with customers who show signs of potential problem gambling. Responsible gambling involves constant learning and during 2022, we will introduce further measures to help our customers make conscious decisions regarding their gambling.

Measuring responsible gambling in an adequate and transparent manner is a challenge. We have chosen to report green turnover, which is 79 per cent, and the share of green customers, which is 85 per cent, based on our customers’ self-assessment tests and gambling behaviour. Together with other betting companies and researchers, we are now working to find shared key performance indicators that can hopefully become an industry standard.

### Round table talks on Spelpaus

In terms of gambling, much has happened. The Swedish government’s proposal for stronger gambling regulation is being prepared and will be laid before the Swedish Riksdag during the year. At the same time, ATG initiated round

table talks, at which the gaming industry, problem gambling support associations, politicians and researchers discussed improvements to the self-exclusion register Spelpaus. [Click here](#) to read my blog post on this subject.

### Support for those affected in Ukraine

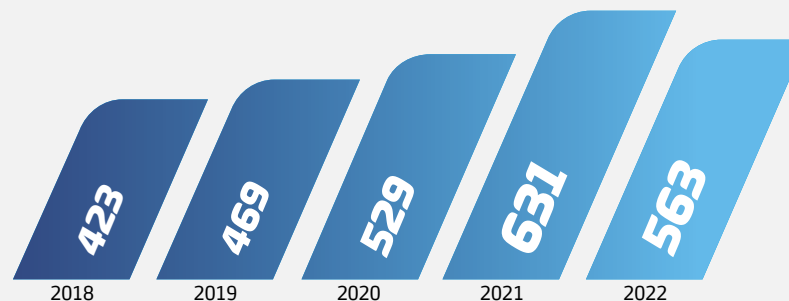
The war in Ukraine has affected all of us. Through the Red Cross, ATG has donated MSEK 2 to those affected in Ukraine. Employees have also become involved in a private capacity, for example, by offering temporary accommodation for those who have fled from the war.

In all the darkness, in all the feeling of hopelessness, we are thus attempting to create time for entertainment in our customers everyday lives. As a counterbalance to all of the madness. However trite it might sound; I believe it is important.



Hasse Lord Skarplöth  
CEO ATG

### PARENT COMPANY’S PROFIT BEFORE TRANSACTIONS WITH OWNERS, JAN–MAR MSEK.



# JANUARY – MARCH 2022

## Revenue

The Group's net gambling revenue in the first quarter was MSEK 1,268 (1,268). The Danish Group 25Syv impacted the Group's net gambling revenue with MSEK 55 (42) for the quarter. Growth in Denmark was 31 per cent.

Year-on-year, the Group's net gambling revenue decreased MSEK 77 or 7 per cent from horse betting, sport betting rose MSEK 38 or 27 per cent and casino games rose MSEK 39 or 48 per cent. The quarter had the same number of Saturdays with V75® and one more jackpot than the comparative period.

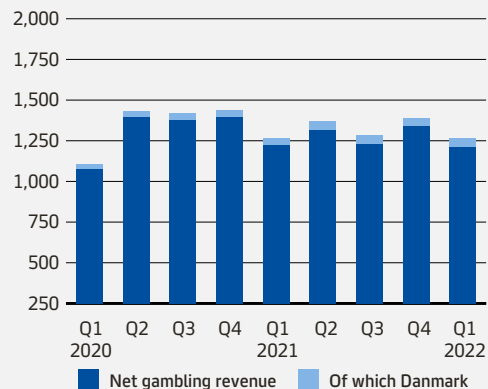
Gross turnover for Swedish horse betting amounted to MSEK 3,095 (3,378), down 8 per cent. International gross turnover amounted to MSEK 807 (787), up 3 per cent. Total gross turnover for horse betting (Swedish and international) was MSEK 3,902 (4,165), down 6 per cent.

Other revenue for the Group amounted to MSEK 136 (134), an increase of 1 per cent.

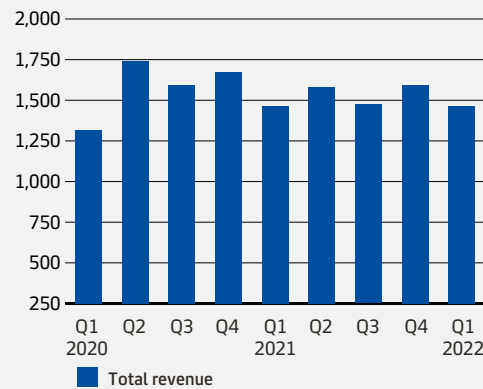
Agent revenue for the Group amounted to MSEK 58 (64).

The Group's total revenue was MSEK 1,462 (1,466).

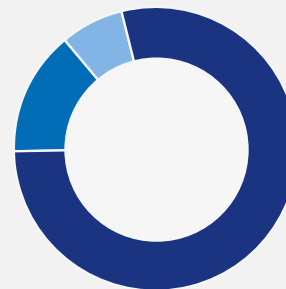
**Net gambling revenue**  
Quarterly, 2020–2022, MSEK



**Total revenue**  
Quarterly, 2020–2022, MSEK

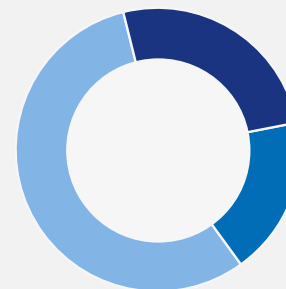


**Q1 net gambling revenue by betting product, Sweden**



- Horse betting: 79% (85)
- Sport betting: 14% (10)
- Casino games: 7% (5)

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



- Horse betting: 26% (24)
- Sport betting: 18% (24)
- Casino games: 56% (52)



**MSEK**  
**1,462**  
Group's total revenue for the quarter  
(1,466)



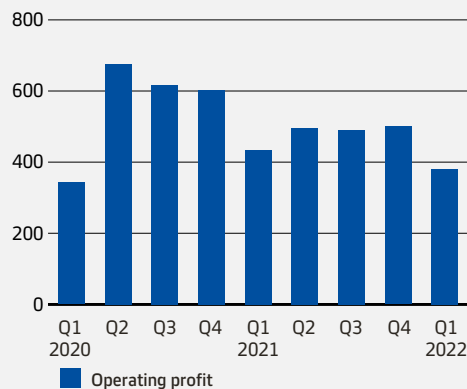
**Expenses**

Gambling tax totalled MSEK 259 (253) for the quarter. Operating expenses for the quarter amounted to MSEK 822 (778), an increase of 6 per cent. Other expenses increased due to such factors as changes in the revenue product mix. 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 182 (197) for the quarter. Personnel expenses increased due to a higher number of employees.

**Operating profit and profit for the quarter**

The operating profit for the quarter totalled MSEK 381 (435), which represents a decline of 12 per cent. Operating profit has decreased mainly as a result of increased costs. The operating margin for the quarter was 26 per cent (30). Profit for the quarter totalled MSEK 368 (416).

**Operating profit**  
Quarterly, 2020–2022, MSEK



**Parent Company’s profit before transactions with owners**

The Parent Company’s profit before transactions with owners (see definition on page 20) totalled MSEK 563 (631) for the quarter.

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.

**Investments**

Cash investments in PPE and intangible assets for the quarter amounted to MSEK 51 (53), which was on a par with last year. The investments during the quarter mainly related to the development of technical platforms and developing 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 331 (171). Cash flow from investing activities amounted to negative MSEK 51 (negative: 53). Cash flow from financing activities amounted to negative MSEK 260 (negative: 257). Cash flow for the period amounted to MSEK 20 (negative: 139). The change was mainly attributable to increased cash flow from operating activities, where the difference in income tax paid was the single largest contributing factor. Closing cash and cash equivalents at the end of the period totalled MSEK 906 (1,260).

**Financial position**

The Group’s long-term liabilities to credit institutions totalled MSEK 398 (299). The Group’s current liabilities to credit institutions totalled MSEK 0 (775). ATG’s unutilised credit facilities amounted to MSEK 390 (90) at the end of the period. The Group’s total assets amounted to MSEK 2,804 (3,507).

**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 marketing 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 2022, 127,000 customers (101,000) had carried out a self-assessment test.

Overall, loyalty and the willingness among ATG’s customers to recommend ATG, which is measured in a Net Promoter Score (NPS), remained positive throughout 2021. The lower willingness to recommend ATG during the first quarter of 2022 was mainly attributable to technical problems at year-end. 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 2022	Jan–Mar 2021	2021
Operating profit	381	434	1,929
Costs for horse racing information, rights and sponsorship	182	197	591
<b>Total</b>	<b>563</b>	<b>631</b>	<b>2,520</b>

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

	Q1–2021	Q2–2021	Q3–2021	Q4–2021	Q1–2022
Share of green customers, %	85	85	85	85	85
Share of green turnover, %	76	77	77	78	79
No. of customers who have completed a self-assessment test (accumulated from 1 Jan 2019)	101,000	108,000	113,000	121,000	127,000
NPS (Net Promoter Score) <sup>2)</sup>	11	19	14	14	8

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

The average number of employees in the Group during the January–March period was 508 (486), of which the number of employees in Denmark was 29 (28). Moreover, ATG is continuing to build new product areas and invest for future growth at the same time as it has replaced consultants with employees.

### 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
2022	13	13	13	15	54
2021	13	13	13	14	53

### Customers

The number of active customers at the end of 2021 was around 1.3 million (1.3).

### Related-party transactions

The Group had no other significant transactions with related parties during the period 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 25Sylv Group A/S (30556372), with the wholly owned subsidiaries 25Sylv A/S (30897765) and Ecosys Ltd (C53354).

### Outlook

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

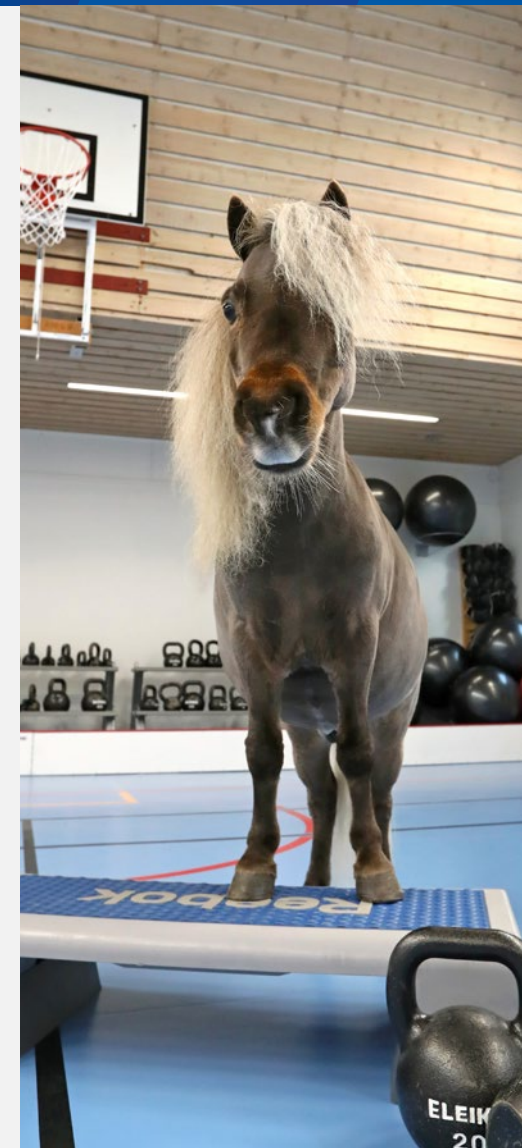
Going forward, ATG will continue to work toward clearly formulated goals and customer promises. This entails continued work on the constant development of, and investments in, betting products for continued growth

with cost-effectiveness. The aim of this is to continue 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 44 and 46–50 of the 2021 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 2022**

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

**Marjaana Alaviuhkola**  
*Deputy Chairman*

**Agneta Gille**  
*Board member*

**Anders Källström**  
*Board member*

**Birgitta Losman**  
*Board member*

**Johan Carlson**  
*Board member*

**Mats Norberg**  
*Board member*

**Susanna Rystedt**  
*Board member*

**Urban Karlström**  
*Board member*

**Anders Lilius**  
*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 2022	Jan–Mar 2021	Jan–Dec 2021
Net gambling revenue	2	1,268	1,268	5,256
Agent revenue		58	64	253
Other revenue		136	134	607
<b>Total revenue</b>		<b>1,462</b>	<b>1,466</b>	<b>6,116</b>
Gambling tax		-259	-253	-1,061
Capitalised work for own account		18	17	69
Personnel expenses		-125	-116	-495
Other expenses		-641	-604	-2,407
Depreciation, amortisation and impairment of PPE and intangible assets		-74	-75	-302
<b>Operating profit</b>		<b>381</b>	<b>435</b>	<b>1,920</b>
Profit/loss from financial items		0	0	1
<b>Profit before tax</b>		<b>381</b>	<b>435</b>	<b>1,921</b>
Income tax <sup>1)</sup>		-13	-19	-400
<b>Profit for the period</b>		<b>368</b>	<b>416</b>	<b>1,521</b>

MSEK	Note	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
<i>Items that may be transferred to profit for the year</i>				
Translation differences, foreign subsidiaries		0	-1	-1
<b>Other comprehensive income</b>		<b>0</b>	<b>-1</b>	<b>-1</b>
<b>Comprehensive income for the period <sup>2)</sup></b>		<b>368</b>	<b>415</b>	<b>1,520</b>
<b>Earnings per share for the period, SEK</b>				
Before and after dilution <sup>3)</sup>		920	1,040	3,803
<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 per cent 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 2022 financial year. In accordance with IFRS, Group contributions paid of MSEK -1,705 and the associated tax effect of MSEK +351 were recognised in the consolidated statement of changes in equity for the Jan–Dec 2021 period. Net tax expense for 2021 including this item therefore amounts to MSEK -49.

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 2022	31 Mar 2021	31 Dec 2021
<b>Fixed assets</b>				
Intangible assets		858	861	871
Property, plant and equipment		408	465	418
Financial assets	3	68	156	68
<b>Total fixed assets</b>		<b>1,334</b>	<b>1,482</b>	<b>1,357</b>
<b>Current assets</b>				
Accounts receivable		28	38	49
Receivables from Group companies		129	226	14
Current tax receivable		0	14	–
Other receivables		258	343	351
Prepaid expenses and accrued income		149	144	74
Cash and cash equivalents		906	1,260	886
<b>Total current assets</b>		<b>1,470</b>	<b>2,025</b>	<b>1,374</b>
<b>TOTAL ASSETS</b>		<b>2,804</b>	<b>3,507</b>	<b>2,731</b>

MSEK	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
<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		1,410	1,265	1,042
<b>Total shareholders' equity, Parent Company shareholders</b>		<b>1,410</b>	<b>1,265</b>	<b>1,042</b>
<b>Long-term liabilities</b>				
Liabilities to credit institutions	3	398	299	398
Lease liabilities	3	79	91	79
Other provisions		–	200	–
<b>Total long-term liabilities</b>		<b>477</b>	<b>590</b>	<b>477</b>
<b>Current liabilities</b>				
Liabilities to credit institutions		–	775	–
Lease liabilities		11	19	12
Accounts payable		89	86	74
Liabilities to Group companies		57	55	131
Liabilities, account customers		476	459	586
Current tax liabilities		3	0	4
Other current liabilities		165	156	313
Accrued expenses and deferred income		116	102	92
<b>Total current liabilities</b>		<b>917</b>	<b>1,652</b>	<b>1,212</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>2,804</b>	<b>3,507</b>	<b>2,731</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 2021</b>	<b>40</b>	<b>-40</b>	<b>849</b>	<b>1</b>	<b>850</b>
Profit for the year			1,521		1,521
<b>Other comprehensive income</b>					
Translation differences, foreign subsidiaries				-1	-1
<b>Transactions with owners</b>					
Group contributions paid			-1,705		-1,705
Tax effect of Group contributions <sup>1)</sup>			551		551
Dividend			-174		-174
<b>Shareholders' equity, 31 December 2021</b>	<b>40</b>	<b>-40</b>	<b>1,042</b>	<b>0</b>	<b>1,042</b>
<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 period			368		368
<b>Other comprehensive income</b>					
Translation differences, foreign subsidiaries				0	0
<b>Shareholders' equity, 31 March 2022</b>	<b>40</b>	<b>-40</b>	<b>1,410</b>	<b>0</b>	<b>1,410</b>

1) Of which MSEK 200 pertains to reversal of previous provisions for tax on Group contributions in 2019. For further information, refer to Note 7 in the Annual Report.





## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

MSEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
<b>Operating activities</b>			
Operating profit	381	435	1,920
Adjustments for non-cash items			
Depreciation, amortisation and impairment of PPE and intangible assets	74	75	302
Other items	0	0	3
Interest received	2	2	15
Interest paid	-3	-4	-17
Income tax paid	-14	-177	-189
<b>Cash flow from operating activities before changes in working capital</b>	<b>440</b>	<b>331</b>	<b>2,034</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in operating receivables	80	63	55
Increase (+)/Decrease (-) in operating liabilities	-189	-223	11
<b>Cash flow from operating activities</b>	<b>331</b>	<b>171</b>	<b>2,100</b>

MSEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
<b>Investing activities</b>			
Investments in intangible assets	-36	-39	-190
Investments in PPE	-15	-14	-55
Decrease/Increase in long-term receivables	0	0	1
<b>Cash flow from investing activities</b>	<b>-51</b>	<b>-53</b>	<b>-244</b>
<b>Financing activities</b>			
Loans raised	1	1	403
Repayment of loans	-2	-4	-1,100
Loans to shareholders, Group contributions and dividend	-259	-254	-1,672
<b>Cash flow from financing activities</b>	<b>-260</b>	<b>-257</b>	<b>-2,369</b>
<b>Cash flow for the period</b>	<b>20</b>	<b>-139</b>	<b>-513</b>
<b>Opening cash and cash equivalents</b>	<b>886</b>	<b>1,399</b>	<b>1,399</b>
Exchange-rate difference in cash and cash equivalents	0	0	0
Cash flow for the period	20	-139	-513
<b>Closing cash and cash equivalents <sup>1)</sup></b>	<b>906</b>	<b>1,260</b>	<b>886</b>

1) Of closing cash and cash equivalents, MSEK 470 (448) derived from funds held in trust that belong to account customers.

## CONDENSED PARENT COMPANY INCOME STATEMENT

MSEK	Note	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Net gambling revenue	2	1,213	1,226	5,061
Agent revenue		58	64	253
Other operating income		112	109	507
<b>Total revenue</b>		<b>1,383</b>	<b>1,399</b>	<b>5,821</b>
Gambling tax		-242	-240	-1,002
Capitalised work for own account		18	17	69
Personnel expenses		-106	-97	-415
Other external expenses		-605	-584	-2,296
Other operating expenses		-2	-1	-4
Depreciation, amortisation and impairment of PPE and intangible assets		-65	-60	-244
<b>Operating profit</b>		<b>381</b>	<b>434</b>	<b>1,929</b>

MSEK	Note	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Profit/loss from financial items <sup>1)</sup>	2	0	-1	4
<b>Profit after financial items</b>		<b>381</b>	<b>433</b>	<b>1,933</b>
Group contributions paid		–	–	-1,705
<b>Profit before tax</b>		<b>381</b>	<b>433</b>	<b>228</b>
Income tax <sup>2)</sup>		-13	-19	152
<b>Profit for the period</b>		<b>368</b>	<b>414</b>	<b>380</b>

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

2) A lower estimated tax rate than the official tax rate of 20.6 per cent 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 2021 financial year. For the Jan–Dec period, MSEK +200 pertains to reversal of previous provisions for tax on Group contributions in 2019. For further information, refer to Note 7 in the Annual Report.

The Parent Company had no items in 2022 or 2021 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 2022	31 Mar 2021	31 Dec 2021
<b>Fixed assets</b>			
Intangible assets	785	776	796
Property, plant and equipment	285	312	291
Financial assets	254	323	254
<b>Total fixed assets</b>	<b>1,324</b>	<b>1,411</b>	<b>1,341</b>
<b>Current assets</b>			
Accounts receivable	25	34	42
Receivables from Group companies	145	272	42
Current tax receivable	–	14	–
Other receivables	250	335	337
Prepaid expenses and accrued income	141	140	73
Cash and bank balances	891	1,248	873
<b>Total current assets</b>	<b>1,452</b>	<b>2,043</b>	<b>1,367</b>
<b>TOTAL ASSETS</b>	<b>2,776</b>	<b>3,454</b>	<b>2,708</b>

MSEK	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Restricted equity	796	765	803
Non-restricted equity	733	605	357
<b>Total shareholders' equity</b>	<b>1,529</b>	<b>1,370</b>	<b>1,160</b>
<b>Provisions</b>	<b>–</b>	<b>200</b>	<b>–</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	398	299	398
<b>Total long-term liabilities</b>	<b>398</b>	<b>299</b>	<b>398</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	–	775	–
Accounts payable	58	70	53
Liabilities to Group companies	74	63	145
Liabilities, account customers	470	453	579
Current tax liabilities	2	–	3
Other liabilities	147	141	293
Accrued expenses and deferred income	98	83	77
<b>Total current liabilities</b>	<b>849</b>	<b>1,585</b>	<b>1,150</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,776</b>	<b>3,454</b>	<b>2,708</b>

## GROUP KEY PERFORMANCE INDICATORS

Key performance indicators calculated in accordance with IFRS	Jan–Mar 2022	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2019
Profit for the period, MSEK	368	416	327	1,521	1,749	1,162
Earnings per share, SEK	920	1,040	818	3,803	4,373	2,905
<b>KPIs not calculated in accordance with IFRS</b>						
Net gambling revenue, MSEK	1,268	1,268	1,107	5,256	5,359	4,435
Total revenue, MSEK	1,462	1,466	1,319	6,116	6,331	5,306
EBITDA, MSEK	455	510	410	2,222	2,520	1,696
Operating profit, MSEK	381	435	343	1,920	2,240	1,501
Operating margin, %	26%	30%	26%	31	35	28
Debt/equity ratio, multiple	1.0	1.8	2.2	1.6	3.1	3.2
Profit before tax, MSEK	381	435	345	1,921	2,242	1,504
Shareholders' equity, MSEK	1,410	1,265	1,100	1,042	850	773
Shareholders' equity per share, SEK	3,525	3,163	2,750	2,605	2,125	1,932
Cash flow from operating activities, MSEK	331	171	297	2,100	2,609	1,596
Cash flow from operating activities per share, SEK	828	428	743	5,250	6,523	3,990
<b>KPIs, operations</b>						
Share of green turnover, % <sup>1)</sup>	79%	76%	71%	77	74	70
Share of green customers, % <sup>1)</sup>	85%	85%	86%	85	86	87
Number of active customers, million	1.3	1.3	1.3	1.3	1.4	1.3
Average number of employees	508	486	456	496	468	433

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 2021 Annual Report on pages 72–78.

**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® 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**

No new or amended standards, and interpretations of existing standards, that will be applied for financial years beginning on or after 1 January 2022 are expected to have an impact on the Group's financial reporting.

**Note 2 Net gambling revenue***Net gambling revenue by category and geographic market*

Amounts in MSEK	SWEDEN			DENMARK			GROUP		
	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Horse betting	956	1,037	4,248	14	10	52	970	1,047	4,300
Sport betting	167	129	557	10	10	43	177	139	600
Casino games	90	60	256	31	22	100	121	82	356
<b>Total net gambling revenue</b>	<b>1,213</b>	<b>1,226</b>	<b>5,061</b>	<b>55</b>	<b>42</b>	<b>195</b>	<b>1,268</b>	<b>1,268</b>	<b>5,256</b>

*Net gambling revenue by sales channel and geographic market*

Amounts in MSEK	SWEDEN			DENMARK			GROUP		
	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Digital channels	1,012	988	4,129	48	36	163	1,060	1,024	4,291
Stores	201	238	932	7	6	32	208	244	965
<b>Total</b>	<b>1,213</b>	<b>1,226</b>	<b>5,061</b>	<b>55</b>	<b>42</b>	<b>195</b>	<b>1,268</b>	<b>1,268</b>	<b>5,256</b>

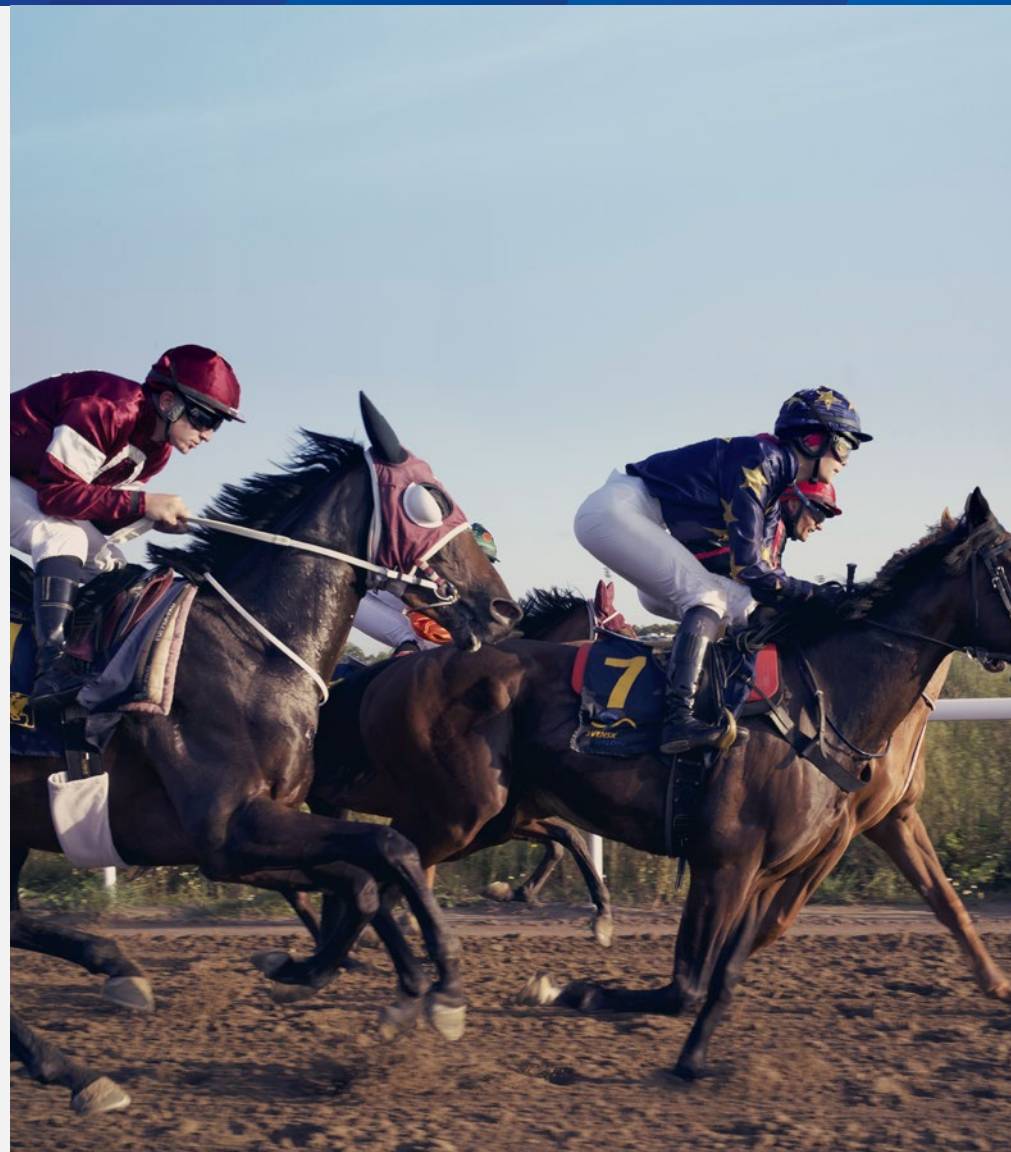
No single customer accounts for more than 10 per cent of turnover. All net gambling revenue is recognised at a point in time.

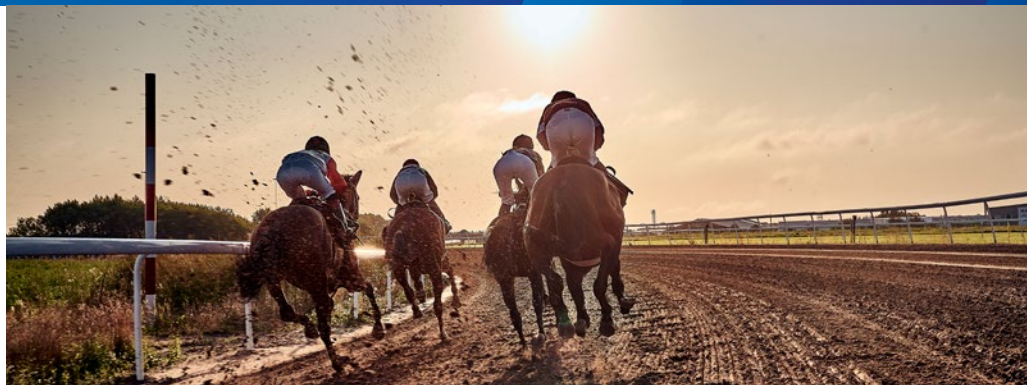
**Note 3 Financial instruments, Group – fair value**

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

Amounts in MSEK	CARRYING AMOUNT			FAIR VALUE		
	31 Mar 2022	31 Mar 2021	31 Dec 2021	31 Mar 2022	31 Mar 2021	31 Dec 2021
Long-term receivables	68	156	68	68	156	68
<b>Total long-term receivables</b>	<b>68</b>	<b>156</b>	<b>68</b>	<b>68</b>	<b>156</b>	<b>68</b>
Lease liabilities	79	91	79	79	91	79
Liabilities to credit institutions	398	299	398	400	300	400
<b>Total long-term liabilities</b>	<b>477</b>	<b>390</b>	<b>477</b>	<b>479</b>	<b>391</b>	<b>479</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.





## 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 reconciliation in table below. 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 45 – 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 25Sylv. 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 1,800 store agents as well as at trotting and thoroughbred racetracks in Sweden and Denmark.



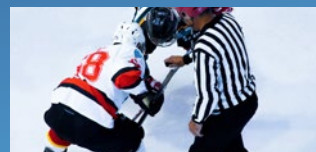
## STRONG BRANDS

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





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**Reporting calendar**

Interim report January–June	22 August 2022
Interim report January–September	24 October 2022

