



Q3

INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2022

FROM AB TRAV OCH GALOPP (ATG).
PUBLISHED 24 OCTOBER 2022

Solvalla's new venture on Kriterielördagen (Eng. Criterium Saturday) was spiced up with a V75 Dream Jackpot. Customers were on board and turnover went through the roof. Total turnover amounted to MSEK 174.5, the fourth highest figure in ATG's history. Daniel Redén hugs Xanthis Harvey after the criterium win.

Photo: Lars Jakobsson



STABLE REVENUE FOR THE PERIOD

Year-on-year, ATG's net gambling revenue was stable for the first nine months of 2022. Horse betting, the largest and most important betting product, declined while sport betting and, above all, casino games rose. Growth in Denmark remains strong. The changed product mix has led to lower earnings.

Q3 in summary, Group

- Net gambling revenue amounted to MSEK 1,291 (1,281).
- Total revenue was MSEK 1,491 (1,474).
- The period's operating profit amounted to MSEK 437 (490).
- Profit for the period totalled MSEK 432 (471).
- Cash flow from operating activities was MSEK 509 (643).

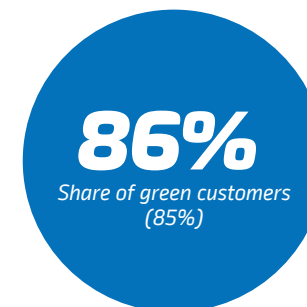
January–September in summary, Group

- Net gambling revenue amounted to MSEK 3,887 (3,917).
- Total revenue was MSEK 4,490 (4,519).
- The period's operating profit amounted to MSEK 1,242 (1,420).
- Profit for the period totalled MSEK 1,217 (1,359).
- Cash flow from operating activities was MSEK 1,368 (1,425).

KPIs, Group, MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net gambling revenue	1,291	1,281	3,887	3,917	5,256
Total revenue	1,491	1,474	4,490	4,519	6,116
Operating profit	437	490	1,242	1,420	1,920
Operating margin, %	29%	33%	28%	31%	31%
Cash flow from operating activities	509	643	1,368	1,425	2,100
Number of active customers, million	1.3	1.3	1.3	1.3	1.3

KPIs, Parent Company, MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net gambling revenue	1,213	1,231	3,684	3,774	5,061
Parent Company's profit before transactions with owners ¹⁾	556	622	1,712	1,924	2,520
Operating profit	433	497	1,244	1,435	1,929

1) For definition, see page 21.



Key events during the period

- 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. ATG has submitted a response to the proposal.
- Many restrictions were lifted on 9 February, when Covid-19 was reclassified as a disease that is no longer a danger to society. The opening of society has negatively impacted ATG's revenue from horse betting as competition from other recreational activities has increased. The removal of the temporary Gambling Ordinance for casino games has positively impacted casino games.
- Due to Russia's invasion of Ukraine, it was determined that the Group has consultants in Ukraine and employees from Ukraine. This had no material impact on the period.
- ATG conducted its annual Sustainability and Responsible Gambling thematic weeks, when each workday begins with a talk aimed at deepening employee knowledge within the areas of sustainability and responsible gambling.
- During the period, 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 25Syv took over the broadcasting and TV production rights for Danish trotting and thoroughbred racing.
- After two years of pandemic restrictions, horse racing's premier event Elitloppet and Nationaldagsgaloppen could be held in front of a large and enthusiastic audience.
- Since 1973, the company name Aktiebolaget Trav och Galopp has been registered for ATG with the Swedish Companies Registration Office. In autumn 2020, when Svenska Spel launched horse betting, it chose to use the phrase "Trav & Galopp" together with its logotype as a brand and in its marketing. ATG sued Svenska Spel for infringement of ATG's company name. The claim was decided in May in the Swedish Patent and Market Court with ATG winning the dispute. The decision has been appealed.
- On 24 September, ATG held Drömjackpott® where one single winner could win MSEK 110. Many players shared the winnings.
- On four occasions during the period, a single winner has won Grand Slam 75® with guaranteed winnings of MSEK 10.

Key events after the closing date

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



In March, a woman from the south of Sweden won MSEK 2 on Harry Boy®. The money lay untouched in her ATG account since that date and, therefore, contact was taken with the woman. It turned out that she was completely unaware that she had become a double millionaire.

Photo: Maria Holmén

MATCHED NET GAMBLING REVENUE – UNCERTAIN OUTLOOK

Overall, the Group's net gambling revenue matched last year for the January–September period. At the same time, we are entering a recession that will impact essentially all households in Sweden and the main focus is now on the future and concerns about the economy. I will return to this, but first let's look at what has been.

A summary of the Group's three most important KPIs for January – September 2022:

- Net gambling revenue: MSEK 3,887 (-1%)
- Operating profit: MSEK 1,242 (-13%)
- Parent Company's profit before transactions with owners: MSEK 1,712 (-11%)

Horse betting

Net gambling revenue for the Horse betting product area was MSEK 3,024 (3,212), down 6 per cent year-on-year.

At Kriterielördagen (Eng. Criterium Saturday) at Solvalla on 24 September, we had a V75® Drömjackpot (Eng. Dream jackpot) where a single winner could take home over MSEK 110. Interest was enormous and ATG recorded a record number of horse betting customers, half a million. At MSEK 174.5, V75 turnover was the fourth highest on record and the second highest this century. Many customers shared the winnings.

Sport betting

Net gambling revenue for the Sport betting product area was MSEK 479 (453), up 6 per cent year-on-year.

Big 9® premiered on Wednesdays in August and was run six times in the autumn, where the week's Champions League matches topped the betting slips. Naturally, we hope to see increased general interest in the Big 9. It provides us with a unique talking point when marketing our sport betting, which can be an advantage over many of our competitors.

Casino games

Net gambling revenue for the Casino games product area was MSEK 384 (252), up 52 per cent year-on-year. Much of the increase was attributable to last year's temporary regulation, including deposit limits, being removed.

In September, a player won six million kronor, which is the highest win to date on ATG's casino games.

Denmark

The Group's figures include our Danish subsidiary 25Syv, which continued to post strong growth. If we focus solely on net gambling revenue in Denmark, it amounted to MSEK 203 (143), up 42 per cent year-on-year. Growth was strongest in

horse betting (56%) and casino games (43%), but sport betting (22%) also increased steadily.

Customers

It is important for us that our customers enjoy their betting. Our KPIs for share of green customers (86%) and share of green turnover (79%) remain stable.

We measure our customer satisfaction (NPS) continuously and we need to work with it more. Encouragingly, responses from customers show that, more than ever before, they feel that ATG stands behind our customer promise – exciting, responsible and smooth gaming experiences.

The future

From a historic perspective, the betting industry has been less sensitive to economic downturns than many other industries, but I am convinced that this recession will impact us more than previous ones.

According to a number of consensus forecasts, many people in the near future are projected to experience much tougher circumstances. Higher food, fuel and electricity prices and raised interest rates mean that virtually all households will have less disposable income remaining for entertainment, which is likely to mean a lower share of their wallet being spent on things like betting.

For some time now at ATG, we have been preparing for tougher times ahead by adjusting our costs. But as everyone knows, when driving a car uphill you also have to accelerate, otherwise you



Hasse Lord Skarplöth
CEO

won't get to the top. However, we have to expect that it will take a little longer to get over the crest with the current conditions. And more importantly – we have to ensure we have sufficient fuel left over when we get there to be more competitive than ever when the economy recovers. Because sooner or later it will.

Then, as now, we will be ready to continue toward our vision – to offer our customers the world's best gaming experiences.

Hasse Lord Skarplöth
CEO ATG

JULY – SEPTEMBER 2022

Revenue

The Group's net gambling revenue in the third quarter was MSEK 1,291 (1,281), up 1 per cent. The Danish Group 25Syv impacted the Group's net gambling revenue with MSEK 78 (50) for the quarter. Growth in Denmark was 56 per cent.

Year-on-year, the Group's net gambling revenue from horse betting decreased MSEK 60 or 6 per cent, sport betting rose MSEK 17 or 13 per cent and casino games increased MSEK 53 or 64 per cent. The quarter had the same number of Saturdays with V75® and three more jackpots than the comparative period.

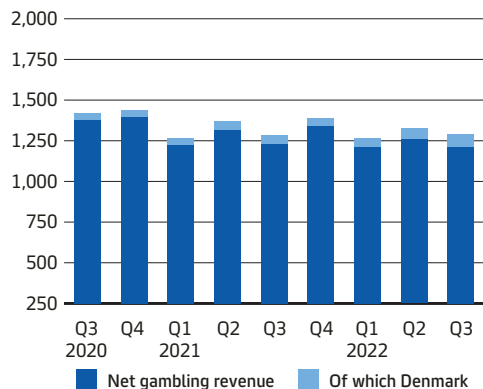
Gross turnover for Swedish horse betting amounted to MSEK 3,261 (3,466), down 6 per cent. International gross turnover amounted to MSEK 908 (854), up 6 per cent. Total gross turnover for horse betting (Swedish and international) was MSEK 4,169 (4,320), down 3 per cent.

Other revenue for the Group amounted to MSEK 143 (130).

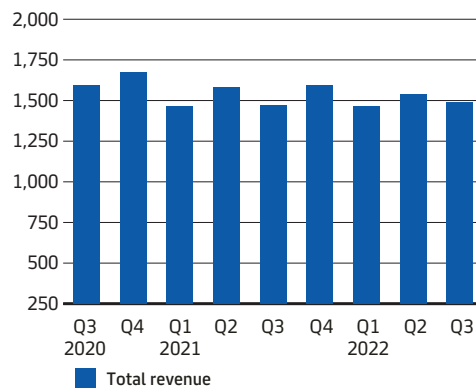
Agent revenue for the Group amounted to MSEK 57 (63).

The Group's total revenue was MSEK 1,491 (1,474).

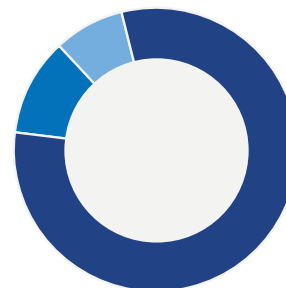
Net gambling revenue
Quarterly, 2020–2022, MSEK



Total revenue
Quarterly, 2020–2022, MSEK

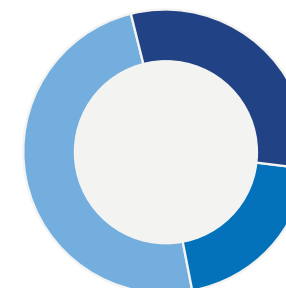


Q3 net gambling revenue by betting product, Sweden



- Horse betting: 81% (85)
- Sport betting: 11% (10)
- Casino games: 8% (5)

Q3 net gambling revenue by betting product, Denmark



- Horse betting: 31% (30)
- Sport betting: 20% (20)
- Casino games: 49% (50)

MSEK
1,491
Group's total revenue for the quarter (1,474)

Expenses

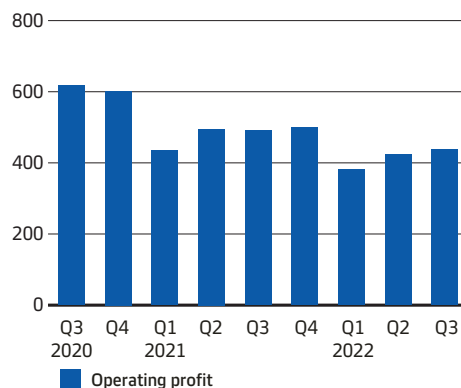
Gambling tax totalled MSEK 271 (269) for the quarter. Operating expenses for the quarter amounted to MSEK 783 (715), an increase of 10 per cent. The services that ATG has agreed to provide to horse racing, relating to payment for horse racing information, rights and sponsorship comprise one expense item within the Group's other expenses that totalled MSEK 123 (125) for the quarter. During the quarter, operating expenses increased as a result of higher personnel expenses, the continued establishment of pool betting in sport betting, Big 9® and other variable costs linked to changes in net gambling revenue.

Operating profit and profit for the quarter

The operating profit for the quarter totalled MSEK 437 (490), which represents a decline of 11 per cent. Operating profit has decreased as a result of increased costs. The operating margin for the quarter was 29 per cent (33). Profit for the quarter totalled MSEK 432 (471).

Operating profit

Quarterly, 2020–2022, MSEK



Three of the four upcoming World Championship riders were present when the ATG Riders League showjumping series started this year's season at Åbytravet in Mölndal in July. It seems it was a good rehearsal, as a few weeks later the Swedish showjumping team won a World Championship gold medal!

Photo: Roland Thunholm

Parent Company's profit before transactions with owners

The Parent Company's profit before transactions with owners (see definition on page 21) totalled MSEK 556 (622) 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.

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

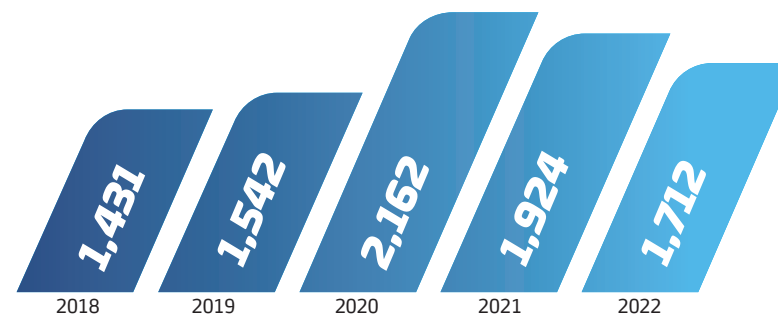
test, targeted encouragement is also sent to a prioritised target group of ATG's digital customers who are assumed to be most in need of completing the test. Green turnover is calculated using self-assessment tests completed since 2019 as customers who have completed the self-assessment test and not changed their gambling behaviour are poorly motivated to redo the test. By 30 September 2022, 140,000 customers (113,000) 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), declined in 2022, which was mainly due to technical disruptions for customers in digital channels. 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	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Operating profit	433	497	1,244	1,435	1,929
Costs for horse racing information, rights and sponsorship	123	125	468	489	591
Total	556	622	1,712	1,924	2,520

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



Green customers and green turnover ¹⁾

	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
Share of green customers, %	85	85	85	86	86
Share of green turnover, %	77	78	79	79	79
No. of customers who have completed a self-assessment test (accumulated from 1 Jan 2019)	113,000	121,000	127,000	135,000	140,000
NPS (Net Promoter Score) ²⁾	14	14	8	8	7

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.

JANUARY – SEPTEMBER 2022

Revenue

The Group's net gambling revenue for the period was MSEK 3,887 (3,917), down 1 per cent. The Danish Group 25syv impacted the Group's net gambling revenue with MSEK 203 (143) during the period, an increase of 42 per cent.

The Group's net gambling revenue from horse betting decreased MSEK 188, down 6 per cent, sport betting increased MSEK 26, up 6 per cent, and casino games increased MSEK 132, up 52 per cent. The period had the same number of Saturdays with V75[®] and seven more jackpots than the comparative period. The decrease in horse betting was an effect of increased competition from other recreational activities following the pandemic.

Gross turnover for Swedish horse betting amounted to MSEK 9,751 (10,421), down 6 per cent. International gross turnover amounted to MSEK 2,691 (2,520), up 7 per cent. Total gross turnover for horse betting (Swedish and international) was MSEK 12,442 (12,941), down 4 per cent.

Other revenue for the Group amounted to MSEK 427 (412), an increase of 4 per cent.

The Group's total revenue was MSEK 4,490 (4,519), down 1 per cent.

Expenses

Gambling tax totalled MSEK 796 (793) for the period. Operating expenses for the period amounted to MSEK 2,452 (2,306). The services that ATG has agreed to provide to horse racing, relating to payment for horse racing information, rights and sponsorship comprises one expense item. This expense totalled MSEK 468 (489) for the period. During the period, operating expenses increased as a result of higher personnel expenses, the continued establishment of pool betting in sport betting, Big 9[®] and other variable costs linked to changes in net gambling revenue.

Operating profit and profit for the period

The operating profit for the period totalled MSEK 1,242 (1,420), which represents a decline of 13 per cent. The decrease was due to reduced revenue and increased costs. The operating margin for the period was 28 per cent (31). Profit for the period totalled MSEK 1,217 (1,359).

Parent Company's profit before transactions with owners

The Parent Company's profit before transactions with owners (see definition on page 21) totalled MSEK 1,712 (1,924) for the period. 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 from re-regulation in 2019 with previous years and with competitors in the gambling market.

Investments

Cash investments in PPE and intangible assets for the period amounted to MSEK 168 (160). The investments during the period 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 1,368 (1,425). Cash flow from investing activities amounted to an outflow of MSEK 168 (outflow: 160). Cash flow from financing activities amounted to an outflow of MSEK 1,205 (outflow: 1,137). Cash flow for the period amounted to an outflow of MSEK 5 (inflow: 128). Closing cash and cash equivalents at the end of the period totalled MSEK 881 (1,527).

Financial position

The Group's long-term liabilities to credit institutions totalled MSEK 398 (300). 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 3,525 (4,309).

OTHER DISCLOSURES

Employees

In the January–September period, the average number of employees in the Group was 508 (493), of which 30 (29) in Denmark. 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 the quarter 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, 21 October 2022

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	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net gambling revenue	2	1,291	1,281	3,887	3,917	5,256
Agent revenue		57	63	176	190	253
Other revenue		143	130	427	412	607
Total revenue		1,491	1,474	4,490	4,519	6,116
Gambling tax		-271	-269	-796	-793	-1,061
Capitalised work for own account		13	14	48	50	69
Personnel expenses		-132	-122	-386	-361	-495
Other expenses		-587	-530	-1,887	-1,766	-2,407
Depreciation, amortisation and impairment of PPE and intangible assets		-77	-77	-227	-229	-302
Operating profit		437	490	1,242	1,420	1,920
Profit/loss from financial items		6	0	10	-3	1
Profit before tax		443	490	1,252	1,417	1,921
Income tax ¹⁾		-11	-19	-35	-58	-400
Profit for the period		432	471	1,217	1,359	1,521

MSEK	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
<i>Items that may be transferred to profit for the year</i>						
Translation differences, foreign subsidiaries		-1	-1	-2	-1	-1
Other comprehensive income		-1	-1	-2	-1	-1
Comprehensive income for the period ²⁾		431	470	1,215	1,358	1,520
Earnings per share for the period, SEK						
Before and after dilution ³⁾		1,080	1,178	3,043	3,398	3,803
Number of shares, thousand						
Average number of shares outstanding		400	400	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	30 Sep 2022	30 Sep 2021	31 Dec 2021
Fixed assets				
Intangible assets		848	856	871
Property, plant and equipment		387	423	418
Financial assets	3	68	156	68
Total fixed assets		1,303	1,435	1,357
Current assets				
Accounts receivable		41	31	49
Receivables from Group companies		998	1,023	14
Current tax receivable		1	–	–
Other receivables		193	203	351
Prepaid expenses and accrued income		108	90	74
Cash and cash equivalents		881	1,527	886
Total current assets		2,222	2,874	1,374
TOTAL ASSETS		3,525	4,309	2,731

MSEK	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity attributable to Parent Company shareholders				
Share capital		40	40	40
Other contributed capital		-40	-40	-40
Retained earnings including profit for the period		2,106	2,034	1,042
Total shareholders' equity, Parent Company shareholders		2,106	2,034	1,042
Long-term liabilities				
Liabilities to credit institutions	3	398	300	398
Lease liabilities	3	78	87	79
Other provisions		–	200	–
Total long-term liabilities		476	587	477
Current liabilities				
Liabilities to credit institutions		–	775	–
Lease liabilities		12	16	12
Accounts payable		111	100	74
Liabilities to Group companies		34	27	131
Liabilities, account customers		469	459	586
Current tax liabilities		0	12	4
Other current liabilities		208	204	313
Accrued expenses and deferred income		109	95	92
Total current liabilities		943	1,688	1,212
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,525	4,309	2,731

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Share capital	Other contributed capital	Retained earnings	Translation reserve	Equity attributable to Parent Company shareholders
Shareholders' equity, 1 January 2021	40	-40	849	1	850
Profit for the year			1,521		1,521
Other comprehensive income					
Translation differences, foreign subsidiaries				-1	-1
Transactions with owners					
Group contributions paid			-1,705		-1,705
Tax effect of Group contributions ¹⁾			551		551
Dividend			-174		-174
Shareholders' equity, 31 December 2021	40	-40	1,042	0	1,042
Shareholders' equity, 1 January 2022	40	-40	1,042	0	1,042
Profit for the period			1,217		1,217
Other comprehensive income					
Translation differences, foreign subsidiaries				-2	-2
Transactions with owners					
Dividend			-150		-150
Shareholders' equity, 30 September 2022	40	-40	2,108	-2	2,106

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.



*In September, a player won six million kronor, which is the highest win to date on ATG's casino games.
Photo: Maria Holmén*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Operating activities					
Operating profit	437	490	1,242	1,420	1,920
Adjustments for non-cash items					
Depreciation, amortisation and impairment of PPE and intangible assets	77	77	227	229	302
Other items	0	-1	0	0	3
Interest received	8	4	13	9	15
Interest paid	-4	-4	-9	-13	-17
Income tax paid	-13	-6	-40	-190	-189
Cash flow from operating activities before changes in working capital	505	560	1,433	1,455	2,034
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in operating receivables	-3	76	98	167	55
Increase (+)/Decrease (-) in operating liabilities	7	7	-163	-197	11
Cash flow from operating activities	509	643	1,368	1,425	2,100

MSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Investing activities					
Investments in intangible assets	-37	-39	-125	-129	-190
Investments in PPE	-15	-4	-43	-31	-55
Decrease/Increase in long-term receivables	0	0	0	0	1
Cash flow from investing activities	-52	-43	-168	-160	-244
Financing activities					
Loans raised	2	0	3	3	403
Repayment of loans	-2	-4	-5	-12	-1,100
Loans to shareholders, Group contributions and dividend	-517	-474	-1,203	-1,128	-1,672
Cash flow from financing activities	-517	-478	-1,205	-1,137	-2,369
Cash flow for the period	-60	122	-5	128	-513
Opening cash and cash equivalents	941	1,405	886	1,399	1,399
Exchange-rate difference in cash and cash equivalents	0	0	0	0	0
Cash flow for the period	-60	122	-5	128	-513
Closing cash and cash equivalents ¹⁾	881	1,527	881	1,527	886

1) Of closing cash and cash equivalents, MSEK 459 (455) derived from funds held in trust that belong to account customers.

CONDENSED PARENT COMPANY INCOME STATEMENT

MSEK	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net gambling revenue	2	1,213	1,231	3,684	3,774	5,061
Agent revenue		57	63	176	190	253
Other operating income		121	105	360	338	507
Total revenue		1,391	1,399	4,220	4,302	5,821
Gambling tax		-246	-253	-734	-749	-1,002
Capitalised work for own account		13	14	48	50	69
Personnel expenses		-112	-104	-325	-305	-415
Other external expenses		-544	-496	-1,762	-1,677	-2,296
Other operating expenses		-1	-1	-4	-2	-4
Depreciation, amortisation and impairment of PPE and intangible assets		-68	-62	-199	-184	-244
Operating profit		433	497	1,244	1,435	1,929

MSEK	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Profit/loss from financial items ¹⁾	2	5	1	7	-1	4
Profit after financial items		438	498	1,251	1,434	1,933
Group contributions paid		-	-	-	-	-1,705
Profit before tax		438	498	1,251	1,434	228
Income tax ²⁾		-11	-19	-35	-58	152
Profit for the period		427	479	1,216	1,376	380

1) Interest income from Group companies amounted to MSEK 9 (6) for the Jan-Sep 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	30 Sep 2022	30 Sep 2021	31 Dec 2021
Fixed assets			
Intangible assets	774	779	796
Property, plant and equipment	270	288	291
Financial assets	255	323	254
Total fixed assets	1,299	1,390	1,341
Current assets			
Accounts receivable	38	29	42
Receivables from Group companies	1,028	1,071	42
Current tax receivable	1	–	–
Other receivables	188	199	337
Prepaid expenses and accrued income	97	85	73
Cash and bank balances	859	1,511	873
Total current assets	2,211	2,895	1,367
TOTAL ASSETS	3,510	4,285	2,708

MSEK	30 Sep 2022	30 Sep 2021	31 Dec 2021
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity	796	780	803
Non-restricted equity	1,430	1,377	357
Total shareholders' equity	2,226	2,157	1,160
Provisions	–	200	–
Long-term liabilities			
Liabilities to credit institutions	398	300	398
Total long-term liabilities	398	300	398
Current liabilities			
Liabilities to credit institutions	–	775	–
Accounts payable	92	77	53
Liabilities to Group companies	57	41	145
Liabilities, account customers	460	452	579
Current tax liabilities	–	12	3
Other liabilities	186	189	293
Accrued expenses and deferred income	91	82	77
Total current liabilities	886	1,628	1,150
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,510	4,285	2,708

GROUP KEY PERFORMANCE INDICATORS

Key performance indicators calculated in accordance with IFRS	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2021	Jan-Dec 2020
Profit for the period, MSEK	432	471	572	1,217	1,359	1,542	1,521	1,749
Earnings per share, SEK	1,080	1,178	1,430	3,043	3,398	3,855	3,803	4,373
KPIs not calculated in accordance with IFRS								
Net gambling revenue, MSEK	1,291	1,281	1,380	3,887	3,917	3,919	5,256	5,359
Total revenue, MSEK	1,491	1,474	1,595	4,490	4,519	4,656	6,116	6,331
EBITDA, MSEK	514	567	689	1,469	1,649	1,846	2,222	2,520
Operating profit, MSEK	437	490	618	1,242	1,420	1,638	1,920	2,240
Operating margin, %	29%	33%	39%	28%	31%	35%	31%	35%
Debt/equity ratio, multiple	0.7	1.1	1.1	0.7	1.1	1.1	1.6	3.1
Profit before tax, MSEK	443	490	624	1,252	1,417	1,640	1,921	2,242
Shareholders' equity, MSEK	2,106	2,034	2,211	2,106	2,034	2,211	1,042	850
Shareholders' equity per share, SEK	5,265	5,085	5,528	5,265	5,085	5,528	2,605	2,125
Cash flow from operating activities, MSEK	509	643	707	1,368	1,425	1,771	2,100	2,609
Cash flow from operating activities per share, SEK	1,273	1,608	1,768	3,420	3,563	4,428	5,250	6,523
KPIs, operations								
Share of green turnover, % ¹⁾	79%	77%	74%	79%	77%	73%	77%	74%
Share of green customers, % ¹⁾	86%	85%	86%	86%	85%	86%	85%	86%
Number of active customers, million	1.3	1.3	1.4	1.3	1.3	1.4	1.3	1.4
Average number of employees	509	497	469	508	493	465	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 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				
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Horse betting	980	1,049	2,963	3,173	4,248	24	15	61	39	52	1,004	1,064	3,024	3,212	4,300
Sport betting	135	124	440	421	557	16	10	39	32	43	151	134	479	453	600
Casino games	98	58	281	180	256	38	25	103	72	100	136	83	384	252	356
Total net gambling revenue	1,213	1,231	3,684	3,774	5,061	78	50	203	143	195	1,291	1,281	3,887	3,917	5,256

Net gambling revenue by sales channel and geographic market

Amounts in MSEK	SWEDEN					DENMARK					GROUP				
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Digital channels	1,028	1,008	3,106	3,069	4,129	62	40	167	119	163	1,090	1,047	3,273	3,188	4,291
Stores	185	223	578	705	932	16	10	36	24	32	201	234	614	729	965
Total	1,213	1,231	3,684	3,774	5,061	78	50	203	143	195	1,291	1,281	3,887	3,917	5,256

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		
	30 Sep 2022	30 Sep 2021	31 Dec 2021	30 Sep 2022	30 Sep 2021	31 Dec 2021
Long-term receivables	68	156	68	68	156	68
Total long-term receivables	68	156	68	68	156	68
Lease liabilities	78	87	79	78	87	79
Liabilities to credit institutions	398	300	398	400	300	400
Total long-term liabilities	476	387	477	478	387	479

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



*Headlong charge in a flat race start.
Photo: Maria Holmén*



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 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 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 1,800 store agents as well as at trotting and thoroughbred racetracks in Sweden and Denmark.



STRONG BRANDS

With brands such as V75® and Harry Boy®, 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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omatg.se

ATG on social media

LinkedIn: AB Trav och Galopp

Instagram: @ATG

Facebook: @ATG

Twitter: @ATG

Reporting calendar

Year-end report 2022	23 February 2023
Interim report January – March 2023	27 April 2023



The second season of ATG Talang started in August, with seven new trotting and thoroughbred racing trainers included in the troop. One of them is Oskar Kylin Blom (pictured). Participants in the initiative meet experts in different areas with a focus on leadership and the art of building a successful team, everyday life and sustainable practices, and positioning and personal branding.

Photo: Petri Johansson