

# Q2

## INTERIM REPORT 1 JANUARY – 30 JUNE 2022

FROM AB TRAV OCH GALOPP (ATG).  
PUBLISHED 22 AUGUST 2022



*Vive la France! 19,951 spectators were at Solvalla in Stockholm to witness the French horse Etonnant and driver Anthony Barrier win the Elitloppet on the last Sunday in May.*



## SLIGHT DIP IN REVENUE IN THE FIRST HALF OF 2022

*ATG's net gambling revenue for the first six months of 2022 declined slightly but remained the second highest ever for the Group. The decrease was an expected effect of increased competition from other recreational activities following two years of the pandemic. The product mix, that is, from which betting product the revenues derive, was unchanged, which led to lower earnings.*

### Q2 in summary, Group

- Net gambling revenue amounted to MSEK 1,328 (1,368).
- Total revenue was MSEK 1,537 (1,579).
- The period's operating profit amounted to MSEK 424 (495).
- Profit for the period totalled MSEK 417 (472).
- Cash flow from operating activities was MSEK 528 (611).

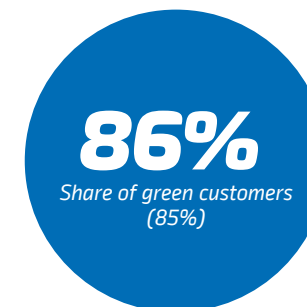
### January–June in summary, Group

- Net gambling revenue amounted to MSEK 2,596 (2,636).
- Total revenue was MSEK 2,999 (3,045).
- The period's operating profit amounted to MSEK 805 (930).
- Profit for the period totalled MSEK 785 (888).
- Cash flow from operating activities was MSEK 859 (782).

KPIs, Group, MSEK	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021
Net gambling revenue	1,328	1,368	2,596	2,636	5,256
Total revenue	1,537	1,579	2,999	3,045	6,116
Operating profit	424	495	805	930	1,920
Operating margin, %	28%	31%	27%	31%	31%
Cash flow from operating activities	528	611	859	782	2,100
Number of active customers, million	1.3	1.3	1.3	1.3	1.3

KPIs, Parent Company, MSEK	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021
Net gambling revenue	1,258	1,317	2,471	2,543	5,061
Parent Company's profit before transactions with owners <sup>1)</sup>	592	671	1,155	1,302	2,520
Operating profit	430	504	811	938	1,929

1) For definition, see page 21.



### Key events during the first half of the year

- 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. The opening of society has impacted ATG's revenue as competition from other recreational activities has increased.
- Due to Russia's invasion of Ukraine, it was determined that the Group has consultants in Ukraine and employees from Ukraine. While this had no material impact in the first six months, moving forward the situation could impact IT development at 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 half year, 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.

### Key events after the closing date

- No key events occurred after the end of the first six months.



*In June, the partnership between ATG and the Swedish Biathlon Federation was extended by four years. ATG is changing from being the main sponsor to also being a presenting partner. Among other things, this entails a new, joint venture and a behind-the-scenes look in an upcoming series featuring some of the national team's biathletes.*

## SIX MONTHS OF BOTH PLUS AND MINUS

***A slight dip in net gambling revenue in the first six months. However, ATG retained its position as the largest betting company in the commercial licence market – and is now also the first choice for sport betting.***

As for the first quarter, Coronavirus effects impacted the second quarter's comparative figures, thus making a comparison with last year's first half a less relevant reflection of ATG's performance over the past year. That said – from a longer historical perspective, and given the ongoing turbulence in our operating environment, ATG performed well throughout the beginning of 2022. For the January–June period, net gambling revenue – MSEK 2,596 – was the second highest in the company's history.

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

- Net gambling revenue: MSEK 2,596 (-2%)
- Operating profit: MSEK 805 (-14%)
- Parent Company's profit before transactions with owners: MSEK 1,155 (-11%)

Aside from the dip in net gambling revenue, the main reason behind the decline in operating profit was increased costs due to changes in the product mix.

### **Substantial interest – despite dip**

Net gambling revenue for the horse betting product area was MSEK 2,020 (2,148), down 6 per

cent year-on-year. However, interest in horse betting remains substantial. Gross turnover over the Elitloppet weekend increased 10 per cent. V75® retained its position as Sweden's largest pool betting system. In total, horse betting had 99 million-krona wins during the six-month period.

### **First choice for sport betting**

Net gambling revenue for the sport betting product area was MSEK 328 (319), up 3 per cent year-on-year. This was despite the fact that the period was competing with figures from last year's men's European Football Championship. We also noted that the overall sport betting market in Sweden and Denmark declined throughout the year. The Big 9® pool betting game had an expected drop at the end of the period in conjunction with the conclusion of major European leagues.

However, there are other things to be pleased about – ATG continues to capture market shares and is now the largest sport betting company in the commercial licence market in Sweden.

### **Product development and responsible gambling**

The net gambling revenue for the Casino games product area was MSEK 248 (169), up 47 per

cent year-on-year. Much of the increase was attributed to last year's temporary regulation, including deposit limits, being removed. We have concurrently worked hard with product development both of our offering and of our responsible gambling. Both are fundamental to all product areas – we want our 1.3 million customers to stay with us for a long time, to play for pleasure and to enjoy their betting.

### **Strong growth in Denmark**

Our Danish subsidiary 25Syv posted strong growth over the half year. The number of active customers is growing – and net gambling revenue amounted to MSEK 125 (93), up 34 per cent year-on-year. Growth is highest in the horse betting product area, up 54 per cent, but sport betting, up 5 per cent, and casino games, up 38 per cent, also posted strong growth. 25Syv has increased its market share in all three product areas.

### **A stronger Spelpaus**

We measure the effects of our responsible gambling initiatives through our share of green customers (86 per cent) and share of green turnover (79 per cent). Both KPIs remained stable through the period. During the spring, we participated in initiating a proposal to improve the current Spelpaus self-exclusion register, whereby the Helpline is proposed to be given resources to conduct care calls with customers who opt out of Spelpaus. The Swedish Gambling Authority is continuing with further investigation.



**Hasse Lord Skarplöth**  
CEO

### **Turbulent operating environment extends into the autumn**

Given all the turmoil in our operating environment, ATG's operations have functioned well in the first half of the year having captured market shares. Now we face an autumn with continued concerns and rising inflation. Unfortunately, no one knows how this will affect us other than that there is still hard work ahead.

Hasse Lord Skarplöth  
CEO ATG

## APRIL – JUNE 2022

### Revenue

The Group's net gambling revenue in the second quarter was MSEK 1,328 (1,368). The Danish Group 25Syv impacted the Group's net gambling revenue with MSEK 70 (51) for the quarter. Growth in Denmark was 37 per cent.

Year-on-year, the Group's net gambling revenue decreased MSEK 51 or 5 per cent from horse betting, sport betting declined MSEK 29 or 16 per cent and casino games rose MSEK 40 or 46 per cent. The quarter had the same number of Saturdays with V75® and four more jackpots than the comparative period.

Gross turnover for Swedish horse betting amounted to MSEK 3,395 (3,578), down 5 per cent. International gross turnover amounted to MSEK 976 (879), up 11 per cent. Total gross turnover for horse betting (Swedish and international) was MSEK 4,371 (4,457), down 2 per cent.

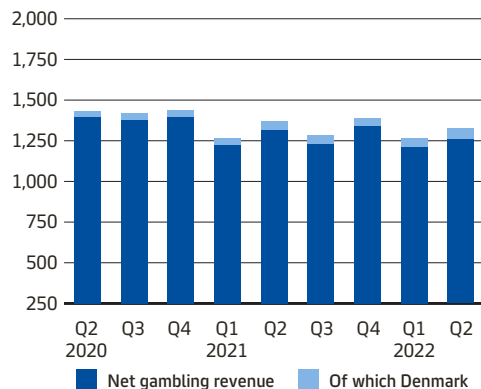
Other revenue for the Group amounted to MSEK 148 (148).

Agent revenue for the Group amounted to MSEK 61 (63).

The Group's total revenue was MSEK 1,537 (1,579).

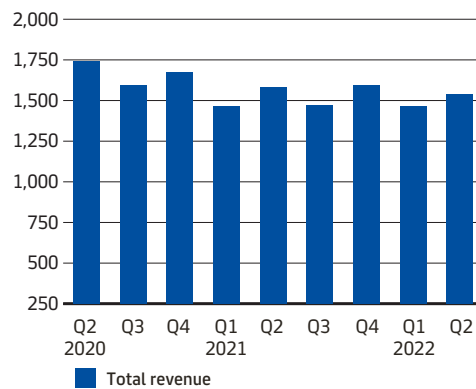
### Net gambling revenue

Quarterly, 2020–2022, MSEK

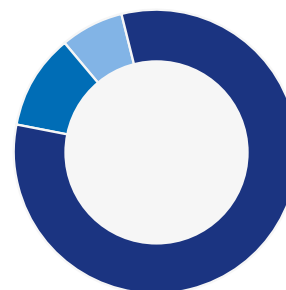


### Total revenue

Quarterly, 2020–2022, MSEK



### Q2 net gambling revenue by betting product, Sweden



- Horse betting: 82% (82)
- Sport betting: 11% (13)
- Casino games: 7% (5)

### Q2 net gambling revenue by betting product, Denmark



- Horse betting: 33% (27)
- Sport betting: 19% (24)
- Casino games: 48% (49)

**MSEK**  
**1,537**  
Group's total revenue for the quarter (1,579)

### Expenses

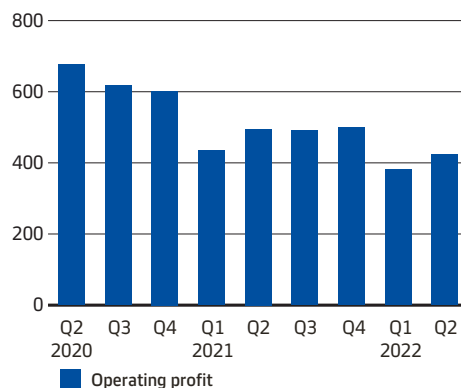
Gambling tax totalled MSEK 266 (271) for the quarter. Operating expenses for the quarter amounted to MSEK 847 (813), an increase of 4 per cent. Other expenses increased due to such factors as changes in the product mix. The services that ATG has agreed to provide to horse racing, relating to payment for horse racing information, rights and sponsorship comprise one expense item within the Group's other expenses that totalled MSEK 162 (167) 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 424 (495), which represents a decline of 14 per cent. Operating profit has decreased as a result of reduced revenue and increased costs. The operating margin for the quarter was 28 per cent (31). Profit for the quarter totalled MSEK 417 (472).

### Operating profit

Quarterly, 2020–2022, MSEK



ATG and the Swedish Paralympic Committee have partnered successfully for 27 years. In conjunction with the final of the Paralympiatravet race at Åby outside Gothenburg on 7 May, Hasse Lord Skarplöth, CEO of ATG, presented a record cheque for SEK 2,191,696 to Åsa Llinares Norlin, Chairman of the Swedish Paralympic Committee.

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

The Parent Company's profit before transactions with owners (see definition on page 21) totalled MSEK 592 (671) 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

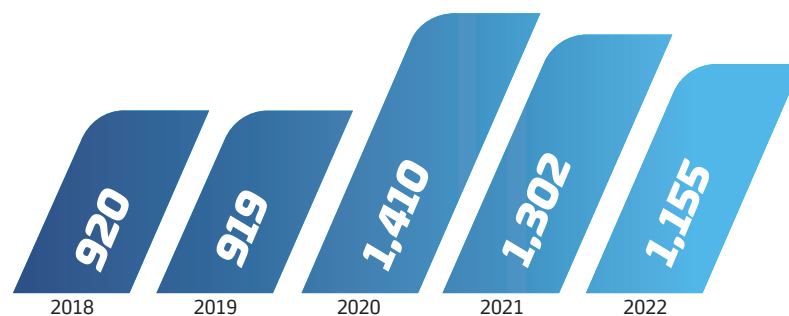
communication about the self-assessment test, targeted marketing is also sent to a prioritised target group of ATG's digital customers who are assumed to be most in need of completing the test. Green turnover is calculated using self-assessment tests completed since 2019 as customers who have completed the self-assessment test and not changed their gambling behaviour are poorly motivated to redo the test. By 30 June 2022, 135,000 customers (108,000) 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	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021
Operating profit	430	504	811	938	1,929
Costs for horse racing information, rights and sponsorship	162	167	344	364	591
<b>Total</b>	<b>592</b>	<b>671</b>	<b>1,155</b>	<b>1,302</b>	<b>2,520</b>

### PARENT COMPANY'S PROFIT BEFORE TRANSACTIONS WITH OWNERS, JAN–JUN MSEK.



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

	Q2–2021	Q3–2021	Q4–2021	Q1–2022	Q2–2022
Share of green customers, %	85	85	85	85	86
Share of green turnover, %	77	77	78	79	79
No. of customers who have completed a self-assessment test (accumulated from 1 Jan 2019)	108,000	113,000	121,000	127,000	135,000
NPS (Net Promoter Score) <sup>2)</sup>	19	14	14	8	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.

## JANUARY–JUNE 2022

### Revenue

The Group's net gambling revenue for the first six months was MSEK 2,596 (2,636), down 2 per cent. The Danish Group 25syv impacted the Group's net gambling revenue with MSEK 125 (93) during the first half of the year, an increase of 34 per cent.

The Group's revenue from horse betting decreased MSEK 128, down 6 per cent, sport betting increased MSEK 9, up 3 per cent, and casino games increased MSEK 79, up 47 per cent. The half year had the same number of Saturdays with V75® and five 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 6,490 (6,956), down 7 per cent. International gross turnover amounted to MSEK 1,783 (1,666), up 7 per cent. Total gross turnover for horse betting (Swedish and international) was MSEK 8,273 (8,622), down 4 per cent.

Other revenue for the Group amounted to MSEK 284 (282), an increase of 1 per cent.

The Group's total revenue was MSEK 2,999 (3,045), down 2 per cent.

### Expenses

Gambling tax totalled MSEK 525 (524) for the first six months. Operating expenses for the first six months amounted to MSEK 1,669 (1,591). 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 344 (364) for the first six months. During the first half of the year, other expenses increased slightly due to an increased number of employees and variable costs linked to betting.

### Operating profit and profit for the period

The operating profit for the six months totalled MSEK 805 (930), which represents a decline of 13 per cent. The decrease was due to reduced revenue and increased costs. The operating margin for the six-month period was 27 per cent (31). Earnings for the first six months amounted to MSEK 785 (888).

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

The Parent Company's profit before transactions with owners (see definition on page 21) totalled MSEK 1,155 (1,302) for the first six months. 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 first six months amounted to MSEK 116 (117). The investments during the six months 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 859 (782). Cash flow from investing activities amounted to an outflow of MSEK 116 (outflow: 117). Cash flow from financing activities amounted to an outflow of MSEK 688 (outflow: 659). Cash flow for the first six months amounted to MSEK 55 (6). Closing cash and cash equivalents at the end of the period totalled MSEK 941 (1,405).

### 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 3,087 (3,822).



## OTHER DISCLOSURES

### Employees

In the first six months, the average number of employees in the Group was 508 (491), of which 30 (28) 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 first six months 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



*Elitloppet turned 70 this year. To mark the event, the fashion duo of Rami Hanna, photographer, and Julian Hernandez, stylist, created an anniversary version of Elitloppet's strongest icon – the pink hat. The pink hat was also included in the With Love photography exhibition at the end of May, where trotting personalities spoke of their love for the sport.*

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, 19 August 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	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021
Net gambling revenue	2	1,328	1,368	2,596	2,636	5,256
Agent revenue		61	63	119	127	253
Other revenue		148	148	284	282	607
<b>Total revenue</b>		<b>1,537</b>	<b>1,579</b>	<b>2,999</b>	<b>3,045</b>	<b>6,116</b>
Gambling tax		-266	-271	-525	-524	-1,061
Capitalised work for own account		17	19	35	36	69
Personnel expenses		-129	-123	-254	-239	-495
Other expenses		-659	-632	-1,300	-1,236	-2,407
Depreciation, amortisation and impairment of PPE and intangible assets		-76	-77	-150	-152	-302
<b>Operating profit</b>		<b>424</b>	<b>495</b>	<b>805</b>	<b>930</b>	<b>1,920</b>
Profit/loss from financial items		4	-3	4	-3	1
<b>Profit before tax</b>		<b>428</b>	<b>492</b>	<b>809</b>	<b>927</b>	<b>1,921</b>
Income tax <sup>1)</sup>		-11	-20	-24	-39	-400
<b>Profit for the period</b>		<b>417</b>	<b>472</b>	<b>785</b>	<b>888</b>	<b>1,521</b>

MSEK	Note	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021
<i>Items that may be transferred to profit for the year</i>						
Translation differences, foreign subsidiaries		-1	0	-1	0	-1
<b>Other comprehensive income</b>		<b>-1</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>-1</b>
<b>Comprehensive income for the period <sup>2)</sup></b>		<b>416</b>	<b>472</b>	<b>784</b>	<b>888</b>	<b>1,520</b>
<b>Earnings per share for the period, SEK</b>						
Before and after dilution <sup>3)</sup>		1,043	1,180	1,963	2,220	3,803
<b>Number of shares, thousand</b>						
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 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Fixed assets</b>				
Intangible assets		861	864	871
Property, plant and equipment		397	447	418
Financial assets	3	68	156	68
<b>Total fixed assets</b>		<b>1,326</b>	<b>1,467</b>	<b>1,357</b>
<b>Current assets</b>				
Accounts receivable		16	46	49
Receivables from Group companies		540	587	14
Current tax receivable		–	1	–
Other receivables		143	196	351
Prepaid expenses and accrued income		121	120	74
Cash and cash equivalents		941	1,405	886
<b>Total current assets</b>		<b>1,761</b>	<b>2,355</b>	<b>1,374</b>
<b>TOTAL ASSETS</b>		<b>3,087</b>	<b>3,822</b>	<b>2,731</b>

MSEK	Note	30 Jun 2022	30 Jun 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		1,676	1,564	1,042
<b>Total shareholders' equity, Parent Company shareholders</b>		<b>1,676</b>	<b>1,564</b>	<b>1,042</b>
<b>Long-term liabilities</b>				
Liabilities to credit institutions	3	398	300	398
Lease liabilities	3	78	90	79
Other provisions		–	200	–
<b>Total long-term liabilities</b>		<b>476</b>	<b>590</b>	<b>477</b>
<b>Current liabilities</b>				
Liabilities to credit institutions		–	775	–
Lease liabilities		12	16	12
Accounts payable		120	99	74
Liabilities to Group companies		49	35	131
Liabilities, account customers		486	491	586
Current tax liabilities		1	0	4
Other current liabilities		160	142	313
Accrued expenses and deferred income		107	110	92
<b>Total current liabilities</b>		<b>935</b>	<b>1,668</b>	<b>1,212</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,087</b>	<b>3,822</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			785		785
<b>Other comprehensive income</b>					
Translation differences, foreign subsidiaries				-1	-1
<b>Transactions with owners</b>					
Dividend			-150		-150
<b>Shareholders' equity, 30 June 2022</b>	<b>40</b>	<b>-40</b>	<b>1,677</b>	<b>-1</b>	<b>1,676</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.



In May, ICA Maxi in Alingsås won the Store of the Year prize at the ATG Sales Awards. At the gala at Berns in Stockholm with Mikael Torvning as master of ceremonies, the best ATG store was chosen in seven different categories.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

MSEK	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021
<b>Operating activities</b>					
Operating profit	424	495	805	930	1,920
Adjustments for non-cash items					
Depreciation, amortisation and impairment of PPE and intangible assets	76	77	150	152	302
Other items	0	1	0	1	3
Interest received	3	3	5	5	15
Interest paid	-2	-5	-5	-9	-17
Income tax paid	-13	-7	-27	-184	-189
<b>Cash flow from operating activities before changes in working capital</b>	<b>488</b>	<b>564</b>	<b>928</b>	<b>895</b>	<b>2,034</b>
<b>Cash flow from changes in working capital</b>					
Increase (-)/Decrease (+) in operating receivables	21	28	101	91	55
Increase (+)/Decrease (-) in operating liabilities	19	19	-170	-204	11
<b>Cash flow from operating activities</b>	<b>528</b>	<b>611</b>	<b>859</b>	<b>782</b>	<b>2,100</b>

MSEK	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021
<b>Investing activities</b>					
Investments in intangible assets	-52	-51	-88	-90	-190
Investments in PPE	-13	-13	-28	-27	-55
Decrease/Increase in long-term receivables	0	0	0	0	1
<b>Cash flow from investing activities</b>	<b>-65</b>	<b>-64</b>	<b>-116</b>	<b>-117</b>	<b>-244</b>
<b>Financing activities</b>					
Loans raised	0	2	1	3	403
Repayment of loans	-1	-4	-3	-8	-1,100
Loans to shareholders, Group contributions and dividend	-427	-400	-686	-654	-1,672
<b>Cash flow from financing activities</b>	<b>-428</b>	<b>-402</b>	<b>-688</b>	<b>-659</b>	<b>-2,369</b>
<b>Cash flow for the period</b>	<b>35</b>	<b>145</b>	<b>55</b>	<b>6</b>	<b>-513</b>
<b>Opening cash and cash equivalents</b>	<b>906</b>	<b>1,260</b>	<b>886</b>	<b>1,399</b>	<b>1,399</b>
Exchange-rate difference in cash and cash equivalents	0	0	0	0	0
Cash flow for the period	35	145	55	6	-513
<b>Closing cash and cash equivalents <sup>1)</sup></b>	<b>941</b>	<b>1,405</b>	<b>941</b>	<b>1,405</b>	<b>886</b>

1) Of closing cash and cash equivalents, MSEK 481 (445) derived from funds held in trust that belong to account customers.

CONDENSED PARENT COMPANY INCOME STATEMENT

MSEK	Note	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021
Net gambling revenue	2	1,258	1,317	2,471	2,543	5,061
Agent revenue		61	63	119	127	253
Other operating income		127	124	239	233	507
<b>Total revenue</b>		<b>1,446</b>	<b>1,504</b>	<b>2,829</b>	<b>2,903</b>	<b>5,821</b>
Gambling tax		-246	-256	-488	-496	-1,002
Capitalised work for own account		17	19	35	36	69
Personnel expenses		-107	-104	-213	-201	-415
Other external expenses		-613	-597	-1,218	-1,181	-2,296
Other operating expenses		-1	0	-3	-1	-4
Depreciation, amortisation and impairment of PPE and intangible assets		-66	-62	-131	-122	-244
<b>Operating profit</b>		<b>430</b>	<b>504</b>	<b>811</b>	<b>938</b>	<b>1,929</b>

MSEK	Note	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021
Profit/loss from financial items <sup>1)</sup>	2	2	-1	2	-2	4
<b>Profit after financial items</b>		<b>432</b>	<b>503</b>	<b>813</b>	<b>936</b>	<b>1,933</b>
Group contributions paid		-	-	-	-	-1,705
<b>Profit before tax</b>		<b>432</b>	<b>503</b>	<b>813</b>	<b>936</b>	<b>228</b>
Income tax <sup>2)</sup>		-11	-20	-24	-39	152
<b>Profit for the period</b>		<b>421</b>	<b>483</b>	<b>789</b>	<b>897</b>	<b>380</b>

1) Interest income from Group companies amounted to MSEK 3 (3) for the Jan–Jun 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 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Fixed assets</b>			
Intangible assets	787	783	796
Property, plant and equipment	275	303	291
Financial assets	255	323	254
<b>Total fixed assets</b>	<b>1,317</b>	<b>1,409</b>	<b>1,341</b>
<b>Current assets</b>			
Accounts receivable	14	44	42
Receivables from Group companies	569	632	42
Current tax receivable	–	1	–
Other receivables	131	190	337
Prepaid expenses and accrued income	112	116	73
Cash and bank balances	925	1,393	873
<b>Total current assets</b>	<b>1,751</b>	<b>2,376</b>	<b>1,367</b>
<b>TOTAL ASSETS</b>	<b>3,068</b>	<b>3,785</b>	<b>2,708</b>

MSEK	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Restricted equity	803	778	803
Non-restricted equity	996	900	357
<b>Total shareholders' equity</b>	<b>1,799</b>	<b>1,678</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	300	398
<b>Total long-term liabilities</b>	<b>398</b>	<b>300</b>	<b>398</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	–	775	–
Accounts payable	78	77	53
Liabilities to Group companies	87	49	145
Liabilities, account customers	475	487	579
Current tax liabilities	1	–	3
Other liabilities	138	123	293
Accrued expenses and deferred income	92	96	77
<b>Total current liabilities</b>	<b>871</b>	<b>1,607</b>	<b>1,150</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,068</b>	<b>3,785</b>	<b>2,708</b>



GROUP KEY PERFORMANCE INDICATORS

Key performance indicators calculated in accordance with IFRS	Apr–Jun 2022	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2022	Jan–Jun 2021	Jan–Jun 2020	Jan–Dec 2021	Jan–Dec 2020
Profit for the period, MSEK	417	472	643	785	888	970	1,521	1,749
Earnings per share, SEK	1,043	1,180	1,608	1,963	2,220	2,425	3,803	4,373
<b>KPIs not calculated in accordance with IFRS</b>								
Net gambling revenue, MSEK	1,328	1,368	1,432	2,596	2,636	2,539	5,256	5,359
Total revenue, MSEK	1,537	1,579	1,742	2,999	3,045	3,061	6,116	6,331
EBITDA, MSEK	500	572	747	955	1,082	1,157	2,222	2,520
Operating profit, MSEK	424	495	677	805	930	1,020	1,920	2,240
Operating margin, %	28%	31%	39%	27%	31%	33%	31	35
Debt/equity ratio, multiple	0.8	1.4	1.5	0.8	1.4	1.5	1.6	3.1
Profit before tax, MSEK	428	492	671	809	927	1,016	1,921	2,242
Shareholders' equity, MSEK	1,676	1,564	1,640	1,676	1,564	1,640	1,042	850
Shareholders' equity per share, SEK	4,190	3,910	4,100	4,190	3,910	4,100	2,605	2,125
Cash flow from operating activities, MSEK	528	611	767	859	782	1,064	2,100	2,609
Cash flow from operating activities per share, SEK	1,320	1,528	1,918	2,148	1,955	2,660	5,250	6,523
<b>KPIs, operations</b>								
Share of green turnover, % <sup>1)</sup>	79%	77%	73%	79%	77%	72%	77	74
Share of green customers, % <sup>1)</sup>	86%	85%	87%	86%	85%	87%	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	508	496	469	508	491	462	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<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

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				
	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021
Horse betting	1,027	1,087	1,983	2,124	4,248	23	14	37	24	52	1,050	1,101	2,020	2,148	4,300
Sport betting	138	168	305	297	557	13	12	23	22	43	151	180	328	319	600
Casino games	93	62	183	122	256	34	25	65	47	100	127	87	248	169	356
<b>Total net gambling revenue</b>	<b>1,258</b>	<b>1,317</b>	<b>2,471</b>	<b>2,543</b>	<b>5,061</b>	<b>70</b>	<b>51</b>	<b>125</b>	<b>93</b>	<b>195</b>	<b>1,328</b>	<b>1,368</b>	<b>2,596</b>	<b>2,636</b>	<b>5,256</b>

*Net gambling revenue by sales channel and geographic market*

Amounts in MSEK	SWEDEN					DENMARK					GROUP				
	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jan–Dec 2021
Digital channels	1,066	1,073	2,078	2,061	4,129	57	43	105	79	163	1,123	1,116	2,183	2,140	4,291
Stores	192	244	393	482	932	13	8	20	14	32	205	252	413	496	965
<b>Total</b>	<b>1,258</b>	<b>1,317</b>	<b>2,471</b>	<b>2,543</b>	<b>5,061</b>	<b>70</b>	<b>51</b>	<b>125</b>	<b>93</b>	<b>195</b>	<b>1,328</b>	<b>1,368</b>	<b>2,596</b>	<b>2,636</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		
	30 Jun 2022	30 Jun 2021	31 Dec 2021	30 Jun 2022	30 Jun 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	78	90	79	78	90	79
Liabilities to credit institutions	398	300	398	400	300	400
<b>Total long-term liabilities</b>	<b>476</b>	<b>390</b>	<b>477</b>	<b>478</b>	<b>390</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.



*The Nationaldagsgaloppen at Gärdet in Stockholm on 6 June attracted record crowds – over 40,000 spectators watched this year’s races.*



## 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

**BIG 9**®



### CASINO GAMES





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**ATG on social media**

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Instagram: @ATG  
Facebook: @ATG  
Twitter: @ATG

**Reporting calendar**

Interim report January–September	24 October 2022
Year-end report 2022	23 February 2023



ATG Drömfond® was started in 2017 to support projects that promote inclusion, integration, health and community through sport and exercise. Peter Forsberg (pictured) is an ambassador for ATG Drömfond®. In May, the finalists were announced in this year's ATG Drömfond with a focus on inclusion. The four finalists are Älvdalens Atletklubb, Katrineholms Kanotklubb, KFUM Linköping Bollhop and Solklar Frisbee Förening, Stockholm. The winner will be announced on 3 September at Jägersro.