

Q4

YEAR-END REPORT

1 JANUARY – 31 DECEMBER

2023

FROM AB TRAV OCH GALOPP (ATG).
PUBLISHED 22 FEBRUARY 2024

15 High On Pepper (trained by Katja Melkko) and Jorma Kontio ended the 2023 Swedish trotting season and the V75 WinterBurst with a win in the Sylvesterloppet at Axevalla. At SEK 164,732,930, the turnover for the New Year's Eve V75 was the highest of the year and the seventh highest since V75 started in 1993.

Photo: Malin Albinsson/TR Bild



ATG

STRONG FINISH TO 2023

Year-on-year, ATG's net gambling revenue and operating profit strengthened in the fourth quarter and, compared with 2022, were also up for the full-year 2023. Efforts to increase efficiency are offsetting increased expenses as a result of inflation and changes to the product mix, which generated improved earnings.

Q4 in summary, Group

- Net gambling revenue amounted to MSEK 1,386 (1,337).
- Total revenue was MSEK 1,596 (1,552).
- The period's operating profit amounted to MSEK 546 (444).
- Profit for the period totalled MSEK 222 (135).
- Cash flow from operating activities was MSEK 740 (642).

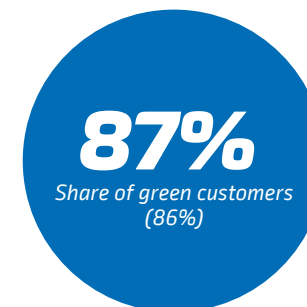
January–December in summary, Group

- Net gambling revenue amounted to MSEK 5,271 (5,224).
- Total revenue was MSEK 6,037 (6,042).
- Operating profit for the year amounted to MSEK 1,787 (1,686).
- Profit for the year totalled MSEK 1,453 (1,352).
- Cash flow from operating activities was MSEK 2,071 (2,010).

KPIs, Group, MSEK	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Net gambling revenue	1,386	1,337	5,271	5,224
Total revenue	1,596	1,552	6,037	6,042
Operating profit	546	444	1,787	1,686
Operating margin, %	34%	29%	30%	28%
Cash flow from operating activities	740	642	2,071	2,010
Number of active customers, million	1.3	1.3	1.3	1.3

KPIs, Parent Company, MSEK	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Net gambling revenue	1,305	1,257	4,943	4,941
Parent Company's profit before transactions with owners ¹⁾	630	540	2,333	2,252
Operating profit	533	444	1,778	1,688

1) For definition, see page 21.



Key events during the year

A new record was broken at the V75® SpringRace held during Easter weekend with the highest ever Harry Boy win. One Harry Boy costing SEK 100 generated a win of MSEK 21.

ATG is replacing consultants with employees for all positions required in the long term.

Also in April, an ATG customer won a jackpot in the Hall of Gods casino game. The win totalled MSEK 61.

On 29 June 2023, the Administrative Court announced its ruling on ATG's appeal regarding the Swedish Gambling Authority's decision to warn and fine. The Administrative Court believed that some shortcomings could be identified in ATG's anti-money laundering procedures, but that these were not of such a serious nature that they justified a warning with a fine. The Administrative Court's ruling therefore nullified the Swedish Gambling Authority's decision. The Swedish Gambling Authority has appealed the decision of the Administrative Court to the Administrative Court of Appeal in Sweden and the case is expected to be reviewed in 2024.

ATG was awarded two prizes in the Swedish Gambling Award. In the "Sustainability – Responsible Gambling" category, ATG was recognised for having gathered authorities, researchers, industry

organisations and gambling addiction associations to discuss new ways to take care of customers who have excluded themselves via spelpaus.se. In the "Leadership – Person" category, two employees won awards for having developed an analysis tool that maps online traffic from Sweden to foreign unlicensed gaming sites that provides a clear image of channelisation (gambling through licensed companies) in Sweden. ATG's analysis tool provides the industry, authorities and politicians with a clearer portrayal of the size and development of unlicensed gambling.

On 7 June, ATG held its Annual General Meeting at which a new Chairman of the Board, Peter Norman, and two new Board members, Eva Listi and Marie Osberg, were elected, all of whom were appointed by the government. The previous Chairman of the Board, Bo Netz, and Board members Agneta Gille and Birgitta Losman were thanked for their contributions. All other Board members were re-elected.

On 20 September, the Swedish government presented its budget for next year. The government is proposing raising the gambling tax from 18 per cent to 22 per cent effective 1 July 2024. A four-percentage-point increase in the gambling tax is a substantial hike, which will impact ATG's earnings and return to its owners.

Key events after the closing date

On 25 January 2024, the Patent and Market Court of Appeal (PMÖD) delivered its judgment on the



During October, ATG compiled the V75-related memories of 500 trotting enthusiasts around the country as part of the 30th anniversary celebration of V75. The memories were transformed into a t-shirt collection featuring seven star horses. The selection was based on stories, and the collection included unique prints of the legends: Järvsöfaks, Ina Scot, Maharajah, Copiad, San Moteur, On Track Piraten and Delicious U.S. ATG enlisted the help of the pop band Da Buzz, with their experience of 1990s idol T-shirts to aid in identifying the right design language.

The collection was available in the form of a limited edition via ATG's web shop in December and sold out quickly.

Photo: Rami Hanna/ATG

previously appealed decision from May 2022, where ATG sued Svenska Spel for infringement of ATG's company name. The dispute pertained to Svenska Spel's use of the phrase "Trav & Galopp" together with its logotype as a brand and in its marketing of horse betting. The judgment from the PMÖD was in ATG's favour. The judgment cannot be appealed.

Appropriation of the company's profit

ATG's Board has resolved to provide a Group contribution of MSEK 1,596 (1,631) to the Swedish Trotting Association and proposes to the Annual General Meeting to resolve on the distribution of a dividend of MSEK 160 to holders of preference shares, the Swedish Jockey Club, and that no dividend be disbursed to holders of ordinary shares, the Swedish Trotting Association.

STRONG PERFORMANCE IN DIFFICULT TIMES

2023 was a successful year for ATG. We increased net gambling revenue, lowered costs and captured market shares. Earnings? An improvement in operating profit to BSEK 1.7 and increased efficiency.

As the CEO of a betting company with the higher purpose of generating funds for trotting and thoroughbred racing and by extension to the entire Swedish horse industry, I am proud of the figures for 2023. ATG posted growth despite the total gambling market remaining at plus/minus zero.

Net gambling revenue grew 1 per cent to MSEK 5,271 (5,224). This is the second highest in ATG's history. Our total costs decreased MSEK 106 to MSEK 4,250. Operating profit increased to MSEK 1,787 (1,686), profit for the period totalled MSEK 1,453 (1,352) and Parent Company profit before transactions with owners amounted to MSEK 2,333 (2,252). Given ATG's mission, this is particularly gratifying.

1.3 million customers

All of the above took place in a year when continued concerns cloud our operating environment, with high prices, interest rates and recession affecting our customers' betting wallets. In such tough times, it was gratifying to see the continued support of our 1.3 million customers. Our customer satisfaction (Net Promoter Score, customers' willingness to recommend ATG on a scale of -100 to 100) remains stable and we retain our position as the largest betting company in Swe-

den's commercial licence market. Furthermore, in Denmark, our subsidiary 25syv continues to post positive figures where net gambling revenue increased 16 per cent to MSEK 328 (283).

Largest in sport betting

Developments for our three product areas in 2023:

- Horse betting experienced a tough first quarter (down 12 per cent) but a strong finish to the year resulted in net gambling revenue declining 3 per cent to MSEK 3,912 (4,044). Compared with 2022, we also had one fewer V75 rounds and nine fewer V75 Jackpots. A total of 243 million-krona wins were disbursed in 2023.
- Net gambling revenue for Sport betting rose 11 per cent to MSEK 722 (650). ATG is now the largest sport betting company in Sweden. A fantastic journey for a betting company that has only been in the sportsbook market for five years.
- Net gambling revenue for Casino games rose 20 per cent to MSEK 637 (530). I find it gratifying to note that more customers are choosing our casino games since we want to offer a gaming experience that goes hand in hand with high standards for responsible gambling. This year, we disbursed the second highest win in ATG's

history when one customer won just over MSEK 61 million on Hall of Gods.

Motivated employees

The foundation of our business is customer well-being. Responsible gambling is our most important sustainability matter. It is gratifying therefore that the share of green customers (87 per cent) and the share of green turnover (80 per cent) remained stable.

Motivated and satisfied employees are a precondition for our success. The November employee survey showed that our Employer Net Promoter Score (eNPS), that is employee willingness to recommend ATG as an employer (on a scale of -100 to 100), had risen from 31 to 38.

A tax that hurts the horse industry

But 2023 wasn't just fun and games. The government's proposed increase in the gambling tax from 18 per cent to 22 per cent will hit ATG hard and, by extension, Sweden's entire horse industry. On an annual basis, some MSEK 200 will disappear from an already hard-pressed horse industry.

We propose maintaining the tax on betting at 18 per cent and raising the tax on commercial online gaming (casino games and poker) to 26 per cent. This would raise greater proceeds for the government than its own proposal and also puts public health in focus. We will continue our advocacy efforts with full force until the Swedish Riksdag takes a decision.



Hasse Lord Skarplöth
CEO

We will invest the same level of effort into offering our customers the best of all gaming experiences. All with the primary aim of ensuring revenue for our owners and Sweden's horse industry. This is ATG's raison d'être.

Hasse Lord Skarplöth
CEO ATG

OCTOBER – DECEMBER 2023

Revenue

The Group's fourth quarter net gambling revenue was MSEK 1,386 (1,337), up 4 per cent. The Danish subsidiary group 25syv impacted the Group's net gambling revenue with MSEK 81 (80) for the quarter. Growth in Denmark was 1 per cent, which was the result of a changed exchange rate.

Year-on-year, the Group's net gambling revenue from horse betting increased MSEK 10 or 1 per cent, sport betting rose MSEK 19 or 11 per cent and casino games increased MSEK 20 or 14 per cent. The quarter had one Saturday

fewer with V75® and two fewer jackpots than the comparative period.

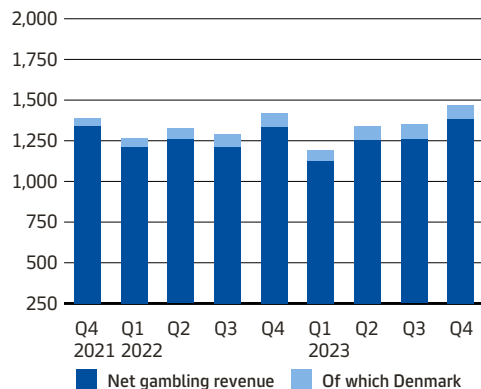
Gross turnover for Swedish horse betting amounted to MSEK 3,249 (3,260), down around 0 per cent. International gross turnover amounted to MSEK 890 (817), up 9 per cent. Total gross turnover for horse betting (Swedish and international) was MSEK 4,139 (4,077), up 2 per cent.

Other revenue for the Group amounted to MSEK 156 (157), down 0 per cent.

The Group's total revenue was MSEK 1,596 (1,552), up 3 per cent.

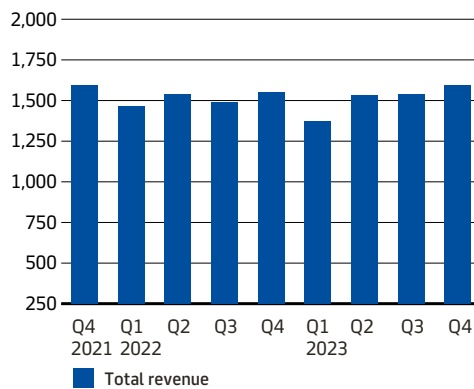
Net gambling revenue

Quarterly, 2021–2023, MSEK

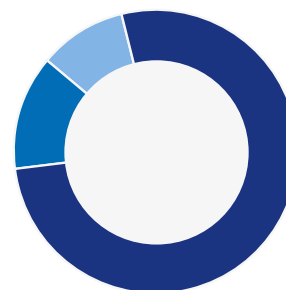


Total revenue

Quarterly, 2021–2023, MSEK

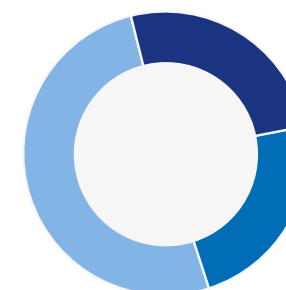


Q4 net gambling revenue by betting product, Sweden



- Horse betting: 77% (80)
- Sport betting: 13% (12)
- Casino games: 10% (8)

Q4 net gambling revenue by betting product, Denmark



- Horse betting: 26% (25)
- Sport betting: 23% (21)
- Casino games: 51% (54)

MSEK
1,596

Group's total revenue for the quarter (1,552)

Expenses

Gambling tax totalled MSEK 274 (276) for the quarter. Operating expenses were MSEK 776 (832) for the quarter. The decrease in expenses mainly derived from reductions in marketing and from replacing consultants, which in themselves increase personnel expenses. 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 97 (96) for the quarter.

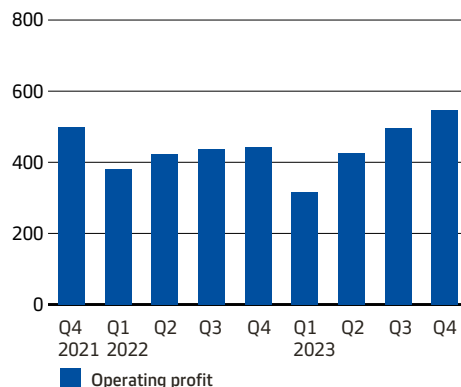
Operating profit, profit from financial items and profit for the quarter

The operating profit for the quarter totalled MSEK 546 (444), representing an increase of 23 per cent. The operating margin for the quarter was 34 per cent (29).

Profit from financial items for the quarter amounted to MSEK 17 (13) and was mainly attributable to the increase in interest income on the Group's lending to the owners. Profit for the quarter totalled MSEK 222 (135).

Operating profit

Quarterly, 2021–2023, MSEK



Coming full circle. Hans G Lindskog was Jägersro's Sporting Director and Örfan Kihlström was one of the drivers who won races at the V75 premiere in 1993. On 28 October, when V75 celebrated its 30th anniversary at Jägersro, Kihlström won three races, including V75-7 which was named "Hans G – Racing Lovers race" and ATG's Winner Ambassador congratulated the star driver on the triple.

Photo: Mikael Rosenquist/TR Bild.

Parent Company's profit before transactions with owners

The Parent Company's profit before transactions with owners (see definition on page 21) totalled MSEK 630 (540) 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 31 December 2023, 188,000 customers had carried out a self-assessment test.

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

Parent Company's profit before transactions with owners

Amounts in MSEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating profit	533	444	1,778	1,688
Costs for horse racing information, rights and sponsorship	97	96	555	564
Total	630	540	2,333	2,252

Green customers and green turnover ¹⁾	Q4-2023	Q3-2023	Q2-2023	Q1-2023	Q4-2022
Share of green customers, %	87	87	87	86	86
Share of green turnover, %	80	80	79	78	79
No. of customers who have completed a self-assessment test (accumulated from 1 Jan 2019)	188,000	178,000	170,000	162,000	152,000
NPS (Net Promoter Score) ²⁾	10	12	13	12	9

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.

Risky gambling: Customer contacts and the impact of customer contacts taken ¹⁾	H2 2023	H1 2023	H2 2022
The proportion of our customers contacted by us due to risky gambling	1.5%	1.9%	1.4%
The impact of such contacts (share who reduced their gambling)	56.4%	57.3%	52.4%
How much these individuals reduced their gambling	59.9%	61.1%	64.9%
The proportion of the customers contacted by us that opted to self-exclude from betting	a) 1.5%	a) 1.4%	a) 1.5%
a) shorter than six months; and b) six months or longer	b) 2.3%	b) 1.9%	b) 2.2%

1) The report is updated every six months

Responsible gambling: ATG's KPIs for risky gambling July – December 2023 <https://omatg.se/media/#/pressreleases/spelans-var-atg-s-nyckeltal-foer-riskspelande-juli-december-2023-3302424>

JANUARY – DECEMBER 2023

Revenue

The Group's net gambling revenue for the year was MSEK 5,271 (5,244), up 1 per cent. The Danish Group 25syv impacted net gambling revenue with MSEK 328 (283) during the year, representing growth of 16 per cent, which was partly a result of a changed exchange rate.

The Group's net gambling revenue from horse betting decreased MSEK 132, down 3 per cent, sport betting increased MSEK 72, up 11 per cent, and casino games increased MSEK 107, up 20 per cent. The year had one Saturday fewer with V75® and nine fewer jackpots than the comparative period. During the year, inflation negatively impacted horse betting revenue, which reduced entertainment wallets, and the comparative period was positively impacted by Covid-19 restrictions that remained in place in the first quarter

of 2022. The growth in sport betting and casino games was due to ATG capturing market shares.

Gross turnover for Swedish horse betting was MSEK 12,538 (13,011), a decrease of 4 per cent. International gross turnover amounted to MSEK 3,544 (3,508), up 1 per cent. Total gross turnover for horse betting (Swedish and international) was MSEK 16,082 (16,519), down 3 per cent.

Other revenue for the Group amounted to MSEK 558 (584), down 4 per cent.

The Group's total revenue was MSEK 6,037 (6,042), down 0 per cent.

Expenses

Gambling tax totalled MSEK 1,063 (1,072) for the year. Operating expenses for the year amounted to MSEK 3,187 (3,284). The decrease in expenses mainly derived from reductions in

marketing and from replacing consultants, which in themselves increase personnel expenses. 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 555 (564) for the period.

Operating profit, profit from financial items and profit for the year

Operating profit for the year amounted to MSEK 1,787 (1,686), up 6 per cent. The operating margin for the year was 30 per cent (28).

Profit from financial items for the year amounted to MSEK 46 (23) and was mainly attributable to the increase in interest income on the Group's lending to the owners. Profit for the year totalled MSEK 1,453 (1,352).

Parent Company's profit before transactions with owners

The Parent Company's profit before transactions with owners (see definition on page 21) totalled MSEK 2,333 (2,252) for the year. The KPI indicates the company's profitability before corporation tax and costs for the rights and information acquired by the owners. The KPI was prepared to enable comparison of the company's results after re-regulation in 2019 with previous years and with competitors in the gambling market.

Investments

Cash investments in PPE and intangible assets for the year amounted to MSEK 277 (255). The investments during the year mainly related to the development of technical platforms and software for betting systems for existing and future betting products among other items, and the further development of the digital channels. Moreover, material investments have increased with the construction of a new TV studio aimed at raising production efficiency. The allocation of the company's investments in the three betting areas reflects future revenue expectations.

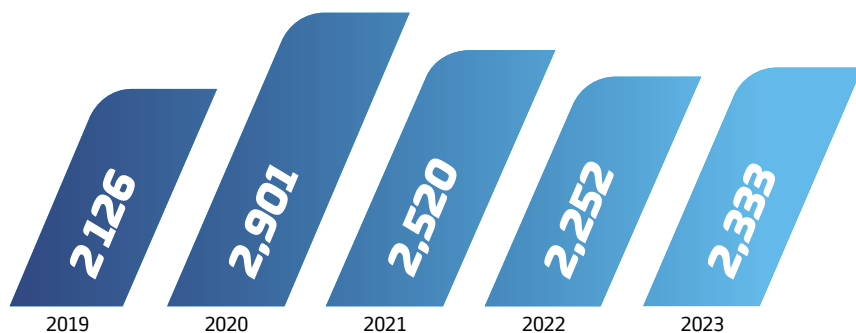
Cash flow

Cash flow from operating activities amounted to MSEK 2,071 (2,010). Cash flow from investing activities amounted to an outflow of MSEK 276 (outflow: 254). Cash flow from financing activities amounted to an outflow of MSEK 1,665 (outflow: 1,776). Cash flow for the year amounted to an inflow of MSEK 130 (outflow: 20). Closing cash and cash equivalents amounted to MSEK 996 (866).

Financial position

The Group's long-term liabilities to credit institutions totalled MSEK 0 (398). The Group's current liabilities to credit institutions totalled MSEK 500 (0). ATG's unutilised credit facilities amounted to MSEK 290 (390) at the end of the period. The Group's total assets amounted to MSEK 2,779 (2,643).

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



OTHER DISCLOSURES

Employees

The average number of employees in the Group during the year was 557 (510), of which 38 (31) in Denmark. During the year, some consultants were replaced with employees. In recent years, ATG has used consultants for permanent operational needs. A decision was taken in autumn 2022 to replace consultants with employees to improve cost efficiency and the process has continued throughout the year.

Seasonal effects

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

Number of scheduled V75®s

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

Customers

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

Related-party transactions

ATG's largest owner, the Swedish Trotting Association, is the Group's main supplier. The Group

had no other significant transactions with related parties during the year except for payments for horse racing information, rights and sponsorship, and loans to the owners.

Group

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

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 regulatory measures and political decisions that affect the market are a significant uncertainty. Otherwise, the material risks and uncertainties are assessed as corresponding to those described in the last annual report. For a comprehensive description of ATG's risks and uncertainties and the management of these, refer to pages 40 and 42–46 of the 2022 Annual Report.

Outlook

In the long term, the strongest correlating factor with the gambling market's turnover development



During Mustaschkampen, the moustache campaign in November, ATG® and the country's trotting schools raised total proceeds of SEK 1,728,106 for Prostatacancerförbundet (the Swedish prostate cancer federation) in the fight against prostate cancer. The money was raised through three different initiatives by ATG® and the Trotting Association: ATG's sale of Mustasch-Harry Boy® to V75®, which generated SEK 1,248,542; Fund raising by trotting schools, which generated a total of SEK 356,406; and ATG's employees' internal step competition to raise funds for Mustaschkampen, which raised SEK 123,158.

is a change in household disposable income. Recessions and high inflation have a negative impact on entertainment wallets, which impacts spending on gambling. Effective 1 July 2024, a hike is proposed of the gambling tax from 18 per cent to 22 per cent. A hike of four percentage points represents a substantial increase in the gambling tax, which will impact ATG's earnings and return to its owners.

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.

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 February 2024

Peter Norman
Chairman of the Board

Anders Källström
Deputy Chairman

Johan Carlson
Board member

Boris Lennerhov
Board Member

Anders Lilius
Board member

Eva Listi
Board member

Urban Karlström
Board member

Mats Norberg
Board member

Marie Osberg
Board member

Kerstin Peterson-Brodde
Board Member

Susanna Rystedt
Board member

Marianne Martinsson
Board member, employee representative

Hans Lord Skarplöth
Managing Director and Group President

This year-end report has not been subject to review by the company's auditors.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net gambling revenue	2	1,386	1,337	5,271	5,224
Agent revenue		54	58	208	234
Other revenue		156	157	558	584
Total revenue		1,596	1,552	6,037	6,042
Gambling tax		-274	-276	-1,063	-1,072
Capitalised work for own account		25	17	80	65
Personnel expenses		-155	-143	-588	-529
Other expenses		-568	-629	-2,364	-2,516
Depreciation, amortisation and impairment of PPE and intangible assets		-78	-77	-315	-304
Operating profit		546	444	1,787	1,686
Profit from financial items		17	13	46	23
Profit before tax		563	457	1,833	1,709
Income tax ¹⁾		-341	-322	-380	-357
Profit for the period		222	135	1,453	1,352

MSEK	Note	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
<i>Items that may be transferred to profit for the year</i>					
Translation differences, foreign subsidiaries		2	-1	1	-3
Other comprehensive income		2	-1	1	-3
Comprehensive income for the period ²⁾		224	134	1,454	1,349
Earnings per share for the period, SEK					
Before and after dilution ³⁾		555	338	3,633	3,380
Number of shares, thousand					
Average number of shares outstanding		400	400	400	400

1) Group contributions paid of MSEK -1,596 (-1,631) and the associated tax effect of MSEK +329 (+336) were recognised in accordance with IFRS in the consolidated statement of changes in equity. The net tax expense including this item therefore amounts to MSEK -51 (-21).

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

3) No dilution occurred during the reporting period.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MSEK	Note	31 Dec 2023	31 Dec 2022
Fixed assets			
Intangible assets		801	853
Property, plant and equipment		398	392
Financial assets	3	108	109
Deferred tax assets		1	–
Total fixed assets		1,308	1,354
Current assets			
Accounts receivable		33	34
Receivables from Group companies		30	23
Current tax asset		0	27
Other receivables		333	255
Prepaid expenses and accrued income		79	84
Cash and cash equivalents		996	866
Total current assets		1,471	1,289
TOTAL ASSETS		2,779	2,643

MSEK	Note	31 Dec 2023	31 Dec 2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders			
Share capital		40	40
Other contributed capital		-40	-40
Retained earnings including profit for the period		973	946
Total shareholders' equity, Parent Company shareholders		973	946
Long-term liabilities			
Liabilities to credit institutions	3	–	399
Lease liabilities	3	100	72
Total long-term liabilities		100	471
Current liabilities			
Liabilities to credit institutions		499	–
Lease liabilities		14	11
Accounts payable		246	216
Liabilities to Group companies		113	160
Liabilities, account customers		552	490
Current tax liabilities		3	0
Other current liabilities		176	243
Accrued expenses and deferred income		103	106
Total current liabilities		1,706	1,226
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,779	2,643

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 2022	40	-40	1,042	0	1,042
Profit for the year			1,352		1,352
Other comprehensive income					
Translation differences, foreign subsidiaries				-3	-3
Transactions with owners					
Group contributions paid			-1,631		-1,631
Tax effect of Group contributions			336		336
Dividend			-150		-150
Shareholders' equity, 31 December 2022	40	-40	949	-3	946
Opening balance as of 1 January 2023 as originally presented	40	-40	949	-3	946
Transition impact of deferred tax on leases *			1		1
Restated opening balance as of 1 January 2023	40	-40	949	-3	946
Profit for the year			1,453		1,453
Other comprehensive income					
Translation differences, foreign subsidiaries				1	1
Transactions with owners					
Group contributions paid			-1,596		-1,596
Tax effect of Group contributions			329		329
Dividend			-160		-160
Shareholders' equity, 31 December 2023	40	-40	975	-2	973

* Refer to the description of new and amended accounting policies on page 18.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

MSEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating activities				
Operating profit	546	444	1,787	1,686
Adjustments for non-cash items				
Depreciation, amortisation and impairment of PPE and intangible assets	78	77	315	304
Other items	1	0	7	0
Interest received	31	14	77	27
Interest paid	-8	-4	-28	-13
Income tax paid	-13	-12	-21	-52
Cash flow from operating activities before changes in working capital	635	519	2,137	1,952
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	-31	-40	-79	58
Increase (+)/Decrease (-) in operating liabilities	136	163	13	0
Cash flow from operating activities	740	642	2,071	2,010

MSEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Investing activities				
Investments in intangible assets	-48	-56	-160	-181
Investments in PPE	-19	-31	-117	-74
Decrease/Increase in long-term receivables	1	1	1	1
Cash flow from investing activities	-66	-86	-276	-254
Financing activities				
Loans raised	2	1	144	4
Repayment of loans	-8	-7	-14	-12
Loans to shareholders, Group contributions and dividend	-497	-565	-1,795	-1,768
Cash flow from financing activities	-503	-571	-1,665	-1,776
Cash flow for the period	171	-15	130	-20
Opening cash and cash equivalents	825	881	866	886
Exchange-rate difference in cash and cash equivalents	0	0	0	0
Cash flow for the period	171	-15	130	-20
Closing cash and cash equivalents¹⁾	996	866	996	866

1) Of closing cash and cash equivalents, MSEK 500 (460) derived from funds held in trust that belong to account customers.

CONDENSED PARENT COMPANY INCOME STATEMENT

MSEK	Note	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net gambling revenue	2	1,305	1,257	4,943	4,941
Agent revenue		54	58	208	234
Other operating income		133	136	473	496
Total revenue		1,492	1,451	5,624	5,671
Gambling tax		-249	-251	-963	-985
Capitalised work for own account		25	17	80	65
Personnel expenses		-128	-113	-488	-438
Other external expenses		-537	-591	-2,191	-2,353
Other operating expenses		-1	-1	-4	-5
Depreciation, amortisation and impairment of PPE and intangible assets		-69	-68	-280	-267
Operating profit		533	444	1,778	1,688

MSEK	Note	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Profit from financial items ¹⁾	2	19	13	56	20
Profit after financial items		552	457	1,834	1,708
Group contributions paid		-1,596	-1,631	-1,596	-1,631
Profit before tax		-1,044	-1,174	238	77
Income tax		-12	14	-51	-21
Profit for the period		-1,056	-1,160	187	56

1) Interest income from Group companies amounted to MSEK 43 (21) for the Jan-Dec period.

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

CONDENSED PARENT COMPANY BALANCE SHEET

MSEK	31 Dec 2023	31 Dec 2022
Fixed assets		
Intangible assets	737	780
Property, plant and equipment	224	269
Financial assets	286	287
Total fixed assets	1,247	1,336
Current assets		
Accounts receivable	31	32
Receivables from Group companies	77	30
Current tax asset	–	27
Other receivables	318	242
Prepaid expenses and accrued income	71	83
Cash and bank balances	967	851
Total current assets	1,464	1,265
TOTAL ASSETS	2,711	2,601

MSEK	31 Dec 2023	31 Dec 2022
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Restricted equity	780	807
Non-restricted equity	313	259
Total shareholders' equity	1,093	1,066
Long-term liabilities		
Liabilities to credit institutions	–	399
Total long-term liabilities	–	399
Current liabilities		
Liabilities to credit institutions	499	–
Accounts payable	203	175
Liabilities to Group companies	135	186
Liabilities, account customers	539	478
Current tax liabilities	3	–
Other liabilities	153	221
Accrued expenses and deferred income	86	76
Total current liabilities	1,618	1,136
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,711	2,601

GROUP KEY PERFORMANCE MEASURES

Key performance measures calculated in accordance with IFRS	Oct–Dec 2023	Oct–Dec 2022	Oct–Dec 2021	Jan–Dec 2023	Jan–Dec 2022	Jan–Dec 2021
Profit for the period, MSEK	222	135	162	1,453	1,352	1,521
Earnings per share, SEK	555	338	405	3,633	3,380	3,803
KPIs not calculated in accordance with IFRS						
Net gambling revenue, MSEK	1,386	1,337	1,339	5,271	5,224	5,256
Total revenue, MSEK	1,596	1,552	1,597	6,037	6,042	6,116
EBITDA, MSEK	624	521	573	2,102	1,990	2,222
Operating profit, MSEK	546	444	500	1,787	1,686	1,920
Operating margin, %	34%	29%	31%	30%	28%	31%
Debt/equity ratio, multiple	1.9	1.8	1.6	1.9	1.8	1.6
Profit before tax, MSEK	563	457	504	1,833	1,709	1,921
Shareholders' equity, MSEK	973	946	1,042	973	946	1,042
Shareholders' equity per share, SEK	2,433	2,365	2,605	2,433	2,365	2,605
Cash flow from operating activities, MSEK	635	642	675	2,071	2,010	2,100
Cash flow from operating activities per share, SEK	1,588	1,605	1,688	5,178	5,025	5,250
KPIs, operations:						
Share of green turnover, % ¹⁾	80%	79%	78%	79%	79%	77%
Share of green customers, % ¹⁾	87%	86%	85%	87%	86%	85%
Number of active customers, million	1.3	1.3	1.3	1.3	1.3	1.3
Average number of employees	579	515	506	557	510	496

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 owner, trotting and thoroughbred racetracks, and the State, which regulates the company's operations.

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

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

Revenue recognition

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

is recognised net less the winnings returned to the customers 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. 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 customers' stakes less winnings returned to the customers.

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 customers' stakes (gross gambling revenue) less the winnings returned to the customers. 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

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

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

No new or amended standards, and interpretations of existing standards, that will be applied for financial years beginning on or after 1 January 2024 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			
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Horse betting	1,009	1,000	3,820	3,963
Sport betting	171	154	655	594
Casino games	125	103	468	384
Total net gambling revenue	1,305	1,257	4,943	4,941

Amounts in MSEK	DENMARK			
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Horse betting	21	20	92	81
Sport betting	19	17	67	56
Casino games	41	43	169	146
Total net gambling revenue	81	80	328	283

Amounts in MSEK	GROUP			
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Horse betting	1,030	1,020	3,912	4,044
Sport betting	190	171	722	650
Casino games	166	146	637	530
Total net gambling revenue	1,386	1,337	5,271	5,224

Net gambling revenue by sales channel and geographic market

Amounts in MSEK	SWEDEN			
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Digital channels	1,174	1,077	4,368	4,183
Stores	131	180	575	758
Total	1,305	1,257	4,943	4,941

Amounts in MSEK	DENMARK			
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Digital channels	75	67	276	234
Stores	6	13	52	49
Total	81	80	328	283

Amounts in MSEK	GROUP			
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Digital channels	1,249	1,144	4,644	4,417
Stores	137	193	627	807
Total	1,386	1,337	5,271	5,224

No single customer accounts for more than 10 per cent of turnover. Net gambling revenue is recognised at the point in time when the obligation to the customer is satisfied.

Note 3 Financial instruments, Group – fair value

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

Amounts in MSEK	CARRYING AMOUNT		FAIR VALUE	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Long-term receivables	108	109	108	109
Total long-term receivables	108	109	108	109
Lease liabilities	100	72	100	72
Liabilities to credit institutions	–	399	–	400
Total long-term liabilities	100	471	100	472

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 third season of ATG® Talang started toward the end of 2023, with six new trotting and thoroughbred racing trainers included. Four meetings will furnish the participants with inspiration and know-how in various subjects, and between meetings, they will have the opportunity to work on the parts of the initiative that feel most relevant to their own operations and development. Considerable focus is given to the art of building a successful team and, once again, the group mentor is the football profile Hasse Backe, top left, followed by the talents Victor Lyck, Jimmy Dahlman and Josefine Ivehag. Bottom row: Nathalie Johnsson, Christopher Roberts and Tamara Skutnabb. ATG Talang Ridsport has also started a new contingent, the tenth, during the autumn. Read more about all of the talent programme participants at omatg.se/atgtalang

Photo: Jessica Ortiz Bergström/ATG



DEFINITIONS AND GLOSSARY

FINANCIAL KPIS

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

EBITDA Operating profit before depreciation and impairment losses.

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

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

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

Sales growth Sales increase or decrease expressed as a percentage.

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

Operating margin Operating profit as a percentage of total revenue.

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

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

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

STRATEGIC KPIS

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

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

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

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

GLOSSARY

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

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

ATG stores The stores that supply ATG's products.

Average number of employees The average number of employees, restated as FTEs, 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 55 – 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 1,525 store agents as well as at trotting and thoroughbred racetracks in Sweden and Denmark.

OUR 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.

HORSE BETTING



SPORT BETTING



CASINO GAMES



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





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Instagram: @ATG
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X (prev. Twitter): @ATG

Reporting calendar

Annual and Sustainability Report 2023
19 March 2024

Interim report January – March 2024
25 April 2024



Photo: Maria Holmén/ATG