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# PAF 2022

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ANNUAL REPORT





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# A MESSAGE FROM THE CEO

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2022 was the year in which the pandemic gave way to war and the energy crisis. The world has undoubtedly become more turbulent than we have been used to.



**T**hese types of external crises accelerate change processes. We saw how the pandemic taught us to work effectively remotely, a development that had been underway for a long time but now gained enormous momentum.

Similarly, war and, not least, increasingly expensive energy will force changes. We mainly notice this in Land & Ships, where our partners have made major changes to their fleets during the year. Many older ships have left as the equation simply does not work with old, fuel-guzzling ships. But there is also faith in the future, and we are pleased to see that new, modern vessels have been added at a rate we have never seen before.

But it will never be completely "normal". We see one in four passengers missing compared to the pre-pandemic situation. We have to accept that this will be the new normal and learn to live with this new reality.

The turbulence of recent years has taught us to adapt and we are happy and proud to say that 2022 was the best year in Paf's 56-year history. Revenue increased by 23% and profit increased by 31%.

With a waning pandemic, Land & Ships saw a +70% increase in revenue. However, there is still a long way to go to reach the revenue levels from 2019.

For the Internet part, 2022 has been a strong year. However, developments in the various markets differ quite considerably. We can see that our two Baltic markets have been affected by the war and rising inflation in a completely different way than other markets.

Paf has had a strong inflow of new customers during the year and we are pleased to see that the number of active customers has increased by 44%.

This is the fifth year that Paf has published revenue numbers by customer segment in our annual report (see page 31). We are still waiting for any other operator in our industry, public or private, to share their figures for real... During the year we have noticed some "creative transparency" among our industry colleagues, the question is why should it be so difficult to just publish the relevant numbers?

During the year, Paf has chosen to introduce a new, lower limit for younger players. Players aged 18-24 can now lose a maximum of €10,000 in a calendar year. Research shows that younger players are overrepresented among problem gamblers and we have therefore chosen to introduce a tighter limit in this age segment.

Paf's purpose is to generate funds to be distributed for the benefit of society. It is therefore with pride that we can state that after 2022 we can distribute an amount of EUR 33.1 million to our beneficiaries.

Looking ahead, we can see that a lot will happen in the coming years. We will probably have to deal with a recession and we will definitely have to learn that money is not free anymore. We also look forward with excitement to the regulation of the Finnish online market that is apparently underway. A regulation that will fundamentally change the conditions for all stakeholders in the market. These types of changes open up opportunities if you are skilful and courageous. Let's make sure we are!

A handwritten signature in black ink, appearing to read 'Christer Fahlstedt', with a long horizontal flourish extending to the right.

Christer Fahlstedt, CEO



**Punainen Risti**  
Röda Korset

## Over 400 million for the society

Paf was founded in 1966 by the Save the Children's association, the Red Cross and Folkhälsan, a public health organisation.

The Red Cross, Save the Children, Folkhälsan and the former Dagens Barn foundation laid the foundation for Paf on 31 October 1966. Ever since, our profit has been used to benefit the society and a total of 416 million euros has been distributed to various beneficiaries as so-called Paf funds. The funds are distributed annually to projects and organisations striving towards a better, more sustainable future.

Paf, Ålands Penningautomatförening, is an association governed by public law, managed by the Government of Åland and supervised by Lotteriinspektionen. Paf's purpose is to generate funds for the benefit of society. We create profit by delivering entertainment in everyday life.





**Rädda Barnen**  
Åland



**folkhälsan**

## THE YEAR

## IN BRIEF

# 44.4 MILLION

Earnings in 2022 amounted to €44.4 million, of which €33.1 million was distributed as Paf funds to benefit the society.



The gaming site Mycasino.ch in Switzerland had a record year, increasing its market share to a mighty 33.1%. The site is owned by Grand Casino Luzern and Paf is their strategic online partner.



A group of friends in Åland won SEK 13.1 million at V75 by placing a stake with Paf's local agents. The win is the largest trotting win ever in Åland.



In the autumn, Paf launched the new game Golden Bull, produced in-house by Paf Game Studio.



At the end of the year, Paf entered into a new multi-year co-operation agreement with the Norwegian shipping company Color Line. Paf will supply the gaming entertainment on board the company's five passenger ships.



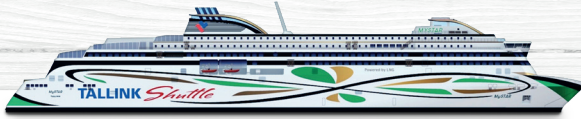
Paf signed a new agreement with Finnlines for their two new vessels. The vessels Finnsirius and Finncanopus will start operating in 2023.



Paf and the Government of Åland donated €300,000 to humanitarian aid for Ukraine. The donation was disbursed to the UNHCR and the Finnish Red Cross efforts for Ukraine.

## ÅLAND 100

On 9 June 2022, Åland celebrated 100 years of autonomy. Paf celebrated with a specially designed scratch card Ålandslåtten, among other things.



At the end of the year, Paf's partner TallinkSilja launched the new MyStar ship built in Rauma, Finland.

# 2022



In February, we finally declared that the last critical components of our database and server applications have been moved to cloud-based databases.



Paf reduced the mandatory loss limit to €10,000 per year for young players aged 18-24.

## grit:lab

The tech education grit:lab started in the autumn with as many as 70 students. The programme is run by Ålands Yrkesgymnasium in cooperation with Paf and the campus itself is located in Paf's head office.



Paf's partner Viking Line launched its new ship Viking Glory in spring 2022. Paf delivered new gaming concepts for the ship.



Paf developed and launched its own online gaming tournament system. A feature that was previously only available with certain game providers.



In the spring, Paf launched the new game Building Blocks with a design made in voxel-based graphics. The game is developed by our Paf Game Studio.



The jackpot of the Paf Lättå game went out for the first time in June. A historical winner got all eight numbers right and won €54,030.



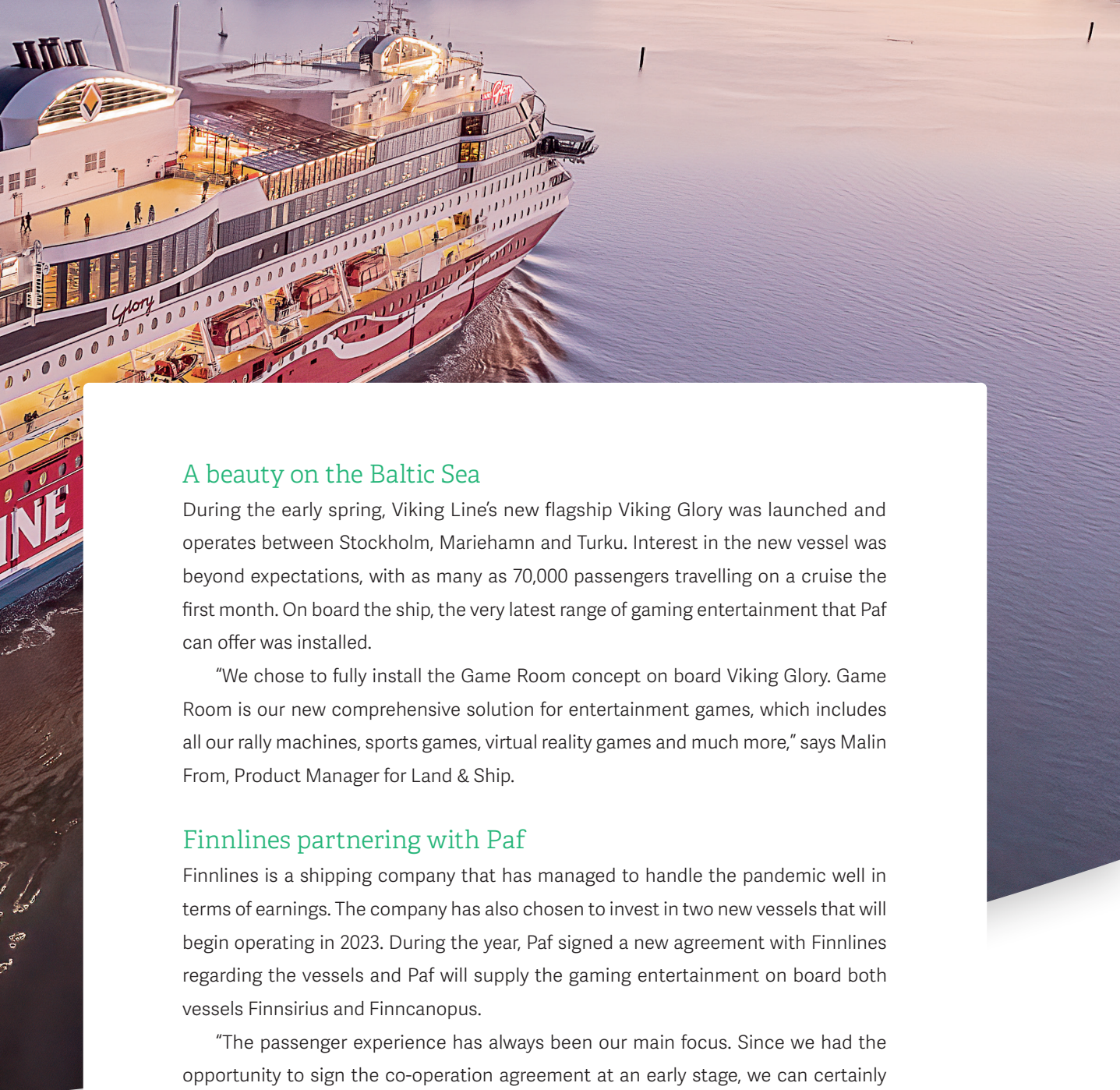


## **The storm has calmed down**

After a few tough years with travel restrictions that have had a negative impact on shipping operations, we, together with our partner companies, can confirm that the worst of the storm has subsided. The industry has reorganised itself, invested in new solutions and passengers have found their way back.

“Together with our partners, we are making the best year so far since 2019 before the pandemic. Of course, the easing of travel restrictions has been positive for our business, but we also see clear signs that our new investments have produced results,” says Lasse Danielsson, Chief Operating Officer for Land & Ship.

Two strong positive signs over the past year are that Paf has signed new co-operation agreements and our shipping partners have launched new vessels.



## A beauty on the Baltic Sea

During the early spring, Viking Line's new flagship Viking Glory was launched and operates between Stockholm, Mariehamn and Turku. Interest in the new vessel was beyond expectations, with as many as 70,000 passengers travelling on a cruise the first month. On board the ship, the very latest range of gaming entertainment that Paf can offer was installed.

"We chose to fully install the Game Room concept on board Viking Glory. Game Room is our new comprehensive solution for entertainment games, which includes all our rally machines, sports games, virtual reality games and much more," says Malin From, Product Manager for Land & Ship.

## Finnlines partnering with Paf

Finnlines is a shipping company that has managed to handle the pandemic well in terms of earnings. The company has also chosen to invest in two new vessels that will begin operating in 2023. During the year, Paf signed a new agreement with Finnlines regarding the vessels and Paf will supply the gaming entertainment on board both vessels Finnsirius and Finncanopus.

"The passenger experience has always been our main focus. Since we had the opportunity to sign the co-operation agreement at an early stage, we can certainly deliver a well thought-out arrangement for the gaming entertainment. We already have some plans for an extra large game room on board," says Christian Lundell, Key Account Manager for Finnlines at Paf.

The new vessels are modern and stylish with several energy-saving technologies. The hybrid solution will reduce fuel consumption and enable zero emissions in ports.



### TallinkSilja's new star

At the end of the year, it was Paf's long-standing partner TallinkSilja's turn to launch their latest addition to their fleet. On Saint Lucy's Day, the new passenger ship MyStar cast off for the first time from its home port of Tallinn. Built in Finland at the shipyard in Rauma, MyStar is the most technologically advanced and energy-efficient vessel TallinkSilja currently has.

"At the same time as it is an extensive project to install brand new machinery on board brand new ships, it is also very positive that shipping companies are investing in new technology and new experiences on board. Where we get the opportunity to show what we do best, the gaming experience on board, says Lasse Danielsson.

### Long-term agreement with Color Line

Paf signed a new agreement with the Norwegian shipping company Color Line at the end of the year. The agreement means that Paf will supply gaming entertainment on board the company's five passenger ships for several years to come.

"Paf has been a good partner that has contributed to a positive development of our gaming operations. Together with Paf, we have succeeded in establishing a new level of gaming operations on board," says Thomas Gudbjerg, Executive Vice President Commercial & Hotel Operation on board for Color Line.



## Entertainment in everyday life

Already at the end of 2021, our customers on the Swedish gaming site Paf.se play on a completely new gaming site. A faster, simpler and more stylish gaming site was launched with the customer experience in focus. The technical work to renew Paf's other gaming sites has continued throughout 2022.

"Above all, our gaming sites should be quick and easy to use. It should be easy for a customer to quickly take part in the gaming entertainment we offer and it should feel easy to find what you want to play in our wide range of games," says Sara Björk-Södergård, Chief Product Officer.

### Scalable tech provides opportunities

At the beginning of the year, we could finally declare that we had transferred all the very last critical functions to cloud-based solutions. It has been an extensive process that has gradually taken place over a few years and enabled all of Paf's gaming sites to be run in the cloud.

"This gives us excellent security, much better performance and automation. We can also quickly scale up to meet market demands. We should be proud that we now have a state-of-the-art Tech Stack that other companies can only dream of," says Fredrik Wiklund, Chief Technology Officer.

Paf currently offers over 4000 different games online. The development of the game offering has progressed tremendously in recent years and 2022 was no exception.

"Over the past three years, our teams have managed to expand the game offering by about 1,000 games each year. This would not be possible without the know-how and technological advances we have made," says Kim Johansson, Chief Gaming Officer.





## 200,000 customer contacts

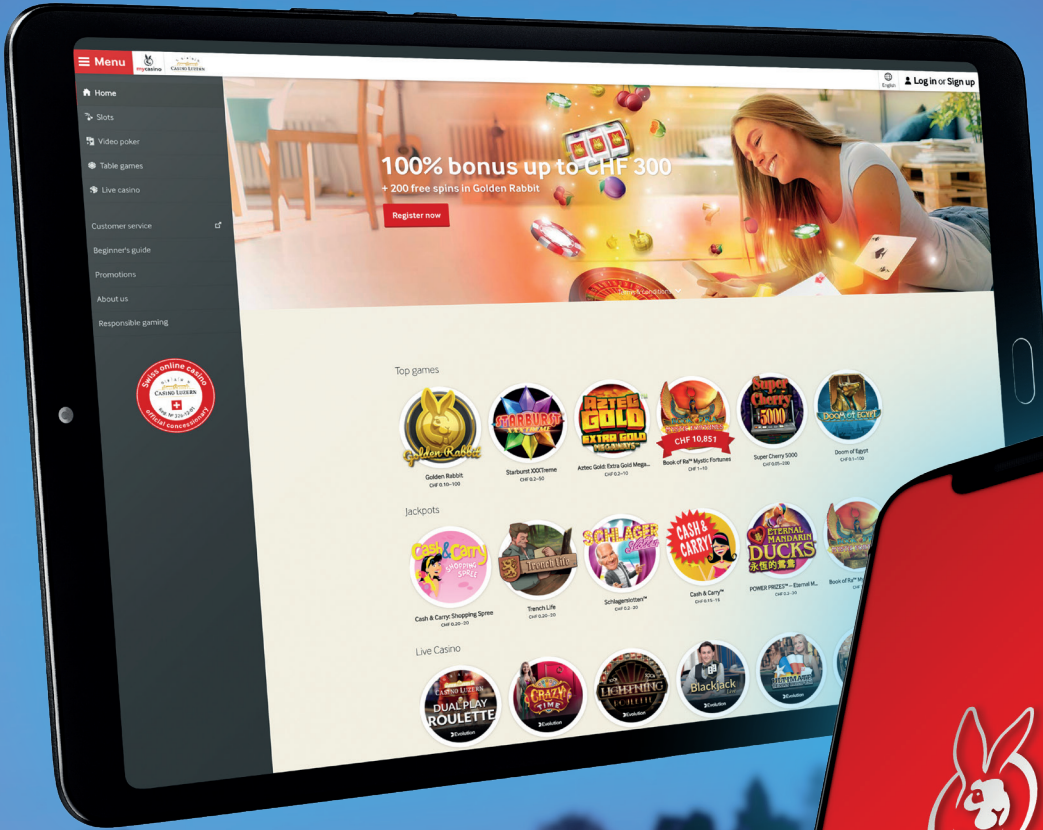
The customer should always come first, the old cliché is still as relevant as ever. Paf's customer service handled 200,000 customer contacts in 2022, which would not be possible without effective tools and a good organisation for Paf's customer service.

"The new gaming sites are better for our customers and our work. The sites are easier and clearer for the customers, and we have corrected some things in the beginning based on the feedback the customers gave us," says Johannes Färm, Head of Customer Support.

When you contact Paf's customer service with a problem, you should get a quick response. On average, Paf's customers received an initial response via chat within 30 seconds.

"We are good at listening to customers and making sure they feel heard. We place great emphasis on always closing the feedback loop to customers in a nice way," says Johannes Färm.

Paf's customer service is an incredibly important part of Paf's business and the goal is to provide the best possible customer communication for Paf's customers.





## Record year for co-operation in Switzerland

Paf supplies the entire gaming platform and its operational know-how to the Swiss gaming site mycasino, which is No.1 in the market and is owned by Grand Casino Luzern. Paf is the casino's strategic online partner in the regulated Swiss market, where only physical casinos in the various cantons are able to obtain online gaming licences. Paf and Grand Casino Luzern work well together, and since the start on 22 August 2019 they have built up an online business with a turnover of over 80 million euros.

"The gaming site mycasino is the most popular gaming site in Switzerland. Together with Paf, Grand Casino Luzern has managed to reach new heights and we had a phenomenal record year last year," says Jesper Eliasson, Business Development Director.

Its market share increased further from last year's 31.7% to 33.1%, while its closest competitors lost ground. The increase in market share paved the way for a record result for the year, even though growth in the overall market was lower than expected.

"The total market in Switzerland only grew by a few percentages last year but by all accounts mycasino managed to attract half of the new customers in the Swiss market. This is a good indicator that we offer a really good product and service," says Jesper Eliasson.

### New gaming site and a great offering

The success in Switzerland is due to a number of factors. The gaming entertainment offered on the mycasino site has developed strongly over the year and the range of games is by far the largest in the market. The strong market leadership position of the site in Switzerland will be further improved in 2023.

"From a technical point of view, we have a strong quality lead over our competitors in the market. This is a competitive advantage that we will maintain and strengthen by making the gaming site faster, smoother and even more customer-friendly in the coming year," says Sara Björk-Södergård, Chief Product Officer.

A woman with dark hair, wearing a red jacket and a patterned scarf, is smiling and looking down at a laptop. She is in a modern office environment with several other people working at desks in the background. The wall behind her has the text "grit:lab" written on it in a large, lowercase, sans-serif font. The office has a clean, bright aesthetic with recessed ceiling lights and colorful desk dividers.

grit:lab

## Multicultural tech campus in Paf's headquarters

In the autumn of 2021, Paf was commissioned by the Government of Åland to start up the tech education grit:lab in collaboration with Ålands Yrkesgymnasium. The purpose of the programme is to contribute new skills to tech companies, to complement traditional education and to benefit the Åland society as a whole.

Following the application process that attracted applicants from 54 countries during the winter and spring of 2022, 70 students were admitted to the two-year programme. The programme's campus is located inside Paf's headquarters in Åland. At the end of August 2022, when all the students gathered in Paf's office, the Minister of Industry and Trade Fredrik Karlström was there to welcome all the tech students.

"You are all very welcome to Åland and to grit:lab here in Paf's office! You are driven and determined, which is exactly what our society needs," says Fredrik Karlström.

## Diversity is a strength

Initially, 50 people were to be admitted to the programme, but in the summer the number was increased to 70 people.

“This was a good decision that responds to the demand for the programme. There is great potential in these people and we have chosen to offer them all this fantastic opportunity. We have space in Paf’s premises where the grit:lab campus has been set up,” says Anna-Lena Svenblad, Corporate Development Director at Paf and Director of grit:lab.

The average age of the students is 29 years and the number of female students is almost 30%. Students come from over 20 different countries, including the USA, Ukraine, Finland, Brazil, Hong Kong, Sweden, Singapore, Iran and Vietnam.

“Anyone over the age of 18 could apply to grit:lab and we did not exclude anyone from the admission process. We believe in the power of diversity. Thanks to the different perspectives of people from different backgrounds and with different experiences, a collective power emerges that is difficult to achieve in traditional environments,” says Anna-Lena Svenblad.

## Co-operation and perseverance can change the world

DA different kind of education awaits students at grit:lab. The programme has no teachers and there are no classes to attend. Personal drive, self-leadership, cooperation with others and the ability to overcome difficulties without giving up are the key words and the motto of the programme “Learn to code and change the game” sets high expectations.

“The ambition is high and it should be high. We want to train the tech specialists of the future who together can really change our societies in a positive direction,” says Anna-Lena Svenblad

## Two years at high pace – challenging and fun

The entire innovative educational concept is based on a French educational platform called 01 Edu System, which has its roots in its predecessor School 42. The pedagogical approach is entirely project-based and results in students learning how to learn through hands-on learning.

“It is good that we dare to invest in a new concept that stands out and differs from traditional education and that is characterised by a new approach that we need,” says Anna-Lena Svenblad.

The programme is two years long and during the first 18 months students learn to program in GO, JavaScript and Rust. The last six months of the programme are dedicated to specialisation in a chosen area such as AI & Machine Learning, Cyber Security & DevOps, Mobile & Web Applications and Video Games.

“It is a training programme without summer holidays and fixed vacations, with a continuous networking link to the 13 partner companies,” says Anna-Lena Svenblad.



## **Sustainability** **– a long-term journey**

All companies want to do good business and make nice profits. Paf is no exception to that equation and we do our best every year to achieve a nice profit at the end of the financial pages of this annual report. But unlike companies that strive for large short-term profits at the expense, not too often, of the environment, customers and their own staff, we strive for a more long-term approach.

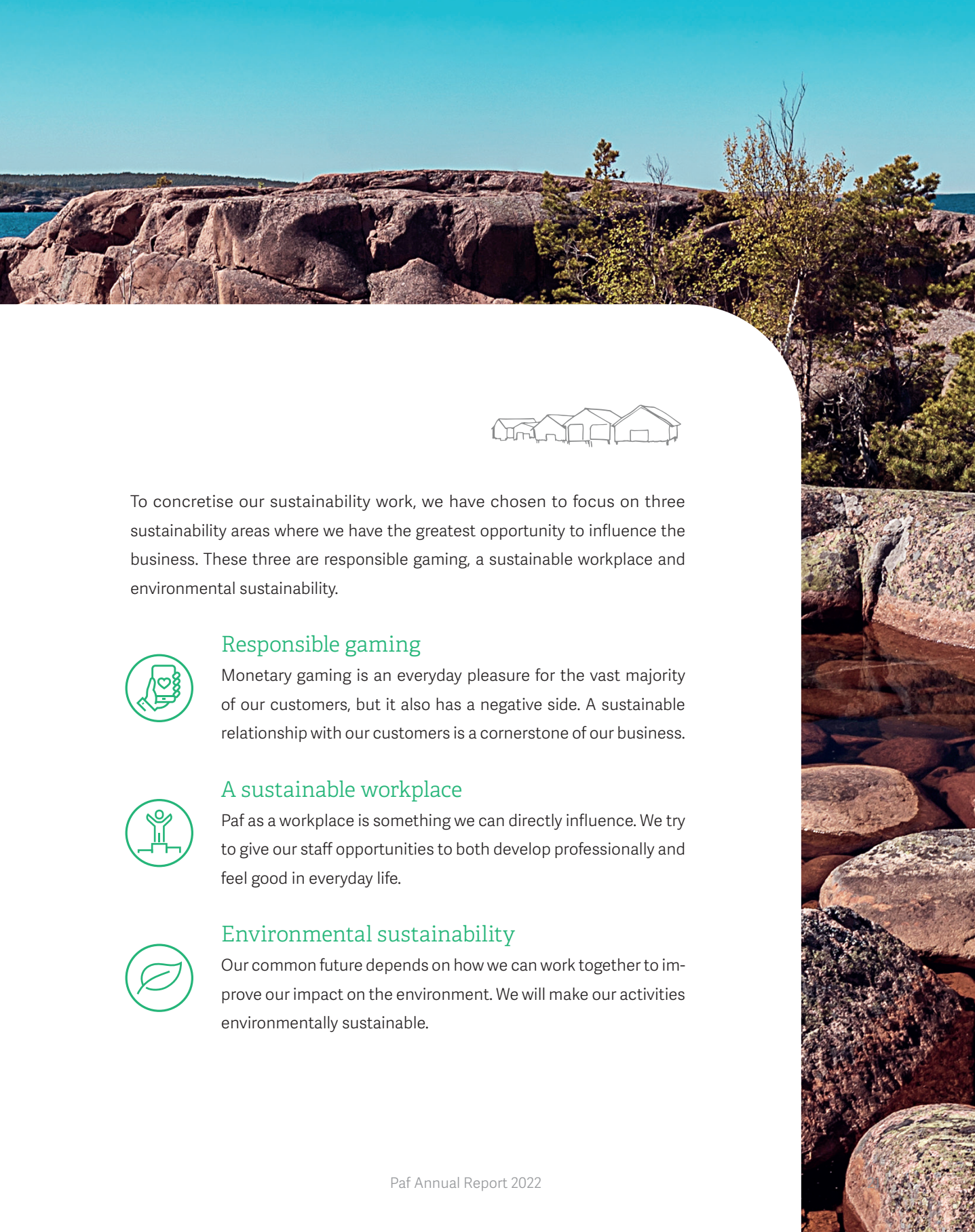
*“Paf has been around for over 50 years and our goal is to be around in another 50 years.”*

Paf CEO Christer Fahlstedt

Paf’s purpose is to generate funds that can be used for socially beneficial purposes. Our annual profits are converted into Paf funds, which in turn support projects and organisations striving for a better and more sustainable future. Read more about some of the projects on pages 50-53.

We strive to generate our profits for all beneficiaries in a long-term sustainable way that also has a positive impact on our environment, so that together with all beneficiaries we can make the future better and more sustainable. To achieve a sustainable business, there are no easy ways to go, but we make progress on that journey every year and we are convinced that it is a journey we want to take.

“The measures we are taking now will strengthen Paf going forward. We will be prepared for a future where both revenues and the entire operation must be sustainable,” says Christer Fahlstedt.



To concretise our sustainability work, we have chosen to focus on three sustainability areas where we have the greatest opportunity to influence the business. These three are responsible gaming, a sustainable workplace and environmental sustainability.



### Responsible gaming

Monetary gaming is an everyday pleasure for the vast majority of our customers, but it also has a negative side. A sustainable relationship with our customers is a cornerstone of our business.



### A sustainable workplace

Paf as a workplace is something we can directly influence. We try to give our staff opportunities to both develop professionally and feel good in everyday life.



### Environmental sustainability

Our common future depends on how we can work together to improve our impact on the environment. We will make our activities environmentally sustainable.



## OUR SUSTAINABILITY WORK IN 2022

We work actively with our three selected sustainability areas. We are committed to following the development and sustainability agenda for Åland, which is a recognised sustainability agenda that has been praised by the European Commission. The adopted goals in the agenda are to be achieved by 2030 at the latest. Each year we have set ourselves a number of concrete goals.

### **In 2022, we prioritised the following:**

- A reduction of the loss limit for young players
- Extended Paf Radar contacts and care calls to young players
- Continued openness and transparency
- A review of our benefits for all employees
- Improved recruitment process and onboarding of new employees
- Measuring our climate impact according to the GHG protocol
- Carbon offsetting with internationally certified projects







## **We follow the UN Sustainable Development Goals**

Our work with our three selected sustainability areas; responsible gaming, a sustainable workplace and environmental sustainability can be put into a larger perspective. Based on the UN's global sustainability goals and the local Åland development and sustainability agenda, we have identified how our actions are part of these larger entities.

Based on the review of our own sustainability work, we could identify five different goals within the Åland sustainability agenda and seven different global UN goals. These goals contribute to our work and help develop our communities towards a more sustainable future for all of us.

## ÅLAND'S SUSTAINABILITY AGENDA



Responsible  
gaming

GOAL 1

Well-being

GOAL 2

Trust and participation



Environmental  
sustainability

GOAL 6

Significantly reduced climate impact

GOAL 7

Sustainable consumption and production



Sustainable  
workplace

GOAL 2

Trust and participation

GOAL 5

The power of attraction

>> READ MORE AT [BÄRKRAFT.AX](http://BÄRKRAFT.AX)

## UN GLOBAL DEVELOPMENT GOALS



Ansvarsfullt  
spelande



Miljömässig  
hållbarhet



En hållbar  
arbetsplats



>> READ MORE AT [UN.ORG/SUSTAINABLEDEVELOPMENT](http://UN.ORG/SUSTAINABLEDEVELOPMENT)

# Responsible gaming – a focus on young players

Paf is and should be synonymous with responsible gaming, because it is part of the basic foundation that builds our company. We should not only be good at responsible gaming, we should show the way forward in the industry. Therefore, responsible gaming is the sustainability category that we focus on the most during the year.

Our work with responsible gaming coincides well with the UN's third development goal to promote good health and well-being for all. Good health is a prerequisite for people to reach their full potential and contribute to the development of society. Most of our customers play with us because it is an exciting part of their everyday life. But at the same time, it is important for us as a gaming company that our product does not impair people's health and well-being, which can happen when an enjoyable pleasure turns into a problem. There are always opportunities for development in this area, and in 2022 we chose to invest in our young customers because research shows that this group is particularly vulnerable.

## Reduced loss limit for young players

In the autumn, after a lot of planning and technical development, we were able to implement a lower mandatory loss limit for young people. The loss limit for all our online customers is set at €20,000 per year and we chose to lower it to €10,000 per year for young people aged 18-24.

"We needed to take a stronger approach and minimise the risks for our young customers. Therefore, this was a good measure that strengthens our responsible gaming as a whole," says Jenna Ekström, Responsible Gaming Manager.

Paf's loss limit for young people now applies to all young customers on Paf's gaming sites, as well as all other gaming sites owned by Paf. The loss limit includes all different gaming categories, without any exceptions.

"We are convinced that mandatory loss limits are one of the most concrete ways for a gaming company to take responsibility. The loss limit for young people is a further development of that approach, specifically targeting young people," says Daniela Johansson, Deputy CEO & Chief Responsibility Officer.



## Young people – a vulnerable group

Research on problem gambling and different risk groups indicates that young people are generally a risk group.

“The facts and research on gambling problems that we have studied emphasise that young people belong to a more vulnerable group. On the one hand, young people are more prone to risk and on the other hand, they do not have the same economic possibilities to gamble,” says Jenna Ekström.

### FACTS: YOUNG PEOPLE AND GAMBLING

People aged 18-24 are at a higher risk of developing problems with their gambling. At this age, the brain is still developing, emotions and logical thinking are not fully formed. This means that the ability to make decisions has not fully matured, making young adults more likely to take risks and act impulsively.

- **Online gambling** is one of the strongest indications of problem gambling for young adults (Responsible Gambling Council, 2016)
- **People** aged 18-20 are significantly more likely to chase their losses and bet more than they could afford in their previous games (Ibid)
- **Participation** in gambling typically increases during adolescence and peaks in young adulthood, when the risks of gambling problems are also higher (Delfabbro, King, & Griffiths, 2014; Volberg et al., 2010)





### Duty of care calls to young players

During the year, we also chose to improve our responsible gaming communication by focusing more on duty of care calls to young people who play with us. The calls are made to young players with risky gambling behaviour detected by our Paf Radar. The focus on calls has been well received and we have plans to expand the communication to young customers in more markets in the coming year.

“Direct calls to our customers are a very useful method that gives us a more direct and real relationship with our customers. The feedback has been positive and we have noticed the effect the care calls have on our customers’ gambling. Next year we want to increase the number of calls we make to young customers,” says Jenna Ekström.

### Mandatory loss limits are needed

The loss limit for young people is mandatory and the maximum limit cannot be increased to a higher level. However, lower loss limits can be easily and quickly set on a daily, weekly or monthly basis by the player himself.

“A customer with severe gambling problems most likely does not have the same ability to control their gambling and set their own limits, which is why we need mandatory loss limits in the gambling industry,” says Daniela Johansson.

Paf is still the only international gaming company that has introduced an annual mandatory loss limit that applies to all online customers.





## ■ Transparency in numbers

Paf started publishing customer figures openly in 2019, already five years ago. We wanted to do this in order to really highlight what the gaming figures look like for a modern and international gaming company. We explicitly write that these are reported figures, because the figures are reviewed and verified by an external accounting firm in connection with the review of our annual report. Perhaps the most noticeable change can be seen in our red numbers, because they no longer exist.

“We have no income from people who have gambled for huge sums, our loss limits have effectively put an end to that. If we look back a few years in our figures, we can only guess at the amounts gaming companies without loss limits still earn from this group of high rollers,” says Christer Fahlstedt, CEO.

We strongly believe in transparency and that it makes us a more credible gaming company in the long run. The figures we report openly are unique in the gambling industry. We see it as a positive sign that more gaming companies are taking their first tentative steps towards greater transparency.

This year we have expanded the customer segments that we report to include our latest company acquisition. The Swedish-licensed companies Speedy Ltd and Speedy Originals Ltd that Paf acquired in 2021 are now included as part of the figures for 2022. Thus, all Paf-owned companies are included in the table for our customer segments.



TOTAL GAMING PROFITS						NUMBER OF CUSTOMERS PER SEGMENT						AVG. GROSS GAMING PROFITS PER CUSTOMER (EUR)					
2022	2021	2020	2019	2018	2017	2022	2021	2020	2019	2018	2017	2022	2021	2020	2019	2018	2017
0	0	219,812*	6,072,132	9,648,523	13,653,368	0.00%	0.00%	0.00%	0.05%	0.13%	0.20%	0.00	0.00	54,953	39,175	39,870	44,765
16,890,079	14,026,102	18,284,221	26,214,835	18,087,884	18,436,519	0.27%	0.25%	0.28%	0.43%	0.48%	0.60%	17,235	17,959	19,597	20,561	20,255	20,349
42,019,085	29,342,290	24,750,155	28,863,944	22,007,735	21,600,129	1.09%	0.89%	0.69%	0.91%	1.09%	1.32%	10,587	10,627	10,654	10,655	10,751	10,805
163,851,378	134,369,798	120,684,221	104,547,874	71,410,935	67,150,397	76.93%	70.52%	72.91%	70.83%	66.74%	73.65%	585	617	494	498	570	604
-46,191,446	-43,161,469	-43,367,676	-31,772,901	-23,056,491	-23,003,994	21.66%	28.32%	26.12%	27.78%	31.57%	24.22%	-586	-494	-495	-386	-389	-629
<b>176,569,096</b>	<b>134,576,721</b>	<b>120,570,733</b>	<b>133,925,884</b>	<b>98,098,586</b>	<b>97,836,418</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>485</b>	<b>436</b>	<b>359</b>	<b>452</b>	<b>522</b>	<b>648</b>

Gross gaming profits = gaming revenue - profits - bonuses

\*\*The balance is explained by the fact that the loss limit for the Multibrand Ltd was activated in February 2020

Paf's loss limits 2018-2022:

2018	30,000
2020	25,000
2021 - 2022	20,000

## Overview of Paf's customer segments 2017–2022

The table is almost comparable to the table we published in previous years. The big difference for 2022 is that the Speedy companies are included in the figures, which is the explanation for a large part of the increase in all segments.

"Most of the increase we can see in all our segments, stems from the added figures for our latest acquisition. A gratifying change is that we have managed to increase green revenues by as much as 22% from 2022," says Daniela Johansson Deputy CEO & Chief Responsibility Officer.





MPs Catarina Deremar, Angelica Lundberg and Niklas Wykman participated in Paf's gaming policy discussion in Almedalen.

## We want to change the gaming industry

Over the past year, as the pandemic has finally started to lose its grip, we have actively participated in a number of summits to highlight our views on the gaming industry based on our experiences. When the European Association for the Study of Gambling arranged the EASG 2022 conference in Oslo in the autumn, we were there. Paf's Responsible Gaming Manager Jenna Ekström was one of the speakers at the conference.

"I talked about our experiences with the mandatory loss limit at a deeper level and what can be learnt from our open customer segments," says Jenna Ekström.

In the summer, Paf was present at the Almedalen Week in Sweden, where we organised a seminar on board the Åland school ship Michael Sars. At the seminar, a gaming policy discussion was held in the form of a panel with Swedish MPs ahead of the autumn 2022 election and the discussion was led by Paf's CEO Christer Fahlstedt. Paf also presented a proposal for a gaming policy programme during the seminar where several points would entail a significant change in the Swedish gaming market, including an increased gaming tax and limited marketing.

"I believe that gambling advertising is one of the biggest reasons for the industry's poor reputation. Isn't it time we did something about it in Sweden as well as in many other countries. An increased gambling tax could fully compensate for any loss of sponsorship money to the sports movement," says Mr Fahlstedt.

However, several of the politicians on the panel wanted to distinguish between the advertising that can be done for different forms of gambling, with lotteries and betting being emphasised as less dangerous forms of gambling. These were arguments that Paf's CEO Christer Fahlstedt was not prepared to accept.

"Gambling is still gambling and we can draw parallels with alcohol - you can't sell light beer to alcoholics," says Christer Fahlstedt.



## Paf's proposal for a gaming policy

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- **Expand Spelpaus** to also work preventively by centralising the players limits so that it applies equally to all operators.
  - **Concretise and legislate** the duty of care with clear quantifiable limits and measures – then follow up on it!
  - **Prohibit gambling ads** on TV and outdoors.
  - **Prohibit sponsorship** and exposure of gambling ads in connection with sports.
  - **Increase the gambling tax** from 18% to 21% and use the increased income to compensate for the loss of sponsorship money for the sports organisations.
- 





## Can we be climate neutral?

The world needs companies that take their climate impact seriously, and we want to be a company that does. But just the ambition to do good environmental sustainability work is not enough to bring about an improvement. We need to do concrete things that demonstrably improve the climate impact of our operations. There are a number of different environmental standards and concepts such as climate neutral, zero emissions or carbon neutral. In the coming year, we will put a lot of effort into further defining our environmental work going forward and ensuring that we actually make a difference.

“We want to make sure that our environmental efforts are relevant. Therefore, we will put resources into evaluating which environmental standard can improve our climate work,” says Ludvig Winberg, Corporate Communication Manager.

We are active members of the Åland network Bärkraft.ax, which works to achieve the goals of the Åland development and sustainability agenda. Goal number six strives for a significantly reduced climate impact and for Åland to be carbon neutral by 2035, with the aim of living up to the agreements in the Paris Agreement. When we look at the UN’s global development goals, our environmental work should contribute to the development of the UN’s goals seven, twelve and thirteen. The thirteenth goal is directly linked to climate change and the objective of the Paris Agreement to limit global warming to less than two degrees. Our climate work contributes to the bigger picture and the aim is to further concretise how we do this.

Every year we report our climate impact together with an external partner. We choose to offset our calculated environmental impact in its entirety, this year supporting two well-established projects, a solar park in India and a triple-certified forestry project in Panama.



## Climate audit according to the GHG protocol standard

Our annual climate audit is carried out by an external partner according to the established international standard GHG protocol (The Greenhouse Gas Protocol). The report helps us understand, identify and work to reduce our climate impact by measuring three different elements of climate impact.



### **Scope 1 / Direct emissions**

Direct greenhouse gas emissions from sources owned or controlled by Paf (e.g. company vehicles).



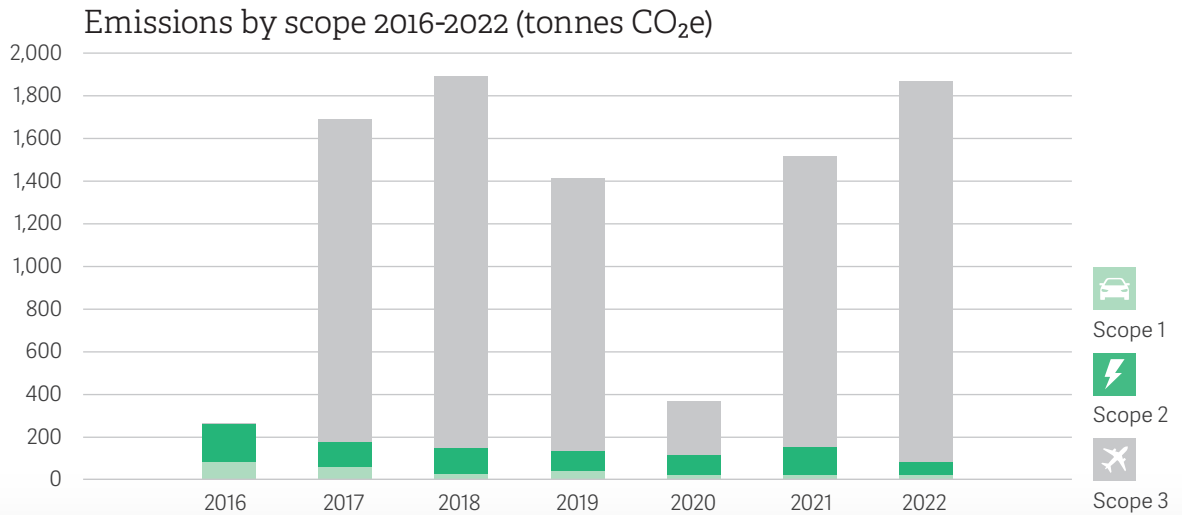
### **Scope 2 / Indirect emissions from purchased energy**

Emissions from heating, cooling and production of electricity purchased by Paf.



### **Scope 3 / Indirect emissions from business activities**

Indirect emissions caused by Paf's activities such as business and customer travel, purchased goods and services, electricity consumption for physical games and server services.



## Our climate audit 2022

Our activities in 2022 resulted in a total of 1867 tonnes of CO<sub>2</sub>e, which is an increase of 23.2% from 2021. The reason for the increase is an increased number of business trips for staff and increased use of our various gaming machines on board. The main reason why these two categories have increased in scope 3 is that the pandemic in previous years has reduced their use. We can also note a large reduction in our climate impact in scope 2 as we have reduced the consumption of energy at our offices.

“The vast majority of the energy we consume comes from renewable sources. Today, 97.2 percent of the energy we consume is green, and that includes the solar energy we produce ourselves,” says Ludvig Winberg, Corporate Communication Manager.

As in previous years, most of our emissions 95.6% come from scope 3, an increase from 90% in 2021 due to a reduced impact in scope 2 and an increase in scope 3. It is not the business travel that accounts for most of the emissions, but it is the added measurement of our leased assets (downstream) that affects scope 3 the most. Energy consumption in our offices (scope 2) accounted for 3.4% and 1% was transport in scope 1. Scope 3 measurements were extended in 2021.



## Shared offices with other companies

During the year, we reviewed our offices and our actual space requirements. We decided to reduce the size of our Malta office by about half, from 423 to 212 square metres. In the coming year, we also have plans to reduce our offices in Stockholm and Helsinki, where we are abandoning our own large offices in favour of more suitably adapted offices that are part of so-called business hotels. Business hotels are office complexes where several companies share office space.

“The pandemic made us experts in distance working and many wanted to continue in the same way. Instead of having large premises that echo empty, we can see more opportunities to work in a hub of other companies,” says Marie Lindroos, Facilities Manager.

## One gigawatt hour of solar energy

The solar panels that adorn Paf’s headquarters in Mariehamn continue to deliver clean solar energy even on the darkest days. In 2022, the 742 solar panels produced 159,746 kWh of electricity. The solar panels were built in connection with the remodelling of Paf’s headquarters in 2016 and since the start they have produced about 1000 megawatt hours of electricity, which is one gigawatt hour. An amount of energy that could keep an electric sauna warm for almost 19 years straight.



## CARBON OFFSETTING

**Compensation for:**

1867 tonnes CO<sub>2</sub>e

**Project:**

Bhadla Solar 2

Tropical Mix

**Certificate:**

Gold Standard

FSC

UTZ

**Climate partner:**

Atmoz



### Climate compensation

We are offsetting our entire climate impact in 2022 by supporting the Bhadla Solar 2 solar energy project in India. The solar park is planned in the district of Rajasthan, close to the Pakistani border. The area is severely affected by pollution and high temperatures. Coal power still accounts for half of India's energy consumption and the construction of solar parks improves air quality and generates labour. Bahdla Solar 2 together with other neighbouring power plants form one of the largest solar parks in the world.

### Rainforest restoration

We also offset the Tropical Mix forestry project in Central America. The project plants new rainforest on land that has been deforested or abandoned and creates a home for 15 red-listed animal species. The project also generates 150 long-term jobs and has so far contributed to a CO<sub>2</sub>e reduction of almost 1.3 million tonnes. Tropical Mix is the only forestry project in the world to be triple certified with Gold Standard, FSC and UTZ.







## We could finally meet again

Without good employees, a company is really nothing. It is the employees who have really made Paf a success story, which has been built up over the years since 1966 to become what we are today. Not all the years have been easy and there have been many changes in an international industry that requires its staff to perform at the highest level.

“We have a high tempo at Paf and we need to maintain a level of constant change in order to quickly adapt to new conditions and opportunities that arise. The recent pandemic years have stood out in this context, but finally we can meet each other for real again,” says Christer Fahlstedt.

Our efforts to achieve a sustainable workplace are linked to three of the UN’s development goals: goal five, goal eight and goal ten. Goal five strives for gender equality where influence and resources should be distributed fairly. Goal eight is about decent working conditions and economic growth, where we want to promote inclusive and sustainable economic growth. Goal ten is an effort to reduce inequality, emphasising that no one in society should be left behind in development.



## Renewed recruitment process and introduction

Over the past year, we have improved and renewed our recruitment process. Paf is a company in constant change and the need for new recruitment is constant in different departments. Therefore, we have chosen to renew our recruitment channels, update our onboarding for new employees and put more resources into recruitment.

“We will have a focus on the candidate’s experience throughout the process. It should be a good combination of the digital part and the on-site introduction for new employees, as it ultimately affects the perception of Paf as a good workplace,” says Jenny Schauman-Linevik, Talent Acquisition Specialist.

Feedback to all candidates in the recruitment process should be quick, as all applicants have invested their own time in the application. Transparency is an important keyword that improves the entire process, where especially the schedule and what it is like to work at Paf should be communicated openly.



## One paid hour of training per week

Everyone at Paf is entitled to the employee benefits offered by the company. Then again, the offices in different countries are unique and therefore the benefits may vary. One benefit offered to employees is a weekly training session, which can be used during working hours.

“We introduced the exercise hour to encourage everyone to stay physically active. For us there is more value in the well-being of our employees than an extra hour of work every week,” says Daniela Johansson.

### **Employee benefits**

- One hour of training per week during working hours
- Health insurance
- Well-designed offices and social spaces
- Fresh fruit and snacks in the office
- Ability to choose your equipment and work with the latest technology
- Possibility of acquiring equipment for a home office

## Two months in Greenland

Paf offers its employees the opportunity to work abroad remotely for up to three months each year. The option was introduced as a new guideline for Paf employees in the autumn 2021 and in 2022 it has been used 36 times.

“It’s great that many people have used the opportunity to work abroad that we offer, we even had one person who worked for two months from Greenland in the autumn,” says Daniela Johansson.

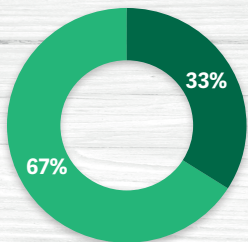
During the year, Paf employees worked from Colombia, India, Kazakhstan, Denmark, Cyprus, Germany, Macedonia, Turkey, France, Greenland, Brazil and Vietnam.

# 315 EMPLOYEES

Location	Total
Mariehamn	161
Helsinki	47
Tallinn	32
Stockholm	15
Norrköping	13
Malta	9
Madrid	3
Riga	3
Oslo	2

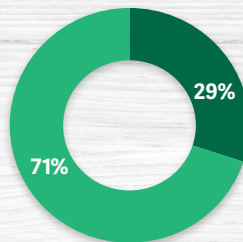
Location	Total
100% Remote	30

## Gender distribution, total



Gender	Total
Men	212
Women	103

## Gender distribution, management



Gender	Total
Men	34
Women	14

# 29 NATIONALITIES



We had 29 different nationalities working at Paf.

The People Power Index indicates employee satisfaction with Paf as an employer. The index for Finnish companies had an average of 69.5 in 2022.

# 76.8 PEOPLE POWER INDEX



# More than 400 million in Paf funds

Ålands Penningautomatförening, Paf, was founded in 1966 to raise money through gaming for socially beneficial purposes. It was the Red Cross, Save the Children, Folkhälsan and the former Dagens Barn Foundation that laid the foundation for Paf's activities.

Our main purpose is to generate funds that benefit the society in a responsible way. Our mission should be reflected in what we do, how we act and the fact that we want to create a gaming business that is sustainable for our players and the society we operate in. We will not choose the easy way forward, but rather a more responsible and sustainable path. That is something that makes us a different kind of gaming company.

Since the beginning, over €416 million has been distributed to society through Paf funds.

*"It says a lot about us that Paf, as a relatively small gaming company, has managed to generate more than 400 million for the benefit of society"*

Paf CEO Christer Fahlstedt

## How Paf's profits are distributed

In accordance with Åland law, there is an allocation council with the task of proposing principles and submitting proposals to the Government of Åland on how to distribute Paf's profits after each financial year. It is then the Government of Åland that decides how the money is distributed among the various recipients who have applied for Paf funds. In this way, Paf's contribution goes out into the society.

## The Allocation Council for Paf funds

The allocation council consists of an ordinary representative from each founding member association, a representative from the Åland Cultural Delegation, a representative from Åland Sports Federation, a representative from the Government of Åland and a representative from Paf. The allocation council is appointed for two years at a time. The representative of the Government of Åland acts as chairman of the allocation council.



Paf and the Government of Åland donated €300,000 to Ukraine to be used for humanitarian aid.

## The distribution of Paf funds

Based on Paf's profit in 2021 and previous years' profits, €14,998,000 was distributed in 2022.

Social activities	3 800 000
Environmental activities	600 000
Youth work	560 000
Sport	1 695 000
Cultural activities	3 114 000
LEADER support	100 000
Other operational support	3 000 000
Investment aid	1 800 000
Support for events	309 000
Integration	20 000
Loans	0
<b>Total</b>	<b>14 998 000</b>

In 2023, our contribution will be €33.1 million, which is based on Paf's profits in 2022.

# How are funds distributed?



## 1. Budget

Based on the information from Paf's Board, the allocation committee reports the expected net profits for the current financial year to the Government of Åland.

On the basis of the allocation committee's suggestions, the various areas' administrators produce a proposal that is processed by the Government of Åland who then submits a budget to the Åland Parliament, where the budget is adopted.



## 2. Applications

Applications for support and loans from Paf's profits must be submitted to the Government of Åland by 15 October the year before the applicant wishes to receive the support or loan. Event support can be applied for on an ongoing basis, at least three months before the planned event.





### 3. Proposal

Administrators produce a proposal based on the submitted applications for distribution of funds in the following areas:

- Social activities
- Environment
- Youth services
- Sport, equipment and facilities
- Culture
- General activities, events and civil engineering projects.

The proposal is then discussed by the allocation committee.



### 4. Decision

After being processed by the allocation committee, the respective administrators present the proposal to the appropriate minister in the Government of Åland. Allocations related to sports support are handled by the Board of the Åland Sports Association and those related to cultural activities by the Åland Culture Delegation.



### 5. Distribution

Paf funds are paid out to the beneficiaries as:

- Work grants
- Travel grants
- Project support
- Culture grants
- Event support
- Investment support
- Elite support
- Organizational support.

# Beneficiaries of Paf funds in 2022

## Finance Department/ Event Support

Alandia Square Dancers - Jubilee dance Åland 100 years 9.6.2022  
Ålenskur Icelandic Horse Association - World ranking competition 27-28.5.2022  
European Youth Parliament Finland - Åland 2022 2-7.8.2022  
IF Finströmskamraterna - Finströmscupen 20-21.8.2022  
IF Fram - Tournament of Åland 23-24 April 2022  
IF Åland Athletics - SFI Championships 19-21 August 2022  
City of Mariehamn - Tall Ships Race 2024  
ÅID/IF Åland orientation - Åland 2-day 2-3.4.2022  
Åland Martha District - Food Culture Day 2022 9.10.2022  
Ålands Sjöräddningssällskap rf. - Baltic SAR games 9-11.9.2022

## Finance department/ Integration support

DUV - Ny tillgänglig lägergård  
DUV - New accessible campsite  
Finström municipality - Energy optimisation of the Åland sports centre  
Finström municipality - New lighting for Godby Hall  
Gymnastics Åland - Jumping pit and equipment  
Kumlinge municipality - Solar panels for the school  
City of Mariehamn - Change from oil to heat pump, Backeberg  
City of Mariehamn - Changing rooms, WHA  
City of Mariehamn - Solar panels, WHA  
MLK - Preliminary design and purchase of a racket hall  
Skeppsöreningen Albanus - Building the galley Emelia  
Sund-Vårdö parish - Change from oil to geothermal heating  
Sunds ungdomsförening - Renovation of Klippan  
Ålands motor club - Workshop incl. social areas, additional cost  
Ålands Natur & Miljö - Intergration project Träffpunkt skogen  
Ålands Sjöräddningssällskap rf. - Boat to Eckerö, bridge box Hamnsundet, boat house Lumparland etc.  
ÅSS - J70, two laser skiffs, RIB safety boat

## Finance Department/ Loans

DUV - New accessible campsite  
Sunds ungdomsförening - Renovation of Klippan  
Ålands motor club - Workshop incl. social areas, additional cost

## Finance Department/ Special projects

Emmaus aid shipments  
Mariehamns rotaryklubb rf. - Relief shipment Ukraine

## Finance Department/ Operating grants

Finnish Red Cross, Åland District, Voluntary Rescue Services  
Föreningen Norden på Åland rf. incl. Nordjobb.  
Foundation Åland Islands Peace Institute r.s. incl. Ålex  
Visit Åland rf. including special projects  
Ålands Brand- och Räddningsförbund rf.  
incl. youth activities project grant  
Ålands flygklubb rf. - Assisting in rescue missions  
Ålands Marthadistrikt rf. incl. digital folk costume binders.  
Sport/ Sport investments  
Germundö Alpin - Safety equipment and hill signs  
Geta municipality - Multisport arena  
Hammarland IK - Football goals  
Municipality of Hammarland - Outdoor gym  
Jomala Kommun/ Fritidsförvaltningen - Football goal + table tennis table  
Mariehamns Seglarförening - Optimist dinghy for

children + spinner for accompanying boat  
City of Mariehamn/ Fritidsförvaltningen - Pole vaulting stand for the Baltic athletics arena  
City of Mariehamn/ Fritidsförvaltningen - Exercise stairs to the Baltic area  
Ridklubben Sleipner - Five ponies + horse equipment  
Nautilus Diving Club - Safety equipment + dry suits.  
Sunds Idrottsförening - Roof renovation at the clubhouse  
Ålands Fotbollområde - Headset for communication  
Ålands Innebandyförbund - Outdoor pitch

## Sports/ Sports activities

Germundö Alpin  
Geta kommun  
Hammarland IK  
Hammarlands kommun  
Jomala Kommun/ Fritidsförvaltningen  
Mariehamns Seglarförening  
Mariehamns stad/ Fritidsförvaltningen  
Mariehamns stad/ Fritidsförvaltningen  
Ridklubben Sleipner  
Sportdykarklubben Nautilus  
Sunds Idrottsförening  
Ålands Fotbollområde  
Ålands Innebandyförbund

## Sport/ Development support

Ålenskur Islandshästförening  
BK Komet  
De Utvecklingsstördas Vål  
FC Åland  
Gymnastics Åland  
Hammarlands IK  
IF Finströmskamraterna  
IF Fram  
IFK Mariehamn bordtennis  
IFK Mariehamn bowling  
IFK Mariehamn central - Friidrott  
IFK Mariehamn Fotboll  
IFK Mariehamn ishockey  
Jomala IK  
Karateklubben Ogawa  
Kyrkoby Golfklubb  
Lemland IF  
LUJA  
Mariehamns Bågskytteförening  
Mariehamns Lawn - Tennisklubb  
Mariehamns Seglarförening  
Nordic Budo & Sports Academy  
Ridklubben Sleipner  
Sportdykarklubben Nautilus  
Tai Chi-föreningen Vita Tranan  
Viking Ålands SC  
Åland Triathlon Club  
Åland United  
Ålands Bowlingsförbund  
Ålands Bruks och Sällskapshundklubb - Agility  
Ålands Curlingsklubb  
Ålands fotbollområde

Ålands Fotbollsförbund  
Ålands Golfklubb  
Ålands Idrottsdistrikt + IF Åland  
Ålands Innebandyförbund  
Ålands Judoklubb  
Ålands Kraftsportklubb  
Ålands Motionsförbund  
Ålands Motorklubb  
Ålands Schackklubb  
Ålands Simförening  
Ålands Sportslytteförening  
Åländska Segelsällskapet

## Culture Delegation/ Investments 2022

Ålenskur Islandshästförening  
AX Discgolf  
FBC Åland  
FC Åland  
Germundö Alpin  
Gymnastics Åland  
Hammarland IK  
IF Finströmskamraterna  
IFK Mariehamn Fotboll  
IFK Mariehamn Ishockey  
Jomala IK - Volleyboll  
Mariehamns Lawn - Tennisklubb  
Nordic Budo & Sports Academy  
Ridklubben Sleipner  
Ålands Bowlingförbund  
Ålands Curlingklubb  
Ålands fotbollsförbund  
Ålands Innebandyförbund  
Ålands Motorklubb  
Ålands Simförening

## Culture Delegation/ Investments 2022

Municipality of Finnström - Renovation of Breidablick  
Friends of Kobba Cliffs - Renovation and painting of the boat  
Lumparlands uf - Improvement of acoustics in Furuborg.  
City of Mariehamn/ City Library - Stage technical equipment  
Nybonds in Krogstad - Refurbishment  
Torp byalag - Interior painting of the village hall

## Culture Delegation/ Cultural Grants/ Working Groups

Arbetsgrupp Granberg/Björkholm  
Arbetsgrupp Ponthin, Karlsson, Komorowski  
Arbetsgruppen Dunderifisan  
Arbetsgruppen Impro Åland  
Arbetsgruppen Röst och kropp  
Arbetsgruppen Sandholm och Norrgrann  
Konsthandverksgruppen Salt

## Cultural Delegation/ Cultural Grants/ Working Grants

Carina Karlsson  
Caroline Pipping  
Elisa Matikainen  
Helander Markus  
Maria Karlström  
Riikka Kostander

Rita Jokiranta  
Robert Zetterqvist

#### Cultural Delegations / Cultural Grants / Film

Johan Karrento

#### Delegation for Culture / Cultural Grants / Arts

Amanda Chanfreau  
Daniel Eriksson  
Ezgi Johansson  
Felicia Lindbäck  
Gunnar Sjöblom  
Kalle Wetterström  
Mari Boman  
Marlene Lindbäck  
Sara Tobiasson  
Ursula Sepponen

#### Cultural Delegations / Cultural Grants / Music

Anna Johansson  
Canary Songs  
Carina Sommarström  
Dan Karlström  
Ella Grüssner Cromwell-Morgan  
Ida Kronholm  
Stephan Kemetter  
Vanessa Eriksson  
Zaida Ponthin

#### Delegation of Culture / Cultural Grants / Theatre

Nicklas Lantz  
Grete Snelvedt

#### Cultural Delegation / Special project

Stödföreningen för Husbandet rf  
Ålands kulturstiftelse

#### Cultural Delegation / Operating grants

Alandia square dancers rf  
Alandica Bugg rf  
Antons Vänner rf  
Arbetarnas bildningsförbund på Åland  
Dänö museiförening  
Filmklubben Chaplin rf  
Folkmusiklaget Kvinnfolk rf  
Fornföreningen Fibula rf  
Fotoklubben Obscura rf  
Föglö hembygdsförening rf  
Förbundet Ålands Sjödagar rf  
Föreningen Franciskus på Kökar rf  
Föreningen för Norrfinström  
Föreningen Ålands Emigrantinstitut rf  
Föräldraföreningen Bild- och Formskolan rf  
Garantiföreningen för Matsmärs rf.  
Geta Kulturförening rf  
Hantverksföreningen Östra smedjan rf  
Kobba Klintars Vänner rf  
Kodarklubben rf  
Kompani Nord Teaterförening rf

Kulturfestival på Åland rf  
Kulturföreningen Katrina rf  
Kumlinge byalag  
Kökar hembygdsförening rf  
Kökarkultur rf  
Lappo uf/Skårgårdsmuseet rf  
Lumparlab Teaterförening rf  
Mariehamns Strategiklubb rf  
Miniatyrstadens Vänner rf  
Nybonds i Krogstad rf  
Skeppgården Pellas rf  
Skeppföreningen Albanus rf  
Stiftelsen Sjökvarteret i Mariehamn  
Stödföreningen för Ålands Jakt- och Fiskemuseum rf  
Sund Kultur rf  
Swingskeppet rf  
Sångföreningen Triolen  
Sällskapet Bel Canto rf  
Teater Alandica rf  
Teaterföreningen i Mariehamn rf  
Teaterföreningen Kuling rf  
Visor så in i Norden  
Åbo Svenska Teater rf  
Ålands Accordion Club rf  
Ålands Brand- och Räddningsförbund rf  
Ålands Dragspelsklubb rf  
Ålands Fotografiska museum  
Ålands konstförening rf  
Ålands Litteraturförening rf  
Ålands Mångkulturella förening rf  
Ålands Slöjd- och Konsthantverk rf  
Ålands Spelmansgille  
Ålands Sång- och Musikförbund rf incl Alandia Strings  
Ålands Veterantraktorklubb rf  
Önningeby Hembygdsförening rf

#### Environmental activities / Special projects

Emmaus Åland rf - Project "Från nitton till noll"

#### Environmental activities / Operating grants

Bärkraftax  
Ekologiska odlarna på Åland rf.  
Föreningen Ålandsfåret rf.  
Husö biologiska station / Åbo Akademi  
Kathjälpen rf.  
Natur och Miljö rf./Ålands Naturskola  
Rädda Lumparn rf.  
Stiftelsen Ålandsfonden för Östersjöns framtid rs.  
Åland Biodlarförening rf.  
Ålands djurskyddsförening rf.

#### Environmental activities / Operating grants and special projects

Archipelago Pares rf - Project Invasive Predators  
Åland and the Renaissance of Nyhamn.  
Nätö biological station / Societas pro Flora et Fauna  
Fennica rf. - Sea eagle inventory project  
Ålands bird protection association rf.  
Ålands Natur & Miljö rf. - Project Clean Åland and Vision Mariero.

#### Social sector / Special projects

Ålands Feministparaply rf - Project fair sex  
Government of Åland - Child/youth health project  
Government of Åland - Project fair sex  
Government of Åland - Employment for all project

#### Social sector / Operating grants

Andning & Allergi Åland rf.  
De utvecklingsstördas väl på Åland rf.  
Demensföreningen på Åland rf.  
Diabetesföreningen på Åland rf.  
Emmaus Åland rf.  
Finlands Röda Kors, Mariehamns avd.  
Finlands Röda Kors, Ålands distrikt  
Föreningen Vårt Hjärta rf.  
Krigsveteranerna på Åland rf.  
Mariehamns pensionärsförening rf.  
Mattbanken på Åland rf.  
Norra Ålands pensionärer rf.  
Pussel familjen rf.  
Socialmissionen på Åland rf.  
Stiftelsen Hemmet rs.  
Vuxna på stan rf.  
Ålands cancerförening rf.  
Ålands fackliga semesterorganisation rf.  
Ålands fountainhouse rf.  
Ålands handikappförbund rf - Fixtjänst  
Ålands hemgårdsförbund rf.  
Ålands hälsoalternativ rf.  
Ålands hörselutövning rf.  
Ålands neurologiska förening rf.  
Ålands reumatoförening rf.  
Ålands synskadade rf.

#### Social sector / Operating grants and special projects

Landskapsföreningen Folkhälsan på Åland  
Regnbågsfyren rf  
Rädda barnen på Åland rf.  
Ålands autismspektrumförening rf.  
Ålands handikappförbund rf.  
Ålands Intresseförening för psykisk hälsa

#### Youth / Youth activities

De Utvecklingsstördas Väl  
Emmaus  
Förbundet Hem och Skola  
Föreningen Ung Resurs  
SKUNK  
Ålands scoutdistrikt  
Ålands Ungdomsförbund  
Åländska studentlaget vid Åbo Akademi



## ■ Protecting the archipelago

For the first time, Åland has a management system for invasive species. In a new agreement with the Government of Åland, Archipelago Pares r.f. is tasked with combating raccoon dog and mink in the archipelago. The agreement covers the large nature reserves in the outer archipelago of 55,000 hectares, including thousands of islands, islets and skerries.

"Thanks to a few pilot years and the Paf funds, we can increase the intensity of our work on the islands and intensify the fight against raccoon dogs and mink. They pose a major threat to biodiversity and, in particular, to ground-nesting seabirds," says Lucas Wideman, chairman of the association.

The raccoon dog is listed on the EU's list of invasive animal species, while the mink has been defined as an invasive species in Finland. In practice, this means that they must be controlled to prevent further damage to our ecosystems. Lucas Wideman describes them as an environmental problem rather than a wildlife management measure, as they threaten many rare protected species.

"This is the greatest risk of species extinction in the near future. We use a predator hunting team consisting of a handler and a specially trained dog to hunt mink and raccoon dogs. They travel from island to island, searching the archipelago. A labour-intensive method that must take place between ice-out and the breeding period."



## PARES ARCHIPELAGO

**The association Archipelago Pares** (Latin for Friends of the Archipelago) was founded in 2017 by a group of friends who wanted to improve wildlife management in the Åland archipelago. Today, the organisation has almost 200 members.

### Ådan, a symbolic value for the archipelago

Invasive predators, together with the growing eagle population, are a major threat to the eider, whose population has plummeted in recent decades. The association's central project Friends of the Eider aims to improve seabird management in the archipelago.

"From the very beginning, we looked a lot at the threats to the female eiders. Predators and the depopulation of the archipelago are the major issues. The eider female relies one hundred per cent on its camouflage, which makes it easy prey during nesting," says Lucas Wideman.

The Båtskär island in the Åland archipelago has become a focal point for the association. A colony of around 220 resident eagles nest here every spring in the hope of survival. Throughout the breeding period from late April to midsummer, volunteers are here around the clock to monitor, inventory and protect the eiders and their young birds.

"It is naive to think that we will save the entire population around Åland. That is not the idea. However, we can develop methods for managing seabirds and protecting entire colonies, and we have succeeded in developing a good concept here," says Lucas Wideman.

## Red Cross dogs spread joy

In a lounge at the Sunnanberg elderly care centre in Saltvik, residents are waiting for the evening's visit. Four four-legged friends enter the room. Chico, Frida, Aqua and Kate all work as volunteer service dogs and their visit is always appreciated.

"For ten years, the Red Cross has had an active programme of service dogs," says Gudrun Brändström, who coordinates the programme with her dog Kate.

The friendly dogs and their owners visit retirement homes in Åland on a regular basis. Other planned meetings may also take place at day care centres or schools.

"Not everyone can participate all the time. So it's good that we have a large network of volunteers," says Gudrun Brändström.

### Security – a basic prerequisite

So far, around 50 dogs and their owners have been active as service dogs in the Red Cross. Older dogs have retired and new puppies have been trained. Gudrun Brändström tests all the dogs before they go into service with a red coloured Red Cross scarf around their neck.

"The dog needs to be safe, friendly and socially trained. When I test the dogs, they must not jump up and down at loud noises or at a client's rapid movements," says Gudrun Brändström.

Because anything can happen when the service dogs visit the elderly. The dogs can get wet kisses, too hard pats, or, as in the case of Chico on this day in Saltvik, have their paws run over by a walker.

"But he doesn't care about anything. He's just happy and kind, even though you would hug him to death," says his dog owner Katarina Bergman.



## Bringing old memories to life

Pets can have a positive impact on people with dementia. Before entering the dementia ward, you are warned that Kevin the cat lives there. The friendly dogs stroll by undisturbed while the cat hisses and is ready to defend itself. In one ward, some elderly people start talking about their own dogs while others just want to observe from a distance. Erica Nordberg is handing out dog treats to the elderly and her Boston terrier Frida is quickly there to enjoy the goodies. Her friend Aqua also gets some treats, which the Boston terrier finds difficult to accept.

'Dogs are dogs and they don't have to love each other, the main thing is that they love people,' says Erica Nordberg.

After an hour, the day's shift is over. A small service that the volunteers say makes a big difference.

"It warms the heart when you see the love and joy in the elderly," says Carina Svenblad-Timonen.







 **Financial Report**

# Financial Summary

## REVENUE

Group turnover for 2022 increased from EUR 135.0 million to EUR 165.7 million, an increase of 23% and a new turnover record.

### **Internet activities**

Gaming turnover for the Internet business increased from EUR 121.2 to 142.1 million. The increased revenue is explained by a new record in the number of active customers. Among markets, growth has been particularly strong for the Swedish and Spanish markets.

The products with the strongest development during the year are sports betting, slot machines, table games and Live Casino.

The number of registered customer accounts that have contributed to turnover during the year increased to 483,595 (336,206, 2021) which is an increase of 44% and a new record for Paf. Paf expects the number of active customers to continue to grow in 2023 through effective marketing in the markets where it is allowed and continued development of the technology platform.

During the year, Paf's self-imposed annual limit for how much Paf's online customers can lose in a twelve-month period had a dampening effect on turnover. The loss limit is a conscious choice for being able to offer a more responsible and socially acceptable gaming product. The loss threshold for 2022 was EUR 20,000 in all markets. In September 2022, a lower loss limit for younger customers (18-24 years old) of EUR 10,000 was also introduced.

### **The Land and Ship business**

Gaming turnover for land and ship operations increased from EUR 13.8 million to EUR 23.5 million. The increased revenue is explained by a sharp increase in the number of passengers on board the vessels compared to 2021, although there is still some way to go to the pre-Covid-19 level. In 2023, we believe and hope that the number of passengers on our partners' ships will increase further.

As the trend continues towards customers carrying less and less cash on board, Paf continues to respond to this trend by implementing payment methods that support cards and mobile phones while continuing to invest in new technology to further enhance the gaming experience. The share of deposits made with non-cash payment methods increased further in 2022 and now accounts for a significant share of deposits.

Our investment in the GameRoom concept of amusement games has continued to grow in 2022. Encouragingly, revenue from the 2022 amusement games is at a higher level than before the pandemic (2019). Our GameRoom games are entirely cashless, so payments are made by card, mobile phone or wristband (with pre-loaded value) available on board our partners' ships.

### **Other operating income**

Other operating income increased from EUR 6.8 million to EUR 10.1 million. The increased revenues are not of a one-off nature and mainly relate to external sales of gambling platforms and associated services.

## Materials and services

Costs grew marginally from EUR 30.3 million to EUR 39.5 million.

Increased turnover for the Internet business and the land and ship business leads to an increase in variable selling expenses. For Internet activities, the increase is mainly due to remuneration to game providers and payment intermediaries, and for land and ship activities. The increase is mainly due to commissions to shipping companies.

## Staff costs

Costs grew marginally from EUR 23.4 million to EUR 24.2 million. Adjusted wages due to rising inflation explain the increase.

The number of employees fell from 334 to 329.

## Capitalised development costs

Capitalization of own development costs increased from EUR 0.7 million to EUR 1.0 million. During the year, Paf's website has undergone extensive upgrades and has been launched in all markets from February 2023. Paf's proprietary payment method management system is under development and handles the majority of Paf's payment transactions, resulting in lower transaction costs.

## Depreciation and impairment

Depreciation and amortisation expenses increased from EUR 10.1 million to EUR 10.3 million. Depreciation according to plan has decreased by EUR 0.7 million. Amortisation of goodwill has increased from EUR 5.4 million to EUR 6.3 million and is explained by the goodwill amortisation for the acquisition of Speedy Ltd and Speedy Originals Ltd which will be included for the whole of 2022 compared to the period August to December for 2021.

## Other operating expenses

Other operating expenses increased from EUR 43.1 million to EUR 54.0 million.

Marketing costs have increased by EUR 8.6 million. Increased turnover for the Internet business results in higher costs for the cloud-based technology. Travel and other operating costs have increased with the removal of COVID-19 restrictions.

## OPERATING PROFIT

The group's operating profit for the year rose from EUR 35.7 million to EUR 48.5, an increase of 36%.

## Financial income and costs

The net result of financial income and expenses was a loss of EUR 1.6 million compared to a loss of EUR 0.3 million in the previous year. The interest rate for deposits with banks started to move upwards in the second half of 2022, generating interest income for Paf. A large part of the costs are linked to the Swedish market, where revenues are generated in SEK and are continuously exchanged to EUR, which entails a cost for currency exchange. During the year, the Swedish krona weakened, which contributed to the negative net result.

## Accounting period profit/loss

The Group's profit for the financial year rose from EUR 34.3 million to EUR 44.8 million, an increase of 31%.

## REPAID LOTTERY TAX

Apart from the profits Paf distributes, the government of Åland receives a surplus of EUR 3.5 million in repaid lottery tax from the Finnish government. For 2022, the Finnish lottery tax was temporarily reduced to 3.4% from a temporary reduction to 5.5% in 2021. For 2023, the Finnish lottery tax is 5% and is projected to return to 12% as of 2024.

## **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

Paf's long-term partnership agreement with Grand Casino Luzern AG where Paf provides a complete, certified gaming platform with Paf's casino games, integrations with third-party casino games and payment solutions have been well developed. Grand Casino Luzern AG and [www.mycasino.ch](http://www.mycasino.ch) are now market leaders in the Swiss market for Internet gaming.

Covid-19 caused major challenges for the entire Paf business and staff. In 2022, restrictions linked to Covid-19 were lifted. Paf's staff are largely offered the opportunity to work from home, which in turn has led to Paf's decision to close the offices in Stockholm and Helsinki and instead allow staff to work from modern office hotels from the beginning of 2023.

Paf's Swedish business [www.paf.se](http://www.paf.se) was sold on 3 May 2022 from Paf Consulting Abp to Paf International Plc. The purpose of the sale is to make better use of Paf's organisation in Malta.

On 1 September 2022, a company split was carried out where the Spanish Internet business [www.paf.es](http://www.paf.es) was transferred to the newly formed company Paf International Abp.

In 2022, Paf's land and ship operations have made a strong recovery from two pandemic-heavy years (2020 and 2021). The travel restrictions imposed by the various authorities were lifted at the beginning of the year and operations have developed very positively as passengers have largely returned to our partners' ships. However, ships have also disappeared in 2022, which has affected us negatively. A number of projects were also completed during the year, renewing the gaming experience on board several ships and reducing the number of gaming machines to a more efficient level. We have continued to invest in our GameRoom concept on board the ships, which consists of entertainment games aimed at all ages.

We are also pleased to note that some lucky winners in Åland shared in the largest ever win in Åland in terms of horse betting. The gain of just over SEK 13 million occurred on 10/12/2022. The first and so far largest jackpot on Paf Lättå went to a lucky winner in July 2022 where the total prize amount was EUR 54,030.

In August 2022, Paf, in collaboration with Åland's vocational high school, started a unique two-year IT education for 50 students with an innovative concept fully adapted to the needs of the future. Read more at [www.gritlab.ax](http://www.gritlab.ax). The training is conducted on Paf's premises in Åland and part of the training concept is that no teachers are involved, which means that costs can be kept down.

Viking Line's new vessel Viking Glory entered service on the Stockholm - Mariehamn/Långnäs - Turku route on 1 March 2022. Paf delivered high quality slots and table games as well as the GameRoom concept to Viking Glory which we are proud of. On 13/12/2022, the new Tallink ship - Myster - started operating on the Helsinki - Tallinn route. Paf has invested in a new concept focusing on an improved gaming experience, which has so far been well received by customers.

At the end of the year, Paf signed a new agreement with the Norwegian shipping company Color Line. This means that Paf will supply the gaming entertainment on board the company's five passenger ships for several years to come. The collaboration has so far been successful for both parties, with Paf contributing to the positive development of gaming activities on board the ships.

Russia's war of aggression against Ukraine has led to a sharp rise in inflation, especially in Estonia and Latvia, but overall the war has not yet had a significant impact on Paf's results. Paf is monitoring the situation closely and has acted, among other things, by excluding Russian sports from the range of sports bets, which in turn has some impact on revenues.

## **SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR**

During the second quarter, Paf reduced the loss limit for how much a customer can lose per year on Paf's Internet business to EUR 17,500 for all markets except the Swedish market where the loss limit will be SEK 190,000. At the same time, a new loss limit for young customers aged 18-19 of EUR 1,800 is introduced for all markets except the Swedish market where the loss limit will be SEK 20,000.

## **FORECAST FOR PROBABLE FUTURE DEVELOPMENT**

The markets in which Paf operates are expected to be characterised by continued growth and consolidation in 2023. Stricter regulatory requirements for how the business should be run can be expected and are welcomed by Paf. An important area of focus is growth in international markets where increased marketing efforts are likely, which in the short term will affect operating profits negatively, however, in the longer term are expected to contribute to greater profitability.

## **CLASSIFICATION OF RISKS**

### **Significant risks**

Paf conducts an ongoing risk assessment which is presented to the board annually. Paf has identified a number of risks that may have a significant impact on the company's business, financial position and profits. Understanding the company's risks is of the utmost importance to the company's Board of Directors.

### **Strategic risks**

Strategic risks consist of changes in expectations in the markets in which Paf operates. Increased competition, higher taxes, stricter regulatory requirements and more expensive marketing channels can lead to lower profitability. If the gaming industry does not control its marketing efforts, there is a risk of lower social acceptance of gambling, which can result in lower future market growth. By operating in several markets, Paf can reduce these risks.



## Operational risks

Paf depends upon good working relationships with external partners. Changes to contractual terms and conditions with e.g. gaming suppliers, payment platforms, banks or technical suppliers can have a negative impact on Paf's growth.

Paf is directly dependent upon the internally developed technical platform and on its IT system functioning and performing well. If Paf does not keep up with technological developments, it risks losing market share. It is important for Paf's IT system to maintain a high level of security to counteract the risk of fraud, money laundering, Distributed Denial of Service (DDoS) attacks and security infringements.

Paf's land and ship-based business can be affected negatively by changes to legislation. Transitions to new technology can cause a need for a write-down requirement which in the short term can affect profitability.

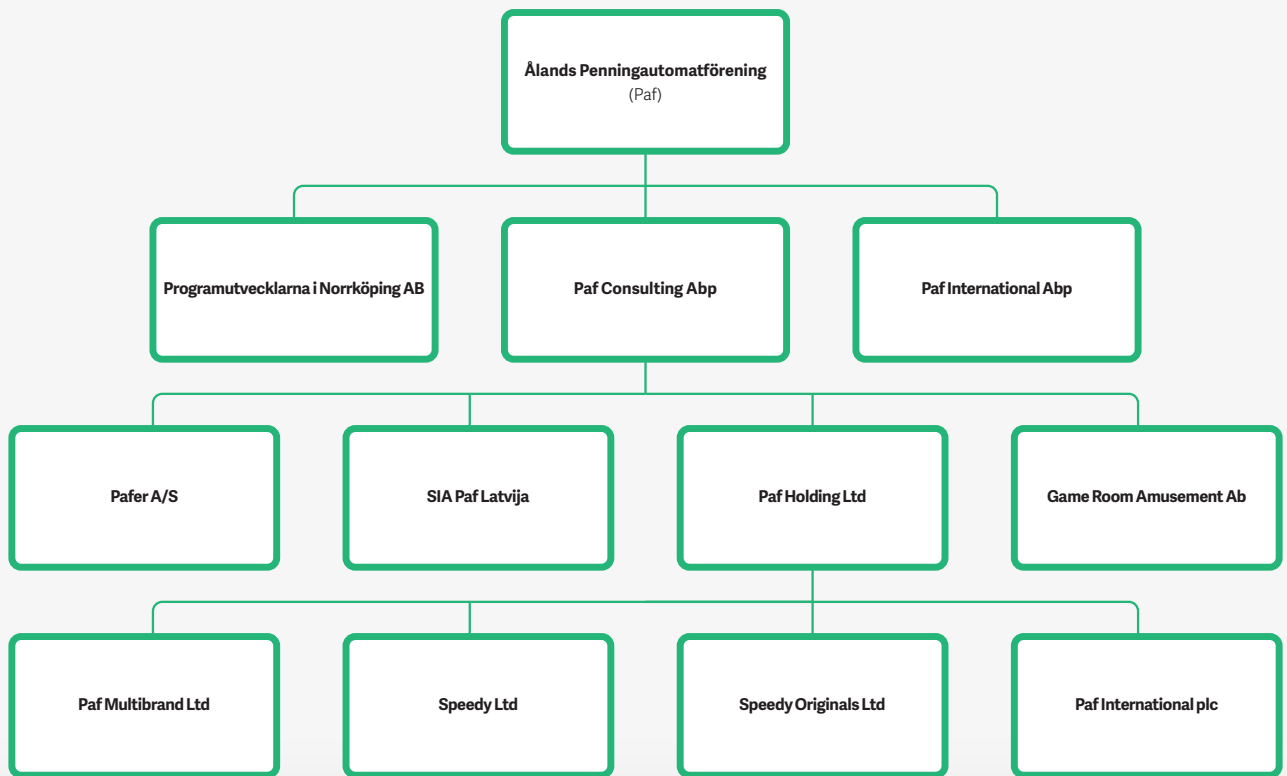
To be able to deliver a first-class customer experience, it is important that the company maintain and recruit the necessary expertise.

## Financial risks

Paf's financial risks can be divided up into credit risk and currency risk. Credit risks can appear in the form of important suppliers or banks becoming insolvent. By working with several suppliers, Paf can minimise the risk. Paf can be affected negatively by major changes in currency values. Primarily, it is a weakening of the Swedish or Norwegian krona that could negatively impact Paf's profits, but the currency risk is relatively low as the majority of income and costs occur in Euros.

## Legal risks

A clear area of risk for Paf, and indeed for the industry as a whole, is that of legal risks. Gaming and lotteries are activities that require permits, and political decisions naturally affect our business. Laws and regulations in the licensed markets are continuously developed and are subject to interpretation by market players. Paf closely follows the development and case law in the area. Different interpretations of the legislation may be subject to the authorities' assessments. Potential legal proceedings against Paf could cause considerable costs and a loss of trust.



## GROUP OVERVIEW

At the end of 2022, the Paf Group consisted of the parent company Ålands Penningautomatförening with the subsidiaries Paf Consulting Abp, Programutvecklarna i Norrköping AB and Paf International Abp. Paf Consulting Abp in turn is the owner of the subsidiaries Pafer A/S, SIA Paf Latvija and Paf Holding Ltd. The subsidiaries Paf Multibrand Ltd, Speedy Ltd, Speedy Originals Ltd and Paf International Plc are under Paf Holding Ltd.

### Active companies

Ålands Penningautomatförening offers physical gaming on Åland and onboard vessels registered in Åland, as well as international gaming operations on the Internet.

Paf Consulting Abp conducts gaming activities on foreign-flagged vessels.

Paf Consulting Abp forms a sub-group consisting of Pafer A/S, SIA Paf Latvija, Paf Consulting Sverige AB (dormant), Game Room Amusement Ab and Paf Holding Ltd which in turn owns Paf Multibrand Ltd, Speedy Ltd, Speedy Originals Ltd and Paf International Plc. Paf Consulting Abp Group's main business areas consist of ship-based gaming operations and Internet gaming on the international market. The various business branches are divided between the Paf Consulting group's different companies.

Programutvecklarna i Norrköping AB develops and provides Paf's bingo software.

Paf International Abp operates Paf's Spanish online business under the brand name www.paf.es.

## GAMING LICENCES

### **Paf conducts licensed operations under the following national gaming licences:**

Åland: Ålands Penningautomatförening: gaming licence online, on Åland and on-board ships

National Regulatory Authority: Swedish Gambling Authority, Åland

Estonia: Pafer A/S: gaming licence online and onboard ships

National Regulatory Authority: EMTA (Estonian Tax and Customs Board)

Latvia: SIA Paf Latvija: online gaming licence

National Regulatory Authority: IAUI (Lotteries and Gambling Supervision of Latvia)

Spain: Paf Consulting Abp: online gaming licence

National Regulatory Authority: DGOJ (Directorate General for the Regulation of Gambling)

Sweden: Paf Consulting Abp: gaming licence online and onboard ships, Paf Multibrand Ltd,

Speedy Originals Ltd and Speedy Ltd: gaming licence online

National Regulatory Authority: Swedish Gambling Authority



The Board of Directors

## Organisation and management

### Board

At the beginning of 2022, the board consisted of chair Jan-Mikael von Schantz, vice-chair Gunnar Westerlund, members Birgitta Eriksson, Denise Johansson and Roger Nordlund.

No changes have been made to the Board of Directors during the year.

### CEO and Group management

At the beginning of 2022, Paf's group management consisted of CEO Christer Fahlstedt, Deputy CEO Daniela Johansson, COO Land & Ship Lasse Danielsson, CFO Per Sahlberg, CMO Goran Ristic, CPO Sara Björk-Södergård, CTO Francois Maugis, CGO Kim Johansson, General Counsel Sara Landgren and SVP Public Affairs Sverker Skogberg.

### Changes during the year

In January 2022, Francois Maugis left the Executive Board.



The Executive Board

## Auditors

The auditors appointed by the Government of Åland for Ålands Penningautomatförening are David Mattsson (CGR) and Jessica Björkgren (CGR). Their deputies are Petter Westerback (CGR) and Henry Maarala (CGR).

## Board proposal for profit allocation for Ålands Penningautomatförening

The Board of Directors proposes that EUR 33.1 million of the EUR 44.4 million profit for the year be distributed to the Government of Åland for allocation to non-profit activities. At the same time, the Board wishes to extend their thanks to the management and staff for their excellent work.

# Key ratios

Ålands Penningautomatförening

Financial statement for the period 01/01 - 31/12/22

<b>RELATIONSTAL</b>		<b>1 000 €</b>				
<b>Koncernen</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	
Revenue	111,821	114,205	113,008	135,001	165,662	
Operating profit	24,742	26,151	17,420	35,691	48,484	
Profit/loss before tax	24,950	26,060	17,357	35,397	46,882	
Net profit	24,622	25,630	16,687	34 340	44,789	
Operating margin	22.1 %	22.9 %	15.4 %	26.4 %	29.3 %	
Profit as % of sales	22.0 %	22.4 %	14.8 %	25.4 %	27.0 %	
Return on equity in % (ROE)	20.3 %	19.5 %	13.6 %	28.5 %	31.5 %	
Return on invested capital in % (ROI)	20.4 %	19.7 %	14.5 %	28.8 %	33.1 %	
Equity/assets ratio	88.2 %	87.4 %	83.3 %	84.8 %	87.1 %	
Investments in tangible assets	4,405	3,038	2,130	869	1,234	
Investments in intangible assets	2,087	2,291	3,908	11,579	1,025	
Investments in tangible and intangible assets	6,492	5,330	6,038	12,448	2,259	
Average number of employees	351	372	349	334	329	
<b>Parent company Ålands Penningautomatförening</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	
Revenue	89,404	87,972	71,277	81,293	96,106	
Operating profit	24,374	30,646	19,710	32,722	43,273	
Profit/loss before tax	24,673	30,634	19,820	32,837	44,775	
Net profit	24,654	30,616	19,791	32,810	44,373	
Operating margin	27.3 %	34.8 %	27.7 %	40.3 %	45.0 %	
Profit as % of sales	27.6 %	34.8 %	27.8 %	40.4 %	46.2 %	
Return on equity in % (ROE)	20.5 %	23.1 %	15.5 %	25.9 %	30.1 %	
Return on invested capital in % (ROI)	20.3 %	22.8 %	15.4 %	25.5 %	30.1 %	
Equity/assets ratio	87.7 %	87.2 %	87.8 %	89.5 %	92.2 %	
Investments in tangible assets	2,370	1,187	1,648	812	778	
Investments in intangible assets	1,640	2,291	3,898	737	952	
Investments in tangible and intangible assets	4,011	3,479	5,546	1,549	1,730	
Capital investments	1,243	8,510	0	0	0	
Total investments	5,253	11,989	5,546	1,549	1,730	
Gross investments as % of revenues	5.9 %	13.6 %	7.8 %	1.9 %	1.8 %	
Average number of employees	291	305	257	245	240	
Distribution of profits	21,000	40,000	15 000	20,500	*33 100	
Lottery tax to the Finnish government	12,583	12,015	10,207	5,093	3,494	

\*Board's proposed allocation

## Definitions of key figures

<b>Revenue</b>	Sales income – winnings payments – lottery taxes and similar taxes	
<b>Return on equity in % (ROE)</b>	$\frac{\text{profit before tax} - \text{taxes}}{\text{equity} + \text{minority interests}}$	×100
<b>Return on invested capital in % (ROIC)</b>	$\frac{\text{profit before tax} + \text{interest costs} + \text{other financial expenses}}{\text{balance sheet total} - \text{interest-free short-term liabilities}}$	×100
<b>Equity/assets ratio</b>	$\frac{\text{equity} + \text{minority interests} + \text{voluntary provisions}}{\text{balance sheet total} - \text{advances received}}$	×100
<b>Average number of employees</b>	Calculated as an average of the number of employees at the end of the calendar months, taking into consideration part-time employment	

For ROE and ROIC the ratio's divisor is calculated as an average of the values in the balance sheet for the financial period and for the previous financial period.

# Year-End Accounts

Ålands Penningautomatförening

Financial statement for the period 01/01 - 31/12/22

## PROFIT AND LOSS ACCOUNT

		Parent company		Group	
	Note	2022	2021	2022	2021
<b>REVENUE</b>	R1	<b>96,105,786</b>	<b>81,293,237</b>	<b>165,661,788</b>	<b>135,000,703</b>
Other operating income		11,145,406	9,023,462	10,122,723	6,773,586
<b>Materials and services</b>					
Purchases during the accounting period		-21,108	-18,483	-4,092,314	-5,023,190
Total purchased services		-18,809,286	-14,487,577	-35,405,518	-25,253,423
		<b>-18,830,394</b>	<b>-14,506,060</b>	<b>-39,497,831</b>	<b>-30,276,613</b>
<b>Staff costs</b>	R2				
Salaries and remuneration		-16,280,296	-15,432,161	-19,622,503	-18,892,778
Pension costs		-2,264,223	-2,169,503	-2,454,594	-2,374,458
Other payroll expenses		-1,613,796	-1,388,440	-2,388,818	-2,109,105
		<b>-20,158,315</b>	<b>-18,990,104</b>	<b>-24,465,915</b>	<b>-23,376,341</b>
Capitalised development costs		951,972	721,705	951,972	721,705
<b>Depreciation and impairment</b>					
Depreciation/amortisation according to plan		-2,463,504	-3,001,094	-3,920,062	-4,656,751
Amortisation of goodwill		0	0	-6,285,707	-5,396,612
Write-down of fixed assets		-45,543	0	-45,543	0
		<b>-2,509,047</b>	<b>-3,001,094</b>	<b>-10,251,312</b>	<b>-10,053,363</b>
Other operating expenses	R3	-23,432,046	-21,819,026	-54,037,379	-43,098,313
<b>OPERATING PROFIT</b>		<b>43,273,362</b>	<b>32,722,119</b>	<b>48,484,045</b>	<b>35,691,364</b>
<b>Financial income and costs</b>					
Interest income from group companies		1,659,935	238,243	0	0
Other interest and financial income		245,137	56,691	602,953	586,072
Interest costs to group companies		-3,881	-23,043	0	0
Other interest and financial costs		-399,945	-156,932	-2,205,156	-880,514
		<b>1,501,247</b>	<b>114,959</b>	<b>-1,602,203</b>	<b>-294,442</b>
<b>PROFIT/LOSS BEFORE TAX</b>		<b>44,774,608</b>	<b>32,837,078</b>	<b>46,881,841</b>	<b>35,396,922</b>
Tax for the year and previous years		-401,559	-27,128	-2,393,114	-1,236,317
Deferred taxes		0	0	300,272	179,816
<b>ACCOUNTING PERIOD PROFIT/LOSS</b>		<b>44,373,050</b>	<b>32,809,951</b>	<b>44,788,999</b>	<b>34,340,422</b>



## BALANCE SHEET

		Parent company		Group	
	Note	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>ASSETS</b>					
<b>FIXED ASSETS</b>					
<b>Intangible assets</b>					
Balanced development costs	B1	1,470,562	1,335,327	1,604,878	1,634,249
Licences		0	0	39,846	4,000
Goodwill		0	0	46,272,273	52,574,864
Other long-term expenses		368,168	512,963	368,168	512,963
Advance payments and pending acquisitions		14,207	29,993	35,609	147,458
		<b>1,852,937</b>	<b>1,878,283</b>	<b>48,320,774</b>	<b>54,873,534</b>
<b>Tangible assets</b>					
Land and water areas	B2	16,019,564	16,594,124	16,019,564	16,594,124
Buildings and structures		702,700	702,700	702,700	702,700
Machines and inventories		1,943,418	2,075,830	3,829,343	4,671,878
Advance payments and pending acquisitions		639,323	768,784	659,323	773,482
		<b>19,305,005</b>	<b>20,141,438</b>	<b>21,210,930</b>	<b>22,742,185</b>
<b>Investments</b>					
Shares in group companies	B3	21,258,896	21,158,896	0	0
Other shares and holdings		20,405	20,405	20,405	20,405
		<b>21,279,301</b>	<b>21,179,301</b>	<b>20,405</b>	<b>20,405</b>
<b>TOTAL FIXED ASSETS</b>		<b>42,437,243</b>	<b>43,199,022</b>	<b>69,552,109</b>	<b>77,636,124</b>
<b>CURRENT ASSETS</b>					
<b>Long-term receivables</b>					
Loan receivables		22,390	34,678	22,390	34,678
Long-term receivables from group companies	B5	0	13,000,000	0	0
		<b>22,390</b>	<b>13,034,678</b>	<b>22,390</b>	<b>34,678</b>
<b>Short-term receivables</b>					
Customer receivables		6,378	25,597	2,030,967	944,956
Receivables from group companies	B5	65,734,596	63,187,487	0	0
Other short-term receivables		18,279,609	16,344,392	20,601,935	18,180,329
Accrued income	B10	2,505,173	2,324,634	2,662,387	3,517,209
		<b>86,525,755</b>	<b>81,882,110</b>	<b>25,295,289</b>	<b>22,642,494</b>
<b>Cash and bank</b>	B4	<b>47,220,731</b>	<b>16,578,476</b>	<b>87,582,859</b>	<b>58,112,441</b>
<b>TOTAL CURRENT ASSETS</b>		<b>133,768,876</b>	<b>111,495,264</b>	<b>112,900,538</b>	<b>80,789,613</b>
<b>TOTAL ASSETS</b>		<b>176,206,120</b>	<b>154,694,286</b>	<b>182,452,647</b>	<b>158,425,736</b>
<b>LIABILITIES</b>					
<b>EQUITY</b>					
Other restricted capital	B8	0	0	14,717	14,717
Retained profit		114,892,697	102,572,377	109,523,551	95,661,313
This year's profit		44,373,050	32,809,951	44,788,999	34,340,422
		<b>159,265,747</b>	<b>135,382,328</b>	<b>154,327,267</b>	<b>130,016,452</b>
<b>PROVISIONS</b>					
Other provisions	B7	3,064,053	2,871,808	4,322,120	4,116,715
		<b>3,064,053</b>	<b>2,871,808</b>	<b>4,322,120</b>	<b>4,116,715</b>
<b>Long-term foreign capital</b>					
Deferred tax liabilities	B9	0	0	1,673,896	1,974,168
		<b>0</b>	<b>0</b>	<b>1,673,896</b>	<b>1,974,168</b>
<b>Short-term foreign capital</b>					
Liabilities to suppliers		1,227,442	3,351,707	5,426,848	5,898,876
Advances received		150,230	144,891	225,644	192,373
Short-term liabilities to group companies	B6	5,372,120	6,440,671	0	0
Other short-term liabilities		3,641,931	3,539,192	10,284,296	10,323,061
Accrued income	B10	3,484,596	2,963,689	6,192,575	5,904,092
		<b>13,876,320</b>	<b>16,440,150</b>	<b>22,129,363</b>	<b>22,318,401</b>
<b>TOTAL LIABILITIES</b>		<b>176,206,120</b>	<b>154,694,286</b>	<b>182,452,647</b>	<b>158,425,736</b>

## FINANCIAL ANALYSIS PARENT COMPANY

Parent company	2022	2021
<b>Cash flow from operating activities</b>		
Operating profit	43,273,362	32,722,119
Correction for non-cash items	2,711,662	3,096,572
Changes in working capital	-7,207,476	-25,431,445
Financial income and costs	1,501,247	114,959
Taxes	-401,559	-27,128
<b>Net cash flow of business activities</b>	<b>39,877,235</b>	<b>10,475,078</b>
<b>Investments</b>		
Net investments in intangible assets	-946,503	-721,705
Net investments in tangible assets	-700,765	-743,135
Investment in subsidiaries	-100,000	0
Repayment of capital loans to subsidiaries	13,000,000	0
<b>Total investment cash flow</b>	<b>11,252,732</b>	<b>-1,464,840</b>
<b>Cash flow before financing</b>	<b>51,129,967</b>	<b>9,010,238</b>
<b>Financing</b>		
Increase/reduction in long-term receivables	12,288	466,384
Allocated profits	-20,500,000	-15,000,000
<b>Total financing cash flow</b>	<b>-20,487,712</b>	<b>-14,533,616</b>
<b>Change in cash and cash equivalents</b>	<b>30,642,255</b>	<b>-5,523,378</b>
Cash and cash equivalents 01/01	16,578,476	22,101,854
<b>Cash and cash equivalents 31/12</b>	<b>47,220,731</b>	<b>16,578,476</b>

## FINANCIAL ANALYSIS GROUP

Group	2022	2021
<b>Cash flow from operating activities</b>		
Operating profit	48,484,045	35,691,364
Correction for non-cash items	10,514,330	10,448,146
Changes in working capital	-2,841,833	-5,784,739
Financial income and costs	-1,587,936	-294,442
Taxes	-2,393,114	-1,236,317
<b>Net cash flow of business activities</b>	<b>52,175,492</b>	<b>38,824,014</b>
<b>Investments</b>		
Acquisition of companies excluding surplus values	0	-507,485
Net investments in intangible assets	-991,267	-20,739,767
Net investments in tangible assets	-1,278,828	-714,101
<b>Total investment cash flow</b>	<b>-2,270,095</b>	<b>-21,961,353</b>
<b>Cash flow before financing</b>	<b>49,905,396</b>	<b>16,862,660</b>
<b>Financing</b>		
Increase/reduction in long-term receivables	12,288	16,384
Allocated profits	-20,500,000	-15,000,000
Other	52,733	122,423
<b>Total financing cash flow</b>	<b>-20,434,979</b>	<b>-14,861,193</b>
<b>Change in cash and cash equivalents</b>	<b>29,470,418</b>	<b>2,001,468</b>
Cash and cash equivalents 01/01	58,112,441	55,012,890
Cash and cash equivalents in acquired subsidiaries at the time of acquisition	0	1,098,084
<b>Cash and cash equivalents 31/12</b>	<b>87,582,859</b>	<b>58,112,441</b>

## INFORMATION ON ACCOUNTING PRINCIPLES

### General

The financial statements have been prepared in accordance with the Accounting Act and the Accounting Regulation and other provisions in force in Finland concerning the preparation of financial statements.

### Revenue

Turnover is reported after deducting lottery tax and jackpot reserves.

### Consolidation principles

The group accounts have been prepared according to the purchase method. The difference between the acquisition costs for subsidiaries and the equivalent equity has been reported as group goodwill/group passives. Group goodwill has been amortized over ten years.

The group's internal transactions, internal profits, internal profit distribution and internal receivables and liabilities have been eliminated.

### Translation differences

The currency conversion differences prompted by the unrestricted equity have been included in the group's unrestricted equity and the conversion differences prompted by the restricted equity have been included in the item Other restricted equity.

### Foreign currency items

Assets and liabilities in foreign currencies have been converted to Euros at the balance sheet date rate. Foreign subsidiaries' profit and loss accounts have been converted to EUR according to the accounting period's monthly average rate, while the balance sheet has been converted at the balance sheet date rate.

### Capitalised development costs

Activated development costs on their own account refer to the period's direct expenses for salaries and other staff-related costs, as well as direct expenses attributed to development projects recorded as assets in the balance sheet. A precondition for activation is that it concerns a significant new development.

### Depreciation principles

The fixed assets have been included in the balance sheet as acquisition expenses with deductions for scheduled depreciations. The scheduled depreciations have been calculated linearly and are based on the fixed assets' economic useful life.

Expenses which generate revenue over three or more years have been activated and depreciated during the usage period. Smaller acquisitions are expensed directly at the time of acquisition.

The depreciation periods applied are:

### Intangible assets

Gaming platforms and basic investments in larger computer systems and licences	3-5 years
Gaming products and licences	3-5 years
Investments in rented premises	5-6 years
Goodwill	10 years

### Tangible assets

Properties	40 years
Light structures	5-10 years
Gaming equipment	3-6 years
Cars	5-7 years
Inventories	3-5 years
Other tangible assets	5 years

## NOTES ON THE PROFIT AND LOSS ACCOUNT

		Parent company		Group	
	Note	2022	2021	2022	2021
<b>Revenues by geographic area</b>					
	R1				
Åland – land-based gaming		1,637,874	1,508,531	1,637,874	1,508,531
Gaming on board ships		11,243,061	5,991,469	21,911,755	12,296,632
Internet		83,224,850	73,793,237	142,112,159	121,195,541
		<b>96,105,786</b>	<b>81,293,237</b>	<b>165,661,788</b>	<b>135,000,703</b>
<b>Revenues by business area</b>					
Casino gaming and lotteries on land and on ships		12,880,936	7,500,000	23,549,629	13,805,163
Online gaming		83,224,850	73,793,237	142,112,159	121,195,541
		<b>96,105,786</b>	<b>81,293,237</b>	<b>165,661,788</b>	<b>135,000,703</b>
<b>Internet turnover by customer segment (EUR)</b>					
Gross gaming profits*					
> 30,000				0	0
15,001 - 30,000				16,890,079	14,026,102
8,001 - 15,000				42,019,085	29,342,290
0,01 - 8,000				163,851,378	134,369,798
Winning players				-46,191,446	-43,161,469
<b>Total</b>				<b>176,569,096</b>	<b>134,576,721</b>
Lottery tax, jackpot provisions and other items that do not impact customer balances				-34,456,937	-19,644,809
<b>Total Internet</b>				<b>142,112,159</b>	<b>114,931,912</b>
*Gross gaming profits = gaming revenues - profits - bonuses					
<b>Average number of employees</b>					
	R2	<b>240</b>	<b>245</b>	<b>329</b>	<b>334</b>
<b>Management salaries and remuneration</b>					
Salaries for parent company CEO and deputy		-655,342	-577,172	-655,342	-577,172
Salaries for subsidiaries' CEOs and deputies		0	0	-123,399	-111,904
Board fees		-109,300	-105,725	-109,300	-105,725
<b>Total</b>		<b>-764,642</b>	<b>-682,897</b>	<b>-888,041</b>	<b>-794,801</b>
<b>Fees to accounting firms</b>					
	R3				
<u>KPMG</u>					
Audit fees		27,661	38,653	70,976	83,612
Fees for tax advice		35,864	0	35,864	0
Fees for other services		7,763	24,387	7,763	28,191
<b>Total</b>		<b>71,288</b>	<b>63,040</b>	<b>114,603</b>	<b>111,803</b>
<u>Christopher Attard &amp; Associates</u>					
Audit fees		0	0	36,580	0
Fees for other services		0	0	4,838	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>41,418</b>	<b>0</b>
<u>SIA Revidentu birojs Gatis Sviklis Lāsma Svikle</u>					
Audit fees		0	0	1,210	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>1,210</b>	<b>0</b>

## NOTES ON THE BALANCE SHEET

	Parent company		Group		
INTANGIBLE FIXED ASSETS	Note	2022	2021	2022	2021
	B1				
<b>Balanced development costs</b>					
Opening acquisition values		10,611,556	10,149,094	11,515,406	11,069,445
Transfers between items		1,096,767	462,462	1,096,766	462,461
Currency conversion differences		0	0	-60,063	-16,500
Closing accumulated acquisition values		11,708,323	10,611,556	12,552,110	11,515,406
Opening depreciations according to plan		-9,276,229	-8,117,503	-9,881,158	-8,576,012
Depreciations for the period		-961,531	-1,158,726	-1,109,255	-1,313,490
Currency conversion differences		0	0	43,179	8,344
Closing accumulated depreciations		-10,237,761	-9,276,229	-10,947,233	-9,881,158
<b>Total balanced development costs</b>		<b>1,470,562</b>	<b>1,335,327</b>	<b>1,604,878</b>	<b>1,634,249</b>
<b>Licences</b>					
Opening acquisition values		0	0	20,000	20,000
Investments for the period		0	0	62,551	0
Closing accumulated acquisition values		0	0	82,551	20,000
Opening depreciations according to plan		0	0	-16,000	-12,000
Depreciations for the period		0	0	-26,704	-4,000
Closing accumulated depreciations		0	0	-42,704	-16,000
<b>Total licences</b>		<b>0</b>	<b>0</b>	<b>39,846</b>	<b>4,000</b>
<b>Goodwill</b>					
Opening acquisition values		893,179	893,179	75,987,595	56,011,761
Acquisitions		0	0	0	19,992,334
Currency conversion differences		0	0	-60,063	-16,500
Closing accumulated acquisition values		893,179	893,179	75,927,532	75,987,595
Opening depreciations according to plan		-893,179	-893,179	-23,412,731	-18,024,464
Depreciations for the period		0	0	-6,285,707	-5,396,612
Currency conversion differences		0	0	43,180	8,345
Closing accumulated depreciations		-893,179	-893,179	-29,655,258	-23,412,731
<b>Total goodwill</b>		<b>0</b>	<b>0</b>	<b>46,272,273</b>	<b>52,574,864</b>
<b>Advance payments and ongoing projects</b>					
Opening acquisition values		512,963	253,720	512,963	253,720
Investments for the period		951,972	736,975	951,972	736,975
Sold/discarded/expensed		0	-15,271	0	-15,271
Transfers between items		-1,096,767	-462,462	-1,096,767	-462,462
Closing accumulated acquisition values		368,168	512,963	368,168	512,963
<b>Total advance payments and ongoing projects</b>		<b>368,168</b>	<b>512,963</b>	<b>368,168</b>	<b>512,963</b>
<b>Other long-term expenses</b>					
Opening acquisition values		21,747,350	21,747,350	22,051,840	22,029,800
Investments for the period		0	0	10,510	42,040
Sold/discarded		-11,718	0	-316,706	-20,000
Closing accumulated acquisition values		21,735,632	21,747,350	21,745,645	22,051,840
Opening depreciations according to plan		-21,717,356	-21,663,602	-21,904,383	-21,776,481
Depreciations for the period		-10,318	-53,754	-71,978	-147,902
Sold/discarded		6,250	0	266,324	20,000
Closing accumulated depreciations		-21,721,425	-21,717,356	-21,710,036	-21,904,383
<b>Total other long-term expenses</b>		<b>14,207</b>	<b>29,993</b>	<b>35,609</b>	<b>147,458</b>
<b>INTANGIBLE ASSETS TOTAL</b>		<b>1,852,937</b>	<b>1,878,283</b>	<b>48,320,774</b>	<b>54,873,534</b>

## NOTES ON THE BALANCE SHEET

	Parent company		Group		
TANGIBLE FIXED ASSETS	Note	2022	2021	2022	2021
	B2				
<b>Buildings</b>					
Opening acquisition values		22,525,565	22,512,059	22,525,565	22,512,059
Investments for the period		0	13,506	0	13,506
Closing accumulated acquisition values		22,525,565	22,525,565	22,525,565	22,525,565
Opening depreciations according to plan		-5,931,441	-5,358,756	-5,931,441	-5,358,756
Depreciations for the period		-574,560	-572,685	-574,560	-572,685
Closing accumulated depreciations		-6,506,001	-5,931,441	-6,506,001	-5,931,441
<b>Total buildings</b>		<b>16,019,564</b>	<b>16,594,124</b>	<b>16,019,564</b>	<b>16,594,124</b>
<b>Land and water areas</b>					
Opening acquisition values		702,700	702,700	702,700	702,700
Closing accumulated acquisition values		702,700	702,700	702,700	702,700
<b>Total land and water areas</b>		<b>702,700</b>	<b>702,700</b>	<b>702,700</b>	<b>702,700</b>
<b>Machines and inventories</b>					
Opening acquisition values		24,931,918	24,936,556	35,215,945	35,297,961
Investments for the period		99,032	133,255	502,575	190,723
Sold/discarded		-1,617,554	-609,221	-1,699,672	-743,384
Transfers between items		761,479	471,328	766,178	471,328
Currency conversion differences		0	0	-2,485	-683
Closing accumulated acquisition values		24,174,876	24,931,918	34,782,541	35,215,945
Opening depreciations according to plan		-22,409,631	-21,734,515	-30,089,433	-28,060,271
Depreciations for the period		-917,094	-1,215,929	-2,031,133	-2,618,674
Acquisitions		-34,533	0	-34,533	0
Sold/discarded		1,576,259	540,813	1,654,655	589,100
Currency conversion differences		0	0	1,879	412
Closing accumulated depreciations		-21,784,999	-22,409,631	-30,498,565	-30,089,433
Opening amortisation		-446,458	-446,458	-454,633	-454,633
Closing accumulated amortisation		-446,458	-446,458	-454,633	-454,633
<b>Total machines and inventories</b>		<b>1,943,418</b>	<b>2,075,830</b>	<b>3,829,343</b>	<b>4,671,878</b>
<b>Advance payments and ongoing projects</b>					
Opening acquisition values		768,784	575,330	773,482	580,382
Investments for the period		679,031	665,002	731,315	664,648
Sold/discarded		-47,013	-27,898	-79,297	-27,898
Transfers between items		-761,479	-443,650	-766,177	-443,650
Closing accumulated acquisition values		639,323	768,784	659,323	773,482
<b>Total advance payments and ongoing projects</b>		<b>639,323</b>	<b>768,784</b>	<b>659,323</b>	<b>773,482</b>
<b>TANGIBLE ASSETS TOTAL</b>		<b>19,305,005</b>	<b>20,141,438</b>	<b>21,210,930</b>	<b>22,742,185</b>

## NOTES ON THE BALANCE SHEET

	Parent company		Group	
Note	2022	2021	2022	2021
<b>INVESTMENTS</b>	B3			
<b>Parent company's investments</b>				
<b>Shares in group companies</b>				
Acquisition costs at the start of the period	47,231,937	47,231,937		
Increases	100,000	0		
Acquisition costs at the end of the period	47,331,937	47,231,937		
Previous amortisation	-26,073,041	-26,073,041		
<b>Book value at the end of the period</b>	<b>21,258,896</b>	<b>21,158,896</b>		
<b>Investments in other shares and holdings</b>				
Acquisition costs at the start of the period	3,229,946	3,229,946		
Acquisition costs at the end of the period	3,229,946	3,229,946		
Previous amortisation	-3,209,541	-3,209,541		
<b>Book value at the end of the period</b>	<b>20,405</b>	<b>20,405</b>		
<b>Total investments</b>	<b>21,279,301</b>	<b>21,179,301</b>		
<b>Parent company's subsidiaries</b>	B3	<b>2022</b>	<b>2021</b>	
<b>Paf Consulting Abp, Åland</b>				
Ownership	100 %	100 %		
Value on balance sheet	19,406,389	19,406,389		
Equity at the end of the accounting period	20,451,374	14,951,864		
Accounting period profit/loss	8,145,473	6,833,125		
<b>Programutvecklarna i Norrköping AB, Sweden</b>				
Ownership	100 %	100 %		
Value on balance sheet	1,752,507	1,752,507		
Equity at the end of the accounting period	279,763	349,961		
Accounting period profit/loss	-44,756	14,623		
<b>Paf International Abp, Åland</b>				
Ownership	100 %			
Value on balance sheet	100,000			
Equity at the end of the accounting period	2,714,445			
Accounting period profit/loss	-15,040			
<b>Other group companies</b>				
<b>Group companies</b>	<b>Parent company</b>	<b>Share 2022</b>	<b>Share 2021</b>	
Pafer A/S, Estland	Paf Consulting Abp	100 %	100 %	
SIA Paf Latvija, Lettland	Paf Consulting Abp	100 %	100 %	
Paf Consulting Sverige AB, Sverige	Paf Consulting Abp	100 %	100 %	
Paf Holding Ltd, Malta	Paf Consulting Abp	100 %	100 %	
Paf Multibrand Ltd, Malta	Paf Holding Ltd	100 %	100 %	
Paf International Plc, Malta	Paf Holding Ltd	100 %	100 %	
Speedy Ltd, Malta	Paf Holding Ltd	100 %	100 %	
Speedy Originals Ltd, Malta	Paf Holding Ltd	100 %	100 %	
<b>CASH AND CASH EQUIVALENTS</b>	B4	<b>2022</b>	<b>2021</b>	<b>2022</b> <b>2021</b>
Customer assets	1,376,060	1,379,992	3,312,723	2,958,886
Other cash and bank	45,844,671	15,198,484	84,270,136	55,153,555
<b>Total cash and bank</b>	<b>47,220,731</b>	<b>16,578,476</b>	<b>87,582,859</b>	<b>58,112,441</b>



## NOTES ON THE BALANCE SHEET

	Parent company		Group	
	2022	2021	2022	2021
<b>CLAIMS IN THE SAME GROUP</b>				
<b>Long-term receivables from group companies</b>				
Loan receivables	0	13,000,000		
	<b>0</b>	<b>13,000,000</b>		
<b>Short-term receivables in group companies</b>				
Customer receivables	2,301,070	3,404,561		
Other receivables	63,433,526	59,782,926		
	<b>65,734,596</b>	<b>63,187,487</b>		
<b>DEBTS IN THE SAME GROUP</b>				
<b>Short-term liabilities to group companies</b>				
Supplier debts	281,945	0		
Other liabilities	5,090,175	6,440,671		
	<b>5,372,120</b>	<b>6,440,671</b>		
<b>PROVISIONS</b>				
<b>Other provisions</b>				
Jackpot provisions	3,064,053	2,871,808	4,322,120	4,116,715
	<b>3,064,053</b>	<b>2,871,808</b>	<b>4,322,120</b>	<b>4,116,715</b>
<b>ACCRUALS AND DEFERRED INCOME</b>				
<b>Active performance regulation</b>				
Accrued revenue	684,829	310,449	992,291	566,127
Prepaid insurance premiums	20,334	14,447	20,334	14,447
Other prepaid costs	1,800,010	1,999,739	1,649,762	2,936,635
	<b>2,505,173</b>	<b>2,324,634</b>	<b>2,662,387</b>	<b>3,517,209</b>
<b>Passive performance regulation</b>				
Holiday pay debt	2,699,864	2,791,929	2,936,666	3,012,761
Other accrued costs	784,733	171,760	3,255,910	2,891,332
	<b>3,484,596</b>	<b>2,963,689</b>	<b>6,192,575</b>	<b>5,904,092</b>
<b>EQUITY</b>				
<b>Restricted Equity</b>				
<b>Other restricted equity at start of year</b>	0	0	14,717	14,718
Currency conversion differences	0	0	0	-1
<b>Other restricted equity at end of year</b>	0	0	14,717	14,717
<b>Total restricted equity</b>	0	0	14,717	14,717
<b>Balanced profits at start of year</b>	135,382,328	117,572,377	130,001,735	110,669,995
Distribution of profits	-20,500,000	-15,000,000	-20,500,000	-15,000,000
Adjustment of previous year's profit*	10,369	0	103,156	0
Currency conversion differences	0	0	-81,340	-8,683
<b>Earned surplus at end of year</b>	<b>114,892,697</b>	<b>102,572,377</b>	<b>109,523,551</b>	<b>95,661,313</b>
<b>Accounting period profit/loss</b>	<b>44,373,050</b>	<b>32,809,951</b>	<b>44,788,999</b>	<b>34,340,422</b>
<b>Total non-restricted equity</b>	<b>159,265,747</b>	<b>135,382,328</b>	<b>154,312,550</b>	<b>130,001,735</b>
<b>EQUITY</b>	<b>159,265,747</b>	<b>135,382,328</b>	<b>154,327,266</b>	<b>130,016,452</b>
Distributable earnings	157,795,184	134,047,001		
<b>DEFERRED TAX LIABILITIES</b>				
Latent tax liability on distributable capital in subsidiaries			1,673,896	1,974,168

## NOTES ON THE BALANCE SHEET

	Parent company		Group
	31/12/2022	31/12/2021	
<b>COLLATERAL AND RESPONSIBILITIES</b>			
<b>Pledged securities in favour of group companies</b>			
Bank guarantees for which property income has been pledged as security:			
Bank guarantees, principal debtor Paf Consulting Abp	1,000,000	1,000,000	
<b>Other pledged securities and contingent liabilities</b>			
Credit limits for which property income has been pledged as security			
Credit limits	10 000 000	10,000,000	
Total property income pledged as security	10,000,000	10,000,000	
Rental guarantees	155,586	155 586	

### Other financial liabilities not included in the balance sheet

Property investments;

The company is obliged to adjust the VAT deductions that the company has made for a property investment concluded in 2016 if the property's use changes during the adjustment period. The last adjustment year is 2025. The maximum liability amount is EUR 96,165.

## Board and CEO signatures and auditor's endorsement

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The Swedish version of the Paf Annual Report 2022 is the original version that has been signed.

25/4/2023, Jomala

**Christer Fahlstedt** | CEO

**Jan-Mikael von Schantz** | Chairman

**Roger Nordlund**

**Birgitta Eriksson**

**Denise Johansson**

**Gunnar Westerlund**

A report has been issued on the audit on this day.

26/4/2023, Mariehamn

**David Mattsson** | CGR

**Jessica Björkgren** | CGR

## List of accounting books, receipt types and storage methods

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### Accounting books

Trial balance	Bound hard copy
Day book	Stored electronically in Visma Control accounting system
Nominal ledger	Stored electronically in Visma Control accounting system
Purchase ledger	Stored electronically in Visma Control accounting system
Sales ledger	Stored electronically in Visma Control accounting system
Fixed assets register	Stored electronically in Visma Control accounting system
Group summaries	Stored electronically in Aaro consolidated accounts system

Compliance with section 2:10 of the Finnish Bookkeeping Act is ensured since the completed accounting year is locked from editing and the database is backed up to a separate data medium.

### Verification series

AN	Accounts payable invoice register	Paper receipts
AR	Offset of accounts payable	Paper receipts
AV	Periodic depreciation/amortisation of fixed assets	Electronic verification
BOX	Electronic transfer from pre-system	Paper receipts
KB	Payments received on customer invoices	Paper receipts
KR	Customer invoicing	Paper receipts
LB	Payment of invoices	Electronic verification
LF	Final accounting of supplier invoices	Paper receipts
PE	Allocation of accounting events	Electronic verification
RE	Nominal ledger	Paper receipts
IMAN	Accounts payable invoice register in Invoice Manager	Electronic verification
IMAR	Offset of accounts payable in Invoice Manager	Electronic verification
IMLF	Final accounting of accounts payable in Invoice Manager	Electronic verification

## References – images

### **Annika Zetterqvist / visitaland.com**

Cover "Boat illustration"

Page 8, 9, 21 "Miscellaneous illustrations"

### **Alice Åkerblom / alicekerblom.com**

Page 2 "Christer Fahlstedt"

Page 15 "Customer support"

Page 41 "Meetings"

Page 42 "Stairs"

### **Anna Ingman / Paf**

Page 6 "Röda Korset"

Page 18 "grit:lab"

Page 53 "Röda Korset dog"

### **Rädda Barnen Åland**

Page 7 "Rädda Barnen Åland"

### **Folkhälsan Åland**

Page 7 "Folkhälsan Åland"

### **Viking Line**

Page 10–11 "Viking Glory"

### **Tallink Silja**

Page 12 "Tallink Megastar"

### **Utu Laitinen / 500px.com**

Page 12 "Untitled"

Page 22–23 "February Morning"

Page 29 "Mother's Day in Mariehamn"

Page 33 "Pastel Summer Night"

Page 39 "Mornings in Mariehamn"

Page 53–54 "After the Storm"

### **Adobestock.com**

Page 20–21 "Åland rocks"

Page 27 "Young couple"

Page 34–35 "Sunset at Ahvenanmaa"

### **Ludvig Winberg / Paf**

Page 28 "Daniela & Jenna"

Page 30 "Christer speech"

Page 32 "Christer Almedalen"

Page 45 "Paf HQ"

Page 66 "The board"

Page 67 "Group management"

### **Atmozconsulting.se**

Page 38 "Bhadla Solar 2", "Tropical Mix"

### **Archipelago Pares RF / www.aprf.ax**

Page 50 "Bird protection"

Page 51 "Lucas and dog"

