



All of Sweden's gaming company



**SVENSKA
SPEL**



8,361

sports associations all over
Sweden shared SEK 50 million
through Gräsroten

4.5

SEK 4.5 billion
to the public treasury

2.1

million customers

12.2

SEK 12.2 billion in
winnings to customers
all over Sweden

31.5

SEK 31.5 million in grants
to strengthen Swedish
gambling addiction research

“We are all of Sweden’s gaming company.”

6,566

retailers and partners
throughout Sweden

1,678

employees in the
Svenska Spel Group



14

The Swedish gaming market



26

Svenska Spel's operations



42

Sustainable business

Contents

Business description and sustainability report

04	About Svenska Spel
06	Review of 2018
08	Value creation
10	CEO's commentary
13	Interview with the Chairman
14	The Swedish gaming market
20	Stakeholder dialogue
22	Strategy
24	Goals and target fulfilment
26	Operations
28	Sport & Casino business area
30	Business area Tur
32	Casino Cosmopol & Vegas business area
34	Responsible gaming
38	Employees
42	Sustainable business

Financial information and governance

51	Contents and List of Notes
52	Directors' Report
56	Group's financial position and results
58	Facts about Svenska Spel's business areas
60	Risks and risk management
61	Proposed distribution of profits
62	Svenska Spel's mandate
63	Report on the Company's measures under the shareholder directive
68	Corporate Governance Report
72	Internal controls concerning financial reporting
74	Board of Directors
76	Management
	Group
78	Consolidated statement of comprehensive income
79	Balance sheet

80	Cash-flow statement
80	Statement of changes in equity
	Parent Company
81	Income statement
82	Balance sheet
84	Cash-flow statement
85	Statement of changes in equity
86	Notes
106	Annual Report signatures
107	Auditor's Report
110	Assurance Report
111	Five-year summary, the Group
112	Alternative performance measures
113	About Svenska Spel's Sustainability Report
118	GRI Index
121	Other terms
123	Calendar and contacts



The most Swedish gaming company in the world

Svenska Spel is not like other gaming companies. “We are all of Sweden’s gaming company.” We point the way in the new gaming market through gaming enjoyment, responsibility and security. We are needed more than ever.

There are many gaming companies, but we are not like the others.

Svenska Spel is all of Sweden’s gaming company. We exist nationwide, we are characteristically Swedish in our view of responsible gaming and consumer protection, and we are owned by the Swedish State. In this way, everyone shares in our profits. We sponsor Swedish sports and make it possible for elite athletes to devote themselves to their sports and for associations to offer activities for children and young people.

We have a long history. Penninglotteriet was formed in 1897 and Tipstjänst in 1934. The two merged in 1997 to form Svenska Spel. The same year that Tipstjänst was formed, Stryktipset was launched – one of Sweden’s most popular game forms still today.

Stryktipset is gaming at its best. It adds feeling to sports viewing and makes the viewer a player – and occasionally, a winner. The cornerstones of our operations are the most popular forms of games: Stryktipset, Lotto and Triss – the most Swedish of games at the most Swedish gaming company in the world.

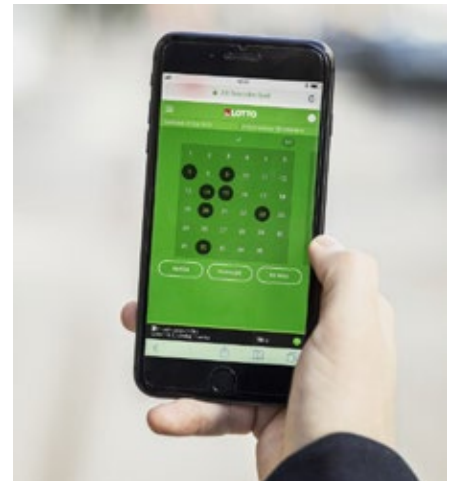
At year-end, the Swedish gaming market opened up for regulated competition under Swedish supervision. That’s good. Now, the same rules apply for all who offer gaming in Sweden. This strengthens the gaming market and benefits consumers.

In connection with the re-regulation, Svenska Spel was divided into three parts. One part operates in the new competitive market for online gaming and betting, and another has lotteries reserved for the State and purposes that benefit the public. The third part has casino games and video lottery terminals, which are still exclusively arranged and which have special requirements for reliability, responsibility and consideration for consumers.

A lot has changed, but a lot is as it always has been. Svenska Spel will remain a safe port in the gaming world, a state-owned company that offers both gaming enjoyment and responsibility, both profits and surplus to the public treasury. The most Swedish gaming company in the world.

We are Svenska Spel and we can be trusted.





New number games

The launch of a simplified subscription service for Lotto and the launch of Rubbet, our number games in a new package.



AB Svenska Spel was granted a license for games reserved for the State, lotteries and video lottery terminals. Svenska Spel Sport and Casino AB were granted licenses for commercial online gaming and betting. Casino Cosmopol AB received a license for casino games and video lottery terminals in casinos.

Strong commitment against match-fixing

Svenska Spel has financed several information gatherings concerning match-fixing and responsible gaming for players, coaches and parents involved in football, handball, floorball and futsal. In total, some 1,500 people have received information.

Review of 2018

Gross gaming revenue* amounted to SEK 8,784 million [8,980], down 2.2%. Gross gaming revenue online grew 20%, of which revenue from gaming via mobile phones rose 39%.

The operating profit amounted to SEK 4,525 million [4,705], down 3.8%. The operating margin was 21.2% [21.8].

Investments amounted to SEK 211 million [254] and refer mainly to new retailer terminals, office renovations and investments ahead of the new gaming license market.

*] As of this year's annual report, the term "gross gaming revenue" has replaced the previously used term "net gaming revenue".

70

Customer satisfaction
index (68)

51%

Image (50%)

84

Awareness index (84)

74 21.2%

Work environment
index (73)

Operating margin (21.8)

New CEO

Patrik Hofbauer was appointed new President and CEO for Svenska Spel and took over on 1 December.

**Stronger customer interaction**

Roll-out of the new retailer terminals at more than 2,200 retailers was completed during the year. The aim was to renew and strengthen in-store customer interaction.

**Renewed support to sports**

A new six-year sponsorship agreement was signed with the Swedish Football Association and Elitfotboll Dam [the Elite Football Association for Women] for a combined value of SEK 385 million. A new three-year partnership agreement was entered with the Swedish Handball Federation and Svensk Elithandboll [the Swedish Elite Handball Association] valued at approximately SEK 36 million. In addition, a three-year agreement as head sponsor for Svenska E-sportföreningen [the Swedish esports Federation] was secured.

Continued focus on research

Svenska Spel extended agreements that guarantee continued financing of gambling addiction research. The agreements run until 2022 and are worth SEK 31.5 million. SEK 7.5 million is earmarked for financing a professorship in gambling addiction at Lund University.

Live casino

An agreement was signed with Evolution Gaming for the delivery of a complete live casino solution, and with NetEnt and Yggdrasil for delivery of online casino games.



The Swedish Gambling Authority imposed a sanction charge of SEK 8 million for deficiencies in Casino Cosmopol's preventive work against money laundering. Svenska Spel chose to appeal the Swedish Gambling Authority's decision. A clear action plan to improve systematic efforts to counter-act money laundering is still top priority.

New organisation as of 1 June 2018

One Group, three business areas

Ahead of the re-regulated gaming market, Svenska Spel has modified the organisation and divided the gaming operations into three different business areas that have separate gaming accounts and customer databases. Svenska Spel will continue to be a consolidated Group with Group-wide functions. The main reason for the division is to ensure compliance with the new gaming regulations and the Competition Act.

The Sport & Casino business area offers sports games, online casino, poker and bingo. The business area Tur includes number games and lottery tickets. Gaming at our four land-based casinos and video lottery terminals have been gathered under the Casino Cosmopol & Vegas business area.

**Sport & Casino Business area****Business area Tur****Casino Cosmopol & Vegas Business area**

258 million

Eurojackpot paid out SEK 258 million – the highest winnings ever in Sweden.

Svenska Spel generates long-term value

Based on external factors, trends in the gaming market and our stakeholders' expectations, we generate value for customers, owners, employees and, not least, society in general.

Svenska Spel is currently Sweden's most well-known gaming company. The business model focuses on fostering gaming enjoyment. By conscientiously working with our three perspectives – customer, employee and owner – we create value for our prioritised stakeholders but also for society in general.

With the market's broadest range of games, we offer our customers an exciting gaming experience via our three business areas. Our cornerstones are the most popular game forms such as Triss, Lotto and Stryktipset. The safe gaming experience is also a central part of our offering. We aim to create a work environment that feels inspiring and stimulating for all our employees, long-term sustainable operations, and good returns to our owners.

Development of our products and services is vital to continuously offer our customers new and improved services. Games should be accessible to all our customers, regardless of whether they interact with us in our digital channels, our

land-based casinos or in physical stores through our nationwide network of retailers.

Our most important contribution is to promote gaming enjoyment in a manner that reduces gaming's harmful effects for the individual and society. Our comprehensive agenda for creating safe environments permeates everything from our support to research to marketing and designing games. Coupled with the surplus that Svenska Spel delivers every year to the public treasury, this helps limit gambling problems in society and thereby lowers the costs associated with these problems.

We promote long-term, sustainable value creation – economic, social and environmental – by allowing the experience and responsibility to go hand-in-hand and by integrating responsibility and sustainability efforts into the business model.

Based on the expectations of our stakeholders...

The dialogue with our stakeholders provides critical information about their expectations and demands, which is valuable input when drafting our strategies and targets. A top-priority sustainability issue is responsible gaming.

...Svenska Spel generates through its business...

Svenska Spel Group offers a range of exciting and entertaining gaming experiences in a responsible and secure manner.

Group goals are defined for growth, profitability, customers' trust, safe customers and committed employees [see page 24].

The principle strategies include facilitating and increasing the Group's rate of innovation and development, retaining a high level of trust among the Swedish people, securing a sustainable business with sound customers, and safeguarding a dynamic corporate culture.



Svenska Spel's value to society (according to GRI)

SEK million	Stakeholders	2018	2017
Created value			
Revenue ¹	Customers	7,781	7,776
Distributed value			
Salary and remuneration to employees	Employees	-1,146	-1,095
Payment to the Swedish State ²	Owner [society]	-4,691	-4,823
Sponsorship of Swedish sports ³	Society	-283	-254
Gräsroten ⁴	Society	-58	-58
Scholarships to Swedish sports ⁵	Society	-4	-4
Research	Society	-9	-9
Other operating costs	Suppliers	-1,538	-1,436
Economic value retained		51	97

1. Net revenues from gaming operations, etc. and financial income.
2. Dividends to the owner, the Swedish State, for 2017 and 2016 respectively.
3. Sponsorship and activities for sports associations and federations. Gräsroten sponsorship is reported separately.
4. Sponsorship of the country's sports associations and their youth operations.
5. Elite sports scholarship and the Sports Journalist Scholarship.

... value for customers, owners, employees and society

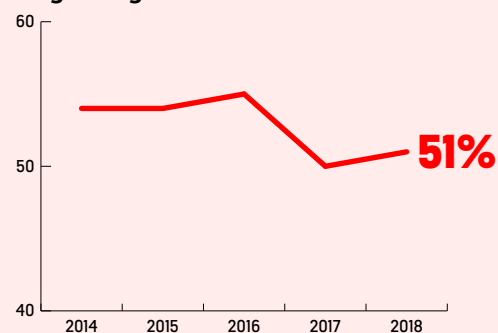
SEK 12.2 billion in winnings to customers all over Sweden in 2018

70
CSI 2018

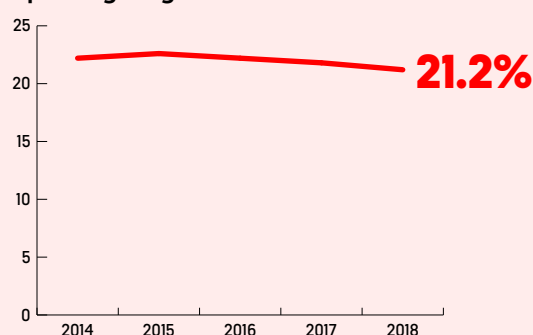
SEK 24 billion to the public treasury the past 5 years

71 Employee commitment in 2018

Image rating 2014–2018



Operating margin



A man with short brown hair and a slight smile, wearing a dark grey suit jacket over a white button-down shirt. He is standing in front of a dark, modern office environment with glass partitions and a desk lamp visible in the background.

**CEO's
commentary**

Full focus on our customers' gaming experience

Svenska Spel is entertainment, exciting experiences and dreams – all within our broad range of attractive brands. In 2018, we distributed the most million wins in the entire country and the highest winnings ever in Sweden through Eurojackpot. Our games added extra excitement to the summer's FIFA World Cup in Russia, and we gave our casino guests some memorable moments.

We partnered with sports to support everything from grassroots to elite teams, we extended our support to gambling research and all of our profits went back to society. And we are going to do all this and more in 2019.

2018 was a year of extremely strong digital growth for Svenska Spel. In total, online gross gaming revenue increased 20%, which substantially contributed to a consolidated profit of more than SEK 4.5 billion. The surplus is transferred in its entirety to the State and will thereby benefit society at large. At the same time, Sweden gained 356 new millionaires and Svenska Spel paid out a total of SEK 12.2 billion in winnings to its customers.

We enhanced our sports games offering by considerably increasing the selection of matches in terms of live games and higher payout percentage for Oddset. On the games of chance side, we launched a new packaging of our number game Rubbet and noted new all-time-high sales records for Eurojackpot.

I also want to direct attention to our committed and motivated employees. It is thanks to our employees in the entire Group that Svenska Spel has such a popular range of products and such loyal customers.

But Svenska Spel also faced challenges of unprecedented magnitude in 2018. The new gaming regulations that took effect on 1 January 2019 required a clear division of the Group. This made it a year of intensive, resource-intensive preparations as we carried out the largest restructuring of the company in the history of Svenska Spel – and what was the Group's largest IT project ever. This placed considerable demands on the commitment and tenacity of our employees, and was only possible through exhaustive collaboration and enormous effort.

The challenge for 2019 is completely different. Svenska Spel has always stood for being caring and will continue to do so in the new Swedish licensed market. But we will also become more proactive.

Immediately after the new year, Svenska Spel Sport & Casino launched online casino games and betting on horses. As I see it, this is just the beginning.

Svenska Spel is the biggest in the Swedish gaming market with millions of customers, a customer satisfaction rating of about 70% and a high image rating. Even before, our product portfolio included some of Sweden's most popular games. Now, through the licensed market, we have the opportunity to broaden our range even more. Svenska Spel will face tough competition but, for the first time, we do so on equal terms. It is inspiring, to say the least, to take over as president at a time like this.

Svenska Spel can focus entirely on strengthening its customer offering in 2019. We will pursue the transformation of our business model by expanding the digital product and service offering while simultaneously putting a premium on direct customer interactions at more than 5,000 local retailers from – Ystad till Haparanda. Svenska Spel is unique as a gaming company: Not only do we give back to all our winners – we use the profits to do something good and to make sure that Swedish society can benefit from the money.

Svenska Spel will continue to intensify its collaboration with sports and long-term commitment will be our watchword, now as before. Gold medals in major championships are outstanding and something that cultivates pride and a feeling of togetherness in the entire country! But most importantly, they inspire children and young people, make them want to try out the sport, to get moving, to work as a team and to work through the highs and the lows together. That is the real win for society.

In general, our sponsorship agreements have a holistic perspective, where we look at everything from the elite to the breadth, from targeted talent initiatives to playful children's activities. We know that sports make society stronger and more sustainable, which is why it is something we support with long agreements and comprehensive incentives at every level.

Svenska Spel promotes Swedish football, hockey, bandy, floorball, handball and, as of May 2018, also Swedish esports. Through the Gräsroten project, we allocate SEK 50 million to 8,361 associations within 71 different sports. The elite sports scholarship gave 72 Swedish elite athletes the opportunity to devote themselves to higher education while pursuing their sports careers. Framåtfonden finances initiatives that get Sweden moving – activities that range from table tennis for pensioners and basketball games for toddlers to family

“We will have a presence where our customers want to play – but it is our intention to take responsibility for our market. Always.”

paddling or a Pokemon Go concept for orientation. For us, it is always about giving back to society.

Unfortunately, the gaming industry has earned itself a bad reputation recently. Many Swedes are especially tired of all the gaming advertising. This is a natural consequence of the fact that the industry has increased its advertising investment fivefold since 2010, but I believe the irritation also stems from the way advertising is designed and the lack of quality. I personally see some gaming advertisements that feel misleading. The new Gambling Act explicitly stipulates that marketing be moderate. I hope that we, as soon as possible, get clear directives as to where that line goes and that the regulatory authorities take decisive action against those companies that break the law.

Svenska Spel will never sink that low. We will have a presence where our customers want to play – but we intend to always take responsibility for our market. Ultimately, Svenska Spel is owned by the people of Sweden. This brings with it an obligation. Long-term sustainability is incredibly important to us and our efforts in this matter have an impact that resonates throughout society.

Today, several industry players offer their customers excellent tools that give them control over their gaming. This was not the case 10–15 years ago, and I would argue that it is Svenska Spel in its market-leading role that has guided the industry to greater social responsibility. This has curbed the harmful effects of gambling, prevented many tragedies and reduced society's costs for gambling abuse.

We will continue to develop a palette of control instruments for our customers and, backed by the new Gambling Act, we can now expand counselling to at-risk customers. Svenska Spel has earmarked more than SEK 30 million to Swedish gambling addiction research to ensure that we are focusing our efforts on the right measures within the industry in the long term.

But being caring is also a question of opting out.

We offer no bonuses on "red" games, we send no direct marketing to customers that exhibit signs of gambling problems. And when gaming security is hazy, we abstain. Consequently, we will never permit betting on matches in lower divisions, youth teams or individual gaming elements that are easy to manipulate. It's a question of common sense: The less control and the more questionable the types of games, the greater the risk of match-fixing. Gaming companies that do not want to be part of the solution are part of the problem.

As other industries before us have done, the gaming industry needs to take a social sustainability approach with genuine responsibility for the customers and social progress. The new Gambling Act sets the bar. However, a sound corporate culture cannot be coerced through regulations but

must instead originate from within the companies themselves. Social sustainability must be a natural part of our business if we are to regain broad confidence.

Gaming in itself is not negative. On the contrary, it is something that gives pleasure to the vast majority. In actuality, we address the same issues as video game companies, streaming services and concert organisers. Our job is to satisfy a fundamental human need for entertainment, pastime or more excitement. A televised match is more fun to watch when you've bet on how it ends. No one can look away when scratching a Triss lottery ticket. There is a playful status in nailing 13 right in Stryktipset.

We should never ignore that there are people who become too infatuated with the excitement, who are unable to control their impulses and who develop a dependency. We must continue to offer them tools to stay away and we will contact and offer help and support to those who have fallen. But let's not forget that for the vast majority, gaming is good, clean fun. It is entertainment, exciting experiences and dreams.

I look forward to Svenska Spel's first year in the new Swedish licensed market. We enter forcefully, energetically – and with a big heart. Svenska Spel will be both caring and proactive.

Visby, March 2019

Patrik Hofbauer, President and CEO

An eventful and challenging year



2018 has been an exciting, eventful yet challenging year. In addition to operating activities, we have focused on modifying operations to the conditions of the new gaming market, reorganising the Group into three business areas and dividing our IT systems. The new business areas Sport & Casino, Tur and Casino Cosmopol & Vegas reflect the different license areas. Our customer databases have been divided and customers have been assigned different gaming accounts with the ambition of ensuring that we comply with the new gaming regulations and competition laws.

Given that we have carried out Svenska Spel's largest-ever IT project and the massive marketing activities for gaming, we are satisfied with the result for the full-year 2018. Our customers have received SEK 12.2 billion in winnings, we have distributed the most million wins in the country and, to top it off, the highest winnings ever in Sweden. We have extended our commitment to gambling addiction research, we have actively worked to improve our consumer protection and to combat match-fixing.

During the autumn, I had the privilege to lead this fine company through a period of intensive change. I want to thank all our great employees. Our joint efforts mean that we still stand strong as all of Sweden's gaming company.

Visby, March 2019

Marie Loob, acting President, autumn 2018

“We stand well-equipped”

2018 has been a year of intense preparation ahead of the re-regulated gaming market. Everyone at Svenska Spel has been involved. Not least the Board which has an important task in terms of Svenska Spel's focus and position. Chairman of the Board Erik Strand gives his view of Svenska Spel's change agenda and future.

What are your views on Svenska Spel's preparations for 2019?

Svenska Spel has a long, proud tradition of offering entertaining gaming experiences in a responsible manner while focusing on the customer. In recent years, we have prepared for the new market conditions while simultaneously strengthening our customer offering. The new gaming market is a new chapter for which Svenska Spel stands well-equipped.

During the year, Svenska Spel restructured its operations in line with the new gaming regulations in parallel with conducting ordinary operations. Despite the intensity of the work, we have retained our strong position as all of Sweden's gaming company.

I particularly want to praise all the Group employees who have done a fantastic job in just a short time. Every employee has been involved in the transition in some way and it would not have been possible without this teamwork.

What does the Board foresee in terms of Svenska Spel's continued development?

Svenska Spel will continue to generate value for those who are ultimately our owners, the people of Sweden. We do so best by keeping Svenska Spel together as a Group, but with a clear division of gaming operations into three business areas. This enables us to create a clearer focus and customer offering while ensuring compliance with the Competition Act and gaming regulations.

It is the Board's task to ensure that Svenska Spel's President, Patrik Hofbauer, and his management team have the right

strategic prerequisites to take action to advance our various operations. The Board must also ensure that we represent the owners and do everything we can to ensure the Company's best long-term value growth.

How does Svenska Spel generate value in society?

It is perfectly natural for Svenska Spel to continue to pursue its agenda for far-reaching responsible gaming. It is in our DNA.

Svenska Spel has supported sports since 1934 and will continue to be one of Swedish sports' biggest business partners. We make a number of strategic investments and during the

year we renewed our agreements with several associations. One of our most exciting investments now and moving forward is our investment in Swedish women's sports,

both at the most basic level and elite levels.

Our entire profit goes back to Swedish society through our owner. Svenska Spel will continue to have a clear role in Swedish society through, among other things, our strong link to sports, various social commitments and our nationwide network of retailers. But above all, by always offering our customers gaming enjoyment combined with responsible gaming.

Visby, March 2019

Erik Strand, Chairman of the Board

**“Responsible gaming
is in our DNA”**

A photograph of two people, a Black man and a white woman, sitting together and looking at a tablet. The man is wearing a black beanie and a black tank top, and the woman is wearing a red sweater and glasses. They are both smiling. The background is a modern interior with a dark, textured wall and some shelves with various items.

A changing market

In 2019, the very foundation of the Swedish gaming market is changing. 2018 was distinguished by preparations ahead of the new re-regulated market.

For Svenska Spel, it has particularly been a matter of organising itself in a new way in response to the new regulatory requirements and to make the most of the opportunities that come with the new gaming market.



The new gaming market

On 1 January 2019, the Swedish gaming market was re-regulated with new gaming regulations, a license system and a reinforced regulatory authority that monitors all licensed gaming companies.

The aim of the new regulatory framework is to create order in the Swedish gaming market. All gaming companies that offer gaming to Swedish consumers must have a license and gaming companies that do not have a license will be excluded.

For a long time, an insufficient regulatory framework and supervision of only a limited segment of the market has characterised the Swedish gaming market. Offshore gaming companies have been able to sidestep both Swedish legislation and the Swedish industry's own regulations for responsible gaming, match-fixing and risk classification of gaming products.

Several changes

As of 1 January 2019, it became possible to block payment transactions between players and unlicensed gaming companies. License holders have a far-reaching obligation to protect the players against excessive gaming. Game marketing activities must be moderate.

The industry's regulatory authority in Sweden, the Swedish Gambling Authority, changed its Swedish name from Lotteriinspektionen to Spelinspektionen. At the same time, the authority gained new tools and authorisations to exercise its control in the new market. This means better consumer protection for players. Gaming fraud, a new crime classification, was introduced and a separate coordination council was set up to better combat match-fixing.

The Swedish Agency for Public Management was tasked by the Government to follow up and evaluate the effects of the reform.

Follow-up commission of inquiry of the new gaming market

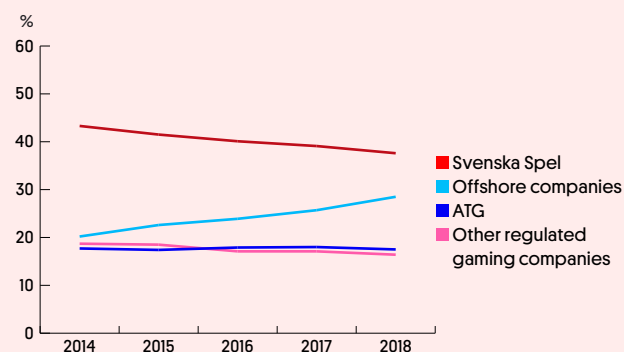
When the new Gambling Act was adopted by Parliament, it was determined that a commission of inquiry should be set up to follow up and evaluate the effects of the new legislation on, for example, market trends, channelling, consumer

23.4

The total known gaming market amounted in 2018 to SEK 23.4 billion (gross gaming revenue).

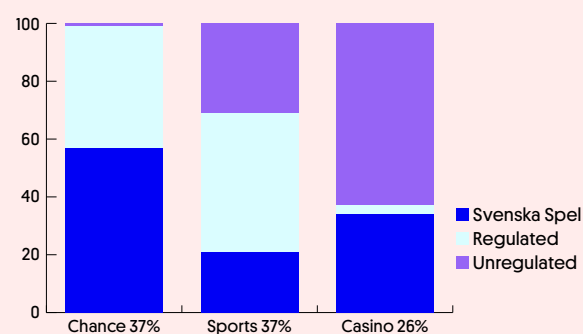
Market shares (gross gaming revenue) Sweden 2014–2018

Total market



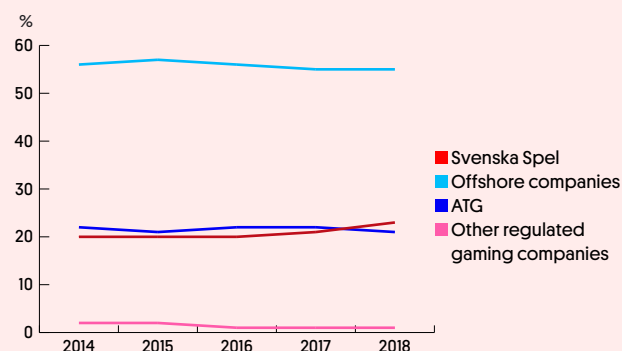
Source: Statistics from the Swedish Gambling Authority and Svenska Spel.

The Swedish gaming market per submarket and gaming company 2018



The games of chance category include lottery tickets and number games. The sports-based products also include trotting, and casino games include online poker and Vegas.

Online



Source: Statistics from the Swedish Gambling Authority and Svenska Spel.

protection, financing of sports organisations and the common good.

As part of this mandate, the commission of inquiry will review how Svenska Spel manages the transition to the new gaming market. Furthermore, the commission will examine the need for further measures to reduce the harmful effects of online gaming and video lottery terminals, and to exclude unlicensed gaming companies from the Swedish market. An account of the assignment shall be presented no later than 31 October 2020.

Three markets with different opportunities

As of the new year, the Swedish gaming market comprises a competitive segment, a segment that is reserved for the State and purposes that benefit the public, and a segment that is exclusively for the State.

- › The market for number games and lottery tickets includes games reserved for state-owned Svenska Spel and non-

profit associations or registered communities of faith that primarily aim to promote purposes that benefit the public. Svenska Spel holds a strong position in this market. Other companies active in this segment are Folkspel, PostkodLotteriet, associations that organise bingo halls and other NGO lotteries.

- › The market for betting and commercial online gaming was opened for free competition. All of the market's gaming companies can apply for a license for this type of gaming. This market is the single-most competitive, and it is in this segment that most gaming companies operate and where marketing is most extensive. On 1 January 2019, a total of 56 Swedish and international companies had been granted licenses for operating in the licensed market.
- › The market for land-based casinos and video lottery terminals is still covered by State exclusivity. This segment is intact following the re-regulation and Svenska Spel's exclusive rights still apply.

“Svenska Spel plays an important roll”

We asked...

**Gunilla Carlsson [S],
formerly Deputy
Chair, Culture Affairs
Committee**



What role do you feel that Svenska Spel should play in the re-regulated gaming market?

Svenska Spel plays an important role in the Swedish gaming market and has the trust of the Swedish people. I am happy to see that Svenska Spel continues to be an example and role model, particularly in terms of sustainability and responsible gaming.

How do you expect the Swedish gaming industry to change after the gaming market's re-regulation?

Those who intend to operate in the Swedish gaming market must also apply for licenses and comply with the applicable rules. They will have to take responsibility as promised, particularly in regard to the players.

What are your views on Svenska Spel's future?

I'm positive! Svenska Spel is a strong brand and I believe that it will survive and advance its positions.



Svenska Spel in the new gaming market

For us at Svenska Spel, the re-regulated market means that we continue to offer our customers a complete gaming experience in all categories, but working from three different business areas.

In conjunction with the re-regulation, the competitive situation changed fundamentally. Svenska Spel's market offering changed too. We were granted a license for gaming in areas previously closed to us, such as online casinos and racing.

For us, 2018 was largely a year of making adjustments ahead of the re-regulation. In order to offer the entire span of various game forms, our operations were organised into three business areas, of which the competitive business area is in a new separate company.

As of 1 January 2019, our customers must have different gaming accounts for games of chance and sport & casino games. Our customers have also noticed visual differences in the games that we offer in the competitive segment of the

market and the segment reserved for lotteries for purposes that benefit the public.

The new circumstances have also required completely new technical solutions. All combined, this means that we implemented Svenska Spel's largest IT project ever.

Access to a larger market

The ability to offer online casino and betting on horses via the Sport & Casino business area is a major change for us and our customers. This is something that has been lacking in the product portfolio to give our customers a complete selection of games. The launch of an online casino built on responsibility and moderate marketing will hopefully help define a new standard for the entire market.

For the business area Tur, the option of product prizes is an eagerly awaited opportunity.

► Read more about how Svenska Spel's organisation has been modified for the new gaming market on page 54.

The gaming industry's potential and challenges

The gaming industry was one of the first to be digitalised and move its operations online. Accessibility increased exponentially and stimulated product development, marketing and, not least, competition.

Compared with customers in many other industries, gaming customers have higher demands on the speed, simplicity and accessibility of services. In connection with re-regulation and the new licensed market, four trends are apparent:

Increase in gaming on mobile phones

Mobile gaming is rapidly increasing. The Swedish gaming market grows by about 3% every year, a growth now seen almost solely on mobile phones. Customers expect to be able to play whenever and however it suits them, and that there are easy, accessible services and apps in their channel of choice. This applies primarily to mobile phone access and functionality. It must be simple to correct a lottery row, receive information about results for a football game or add new games.

Responsibility

Sustainability is becoming more important and is an issue that more people are becoming aware of. It is an effect of the broad discussion as a society about social responsibility and the environment which is driven, not least, by demands from consumers, employees and owners. For gaming companies, it is firstly about responsible gaming and companies perceived to be in the vanguard have a competitive advantage.

Following re-regulation of the market, offshore companies

must adapt to Swedish regulations and the Swedish Gambling Authority's supervision. Svenska Spel is the industry leader in responsible gaming, a position that must be advanced and validated by constantly improving our responsible gaming efforts.

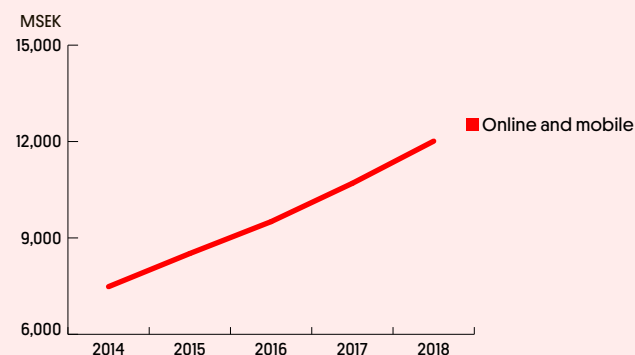
Instant reward

Customers expect even quicker delivery and reward. The time between placing a stake and the outcome is very short. This trend is also driven by greater access to games via mobile devices such as mobile phones and tablet devices. The fastest-growing games are online casino – live casino in particular – and live sports betting.

Advertisement wars and gaming ads fatigue

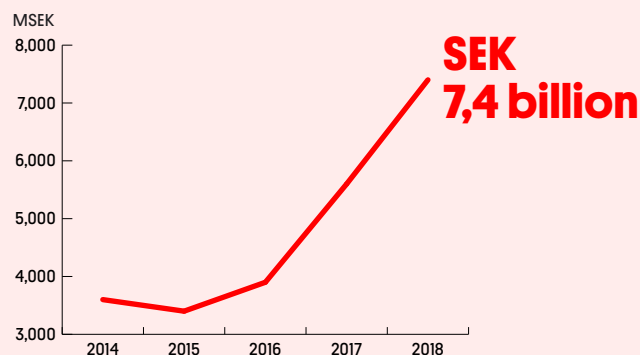
Ahead of the re-regulation many gaming companies have markedly increased their marketing in Sweden in order to win market shares before the new regulations take effect. In 2018, gaming advertisements for a record value of SEK 7.4 billion were purchased that targeted the Swedish market – an increase of 34% compared with 2017 and more than five times that of 2010. Gaming advertisements have become overbearing, particularly on certain TV channels, which has resulted in gaming ads fatigue among consumers. More consumers are sceptical to gaming in general and gaming ads in particular.

Trend for gaming online and via mobile devices in the Swedish gaming market 2014–2018



Source: Statistics from the Swedish Gambling Authority and Svenska Spel.

Advertising investment for the Swedish gaming market 2014–2018



Source: Statistics from the Swedish Gambling Authority and Svenska Spel.

The dialogue with our stakeholders

Maintaining a constant dialogue with stakeholders is an important aspect in developing sustainable operations that generate value for customers, employees, the owner and society in general.

Svenska Spel affects many stakeholders who can also influence the operation's potential for success – customers, employees, the owner, suppliers, stakeholder organisations, media and legislators to name a few. The dialogue with our stakeholders is therefore a key instrument in understanding the current situation, challenges and opportunities.

Svenska Spel's prioritised stakehold-

ers are those who are deemed to have the most influence over and greatest interest in our operations and sustainability agenda. These are our customers, employees, owner and stakeholder organisations. The stakeholders themselves have different expectations and demands on how we conduct our operations.

We have an active dialogue with our

stakeholders and regularly analyse their perception of our operations. Our operational planning, drafting our strategy and targets, and prioritising activities is determined by our stakeholders' expectations and demands.

During 2018, we have had several ongoing stakeholder dialogues. Typically, many of the dialogues concerned issues related to the re-regulation of

CUSTOMERS EXPECTATIONS 2018

- › Attractive products and services
- › Combination of gaming enjoyment and responsibility
- › Accessibility
- › Support to sports

Examples of dialogues and activities in 2018

- › Responsible gaming tool accessible under My games tab
- › Launch of several new products
- › Customer service open 24/7
- › SEK 50 million to sports through Gräsroten

EMPLOYEES EXPECTATIONS 2018

- › Skills development and communication
- › Work environment and health
- › Role model for responsible gaming
- › Clear leadership

Examples of dialogues and activities in 2018

- › Training and courses
- › Goal and performance dialogues
- › Health and fitness initiatives
- › Union coordination
- › Change communication ahead of new gaming market

OWNER EXPECTATIONS 2018

- › Role model in the industry
- › Balance between sales and responsibility
- › Coordinating anti-match-fixing body
- › Marketing based on social impact

Examples of dialogues and activities in 2018

- › Driving force in the Swedish Gambling Association [Sper]
- › Partnership with the Swedish Sports Confederation against match-fixing
- › Networking meetings with the Ministry of Enterprise and Innovation for state-owned companies
- › Guidelines for ethical marketing
- › Seminar in conjunction with Annual General Meeting
- › Restructuring of the organisation ahead of the new gaming market

STAKEHOLDER ORGANISATIONS EXPECTATIONS 2018

- › Research and evaluation of the effects of responsible gaming measures
- › Communication regarding responsible gaming and problem gambling
- › Information to sports clubs about match-fixing and responsible gaming
- › Ethical marketing

Examples of dialogues and activities in 2018

- › Participation in gambling addiction associations' support groups
- › Research Council/Research Day
- › Extended launch of responsible gaming courses for sports
- › Seminar during Almedalen Week.



**SVENSKA
SPEL**

the Swedish gaming market and the ramifications for Svenska Spel, our game forms and customers. Within the context of preparing the 2018 annual report, four stakeholder interviews were arranged.

Our stakeholders expect Svenska Spel to continue to pursue its agenda against gambling addiction within the industry and society at large by, among other things, sharing our extensive

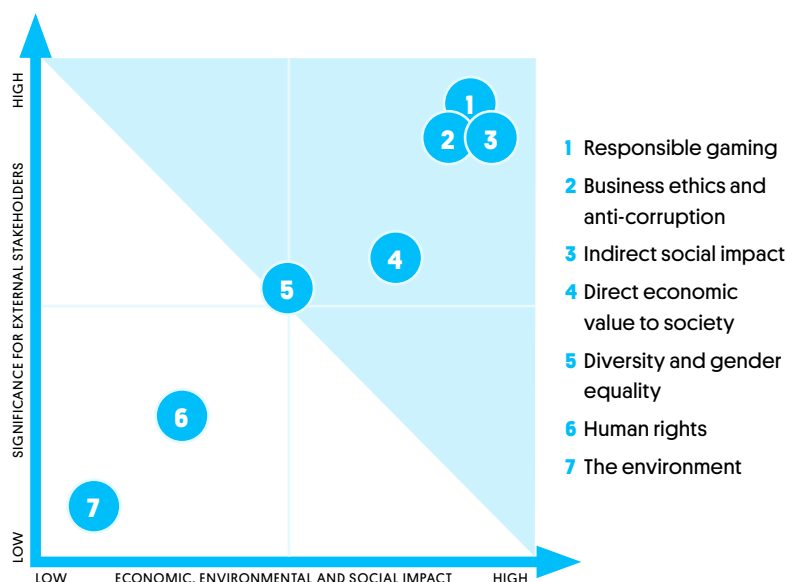
knowledge and experience. When it comes to our strong link to sports, they want us to continue to work hard to curb the problems of match-fixing. Our stakeholders feel that Svenska Spel should also be able to drive the issue of diversity from an industry perspective.

For many years, Svenska Spel has performed a more comprehensive and systematic stakeholder analysis every

other year. In between, we have regular small-scale dialogues with different stakeholder groups aimed at capturing issues and opinions. Svenska Spel intends to carry out a more comprehensive systematic stakeholder dialogue in 2019.

Materiality analysis 2018

The materiality analysis follows the GRI Standards 2016 methodology, which means the review and assessment of GRI topics and other significant sustainability issues for the Company. Five sustainability areas were deemed prioritised for Svenska Spel. They govern our sustainability efforts and are part of our Sustainability Report. The outcome of the materiality analysis indicates that human rights and the environment are areas where we have a low impact. These areas are also less important for our stakeholders at present and subsequently, they are only described in our Sustainability Report.



Our top sustainability areas

Every year, Svenska Spel performs a materiality analysis based on stakeholder dialogues in which the sustainability areas that are most relevant for the Company are identified.

The 2018 materiality analysis is based on what emerged during our ongoing stakeholder dialogues, the stakeholder survey of our prioritised stakeholders and internal priorities based on Svenska Spel's impact on society.

The outcome for 2018 follows the same line as the year before. Our stakeholders believe that responsible gaming is Svenska Spel's most important sustainability issue. Much of what we do is appreciated but there is room

for improvement. As a state-owned company, expectations are higher on Svenska Spel than on the industry in general.

Business ethics and anti-corruption are also high-priority areas and essential for long-term healthy and sustainable business.

One area that has been given higher priority than earlier is Svenska Spel's direct economic impact. This illustrates the importance of the surplus we deliver

to the State and that our sponsorship activities are of considerable value to Swedish sports, from children and youth sports up to the National team level.

A requisite for cultivating trust among the Swedish people and all of our stakeholders is openness and transparency about our most important sustainability areas.

Read more about Svenska Spel's responsible gaming efforts during the year on pages 34–37.

A responsible gaming company that has the market's strongest customer offering

Svenska Spel is Sweden's biggest and best-known gaming company. Regardless of whether our customers interact with us via our digital or physical channels, in urban cities or rural areas, our ambition is that gaming shall be enjoyed by all! Svenska Spel is all of Sweden's gaming company.

Svenska Spel's overriding strategy and compass is to continue to be all of Sweden's gaming company and retain its leading market position in the Swedish gaming market. This is done in the form of three business areas in the re-regulated gaming market. The organisation has been divided in line with the gaming regulations and the competition laws.

Our game plan consists of our company values that describe how we, and our employees, should interact with each other and to put the customer in focus. Our operations are distinguished by accessibility, consideration and commitment.

Our strategy for continued success

We want to create everyday enjoyment for all our customers by offering a range of exciting and entertaining gaming experiences in a responsible and secure manner. This what we have always done and will continue to do. It makes us unique.

The enjoyment and security we provide makes it possible for our customers to trust us and choose us instead of other gaming companies. We have the market's broadest selection of games, enabling us to satisfy demand from all of Sweden's inhabitants. Our portfolio includes sports games, games of chance and casino games. We have something for everyone.

Svenska Spel is accessible to its customers both online and in physical interactions. Irrespective of whether customers play at a retailer, a restaurant, a casino or on a mobile phone or computer, their interface with Svenska Spel should be positive and foster a positive overall experience.

By combining the experience with responsibility, we have a strong and unique offering that lays the foundation for a sustainable business with satisfied and secure customers. Long-term profitability and good growth are also requisites for continued innovation and development. Continuous product development is vital if we are to fulfil customer expectations for new products and upgrades.

Vision

Gaming shall be enjoyed by all

Mission

Svenska Spel is to offer a range of exciting and entertaining gaming experiences in a responsible and secure manner

Values

Accessibility

We listen to our customers and each other. We contribute to the customer's gaming experience by combining presence, speed and personal service through expertise and good internal collaboration.

Considerate

We care about our customers and work conscientiously to offer a simple, secure and enjoyable experience of our games. We take pride in our work which combines gaming enjoyment with responsible gaming. We are good colleagues, team players and we treat each other well.

Committed

We are proactive and let innovative thinking, creativity and effective implementation permeate all our work. We give that little bit extra to each other and our customers.



The best and safest gaming experience

We create experiences that are exciting and entertaining for the all of the Swedish population via a broad portfolio that contains some of the market's strongest product brands. We endeavour to create gaming environments that are as safe as possible and to have an all-inclusive perspective that, for example, covers support to research, ethical marketing and intelligent design of our games.

► Read more about how we create the best and safest gaming experience on pages 26–27 and 34–37.

Committed employees

Svenska Spel employees participate in creating entertaining gaming experiences. That is the foundation of our employee value proposition. We endeavour to be an attractive company and a modern-day employer where proud employees in true team spirit develop in a professional manner. Committed employees are also a prerequisite to having satisfied and happy customers.

► Read more about how we are a responsible employer on pages 38–40.

Value for owners and society

As a state-owned company, we have a special responsibility to conduct ourselves exemplary in all we do and to create value for our owner and society. This means ensuring a long-term sustainable business with the best possible value creation in the Company. Svenska Spel has a long history and is, in many ways, a natural part of everyday life in Sweden. We want it to stay that way by, among other things, continuing to run a successful and responsible business, with far-reaching social commitments and a strong link to sports.

► Read more about sustainable business and our value creation agenda on pages 34–37 and 43–47.

Goals and target fulfilment

Our goals are to secure our leading position, maintain our customers confidence in Svenska Spel and generate good returns to the owner and society.

Svenska Spel wants to promote a healthy and safe gaming market. Our most important overall goal is to create gaming enjoyment in a responsible manner, help to reduce gaming's harmful effects for the individual and society, and generate a good return to the owner.

To clarify the direction for the Group, the Board defines a number of operational goals that reflect the adopted strategy and ensure that we progress as planned. These goals include both economic goals and our prioritised, strategic sustainability targets. The owners have today an economic goal in the form of operating margin for the Group.

Svenska Spel's goals and target fulfilment for 2018 is presented in the table below.

Agenda 2030 and the UN Sustainable Development Goals

Svenska Spel contributes to Agenda 2030 and the UN's 17 SDGs. As a responsible and state-owned company, and a part of the Swedish business community, contributing to sustainable development is a prioritised task. Based on our annual materiality analysis and internal priorities, we have identified the seven goals where we have the greatest potential to contribute and make a difference. These goals are also related to our focus areas, namely responsible gaming, business ethics and anti-corruption, diversity and gender equality, working conditions, human rights and the environment.

► Read more about Svenska Spel's sustainability goals and the sustainability report on pages 113–117.

Svenska Spel's goals

The best and safest gaming experience

Increased customer satisfaction.

Increased number of active mobile phone customers.

More of our customers are aware of their gaming and make choices thereafter. The Awareness index is at least 84.

100% of the Group's employees should have attended a basic training course concerning the Company's efforts to counter money laundering and terrorist financing.

Committed employees

Employees feel strong commitment; the level of commitment should be at least 80.

Employees with a foreign background within the Group shall be at least 30%.

Even gender distribution among managers within a range of 45–55%.

Value for owners and society

Profitable growth.

Cost-efficient operations, the operating margin is to be at least 22% over an economic cycle.

Maintain a strong Group brand with an image rating of at least 55.

Other sustainability targets can be found on page 116.



Results 2018

The customer satisfaction index reached 70 when the survey was conducted in the fourth quarter of 2018, which is on par with last year [68].

The number of customers who play on their mobile phones rose 32% [26] in 2018.

The Awareness index reached 84 [84] when measured in the fourth quarter of 2018.

90% of the Parent Company employees have completed the course. Within Casino Cosmopol, 100% complete the course within three months of starting work at the company.

Measured at regular intervals through pulse questions every other month. In 2018, the level of commitment in the latest survey was 71 [73] on a scale of 100.

Proportion of employees with a foreign background within the Group was 34% [30] on 31 December 2018.

On 31 December 2018 we had 39% [35] female and 61% [65] male managers.

Good online growth of 20% [18], particularly in mobile devices that increased by 39% [49].

The operating margin was 21.2% compared with 21.8% in the preceding year.

Image rating was 51 on 31 December 2018 [50]. The closest competitor had an image rating of 34%.

The UN's Global Goals



A photograph of four men of different ages and ethnicities gathered outdoors on a patio. One man is seated on a grey sofa, holding a tablet. Three other men stand around him, looking at the tablet and holding white mugs. They are in a relaxed, social setting with a brick wall and a potted plant in the background. A wooden table in the foreground holds more mugs and board game components.

The best gaming experience in three different business areas

Svenska Spel has some of the Swedish gaming industry's favourite, well-known brands. We are constantly developing our products to give our customers the best gaming experience.

We delivered several popular new games in 2018.

Svenska Spel's organisation has been adapted to ensure compliance with the new gaming regulations and the Competition Act. The Company has been divided into three business areas that are separated through, inter alia, different gaming accounts and customer databases. Each business area has a clear business focus and unique customer offerings.

Focus on the gaming experience at every stage

Customers must be able to easily find what they are looking for on our platforms, online and at our retailers. Gaming itself should be enjoyable and the elements after gaming should be clearly defined. It should be easy and convenient for our customers to transfer their winnings to their bank accounts. For example, Svenska Spel has no turnover requirement or minimum withdrawal amounts. Customers have complete control over their gaming accounts. Furthermore, Svenska Spel's customer service is open 24/7, every day of the year, so that our customers can receive help whenever they need it.

Our customers value our focus on the gaming experience. Svenska Spel's customer satisfaction index (CSI) was 70 in 2018 which demonstrates that our customers have confidence in us and appreciate what we do.

A major happening was that Svenska Spel completed an important multi-year retailers project. During the year, 1,442 retailer terminals were replaced and installed, which means that all retailers have modern terminals that fulfil today's needs and those of tomorrow. It was an important initiative that will both lead to greater dependability and provide better opportunities to communicate with our customers.

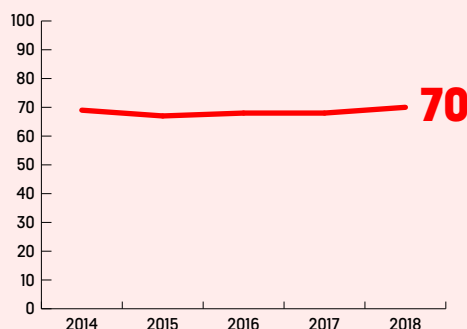
Svenska Spel's investment in new retailer terminals demonstrates the value of our nationwide network of retailers. This is a vital channel through which we interact with our customers

all over the country. While we see an increase in gaming on our online platforms, the retailers are an important outward profile for Svenska Spel and a significant sales channel. The gaming sections at the retailers are also designed to convey a safe and positive feeling.

Innovation for new games

Our innovation agenda for new game forms is built on a close dialogue with customers and generated good results in 2018. At Svenska Spel, we take a systematic approach to innovation and concept generation, and we want all our employees to be involved in our innovation efforts. It is a vital part of our operations toward fulfilling our customers' expectations for new experiences and game forms. We delivered several popular new games in 2018.

Customer satisfaction index (CSI)



Sport & Casino business area

Games from Svenska Spel Sport & Casino

Customers who play sport and casino games interact with Svenska Spel within the Sport & Casino business area.

Some of our oldest and most cherished games are sports games – such as Stryktipset, which premiered in 1934. Our sports games combine the sporting experience with the thrill of gaming. By offering attractive sports games that fulfil our customers' expectations, we spice up everyday life.

We have an attractive and unique range of pool games in sports. Because increasingly more gaming takes place in digital channels, we have considerably increased our online selection of games in recent years. Today, Svenska Spel has approximately 590,000 active mobile phone sports games customers.

The re-regulation of the Swedish gaming market has given us the opportunity to offer online casino, which is the single-largest, fastest-growing product in the market. Svenska Spel's online casino is designed to combine responsible gaming and gaming enjoyment. To reduce the risks that our online casino pose, we do not offer features such as bonuses,

autoplay and free spins. Customers who want to do all their gaming with us appreciate that Svenska Spel has online casinos. State-owned gaming company Norsk Tipping has demonstrated it is possible to offer online casino with a lower share of players who have gambling problems as compared with competing online casinos.

Several new products were launched in 2018:

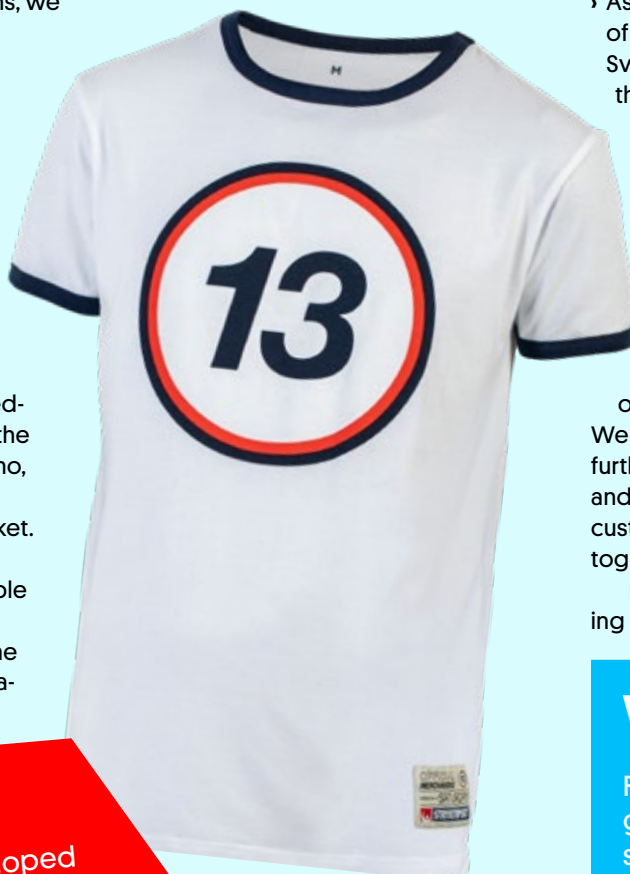
- Oddset Challenge was updated with the option to construct coupons on only two football games with three objects for each game.
- Expanded range of live betting to include tennis and the launch of betting on badminton and table tennis.
- Launch of the Oddset app.
- Relaunch of the option to order the "13 jersey" for customers who get 13 correct on Stryktipset.
- As part of the preparatory work ahead of the re-regulated gaming market, Svenska Spel procured a game library that contains more than 400 online casino games.

As a consequence of the re-regulation of the gaming market, the Sport & Casino business area can now launch betting on horses. We see that this is something that our customers have wanted, and we are pleased that we can

offer a complete range of games.

We are also planning to use apps to further enhance the gaming experience and increase opportunities for our customers to play pool games in sports together.

Furthermore, we will invest in offering esports and fantasy sport games.



Our online casino

Svenska Spel has developed a customer platform for online casino. Our online casino will contain in-house designed games, features and design.

3,648 teams participated in Tips SM 2018

What is fantasy sport?

Fantasy sport is a type of game where participants select players from a certain league in, for example, football and earn points based on how well the players perform in reality.

Our game forms

The sports games category consists of Oddset and the football-based Stryktipset, Europatipset, Måltipset and Topptipset. They can be played through retailers in stores, at arenas, on svenskaspel.se and via mobile phones.

Oddset is a collective term for such games as Lången, Matchen, Bomben, Mixen, Powerplay and Challenge.

Customers can bet on fixed odds, moving odds and even on live betting.

Casino games include online poker, online casino and Bingo.

 STRYKTIPSET

 EUROPATIPSET

 TOPPTIPSET

 MÅLTIPSET

 ODDSET

 POWERPLAY ODDSET

 BOMBEN ODDSET

 MATCHEN ODDSET

 CHALLENGE ODDSET

 POKER

 CASINO

 bingo

Svenska Spel invests in esports

Svenska Spel views esports as a strategically important route with vast potential. It is an area in which we will invest over the next few years.

By offering betting on esports games, we can attract a new group of customers who have other interests than the more traditional gaming objects that the market offers. We believe that customers who want a broader range of betting games will appreciate an investment in esports.

Furthermore, we see potential for strengthening our employer branding through esports betting and sponsorship. In 2018, Svenska Spel signed a three-year agreement with Svenska E-sportföreningen, SESF, which is the Swedish esports federation. The agreement made Svenska Spel the head sponsor for SESF and thereby secured the resources needed to develop the



SOURCE: INTERNATIONAL ESPORTS FEDERATION

Swedish esports national team in the future. Through the agreement, the esports national team receives access to better equipment, travel and accommodation, as well as the chance to qualify

for world championship tournaments.

Svenska Spel attended the 2018 Esports World Championship in Taiwan together with the national team, which won the silver medal in Counter-Strike.

“Svenska Spel means a lot to us.”

We asked...

Kent Karlander,
retailer, Haparanda

Kent and his wife Kajsa run Handlar'n in Haparanda, one of Svenska Spel's approximately 5,000 retailers.



What does Svenska Spel mean for your business?

Svenska Spel means a lot to us. In part, being a retailer attracts a lot of customers but it also adds to the atmosphere in the store – there's a lot of talk about Champions League and the like, for instance.

As a retailer, has the increase in online gaming had an impact on you?

In all likelihood, though to be honest, we've gone against the tide. In fact, we've increased our sales of Svenska Spel's games. We're seeing a 4–5% increase this year.

Have your customers said anything about the re-regulated gaming market?

Not really. My customers haven't voiced any concerns, but we haven't had much discussion about it here. Sure, some have said that more competition might lead to better odds in sports games, but that's about it. The customers seem happy with Svenska Spel's solution where one gaming account becomes two.

Business area Tur

Customers who buy lottery tickets or number games interact with Svenska Spel within the business area Tur.

Our games of chance mean providing gaming enjoyment when it suits the customer – whether buying a Triss lottery ticket in a store, playing online or in our app. A big part of the excitement associated with games of chance is the experience of correcting, whether it be the weekend Keno draws on TV, or scratching a Triss lottery ticket by hand or on mobile devices. Games of chance are a significant part of Svenska Spel's operations.

In 2018, a number of new games were unveiled that aim to channel the gaming enjoyment that our games of chance offer:

- Rubbet was launched – a new design that gives customers the chance to win at Lotto with Joker, Eurojackpot, Keno and Vikinglotto on one and the same board.
- A simplified subscription service for Lotto was launched.
- As part of the campaign surrounding the World Championship in football,

one of Svenska Spel's sponsorship agreements was activated and the Triss lottery tickets were redesigned in the form of match jerseys.

Based on the ambition to be world leading in games of chance entertainment, Svenska Spel continued in 2018 to develop the business area Tur's products. Among other things, we have worked to develop new game forms and new designs in order to boost the entertainment value of our games

and thereby reach new and broader audiences. For example, in 2018 a large portion of Svenska Spel's product, design and development organisations gathered for two days of brainstorming and innovation activities.

In 2019, we will continue to develop and reinforce the customer offering for our games of chance. We will focus on developing the design of the online versions of our games. Player immersion and experience during online games is decisive.

Games from
AB Svenska
Spel



**Three Triss
lottery tickets
sold every
second**



Our game forms

Games of chance include the number games Lotto, Keno, Joker, Viking Lotto and Eurojackpot. Number games are offered online and at retailers.

Games of chance also include Svenska Spel's lotteries, which are Triss, Penning and scratch games, that can be purchased through retailers in stores and on svenskaspel.se (not Penning). Triss is the largest lottery in terms of gross gaming revenue, number of customers and awareness.

 **LOTTO**
+ JOKER

 **Keno**

 **vikinglotto**

 **EURO
JACKPOT**

 **TRISS**

 **SKRAPSPEL**

Record winning in Sweden
SEK 257,985,846

Svenska Spel paid out several major winnings in 2018. In June 2018, gaming history was written when Eurojackpot's jackpot went to a winner in Sweden for

the first time ever. One of our customers managed to get all correct and won a whopping SEK 257,985,846, the largest ever gaming win in Sweden.

Lotto's Drömvinsten was also paid out in 2018 with a major win of SEK 208,358,976.

“Every win and winner is unique.”

We asked...

**Pierre Jonsson, winner
ambassador
Svenska Spel**



What does it feel like to call a winner?
All you know when preparing for a call is that it will culminate in a lot of highly positive energy. Every win and winner is unique. It's incredibly fun.

What types of reactions have you had?
I think I've seen it all. Everything from yelling out loud or complete silence to people thinking I'm playing a prank. I guess it's best described as a kind of positive cold shower for most of our big winners.

What are your thoughts on winning announcements and responsible gaming?
Winning announcements are about more than saying congratulations. We take a responsible gaming approach to those who win a great deal of money. That is why we offer financial and legal advice to our big winners so that they can land in their winnings. I feel this is extremely important.

Casino Cosmopol & Vegas business area

Casino Cosmopol

Customers who play at our land-based casinos and video lottery terminals interact with Svenska Spel under the Casino Cosmopol & Vegas business area.

Our four international casinos in Stockholm, Gothenburg, Malmö and Sundsvall offer visitors a complete experience. This means that we, in addition to gaming, also provide our guests with entertainment in the form of dancing, shows, food and beverages, and stand-up comedy. At Svenska Spel's casinos guests can play classic casino games such as Roulette, Black Jack and Baccarat. Several poker tournaments are also arranged, including the Swedish Championship in Poker.

The land-based casinos have an international atmosphere and we have visitors from some 165 countries every year.

In 2018, a number of initiatives were carried out to improve the experience for our customers:

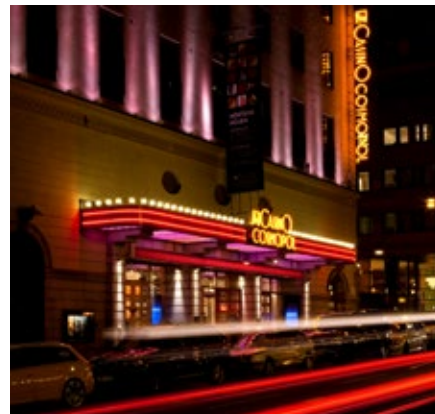
- The game Baccarat Squeeze was launched as a new table game.
- The casino in Stockholm launched Fort Knox, with a progressive jackpot at five different levels.
- Three of seven systems from Intelligent Gaming were replaced: the guest registration, table and cash systems. More

systems will be replaced in 2019.

- In Malmö, both the restaurant and the poker room were moved and refurbished.
- The Sundsvall casino was given a new restaurant concept and a new bar with the most incredible view from the bar. Business hours have been extended by 16 hours a week. Moreover, Catarina Sjöholm was recruited as the new casino manager.
- Business hours for the Gothenburg casino were extended by two hours a week.
- Metal detectors were installed at the entrance to our casinos in Stockholm, Gothenburg and Malmö to improve security.

In November 2018, the Swedish Gambling Authority decided in a regulatory issue that Casino Cosmopol had failed in its systematic work to counteract money laundering and terrorist financing in all areas audited by the authority. In conjunction with this, the authority imposed a sanction charge of SEK 8 million.

Shortly thereafter Casino Cosmopol submitted an action plan that presented steps that would be taken to rectify the deficiencies set out by the Swedish Gambling Authority. Furthermore, Casino Cosmopol appealed the authority's decision since the Swedish Gambling



Casino Cosmopol in Stockholm celebrated 15 years 2018.

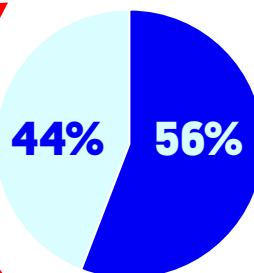
Authority has provided neither clear provisions nor guidance regarding how to manage the deficiencies pointed out.

A large-scale refurbishment of the Gothenburg casino is planned for 2019 to make the customer experience even better. The entrance to the casino will be moved to a better location to improve accessibility. New gaming areas, bars and restaurants will be built.

As a result of the re-regulation of the market, we can now offer fully and semi-automatic table games at our casinos. In 2019, we will also analyse the potential for enhancing the customer experience via various digital solutions at our casinos.

Casino Cosmopol's 4 good bits of advice:

1. Decide in advance how much you want to play for
2. Avoid playing for more than you can tell your family and friends
3. Do not try to win back losses
4. Do not borrow to play



What do our customers play?

- Video lottery terminals, 56%
- Table games, including automatic table games, 44%



Our game forms

Casino Cosmopol has exclusive rights to land-based casino games in Sweden. Our casinos have all known casino games. Casino Cosmopol also arranges popular poker tournaments.

Learn2Play is a concept for guests who want to try Casino at a more relaxed tempo and without stakes or money.

Vegas is a video lottery terminal (VLT) that offers a variety of games, such as wheel games, video poker and Keno. Vegas is the only VLT permitted in Sweden.

CASINO
COSMOPOL

VEGAS



Vegas

Svenska Spel also offers games on VLTs – Vegas. Today, we have approximately 4,600 video lottery terminals at approximately 1,500 gaming locations in restaurants, bingo halls and bowling halls throughout Sweden.

In 2018, some 135 new business partners were contracted and we renewed our partnership with the restaurant chain Harrys. The year was largely about making adjustments in accordance with the new gaming regulations and improving the experience for our customers:

- › Six new games were launched and one was relaunched.
- › A new training package was implemented that means that our business partners are certified. Certification includes training in responsible gaming and money laundering rules. In addition, a new product and service training programme has been created for our business partners and their employees.
- › All business partners were registered as retailers with the Swedish Gambling

Authority, a requisite for the authority to perform an approval test.

- › In December, a new obligatory weekly loss limit was introduced as well as two



voluntary time limits, one for weeks and one for months. This means that to play Vegas, the customers must set a loss limit per day, week and month as well as a daily time limit.

- › Svenska Spel makes test purchases to check that all business partners comply with the rules for age limits.

Otherwise, much of the work in 2018 was about preparing the business area for the new gaming platform with new games, terminals and a new gaming system.

The first of our new video lottery terminals are expected to reach the market during the second quarter of 2019.

During 2019, Svenska Spel will also launch a simplified customer login via BankID and offer alternative payment solutions to adapt to the growing cashless trade.



Sustainable conditions mean secure customers

Responsibility is a fundament for the entire operations and makes it possible for all customers to play safely.

Svenska Spel has a long history as all of Sweden's gaming company and was quick to put responsible gaming on the agenda. Our focus on responsible gaming is something that our owner expects and that our customers and employees appreciate.

The Public Health Agency of Sweden estimates that approximately 2% of the Swedish population have gambling problems. Furthermore, those who are closest are also afflicted by a player's gambling problems, which makes the number of those affected even higher.

Svenska Spel welcomes the fact that licensed gaming companies operate under the same rules and must assume a mutual responsibility as of the new year. We are hopeful that the re-regulation and license requirement, stricter rules governing gaming advertising and greater responsibility for customers with gambling problems will lead to a greater focus on responsible gaming. Svenska Spel will continue to promote

the issue of responsible gaming and intends to continue to take the lead in showing consideration for our customers.

Certifications and research

We have extensive experience of working with responsible gaming and have, over the years, carried out many initiatives in this area. Svenska Spel is certified under the European Lotteries [EL] and World Lottery Associations [WLA] and Casino Cosmopol is certified under the European Casino Association [ECA]. Moreover, we comply with the Swedish Gambling Association's [Sper] responsible gaming standards.

Svenska Spel has a tradition of contributing to Swedish gambling addiction research. Access to research in this topic has long been limited, both nationally and internationally.

In 2010, Svenska Spel set up a Research Council to increase knowledge and awareness of gambling problems and preven-

tive measures. Every year, the Council distributes SEK 5 million to gambling research and measures to prevent gambling problems. The Research Council, which approves research grants, is independent from Svenska Spel and comprises prominent scientists and experts from Karolinska Institute, Uppsala University and the Public Health Agency of Sweden. Additionally, we fund a research professorship in gambling addiction at Lund University. Svenska Spel has contributed more than SEK 50 million to various Swedish research projects since 2011. Over the next four years, we will invest a further SEK 36.5 million in gambling addiction research. In 2018, Svenska Spel supported a total of 13 projects at different colleges and universities.

Once a year, the Research Council gathers some of the country's most prominent gambling addiction scientists and contributors to identify and discuss future solutions. The 2018 Research Day surpassed previous records, with visitors filling the venue.

Consideration and integrity

Customers have high expectations that Svenska Spel will take responsibility and show consideration. Customers receive information about how customer data is managed and are given the option to choose in what form they want to communicate with the Company. All employees at Svenska Spel are trained in how to manage customer data to ensure correct management and customer integrity. In May 2018, the EU's General Data Protection Regulation, GDPR, took effect and replaced the former Personal Data Protection Act (PUL). The regulation governs how and when personal data may be processed. A great deal of work was done during the year to fulfil the new requirements.

Dedicated and responsible marketing

Svenska Spel's marketing shall be responsible, moderate and make it easy for consumers to make conscious and informed choices. Directed marketing is customised to the customer's preference and the risk level of the game. In order to avoid encouraging more gaming, we send no direct marketing to players who show signs of risky gaming habits.

Svenska Spel's customer surveys indicate that our customers like our advertisements more than those of our competitors. One reason for this is that we have chosen to concentrate on a clearly unique marketing message that aims to reflect gaming enjoyment and togetherness.

Responsible gaming beyond Sweden's borders

In 2018, Svenska Spel's responsible gaming tool Playscan earned international recognition when the Norwegian state-owned gaming company Norsk Tipping selected the tool after a comprehensive procurement process. Svenska Spel has had a Playscan collaboration with Norsk Tipping since 2014 and the agreement signed in 2018 is for six years.

Responsible gaming on multiple fronts

To measure Svenska Spel's responsible gaming efforts, we use our own KPI, our Awareness index, which is based on our customers' responses to questions about their perceived gaming control. In 2018, Awareness index reached 84, which is in line with the year's target and signals that our customers still have good control over their gaming habits.

Responsible gaming tool

On 1 January 2019, the Swedish Gambling Authority's responsible gaming provisions took effect, which means that Svenska Spel and other licensed gaming companies in Sweden must implement a number of responsible gaming tools. As of the new year, gaming customers can also exclude themselves from games at all licensed gaming companies through a national exclusion system.

Below are examples of some of Svenska Spel's responsible gaming tools.

Limits for deposits, losses and login periods

Customers can set limits for their deposits, losses and login periods on their gaming accounts. We have long offered customers the option to limit their time and money.

Self-assessment

Customers can complete a self-assessment that has been designed by an independent party. The test is designed to identify signs of risky gaming habits and provides detailed feedback.

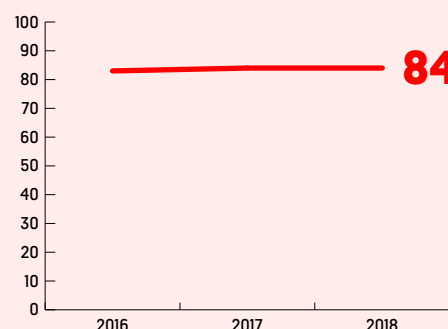
Information about winnings, losses and login periods

Customers receive clear messages about winnings and losses, and can also see login periods and balances. Svenska Spel also offers the Gaming History service which allows customers to track their winnings and losses over time.

Risk analysis tool

Svenska Spel's in-house designed tool Playscan measures the risks in customers gaming and warns if the gaming behaviour may evolve into something riskier. Via the tool, customers are made aware of their gaming habits at an early stage, which increases the possibility of preventing an escalation into a bigger problem.

Awareness index





“Spela Lagom” (play in moderation)

The “Spela Lagom” initiative is one of Svenska Spel’s responsible gaming efforts aimed at providing our customers with information and advice about healthy gaming habits. The contents in Spela Lagom have been compiled together with experts and scientists active in responsible gaming and gambling addiction, and are fact-checked continuously.

For information, visit
www.spelalagom.se/sv/om-spela-lagom/

Proactive dialogues – now permanent

In 2017, Svenska Spel started a pilot test that involved calling players who exhibited elevated risk-taking behaviour to talk about their gaming behaviour. The project was a success and the customers who were contacted appreciated the calls. It was decided in 2018 to make our proactive dialogues a permanent feature. What makes our proactive dialogues unique is that it is Svenska Spel's own employees who call and have the conversations. This is a person-to-person contact and not notification via text messaging or other automated services.

“It’s great that you call like this. It shows that you like your customers. That you really do care.”

Svenska Spel customer

“There’s no way we can just rest on our laurels.”

We asked...

**Axel Lyckberg,
Playscan, Svenska Spel**

Axel Lyckberg is a tech lead for Svenska Spel's Playscan responsible gaming tool. The tool identifies risky gaming practices and communicates with customers who exhibit signs of being at greater risk for developing gambling problems.

What are your views on Svenska Spel's future?

Svenska Spel definitely has some tough challenges ahead. We have a strong market position, one we need to work hard to hold on to. In the long term, I believe that Svenska Spel's success is closely linked with how well the Company provides con-



sumer protection. With a responsible gaming approach that won't crumble under scrutiny, we have every chance to uphold our unique position as Sweden's most trustworthy gaming company.

What should Svenska Spel focus on in the re-regulated gaming market?

I think it's a question of retaining and strengthening our position in the gaming market today. One of the keys lies in developing our strong gaming products and attractive offerings. But above all, I believe we have much to gain from investing in developing and improving customer security, transparency and responsibility.

What are the implications of the re-regulated market for Playscan?

Risk-analysis tools such as Playscan are mandatory for all gaming companies as of 1 January 2019. Obviously, it's an honour that our concept, which was cutting-edge when we started ten years ago, has now been written into the new Gambling Act. While many companies choose to build their own systems, we are seeing a greater demand for our product. With our segment of the industry growing and advancing so quickly, we need to be even more alert. There's no way we can just rest on our laurels.



Working to create a greater experience

Our employees drive Svenska Spel forward – we are convinced that dedicated employees produce satisfied customers. Svenska Spel is to be an attractive company and a modern-day employer where we, in true team spirit, create experiences that give our customers enjoyment.

Working for Svenska Spel is not, and should not be, like working at other workplaces, particularly not in the gaming industry. At Svenska Spel, all employees play a part in conveying enjoyable gaming experiences combined with considerable responsibility. This combination is an important reason why many people want to work for us. It is also the foundation of our employee value proposition.

A year of transition

Re-regulation of the gaming market was a major issue throughout 2018 and affected Svenska Spel's employees in several ways. The preparatory work for adapting and re-setting was periodically time and resource-consuming. However, it also gave the Company the opportunity to thoroughly review the organisation. It allowed for an inventory of skills and expertise to ensure that the right talent was in the right place in the new organisation that took effect during the year. As part of this mapping process, 140 new jobs were created and 78 were phased out.

Games are everything

A critical aspect of Svenska Spel's corporate culture is creating and developing exciting games. We have a long history that our employees take pride in. Every day, we work to renew and improve the games in various ways. This can involve improving existing games, designing new ones and developing the different channels where our customers can interact with us. At our casinos, in stores or online.

Employee commitment is determined by how employees perceive they can influence their day-to-day work, their level of independence and good knowledge about our products. When employees feel secure in their professional roles, it results in better customer and colleague interactions. Consequently, Svenska Spel continued to offer a comprehensive product training course for employees and retailers in 2018 – aimed at increasing knowledge about our own games and strengthening our ability to always focus on the customer.

We invest in the future

Svenska Spel has supported Swedish sports since 1934. We view sports as a way to promote better health and this extends also to our employees. We want to give our employees the best opportunities to be healthy and fit – both at work and elsewhere. In 2018, several initiatives were arranged for employees at our casinos and our offices in Solna and Visby. Among the events, many employees participated in the Midnattsloppet running race in Stockholm and throughout the year, experts were invited to the offices to give lectures about food and health. Another initiative toward encouraging our employees' wellbeing was the increase in wellness subsidy. Also the physical work environment was improved in 2018. For example, the entire Visby office was renovated to facilitate a cross-functional and agile work approach. Svenska Spel wants to make it easy for employees to take part in sporting events by offering tickets at favourable prices. Employees can also get involved in activating our sponsorships by, for instance, taking part in our activities during the Swedish Championship week.

Next step as a learning organisation

Svenska Spel is a knowledge-based organisation where active learning is a prerequisite for work and is strongly encouraged. To streamline our far-reaching skills-development agenda, we have founded an Academy where we gather and organise all courses. In addition, the Company intends to shift the focus of its skills development through a 70-20-10 model for learning. Skills development is primarily realised through learning on the job (70%), through interaction with others (20%) and, as a complement, via formal methods such as courses (10%). By launching this model, our ambition is to embed learning in all aspects and elements of our employees' work in 2019.

To retain and encourage our young employees to grow within Svenska Spel, our young professionals network, formed

in 2017, has continued to drive commitment through activities in Solna and in Visby in 2018.

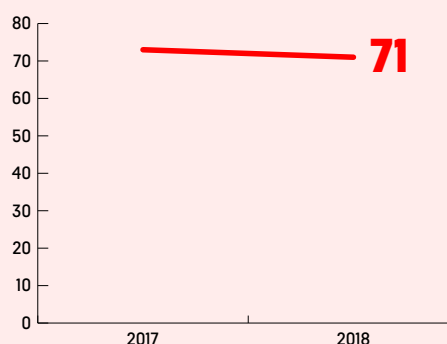
Equal opportunities and inclusion

We believe that companies in which the mix of employees reflects Swedish society are better able to understand and take care of their customers. Throughout 2018, we pursued important equal opportunity and inclusion efforts.

To increase awareness for equal opportunity and inclusion, and to gain a norm-critical perspective of recruitment, Svenska Spel arranged a managers course together with analysis and advisory company Add Gender. The managers course gave results. In the work ahead of the Company's re-organisation, the issue of an even distribution of men and women was particularly highlighted, and during the year we saw that this division evened out.

Plans for 2019 include a leadership programme designed especially for women. The goal of the programme is that some 20 women in the organisation will complete a course that encourages and facilitates for the participants to advance to manager positions during their careers at Svenska Spel.

Committed employees



Svenska Spel's employee value proposition: Work to promote a greater experience

Our games

Through dedication and pride, we improve the gaming experience for the people of Sweden

Our health

We invest in the future

Our professional development

Together we create the best workplace

Our responsibility

We make gaming enjoyment so much greater

Code of Conduct guides employees

Svenska Spel shines the spotlight on and pre-empts unethical behaviour. This is done in many ways. The Code of Conduct describes our approach to responsible and professional conduct. Employees can confidentially report suspicions of irregularities within the Company and money laundering through a whistle-blowing service. Four reports were received via the system in 2018. All reports were managed by the Internal Auditor and Head of Group Security and Compliance.



We are Svenska Spel

That Svenska Spel's employees are dedicated is clearly evident in the employee videos we produced in 2018. The videos starred our own employees who explain what they do and why they like working at Svenska Spel. Thanks to the enormous commitment and number of people who participated in the videos, we were nominated in the Film and Video category at Magnet Awards, Swedish Championship in Employer Branding. This has cultivated even more pride and commitment internally.

Directed recruitment initiatives

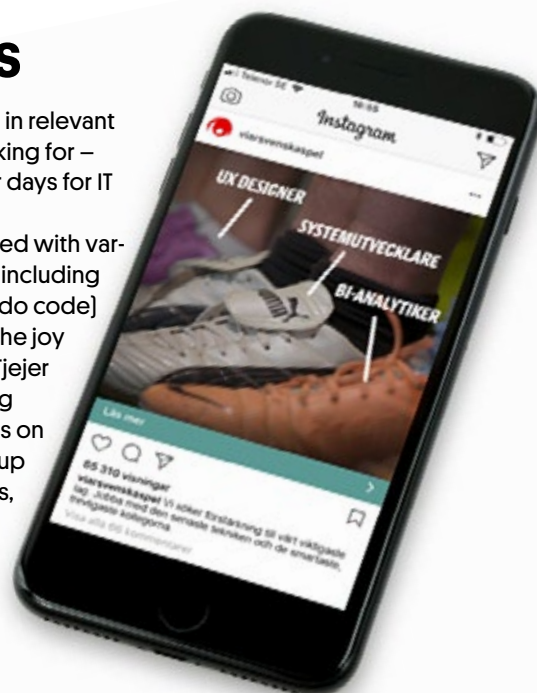
During 2019 and thereafter, Svenska Spel will need to recruit experts and talents in digital and mobile game development. We have a continuous need to reinforce our resources and skills in these areas within Svenska Spel. Our recruitment focuses primarily on skills in technology, analysis and design services as well as land-based casino operations.

Svenska Spel has completed several direct marketing initiatives in a variety of channels to attract the right talent in order to reach potential employees. To create awareness of Svenska Spel as an employer, and to attract more applicants to posted vacancies, we carried out directed employer branding campaigns in our own social media channels.

In addition to marketing on the Com-

pany's own channels, we took part in relevant career fairs for the skills we are looking for – such as Uppsala University's career days for IT and computer science.

In 2018, Svenska Spel collaborated with various organisations and influencers, including the organisation Tjejer Kodar [Girls do code] and the pod Träningsglädje Talks [The joy of exercise talks] with Sara Rönne. Tjejer Kodar creates programming training programmes and courses that focus on encouraging more women to take up coding while in Träningsglädje Talks, Sara Rönne met employees from Svenska Spel to talk about health from various perspectives.



“A perfect mix of experience and new energy!”

We asked...

**Sandra Krle,
front-end developer,
Svenska Spel**

What is it like to work as a developer at Svenska Spel?

It feels like working for a big caring family that always makes you feel welcome and appreciated. I also feel that my job is important and relevant. We work as a team that uses modern web develop-

ment technologies and we are always up to date on the latest trends. Our teams have a good structure, with senior developers working side by side with more junior colleagues. A perfect mix of experience and new energy!

What is it that makes working at Svenska Spel so engaging?

For me, it's my talented colleagues. They inspire me to constantly improve my own skills and apply them in my work. Everyone is so committed to making the Svenska Spel experience as good as possible and that rubs off.

What do you think that the new gaming market will mean for Svenska Spel?

For our part, I believe it will mean a higher degree of innovation and more unique gaming experiences. But above all, it will mean that we can strengthen our position in responsible gaming even more! We are a unique company that truly takes this matter seriously.





A major sports year

2018 was a major sports year with the World Championship in both ice hockey and football. Strong engagement within several customer categories was created through our sponsorship and we received considerable media coverage. The World Championship in football was a huge success for Svenska Spel and we surpassed both our sales and customer recruitment targets.

A smiling man with a shaved head, wearing a red zip-up jacket over a black t-shirt and black shorts, is walking towards the camera. He is holding a black bag filled with soccer balls in his left hand. He is standing in front of a green corrugated metal storage unit with the number '61' visible on it. The background shows some trees and a clear sky.

A state-owned company with sustainability in focus

Svenska Spel will be a long-term sustainable and effective company that generates value for our owner and society at large. Operations are to be conducted in a manner that is socially, economically and environmentally sustainable.

Support to both amateur and elite sports is both a clear and important indicator that Svenska Spel gives back to society.

The trust of the Swedish people

A high level of trust from our customers and other stakeholders is paramount to our success. Our coherent portfolio of well-known brands and our social commitment contributes to retaining and strengthening the trust of the Swedish people. It also makes us an attractive employer and business partner. Through profitable growth with sound cost control, we create good conditions for innovation and initiatives going forward that help reinforce the Company's value.

In addition to its surplus going to the State, Svenska Spel's contribution to society is primarily our responsible gaming and a strong engagement in Swedish sports. But also a well-established network of retailers who help sustain a rural way of life and a vast number of jobs.

Social commitment through sponsorship has an effect

Historically speaking, we have a strong and close collaboration with sports. Our Gräsroten initiative distributes SEK 50 million every year to associations to support children and youth sports around the country.

In 2018, Svenska Spel's and the Swedish Sports Confederation's joint Framåt för fler i rörelse! project continued. During the period 2017 to 2020, Svenska Spel will invest a total of SEK 110 million to get more people moving. The Framåt för fler i rörelse! project comprises sponsorship agreements with 62 specialised sports associations aimed at counteracting a sedentary lifestyle and to get more people physically active.

Our Prispallen initiative has created a venue for international sporting excellence by Swedish athletes. All first, second and third place results from large international championships for those sports whose associations are members of the Swedish Sports Confederation are registered at Prispallen.se. Every place winner is awarded SEK 10,000 by Svenska Spel. The money goes to the association that the athlete or team represents. During the 2018 sports year, the participating associations won a total of 309 international medals.

Support to both amateur and elite sports is a clear and important indicator that Svenska Spel gives back to society. We have sponsored Swedish sports since 1934 and our dedication to sports is an important part of our history. Svenska Spel is currently proud head sponsor of the Swedish Football Association, the Swedish Ice Hockey Association, the Swedish Handball Federation, the Swedish Floorball Federation, the Swedish Bandy Association and the Svenska E-sportsförbundet [the Swedish esports Federation]. Our sponsorship has, for example, contributed to Sweden being one of the world's best ice hockey nations, floorball that has expanded both among amateurs and the elite, and a world-class national handball team.

Through our Elite sports scholarship we help active athletes combine an elite sports career with higher education. The scholarship is SEK 50,000 per recipient and is distributed to 75 active athletes every year.



Tipselit

Within football, we have collaborated on the Tipselit project, which aims to develop Swedish elite football through an investment in young talents, associations and leaders.



Hockeyakademin

We are active in Hockeyakademin.se through our collaboration with Swedish ice hockey. The ambition is to gather everything related to training and development for coaches and players.



Pensionärspingis

Table tennis for pensioners courses led by instructors are arranged in collaboration with Bordtennisförbundet [the Table Tennis Association] to encourage more people over the age of 65 to take up table tennis.

+60%

Increase in the contract value of Svenska Spel's enhanced head sponsorship with Elitfotboll Dam [the Elite Football Association for Women].

We work for equal sponsorship

Sports sponsorship is not equal today. Svenska Spel wants to change that. We work to reduce the disparity between men's and women's sports and to create the same prerequisites to do sports regardless of gender, but a number of challenges still prevail.

Svenska Spel demands equal opportunity from the associations in terms of the allocation of funds. In our agreements for youth, amateur and association activities, all funds are equally distributed between the genders. At elite

level, the pricing of sponsorship rights is governed by the commercial value of the sport, such as levels of performance. In 2018, Svenska Spel extended and reinforced its agreement as head sponsor for Elitfotboll Dam [the Elite Football Association for Women]. The sponsorship is worth SEK 145 million – an increase of more than 60% compared with earlier agreements and extends through 2023. The new agreement is the largest-ever agreement for Swedish women's elite football.

Leading sponsorship guidelines

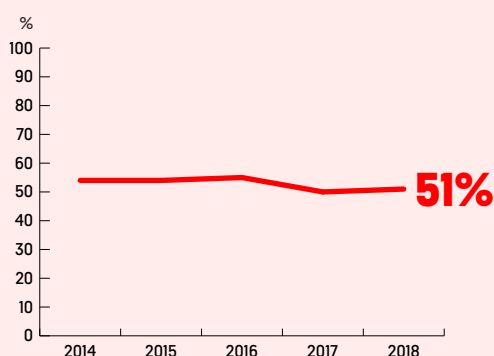


Svenska Spel's elaborate sponsorship guidelines have become best practice in the Swedish sports community and, as a result, our business partners apply the guidelines themselves in their activities.

For example, the Swedish Handball Federation will apply Svenska Spel's sponsorship guidelines in its sustainability efforts ahead of future international matches and championships.

In line with our sponsorship guidelines, the Swedish Football Association started a collaboration with the international human rights organisation Human Rights Watch ahead of the 2018 World Championship in football arranged in Russia. Through the collaboration, coaches and players were educated about human rights, which received positive attention from journalists who were on site to cover the tournament.

Image rating 2014–2018



Svenska Spel's image

The public's trust in Svenska Spel and our brands is decisive for our continued success. Our image rating is, by a broad margin, highest among the gaming companies. The image rating that measures the percentage of Swedes between the ages of 18 and 75 who are positive to Svenska Spel amounted to 51% for the fourth quarter in 2018. The gaming industry's reputation as a whole is still low and our closest competitor has an image rating of 34%.



The fight against match-fixing

Criminal elements and manipulation of results do not belong in the world of sports. At Svenska Spel, we have actively combated match-fixing since 2013 and we are a driving force in the efforts against this growing threat. Combatting match-fixing is imperative for a gaming market without manipulated game results. Svenska Spel takes a broad approach from a precautionary principle to secure the highest possible gaming security.

We do not offer gaming on any matches in lower divisions, youth sports or individual match elements such as next corner or red cards since these are easy to manipulate. Furthermore, in the event of unusual gaming patterns, we stop all gambling on the match for investigation and reporting, and repay the stakes to the players. We also have stake restrictions that are intended to combat the economic incentives that are often behind match-fixing. In 2018, we chose during the ongoing season to eliminate a total of six football teams from Superettan and from divisions 1 and 2 from our range of games since we did not feel safe in offering betting on these teams.

In our efforts against match-fixing we have also had a smoothly functioning and established collaboration for several

years with the Swedish Sports Confederation, the Swedish Football Association, the police and prosecutor. At year-end, the Swedish Gambling Authority was given the mandate to lead the Anti-Match-fixing Council. Svenska Spel will actively monitor the Council's work and assist when possible. The Swedish Sports Confederation employs an anti-match-fixing coordinator, which is financed by Svenska Spel.

In 2018, together with the Swedish Sports Confederation and Svensk Elitfotboll (the Swedish Elite Football Association) we arranged several courses, lectures and seminars about the risks of match-fixing for Swedish elite and youth athletes. Among other things, all players from the 38 participating clubs in the 2018 Gothia Cup SEF Trophy received training and information about the risks of match-fixing.

Svenska Spel works actively and tirelessly to ensure that all customers play under the same terms and conditions. In 2018, Svenska Spel identified and excluded customers using betting pools to circumvent Svenska Spel's stake restrictions (so-called betting syndicates). It is important and a top-priority that betting is done on equal terms.

“We must see to it that young athletes are well-equipped.”

We asked...

Peter Gentzel,
CEO Svensk Elitfotboll

In order to combat match-fixing, in 2018 we arranged for all the teams participating in the Swedish youth handball championships to take an online course in collaboration with Svenska Spel. We spoke with Peter Gentzel, CEO of Svensk Elitfotboll, (the Swedish Elite Handball Association) about the importance

of teaching young people about match-fixing.

Why is it important to educate young sportspeople about match-fixing?

Young sportspeople do sports because they like the sport and they have fun. The reverse side of sports is probably not something you think that much about when you're young. Which is why it's important to take preventive measures and discuss problems that do exist.

What risks should young sportspeople be aware of?

Primarily, it is a question of showing that tangible risks do exist. Unfortunately, there are a lot of gaming companies out there who offer betting on very low division matches where the players may be vulnerable to pressure. We need to see to it that young athletes are well-equipped should they find themselves in such sensitive situations.



What do you think that the re-regulated market will mean for anti-match-fixing efforts?

I'm optimistic and I hope that the gaming companies that have been granted a license will make a concerted effort against match-fixing for the games they offer and that the new Swedish Gambling Authority will invest in various initiatives to curb the problem.



Business ethics and anti-corruption

Sound business ethics and anti-corruption are two prioritised areas for Svenska Spel. These pervade our business activities and are prerequisite for conducting long-term sustainable and sound operations. In this work, our initiatives to curb match-fixing play a crucial role.

In 2018, Svenska Spel endeavoured to ensure compliance with the new regulatory framework against money laundering and terrorist financing, and as of the autumn of 2017, all of Svenska Spel falls under the Anti-Money Launder-

ing Act. The Act requires, among other things, that gaming companies have special knowledge about their customers through secure identification. Therefore, we have worked to gather data from both new and existing customers. All new customers were asked to answer a number of questions before they could start to play. Some customers have been asked to answer more comprehensive customer awareness questions and, in some instances, were required to submit documentation to verify the origin of

the money with which they play. Even before, we had obligatory registration for customers who want to do their gaming with us. In November 2018, the Swedish Gambling Authority decided in a regulatory issue that Casino Cosmopol had failed in its work to counteract money laundering and terrorist financing and imposed a sanction charge of SEK 8 million. Anti-money laundering activities will continue and be intensified in 2019.

Read more about the Swedish Gambling Authority's regulatory issue on page 32.

Human rights efforts throughout the entire supply chain

At Svenska Spel, we are emphatically against any violation of human rights, which is reflected in the specifications we make on our suppliers and recipients of our sponsorships.

In 2018, Svenska Spel completed procurements valued at SEK 777 million from 32 suppliers. This gives us an important position setting requirements in the supply chain. It also means that we have an indirect impact beyond our own business. Marketing-related services and IT are the main services and products that Svenska Spel purchases. Most of our suppliers are within the EU and most of them are Swedish.

Svenska Spel has a code of conduct for suppliers that is included with all contract documents. Every year, a risk assessment of the Company's suppliers

is carried out from a social, ethical and environmental perspective. Our goal is that 100% of the suppliers identified in the Company's risk analysis are screened concerning human rights.

Follow-ups are conducted with those suppliers where Svenska Spel assesses there is an elevated risk in relation to the Company's code of conduct. The assessment is conducted through a self-assessment tool that Svenska Spel has designed. According to our assessment, the risks in the Company's supply chain are low in general. Our goal is to carry out 1–2 supplier audits per year. In 2018, we conducted an audit to follow-up compliance with our Code of conduct. Suppliers were selected on the basis of the annual risk analysis outcome.



A gaming company that protects the environment

Svenska Spel has been involved in environmental issues for many years. Despite our relatively low environmental impact, we do what we can to minimise our impact and contribute to a more sustainable climate. Our primary focus areas are materials, business travel, freight transportation and energy. Our goal is to reduce the Company's CO₂ emissions by 50% between 2010 and 2020. With two years left, we feel that we are well-positioned to achieve this goal. Read more about Svenska Spel's climate efforts and climate report on svenskaspel.se

Examples of measures toward reducing our climate impact:

- › Our procurement process contains environment standards. As a large company, we have the opportunity to influence developments within environmental issues in a positive direction by setting standards.
- › We support the airline industry's goal to halve fossil emissions by increasing the share of biofuel-powered flights via a surcharge on every flight that our employees make with the airline BRA. With operations in six locations, a certain amount of travel will always be necessary and this allows us to help drive progress.
- › In 2018, Svenska Spel's first charging stations for electric cars were mounted at the office in Visby.



“Svenska Spel's sponsorship extremely valuable.”

We asked...

**Linda Wijkström,
Secretary General,
Elitfotboll Dam**

In May 2018, Svenska Spel extended and reinforced its agreement as head sponsor for Elitfotboll Dam, EFD [the Elite Football Association for Women]. The new agreement is valued at SEK 145 million and is valid through 2023.

What does Svenska Spel's sponsorship mean to Elitfotboll Dam?

Svenska Spel's sponsorship is extremely valuable. It is obvious that Svenska Spel believes in sustainable efforts to create the opportunities for girls and women to practice their sport. Put simply, it has created world-class opportunities.



What role would you ideally like to see that Svenska Spel has in the future?

I would like to see that Svenska Spel pursues its course in terms of equal opportunities and sustainability – for example, by not giving access to betting on risky elements such as corners. I would like to see Svenska Spel become an even larger and more prominent stakeholder that advocates responsible gaming.

How important is Svenska Spel's support for sports?

Incredibly important since it gives women's football enormous potential to create environments where girls and women can play football. This sport is the largest popular movement and offers vast benefits to society. Without Svenska Spel's support, the sport would not be what it is today.





“Svenska Spel promotes Swedish football, hockey, bandy, floorball, handball and, as of May 2018, also Swedish esports.”

Patrik Hofbauer, President and CEO

SVENSKA SPEL

Financial information and governance

2018

Contents

Directors' Report

52	Operations
56	Group's financial position and results
58	Facts about Svenska Spel's business areas
60	Risks and risk management
61	Proposed distribution of profits
62	Svenska Spel's mandate
63	Report on the Company's measures under the shareholder directive
68	Corporate Governance Report
72	Internal controls concerning financial reporting
74	Board of Directors
76	Management

Group

78	Consolidated statement of comprehensive income
79	Balance sheet
80	Cash-flow statement
80	Statement of changes in equity

Parent Company

81	Income statement
82	Balance sheet
84	Cash-flow statement
85	Statement of changes in equity

List of Notes

86	Note 1	Accounting and valuation policies
90	Note 2	Gross gaming revenue and other revenue
90	Note 3	Employees, employee expenses and benefits
93	Note 4	Auditors' fees
93	Note 5	Financial income and expenses
94	Note 6	Taxes
94	Note 7	Intangible assets
95	Note 8	Property, plant and equipment
96	Note 9	Financial risk management
98	Note 10	Financial instruments
100	Note 11	Trade and other current receivables
100	Note 12	Prepaid expenses and accrued income
100	Note 13	Cash and cash equivalents
100	Note 14	Equity
101	Note 15	Earnings per share
101	Note 16	Unpaid winnings
101	Note 17	Other non-current liabilities
102	Note 18	Trade payables and other current liabilities
102	Note 19	Settlement fund and funded winnings
102	Note 20	Accrued expenses and deferred income
103	Note 21	Leasing
104	Note 22	Pledged assets and future obligations
104	Note 23	Affiliates
104	Note 24	Transfer of operations
105	Note 25	Participations in Group companies
105	Note 26	Proposed distribution of profits
105	Note 27	Events after the balance-sheet date

106 Annual Report signatures

107 Auditor's Report

110 Assurance Report

111 Five-year summary, the Group

112 Alternative performance measures

113 About Svenska Spel's Sustainability Report

118 GRI Index

122 Other terms

123 Calendar and contacts

Directors' Report

The Board and CEO of AB Svenska Spel, corporate registration number 556460-1812, with its registered office in Visby, Sweden, hereby submit the Annual Report and the Consolidated Financial Statements including the Corporate Governance Report for the financial year 1 January–31 December 2018, as presented on pages 52–105.

Operations

The Company's mandate and permits

Svenska Spel has had a mandate from the State up to and including 2018, after securing permits from the Government, to organise games and lotteries in a responsible manner.

Mandate up to and including 2018 for:

- › meeting customers' demand for attractive gaming activities;
- › providing game forms that are deemed to entail risks of a social nature, within the framework for social responsibility, when this is believed to be able to curb illegal gaming in uncontrolled forms;
- › providing a credible but also attractive alternative to, first and foremost, uncontrolled gaming operations;
- › taking into account social protection considerations, fraud risks and consumer interests when game forms are being developed and in all other aspects of operations;

- › endeavouring to provide a well-developed service in both urban and rural areas; and
- › focusing on social responsibility in its marketing so as to avoid being perceived as excessively intrusive.

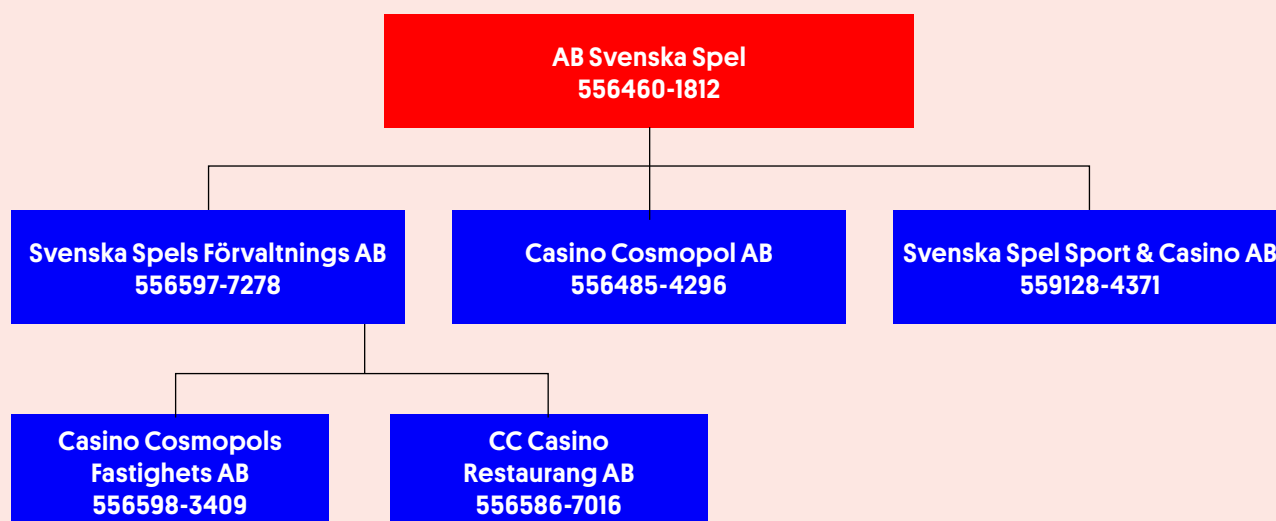
The Swedish Government has granted a number of permits that formed the basis of Svenska Spel's operation up to and through 2018. The permits have governed the following areas:

- › Lotteries and betting on sports competitions
- › VLTs
- › Casino games and the locations of casino games
- › Online Poker

Amended mandate and licenses:

On 1 January 2019, the Swedish gaming market was re-regulated with new gaming regulations, a license system and a

Svenska Spel's legal structure



reinforced regulatory authority (the Swedish Gambling Authority) that monitors all licensed gaming companies.

Our new mandate from the Government is that AB Svenska Spel, or a wholly owned subsidiary of AB Svenska Spel, will

- › offer gaming at land-based casinos;
- › offer gaming on video lottery terminals in locations other than the casinos.

For these game forms the Company will:

- › observe particular moderation in terms of marketing gaming operations to consumers and focus on social responsibility in its marketing so as to avoid being perceived as excessively intrusive; meeting customers' demand for attractive gaming activities;
- › in addition to the provisions stipulated in the Gambling Act and Gambling Ordinance [2018:1475] and by the Swedish

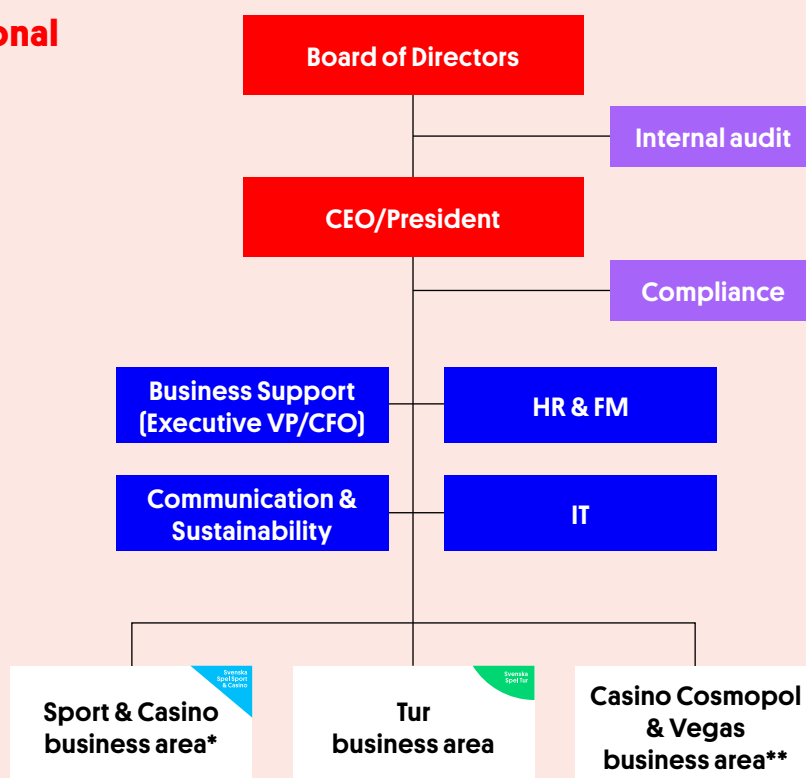
Gambling Authority regarding the duty to show consideration, to monitor the development of problems related to excessive gambling and take measures to counteract these problems.

The Swedish Gambling Authority has granted the following licenses for Svenska Spel's operations as of 1 January 2019:

- › AB Svenska Spel has been granted a license for lotteries and licenses for games on VLTs;
- › Svenska Spel Sport & Casino AB has been granted a license for commercial online gaming and betting;
- › Casino Cosmopol AB has been granted a license for gambling at casinos.

In conjunction with the EGM on 11 December 2018, the shareholder resolved on a new shareholder's directive to replace the former shareholder's directive from 2012. The new share-

Svenska Spel's operational structure



*] The operations are conducted within Svenska Spel Sport & Casino AB

**] The operations are conducted within Casino Cosmopol AB and AB Svenska Spel

holder's directive applies only to operations conducted under monopoly conditions, as in land-based casinos and video lottery terminals.

Svenska Spel currently has a financial goal from the owner that means that the operating margin is to be at least 22% over an economic cycle of five to seven years.

Legal structure

AB Svenska Spel was founded in 1997 following a merger of AB Tipstjänst (established in 1934) and Svenska Penninglotteriet AB (formed in 1897), and is 100% owned by the Swedish State.

The Svenska Spel Group comprises the Parent Company AB Svenska Spel and subsidiaries Svenska Spels Förvaltnings AB, Casino Cosmopol AB and Svenska Spel Sport & Casino (newly started 2017). Svenska Spel Sport & Casino was founded due to the requirements in the new Gambling Act. The Company's objective is to offer games such as betting and online casino games. Svenska Spels Förvaltnings AB forms a sub-group with the subsidiaries Casino Cosmopols Fastighets AB and CC Casino Restaurang AB.

Operational structure

The Group is organised as three business areas: Sport & Casino, Tur and Casino Cosmopol & Vegas, as well as four joint Group functions (Business Support, HR & FM, IT and Communication & CSR).

Sport & Casino business area

Svenska Spel's subsidiary Svenska Spel Sport & Casino AB runs this operation as of 1 January 2019. The business area is responsible for selling sports games, online poker, online casino and online bingo.

The sports games category consists of Oddset and the football-based Stryktipset, Europatipset, Måltipset and Topptipset. Oddset is a collective term for such games as Lången, Matchen, Bomben, Mixen, Powerplay and Challenge.

The online game Bingo and Online poker as well as online casino is included in the casino games category.

The business area accounts for 22.8% [22.5] of Svenska Spel's total gross gaming revenue. In the 2018 financial year, gross gaming revenue for the Sport & Casino business area totalled SEK 2,002 million [2,020].

Business area Tur

The business area is responsible for selling number games and lottery tickets.

The number games category consists of Lotto, Keno, Joker, Vikinglotto and Eurojackpot. The lottery tickets cate-

gory consists of the Triss, Penning and Scratch games. The offering also includes a pre-packaged set of lottery tickets with Triss and temporary campaign lottery tickets.

The business area Tur accounts for 54.5% [52.5] of Svenska Spel's total gross gaming revenue. In the 2018 financial year, gross gaming revenue for the business area Tur totalled SEK 4,787 million [4,716].

Casino Cosmopol & Vegas business area

Svenska Spel's subsidiary Casino Cosmopol AB has been operating international-class casinos since 2001. The four casinos have unique premises in Stockholm, Gothenburg, Malmö and Sundsvall, with a varied leisure offering in terms of casino games, restaurants, bars and entertainment.

The games on offer at the casinos are table games (roulette, dice and card games), as well as slot machines. In 2018, Casino Cosmopol had 923,125 visitors [985,329].

The business area is also responsible for the Vegas VLTs, which are the only VLTs legally allowed in Sweden, except for the slot machines at Casino Cosmopol's land-based casinos. AB Svenska Spel is responsible for Vegas operations.

The restaurants where the Vegas VLTs are installed have been carefully tested and have alcohol licenses, and the bingo halls have bingo permits. A gaming location may not have more than five Vegas VLTs and the income from these may not dominate the operation. Under AB Svenska Spel's permit, the total number of VLTs that Svenska Spel can install is restricted to 7,500 and at 31 December 2018, there were 4,589 [5,015] Vegas VLTs installed at restaurants and bingo halls nationwide. These VLTs are distributed among 1,493 [1,640] business partners.

In 2018, gross gaming revenue for the Casino Cosmopol & Vegas business areas amounted to SEK 1,995 million [2,244], down 11.1% year-on-year, due primarily to several legal changes that have affected sales for Vegas.

Employees

The average number of employees was 1,683 [1,694], of whom 62% [61] are men. The average number of employees in the Parent Company was 715 [695], of whom 67% [66] are men. The Company endeavours to maintain an even gender balance among employees and managers, where the gender balance for managers should be within a range of 45 to 55%. At year-end, the gender balance was 39% [35] female managers and 61% [65] male managers. In the Parent Company, the gender balance was 43% [39] female managers and 57% [61] male managers. To improve the gender balance, we quality assure recruitment processes and ensure that all applicants have the same opportunities to apply for vacant positions. The recruitment process strives for final candidates of both genders.

A work environment survey is conducted biannually. The

survey includes the areas of health and workload, motivation, social climate, leadership, resources and preconditions, which are weighed together to one work environment index. At year end, the work environment index was 74% [73].

Regular pulse surveys are performed every other month to measure, among other factors, employee commitment. The 2018 commitment index in the Group was 71 [73] on a scale of 0–100.

Employee Net Promoter Score (eNPS) is a measure to ascertain how willing the employees are to recommend Svenska Spel as a workplace to friends and acquaintances. The 2018 eNPS result was 3 [3] on a scale of –100–100.

For further information about the employees, refer to Note 3 on pages 90–93.

Significant events in 2018

- › Patrik Hofbauer assumed the role of new President and CEO for Svenska Spel on 1 December.
- › AB Svenska Spel has been granted a license for lotteries and games on VLTs, Svenska Spel Sport & Casino AB has been granted a license for commercial online gaming and betting. Casino Cosmopol AB has been granted a license for games at casinos.
- › Operations directly related to competitive games [betting, online casino, online poker and online bingo] were transferred to Svenska Spel Sport & Casino AB on 31 December 2018.
- › New sponsorship agreements were signed with the Swedish Football Association and Elitfotboll Dam [the Elite Football Association for Women]. The agreements have a combined value of SEK 358 million and are valid through 2023.
- › A new sponsorship agreement was signed with the Swedish Handball Federation and Svensk Elithandboll [the Swedish Elite Handball Association]. The agreement runs for three years and is valued at approximately SEK 36 million.
- › A new three-year agreement has started with Svenska E-sportföreningen [the Swedish esports Federation].
- › Svenska Spel Sport & Casino AB has signed an agreement with SG Digital for the delivery of a customer platform and online casino. Agreements have also been signed with Evolution Gaming, NetEnt and Yggdrasil to supplement the online casino range.

- › Eurojackpot paid out SEK 258 million – the highest winnings ever in Sweden.
- › SEK 50 million was paid to sports associations' youth operations through Gräsroten.
- › Continued collaboration with the Research Council which was extended to 2022 and is valued at total of SEK 24 million.
- › The Norwegian gaming company Norsk Tipping has chosen to sign an agreement with AB Svenska Spel for the right to continue to use the responsible gaming tool Playscan. The agreement is valued at approximately SEK 20 million and runs for six years.
- › The Swedish Gambling Authority has in a regulatory matter regarding money laundering at Casino Cosmopol AB decided to impose a sanction charge of SEK 8 million. The Company has appealed the decision.

Sustainability Report

Pursuant to Chapter 6, section 11 of the Annual Accounts Act, Svenska Spel has chosen to prepare the statutory sustainability report separately from the Annual Report. Svenska Spel's Sustainability Report is presented as an integrated part of the Annual Report and the scope of the report is defined on page 113 in this document.

Business environment and future outlook

Growth in the Swedish gaming market is driven and is conducted primarily online. In 2018, the total Swedish gaming market grew by just over 1% according to the Swedish Gambling Authority.

Sports betting is still a strategically important introductory product for a number of gaming companies and the selection of live games is more important in the competition for customers. Online casino is the single largest gaming market game. Interest in live casino – playing online against live dealers – is increasing and is the game form that is the primary online casino growth driver. A clear trend is the public's growing interest in esports and esports betting.

Competition in the gaming market spurs higher media investments with the offshore gaming companies having a considerable share in these investments. In 2018, the gaming industry's media spend amounted to SEK 7.4 billion, up 34% compared with 2017.

Group's financial position and results

Gross gaming revenue by business area

Gross gaming revenue amounted to SEK 8,784 million [8,980], down SEK 196 million or 3.7% compared with the preceding year.

Gross gaming revenue for the Sport & Casino business area amounted to SEK 2,002 million [2,020], down SEK 18 million or 1%. Oddset products Mixen, Matchen and Challenge as well as Europatipset reported an increase in gross gaming revenue of SEK 85 million. The World Championship in football during the summer contributed favourably to gaming with these products. A higher payout percentage on Oddset compared with the preceding year is one explanation for the reduction in gross gaming revenue, as well continued intense competition in sports games. Gross gaming revenue for Bingo increased SEK 10 million year-on-year.

The business area Tur reported gross gaming revenue of SEK 4,787 million [4,716], up SEK 71 million or 2%. Gross gaming revenue for Eurojackpot increased SEK 157 million. Gross gaming revenue for Vikinglotto grew SEK 18 million, while Triss decreased SEK 89 million due, among other things, to changes in in-store purchasing patterns due to self-scanning.

The Casino Cosmopol & Vegas business area reported gross gaming revenue of SEK 1,995 million [2,244], down SEK 249 million or 11%. Gaming on Vegas VLTs decreased SEK 222 million, primarily as a result of the implemented reinforced login as a money laundering measure, but most likely also because games can only be paid for with cash.

Gross gaming revenue for games on slot machines at Casino Cosmopol decreased SEK 25 million and table games

decreased SEK 2 million. Fewer guests who visit the casinos is a persistent downward trend.

Gross gaming revenue by sales channel

Gross gaming revenue online grew SEK 453 million to SEK 2,718 million [2,265] or 20%, of which gross gaming revenue via mobile phones rose 39%. Of the Group's total gross gaming revenue, the online sales channel amounted to 31% [25], of which mobile phones amounted to 21% [15]. Growth online is forcefully driven by a general digital transition, new offerings, mobile services such as BankID and Swish, but also by a user interface that is convenient and easy to navigate.

Gross gaming revenue from the Retailers channel decreased SEK 393 million to SEK 3,949 million [4,342] or 9% and from the Restaurant & Bingo halls channel by SEK 222 million to SEK 893 million [1,115] or 20%.

Gross gaming revenue in the Casino sales channel amounted to SEK 1,001 million [1,128], down the equivalent of SEK 27 million or 2%.

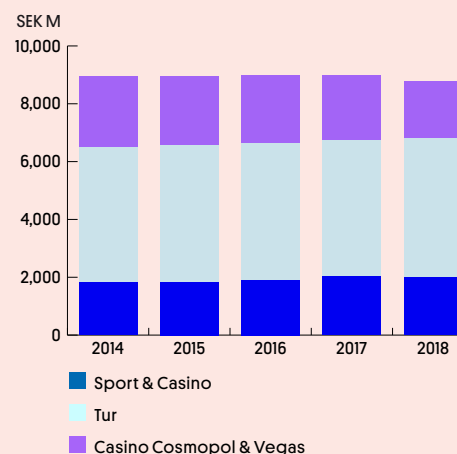
Gross gaming revenue from other sales channels totalled SEK 123 million [129].

Operating profit and operating margin

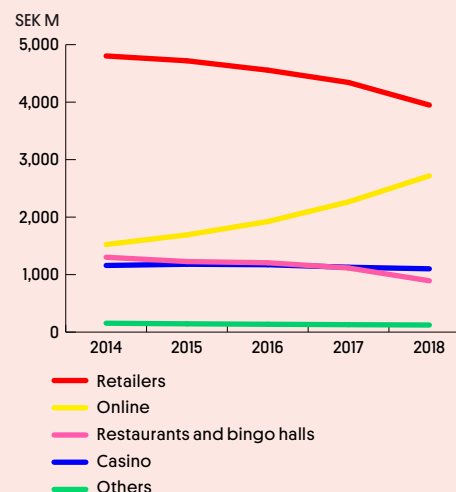
The year's operating profit was SEK 4,525 million [4,705], down SEK 180 million. The weaker operating profit is attributed mainly to lower gross gaming revenue for gaming on Vegas VLTs and higher operating costs compared with the previous year.

Operating costs amounted to SEK 3,286 million [3,085], up SEK 201 million. Of the higher costs, SEK 186 million is related

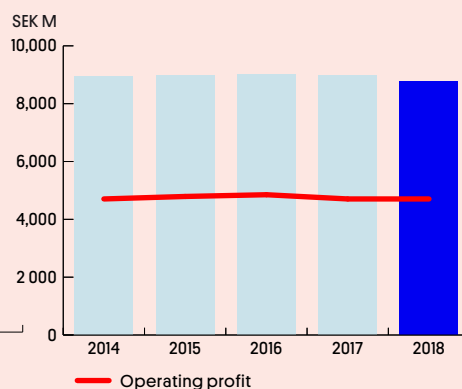
GROSS GAMING REVENUE BY BUSINESS AREA



GROSS GAMING REVENUE BY SALES CHANNEL



GROSS GAMING REVENUE AND OPERATING PROFIT



to restructuring of the operations ahead of the new gaming market and adjustments to GDPR. Higher costs are also reported for marketing and personnel compared with the same period in 2017.

The operating margin decreased to 21.2% [21.8]. Excluding non-recurring costs for adjustments to the new gaming market, the operating margin is just over 22%.

Net financial items

Net financial items amounted to an expense of SEK 3 million [expense: 1]. Of the net financial items, an expense of SEK 5 million [expense: 2] pertained to a net value change of financial investments and unpaid winnings in the Triss Månads-klöver lottery.

Earnings

The Group's comprehensive income for 2018 was SEK 4,522 million [4,079], down SEK 187 million compared with 2017.

Cash flow

Cash flow from operating activities was SEK 4,629 million [5,095]. Cash flow from investing activities was SEK 277 million [195], which is the net of purchases and disposals of property, plant and equipment, tangible assets and financial assets. Investments in financial assets amounted to a negative amount of SEK 119 million [neg: 100] and divestments totalled SEK 606 million [550].

Cash flow from financing activities amounted to an outflow of SEK 4,691 million [outflow: 4,923], and relates to dividends to the owner, the Swedish State. The period's cash

flow was SEK 215 million [367] and at the end of the period, cash and cash equivalents amounted to SEK 3,732 million [3,517].

Investments

Investments in property, plant and equipment totalled SEK 121 million [231] and pertained primarily to new retailer terminals, a new data centre and renovation for office modifications. Investments in intangible assets totalled SEK 89 million [23] and were mainly attributable to investments ahead of the new gaming market.

Financial position

At the end of the year, consolidated equity amounted to SEK 4,583 million [4,752]. The equity ratio was 56.0% [56.4].

Parent Company

The Parent Company includes all gaming operations except gaming operations conducted within the Casino Cosmopol business area.

Gross gaming revenue amounted to SEK 7,682 million [7,852], down SEK 169 million.

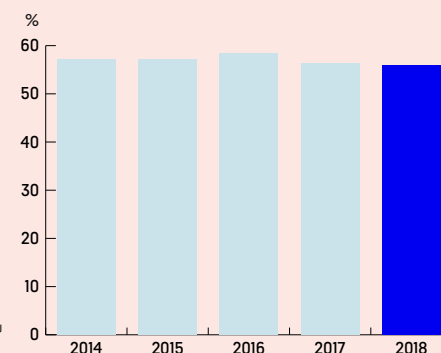
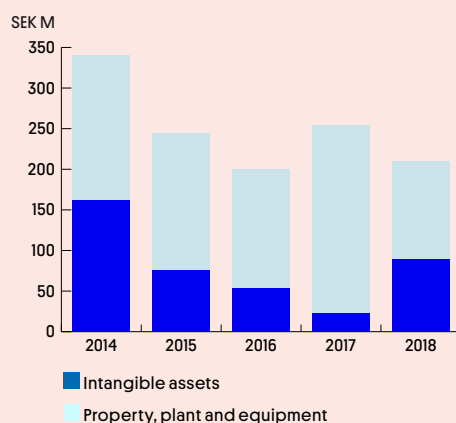
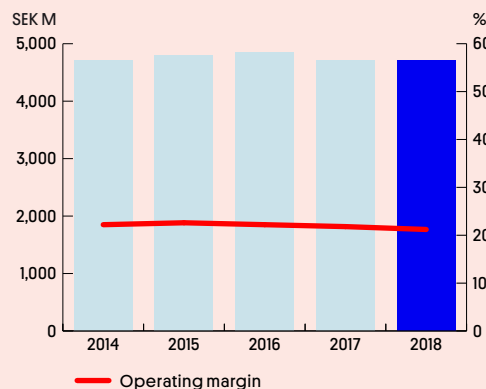
The operating profit amounted to SEK 4,110 million [4,252], down SEK 143 million.

The Parent Company's investments in property, plant and equipment amounted to SEK 84 million [180] and investments in intangible assets totalled SEK 56 million [23]. Investments in financial assets amounted to SEK 119 million [100] and divestments to SEK 606 million [550].

OPERATING PROFIT AND OPERATING MARGIN

INVESTMENTS

EQUITY RATIO*



*For the definition of Equity ratio, see page 112.

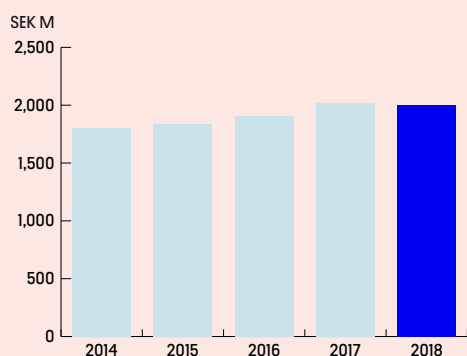
Facts about Svenska Spel's business areas

Sport & Casino business area

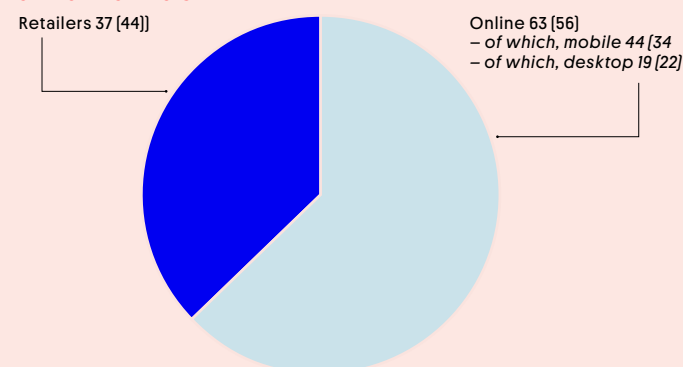
GROSS GAMING REVENUE

SEK million	2018	2017	2016
Sports Games and Casino			
Oddset	829	837	764
Stryktipset	414	419	401
Europatipset	236	227	217
Topptipset	223	243	242
Måltipset	61	64	66
Bingo	139	129	99
Poker	100	101	118
Gross gaming revenue, total	2,002	2,020	1,907

GROSS GAMING REVENUE – SPORT & CASINO BA



GROSS GAMING REVENUE SALES BY SALES CHANNEL

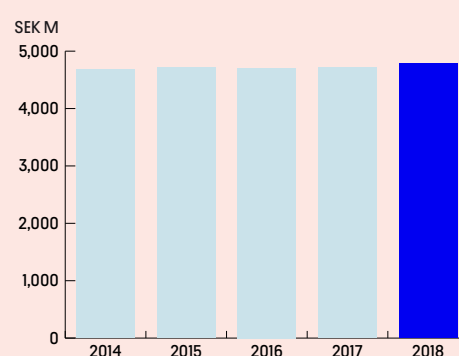


Business area Tur

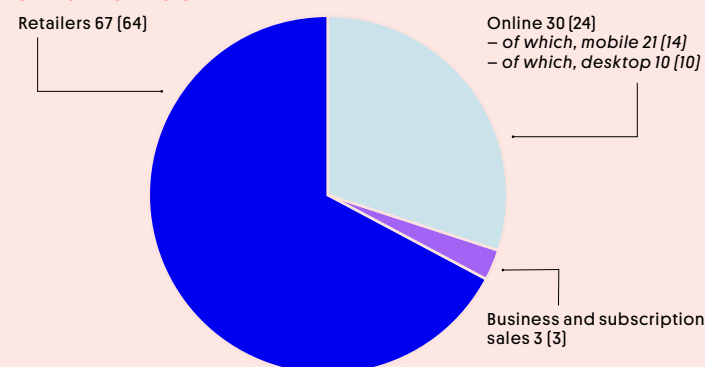
GROSS GAMING REVENUE

SEK million	2018	2017	2016
Games of chance			
Lotto	1,432	1,445	1,481
Keno and KenoXpress	537	557	549
Joker	482	479	487
Eurojackpot	614	457	395
Vikinglotto	87	69	32
Triss	1,545	1,634	1,702
Scratch games	88	71	57
Other products	3	4	5
Gross gaming revenue, total	4,787	4,716	4,708

GROSS GAMING REVENUE – TUR BA



GROSS GAMING REVENUE SALES BY SALES CHANNEL



NUMBER OF RETAILERS

	2018	2017	2016
Gaming retailers	2,267	2,284	2,320
of which, gaming retailers in rural areas	200	203	198
of which, lone retailers in small towns	566	580	585
Lottery retailers	2,806	2,834	2,893
Total retailers	5,073	5,118	5,213

Casino Cosmopol & Vegas business area

GROSS GAMING REVENUE

SEK million	2018	2017	2016
Casino games			
Casino Cosmopol Stockholm	484	498	520
Casino Cosmopol Gothenburg	314	328	349
Casino Cosmopol Malmö	233	226	227
Casino Cosmopol Sundsvall	70	76	77
Vegas at restaurants and bingo halls	893	1,115	1,206
Gross gaming revenue per sales location/sales channel total	1,995	2,244	2,378

SEK million	2018	2017	2016
Table games	491	458	488
Casino Cosmopol slot machines	610	670	684
Vegas VLTs	893	1,115	1,206
Gross gaming revenue per product category total	1,995	2,244	2,378

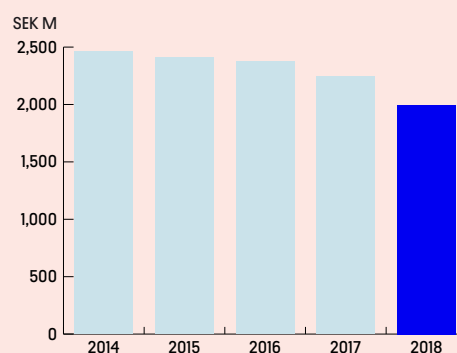
NUMBER OF CASINO COSMOPOL VISITORS

	2018	2017	2016
Stockholm	359,291	377,769	392,320
Gothenburg	279,218	301,853	317,984
Malmö	187,096	198,791	208,747
Sundsvall	97,521	106,916	115,525
Total number of visitors	923,126	985,329	1,034,576

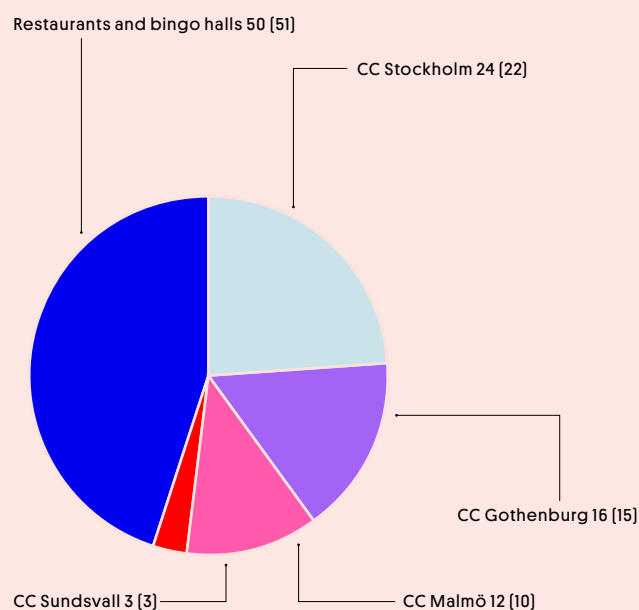
NUMBER OF BUSINESS PARTNERS

	2018	2017	2016
Restaurants	1,431	1,576	1,632
Bingo halls	62	64	63
Business partners, total	1,493	1,640	1,695

GROSS GAMING REVENUE CASINO COSMOPOL & VEGAS



GROSS GAMING REVENUE BY SALES LOCATION/CHANNEL, %



Risks and risk management

Svenska Spel actively addresses risk management within the entire Group. By working continuously and systematically with risk management, we create the preconditions for identifying risks in a timely fashion so that necessary measures can be taken, and sound internal governance and control can be secured.

At Svenska Spel, the risk-management process is integrated with the regular process for business and operational planning, and follow-ups. The Company's mandate, broken down into targets at different levels in the operations, serves as the foundation for risk management. Therefore, risks are identified and managed at several different levels within the Company.

During 2018, our most prioritised area has been adapting the Company to the new Gambling Act. The completed transition has been very extensive and has had consequences for the entire Group in everything from the organisation to IT. Within the framework of the programme

driven to coordinate the work, many different risks of various types were identified and managed.

In parallel with the transition activities, we have worked on how we can further develop our customer offering to ensure that we can retain our strong position in the future gaming market.

Confidence in gaming and the gaming industry is an important issue that we address continuously. From our perspective, responsible gaming is still a prioritised area in preserving high consumer protection.

Identified risk areas

Svenska Spel has identified six key areas that categorise which types of risks Svenska Spel is exposed to: operating environment risks, business risks, operational risks, sustainability risks, financial risks and regulatory and compliance risks.

Svenska Spel takes an integrated approach to risk management from a business perspective, which means that many risks influence several risk areas. Below are some of the most considerable risks within each risk area.

For more information about sustainability-related risks, read more on pages 45–47.

Risk areas and material risks

Operating environment risks

- › Preparations for a new competitive position following the new Gambling Act.
- › Confidence in the gaming industry as a whole continues to decline.

Sustainability risks

- › We actively work to discover and prevent match-fixing and other irregularities in our games.
- › Responsible gaming is still a prioritised area in preserving high consumer protection in the gaming market now and in future.

Business risks

- › Adjustments to our business in order to operate in all three segments of the new gaming market.
- › Manage the challenges related to the Vegas business.

Financial risks

- › Review of accounting models for new Group structure.
- › The Group has negligible exposure to financial risks in general.

Operational risks

- › Ensure continuous high delivery capacity while simultaneously developing our customer offering.
- › We address the issue of our strategic supply of skilled employees to ensure a high level of competitiveness.

Legal and regulatory compliance

- › Transition of the Group to adapt the business to the new Gambling Act.
- › We work continuously with transaction monitoring and customer awareness to fulfil the AML regulations.

Proposed distribution of profits

The following profit is at the disposal of the Annual General Meeting:

Non-restricted equity in the Parent Company

	SEK
Retained earnings	0
Change in development expenditure reserves	-38,008,827
Net profit for the year	4,516,185,866
Total	4,478,177,039

The Board of Directors and the CEO propose that the above amount be distributed as follows:

	SEK
To be paid to the shareholder	4,478,100,039
To be carried forward	0
Total	4,478,177,039

The dividend is scheduled for payment immediately after the minutes from the AGM have been verified.

Statement of the Board on proposed distribution of profits

Statement of the Board of AB Svenska Spel in accordance with Chapter 18 Section 4 of the Annual Accounts Act (2005:551) with reference to the Board's proposed distribution of profits prior to the Company's AGM on 25 April 2019;

the Board has proposed that AB Svenska Spel's profit available for distribution for the 2018 financial year be distributed in accordance with the motion made to the AGM.

The proposed profit distribution does not affect AB Svenska Spel's restricted equity as shown in the latest balance sheet. After payment in accordance with the proposed profit distribution, Svenska Spel will have non-restricted equity of SEK 0 [0] and total equity of SEK 78,787,950 [40,779,123], not including changes that occurred after the balance-sheet date. If changes after the balance-sheet date are also included, non-restricted equity is affected by profit for a period of at least four months before payment of the proposed profit distribution. This means an increase in non-restricted equity of approximately SEK 1.5 billion [1.5].

The Parent Company's and the Group's equity ratio and liquidity are considered secure because of the nature of the market in which the Company operates and the strong cash flow it generates. The Parent Company and the Group will thus be able to comfortably meet their short and long-term obligations, even after the proposed profit distribution. Even taking into account the proposed distribution of profits, the Parent Company and the Group will be able to make the necessary investments required for the Parent Company's and the Group's development and continued success.

Svenska Spel's mandate

Pertains to the mandate for Svenska Spel that has applied throughout 2018. On 11 December 2018, the AGM adopted a new shareholder's directive for Svenska Spel with a new public policy mandate for parts of the Group.

The mandate means that the Company must ...

Svenska Spel must meet customers' demands for attractive gaming operations.

- › provide a wide range of games.
- › offer the distribution channels in demand by the market.
- › be at the forefront in terms of renewal of low risk games.
- › not drive the development of new game forms with medium or high risk, but can, after gaining permits, launch products that already exist on the gaming market if the gaming activities can thereby be moved to a safer and healthier environment.

Svenska Spel must provide game forms that are deemed to entail risks of a social nature, within the framework for social responsibility, when this is believed to be able to curb illegal gaming in uncontrolled forms.

- › act to move gaming from offshore companies and unregulated offshore operators to Svenska Spel instead, with the aim of reducing problem gambling in society.
- › channel customers to Svenska Spel in a moderate and responsible manner with commercial aspects held in subordinate importance.

Svenska Spel must be a credible but also attractive alternative to, first and foremost, uncontrolled gaming operations.

- › show social considerations through tangible action.
- › be active at all levels in the Company to counteract gambling addiction, fraud and crime.
- › offer consistent and tangible responsible gaming for all games based on the various risks of each game and the individual customer's gaming behaviour.
- › clearly communicate responsible gaming to customers and other stakeholders.
- › as far as possible base its responsible gaming measures on research.

Svenska Spel must take into account social considerations, fraud risks and customer interests in the development of game forms and in the business as a whole.

- › take a leading position regarding responsible gaming.
- › ensure that consumer protection pervades its entire operations.
- › offer consistent and tangible responsible gaming for all games based on the various risks of each game and the individual customer's gaming behaviour.
- › take into consideration and prioritise integrity aspects throughout operations.

Svenska Spel will strive to provide a well-developed service in both urban and rural areas.

- › strive to distribute its offering of gaming products and services throughout Sweden.
- › ensure that there is a high degree of availability for the Company's gaming services.
- › ensure availability both through retailers in rural and urban areas and through Svenska Spel's digital services.

Svenska Spel must focus on social responsibility in its marketing to avoid being perceived as excessively intrusive.

- › observe particular moderation: advertising and other marketing efforts are not permitted to be intrusive or proactive.
- › adapt its marketing to the game's risk level and be restrictive in its marketing of the riskiest games.
- › ensure that consumers receive correct, easily accessible and simple information to facilitate informed decisions regarding their gaming.

Report on the Company's measures stemming from the mandate under the shareholder's directive adopted by the 2012 AGM

On 24 April 2012, AB Svenska Spel's AGM adopted a shareholder's directive for the Company. This directive also states the owner's mandate to the Company. Furthermore, this states that, ahead of the AGM, the Company is to submit a report to the Government Offices of Sweden detailing the Company's measures in connection with Section 1, items a), b), c), d) and f) as well as clearly stating the Company's accessibility in line with Section 1, item e).

On 11 December 2018, the AGM adopted a new shareholder's directive for Svenska Spel with a new public policy mandate for parts of the Group.

The following report concerns the Company's measures in connection with the Company's mandate throughout 2018.

The gaming market is divided into a competitive segment that primarily includes online casino and betting, a segment reserved for games for purposes that benefit the public and primarily include number games and lotteries, and a segment that is reserved for the State and includes land-based casinos and gaming on video lottery terminals. A tax of 18% is to be charged on gaming. Games for purposes that benefit the public will be tax exempt also in future. If a player wins money on an unlicensed gaming site, the winning will be taxed. 2018 has largely been about restructuring Svenska Spel for the new gaming market and regulations.

AB Svenska Spel including its subsidiaries hereby submits the following report ahead of the 2019 AGM.

Svenska Spel is to meet customers' demands for attractive gaming operations

The Company's possibilities of fulfilling this part of the mandate depends on which permits under the Swedish Lotteries Act and Casinos Act that have been applied for by the Company and granted by the Government. The Company endeavours to provide a broad range of games with developed and differentiated experiences, and to offer games in the forms of distribution in demand in the market. Svenska Spel today offers a variety of game forms that are distributed via retailers or via digital channels [computers, tablets and mobile devices]. In addition, the Company offers games on VLTs [Vegas] in restaurants and bingo halls as well as casino games at four land-based casinos.

The gaming market in Sweden continues to grow on an average of 3% annually and growth is driven primarily by online gaming, with mobile devices accounting for the largest increase. Online casino and live sports betting are the game forms that are growing the most.

In 2018, the range of online games was expanded to satisfy the customers' increasing digital presence. Svenska

Spel's innovation agenda for new game forms is built on a close dialogue with customers and produced good results in 2018. Several new products and services were launched during the year. This is a question of continuous improvements and new products to offer users an even better gaming experience.

In 2018, Svenska Spel expanded its live betting offer for sports betting. In addition, the Company continued its initiatives for an attractive customer offering by developing systems and services, and a modern IT infrastructure. These latter initiatives mean increased possibilities for strengthening responsible gaming, enhancing customers' gaming experience and raising cost efficiency.

For a long time, Svenska Spel has monitored the development of online casino. For many years, offshore gaming companies have offered this type of gambling which attracts about 230,000 consumers in Sweden. Online casino is classified as a high-risk game and considered to pose significant risks for gambling problems. Svenska Spel has made the assessment that this gambling can be offered in a healthier and safer manner. Ahead of 2019, the Company applied for and was granted an online casino license. To reduce the risk associated with online casino, Svenska Spel will not offer bonuses. Nor will the Company have autoplay, quick spin or auto refill integrated in the game.

Svenska Spel follows the proportion of satisfied customers among those playing with Svenska Spel as well as the Company's total market share and shares for individual game forms. The Company's targets and target fulfilment in terms of items including meeting customers' expectations are reported on pages 24–25 of the Annual Report. The Company's various game forms are detailed on pages 28–33 of the Annual Report.

Svenska Spel is to provide game forms that are deemed to entail risks of a social nature, within the framework for social responsibility, when this is believed to be able to curb illegal gaming in uncontrolled forms

The essence of this part of the mandate has been about how well Svenska Spel has channelled gaming with offshore gaming companies and illegal gaming to the Company. Channeling has been defined as moving existing gaming interest to a regulated, healthier and safer environment. The main purpose of channelling has been to reduce problem gambling in society and the commercial aspect has been of subordinate importance. Svenska Spel's channelling has been carried out in a moderate and responsible manner. Among other things this means that Svenska Spel's goal is to always provide bet-

ter customer protection than the unregulated alternatives that have been available in the market.

At the same time, the majority of the game forms where channelling has been relevant have also been relatively risky. It has not previously been consistent with Svenska Spel's mandate, guidelines or permits to market these game forms in an extensive and proactive manner. Instead, the success of channelling was built on Svenska Spel having an attractive customer offering, on responsibility measures being effective and perceived as positive, and on the Company being perceived as a professional, safe and reliable operator.

The selection of slot machines at Casino Cosmopol was renewed and new Vegas games were launched during the year. The placement of new video lottery terminals was initiated. In 2018, the new video lottery terminals were tested and modified before delivery to partners throughout Sweden.

As mentioned previously, Svenska Spel has applied for and been granted a license to organise online casino as of 1 January 2019. Swedish consumers have not previously had an alternative to the online casinos offered by offshore gaming companies, and which have been outside the control and licensing of the Swedish authorities.

To evaluate this part of the mandate, Svenska Spel follows the development of the proportion of players with gambling problems in society and, over the year, has also evaluated the effect of the Company's responsible gaming measures on the Company's customers.

Svenska Spel must be a credible but also attractive alternative to, first and foremost, uncontrolled gaming operations

This point in the mandate mainly deals with considerations similar to the two preceding points. In practice, the credibility requirement means that Svenska Spel must translate the social protection considerations into tangible actions. Harmful effects in the form of gambling problems, fraud and criminality are best combated if they are highlighted and become a natural part of the Company's decision-making at all levels. Svenska Spel endeavours to offer a responsible gaming that is consistent and tangible for all games based on the various risks for each game of problem gambling and the individual customer's gaming behaviour. In addition, responsible gaming must be clearly communicated to Svenska Spel's customers and other stakeholders. As far as possible, Svenska Spel's tangible measures to combat gambling problems must be based on research. Where relevant research is lacking for the gaming area, Svenska Spel must still implement measures that

the Company assesses will counter problem gambling.

The Company's support of gambling addiction research has continued through the grants made by Svenska Spel's Research Council in aid of research into gambling addiction and preventive work to counter gambling problems. The Company collaborates with Lund University and funds Sweden's first professorship in gambling addiction. In 2018, Svenska Spel's Board of Directors decided that the Company should earmark a further SEK 24 million to Svenska Spel's Research Council and a further SEK 12.5 million to the gambling professorship through 2022.

To evaluate the mandate to be a credible but also attractive alternative to uncontrolled gaming operations, Svenska Spel has the central target that more of Svenska Spel's customers will be aware of their gaming behaviour and make informed decisions. The Awareness index is a responsible gaming index and part of the Company's measurement of the effects. The Awareness Index is performed quarterly and monitors whether customers are aware of how they are gambling and if they receive the help they need through the information and tools Svenska Spel offers.

Svenska Spel takes into account social considerations, fraud risks and consumer interests in the development of game forms and in the business as a whole. Svenska Spel should take a leading position regarding responsible gaming

Customer protection should pervade all operations. Svenska Spel's responsible gaming will be consistent and tangible for all games based on the various risks for each game of problem gambling and the individual customer's gaming behaviour. As far as possible, Svenska Spel's tangible measures to combat gambling addiction must be based on research. Where relevant research is lacking for the gaming area, Svenska Spel must act responsibly. Svenska Spel's information about customers and customers' playing comprises sensitive confidential information. This means that the Company must take into consideration and prioritise integrity aspects throughout operations and, particularly, in responsible gaming efforts.

Svenska Spel is already certified under the World Lottery Association [WLA] and by the European Lotteries, and is a member of the Swedish Gambling Association [Sper]. The certifications aim to assure the quality of the foundation and framework for responsible gaming efforts. Responsible gaming is constantly being developed, as are the options for measuring the effects of measures and tools. A key factor for success in our work to ensure a healthier gaming market is that the responsible gaming tools that Svenska Spel offers

the customers are effective and really do lead to less risky gaming practices.

In 2016, Svenska Spel conducted an evaluation of the Company's responsible gaming efforts, which was presented in a comprehensive report*. Since then, development initiatives within the Company are directed toward a more customised responsible gaming. It is a question of motivating customers to use the responsible gaming tool and get support when needed. It is also a question of developing methods to work preventively with customers who signal motivation to alter their gaming habits, to safeguard the basis of current responsible gaming efforts and allowing customers who so wish to take part in more far-reaching responsible gaming. It provides better opportunities for Svenska Spel to apply the responsible gaming measures that reduce the risk of gambling problems.

Svenska Spel offers several responsible gaming measures, including the following: "Spelkoll" (responsible gaming tools) is Svenska Spel's collective term for all the tools and services that are available to help customers monitor and track their gaming habits, impose limits for time and money and exclude themselves from gaming. Playscan is Svenska Spel's tool that signals customers when their gaming behaviour is evolving and starting to become riskier. This tool was voluntary before for customers. Through various campaigns, Svenska Spel works to motivate customers to find and use the tool. To assess the degree of danger with a game, all games are tested against the Gamgard** tool and then modified. Since 1 January 2019, Playscan is obligatory for all of Svenska Spel's customers.

The new Gambling Act that took effect on 1 January 2019 contains requirements that in many aspects correspond to the responsible gaming measures that Svenska Spel has already implemented.

In 2017, a number of visits, courses and network meetings with retailers and partners were carried out in order to, among other matters, ensure that the partners and the retailers are working to promote responsible gaming sales. As before, obligatory responsible gaming courses apply for all employees, retailers, partners and suppliers. During the year, work commenced to update the courses in compliance with the requirements in the new gaming regulations. Svenska Spel's sports business partners are also given the opportunity to attend a course for all sponsored associations.

Match-fixing is a growing problem and a major threat to both sports and to gaming companies and their customers. Svenska Spel is strongly committed to the issue and has for many years combatted match-fixing through both preventive measures and in its operating activities.

Svenska Spel uses several tools to reduce the risk of manipulation and match-fixing. Mandatory identification for all who play, stake restrictions, restrictive selection of objects and continuous control of all games are examples of our measures. When Svenska Spel discovers unusual gaming patterns, all gambling on the match is stopped for analysis and investigation. If no reasonable explanation for the unusual gaming pattern can be found, Svenska Spel always reports the incident to the police so that it can be investigated by the police and prosecutor. The stakes are repaid to the players.

In 2018, as a preventive measure, Svenska Spel decided to eliminate gaming on a total of five teams in football's division one and two, and one team in Superettan from the selection. This was done on the precautionary principle in the event of suspected match-fixing.

Svenska Spel finances a position at the Swedish Sports Confederation in an effort to reach out to all sports organisations with preventive information about match-fixing. Together with the Swedish Sports Confederation, Svenska Spel also introduced a function to which whistle-blowers can turn to report suspected manipulated sports events.

In 2018, Svenska Spel together with the Swedish Sports Confederation and Svensk Elitfotboll (the Swedish Elite Football Association) arranged several courses, lectures and seminars about the risks of match-fixing for Swedish elite and youth athletes. Among other things, all players from the 38 participating clubs in the 2018 Gothia Cup SEF Trophy received training and information about the risks of match-fixing.

Athletes, trainers and coaches are a risk group in terms of developing gambling problems. Gambling problems and gambling debts can increase the risk of falling into the hands of match fixers. Consequently, together with Svensk Elitfotboll (the Swedish Elite Football Association), Svenska Spel designed the interactive course "Spelandets baksida" ("The other side of gambling") that is particularly for athletes. The Company is also a member of national and international anti-match-fixing networks, and teaches also retailers and business partners about responsible gaming tools and match-fixing-related problems.

Svenska Spel's subsidiary Casino Cosmopol conducts dialogues with all casino customers who are interested or who show signs of not dealing well with their gaming. Regular dialogues are also conducted with young casino customers between the ages of 20 and 24 who made 15 or more visits within a three-month period and all other customers who visited the casino more than 20 times on a monthly basis. In

* The evaluation and report were prepared by Ramböll Management Consulting.

** See page 120.

2019, the limit will be lowered to more than 17 times on a monthly basis. Svenska Spel's and Casino Cosmopol's employees receive continuous training in motivational discussion techniques with tutors. Casino Cosmopol has also created an interactive course in motivational dialogues.

In 2017 and 2018, Svenska Spel conducted a pilot project, "Proactive dialogues", aimed at phoning primarily Vegas and sports games customers who showed signs of risky gaming behaviour. The project was highly successful and proactive dialogues will be a natural part of Svenska Spel's customised responsible gaming as of 2019.

In November 2018, the Swedish Gambling Authority decided in a regulatory issue that Casino Cosmopol had failed in its work to counteract money laundering and terrorist financing and imposed a sanction charge of SEK 8 million. Casino Cosmopol chose to appeal the Swedish Gambling Authority's decision with the motivation that it cannot be considered correct to impose a sanction charge when clear provisions and guidance from the Swedish Gambling Authority is lacking. Regardless of the outcome of the appeal, Casino Cosmopol will continue to develop and reinforce its preventive anti-money laundering efforts in 2019.

Svenska Spel will strive to provide a well-developed service in both urban and rural areas

Svenska Spel will strive to distribute its offering of gaming services throughout Sweden. A well-developed service means, among other things, Svenska Spel ensuring that there is a high degree of accessibility for the Company's gaming services. Availability is ensured both through retailers in rural and urban areas and through Svenska Spel's digital services. The distribution of gaming services should also be viewed as a key element of a greater public service that provides the necessary conditions for regional growth and reasonable living standards in rural areas and the countryside.

Svenska Spel is currently represented by about 5,000 gaming and lottery retailers across the country and about 1,500 business partners at restaurants and bingo halls. Even in comparison with other public services, such as chemists, post offices and off-licences, accessibility is extremely good. Svenska Spel continuously follows up its presence in rural areas and, for a number of years, has had lower turnover requirements for its retailers in these areas. As regards restaurant business partners, the number of sales locations is governed partly by permits from the local municipality and the applicable turnover rules for offering Vegas VLT games, which are set by the Swedish Gambling Authority. Casino games at land-based casinos are available in Gothenburg, Malmö, Stockholm and Sundsvall. The casinos are open seven days a week with opening hours of between 12 and 16 hours.

Svenska Spel must focus on social responsibility in its marketing to avoid being perceived as excessively intrusive

The Company's marketing is adapted to the game's risk level. This means that Svenska Spel is to be particularly restrictive in its marketing of the riskiest games. Marketing should be founded on the principle of informed decisions. This means that consumers are entitled to receive correct, easily accessible and easily understood information to facilitate informed choices regarding their gaming. The challenge for Svenska Spel is that total game advertising in the Swedish market has increased substantially since the start of the century, and particularly over the last four years. In 2018, gaming advertisements for a record value of SEK 7.4 billion were purchased that targeted the Swedish market – an increase of 34% compared with 2017 and more than five times that of 2010.

Svenska Spel's marketing must not result in an increase in social problems related to gaming. To ensure this, the Company continuously measures the problems that gaming is at risk of creating based on products and distribution channels.

The new Gambling Act took effect as of 1 January 2019. As earlier, it stipulates the requirement for moderate marketing of games and that marketing may not particularly target children and young people under the age of 18 or directly target a player who has excluded himself from gambling.

The overriding requirements governing Svenska Spel's marketing have up to and including 2018 been set out in the conditions for the Company's gaming permits and the Swedish Gambling Authority's separate conditions for marketing.

The conditions require, among other things, that Svenska Spel's marketing of games to consumers should observe particular moderation and that advertising and other marketing measures are not permitted to be intrusive or proactive. Svenska Spel's marketing is moderate and restrictive. An internal Ethical Council has had an advisory capacity while the Group has ensured that marketing has been moderate and complied with the industry's and the Company's governance documents. In addition to the requirements from the Swedish Gambling Authority, Svenska Spel also follows the Swedish Gambling Association's [Sper] guidelines for responsible gaming.

To evaluate that the Company has a direction that is socially responsible, Svenska Spel follows trends including the proportion of Sweden's population that perceive Svenska Spel as a leader in responsible gaming. In addition, Svenska Spel measures the Company's share of game marketing in Sweden – for all games together and by risk level.



Corporate Governance Report

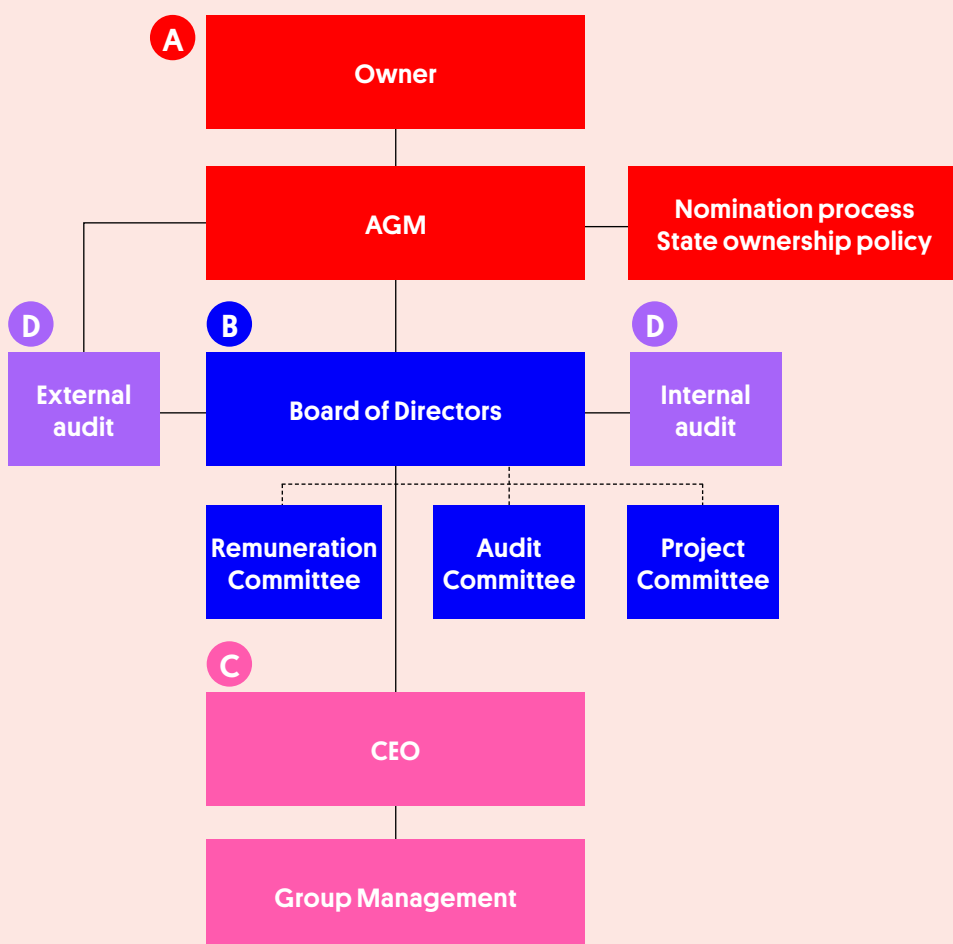
Svenska Spel is a Swedish limited liability company owned by the Swedish State. The administration of Svenska Spel is handled by the Unit for State-Owned Companies within the Ministry of Enterprise and Innovation.

State-owned companies are subject to the same legislation as private companies, such as the Swedish Companies Act, the Annual Accounts Act and the Accounting Act. Companies active in certain industries may also be subject to special legislation. The particular regulations governing Svenska Spel's operations have up to and including 2018 included the Swedish Lotteries Act, the Casinos Act and the permits issued by the Government under these acts as well as ordinances, provisions and conditions set out by the Swedish Gambling Authority. As of 1 January 2019, new gambling regulations apply in the form of the Gambling Act, the Gambling Ordinance and regulations and general advice issued by the Swedish Gambling Authority.

The licences that the Government grants for the Svenska Spel Group's operations effective through 2018 are outlined on page 52. The licenses are available on the Company's website under the heading om.svenskaspel.se. The Swedish Gambling Authority is the license and regulatory authority for the gaming industry as of 2019.

In the state's ownership policy and guidelines for state-owned companies, the Government sets forth key issues of principle regarding corporate governance of state-owned companies. This includes, among other principles, that the Swedish Code of Corporate Governance must be applied.

Structure for governance at Svenska Spel



A Principles underlying corporate governance

In addition to what accrues from legislation or other ordinance, the following principles apply to corporate governance at Svenska Spel:

STATE OWNERSHIP POLICY

Svenska Spel follows the state's ownership policy and guidelines for state-owned companies 2017 [Ownership Policy]. The Ownership Policy is available at the Government's website, regeringen.se. Corporate governance of state-owned companies is stated in the Ownership Policy. A key aspect of governance is that the Swedish Code of Corporate Governance [the "Code"] must be applied in State majority-owned companies. In certain issues, the Government justifies deviations from the Code, in compliance with the Code's principle of "comply or explain". Examples of such deviations are the Code's provisions regarding the preparation of decisions concerning the nomination of the Board and auditors. The Code is available at the Swedish Corporate Governance Board's website, bolagsstyrning.se.

Guidelines for remuneration and other the terms and conditions of employment for senior executives

Part of the Ownership Policy deals with guidelines underlying remuneration and other the terms and conditions of employment for senior executives in state-owned companies. According to the Ownership Policy, the Board of Directors in state-owned companies, just as in listed companies, proposes guidelines for the remuneration of senior executives for approval, which are compatible with Government guidelines. Svenska Spel's AGM, and the AGMs of the subsidiaries, approved the guidelines for the remuneration of senior executives. Svenska Spel applies these guidelines, which are available at Svenska Spel's website under the heading om.svenskaspel.se.

OWNER'S MANDATE

In conjunction with the EGM on 11 December 2018, the shareholder resolved on a new shareholder's directive to replace the former shareholder's directive from 2012. The shareholder's directive includes the owner's mandate for the Company and applies until such time as the AGM resolves otherwise. Information on the content of the shareholder's mandate for

25
April

Welcome to Svenska Spel's 2019 Annual General Meeting (AGM) which will be held on 25 April in Visby.

Svenska Spel is available at Svenska Spel's website under the heading om.svenskaspel.se.

Articles of Association

In conjunction with the EGM on 11 December 2018, the shareholder resolved on a new Articles of Association whereby the object of the Company's operations was amended. The objective of the Company's operations is formulated in accordance with the Riksdag's resolution on 7 June 2018 to adopt Government Bill 2017/18:220 A re-regulated gambling market.

In addition to the stipulations of the Swedish Companies Act, the Articles of Association do not include any particular stipulations concerning the appointment or dismissal of Board member or amendments to the Articles of Association.

Board Nomination Process

The preparation of resolutions for the nomination of Board members of state-owned companies is conducted in line with the principles described in the Ownership Policy. For companies that do not have shares traded on a regulated market, these principles replace the rules under the Code. Instead, under the Ownership Policy, the following principles apply:

- › The nomination process under the Government Offices of Sweden is coordinated by the Ministry of Enterprise and Innovation.
- › For each company, competence needs are analysed based on the company's operations, current situation and future challenges, the boards' composition and evaluations.
- › The Government Offices of Sweden's work with the board nomination process also includes regular self-evaluation of all state-owned company boards.
- › Any recruitment needs are established and the recruitment process commences.
- › The selection of directors is made from a broad recruitment base.
- › The process is concluded through announcement of nominees pursuant to the Code.

Deviations from the Code

Svenska Spel applies the Code with the deviations listed below.

Code regulation	Deviation	Explanation/comment
Section 2.1–2.7 The Company is to have a nomination committee that represents the Company's shareholder.	No nomination committee has been established as set out in rules 2.1–2.7 of the Code.	The Board nomination process is run and coordinated by the Ministry of Enterprise and Innovation in accordance with the State ownership policy.
Rule 10.2 The Corporate Governance Report must include information on whether or not the Board members are independent in their relationship to the Company, executive management and major shareholders, respectively.	The dependency relationship to the Company, executive management and major shareholders is not reported.	The ownership policy of the State specifies that in enterprises wholly owned by the State, the information about the proposed directors specified in the Code, except for information about independence, must be published.
Rule 8.2 Annual evaluation of the chief executive officer	An evaluation of the work of the chief executive officer was not performed in 2018.	The Company's former President and CEO Lennart Käll left the Company on 19 July 2018. The Company's new President and CEO Patrik Hofbauer assumed the role on 1 December 2018. Consequently, the basis for an evaluation was insufficient.

Annual General Meeting

In accordance with the Articles of Association, Members of Parliament are entitled to attend the Annual General Meeting (AGM). The Ownership Policy states that the public should be invited to attend the AGM and all state-owned companies should make some form of arrangement that offers the public the opportunity to present questions to the Board and executive management.

According to the Ownership Policy, the report that the Board submits at the AGM regarding the application of previously decided guidelines for the remuneration of senior executives should also encompass subsidiaries.

The 2018 AGM was held in Visby and was open to the general public. All members of the Board except Fredrik Åhlberg, Carina Olson and Eva-Britt Gustafsson attended the 2018 AGM. On 11 December 2018, an Extraordinary General Meeting (EGM) was held in Solna at which the owner resolved on amended corporate governance and new shareholder's directive for the Company.

B Board of Directors SIZE AND COMPOSITION OF THE BOARD

The Articles of Association specify that the Board is to comprise not less than three and not more than ten directors appointed by the AGM.

Also, pursuant to the Swedish Act on Board Representation employees in the private sector are entitled to appoint three Board members and three deputies. According to the Ownership Policy, the number of Board members should normally be six to eight persons, with a desired gender distribution of at least 40%. The Board currently consists of seven members elected by the AGM, including the Chairman.

Of these, three are women and four are men. In addition, the Board currently has one member and three deputy members appointed by the employee organisations. None of the Board members elected by the AGM work as executives in the Company or as executives in the Company's subsidiaries. The CEO is not a Board member but attends Board meetings.

BOARD MEMBERS

Erik Strand (Chairman of the Board), Johan Strid, Fredrik Åhlberg, Eva-Britt Gustafsson, Hélène Westholm and Eivor Andersson were re-elected Board members at the 2018 AGM. Lars Nilsson was elected as a new Board member.

Details including each Board member's age, education, primary occupational experience, and other significant appointments outside the Company as well as the date the member was elected to the Board of Svenska Spel are presented on page 75. Information regarding remuneration to the Board members decided by the 2018 AGM is presented on page 91, Note 3.

THE BOARD'S WORK PROCEDURES

The work of the Board is documented in the Board's rules of procedure, which are reviewed and set at least once annually. The division of skills among Board members, Board committees, Chairman of the Board, CEO and internal audit are expressed in the Board's rules of procedure and in the Board's instructions to the CEO and to the internal auditor.

Board committees

The Board has set up three committees among its members: an Audit Committee, a Remuneration Committee and a Project Committee.

Audit Committee

The complete tasks of the Audit Committee are shown in Chap. 8, Section 49 b of the Swedish Companies Act. The Audit Committee comprises three members who are annually elected by the Board. Since the statutory meeting in April 2018, the Committee members have been Eva-Britt Gustafsson (Chairman), Hélène Westholm and Lars Nilsson. In addition, one of the employee representatives is entitled to attend and participate in the Committee's meetings. The Audit Committee prepares the direction and budget for the internal audit, but the decision is made by the Board. The Board has delegated its right of decision to the Audit Committee for the establishment of guidelines for the non-auditing assignments that the Company may procure from the Company's external auditors, and the appointment of internal auditors. The Company's internal and external auditors take part in meetings of the Audit Committee, thus contributing to coordination between the internal and external auditing work. The Company's CFO also attends the Committee's meetings to present reports, and they are also attended by the Company's Board Secretary. The Audit Committee reports after each meeting to the entire Board. During 2018, the Audit Committee held seven meetings. The attendance of members at Committee meetings is presented on page 71.

Remuneration Committee

The main tasks of the Remuneration Committee are set out in the Board's rules of procedure, which comply with the Code. After the AGM, the Committee comprises three members who are annually elected by the Board. Since the statutory meeting in April 2018, the Committee members have been Erik Strand (Chairman), Eivor Andersson and Hélène Westholm. The CEO, HR Director and the Board Secretary also attend. In addition, one of the employee representatives is entitled to attend and participate in the Committee's meetings. The Board has not delegated any right of decision to the Remuneration Committee.

In 2018, the Remuneration Committee met on four occasions. The attendance of members at Committee meetings is presented on page 71.

Project Committee

The Board has set up a Project Committee among its members in order to address issues that concern the Group's subsidiaries and business areas. The main tasks of the Committee are set out in the Board's rules of procedure. The Committee comprises four members who are annually elected by the Board. Since the statutory meeting in April 2018, the Project Committee members have been Erik Strand (Chairman), Eivor Andersson, Johan Strid and Fredrik Åhlberg. The Board has not delegated any right of decision to the Committee. The Project Committee members perform their duties by participating in meetings of the subsidiary's board or advisory board of which the member is part.

C CEO

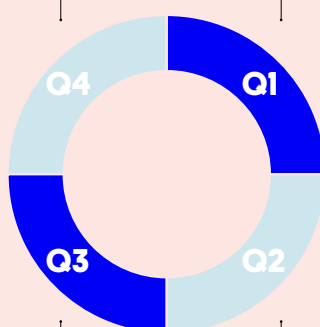
The CEO's relevant details are shown on page 92.

Work of the Board in 2018

In 2018, the Board held thirteen (13) meetings and one strategy seminar. The Board's work has primarily focused on the Group's strategic direction today and, following the re-regulation of the Swedish gaming market, the Group's transition to the new gaming market and the associated risks, the application for licenses as of 2019, investments, governance of the Group and recruitment of a new president. The Board has conducted an evaluation of the work of the Board and, in accordance with the Ownership Policy, informed the Government Offices of Sweden of the results. The Board was assisted by the Board Secretary. Attendance at Board meetings is shown in the table below.

- › Interim report Q3
- › Business plan and budget
- › Time and place of the AGM
- › Follow-up and establishment of the Group's governing policies
- › Internal audit plan, first half of the year
- › Compliance function instructions
- › Notification of Extraordinary General Meeting
- › Transfer of operations
- › The Group's transition to a new gaming market

- › Interim report Q2
- › Follow-up of the work of the Board
- › Continued financing of Svenska Spel's Research Council and professorship at Lund University
- › Sponsorship strategy
- › The Group's transition to a new gaming market



- › Year-end report
- › Annual report and Sustainability Report
- › Report to the Government on measures to ensure the social protection considerations
- › Proposed guidelines for remuneration and other the terms and conditions of employment for senior executives
- › Notification of Annual General Meeting
- › Internal auditor's annual report and instructions for internal auditing
- › Policy for internal governance
- › Shareholder's directive subsidiaries

- › Interim report Q1
- › Statutory meeting
- › Board's rules of procedure and CEO instruction
- › Risk analysis
- › Strategy seminar
- › The Group's sustainability efforts
- › Internal audit plan, second half of the year
- › Application for license for the Group's operations as of 2019
- › Recruitment of new president
- › The Group's transition to a new gaming market

ATTENDANCE

	Audit Committee	Remuneration Committee	Board meetings
Erik Strand, Board Chairman	—	4/4	13/13
Eivor Andersson, Board member	—	4/4	12/13
Eva-Britt Gustafsson, Board member	7/7	—	11/13
Lars Nilsson, Board member	3/7	—	6/13
Johan Strid, Board member	2/7	—	11/13
Hélène Westholm, Board member	7/7	4/4	13/13
Fredrik Åhlberg, Board member	3/7	—	11/13
Martina Ravn, Board member, employee rep.	5/7	—	13/13

Internal controls concerning financial reporting

Pursuant to the Swedish Companies Act and the Code, the Board is responsible for ensuring that the Company applies favourable internal control and formal routines that ensure that the set principles for financial reporting and internal control are observed.

Responsibility also includes ensuring that the Company's financial reports are drawn up in compliance with legislation, applicable accounting standards and other external requirements. Svenska Spel describes the internal control in the areas: control environment, risk assessment, control activities, information and communication, as well as follow-up.

D Control environment

The control environment is the basis for the internal control. The organisation, decision-making channels, authorisations and responsibility are documented in governance documents. Values and a code of conduct define the ethical and moral policies that apply at Svenska Spel.

Each year, the Board sets up the following governance documents that combine with legislation and other regulations to form the platform for good internal control in respect of financial reporting.

- › Policy for internal governance and control
- › Work procedures for the Board
- › Work procedures for the Audit Committee
- › The Board's instructions for the CEO
- › Instructions for internal auditing
- › Risk management policy
- › Finance policy
- › Guidelines for attestation and payment
- › Code of conduct
- › Employee and work environment policy
- › Environment policy
- › Policy for measures to counter money laundering and terrorist financing.
- › Responsible gaming policy
- › Sponsorship policy
- › Group security policy

Svenska Spel structures the work of internal governance and control in accordance with the principle of multiple levels of responsibility whereby each level has a defined responsibility and whereby they jointly contribute to the Group achieving its goals through compliance with the internal governance and control processes.

Risk assessment

Taking a structured approach to risks and risk management enables Svenska Spel to contribute to sound internal control. The accounts department performs continuous financial risk assessments and identifies and measures any need for improvement measures to ensure the quality of financial reporting. The Board assesses and monitors risks and the quality of financial reporting through the Audit Committee.

Any risks in the financial reporting are discussed annually in the Audit Committee in dialogue with the Company's external auditors.

Based on a compiled assessment, decisions are made concerning which risks are significant, which areas the Audit Committee wants to review in detail and what possible actions must be taken to ensure sound internal control.

Control activities

Each manager is responsible for the establishment of relevant control activities within the operation's processes and procedures to ensure that the operation's risks are managed in an appropriate manner. This involves general and more overriding activities, such as process descriptions, the delegation of roles and responsibility, attestation procedures, reconciliations and follow-ups, and area-specific controls and/or system controls. Svenska Spel's processes related to the financial reporting encompass risk assessment, process



description, roles and responsibility and the controls that are established to manage identified risks. The processes and procedures are continuously evaluated and adapted with the aim of corresponding to the applicable regulatory framework in the form of generally accepted accounting principles, the applicable laws and regulations, as well as other external requirements.

The joint Group accounting function prepares the consolidated financial statements and financial reporting. This work includes built-in control activities to manage the risk of incorrect accounting of income-statement and balance-sheet items.

Information and communication

Governing documents in the form of policies, guidelines and instructions, which are of significance in the financial reporting are available on Svenska Spel's intranet. Each manager is responsible for ensuring that the information used in day-to-day work is correct and that the information used to insure the operations' internal controls are quality assured. The manager is responsible for ensuring that employees are aware of and comply with the processes and procedures established in the operations. The induction of new employees includes presenting the Group's governing policies and showing where these are available. Significant financial information is only handled by authorised personnel and clear rules are in place for what to publish and when.

Follow-up

Each manager is responsible for ensuring that follow-up is conducted as a part of the day-to-day work. Each control function is responsible for planning, conducting and reporting follow-ups of their areas of responsibility. The follow-up is intended to ensure that the operations comply with guidelines and requirements and that significant deviations are identified, reported and rectified.

The Group has a Group-wide controller function that is responsible for Group-wide control, processes and follow-up.

Each business area has a designated controller that is a member of the business management.

The Group-wide controller function ensures that follow-ups are conducted in terms of targets, budgets, forecasts and previous reporting periods. Key indicators are reviewed and calculations are followed up. In-depth analyses are performed on recognised figures and results and delivered in the form of a compiled monthly report divided by unit and including comments. The report is delivered to management and supervisors, and selected sections are delivered to the Board. The Board is provided with financial information in conjunction with each Board meeting and in the monthly report from the CEO. The Board also has access to monthly financial reporting through a special Board portal. Detailed financial reporting is not shared between each business area.

At Svenska Spel's Board meeting in December, the CEO presented to the Board, in writing, the reviews that were conducted on the Group's policies in the past year. The Group's legal department is responsible for coordinating the annual report to the Board. The unit that is responsible for a policy is also responsible for ensuring compliance with it and that the reporting indicates whether there have been any significant deviations.

Svenska Spel has an internal audit function that reports directly to the Board's Audit Committee. The internal audit assists the Board and CEO with independent and objective surveys aimed at proposing actions and improvement programmes. The function supports the Group's other units in achieving their goals by evaluating process effectiveness for control and risk identification.



Board of Directors Left to right: Peter Andersson, H       Westholm [stepped down 31 January 2019], Mikael Gustafsson, Fredrik   hlberg, Eva-Britt Gustafsson, Erik Strand, Urban Sahlin, Eivor Andersson, Johan Strid and Lars Nilsson.

Board of Directors

Erik Strand

Chairman of the Board

Position: CEO Praktikertjänst

Education: Physical education teacher, Market Economist INSEAD

Elected: 2016

Born: 1951

Other commissions: Chairman, Samhall AB, Chairman for subsidiaries within the Praktikertjänst Group, Board member, Lillsveds gymnas- tik- och idrottsfolkhögskola.

Background: Secretary General at the Swedish Sports Confederation, CEO Memira Holding, CEO Poolia, Group management SAS, founder and CEO Ticket Travel Agency.

Eivor Andersson

Board member

Position: Own business

Education: Market economist, IHM Business School

Elected: 2016

Born: 1961

Other commissions: Board member Skistar AB.

Background: CEO TUI Nordic, CEO Coop Marketing, CEO Ving Sweden AB and Thomas Cook Sweden AB, Marketing Director Ving.

Eva-Britt Gustafsson

Board member

Position: Acting Director General of the Public Health Agency of Sweden

Education: MSc (Econ).

Elected: 2008

Born: 1950

Other commissions: Board member, the Public Health Agency of Sweden, Board member of the National Government Service Center.

Background: Chairman, Akademiska Hus AB, CEO, Apoteksgruppen i Sverige AB; President, Venantius AB; Bank Director, Nordbanken [Nordea] and Vice President, Securum Finans AB.

Lars Nilsson

Board member

Position: Own business

Education: MSc (Econ).

Elected: 2018

Born: 1956

Other commissions: Board member, Bygg Hemma Group First AB, Board member Apoteket AB.

Background: CFO Nordic Cinema Group, CFO and deputy CEO Tele2 AB, CFO and deputy CEO Axfood AB, CFO Fritidsreseguppen, CEO Aros Fondkommission and Senior EVP, Head of Finance and Business Control ABB Financial Services.

Johan Strid

Board member

Position: Secretary General of Swedish Paraspot Federation and the Swedish Paralympics Committee

Education: BSc, Political Sciences, Stockholm University

Elected: 2016

Born: 1969

Other commissions: Board member, Red Cross.

Background: Partner, Askus Consulting AB; Secretary General, Scouts.

Hélène Westholm

Board member

Position: Investment Manager, The Ministry of Enterprise and Innovation

Education: MSc (Econ).

Elected: 2014

Born: 1971

Other commissions: Board member, AB Svensk Bilprovning.

Background: Project Manager in Corporate Finance at Erik Penser Bankaktieföretag, Investment Manager at Nordstjärnan AB and operative roles at companies including TeliaSonera AB and Unilever Sverige AB.

Fredrik Åhlberg

Board member

Position: Own business

Education: MSc (Engineering), Royal Institute of Technology, MBA, INSEAD

Elected: 2016

Born: 1971

Other commissions: Chairman, Board Springworks AB and Chairman, Virtusize AB.

Background: SVP Studios Kind, Head of Expansion, Europe at eBay, CEO Tradera, Country ManagerTele2 in the Czech Republic.

Martina Ravn

Employee representative
[Board member]

Position: Risk Manager

Education: Master's degree IT Economics, Gotland University

Born: 1972

Other commissions: —

Background: Risk Manager and business developer, 2010–2012; Process Manager, Poker, Svenska Spel, 2008–2010; Poker operator, Svenska Spel, 2006–2008.

Deputy members

Peter Andersson

Employee representative
[Deputy Board member]

Position: IT strategist, Svenska Spel, Visby.

Born: 1973

Mikael Gustafsson

Employee representative
[Deputy Board member]

Position: Head Brush, Casino Cosmopol AB, Gothenburg.

Born: 1983

Urban Sahlin

Employee representative
[Deputy Board member]

Position: Shift Manager, Casino Cosmopol AB, Stockholm.

Born: 1968



Management: Left to right: Joakim Mörnefält, Maria Z Furenmo, Patrik Hofbauer [President and CEO], Per Jaldung, Kristina Askstedt, Marie Loob, Fredrik Wastenson and Jörgen Olofsson.

Management

Patrik Hofbauer

President and CEO

Born: 1968

Education: DIHM Market economist, IHM Business School, Master IHM Business School and courses at INSEAD and London Business School

Employed: 2018

Other commissions: Board members and member of the Operational Board, the Confederation of Swedish Enterprise; Board member NSHT Media Group, Norway; Board member Telenor Broadcast, Norway.

Background: CEO Telenor Sverige AB 2014–2018, SVP & CEO Telenor Broadcast Holding 2011–2014, CEO Clear Channel Sverige AB 2009–2010, CEO Canal Digital Sverige AB 2005–2009, CEO NEC Scandinavia AB 1999–2004, and Sales Manager Scandic Hotels Sverige AB 1995–1998.

Marie Loob

CFO and Executive Vice President

Born: 1963

Education: MSc [Econ], Örebro University

Employed: 1997

Other commissions: Chairman, RegionInvest AB and Board member Swedish Gambling Association [Sper].

Background: Positions at Svenska Spel: Acting President/CEO Svenska Spel, autumn 2018; Sales Manager, Internet, 2009–2010; Manager, Associations business area, 2006–2009; Financial Manager 2005–2006; Accounting Manager, 1997–2005. Previous positions: Economist and teacher at Humanus Utbildning AB, 1996–1997 and Administrative Manager/Controller, Visby Hospital, 1989–1996.

Maria Z Furenmo

HR Director

Born: 1964

Education: Bachelor of arts in Human Resource and Organisation, majoring in business economics, University of Stockholm.

Employed: 2016

Other commissions: Board member of Agile People Sweden.

Background: Chief People Officer at Evolution Gaming Group 2016, Talent Management Consultant at Stardust Consulting 2015, Human Resource Director NetEnt 2011–2015, Vice President Human Resources Sweden Outokumpu Stainless AB 2009–2011, Human Resource Manager Nordnet AB 2005–2009.

Fredrik Wastenson

Manager Business Area Sport & Casino and CEO Svenska Spel Sport & Casino AB

Born: 1966

Education: MSC in Industrial Engineering and Management, Institute of Technology at Linköping University

Employed: 2013

Other commissions:—

Background: VP Sales & Marketing Hunkydory AB 2009–2013, CEO and founder Mookie AB 2007–2009, CEO Prodacapo AB 2004–2007, Founder and eventually MD Halogen AB 1999–2004.

Jörgen Olofsson

Manager of IT

Born: 1965

Education: Graduate engineer, Royal Institute of Technology; Management education, Swedish Tax Agency

Employed: 2007

Other commissions: Board member of Försäkringskassan [the Swedish Social Insurance Agency].

Background: Positions at Svenska Spel: Head of Production Operating Area 2009–2011, IT Operations Manager, Svenska Spel, 2007–2009. Previous positions: Development Manager, Swedish Tax Agency, 2005–2007, various management positions Swedish Tax Agency, IT, 1998–2004.

Per Jaldung

Manager Business Area Casino Cosmopol & Vegas and CEO of Casino Cosmopol AB

Born: 1967

Education: Police senior management training, Swedish Police College, Legal studies at Uppsala University

Employed: 2002

Other commissions: Chairman, European Casino Association.

Background: Positions at Svenska Spel: Manager, Casino business area since 2008; Casino Manager, Casino Cosmopol Gothenburg, 2005–2008; Security Manager, Casino Cosmopol Stockholm, 2002–2005. Previous positions: Swedish Criminal Investigation Department, 1995–2002 and Stockholm County Police Authority, 1991–1995.

Joakim Mörnefält

Communication Director

Born: 1964

Education: Marketing, Business administration, Växjö University

Employed: 2017

Other commissions: Board member Lernia AB.

Background: Executive Director National Geographic Society Europe 2012–2016, Communication Director ManpowerGroup Sweden 2003–2012, Head of Global Brand Strategy and Creative Manpower Group Global 2008–2011, Marketing Manager Manpower 2001–2003. Previous positions: Country Manager, Zoovillage, Marketing Manager, JC Jeans and Clothes.

Kristina Askstedt

Manager Business area Tur

Born: 1966

Education: Bachelor of arts in Human Resource and Organisation, University of Stockholm

Employed: 2014

Other commissions:—

Background: Business Area Manager Windows, Microsoft Central and Eastern Europe HQ, 2012–2014, Operational Manager and Marketing Director, Microsoft AB, 2008–2012, Director of Sales Public Sector, Microsoft AB, 2006–2008.

Group

Consolidated statement of comprehensive income

1 January–31 December
SEK million

	Note	2018	2017
Gross gaming revenue	2	8,784	8,980
Other revenue	2	297	268
Direct costs in gaming operations, etc.		–1,300	–1,475
Net revenues from gaming operations, etc.		7,780	7,774
Capitalised work for own account		32	17
Employee expenses	3	–1,146	–1,095
Other external expenses	4, 21	–1,893	–1,764
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	7, 8	–248	–226
Operating profit		4,525	4,705
Profit on financial investments			
Interest and other financial income	5	14	8
Interest expense and other financial costs	5	–17	–9
Total financial items		–3	–1
Profit after financial items		4,522	4,705
Tax	6	0	4
INCOME FOR THE YEAR		4,522	4,709
Other comprehensive income		–	–
TOTAL COMPREHENSIVE INCOME		4,522	4,709
Attributable to equity holders of the Parent Company		4,522	4,709
Earnings per share			
Number of shares	15	2,000	2,000
Earnings per share, SEK 000s	15	2,261	2,354

Group

Balance sheet

SEK million	Note	31 Dec 2018	31 Dec 2017
ASSETS			
Non-current assets			
Intangible assets	7	159	156
Property, plant and equipment	8	796	842
Financial assets	9, 10	1,370	1,520
Total non-current assets		2,325	2,518
Current assets			
Trade receivables	9, 10, 11	314	323
Set off, National Debt Office	9, 10, 23	1,150	1,150
Other current receivables	9, 10, 11	356	303
Prepaid expenses and accrued income	12	192	177
Current investments	9, 10	117	442
Cash and cash equivalents	9, 10, 13	3,732	3,517
Total current assets		5,861	5,913
TOTAL ASSETS		8,185	8,431
EQUITY AND LIABILITIES			
Equity			
	14		
Share capital		0	0
Reserves		0	0
Retained earnings		4,583	4,752
Total equity		4,583	4,752
Non-current liabilities			
Unpaid winnings	9, 10, 16	1,173	1,240
Other non-current liabilities	9, 10, 17	10	10
Total non-current liabilities		1,183	1,249
Current liabilities			
Trade payables	9, 10, 18	225	176
Unpaid winnings	9, 10, 16	624	647
Settlement fund	9, 10, 19	–	126
Funded winnings	9, 10, 19	781	822
Other current liabilities	9, 10, 18	461	371
Accrued expenses and deferred income	20	329	287
Total current liabilities		2,420	2,430
Total liabilities		3,603	3,679
TOTAL EQUITY AND LIABILITIES		8,185	8,431

Group

Cash-flow statement

1 January–31 December
SEK million

	Note	2018	2017
Operating activities			
Net profit for the year		4,522	4,709
Adjustments for non-cash items			
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	7, 8	248	226
Proceeds from the disposal of non-current assets		5	7
Change in pension provision	17	–0	0
Other adjustments		6	–1
Cash flow from operating activities before changes in operating assets and liabilities		4,781	4,941
Cash flow from changes in operating assets and liabilities			
Change in trade and other receivables		–44	–43
Change in other current assets		–15	–15
Change in trade payables and other liabilities		139	42
Change in other operating liabilities		–232	170
Cash flow from operating activities		4,629	5,095
Investing activities			
Investments in intangible assets	7	–89	–23
Investments in property, plant and equipment	8	–121	–231
Disposals of property, plant and equipment		0	0
Investments in financial assets		–119	–100
Divestment of financial assets		606	550
Cash flow from investing activities		277	195
Financing activities			
Dividends to the owner, the Swedish State	14	–4,691	–4,923
Cash flow from financing activities		–4,691	–4,923
Cash flow for the year		215	367
Cash and cash equivalents at beginning of the year	13	3,517	3,150
Cash and cash equivalents at end of the year	13	3,732	3,517

Group

Statement of changes in equity

SEK million

	Note	Share capital	Statutory reserve	Retained earnings	Total equity attributable to equity holders of the Parent Company
Opening balance, 1 January 2017	14	0.2	0.1	4,866	4,866
Transactions with equity holders					
Dividends to the owner, 2016				–4,823	–4,823
Total transactions with equity holders				–4,823	–4,823
Comprehensive income					
Net profit for the year				4,709	4,709
Other comprehensive income				–	–
Total comprehensive income				4,709	4,709
Opening balance, 1 January 2018		0.2	0.1	4,752	4,752
Transactions with equity holders					
Dividends to the owner, 2017				–4,691	–4,691
Total transactions with equity holders				–4,691	–4,691
Comprehensive income					
Net profit for the year				4,522	4,522
Other comprehensive income				–	–
Total comprehensive income				4,522	4,522
Closing balance, 31 December 2018		0.2	0.1	4,583	4,583

Parent Company

Income statement1 January–31 December
SEK million

	Note	2018	2017
Gross gaming revenue	2	7,682	7,852
Other revenue	2	210	168
Direct costs in gaming operations, etc.		–1,277	–1,450
Net revenues from gaming operations, etc.		6,615	6,569
Capitalised work for own account		19	17
Employee expenses	3	–648	–600
Other external expenses	4, 21	–1,687	–1,566
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	7, 8	–190	–168
Operating profit		4,110	4,252
Profit on financial investments			
Profit from participations in Group companies	25	409	443
Interest and other financial income	5	15	9
Interest expense and other financial costs	5	–17	–9
Total financial items		406	442
Profit after financial items		4,516	4,695
Tax	6	–	–
INCOME FOR THE YEAR		4,516	4,695

The Parent Company had no items recognised in other comprehensive income in 2018 or 2017. Thus, the Parent Company's income for the year is also the comprehensive income for the year. Accordingly, the Parent Company does not present a Statement of Comprehensive Income.

Parent Company

Balance sheet

Assets

SEK million	Note	31 Dec 2018	31 Dec 2017
ASSETS			
Non-current assets			
Intangible assets	7	126	156
Property, plant and equipment	8		
Buildings and land		16	17
Construction and extension		62	59
Equipment and computers		276	304
Financial assets			
Participations in Group companies	25	77	71
Non-current receivables, Group companies		400	350
Other holdings of non-current securities		1,363	1,513
Total non-current assets		2,320	2,470
Current assets			
Trade receivables	11	310	320
Receivables from Group companies		418	445
Set off, National Debt Office	23	1,150	1,150
Other current receivables	11	343	291
Prepaid expenses and accrued income	12, 24	155	146
Current investments	9, 10	117	442
Cash and bank	13	3,589	3,366
Total current assets		6,082	6,160
TOTAL ASSETS		8,401	8,630

Parent Company

Balance sheet

Equity and liabilities

SEK million	Note	31 Dec 2018	31 Dec 2017
EQUITY AND LIABILITIES			
Equity	14		
Restricted equity			
Share capital		0	0
Statutory reserve		0	0
Development expenditure reserves		79	41
Non-restricted equity	26		
Retained earnings		0	0
Change in development expenditure reserves		-38	-3
Net profit for the year		4,516	4,695
Total equity		4,557	4,732
Non-current liabilities			
Unpaid winnings	16	1,173	1,240
Other non-current liabilities	17	9	9
Total non-current liabilities		1,182	1,249
Current liabilities			
Trade payables	18	190	149
Liabilities to Group companies		494	334
Unpaid winnings	16	624	647
Settlement fund	19	–	126
Funded winnings	19, 24	668	807
Other current liabilities	18	427	338
Accrued expenses and deferred income	20, 24	259	247
Total current liabilities		2,662	2,649
TOTAL EQUITY AND LIABILITIES		8,401	8,630

Parent Company

Cash-flow statement

1 January–31 December
SEK million

	Note	2018	2017
Operating activities			
Net profit for the year		4,516	4,695
Adjustments for non-cash items			
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	7, 8	190	168
Proceeds from the disposal of non-current assets		5	7
Anticipated dividend Casino Cosmopol AB	25	–409	–443
Change in pension provision	17	–0	–0
Other adjustments		6	3
Dividends received from subsidiaries	25	443	495
Cash flow from operating activities before changes in operating assets and liabilities		4,750	4,925
Cash flow from changes in operating assets and liabilities			
Change in trade and other receivables		–42	–39
Change in other current assets		–15	–17
Change in trade payables and other liabilities		130	40
Change in other operating liabilities		–200	127
Cash flow from operating activities		4,623	5,036
Investing activities			
Investments in intangible assets	7	–56	–23
Investments in property, plant and equipment	8	–84	–180
Disposals of property, plant and equipment		0	0
Investments in financial assets		–119	–100
Divestment of financial assets		606	550
Change in long-term receivable to subsidiaries		–50	14
Investments in subsidiaries		–6	–
Cash flow from investing activities		292	260
Financing activities			
Dividends to the owner, the Swedish State	14	–4,691	–4,923
Cash flow from financing activities		–4,691	–4,923
Cash flow for the year		223	374
Cash and cash equivalents at beginning of the year	13	3,366	2,992
Cash and cash equivalents at end of the year	13	3,589	3,366

Parent Company

Statement of changes in equity

SEK million	Note	Restricted equity			Non-restricted equity	Total equity
		Share capital	Statutory reserve	Development expenditure reserves	Retained earnings and income for the year	
Opening balance, 1 January 2017	14	0.2	0.1	37	4,823	4,861
Transactions with equity holders						
Dividends to the owner, 2016				–	–4,823	–4,823
Total transactions with equity holders				–	–4,823	–4,823
Comprehensive income						
Net profit for the year				–	4,695	4,695
Total comprehensive income				–	4,695	4,695
Expenses for the year for own development projects				18	–18	–
Dissolution following depreciation/amortisation				–14	14	–
Opening balance, 1 January 2018	14	0.2	0.1	41	4,691	4,732
Transactions with equity holders						
Dividends to the owner, 2017				–	–4,691	–4,691
Total transactions with equity holders				–	–4,691	–4,691
Comprehensive income						
Net profit for the year				–	4,516	4,516
Total comprehensive income				–	4,516	4,516
Expenses for the year for own development projects				56	–56	–
Dissolution following depreciation/amortisation				–18	18	–
Closing balance, 31 December 2018		0.2	0.1	79	4,478	4,557

The number of shares outstanding is 2,000 and did not change during the financial year.

Notes

Note 1 Accounting and valuation policies

Conformity with standards and legislation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and interpretations by the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Union (EU) for application within the EU, subject to the exceptions indicated below. Also, the Annual Accounts Act and the recommendations of the Swedish Financial Reporting Board entitled RFR 1 "Additional Accounting Regulations for Groups", have been applied. The Parent Company applies RFR 2 "Accounting for Legal Entities" and applies the same accounting policies as the Group except as specified under "Parent Company's accounting policies".

The European Securities and Market Authority's (ESMA) guidelines for alternative performance measures (APMs) are applied. The guidelines entail disclosure requirement concerning financial measures not defined in accordance with IFRS.

Assumptions underlying preparation of the Parent Company and consolidated financial statements

The reporting currency of the Group and the functional currency of the Parent Company is SEK. All amounts, unless otherwise stated, are rounded to the nearest million Swedish krona.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company AB Svenska Spel and all companies in which the Parent Company directly or indirectly holds all of the voting rights.

A subsidiary's income and expenses and its assets and liabilities are recognised in the consolidated financial statements as of the date when the Parent Company gains a controlling influence over the company until the time that the controlling influence ceases.

All Group companies have a calendar-based financial year and apply uniform accounting policies. Inter-company receivables and liabilities, inter-company transactions and related profits and losses are eliminated in their entirety in the preparation of the consolidated financial statements.

Deliveries of services and products among Group companies are subject to commercial terms and conditions and market pricing.

Svenska Spel's 2018 consolidated financial statements were approved for publication by the Board of Directors on 13 March 2019.

Uncertainty in estimates and assessments

The Group management has identified the following risk factors as regards uncertainty in estimates and assessments that could affect Svenska Spel's financial position and profit.

Recoverability of capitalised development expenditure

At year-end, the Svenska Spel Group had capitalised development expenditure totalling SEK 159 million (156). The expenditure pertained primarily to the Group's development of gaming systems and gaming products. If the assessed lifetime and forecast revenue for these investments should not prove reasonable, this could significantly impact their carrying amounts.

Deferred tax

As of 1 January 2019, the Parent Company AB Svenska Spel and its subsidiaries Casino Cosmopol AB and Svenska Spel Sport & Casino are tax liable for their business activities. In conjunction with the taxation entry, an investigation is underway concerning how the Company should manage depreciation for tax purposes. As the issue is still unclear, no deferred tax has been recognised relating to temporary differences between the carrying amounts and tax amounts in these companies. For further information about taxes, refer to Note 6.

Provision for future profit

Certain products have winnings schedules based on statistical probability calculations for the pay-out of winnings. Chance is a factor that affects the actual outcome. The follow-up of outcomes is conducted continuously, and the statistical calculations are scrutinised in the event of the emergence of major deviations.

Revenue recognition

As of this year's annual report, the term "gross gaming revenue" has replaced the previously used term "net gaming revenue". This change only concerns the terminology used, and has not changed the content or financial reporting compared to previous annual reports.

The Group's net gaming revenue comprises the amounts staked by players [gross gaming revenue] less winners' shares according to the set winnings schedule.

All gross gaming revenue is reported in accordance with IFRS 15. The products Mixen and Lången have the nature of derivative instrument as Svenska Spel takes an open position to the customer. These games are reported as gross gaming revenue in the period that the game is decided.

Gross gaming revenue from lottery tickets is recognised in conjunction with sales.

Casino gross gaming revenue is recognised when gaming tables or slot machines are closed.

Gross gaming revenue for other games is recognised at after the completion of games or completion of drawings.

Poker revenue comprises the percentage share of the stakes credited to Svenska Spel, known as the rake, which is also settled on a daily basis.

Other revenue consists mainly of sales revenue from restaurants, leasing income for equipment to retailers, store registration fees, revenue from unclaimed winnings and payment rounding amounts, as well as casino entrance fees. These revenues are recognised in the period to which they pertain.

"Gross revenues from gaming operations, etc." is recognised in the income statement divided among gross gaming revenue, other revenue and direct costs in gaming operations, etc.

Direct costs in gaming operations, etc.

Direct costs in gaming operations, etc., comprises primarily all commissions and remuneration for winnings payments to the Group's retailers and business partners.

Other revenue-related expenses refer to raw material costs in the Group's restaurant operations.

Classification

Assets and liabilities are recognised at cost, with the exception of inflation-indexed bonds, treasury bonds, currency futures and unpaid winnings pertaining to Triss Månadsklöver, which are measured at fair value.

Intangible assets

The Group's intangible assets consist primarily of capitalised development expenditure for new gaming products and new gaming systems that are considered to be of material economic value for the business in future years.

The carrying amount in the balance sheet includes material costs, direct salary costs and external consultant costs and other direct costs that can be attributed to the asset. Other development costs are recognised in profit and loss as incurred. Activities during feasibility study phases, as well as entertainment, support and education initiatives, are expensed on an ongoing basis. Other intangible assets pertain to licenses.

Capitalised development expenditure and licenses are reported at cost less deductions for amortisation and impairment.

Note 1 cont.

Amortisation and impairment policies for intangible assets

Depreciation is applied on a straight-line basis over the expected useful life of the asset, starting from the date the asset is first put into use. The useful lives and any residual value of assets are tested each year. Impairment is recognised in profit and loss when the carrying amount of an asset exceeds the estimated recoverable amount. The recoverable amount represents value in use and is calculated by discounting future estimated cash flows. For assets that do not generate a direct cash flow, the recoverable amount is calculated for the cash-generating unit (CGU) to which the asset belongs. In the event of any change in the assumptions underlying the calculation of the recoverable amount, the impairment is reversed.

Depreciation periods	Number of years
New applications for gaming products	3
System platforms	3–10
Licenses	5

Property, plant and equipment

Property, plant and equipment is recognised at cost with deductions for accumulated depreciation as well as any impairment loss. The cost includes the purchase price and any costs directly attributable to the asset.

Additional costs are added to the carrying amount of the asset or recognised as a separate asset. If an additional cost pertains to payment for an already existing component, the carrying amount for the replaced component is derecognised from the balance sheet. Repairs and maintenance are recognised as costs in profit and loss for the period to which they pertain.

Property, plant and equipment comprising parts with different useful lives are treated as separate items.

The carrying amount for an item of property, plant and equipment is derecognised from the balance sheet on disposal or sale. Profit or loss arising from the sale or disposal of an asset represents the difference between the selling price and the carrying amount of the asset, less direct selling costs.

Depreciation and impairment policies for property, plant and equipment

Depreciation is applied on a straight-line basis over the expected useful life of the asset's components, starting from the date the asset is first put into use.

The carrying amounts and useful life of the Group's assets are tested at each balance-sheet date to establish whether there are any indications of impairment. Impairment is recognised in profit and loss when the carrying amount of an asset exceeds the estimated recoverable amount. In the event of any change in the assumptions underlying the calculation of the recoverable amount, the impairment is reversed.

Depreciation periods	Number of years
Buildings	50–100
Freehold improvements	5–50
Leasehold improvements	5–30
Land	No depreciation
Land improvements	20
Retailer and lottery terminals	5
Equipment	3–10
Servers	3–5

Corporate acquisitions

The acquisition of subsidiaries is reported according to the acquisition method. The purchase price for the acquired operation is valued at fair value on the acquisition date. Acquisition-related expenses are recognised in profit and loss as they arise. In conjunction with corpo-

rate acquisitions in which the purchase price exceeds the fair value of the assets acquired and liabilities assumed on the acquisition date, the difference is reported as goodwill.

Leased assets

All leasing agreements entered into by the Svenska Spel Group are operating leases. Leasing fees related to operating leasing agreements are recognised as an income/expense in profit and loss in the period to which they belong.

Leasing agreements under which the Group is the lessee relate essentially to leased premises. Leasing agreements under which the Group is the lessor relate primarily to leasing of retailer and lottery terminals.

Financial instruments

Financial instruments are every form of contract that causes a financial asset or liability to arise. Financial instruments recognised on the asset side of the balance sheet include cash and cash equivalents, trade receivables, investments, set off with National Debt Office and other receivables.

Liabilities include trade payables, unpaid or funded winnings and other liabilities.

Recognition and classification of financial instruments

Financial instruments are initially recognised at cost, representing the fair value of the instrument with transaction costs added, for all financial instruments except those defined as financial instruments measured at fair value in profit and loss with transaction costs recognised in profit and loss.

A financial asset or financial liability is recognised in the balance sheet when the Company becomes party to the contractual conditions of the instrument. Financial assets are derecognised from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred all risks and benefits connected with the right of ownership. A financial liability is derecognised from the balance sheet when the contractual undertakings have been fulfilled or are otherwise extinguished.

The Group's financial instruments are classified according to IFRS 9 and measured as specified below. Under IFRS 9, financial assets are classified in categories depending on the business model and characteristics of the contractual cash flows. This means the way in which the contractual terms give rise on specified dates to cash flows that solely comprise payments of principal and interest on the principal amount outstanding.

Financial assets and liabilities measured at fair value in profit and loss

Svenska Spel has financial investments in inflation-indexed, mortgage-covered and treasury bonds intended to provide funds for future payments of winnings in Triss Månadsklöver; these are shown in the balance sheet as "financial assets" and "current investments" respectively. The investments are held to receive cash flows in order to pay the customers' winnings on an ongoing basis and are recognised at "fair value in profit and loss".

Future payments to winners of Triss Månadsklöver are recognised as non-current and current liabilities, respectively, under unpaid winnings.

Financial assets measured at amortised cost

Assets held to receive contractual cash flows that consist solely of payments of principal and interest on the principal amount outstanding are measured at amortised cost.

Trade receivables and other receivables are recognised at amortised cost when the purpose is to collect contractual cash flows. As the expected maturity is short, these assets are valued at the amount expected to be received. Individual testing is carried out if there is any impairment requirement. Impairment of trade receivables is recognised under operating costs.

Note 1 cont.

Cash and cash equivalents consist of cash and immediately accessible balances at banks and equivalent institutions, and are recognised at amortised cost.

In accordance with the Group's finance policy, surplus liquidity can be invested short term in zero-coupon bonds and commercial paper. The Group's current investments are measured and recognised at amortised cost when the purpose of the investments is to collect contractual cash flows.

Financial liabilities measured at amortised cost

Trade and other payables have short expected due dates and are measured without discounting at the nominal amount. The unpaid winnings to winners recognised at amortised cost are winnings that have been won but not yet been paid-out.

All Group funds are measured at amortised cost. Funds are accumulated under the framework of each winnings schedule to boost various winning categories in conjunction with win guarantees, jackpots and campaigns. Funded winnings may vary greatly over time depending on when winnings are actually paid.

Of the lottery winnings that are not claimed within the set period, 50% have been transferred in 2018 to Svenska Spel's settlement fund. The funds in the settlement fund have been used to cover the future payments of winnings for approved claims, and to return funds to winning participants by, for example, increasing the frequency of winnings or topping up certain winning categories during campaigns. The settlement fund was dissolved on 31 December 2018.

In 2017, the Group financial instruments were classified in accordance with IAS 39:

Financial assets and financial liabilities measured at fair value in profit and loss

This category consists of two sub-groups:

a) Financial assets and liabilities held for trading

Svenska Spel enters into currency future contracts in compliance with the Group's finance policy to hedge the flow of foreign currencies. Svenska Spel mainly employs currency future contracts to hedge purchases denominated in EUR and USD. Svenska Spel does not apply hedge accounting pursuant to IAS 39. Derivative instruments are recognised in the balance sheet on the contract date and are measured at fair value, both initially and in connection with subsequent remeasurement. Gains or losses arising from remeasurement are recognised in profit and loss under financial income or financial expenses, respectively.

b) Financial assets and liabilities that on initial recognition are deemed to belong to this category

Svenska Spel has financial investments in inflation-indexed, mortgage-covered and treasury bonds intended to provide funds for future payments of winnings in Triss Månadsklöver; these are shown in the balance sheet as "financial assets" and "current investments" respectively. Future payments to winners of Triss Månadsklöver are recognised as non-current and current liabilities, respectively, under unpaid winnings.

Loan and trade receivables

Trade and other receivables are classified under this category since they have determined or determinable payments and are not quoted on an active market. Recognition is at amortised cost less any provision for any value decline. As the expected maturity is short, these assets are valued at the amount expected to be received. Individual testing is carried out if there is any impairment requirement. Impairment of trade receivables is recognised under operating costs.

Cash and cash equivalents are classified as loan receivables and consist of cash and immediately accessible bank balances and equivalent institutions.

Investments intended to be held to maturity

This category comprises financial assets with determined or determinable payments and determined maturity, which are held with the intention of being held to maturity. Recognition is at amortised cost.

In accordance with the Group's finance policy, surplus liquidity can be invested short term in zero-coupon bonds and commercial paper. The Group's other current investments are classified under this category in cases where they are intended to be held to maturity and none of the investments have a maturity of less than three months at the acquisition date.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets. Assets in this category are measured at fair value with changes in value charged to equity. The Group has no financial assets in this category.

Other financial liabilities measured at amortised cost

Trade and other payables have short expected due dates and are measured without discounting at the nominal amount. All Group funds are measured at amortised cost. Funds are accumulated under the framework of the winnings schedules to boost various winning categories in conjunction with win guarantees, jackpots and campaigns. Funded winnings may vary greatly over time depending on when winnings are actually paid.

Of the lottery winnings that are not claimed within the set period, 50% are transferred to Svenska Spel's settlement fund. The funds in the settlement fund are used to cover the future payments of winnings for approved claims, and to return funds to winning participants by, for example, increasing the frequency of winnings or topping up certain winning categories during campaigns.

Transactions in foreign currencies

Foreign currency transactions are translated using the exchange rates prevailing on the transaction dates. At the end of the month, assets and liabilities in foreign currencies are translated at the closing exchange rate. Exchange-rate differences on operating receivables and liabilities are included in operating profit, while exchange-rate differences on financial assets and liabilities are recognised among financial items. Payment flows in foreign currencies are limited.

Taxes

The Parent Company, AB Svenska Spel, and its subsidiaries, Casino Cosmopol AB and Svenska Spel Sport & Casino AB, are exempt from corporate tax, lottery tax and, largely, value added taxes. However, all companies in the sub-group Svenska Spels Förvaltnings AB have a tax liability and are also largely required to pay value added tax. As of 1 January 2019, all companies in the Group have a tax liability for business activities since the new Gambling Act took effect. Furthermore, the companies in the Group that conduct gaming or lottery operations will pay gambling tax.

Income tax is recognised directly in profit and loss and comprises current and deferred tax. Deferred tax is calculated using the temporary differences between the recognised and taxable values of assets and liabilities. Deferred income tax is calculated based on application of the tax rates and rules in effect on the balance-sheet date. Deferred tax assets relating to tax deductible temporary differences and loss carry-forwards are recognised only insofar as it is probable that they will be utilised.

Provisions

The Group's provisions pertain mainly to pensions. Provisions are recognised in the balance sheet when the Group has a future obligation that can be calculated in a reliable manner and when it is probable that payment will be required to settle the obligation. When the effect of the payment timing is significant, provisions are calculated through the discounting of the anticipated future cash flow.

Note 1 cont.

Employee benefits

Employees in the Svenska Spel Group receive remuneration in the form of basic salary, benefits and occupational pension. Variable remuneration is paid to employees for work performed during, for example, unsociable working hours. Bonus-based remuneration or remuneration in the form of financial instruments is not paid.

In addition to salary, employees receive benefits, which depend to some extent on the position in the Company held by the employee. All employees are entitled to a subsidised lunch and to certain compensation for fitness care and healthcare. Group management and sales representatives are also entitled to a benefit in the form of access to a company car and subsidised fuel.

Pension plans

Salaried employees in the Svenska Spel Group are covered by the ITP plan administered by Collectum. Pension obligations pertaining to remuneration from the ITP plan after terminated employment are classified as either defined-contribution or defined-benefit. According to a statement from the Swedish Financial Reporting Board UFR 10, pension plans secured in accordance with the ITP plan are to be classified as defined-benefit plans. However, Collectum, which insures the ITP plan, has not been able to provide Svenska Spel or other companies with sufficient information to be able to determine the Company's share of the plan's total assets and liabilities. This information can only be provided to the insured beneficiaries. Accordingly, these obligations are recognised under UFR 3 as a defined-contribution pension plan.

The Svenska Spel Group's employees who are collectively covered by agreements in the LO agreement area are affiliated to the defined-contribution pension plan named the SAF-LO Pension Agreement, which is administrated by Fora.

Within the Parent Company Svenska Spel, there are a few older pension obligations to former employees. These obligations amount to insignificant sums and are secured in part through allocations to the Company's pension liability and in part through Svenska Spel's Pension Foundation. AB Svenska Spel makes ongoing pension payments pursuant to these obligations, whereupon annual crediting from Svenska Spel's Pension Foundation occurs.

Termination benefits

A provision is recognised in conjunction with termination of employment only if the Company is demonstrably committed to terminating the employment of an employee before the retirement date. The provision is recognised when no service is required in return from the employee.

Government grants

Svenska Spel does not receive any Government or other financial grants.

Cash-flow statement

The cash-flow statement is prepared pursuant to the indirect method. Cash and cash equivalents in the cash-flow statement consist of cash and bank balances.

Parent Company

AB Svenska Spel is a limited liability company registered in Sweden with Corporate Reg No. 556460-1812. Its registered office is in Visby,

Sweden. The Ministry of Enterprise and Innovation manages the shares in the Parent Company. The address of the head office is Norra Hanségatan 17, SE-621 80 Visby, Sweden. The Parent Company has prepared its annual financial statements in conformity with the Annual Accounts Act [1995:1554] and the Recommendations of the Swedish Financial Reporting Board in RFR 2 Accounting for Legal Entities. This implies that in the annual financial statements of the legal entity, the Parent Company is to apply all EU-approved IFRSs and statements from IFRIC to the extent possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act, and in consideration of the relationship between accounting and taxation. The recommendations state the exceptions to be made from, and supplements to, IFRS. The Parent Company applies the same accounting policies as the Group except as specified below.

Changes in RFR 2

Changes in RFR 2 Accounting for Legal Entities applicable for the financial year 2018 have not had an impact on the Parent Company's financial statements. The changes that took effect as of 1 January 2019 are not expected to have any significant impact on the Parent Company's financial statements.

Dividends

Dividends to the shareholders of the Parent Company are recognised as a liability in the financial reports of the Parent Company and the Group after the shareholders of the Parent Company adopt the distribution. The Parent Company anticipates dividends from the subsidiary Casino Cosmopol AB.

Participations in subsidiaries

Participations in subsidiaries are reported at cost in the Parent Company's financial reporting.

Intangible assets

Expenses for the Company's own development projects are recorded as intangible assets only under the condition that the equivalent amount is transferred from non-restricted equity to a development expenditure reserve.

Amendments to the Group's accounting policies

As of 1 January 2018, the Group applies IFRS 9 and IFRS 15 with very limited changes from previous accounting, see the classification differences according to IFRS 9 in Note 10. No recalculations of earlier periods have been made. There have been no changes to other accounting policies compared with the preceding financial year.

New and amended standards and interpretations

The new and amended standards and interpretations that have been issued but which become effective for financial years starting after 1 January 2019 have not yet been applied by the Group. New and amended standards and interpretations deemed relevant to the Group's operations are described in the table below. These will be applied as and when they become effective. It is the assessment of executive management that other new or amended standards and new interpretations that have not become effective will have no significant impact on the Group's financial statements when applied for the first time.

Standard	Becomes effective	Change and impact on the Group
IFRS 16 – Leases	1 January 2019	<p>IFRS 16 – Leases replaces IAS 17 Leasing agreements. IFRS 16 introduces the right-of-use model and, for the lessee, means that essentially all leases are to be recognised in the balance sheet, making it unnecessary to classify leases as either finance leases or operating leases. IFRS 16 is applicable for the financial year beginning 1 January 2019.</p> <p>Analysis of the Group's leases has been conducted to ensure that it will be possible to fulfil the requirements in the new standard. The largest leases in the Group concern the leasing of office and casino premises as well as data centres and are currently recognised solely as operating leases.</p> <p>A modified retrospective method has been chosen as a transition method to IFRS 16 in which the asset value equals the liability throughout. Calculations show that leased assets will have an opening value of SEK 392 million and lease liabilities will amount to SEK 377 million. Equity will be unaffected, while the negative effect on profit after tax 2019 is estimated to amount to SEK 2 million based on current leases at year-end 2018.</p>

Note 2 Gross gaming revenue by business area and other revenue

SEK million	Group		Parent Company	
	2018	2017	2018	2017
Sport & Casino	2,002	2,020	2,002	2,020
Tur	4,787	4,716	4,787	4,716
Casino Cosmopol & Vegas	1,995	2,244	893	1,115
Total gross gaming revenue	8,784	8,980	7,682	7,852
Other revenue	297	268	210	168

Gross gaming revenue for lottery tickets arises at the time of sale while gross gaming revenue for other games arises after the completion of games or completion of drawings. In Tur, gross gaming revenue for lottery tickets amounted to SEK 1,636 million [1,708] for both the Group and Parent Company.

Other revenue consists of revenue from restaurant operations, leasing income for equipment to retailers, store registration fees, revenue from unclaimed winnings and payment rounding amounts, as well as casino entrance fees.

Gaming-related contractual liabilities, SEK million	31 Dec 2018 Contractual liabilities	2018 Recognised as revenue during the year	31 Dec 2017 Contractual liabilities	2017 Recognised as revenue during the year	1 Jan 2017 Contractual liabilities
Group					
Deferred income from players	126	135	135	120	120
Parent Company					
Deferred income from players	126	135	135	120	120

At the time the stakes are paid for chance and sports games, payment is recognised as a deferred income from players, which is referred to as contractual liability in the table above. Normally, contractual liabilities are recognised as revenue in their entirety in the next year.

Note 3 Employees, employee expenses and benefits

Average number of employees per location, for the year	2018		2017	
	Number of employees	of whom men, %	Number of employees	of whom men, %
Parent Company				
Visby	374	66	366	65
Solna	299	66	288	66
Rest of Sweden	42	79	41	80
Total – Parent Company	715	67	695	66
Other Group companies				
Sundsvall	78	67	80	64
Malmö	201	54	186	51
Gothenburg	282	58	300	57
Stockholm	407	59	433	59
Total – Group	1,683	62	1,694	61

No. of employees by location and form of employment at 31 December	2018					2017				
	Open-ended contracts ¹	Fixed-term employment ²	Total	Of whom part-time employees, %	of whom men, %	Open-ended contracts ¹	Fixed-term employment ²	Total	Of whom part-time employees, %	of whom men, %
Parent Company										
Visby	372	28	400	6	67	370	25	395	5	66
Solna	309	10	319	4	64	292	8	300	4	67
Rest of Sweden	42	—	42	0	79	40	—	40	0	80
Other Group companies										
Sundsvall	76	68	149	62	60	79	67	146	63	55
Malmö	198	105	293	45	59	192	102	294	44	56
Gothenburg	280	78	381	45	52	296	82	378	50	56
Stockholm	401	94	536	27	51	426	96	522	29	57
Total – Group	1,678	383	2,061	28	60	1,695	380	2,075	29	60

1. Employees under open-ended employment contracts includes probationary contracts for 101 [80] employees

2. Fixed-term contracts includes both temporary contracts and other fixed-term contracts

Age and gender distribution	2018	2017
Board, CEO and Group management at 31 December	Number of women/men	Number of women/men
Board of Directors	4/4	7/3
of whom under 30	—	—
of whom 30–50	2/2	4/2
of whom over 50	2/2	3/1
CEO	0/1	0/1
of whom under 30	—	—
of whom 30–50	—	—
of whom over 50	0/1	0/1
Group management, excluding CEO	3/4	3/4
of whom under 30	—	—
of whom 30–50	—	—
of whom over 50	3/4	3/4

Age distribution of the total number of employees at 31 December, %	2018	2017
Parent Company		
Under 30	11	11
30–50	59	59
Over 50	30	30
Other Group companies		
Under 30	37	40
30–50	55	52
Over 50	8	8

	2018			2017		
Pay, remuneration, social security and pension costs, SEK 000s	Board, CEO and Group management	Other employees	Total	Board, CEO and Group management	Other employees	Total
Parent Company						
Pay and remuneration	15,716	393,647	409,363	20,343	363,972	384,315
Social security expenses	6,052	139,612	145,664	7,737	126,880	134,617
Pension costs	4,382	58,824	63,206	5,747	46,579	52,326
Total	26,150	592,083	618,233	33,827	537,431	571,258
Other Group companies						
Pay and remuneration	3,129	340,929	344,058	1,811	342,758	344,569
Social security expenses	1,235	113,686	114,921	736	113,446	114,182
Pension costs	911	23,426	24,337	574	20,663	21,237
Total	5,275	478,041	483,316	3,121	476,867	479,988
Group						
Pay and remuneration	18,845	734,576	753,421	22,154	706,730	728,884
Social security expenses	7,287	253,298	260,585	8,473	240,326	248,799
Pension costs	5,293	82,250	87,543	6,321	67,242	73,563
Total	31,425	1,070,124	1,101,549	36,948	1,014,298	1,051,246

Directors' emoluments

	Board fees		Audit Committee		Remuneration Committee		Project Committee	
Fees and other remuneration paid to the Board, SEK 000s	2018	2017	2018	2017	2018	2017	2018	2017
Erik Strand, Board Chairman	355	350	—	—	15	15	25	—
Eivor Andersson, Board member	160	155	—	—	8	8	25	—
Eva-Britt Gustafsson, Board member	160	155	40	40	—	—	—	—
Lars Nilsson, Board member	160	—	25	—	—	—	—	From 25 April 2018
Johan Strid, Board member	160	155	—	25	—	—	25	—
Hélène Westholm, Board member	—	—	—	—	—	—	—	Appointed owner rep. until 31 Jan. 2019
Fredrik Åhlberg, Board member	160	155	—	25	—	—	25	—
Carina Olson, Board member	—	155	—	25	—	—	—	Until 25 April 2018
Martina Ravn, Board member, employee rep.	—	—	—	—	—	—	—	—
Peter Andersson, Deputy Board member, employee rep.	—	—	—	—	—	—	—	From 25 April 2018
Mikael Gustafsson, Deputy Board member, employee rep.	—	—	—	—	—	—	—	From 25 April 2018
Urban Sahlin, Deputy Board member, employee rep.	—	—	—	—	—	—	—	—
Total	1,155	1,125	65	115	23	23	100	—

The Chairman and Directors of the Board receive fees in accordance with the resolution by the Annual General Meeting (AGM). The same applies to the Chairman and Directors on the Audit Committee and the Remuneration Committee. Board members, employees of the Government Offices of Sweden, and employee representatives and their

deputies are not paid Board or committee fees.

The remuneration presented above pertains to the Parent Company AB Svenska Spel. No fees are paid to the directors of subsidiaries and sub-subsidiaries if the directors are employed in companies in the Svenska Spel Group, that is, executive directors.

Note 3 cont.

Remuneration and terms for senior executives

Salary and other remuneration to senior executives in Group management, SEK 000s	Salary/remuneration		Benefits		Pension costs ¹		
	2018	2017	2018	2017	2018	2017	
Patrik Hofbauer, CEO and President	440	—	1	—	136	—	
Marie Loob, CFO and Executive Vice President	2,528	1,911	68	61	701	509	Act CEO and President. 20 July–30 Nov. 2018
Kristina Askstedt, Manager Business area Tur	2,093	2,003	89	93	581	596	Manager Business Area Sales & Marketing until 31 May 2018, Manager Business area Tur from 1 June 2018
Fredrik Wastenson, Manager Business Area Sport & Casino	1,836	1,110	2	2	446	298	Product manager from 1 May 2017 until 31 May 2018, Manager Business Area Sport & Casino from 1 June 2018
Per Jaldung, Manager Business Area Casino Cosmopol & Vegas	1,952	1,811	98	87	617	574	
Jörgen Olofsson, IT Manager	1,682	1,622	75	73	599	568	
Maria Z Furenmo, HR Director	1,712	1,677	100	86	719	692	
Joakim Mörnefalt, Communication Director	1,789	1,656	13	9	775	762	From 23 Jan 2017
Lennart Käll, CEO and President	3,498	4,127	49	88	719	1,239	Until 19 July 2018
Peter Zäll, Marketing Director	—	4,897 ²	—	69	—	479	Until 30 April 2017
Marie Avander, Acting Communication Director	—	89	—	5	—	30	Until 22 Jan. 2017
Total	17,530	20,903	495	573	5,293	5,747	

1. Pension costs include possible salary sacrifice to pension.

2. The amount includes severance pay.

Senior executives

Those who at any time are part of the team of “senior executives” are determined by the Remuneration Committee. This team includes the President of the Parent Company and all members of Group management, managers who are not members of Group management, but report directly to the President of the Parent Company, the presidents of the subsidiaries. The members of the subsidiaries’ management teams are recognised in each subsidiary’s annual report.

Guidelines, nomination process, decisions and monitoring

Remuneration principles for executives were adopted by the AGM on 25 April 2018 and are applied throughout the Group. These principles are based on the guidelines resolved by the Government on 22 December 2016 regarding employment terms for senior executives in state-owned companies. The principles specify that total remuneration to senior executives should be reasonable and well balanced. Remuneration should be competitive, have a ceiling, be appropriate and contribute to sound ethics and corporate culture. Remuneration should not be higher than that at comparable companies but should instead be marked by moderation.

The decision on employment terms for the President of the Parent Company is prepared by the Remuneration Committee and decided by the Board. Employment terms for other senior executives who report to the CEO are decided by the CEO after consultation with the Remuneration Committee. Before decisions are made regarding individual remuneration, written documentation is to be presented showing the Company’s overall costs. The Board’s Remuneration Committee ensures that employment terms comply with government guidelines by comparing remuneration for equivalent roles in other state-owned and private companies that are comparable to Svenska Spel in terms of size, complexity and revenue.

Remuneration of the CEO and the Company’s senior executives consists of fixed basic salaries, benefits and pensions. Benefits primarily comprise company cars. Senior executives who do not have a company car benefit receive monthly compensation equivalent in value to the company car. Pension costs pertain to the cost that impacted earnings in 2018. Senior executives have the option of exchanging part of

their gross salary for extra pension deposits, which are included in the recognised pension amount. Pensions for senior executives can in some cases exceed 30% of the fixed salary. As this accrues from pension plans under collective agreements, where the contribution is determined by the terms of the pension plan, this is in accordance with the State’s Guidelines for remuneration and other terms and conditions of employment for senior executives in state-owned companies. Svenska Spel does not compensate senior executives with variable or bonus-based remuneration or any remuneration in the form of financial instruments. Decisions concerning employment terms and conditions for senior executives of subsidiaries are made by the presidents of the subsidiaries following consultations with the subsidiaries’ Boards. Remuneration to senior executives of the subsidiaries is recognised in the annual reports for the subsidiaries.

President and CEO

Patrik Hofbauer, the President and CEO of AB Svenska Spel, received salary and benefits of SEK 441,000 in 2018. Patrik Hofbauer’s pension premiums amounted to SEK 136,000. Patrik Hofbauer is not part of the ITP plan and is entitled to pension premiums corresponding to 30% of his pensionable monthly salary in accordance with his agreement.

On notice of termination, a mutual notice period of six months applies. In the event that notice is given by the Company, severance pay is paid out for a maximum of twelve months. The severance is paid on a monthly basis with no supplement for pension or benefits. When new employment has been secured, paid assignment or on receipt of income from business activities, severance pay from the Company that initiated the termination will be reduced in the amount of the new income during the period in which severance pay is paid. Severance pay is never paid past the age of 65.

Marie Loob has in her role as Acting President and CEO of AB Svenska Spel, received salary and benefits of SEK 1,152,000 in 2018. Marie Loob’s pension premiums amounted to SEK 357,000 during this period.

Lennart Käll, the Company’s former President and CEO, received salary and benefits of SEK 3,547,000 in 2018. Lennart Käll’s pension premiums amounted to SEK 719,000 in 2018.

Note 3 cont.

Other senior executives within the Group management

For other senior executives within the Group management, pensions are paid in line with the ITP plan, with a retirement age of 65. On notice of termination, a mutual notice period of six months applies. In the event that notice is given by the Company, severance pay is paid out for a maximum of twelve months. The severance pay is paid monthly with no supplement for pension or benefits. When new employment has been secured or on receipt of income from business activities, severance pay from the Company that initiated the termination will be reduced in the amount of the new income during the period in which severance pay is paid. Severance pay is never paid past the age of 65.

Other employees

Employees of the Svenska Spel Group receive remuneration in the form of fixed basic salaries, benefits and pensions under collective agreements. Variable remuneration is paid to employees for work performed during, for example, unsociable working hours. Bonus-based remuneration or remuneration in the form of financial instruments is not paid.

Note 4 Auditors' fees

SEK million	Group		Parent Company	
	2018	2017	2018	2017
Deloitte AB				
Audit assignments	1	1	1	1
Auditing activities other than audit assignments	1	0	1	0
Other services	0	3	0	3
Total	2	5	2	5

Audit assignments pertain to auditing of the annual report and accounts as well as the administration of the Board and President. The previous year, other services referred mainly to modifications to the new Anti-Money Laundering Act.

Note 5 Financial income and expenses

Financial income, SEK million	Group		Parent Company	
	2018	2017	2018	2017
Interest income from bank balances	0	0	0	0
Exchange-rate gains	0	0	0	0
Change in value of assets, Triss Månadsklöver	12	6	12	6
Other financial income	2	2	3	2
Total	14	8	15	9

Financial expenses, SEK million	Group		Parent Company	
	2018	2017	2018	2017
Interest expense	-0	-0	-0	-0
Change in value of liabilities, Triss Månadsklöver	-17	-8	-17	-8
Other financial expenses	-0	-1	-0	-1
Total	-17	-9	-17	-9

Net gains/losses, SEK million	Group		Parent Company	
	2018	2017	2018	2017
Result from changes in exchange rates	0	0	0	0
Financial assets and liabilities measured at fair value in profit and loss	-5	-2	-5	-2
Financial assets and liabilities measured at amortised cost	2	1	2	1
Total	-3	-1	-3	0

The Parent Company's interest income includes intra-Group income in the amount of SEK 0.5 million (0.4).

Note 6 Taxes

Recognised in profit and loss, SEK million	Group		Parent Company	
	2018	2017	2018	2017
Deferred tax [–]/tax income pertaining to temporary differences				
Leasehold improvements	–0	4	—	—
Buildings	0	0	—	—
Total reported tax charge	0	4	—	—

Tax assets and liabilities, SEK million	Group		Parent Company	
	2018	2017	2018	2017
Tax assets				
Leasehold improvements	4	4	—	—
Buildings	3	3	—	—
Total tax assets	7	8	—	—
Tax liabilities				
Buildings	2	3	—	—
Total tax liabilities	2	3	—	—
Deferred tax, net	5	5	—	—

Tax assets and liabilities are calculated using current tax rates with consideration to pending tax changes.

As of 1 January 2019, the Parent Company AB Svenska Spel and its subsidiaries Casino Cosmopol AB and Svenska Spel Sport & Casino are tax liable for their business activities. In conjunction with the taxation entry, an investigation is underway concerning how the Company should manage depreciation for tax purposes. As the issue is still unclear, no deferred tax has been recognised relating to temporary differences between the carrying amounts and tax amounts in these companies.

The Svenska Spel Group has tax loss carry-forwards of SEK 60 million [71].

Note 7 Intangible assets

Group, SEK million	Capitalised development projects	Ongoing projects	Total Parent Company	Ongoing projects in subsidiaries	Licenses	Total Group
Accumulated cost						
Opening balance, 1 January 2017	825	55	880	—	19	899
Acquisitions	16	7	23	—	—	23
Reversals	10	–10	—	—	—	—
Sales/disposals	–28	—	–28	—	—	–28
Closing balance, 31 December 2017	823	52	876	—	19	894
Opening balance, 1 January 2018	823	52	876	—	19	894
Acquisitions	—	56	56	33	—	89
Reversals	3	–3	—	—	—	—
Sales/disposals	–47	–45	–47	—	—	–47
Closing balance, 31 December 2018	779	60	885	33	19	937
accumulated amortisation and impairment						
Opening balance, 1 January 2017	–614	–45	–660	—	–19	–678
Amortisation for the year	–81	—	–81	—	–0	–81
Impairment for the year	—	—	—	—	—	—
Sales/disposals	21	—	21	—	—	21
Closing balance, 31 December 2017	–674	–45	–720	—	–19	–738
Opening balance, 1 January 2018	–674	–45	–720	—	–19	–738
Amortisation for the year	–81	—	–81	—	–0	–81
Impairment for the year	—	—	—	—	—	—
Sales/disposals	41	45	87	—	—	87
Closing balance, 31 December 2018	–714	0	–714	—	–19	–732
Carrying amount, 31 December 2017	149	7	156	—	0	156
Carrying amount, 31 December 2018	66	60	126	33	0	159

Note 7 cont.

Impairment assessments

Continuous analyses are carried out of the Group's intangible assets to ascertain if indications exist of a need for impairment. If indications exist, the intangible asset's recoverable amount is measured based on future estimated cash flows. The estimated cash flows are primarily estimated sales and expenses for each respective asset. The sales

assessment is completed by means of internal analyses of the available market and the market penetration attained for the games and lotteries of the particular assets.

The analyses indicate no impairment requirement exists. No impairment was performed for intangible assets during the current or preceding year.

Note 8 Property, plant and equipment

Group, SEK million	Buildings and land	Freehold improvements	Leasehold improvements	Construction in progress	Equipment and computers	Ongoing projects, equipment	Total
Accumulated cost							
Opening balance, 1 January 2017	238	244	299	12	1,673	71	2,537
Acquisitions	—	3	2	16	107	103	231
Reversals	—	6	5	–12	34	–34	—
Sales/disposals	–9	—	–0	—	–68	—	–77
Closing balance, 31 December 2017	229	254	306	16	1,746	141	2,691
Opening balance, 1 January 2018	229	254	306	16	1,746	141	2,691
Acquisitions	—	10	—	—	93	18	121
Reversals	—	16	—	–16	124	–124	—
Sales/disposals	—	–0	—	—	–187	—	–187
Closing balance, 31 December 2018	229	280	306	—	1,776	35	2,625
Accumulated depreciation and impairment							
Opening balance depreciation, 1 January 2017	–50	–89	–153	—	–1,416	—	–1,708
Depreciation for the year	–1	–8	–15	—	–121	—	–145
Sales/disposals	9	—	—	—	62	—	72
Closing balance, 31 December 2017	–43	–97	–168	—	–1,474	—	–1,782
Opening balance, impairment, 1 January 2017	—	—	–67	—	–6	—	–73
Impairment for the year	—	—	—	—	—	—	—
Sales/disposals	—	—	—	—	6	—	6
Closing balance, 31 December 2017	—	—	–67	—	—	—	–67
Opening balance depreciation, 1 January 2018	–43	–97	–168	—	–1,474	—	–1,782
Depreciation for the year	–1	–10	–15	—	–140	—	–167
Sales/disposals	—	0	—	—	187	—	187
Closing balance, 31 December 2018	–44	–107	–183	—	–1,428	—	–1,762
Opening balance, impairment, 1 January 2018	—	—	–67	—	—	—	–67
Impairment for the year	—	—	—	—	—	—	—
Sales/disposals	—	—	—	—	—	—	—
Closing balance, 31 December 2018	—	—	–67	—	—	—	–67
Carrying amount, 31 December 2017	186	157	71	16	272	141	842
Carrying amount, 31 December 2018	185	173	56	—	348	35	796

Note 8 cont.

Parent Company, SEK million	Buildings and land	Freehold improvements	Leasehold improvements	Construction in progress	Equipment and computers	Ongoing projects, equipment	Total
Accumulated cost							
Opening balance, 1 January 2017	31	61	16	1	1,192	68	1,369
Acquisitions	—	3	0	16	58	103	180
Reversals	—	—	1	—1	31	—31	—
Sales/disposals	—	—	—	—	—20	—	—20
Closing balance, 31 December 2017	31	64	17	16	1,261	141	1,529
Opening balance, 1 January 2018	31	64	17	16	1,261	141	1,529
Acquisitions	—	10	—	—	62	11	84
Reversals	—	16	—	—16	123	—123	—
Sales/disposals	—	—	—	—	—142	—	—142
Closing balance, 31 December 2018	31	90	17	—	1,304	28	1,471
Accumulated depreciation and impairment							
Opening balance, 1 January 2017	—14	—32	—2	—	—1,035	—	—1,082
Depreciation for the year	—1	—3	—2	—	—82	—	—87
Sales/disposals	—	—	—	—	19	—	19
Closing balance, 31 December 2017	—14	—34	—4	—	—1,097	—	—1,150
Opening balance, 1 January 2018	—14	—34	—4	—	—1,097	—	—1,150
Depreciation for the year	—0	—5	—2	—	—102	—	—109
Sales/disposals	—	—	—	—	142	—	142
Closing balance, 31 December 2018	—15	—39	—5	—	—1,057	—	—1,117
Carrying amount, 31 December 2017	17	30	13	16	164	141	380
Carrying amount, 31 December 2018	16	51	11	—	248	28	354

No impairment was performed for property, plant and equipment during the current or preceding year.

Note 9 Financial risk management

Financial risk management

The Group is exposed to various financial risks through its operations: Currency risk, interest-rate risk, credit risk and liquidity risk. Ongoing risk management is managed by a central finance department pursuant to adopted policies and guidelines. The Board decides policies for overall risk management and financial management.

Currency risk

The Group is active only in Sweden but is exposed to currency risks, such as those arising from currency exposures pertaining to the purchasing of specialised equipment and the printing of lottery tickets, international gaming partnerships [Viking Lotto and Eurojackpot] as well as the sale of licenses for the responsible gaming tool Playscan. The exposure is to EUR, USD, CHF and GBP. Currency risk arises only through future business transactions since the Group does not have any assets or liabilities in currencies other than SEK.

Currency futures are used to manage the currency risk, which is in accordance with the Group's finance policy. The remaining currency risk is assessed as negligible.

The Group's transaction exposure, i.e. currency future contracts, is allocated across the following currencies:

Currency, SEK million	Net position 31 Dec. 2018	Value change —10%	Value change +10%	Net position 31 Dec. 2017
EUR	106.5	95.9	117.2	371.4
USD	4.1	3.7	4.6	4.2
CHF	0.2	0.2	0.2	1.0
NOK	1.8	1.6	2.0	—
GBP	1.5	1.4	1.7	4.0
Total	114.2	102.8	125.6	380.6

The Group gauges and follows up currency risks through the control and reporting of net exposure in each currency.

A sensitivity analysis of a temporary change in exchange rates by +/- 10% on the balance-sheet date demonstrates that a decline in the exchange rate of 10% vis-à-vis SEK would entail a negative impact on earnings of about SEK 11 million.

Note 9 cont.

Interest-rate risk

The Group has no borrowings from any credit institution. The Group's interest-rate risks pertain to interest-rate fluctuations related to investments in inflation-indexed, mortgage-based and treasury bonds and surplus liquidity investments. Inflation-indexed and treasury bonds are used to hedge the Group's commitments to winners in the Triss Månadsklöver lottery. Svenska Spel pays a nonrecurring amount to an independent administrator for every win. This payment is based on a present value calculation of future winnings payments at the current rate of interest on the Swedish inflation-indexed bond market. The payment is adjusted to cover future payments to winners. The liability to winners until September 2012 is upwardly adjusted annually in line with the Consumer Price Index (CPI) trend. For winners from October 2012, this CPI adjustment is not made. To manage interest-rate risk relating to inflation-indexed, mortgage-based and treasury bonds, it is the responsibility of the manager to ensure that the interest-rate sensitivity of investments is the same as that of the liability to the winners, and that the portfolio's interest-rate sensitivity corresponds to that of the liability as far as possible.

A small portion of the Group's surplus liquidity is invested in financial instruments that largely comprise zero-coupon bonds, commercial paper and deposits. These investments have a prime rating and are held till maturity.

Taken together, the Group's interest-rate risk is assessed as relatively low.

Credit risk

One area of the Group's credit risk pertains to funds generated on an ongoing basis at retailers and business partners who sell the Group's range of products on an assignment basis. There are detailed procedures for the approval of retailers and business partners, and they are based on stringent requirements for and the risk assessment of retailers. Funds are collected weekly by autogiro. Svenska Spel has well-functioning procedures for controlling abnormal cash flows among retailers. In the case of retailers who do not pay on time, measures are taken by requesting collateral during the period of the retailer agreement and imposing short invoice-to-payment periods on the retailer. As gaming may not be pursued using credit, which means consolidated revenue consists exclusively of cash transactions, credit risk in Group operations is limited.

For credit risk pertaining to the investment of surplus liquidity, there is a set limit structure under the Group's finance policy that entails that investments may be only made with counterparties with a credit rating equal to or higher than A according to Standard & Poor's credit rating. The policy also limits the size of the investment with each institution.

Exposure to the Swedish State arises in conjunction with the holding of Swedish inflation-indexed, mortgage-based and treasury bonds and in connection with the advance payment of forecast annual dividends to the Swedish National Debt Office.

The Group applies approaches for expected credit losses to all financial assets recognised at amortised cost. For trade receivables that primarily comprise receivables from retailers and business partners with a due date of approximately two weeks, the simplified approach is applied based on historic information with adjustments for forward looking factors. For cash and cash equivalents, the general approach is applied but as they comprise bank balances with a due date of well under twelve months, a provision is calculated based on this and an assessment of the risk at the banks based on rating.

In all instances, the provision amounts to an insignificant amount.

Maximum credit exposure	31 Dec 2018	31 Dec 2017
Inflation-indexed, mortgage-covered and treasury bonds	1,479	1,554
Lending to credit institutions	3,732	3,517
Zero-coupon bond, commercial paper and deposits	—	401
Trade and other current receivables	670	626
Set off, National Debt Office	1,150	1,150
Total	7,031	7,249

Liquidity risk

The Group's financial liabilities consist of unpaid winnings, funded winnings and trade payables. The liquidity risk pertaining to unpaid winnings is considered negligible as most games and lotteries are based on an allocation of funds among participants in the game. As gaming may not be pursued using credit, the funds to be allocated among participants comprise cash. Winnings in the Triss Månadsklöver lottery are paid for periods up to 50 years. These payments are administered by an external party and based on funds being paid for each win to the administrator to cover all future payments to the winner.

Liquidity risk has historically been low and each year the Group accumulates substantial amounts of cash and cash equivalents and non-restricted equity that are paid annually in their entirety to the owner. To minimise liquidity risk, the Group works proactively in matching the maturities of financial assets with anticipated pay-out dates.

The Group covers the below liabilities with working capital.

Maturity structure of financial liabilities at 31 Dec. 2018	Within 1 year	Within 1–5 years	Later than 5 years	Total
Unpaid winnings	624	590	583	1,797
of which Triss Månadsklöver	174	590	583	1,347
Trade payables and other current liabilities	686	—	—	686
Funded winnings	781	—	—	781
Other non-current liabilities	—	10	—	10
Total	2,091	600	583	3,274

Maturity structure of financial liabilities at 31 Dec. 2017	Within 1 year	Within 1–5 years	Later than 5 years	Total
Unpaid winnings	647	610	630	1,887
of which Triss Månadsklöver	178	610	630	1,417
Trade payables and other current liabilities	547	—	—	547
Settlement fund	126	—	—	126
Funded winnings	822	—	—	822
Other non-current liabilities	—	10	—	10
Total	2,143	620	630	3,392

Note 10 Financial instruments

Effects on financial assets, 1 January 2018

SEK million	Measured at Category	IAS 39 recognised as of 31 December 2017				IFRS 9 reclassified as of 1 January 2018		
		Fair value in profit and loss		Amortised cost		Fair value in profit and loss	Fair value in other comprehensive income	Amortised cost
		Holdings for trading	Classified on the initial recognition date	Held to maturity	Loan and trade receivables	Others	Hold and own	Hold
Inflation-indexed bonds		—	952	—	—	952	—	—
Treasury bonds		—	564	—	—	564	—	—
Mortgage-based bonds		—	38	—	—	38	—	—
Zero-coupon bonds		—	—	401	—	—	—	401
Trade and other current receivables		—	—	—	626	—	—	626
Set off, National Debt Office		—	—	—	1,150	—	—	1,150
Cash and cash equivalents		—	—	—	3,517	—	—	3,517
Total		—	1,554	401	5,294	1,554	—	5,694

Financial assets, Group

SEK million, 31 Dec. 2018	Measured at Category	Fair value in profit and loss	Amortised cost	Total
		Others	Hold	
Inflation-indexed bonds		827	—	827
Treasury bonds		617	—	617
Mortgage-based bonds		35	—	35
Trade and other current receivables		—	670	670
Set off, National Debt Office		—	1,150	1,150
Cash and cash equivalents		—	3,732	3,732
Total		1,479	5,552	7,031

Fair value hierarchy, SEK million	2018				2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value								
Inflation-indexed bonds	827	—	—	827	952	—	—	952
Treasury bonds	617	—	—	617	564	—	—	564
Mortgage-based bonds	35	—	—	35	38	—	—	38

For the Group's entire financial investments in the other financial liabilities category, the fair value is deemed to match the carrying amount. Svenska Spel measures its inflation-indexed, mortgage-based and treasury bonds at fair value in profit and loss. Inflation-indexed, mortgage-based and treasury bonds are classified under value hierarchy 1 since they are measured at market prices.

The Group's security holdings in inflation-indexed bonds, mortgage-based bonds and treasury bonds pertaining to investments for the Triss Månadsklöver lottery, amounted to SEK 1,479 million (1,554), of which SEK 1,363 million (1,513) comprises the non-current portion and SEK 117 million (42) the current portion. Investments and divestments totalled an expense of SEK 87 million (expense: 99) and the change in

value was SEK 12 million [6].

Interest-rate risk, SEK million	Nominal value	Maturity date	Coupon rate, %
Inflation-indexed bonds			
3,102	221	1 Dec. 2020	4.00
3,108	169	1 Jun. 2022	0.25
3,109	93	1 Jun. 2025	1.00
3,112	63	1 Jun. 2026	0.13
3,104	37	1 Dec. 2028	3.50
3,111	23	1 Jun. 2032	0.13
Total	607		
Mortgage-based bonds			
1,582	34	18 Sep. 2019	2.50
Total	34		

Note 10 cont.

Treasury bonds			
1,052	77	12 Mar. 2019	4.25
1,047	99	1 Dec. 2020	5.00
1,054	107	1 Jun. 2022	3.50
1,057	82	13 Nov. 2023	1.50
1,058	55	12 May 2025	2.50
1,059	48	12 Nov. 2026	1.00
1,060	36	12 May 2028	0.75
1,056	33	1 Jun. 2032	2.25
1,053	17	30 Mar. 2039	3.50
Total	554		
Cash and cash equivalents	3,732		0.00

Financial liabilities, Group

SEK million, 31 Dec. 2018	Measured at	Fair value in profit and loss	Amortised cost	Total
Unpaid winnings		1,347	450	1,797
of which Triss Månadsklöver		1,347	—	1,347
Trade payables and other current liabilities		—	686	686
Funded winnings		—	781	781
Other non-current liabilities		—	10	10
Total		1,347	1,927	3,274

SEK million, 31 Dec. 2017	Fair value in profit and loss		Other financial liabilities	Total
	Held for trading	Classified on the initial recognition date		
Unpaid winnings	—	1,417	470	1,887
of which Triss Månadsklöver	—	1,417	—	1,417
Trade payables and other current liabilities	—	—	547	547
Settlement fund	—	—	126	126
Funded winnings	—	—	822	822
Other non-current liabilities	—	—	10	10
Total	—	1,417	1,975	3,392

Fair value hierarchy, SEK million	2018				2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities recognised at fair value								
Unpaid winnings, Triss Månadsklöver	—	1,347	—	1,347	—	1,417	—	1,417

The Group's unpaid winnings pertaining to Triss Månadsklöver are valued under value hierarchy 2 since they are measured using observable market data. Unpaid winnings pertain to liabilities to winners in the Triss Månadsklöver game for future payments that Svenska Spel is obliged to perform. Cash flow is discounted with a yield curve that is calculated based on existing liquid, market-valued nominal Swedish treasury bonds.

Where Svenska Spel has guaranteed winners in the Triss Månadsklöver lottery inflation-indexed payments, the future cash flow is indexed up by the actual consumer price index (CPI) and the discount curve used is an inflation-indexed curve calculated based on existing liquid, market-valued inflation-indexed Swedish treasury bonds.

Interest-rate risk, SEK million	Nominal value, SEK million	Present value weighted real discount rate, %
Unpaid winnings, Triss Månadsklöver, debt portfolio 1		
Within 1 year	105	-2.38
Within 1–5 years	307	-2.17
More than 5 years	269	-1.50
Unpaid winnings, Triss Månadsklöver, debt portfolio 2		
Within 1 year	68	-0.53
Within 1–5 years	263	-0.26
More than 5 years	298	0.46
Total	1,309	

Note 11 Trade and other current receivables

SEK million	Group		Parent Company	
	2018	2017	2018	2017
Trade receivables				
Receivables, gaming and lottery retailers	279	289	279	289
Receivables, Vegas partners	20	25	20	25
Other trade receivables	15	10	11	6
Total	314	323	310	320
Other current receivables				
Current receivables, customers' gaming account	325	273	325	273
Other current receivables	31	30	18	18
Total	356	303	343	291
Total trade and other current receivables	670	626	653	611

All trade receivables are due within 30 days. Doubtful trade receivables amounted to SEK 4.4 million [4.9]; costs for losses on trade receivables amounted to SEK 0.6 million [2.5].

Note 12 Prepaid expenses and accrued income

SEK million	Group		Parent Company	
	2018	2017	2018	2017
Prepaid retailer commissions	6	7	6	7
Accrued receivables	164	146	148	136
Other interim receivables	22	24	1	3
Total	192	177	155	146

Note 13 Cash and cash equivalents

SEK million	Group		Parent Company	
	2018	2017	2018	2017
Cash and cash equivalents/cash and bank	3,732	3,517	3,589	3,366
of which collateral on deposit from retailers	3	2	3	2

Note 14 Equity

Group

Share capital

The registered share capital was 2,000 ordinary shares at 31 December 2018, at a quotient value of SEK 100 per share. Holders of ordinary shares are entitled to dividends that are determined by resolution of the AGM.

Statutory reserve

The Group has statutory reserves amounting to SEK 80,000 [80,000], of which SEK 40,000 [40,000] pertains to the Parent Company.

Parent Company

AB Svenska Spel is 100% owned by the Swedish State and is under the administration of the Ministry of Enterprise and Innovation.

Non-restricted equity

Non-restricted equity in the Parent Company is the amount available

for distribution to equity holders. Non-restricted equity comprises retained earnings and net profit for the year after provisions to development expenditure reserves.

Dividends to the owner, the Swedish State

The owner, the Swedish State, disposes of the Parent Company's non-restricted equity. The Company's profit for the financial year is loaned interest-free to the Swedish State. Payments are made on a quarterly basis 31 July, 31 October, 15 February and with a final account against paid dividend following a decision of Svenska Spel's AGM.

For the 2017 profit, SEK 4,691 million [4,823] was paid to the Swedish State following the decision of the 2018 AGM. Of the resolved dividend, SEK 1,150 million was paid in advance in 2017, and the remaining SEK 3,541 was paid in 2018. Over the course of 2018, SEK 1,150 million, relating to the profit for 2018, was loaned in advance to the State. Over the course of 2018, SEK 4,691 million was paid to the Swedish State.

Note 15 Earnings per share

The calculation of earnings per share for 2018 is based on consolidated profit for the year of SEK 4,522 million [4,709] divided by the average number of shares outstanding. Earnings per share for 2018 totalled SEK

2,261,000 [2,354,000]. The number of shares outstanding did not change during the year. No equity instruments have been issued that could lead to dilution of equity.

Note 16 Unpaid winnings

Svenska Spel's liabilities to winners consist of current and non-current unpaid winnings. Winnings that are due within one year are current.

Non-current liabilities comprise unpaid winnings that belong to the winners of Triss Månadsklöver that are due after 1 year and may be paid out for up to 50 years.

SEK million	Group		Parent Company	
	2018	2017	2018	2017
Current liabilities				
Unpaid winnings, games and lotteries	450	470	450	470
Unpaid winnings, Triss Månadsklöver	174	178	174	178
Total	624	647	624	647
Non-current liabilities				
Unpaid winnings, Triss Månadsklöver 1–5 years	590	610	590	610
Unpaid winnings, Triss Månadsklöver >5 years	583	630	583	630
Total	1,173	1,240	1,173	1,240

Note 17 Other non-current liabilities

SEK million	Group		Parent Company	
	2018	2017	2018	2017
Pension provisions	7	7	6	7
Retailer collateral	3	2	3	2
Total	10	10	9	9

Retailer collateral

In certain cases, AB Svenska Spel requires retailer collateral based on individual assessment of each retailer which is normally held for the duration the retailer is active, thereby making it a non-current liability.

Pension provisions

Pension provisions are calculated in the Parent Company according to the Pension Obligations Vesting Act and reported in the balance sheet as a non-current liability.

Commitments for defined-benefit old-age pensions and family pensions (alternative family pension) under the ITP 2 plan for salaried employees in Sweden are covered through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board UFR 10, Recognition of ITP 2 pension plan financed through insurance with Alecta, this is a multi-employer defined-benefit plan. For the 2018 financial year, the Company has not had access to the requisite information to allow reporting of its proportional share of the plan's obligations, plan assets and costs, which means that it was not possible to report the plan as a defined-benefit plan. Accordingly, the ITP 2 pension plan that is secured through an insurance in Alecta is reported as a defined-contribution plan. Premiums for the defined-benefit old-age pensions and family pensions are calculated on an individual basis and are influenced by items including salary, previously earned pension entitlements and remaining period of service. Expected fees for ITP 2

insurances with Alecta for the next reporting period total SEK 33.6 million [30.7]. The Group's share of total fees under the plan and the Group's share of the total number of active plan members amounted to 0.172% and 0.143% respectively [0.169 and 0.165 respectively].

Alecta manages large portions of the ITP plan, which are insured via Collectum. The collective consolidation level is determined as the market value of Alecta's assets as a percentage of insurance commitments calculated in line with Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective consolidation level is normally permitted to vary between 125% and 155%. If Alecta's collective consolidation level falls below 125% or exceeds 155%, measures must be taken to create the requisite conditions for the level of consolidation to return to normal. One possible measure with a low consolidation level is to raise the contractual price for new subscriptions and expansion of existing benefits. One possible measure with a high consolidation level is to lower premiums. At the end of 2018, Alecta's surplus in the form of the collective consolidation level was preliminarily to 142% [154%]. In 2018, costs for the Group's pension insurance amounted to SEK 87.5 million [73.6], of which those taken out with Alecta amounted to SEK 51.7 million [45.0].

Svenska Spel also has a smaller pension commitment through Svenska Spel's Pension Foundation. The funds at the disposal of the foundation do not fully cover the pension commitments. The difference is recognised as a non-current liability in the balance sheet.

Note 18 Trade payables and other current liabilities

SEK million	Group		Parent Company	
	2018	2017	2018	2017
Trade payables	225	176	190	149
Current liabilities to gaming customers	325	273	325	273
Other current liabilities	136	98	102	65
Total	686	547	617	487

Note 19 Settlement fund and funded winnings

50% of unclaimed winnings were placed in the settlement fund for games and lotteries in 2018 and the remaining 50% are recognised as revenue. Withdrawals from the settlement fund were used for payment of unclaimed winnings (compensation claims) and repayments to winning participants in various games, for example to increase win-

nings frequency for a specific lotteries campaign. Settlement fund was dissolved on 31 December 2018.

Funded winnings consist of winnings under the total winnings schedule per product and game but, which have yet to be won, for example, the build-up of a jackpot. Profits are allocated to the funds after the completion of games.

SEK million	Group		Parent Company	
	2018	2017	2018	2017
Settlement fund				
Opening provision	126	185	126	185
Change for the year	-126	-59	-126	-59
Closing provision	—	126	—	126
Funded winnings				
Opening provision	822	536	807	521
Change for the year	-41	286	-140	286
Closing provision	781	822	668	807

Note 20 Accrued expenses and deferred income

SEK million	Group		Parent Company	
	2018	2017	2018	2017
Prepaid stakes for multi-week games	128	135	126	135
Employee-related expenses	94	88	46	49
Other interim liabilities	107	64	86	63
Total	329	287	259	247

Note 21 Leasing

Operating lease agreements as lessee

All lease agreements entered into by the Svenska Spel Group as a lessee are of an operational nature. The agreements mainly relate to the rental of office and casino premises as well as data centres. The Group's leasing costs amounted to SEK 75.6 million [72.6], of which SEK 68.3 million [62.7] pertained to rent on premises. The Parent Company's leasing costs for 2018 were SEK 45.4 million [42.2], of which SEK 40.9 million [35.7] pertained to rent on premises.

The lease for the casino in Sundsvall extends over a further 12 years, while the leases for the casinos in Gothenburg and Malmö extend over four years. The leases contain an indexing clause for the annual calculation of rental payments. The Parent Company's leasing costs pertain to office premises in Solna and office premises and data centres in Visby. The lease agreement in Solna extends for a further eight years and the agreements in Visby for a further three to ten years.

Maturity structure of lease agreements for office and casino premises and data centres, SEK million	Group		Parent Company	
	2018	2017	2018	2017
Within 1 year	73	68	43	39
Within 1–5 years	248	271	153	155
More than 5 years	160	191	101	128
Total	481	531	296	321

Operating lease agreements as lessor

The Group's agreements as a lessor relate to the renting out of equipment to retailers. After five years, the annual revenue from operating lease agreements, pertaining to the renting out of equipment to retailers, is assessed to amount to approximately SEK 65–70 million annually.

Equipment comprising digital screens and retailer and lottery terminals are recognised as property, plant and equipment in Svenska Spel's balance sheet and have an estimated depreciation period of three to five years.

Maturity structure of digital screens and retailer and lottery terminals, SEK million	Group		Parent Company	
	2018	2017	2018	2017
Within 1 year	72	68	72	68
Within 1–5 years	290	272	290	272
Total	362	340	362	340

Carrying amounts of digital screens and retailer and lottery terminals, SEK million	Group		Parent Company	
	2018	2017	2018	2017
Opening cost	330	269	330	269
Purchases for the year and reversals	112	65	112	65
Sales for the year	–88	–4	–88	–4
Closing cost	354	330	354	330
Opening depreciation	–262	–244	–262	–244
Depreciation for the year	–41	–22	–41	–22
Sales for the year	88	4	88	4
Closing depreciation	–215	–262	–215	–262
Carrying amount	139	68	139	68

Note 22 Pledged assets and future obligations

Pledged assets, SEK million	Group		Parent Company	
	2018	2017	2018	2017
Credit guarantees	32	31	32	31
Total	32	31	32	31

Future obligations

Company-specific contractual obligations in the Group primarily pertain to sponsorship agreements and television agreements and amounted to SEK 335 million [346] within one year, to SEK 298 million [289] within one to five years and no obligations extend for more than five years.

Note 23 Affiliates

Group companies

The delivery of services and products among Group companies is subject to commercial terms and conditions and market pricing. In 2018, the Parent Company purchased services from other Group companies at a value of SEK 0.0 million [0.0] and sold services to other Group companies at a value of SEK 14.3 million [4.8].

State-owned companies

During the year, the Group purchased services for substantial amounts from the following state-owned companies:

SEK million	2018	2017
PostNord AB	24.5	28.6
TeliaSonera AB	8.7	10.3
Vattenfall AB	6.9	8.0

Swedish State

According to a licence issued by the Government on 22 December 2004 to organise lotteries, under Other provisions, item 8.5, the Company's profit during the financial year shall be lent interest-free to the Swedish State (National Debt Office). Funds loaned are deducted from the dividend following a resolution by the Company's AGM. On 5 October 1998, Svenska Spel was granted exemption from the provisions in Chapter 21, Section 1 of the Swedish Companies Act with respect to the prohibition on loans. At year-end, funds on loan to the National Debt Office totalled SEK 1,150 million [1,150].

Note 24 Transfer of operations

Re-regulation of the Swedish gaming market, effective as of 1 January 2019, means that segments of the Swedish gaming market were made open for the market's gaming companies to apply for licenses.

The re-regulation means that Svenska Spel may not conduct betting and commercial online gaming in the same company as other games. Subsequently, AB Svenska Spel formed a new subsidiary, Svenska Spel Sport & Casino AB, [Corp. Reg. No 559128-4731]. As of 1 January 2019, the

new subsidiary offers all the betting and commercial online gaming that was formerly conducted by AB Svenska Spel. Parts of the operations formerly conducted by AB Svenska Spel have therefore been transferred to Svenska Spel Sport & Casino AB as of the new year. The transfer involves, among other things, the brand, customers, personnel, agreements and certain other assets and liabilities such as funded winnings and prepaid stakes. The purchase price amounted to SEK 0.

Balance-sheet items transferred from AB Svenska Spel to Svenska Spel Sport & Casino AB, 31 Dec. 2018

	31 Dec. 2018
Prepaid expenses and accrued income	2
Total assets	2
Funded winnings	102
Accrued expenses and deferred income	9
Total liabilities	111

Note 25 Participations in Group companies

Parent Company's participations in Group companies, SEK 000s	2018	2017
Opening cost	141,366	141,166
Acquisitions ¹	5,600	200
Closing accumulated cost	146,966	141,366
Opening impairment ²	-70,000	-70,000
Impairment for the year	—	—
Closing accumulated impairment	-70,000	-70,000
Carrying amount	76,966	71,366

1. Refers to shareholder's contribution to Svenska Spel Sport & Casino AB.

2. Refers to the impairment of shares and participations in Svenska Spels Förvaltnings AB due to the carrying amount exceeding the consolidated net value.

Participations in subsidiaries	Corp. Reg. No.	Reg. office	Share of equity, %	Number of shares	Carrying amount, SEK 000s, Parent Company, 31 Dec. 2018	Carrying amount, SEK 000s, Parent Company, 31 Dec. 2017
Svenska Spels Förvaltnings AB	556597-7278	Visby	100	1,000	71,066	71,066
Casino Cosmopol AB	556485-4296	Stockholm	100	1,000	100	100
Svenska Spel Sport & Casino AB	559128-4731	Visby	100	2,000	5,800	200

Parent Company's participations in indirectly owned subsidiaries	Corp. Reg. No.	Reg. office	Share of equity, %	Number of shares
CC Casino Restaurang AB	556586-7016	Stockholm	100	1,000
Casino Cosmopols Fastighets AB	556598-3409	Stockholm	100	1,000

Profit from participations in Group companies, SEK million	Group		Parent Company	
	2018	2017	2018	2017
Anticipated dividend from Casino Cosmopol AB	—	—	409	443

Note 26 Proposed distribution of profits

The following profit is at the disposal of the Annual General Meeting:

Non-restricted equity in the Parent Company, SEK	
Retained earnings	0
Change in development expenditure reserves	-38,008,827
Net profit for the year	4,516,185,866
Total	4,478,177,039

The Board of Directors and the CEO propose that the above amount be distributed as follows:

SEK	
To be paid to the shareholder	4,478,177,039
To be carried forward	0
Total	4,478,177,039

The Group's and Parent Company's consolidated statement of comprehensive income and consolidated balance sheet will be presented for adoption at the AGM on 25 April 2019.

Note 27 Events after the balance-sheet date

As of 1 January, the Parent Company AB Svenska Spel and its subsidiaries Casino Cosmopol AB and Svenska Spel Sport & Casino AB are tax liable for their business activities. In conjunction with the taxation entry, an investigation is underway concerning how the Company should manage depreciation for tax purposes. As the issue is still unclear, no deferred tax has been recognised relating to temporary differences between the carrying and tax amounts in these companies.

Svenska Spel extends the collaboration with the Swedish Ice Hockey Association and stays on as head sponsor until 2025 with the

option of a further two years. The agreement is worth more than SEK 200 million.

In January, Svenska Spel Sport & Casino launched both online casino and betting on horses. The Swedish Trade Association for Online Gambling (BOS) has lodged a complaint with the Swedish Competition Authority regarding Svenska Spel's alleged abuse of its dominant position. On 22 February 2019, the Competition Authority decided not to announce an interim ban. The Authority will then examine whether the complaint should be dismissed or whether a case should be opened.

Annual Report signatures

The Board and CEO affirm that the consolidated accounts have been prepared in accordance with the International Financial Reporting standards (IFRS) as adopted by the EU and provide a fair and accurate overview of the Group's financial position and results. The annual accounts have been prepared in accordance with generally accepted accounting principles and provide a fair and accurate overview of the Parent Company's financial position and results.

The Directors' Report for the Group and Parent Company provides a fair and accurate overview of the Group and Parent Company's operations, position and results, and describes material risks and uncertainties faced by the Parent Company and the companies included in the Group.

The 2018 Sustainability Report has been approved for publication by the Board.

Visby, 13 March 2019

Erik Strand
Chairman of the Board

Eivor Andersson
Board member

Eva-Britt Gustafsson
Board member

Lars Nilsson
Board member

Johan Strid
Board member

Fredrik Åhlberg
Board member

Martina Ravn
Board member
Employee representative

Patrik Hofbauer
President and CEO

Our Auditor's Report relating to this Annual Report was submitted on 13 March 2019

Deloitte AB

Jonas Ståhlberg
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of AB Svenska Spel [publ] corporate identity number 556460-1812

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of AB Svenska Spel [publ] for the financial year 2018-01-01 – 2018-12-31 except for the corporate governance statement on pages 68–75. The annual accounts and consolidated accounts of the company are included on pages 50–113 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2018 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 68–75. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on

pages 1–50 and 114–121. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstate-

ment when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- › Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- › Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- › Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- › Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- › Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- › Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the

consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of AB Svenska Spel (publ) for the financial year 2018-01-01 – 2018-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation

and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- › has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- › in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit

or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 68–75 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 13 March 2019

Deloitte AB

Jonas Ståhlberg
Authorised Public Accountant

Assurance Report

This is the translation of the auditor's report in Swedish

Auditor's limited assurance report on the AB Svenska Spel's Sustainability Report

To AB Svenska Spel, corporate identity number 556460-1812

INTRODUCTION

We have been engaged by the Board of Directors of AB Svenska Spel to undertake a limited assurance engagement of AB Svenska Spel's Sustainability Report for the year 2018. The Company has defined the scope of the Sustainability Report on page 114.

Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 114 in the Sustainability Report, and are the parts of the Sustainability Reporting Guidelines (published by The Global Reporting Initiative [GRI]) which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our engagement is limited to the historical information presented in this report and does not include information in prognoses.

We conducted our limited assurance engagement in accordance with ISAE 3000 *Assurance engagements other*

than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of individuals responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQC 1 [International Standard on Quality Control] and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

CONCLUSION

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm, 13 March 2019

Deloitte AB

Jonas Ståhlberg
Authorised Public Accountant

Five-year summary, Svenska Spel Group

Condensed income statement, SEK million	2018	2017	2016	2015	2014
Gross gaming revenue	8,784	8,980	8,993	8,961	8,941
Other revenue	297	268	295	227	233
Direct costs in gaming operations, etc.	-1,300	-1,475	-1,546	-1,583	-1,632
Net revenues from gaming operations, etc.	7,780	7,774	7,742	7,605	7,541
Capitalised work for own account	32	17	31	38	62
Employee expenses	-1,146	-1,095	-1,053	-1,024	-1,011
Other external expenses	-1,893	-1,764	-1,619	-1,521	-1,609
Amortisation, depreciation and impairment intangible assets, property, plant and equipment	-248	-226	-249	-307	-278
Operating profit	4,525	4,705	4,851	4,791	4,705
Interest and financial income	14	8	86	38	144
Interest, financial expenses and taxes	-17	-5	-72	-26	-89
Net profit for the year	4,522	4,709	4,866	4,803	4,763
Key indicators					
Customer satisfaction index (CSI)	70	68	68	67	69
Image, %	51	50	55	54	54
Awareness index, %	84	84	83	—	—
Operating margin, %	21.2	21.8	22.2	22.6	22.2
Earnings per share, SEK million	2.3	2.4	2.4	2.4	2.4
Equity ratio, %	56.0	56.4	58.4	57.2	57.2
Gaming and lottery retailers, number	5,073	5,118	5,213	5,248	5,423
Gaming locations with Vegas	1,493	1,640	1,695	1,802	1,952
Other information					
Proposed payment to the Swedish State	4,478	4,691	4,823	4,803	4,763

Alternative performance measures

The Company presents financial measures not defined in accordance with IFRS. The Company feels that these measures provide valuable complementary information to the stakeholders and the Company's management as they enable assessment of sales and the owner's requirement that the operating margin should reach at least 22% over an economic cycle. Because not all companies calculate finan-

cial measures in the same way, these are not always comparable with measures applied in other companies. Therefore, these financial measures should not be considered a replacement for measures defined in accordance with IFRS.

Financial measures not defined in accordance with IFRS are presented in the table.

Key indicators	Description	Application area
Gross gaming revenue	Customer stakes for all games and lotteries during the period, excluding stakes for multi-week games pertaining to future periods.	Revenue measure that shows the customers' stakes.
Net gaming revenue [no alternative performance measure]	Customers' stakes less winners' shares, excluding operating expenses.	Revenue measure that shows the customers' stakes after paid-out winnings.
Direct costs in gaming operations, etc.	Commissions, compensation for paid-out winnings, cost of goods for restaurant operations and other revenue-related expenses.	Measure that shows the direct costs for the Group's products.
Net revenues from gaming operations, etc.	Net gaming revenue and other revenue less direct costs in gaming operations, etc.	Corresponds to gross profit and indicates the Company's surplus before operating expenses.
Operating margin	Operation profits as a percentage of total revenue [total turnover and other revenue].	The owner's goal is that operating margin should over the course of an economic cycle amount to at least 22%. Measure of cost-efficiency.
Equity ratio	Equity as a percentage of total assets.	Measure of the Company's solvency in the long term.

Presentation alternative performance measures

SEK million	Group	
	2018	2017
Total turnover	21,008	21,350
Other revenue	297	268
Total revenue	21,305	21,619
Paid-out winnings	-12,224	-12,371
Direct costs in gaming operations, etc.	-1,300	-1,475
Net revenues from gaming operations, etc.	7,780	7,774
Operating profit	4,525	4,705
Operating margin (operating profit/total revenue), %	21.2	21.8

SEK million	Group	
	2018	2017
Equity	4,583	4,752
Total assets	8,185	8,431
Equity ratio (equity/total assets), %	56.0	56.4

Sustainability contact

Contact person for Svenska Spel's sustainability efforts is Sustainability Manager Scarlett Roa, +46 10 120 00 00, scarlett.roabrynildsen@svenskaspel.se

About Svenska Spel's Sustainability Report

Svenska Spel's 2018 Sustainability Report is presented as an integrated part of the Annual Report. The Sustainability Report describes Svenska Spel's work and the Company's most important sustainability issues according to the materiality analysis.

Svenska Spel's overriding ambition for the Sustainability Report is that it should be transparent and relevant, and that our stakeholders should be able to access our sustainability efforts in an easy manner and gain a good understanding for our work.

Facts about the Sustainability Report

The year's Sustainability Report is valid for the 2018 calendar year and encompasses AB Svenska Spel and the subsidiaries that make up the Group.

The report is issued once a year as part of the Annual Report. This report has been prepared in accordance with the Global Reporting Initiative [GRI] Standards: Core option. This is the twelfth consecutive year that Svenska Spel reports in accordance with the GRI guidelines. In Svenska Spel's assessment, the Sustainability Report meets the requirements imposed by GRI at the Core option level. The most recent report [2017 Annual Report] was published 28 March 2018.

Accounting policies for the financial reporting can be found in the Group's accounting policies, pages 86–89. Sustainability data that has been presented has been gathered and quality assured within the framework of regular financial reporting.

Sustainability information that has been examined by the auditors can be found on pages 8–13, 20–47 and 113–120. See the Assurance Report on page 110.

Our top sustainability issues

In accordance with GRI Standards' guidelines, Svenska Spel conducts a more in-depth analysis of which sustainability issues are the most significant for the Company's operations.

In 2018, we conducted a materiality analysis related to the Company's sustainability efforts and the information in the Sustainability Report. The analysis identifies our prioritised sustainability areas based on the Company's actual impact on society and the relevance for its stakeholders. Based on knowledge of our actual impact, the materiality analysis weighs together the conclusions from stakeholder dialogues, stakeholder analysis and internal priorities of concerned individuals and representatives from Group management and the Board. The results of the materiality analysis for 2018 indicated no significant changes compared with the analysis conducted the year before. The results of the materiality analysis were adopted by the Board.

The materiality analysis and stakeholder dialogues are described in more detail on pages 20–21.

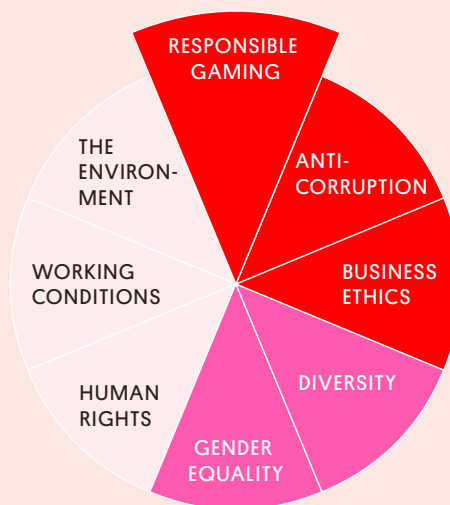
Svenska Spel subscribes to the UN Global Compact

In 2015, Svenska Spel subscribed to the UN Global Compact and the initiative's ten principles that are derived from internationally recognised regulatory frameworks including the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the Universal Declaration of Human Rights. In this manner, Svenska Spel ensures that the Company adopts a comprehensive approach in terms of its responsibility. Svenska Spel annually reports on how it addresses the ten principles through an annual communication on progress [COP] to Global Compact which can be read on Svenska Spel's website.



Our seven sustainability areas

We promote long-term sustainable business by allowing the experience and responsibility to go hand-in-hand and by integrating sustainability efforts into the business model. Responsible gaming is Svenska Spel's greatest contribution towards sustainable development. In addition, the Company works with seven sustainability areas in which anti-corruption and business ethics are the most prioritised for our operations.



Sustainability Report 2018

Sustainability is an integrated part of Svenska Spel's operations and permeates both the business model and strategic orientation. For a description of Svenska Spel's business model, see page 8 of Svenska Spel's Annual Report 2018. Other important sustainability issues can be found in the section Operations – progress during the year on pages 38–47.

Svenska Spel has a number of operational goals within the social and environmental area. Goals and outcomes are illustrated on pages 24–25 and 116.

Svenska Spel works actively to prevent sustainability risks. Information about material risks and risk management can be found on pages 45–47 and page 60. A description of the organisation, policies, governance and audit procedures for sustainability efforts can be found on page 115.

An account of Svenska Spel's work and results within the environment, social conditions and personnel, respect for human rights and counteraction of corruption has been prepared using the above references. This information constitutes Svenska Spel's statutory sustainability report.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders of AB Svenska Spel [publ], corp. reg. no 556460-1812

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory sustainability report for the year 2018 as it is defined on page 113 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 12, The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different

and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINION

A statutory sustainability report has been prepared.

Stockholm, 13 March 2019

Deloitte AB

Jonas Ståhlberg

Authorised Public Accountant

Svenska Spel's governance of sustainability efforts











Governance of Svenska Spel's sustainability efforts are integrated in day-to-day operations. Ultimate responsibility lies with the Board. In the Group management, primary responsibility rests with the Communication Director.

Any deviations are reported on a quarterly basis to the CEO.

Read more about governance of Svenska Spel in the Corporate Governance Report on pages 68–73.

MATERIAL SUSTAINABILITY AREAS	GRI TOPIC	GOVERNANCE	FOLLOW-UP	RESPONSIBILITY	BOUNDARIES
Direct economic value to society	› Economic performance	› Owner's mandate	› Annual report › Interim reports	The Group-wide function Communication & CSR has overriding responsibility for governance and follow-up of the Group's sustainability efforts. Each business area is responsible for responsible sales.	The economic result has a direct impact on society as the surplus goes to the State and the Company's sponsorship benefits sports.
Indirect social impact	› Indirect economic impact	› Owner's mandate › Responsible gaming policy › Establishment policy retailers/business partners › Sponsorship agreements	› Owner dialogue and reporting › Partner satisfaction index	The Group-wide function Communication & CSR has overriding responsibility for governance and follow-up of the Group's sustainability efforts. Each business area is responsible for responsible sales.	The Company affects the indirect cost of gambling problems in society by being the industry leader in responsible gaming, which aims to reduce this social cost. Svenska Spel contributes through job opportunities at retailers and business partners. Through initiatives such as Gräsroten and "Framåt för fler i rörelse!" we help to ensure that more children and young people have the opportunity to participate in sports.
Business ethics and Anti-corruption	› Anti-corruption	› Code of conduct › Group security policy › Risk management policy › Attestation and payment guidelines › Guidelines for employees' gaming › Code of conduct for suppliers	› Compliance report [quarterly] › Whistle-blower function › Internal audit	The Group Compliance Officer is assigned overriding responsibility by the CEO for governance, compliance and follow-up.	Svenska Spel's preventive efforts against giving and taking bribes and collaborations to prevent match-fixing have a direct impact on society.
Diversity and equal opportunity	› Diversity and equal opportunity	› Personnel policy › Sustainability plan	› Annual employee surveys › Manager/employee dialogues › &Frankly, questions within various areas are sent to employees during the year › Whistle-blower function	The Group-wide HR function has overriding responsibility for governance and follow-up.	We strive to ensure that employee composition reflects that of society and to influence this directly through recruitment decisions. Diversity and an equal-opportunity workplace increase creativity and provide more dynamic operations.
Responsible gaming	› Customer health and safety	› Owner's mandate/policies/guidelines › Swedish Gambling Authority's guidelines	› European Lotteries and World Lottery Association certification › Age checks/test purchases	The Group-wide function Communication & CSR has the overriding responsibility for governance, follow-up and reporting. Operational responsibility initiatives are integrated into the business.	Has a direct impact on society as the Company offers effective responsible gaming tools aimed at protecting consumers and promoting a healthier gaming market.
	› Marketing and labelling	› General Data Protection Regulation [GDPR] › Responsible gaming policy › Group security policy › Marketing guidelines	› Responsible gaming course › Responsible gaming council › Customer satisfaction index		Impacts directly the customer experience, choice of game and how responsible the Company is perceived. Very restrictive customer marketing of products with elevated risks and customers must personally consent to direct mail advertising from Svenska Spel.
	› Customer integrity	› Swedish Gambling Association guidelines [Riktlinjer Sperl]	› Other market/customer analyses › Awareness index		Impacts customers directly as they must register their personal data and identify themselves when gaming with Svenska Spel's products.
	› Compliance		› Image rating › Follow-up through integrity/data protection		Compliance with laws and regulations form the basis of the entire Company's operations. A given that has a direct impact on how we retain society's trust.

Svenska Spel's sustainability targets

FOCUS AREAS	SVENSKA SPEL'S SUSTAINABILITY TARGETS 2018–2019	THE UN'S GLOBAL GOALS
PRIORITISED AREAS		
Responsible gaming	More of our customers are aware of their gaming and make choices thereafter. Fewer of our customers have gambling problems. Fewer of our customers develop gambling problems.	 
Business ethics & Anti-corruption	100% of the Group's employees shall have attended a basic training course concerning the Company's efforts to combat money laundering and terrorist financing.	
Diversity & Gender equality	Employees with foreign backgrounds in the Group shall comprise at least 28%.	
	The gender distribution among managers shall be between 45–55%.	
OTHER DEFINED AREAS		
Working conditions	The Svenska Spel Group shall be 100% free from discrimination, harassment, and bullying.	  
Human rights	100% of the suppliers regularly identified in the Company's risk analysis shall be screened concerning human rights. Svenska Spel will carry out 1–2 supplier audits per year.	
The environment	Svenska Spel will lower the Company's CO2 emissions by 50% between 2010–2020.	

Key indicators for responsible gaming

	2018	2017	2016
Comprehensive responsible gaming			
Awareness index: Measures how large a proportion of Svenska Spel's customers are aware of their gaming behaviour and make conscious choices ¹	84	84	83
Customer/Guest responsibility			
Voluntary suspended customers/casino guests, no. ²	21,188	19,959	13,229
Dialogues with casino guests about gaming habits, no. ³	5,323	4,980	5,601
Partners' responsibility			
Retailers' responsibility			
Certified gaming retailers, % ⁴	100	100	100
Test purchases, no. ⁵	5,437	6,229	6,411
Approved test purchases, gaming retailers %	89	87	87
Approved test purchases, lottery retailers, %	77	81	79
Gaming retailers suspended due to test purchases, no. ⁶	7	15	20
Lottery retailers suspended due to test purchases, no. ⁶	73	62	92
Terminated due to test purchases, no. ⁶	2	5	8
Business partners' responsibility			
Certified business partners, % ⁴	99	99	99
Test purchases, no. ⁵	1,611	1,904	1,883
Test purchases, approved business partners, %	91	86	89
Suspended due to test purchases, no. ⁶	15	30	21
Terminated due to test purchases, no. ⁶	1	3	3

1. Awareness index comprises four separate questions that are weighed together to one index:

"Svenska Spel provides information about the risks."
 "Svenska Spel helps me to keep track."
 "At Svenska Spel I can keep track of my spending."
 "At Svenska Spel I can keep track of the time."

Source: Customer survey 2018, between 3,000 and 4,000 responses per quarter (registered customers in Svenska Spel's customer database, who played at least 12 times and for at least SEK 1,200 during the past 12 months).

2. Customers/casino guests who find themselves having difficulty controlling their gaming are invited to take a time-limited gaming break/exclusion. The key indicator refers to the number of customers/casino guests voluntarily suspended 31 Dec 2018, excluding the 24-hour break and exclusion feature at casino (limits entry to the casinos to a certain number of times per week or month). For the outcome of 2016, there is no data concerning suspensions among poker customers.
3. Dialogues with guests about their gaming behaviour including discussions about voluntary agreements.
4. All gaming retailers and business partners must complete and pass Svenska Spel's interactive responsible gaming course.
5. Test purchases of Svenska Spel's products are conducted at business partners and retailers. Under the agreement with Svenska Spel, retailers and business partners must inspect the identification cards of all gaming customers under 25. Young individuals (aged 18–19) who are recruited by external suppliers conduct the test purchases to ensure that identity cards are inspected.
6. Sanction scale in the event of non-approved test purchases:
1st test purchase: Warning issued.
2nd test purchase: Shut down for two weeks.
3rd test purchase: Contract terminated.

Suspension and termination are reported for the period in which the test purchase was made.

Agenda 2030 and the Global Goals for Sustainable Development

In 2015, the world's leaders adopted Agenda 2030 and the 17 Sustainable Development Goals. Svenska Spel contributes to these goals, and as a state-owned company and a part of the Swedish business community, we have an important task to contribute to sustainable development. Based on our annual materiality analysis and internal priorities, we have identified the seven goals where we have the greatest potential to contribute and make a difference. These goals are also related to our focus areas.

17 Partnerships for the Goals

By strengthening partnerships and exchanging knowledge with each other about gambling addiction research and other topics, we drive development forward. Every year, Svenska Spel allocates SEK 8.5 million for gambling addiction research to an independent research council which, in turn appropriates funds to suitable projects within the field. Gambling addiction research is growing every year, as is knowledge within the area.

16 Peace, Justice and Strong Institutions

Goal 16 includes the areas of anti-corruption and business ethics, areas which the Company prioritises. We contribute to this goal through the Code of Conduct, internal and external courses and our extensive anti-match-fixing efforts. Money laundering is an example of a social problem where vast sums are converted into "clean" money every year. To prevent the use of the gaming industry for money laundering and terrorist financing, a new law is in force since 1 August 2017, the Anti-Money Laundering Act.

12 Responsible Production and Consumption

The transition to responsible production and consumption of goods and services is essential to reduce the negative impact on the climate and environment as well as on people's health. Svenska Spel's efforts with the Company's supply chain and the social/ethical and environmental requirements in our procurements are an important contribution to this goal.

10 Reduced Inequalities

Svenska Spel contributes primarily to reduced inequalities within countries. Since the entire surplus goes to the public treasury and thereby benefits all of society, these funds can be used to reduce inequalities. Sponsorship agreements with sports associations are also one way of contributing to better equal opportunities and access to better health, regardless of background. Reduced inequality is a key issue that is highlighted and stipulated in both the code of conduct for suppliers and the Company's sponsorship guidelines.

3 Good Health and Well-Being

Goal 3 is the target which Svenska Spel can influence and contribute to the most. By safeguarding our customers and adopting a long-term and strategic responsible gaming approach, we work to reduce the risk of individuals developing gambling problems. We want also to lower the cost of gambling problems in society via our comprehensive responsible gaming efforts. This goal extends also to our employees. As a responsible employer, we want to offer the best opportunities to be healthy and fit, both at work and elsewhere.

5 Gender Equality

Svenska Spel shall be an attractive employer. We actively address gender equality and inclusion, both internally and externally, to increase awareness for these issues. Education initiatives, our support to sports and sponsorship agenda are examples of how we work toward this goal. In 2018, a new sponsorship agreement was signed with Elitfotboll Dam [the Elite Football Association for Women] to alleviate for the clubs in Damallsvenskan [Swedish women's national championship] and Elitettan to continue to drive issues regarding gender equality and equal terms.

8 Decent Work and Economic Growth

In this respect, Svenska Spel contributes primarily through being a responsible employer. As a state-owned company, we also have the opportunity to influence this goal through our work with our supply chain. Svenska Spel purchases many goods and services every year. Through our code of conduct for suppliers, our agreements contain terms regarding working conditions and human rights. In this way, we also contribute to a global change in terms of working conditions.



The entire index refers to the GRI Standards 2016. Svenska Spel applies GRI Standards: Core option. The pages indicate where information about each disclosure can be found in the Annual Report.

GRI STANDARDS	DISCLOSURE	PAGE	COMMENTS/OMISSIONS
GRI 102: General standard disclosures			
	Organisational profile		
	102-1 Name of the organisation	52, 54	
	102-2 Activities, brands, products and services	28–33	
	102-3 Location of headquarters	52, See comments	Visby
	102-4 Location of operations	See comments	Svenska Spel only operates in Sweden
	102-5 Ownership and legal form	52–53	
	102-6 Markets served	16–18	
	102-7 Scale of the organisation	58–59, 78–79, 90	
	102-8 Information on employees and other workers	90	
	102-9 Supply chain	46	
	102-10 Significant changes to the organisation and its supply chain	7, See comments	In 2018, organisational changes were made to adapt the Company to the new Gambling Act effective on 1 January 2019. No significant changes have taken place in the supply chain during the reporting period.
	102-11 Precautionary Principle or approach	See comments	The precautionary principle is adhered to in the preparation of products and advertising material. Requirements are set for relevant environmental labelling in procurements from printing firms, etc.
	102-12 External initiatives	34, 113, See comments	UN Global Compact, EL, WLA, the Swedish Gambling Association [Sper]
	102-13 Membership of associations	See comments	CSR Sweden
	Strategy		
	102-14 Statement from senior decision-makers	10–13	
	Ethics and Integrity		
	102-16 Values, principles, standards and norms of behaviour	22, 72	
	Governance		
	102-18 Governance structure	68–73, 115	
	Stakeholder Engagement		
	102-40 List of stakeholder groups	20	
	102-41 Collective bargaining agreements	See comments	100% of the employees are covered by collective agreements.
	102-42 Identifying and selecting stakeholders	20	
	102-43 Approach to stakeholder engagement	20–21	
	102-44 Key topics and concerns raised	20–21	
	Reporting Practice		
	102-45 Entities included in the consolidated financial statements	52, 113, See comments	All companies in the group are included in the reporting process.
	102-46 Defining report content and topic Boundaries	21, 113	
	102-47 List of material topics	21	
	102-48 Restatement of information	See comments	No significant changes have taken place during the reporting period.
	102-49 Changes in reporting	113	
	102-50 Reporting period	113	
	102-51 Date of most recent report	113	
	102-52 Reporting cycle	113	
	102-53 Contact point for questions regarding the report	113	
	102-54 Claims of reporting in accordance with the GRI Standards	113	
	102-55 GRI content index	118–120	
	102-56 External assurance	110, 113	

GRI STANDARDS	DISCLOSURE	PAGE	COMMENTS/OMISSIONS
MATERIAL TOPICS			
ECONOMIC PERFORMANCE			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	8, 43, 115	
	103-2 The management approach and its components	24, 43, 62, 115	
	103-3 Evaluation of the management approach	27, 72–73, 115	
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	9	
INDIRECT ECONOMIC IMPACT			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	34–35, 43, 115, 117	The topic refers to: <ul style="list-style-type: none"> • Lowering the cost of gambling problems in society • Giving children and young people the opportunities to do sports • Job opportunities at retailers and business partners
	103-2 The management approach and its components	34–35, 43, 62, 64, 115, 117	
	103-3 Evaluation of the management approach	72–73, 115	
GRI 203: Indirect Economic Impact	203-2 Significant indirect economic impacts	34–35, 43, 117	It is not currently possible to quantify the Company's indirect economic impact. For example, it is not possible to show in figures the reduction in costs for society as a result of the Company's responsible gaming agenda.
ANTI-CORRUPTION			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	45–46, 115	
	103-2 The management approach and its components	24, 45–46, 62, 65, 115–116	
	103-3 Evaluation of the management approach	39, 72–73, 115	
GRI 205: Anti-corruption	205-3 Confirmed incidents of corruption and actions taken	See comments	No instances of corruption involving Svenska Spel were reported during the year.
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	39, 115	
	103-2 The management approach and its components	24, 39–40, 115–116	
	103-3 Evaluation of the management approach	39, 72–73, 115	
GRI 405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	25, 90–91	
CUSTOMER HEALTH AND SAFETY			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	34, 115	
	103-2 The management approach and its components	24, 34–36, 62–66, 115–116	
	103-3 Evaluation of the management approach	31, 35, 37, 65, 72, 115	
GRI 416: Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	See comments	All products have been analysed during the product development stage through Gamgard in order to evaluate the effect on customer health and safety.*

* Svenska Spel and other companies affiliated with the Swedish Gambling Association (Sper) use the Gamgard tool, which was developed by researchers. The tool is obligatory in the product development process and is used to identify risk components in a game, and to classify and document each product. Games with higher risks are altered or equipped with enhanced consumer protection and/or preventive responsible gaming tools.

GRI STANDARDS	DISCLOSURE	PAGE	COMMENTS/OMISSIONS
MARKETING AND LABELLING			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	35, 115	
	103-2 The management approach and its components	34–36, 62, 66, 115	
	103-3 Evaluation of the management approach	35, 66, 72–73, 115	
GRI 417: Marketing and labelling	417-3 Incidents of non-compliance concerning marketing communication	See comments	In 2017, Svenska Spel was reported via the Swedish Gambling Association [Sper] concerning opinions about the Company's advertising. The Company was found guilty in February 2018, which was also disclosed in the 2017 Annual Report. The Swedish Gambling Association [Sper] is the gaming industry's national association with its own standards to which Svenska Spel has chosen to comply.
CUSTOMER PRIVACY			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	35, 115	
	103-2 The management approach and its components	35, 62, 115	
	103-3 Evaluation of the management approach	72–73, 115	
GRI 418: Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	See comments	No formal complaints regarding the loss or unauthorised handling of customer data were made during the year.
SOCIOECONOMIC COMPLIANCE			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	115	
	103-2 The management approach and its components	115	
	103-3 Evaluation of the management approach	72–73, 115	
GRI 419: Socio- economic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	32, 46, 65–66	A sanction charge of SEK 8 million was imposed on the Company for deficiencies in Casino Cosmopol's preventive work against money laundering.

Other terms

Awareness index Measures how large a proportion of Svenska Spel's customers are aware of their gaming behaviour and make conscious choices.

Business partners Restaurants and bingo halls offering gaming on Vegas VLTs on their premises in partnership with Svenska Spel.

CSI The customer satisfaction index measures Svenska Spel's level of customer satisfaction.

EL – European Lotteries An independent European association of state-owned gaming companies established in Europe.

Employee Net Promoter Score (eNPS) A measure to ascertain how willing the employees are to recommend their workplace to friends and acquaintances.

Gamgard A tool used in the development of new products to identify the risks of problem gambling.

Image rating Percentage of Swedes who have expressed a positive view of Svenska Spel.

Net gaming market The total known Swedish gaming market in SEK, based on the total gross gaming revenue of gaming companies.

Net market share The total known Swedish gaming market as a percentage, based on the total gross gaming revenue of gaming companies.

Player base A term used in Svenska Spel's gaming survey that refers to the total underlying number of players.

Playscan A tool on svenskaspel.se designed to proactively prevent problem gambling by identifying players at risk of developing gambling problems in the future.

PSI The partner satisfaction index measures how satisfied our business partners/retailers are with Svenska Spel.

Responsible gaming Svenska Spel's responsible gaming requires that we pursue gaming operations that are enjoyable, safe and do not become excessive.

Responsible gaming tools Tools – such as Playscan – that help customers to maintain control of their gaming.

Retailers The retail chains, grocery stores, petrol stations, etc., that sell Svenska Spel's games and lotteries under agreement.

Sustainable development A course of development that satisfies current needs without jeopardising future generations' abilities to satisfy their needs.

Test purchases Svenska Spel contracts an external supplier to make customer visits to retailers and business partners to check compliance with the rules related to age limits and identification checks. The customer visits are only conducted by individuals over the age of 18.

The Swedish Gambling Association (Sper) An industry organisation that represents the gaming market in Sweden. The assignment is to promote a healthy, modern and sustainable gaming market.

UN's Global Compact The aim of Global Compact is to support companies to assume responsibility for the UN's Ten Principles on human rights, labour, environment and anti-corruption.

WLA – World Lottery Association A global industry organisation for state-owned lotteries and gaming companies from more than 80 countries on six continents.

Work environment index Includes measurement of health and workload, motivation, social climate and leadership as well as skills, resources and preconditions. If the employees are to perceive a good work environment and good preconditions for change and development, this requires a score of above 70 on a scale of 100.





Info

Calendar

Interim reports in 2019

Q1 January–March	25 April 2019
Q2 January–June	18 July 2019
Q3 January–September	23 October 2019
Year-end report, January–December	Jan/Feb 2020

Annual General Meeting

Svenska Spel's Annual General Meeting will be held on Thursday 25 April 2019 in Visby on the island of Gotland, Sweden.

2018 Annual Report

For further information about the Annual Report, please contact Marie Loob, CFO and Executive Vice President
Tel: +46 10 120 00 00

For other questions about Svenska Spel, please contact Patrik Hofbauer, President and CEO
Tel: +46 10 120 00 00

About the Annual Report

This English version of Svenska Spel's Annual Report is a translation of the Swedish original, which is the binding version.

The sustainability report has been integrated into the sections in the Annual Report that describe operations. The Annual Report is also published at www.svenskaspel.se under the om.svenskaspel.se tab, in English.

Contact

Svenska Spel's Customer Service

Open 24 hours each day
Telephone +46 [0]770 11 11 11 [local call cost]
www.svenskaspel.se
Postal address: Svenska Spel,
Kundservice, SE-621 80 Visby, Sweden
kundservice@svenskaspel.se

AB Svenska Spel's Head Office

SE-621 80 Visby
Visiting address:
Norra Hansegatan 17, Visby

AB Svenska Spel

SE-106 10 Stockholm
Visiting address:
Evenemangsgatan 17, Solna

Svenska Spel Sport & Casino

SE-106 10 Stockholm
Visiting address:
Evenemangsgatan 17, Solna

Casino Cosmopol AB

www.casinocosmopol.se
Tel +46 20 219 219
STOCKHOLM
Visiting address: Kungsgatan 65
stockholm@casinocosmopol.se
GOTHENBURG
Visiting address: Packhusplatsen 7
goteborg@casinocosmopol.se
MALMÖ
Visiting address: Slottsgatan 33
malmo@casinocosmopol.se
SUNDSVALL
Visiting address: Casinoparken 1
sundsvall@casinocosmopol.se

Svenska Spel on social media

facebook.com/svenskaspel
facebook.com/svenskaspelkarriar
om.svenskaspel.se/blogg
linkedin.com/svenskaspel
twitter.com/SvSpel_samhalle
Instagram.com/viarsvenskaspel
Instagram.com/svenskaspel

Press

Newsroom:
om.svenskaspel.se/nyhetsrum

