



ANNUAL REPORT 2016

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A word from the CEO

Our history will shape our future

Paf is a fantastic company! In 2016, Paf turned 50 years, which is a respectable age for any company - and ours has a very special history for a company within our industry. We also have a highly engaged owner that embraces long-term strategic planning, accompanied by skilled and professional employees, many of whom have worked at Paf for over 10 years. Our customers are loyal and a large number of them choose to stay with us for a long period of time despite pressure from our many competitors. To top things off, we have generated tens of millions of euros for good causes.

During 2016, I have had the pleasure of getting to know this great company as well as a new country and the local community. I am honoured and incredibly inspired by getting to lead a company that engages so many people in this community and that means so much for the local people.



Paf is a unique company in many ways: firstly, we are a Nordic gaming company operating internationally and owned by the regional government - no other company in the industry matches this description. Secondly, we have an edge in that our operations are strongly rooted both in the digital sphere on the internet and in physical settings through Land & Ship. Few companies in the industry have succeeded in competing within both segments.

What makes Paf unique should also mark the direction that Paf should grow in - since we will grow. Our Nordic roots coupled with our presence in both the digital and the physical money gaming worlds are the starting point of our strategy and give

an indication of the markets we will choose to compete in. Paf has a great advantage in that we work continuously towards long-term strategic goals, since this the endurance needed to face the likely mounting competition in the markets in the coming years.

The year 2016 has been an eventful time for Paf. Though we have seen big changes in the top management of the company, we have been able to keep up the pace and to deliver a relatively strong result, considering the circumstances. Aside from a few non-recurring items, the operative result of 2016 is in line with the strong trend of the previous year. Paf's product has gained competitive edge during the year, and we have many exciting innovations and new functions in the pipeline for 2017. In addition, we are implementing some organisational changes to gradually create optimal conditions for moving forward even faster as an organisation and as a company.

Looking forward to 2017, we feel confident in continuing our journey into the future with our robust 50-year-old company, firmly rooted in the history that has shaped Paf as a company and as an organisation

Christer Fahlstedt, CEO.

The year in short

In January 2016, Paf Board decided to dismiss the company's CEO Anders Ingves.

On 15 January, a Finnish player from Southwestern Finland won €3.4 million in the game Mega Fortune Dreams at Paf.

In March 2016, Paf was awarded as the company with the Best Initiative in Responsible Gaming by the Spanish gaming industry organisation JDigital.

During the spring of 2016, the first study in the collaboration with Stockholm University was initiated under professor Per Carlbring. The study focuses on how deposit limits affect gaming behaviour.

On 7 May, the Finnish basketball player Eero Lehtinen took home the first prize in the Paf Poker Challenge event on Åland for the second year in a row.

On 1 June, Christer Fahlstedt took up the position as Paf's CEO.

On 30 June, Per Sahlberg was taken on as the new CFO. The former CFO Johan Rothberg was named vice director with focus on business development.

In September, Paf signed a long-term contract with Norwegian cruise and transport shipping company Color Line. Paf will be responsible for all gaming activities aboard the shipping company's six vessels in the North Sea.

On 10 September, Paf Boxing Gala was arranged on Åland with the Paf-sponsored boxing star Robert Helenius fighting the main match.

In July 2016, all of Paf's personnel on Åland moved into the newly built and partially rebuilt environmentally friendly head offices. On 29 October, the general public was welcomed to the main offices to join in the formal inauguration of the main office built as a passive house.

On 31 October, Paf turned 50. The company anniversary was celebrated with a dinner gala in the new head office on 22 November as well as with a larger networking event on 12 August.

On November 14, Goran Ristic was appointed as the new CMO. He replaced the former Marketing Director Stefan Rumander.

Paf launched its new in-house customer support during 2016 and terminated collaboration with the external customer support supplier in Denmark. This created 25 new jobs on Åland.

During 2016, Paf launched three new games, one of which was the popular Cash n' Carry Shopping Spree.

During 2016, Paf generated a total of €20 million for good causes.



Important events after the end of the year

In January 2017, Paf was awarded as the most responsible gaming company in the Nordic market by the EGR Nordic Awards in Malta. A total of eight companies were shortlisted for the prize.

Charges for money laundering were brought against Paf and its former CEO Anders Ingves in January 2017. According to the charges, the alleged felony took place between 2009 and 2012. The charges are related to a Paf customer, who has embezzled funds from different companies while being an active customer at Paf.com.

In January 2017, a lucky Paf player from central Finland won €3.5 million in the slot game Mega Fortune Dreams at Paf.com.

In February 2017, Paf sold its Italian affiliate Winga to the Swedish-Maltese money gaming company LeoVegas.

In February 2017, Paf started operating aboard the 6 Color Line cruise ships. These onboard operations include altogether 250 slot machines, 12 blackjack and roulette tables, and some 40 other money gaming entertainment machines.



In January 2017, Paf was awarded as the most responsible gaming company in the Nordic market by the EGR Nordic Awards in Malta.



Robert Helenius won the match against Konstantin Airich at the Paf Boxing Gala in Mariehamn within the first 49 seconds of the first round.

50 years of money gaming for good causes

Paf was founded on Åland in 1966 for the purpose of generating a profit to be distributed to good causes within the community. Now, 50 years later, the main purpose of Paf's operations is still the same. The profit is generated by providing money gaming entertainment for customers in a safe and responsible gaming environment. During 2016, Paf generated €20.8 million for good causes.

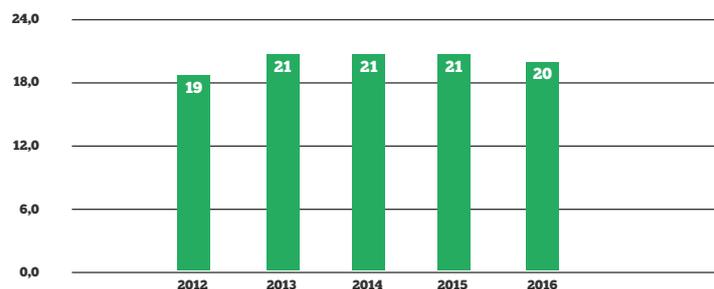
Since 1967, Paf has offered gaming entertainment aboard passenger ferries and cruise ships. The digital gaming era of Paf started in 1999, when Paf launched its own internet gaming site, Paf.com. Since then, Paf's online gaming entertainment offer has experienced an exponential growth, and includes hundreds of games in the following categories: slots, casino, poker, odds, bingo and lotteries.

The last few years, Paf has gone from monopoly operations to operating in full-scale international competition, since online the gaming activities take place in a broad international market. Correspondingly, most of the profit from Paf's physical gaming activities aboard ships and in land-based casinos are now generated outside of the monopoly, in competition with other money gaming companies.

Besides online money gaming, Paf manages large-scale physical money gaming operations comprising of around 1,500 slot machines and 55 games tables aboard 28 ships in the Baltic Sea, in Paf Casino on Åland and in Casino Sunborn in Gibraltar.

All in all, Paf has over 400 employees from 29 different countries. The main offices are located in Mariehamn on Åland, and the main customer base is in Finland, Sweden, Estonia and Spain. Paf operates under a gaming license granted by the regional government of Åland, and its operations are inspected by the local gambling authority Lotteriinspektionen. During 2016, Paf also had local gaming licenses in Estonia, Spain and Italy.

Paf profit generated for good causes (€ M)



During the last five years, Paf has distributed €102 M to good causes.

Our values

Paf's mission is to generate a profit that will be distributed to good causes on Åland. The profit is generated by offering exciting money gaming entertainment to our customers in a responsible manner.

Our way of working, our mission and our product all stem from the thought of promoting a sense of community, responsibility and sustainability in different contexts; at the workplace, in our customer relations in the society at large.

As a company owned by the regional government, it is especially important for Paf to clearly communicate its values and to live up to them. Our values are anchored in our reason for being, and function as a compass both in our operative work as well as in forming our strategic long-term goals.

Responsible Gaming

Paf works proactively and with a long-term perspective to create the criteria for sustainable and responsible gaming. Unfortunately, approximately 2 % of the population in our markets suffer from gambling addiction problems, and we are continually developing our tools and processes to give customers support as and when required. Even though the ultimate responsibility always rests with the individual, we want to proactively furnish our customers with information about different ways about controlling their gambling in order to prevent any gaming-related problems.



Responsible gaming tools

Our goal is to help customers gamble responsibly so that we can build long-terms and sustainable customer relationships. The key to responsible gaming success is to ensure that customers have access to clear and up to date information about their gambling, which is why we show customers their most recent wins and losses each time they log into the gaming site.



For Paf, responsible gaming is an important and natural part of the customer journey, which is why we continually develop our responsible gaming expertise. The picture shows Chief Responsibility Officer Daniela Johansson, who coordinates our responsible gaming work.

We believe that is important that customers themselves set their own limits on how much they spend. To this end, we encouraged customers signing up to the site during 2016 to set a deposit limit when setting up an account. In addition to follow-up and tools, problem gambling can be prevented by offering customer advice in respect of gambling-related issues. Because we know that a big win can result in risk behaviour, we contact all customers who win more than €20,000, giving them practical advice in respect of their gambling and winnings. During this consultation, we tell big winners about the risks, recommend that they take a break from gambling and ensure that they have access to professional financial advice.

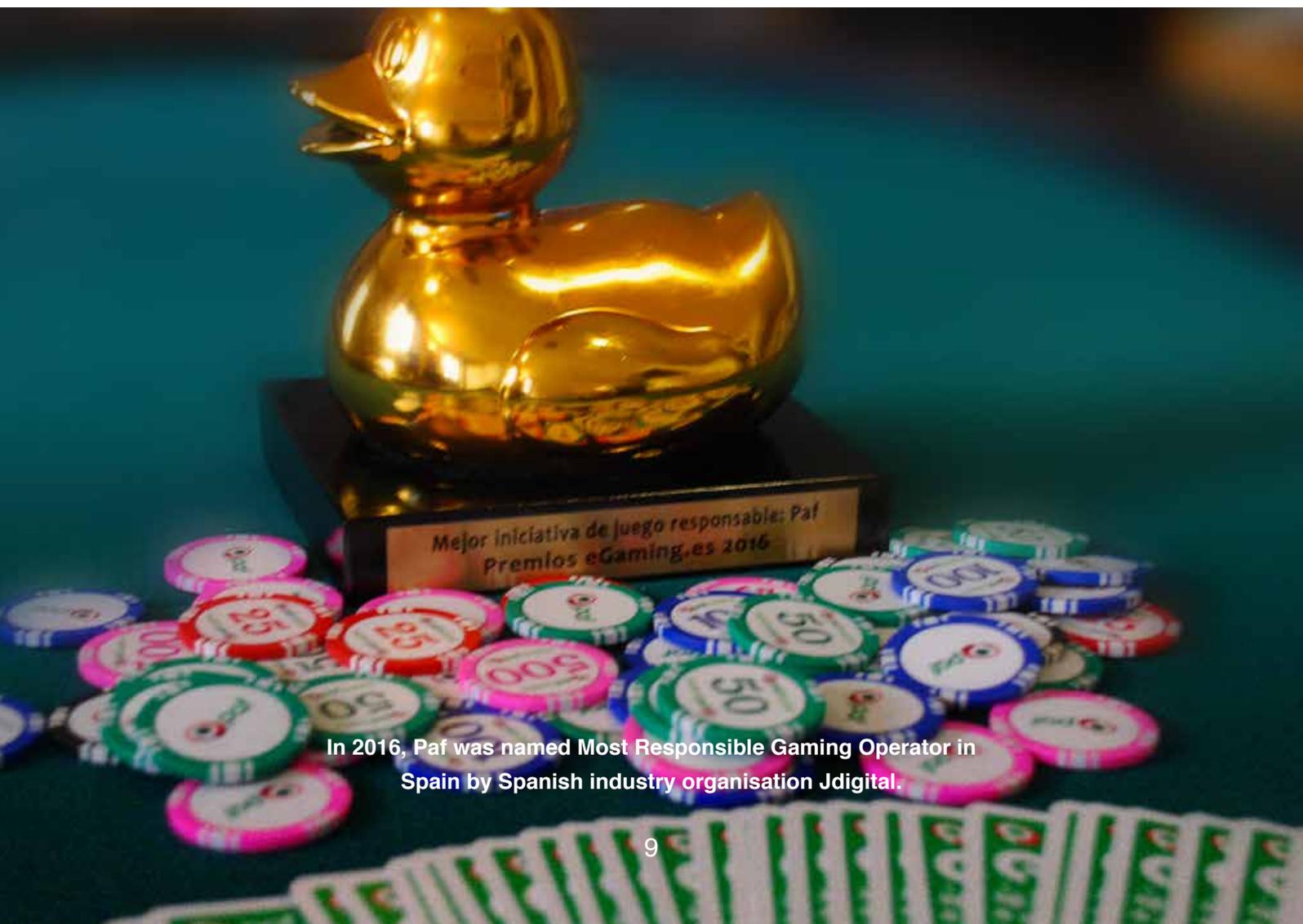
Paf had already developed a system for identifying and contacting customers who were showing risk patterns in the gambling behaviour in 2011. The identification system is called Radar, and has been in constant development for several years. During 2016, the communication system for contacting customers identified by Radar underwent a major update.

The purpose of the identification system is to notify affected customers of the gambling behaviour and act as a starting point for a conversation between us and the customer in respect of finding a way forward. In our communication with customers, we use tools such as MI (Motivational Interviewing), graphs and questionnaires.

Involved in development

For Paf, responsible gaming is an important and natural part of the customer journey, which is why we continually develop our responsible gaming expertise. Paf has collaborated with several different universities in respect of research in the area. During 2015, we embarked on a four-year research project with the Institute of Psychology at Stockholm University, under the leadership of Professor Per Carlbring. The project is being financed by Paf and investigates how limit setting, customer contact and feedback in respect of gaming habits affect gambling. The first study began in autumn 2016, examining what effect deposit limits may have on the prevention of gambling problems.

A total of up to €320,000 will be invested in the research project, and the results will be used to develop Paf's activities and methods to prevent and manage gambling problems.



In 2016, Paf was named Most Responsible Gaming Operator in Spain by Spanish industry organisation Jdigital.

Environmental responsibility

As an international player in the gaming industry with more than 400 employees, Paf is keen to do its part when it comes to responsibility for the environment. Therefore, we work consciously and with a long-term approach to reduce the company's environmental footprint in a variety of contexts, and by increasing environmental awareness amongst the company's employees.

Paf's offices in Mariehamn, Tallinn, Stockholm and Helsinki are Green Office certified by the World Wildlife Fund, which means that the offices participate in the WWF's environmental programme, the goal of which is to steer day-to-day operations in a more environmentally friendly direction. The environment plays a part in many sub-elements of day-to-day work in accordance with the instructions for WWF's Green Office certification. The purpose is to reduce the environmental load from our various offices and to minimise the company's ecological footprint.

Tricorona Climate Partner AB (Tricorona), a company that offers services within the climate area, has, on behalf of Paf, calculated the climate-affecting carbon dioxide emissions caused by Paf's operations during 2016. The calculation includes Paf's direct carbon dioxide emissions produced by vehicles owned by the company and from energy consumption in Paf's offices. According to Tricorona, Paf's total carbon dioxide emissions during 2016 amounted to 309 tonnes, of which more than half could be ascribed to energy consumption in the workplace.

New smart climate head office

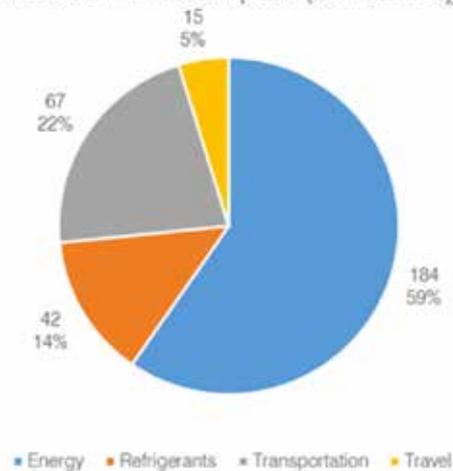
During its 50th year of operation, Paf gave a concrete demonstration of its commitment to environmental issues when work on the new, smart climate head office was completed and the building was put into use. This carefully planned building was a major investment, enabling all company employees in Mariehamn, who had up until then been working in two separate offices, to be brought together under a single roof. The project also allowed Paf to take concrete steps towards becoming an even more sustainable company by reducing its total environmental footprint. The starting point for the design of the new head office was to create a smart climate and a pleasant workplace, with many functional areas for meetings in a variety of configurations. Energy efficient solutions are used throughout the building

in order to minimise environmental impact. The building is structured as a passive building, where renewable energy is used as far as possible. Large parts of the exterior walls of the building are covered by a special sealing layer, reducing heating emissions from the slanted, bow-shaped exterior walls, and solar panels collect daylight in order to generate energy for use inside the building. Spacious

meeting rooms and interior walls made from glass are designed to encourage meetings on the fly. The building also features several smaller, quieter rooms that people can use to work alone if they so wish.

The project was many years in the planning, using the services of Murman Arkitekter, architect Hans Eek and interior design architect Bettina Ingves. Hans Eek is one of the foremost names within smart climate architecture in the world and was named Opinion Shaper of the Year 2016 within the field of sustainable development in Sweden by the Swedish Foundation for the Development of Energy Efficient Buildings.

PAFS total climate impact (tonnes CO₂e)



Tricorona has calculated Paf's direct carbon dioxide emissions produced by vehicles owned by the company and from energy consumption in Paf's offices.



The new head office is a passive building covered by solar panels that collect daylight in order to generate renewable energy for use on site.

Financial Overview

Turnover

Group turnover for 2016 is the highest in the company's history. Total turnover rose from €110 million to €113.5 million. This increase in turnover can be attributed to organic growth during the year.

Gaming revenue from online operations rose by +7% (+17%) to €81.9 (€76.4) million.

Gaming revenue for land and ship operations fell by -7% (+2%) to €31.5 (33.6) million.

Costs

Comments in respect of one-off items and changes compared to the previous year.

Materials and services

Costs increased from 27.9 to €33.4 million. The cost increase can be attributed, to a large extent, to variable costs that increased in line with turnover.

Staff costs

Costs increased from €22.6 to €25.0 million. From September onwards, salaries for Paf support and Paf's Spanish marketing organisation are included in the staff costs. Up until September, these functions were handled by external providers. The cost increase can be attributed partly to the average number of employees increasing from 345 to 376 people, and partly to temporary staff turnover costs caused by restructuring in the company.

Activated development costs

Activation of own development costs reduced from €2.0 million to €0.8 million. The reduction means a return to normal levels, which in turn means that Paf's development work has, to a larger degree, been written off directly during the year. The custom technical platform and the custom casino games require constant development for Paf to offer its customers the best possible gaming experience.

Write-offs and depreciation

Costs increased from €5.4 million to €6.7 million. The value of the company's physical gaming machines has been depreciated by €0.5 million.

Other operating costs

Costs fell from €36.8 million to €34.1 million. Much of this reduction can be attributed to the fact that, since September, salaries for Paf support and Paf's Spanish marketing organisation have been included in the staff costs.

Operating profit

The Group's operating profit for the year fell by 22% (+19%) from €20.0 million to €15.8 million.

Financial revenue and costs

Net profit from financial revenue and costs fell, from a net revenue of €2.9 million to a net cost of €0.5 million. During 2015, a realisation profit of €2.5 million was booked in connection with the sale of the Lottericentralen AB subsidiary, which goes a long way to explaining the change for the year.

Accounting period profit

Profit for the account period fell from €22.7 million to €15.2 million.

Other disclosures

During 2013, the tax authorities conducted an inspection of parts of the Paf Group. Based on a decision from the Finnish Tax Administration, provisions shall be made each month, and the operating profit for 2016 has been charged with approximately €1.9 (€1.5) million. The decision of the Finnish Tax Administration has been appealed.

Distribution of profit to County Government

In addition to the profit that Paf pays out, the County Government also receives €11.4 (€11.1) million in arrears in repaid gambling tax from the Finnish State that Paf has paid during the year.

Investments in securities

Paf's investments in securities had a noted value as of 31 December that exceeded the value booked in the Annual Report by €0.8 million. This means that if Paf sold its holding before the end of the accounting year, the profit reported would have been €0.8 million better. All investments can be realised at short notice.

Sale of Winga

In February 2017, Paf entered into an agreement to sell its subsidiary Winga. The sale means a write-down in the Group's parent company of €1.9 million, but the write-down does not affect the Group's profit for 2016. As the sale was completed in 2017, the associated capital gain for the Group of approximately €3.5 million will be reported for the next accounting year.

Estimate of probable future development

Paf believes that profits will improve during 2017 as increased revenue will come into the remaining business and lower costs, achieved through the institution of a savings programme and more stringent cost control.

It is expected that the market will continue to grow during 2017 in the face of increasingly tough competition. An important focus area is growth on international markets, where increased marketing initiatives are deemed

likely. These initiatives may have a negative impact on operating profit in the short term, but are expected to lead to increased profitability in the long term.

Significant risks

Paf continually conducts risk evaluations of the company's operations, the results of which are presented to the Board of Directors once a year. Paf has identified a number of risks that could have a significant impact on the company's operations, financial status and profits. Understanding the risks facing the company is something that the Board of Directors believes to be very important.

Classification of Risks

Strategic risks

Strategic risks are changed criteria on markets in which Paf is active. Increased competition, higher taxes and more expensive marketing channels may reduce profitability.

Operative risks

Paf is dependent on having a good collaborative relationship with external partners. Changes to contract terms and conditions with entities such as gaming providers, payment platforms, banks or technical service providers may have a negative impact on Paf's development. Paf is directly dependent on its custom developed technical platform and its IT systems working at peak efficiency. It is important that Paf's internal systems and IT systems maintain a high level of security to counteract the risk of fraud and security breaches. In order to be able to deliver a top-class customer experience, it is important that the company can retain and recruit the necessary expertise.

Financial risks

Paf's financial risks can be split up into credit risks and currency risks.

Credit risks may occur if important suppliers or banks become insolvent. Paf can mitigate this risk by working with several different providers. Paf may be negatively impacted by substantial fluctuations in the value of currencies. The biggest risk would be a devaluation of the Swedish and Norwegian krona, which may have a negative impact of Paf's profits. However, the currency risk is relatively low as most the company's revenues and costs are in euros.

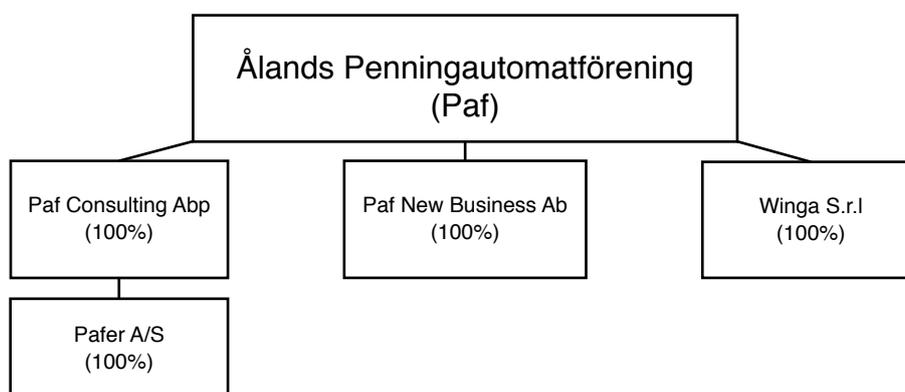
Legal risks

A clear risk for Paf, as for the rest of the industry as a whole, are legal risks. Will monopoly legislation continue to remain in place in our Nordic countries, or will we follow the licensing trend that is prevalent in Europe? Gambling and lotteries are activities that are subject to licensing requirements, and, as a result, political decisions may have an impact on our business. We closely monitor and follow any changes in law and adapt our business model accordingly. The investigation currently underway in Sweden in respect of a licensing system gives us more predictability, with the added benefit of reduced risk. Any legal action instituted against Paf may result in a significant increase in costs and a loss of credibility.

Group Overview

During 2016, the Paf Group comprised parent company Ålands Penningautomatförening and subsidiaries Paf Consulting Abp, Paf New Business Ab and Winga S.r.l. In turn, Paf Consulting Abp has a holding in several other Group companies.

Aktiva bolag



Ålands Penningautomatförening offers physical games on Åland and on board Åland-registered ships, as well as international online gambling services.

Paf Consulting Abp conducts gambling on board foreign-registered ships and international online gambling services.

Paf Consulting Abp forms a subgroup consisting of Paf Consulting Sverige AB (inactive) and Pafer A/S. During 2016, Spordiennustus A/S was merged with its parent company Pafer A/S, bringing the entire Estonian operation together in a single company.

Paf New Business Ab conducts very limited business and is currently almost inactive.

Winga S.r.l. has its registered office in Milan and conducts online gambling services on the Italian market. In early 2017, Paf sold Winga to Swedish/Maltese gaming company LeoVegas, after which the company ceased to be part of the Group.

Organisation and Management

Board of Directors

Up until November 2016, the Board of Directors consisted of Chairman Jarl Danielsson, Deputy Chairman Torbjörn Eliasson and members Anders Å Karlsson, Sara Kemetter, Danne Sundman, Cecilia Jansson and Birgitta Eriksson.

On 10 November 2016, Åsa Ceder was appointed as a new member and Chairman, and Anders Å Karlsson was appointed Deputy Chairman. Two new members were appointed - Carl Haglund and Anna Dahlsten. Jarl Danielsson, Torbjörn Eliasson and Cecilia Jansson all stood down.

CEO and Group management

At the beginning of 2016, the Paf Board of Directors consisted of CEO Anders Ingves, Deputy CEO Johanna Backholm, Jukka Nikula, Stefan Rumander, Johan Rothberg, Anders Sims, Sara Eriksson, Daniela Johansson, Andreas

Perjus and Tuomas Bergström. At the end of January 2016, Anders Ingves left the company and Johan Rothberg was appointed acting CEO. On 1 February 2016, Kim Johansson joined the Group management team. Andreas Perjus left Paf and the Group management team in March 2016.

On 1 June 2016, Paf's new CEO, Christer Fahlstedt, took up his position, and, in the same month, Johan Rothberg was appointed Deputy CEO. Stefan Rumander left the Group management team and Paf in August 2016. On 1 October 2016, Per Sahlberg joined the Group management team, followed on 24 November by Goran Ristic.

Auditors

The auditors appointed by the Åland County Government for Paf are Bengt Nyholm (CGR) and Erika Sjölund (GR). Their deputies are Leif Hermans (CGR) and Sixten Söderström (GR).

Social responsibility

In accordance with Åland law, the County Government has a Distribution Council whose task is to propose principals and submit recommendations to the Åland County Government about how Paf's surplus for each year of operation is to be distributed. Our entire annual surplus still goes to socially-useful purposes.

The Distribution Council consists of Åland County Government Head of Finance Conny Nyholm (Chair), Paf Deputy CEO Johan Rothberg (Secretary) and a representative from each member association

Distribution Council member associations and representatives 2016

Finland Red Cross – Åland District	Johan Ek
Folkhälsan på Åland	Karl-Göran Eriksson
Cultural associations	Krister Norrgrann
Save the Children Åland	Petra Brunila
Ålands Handikappförbund	Krister Sund
Ålands Idrott	Edgar Wikström
Ålands Marthadistrikt	Eivor Eriksson
Ålands Sjärräddningssällskap	Lennart Joelsson
Ålands Ungdomsförbund	Kjell Rosén

Grants and Loans 2016

Every year, the Distribution Council submits proposals to the Åland County Government in respect of the distribution of the surplus generated by Paf's activities. The surplus is distributed by the Åland County Government in conjunction with the Distribution Council through a series of grants and loans to a number of different organisations and projects, the common denominator of which is that they are all non-profit.

Traditional recipients of Paf funds are associations whose activities encompass the disabled, pensioners, children and young people, culture, public health and sea rescue.

In 2016, €20.8 million were given to Åland County Government for distribution to socially-useful organisations. Grants and loans were distributed across a broad spectrum of small and large recipients:

GRANTS:

Social activities	3.240.000
Environmental activities	450.000
Youth work	512.000
Sport	1.625.000
Cultural activities	1.894.000
Leader grants	95.000
Event grants	100.000
Other grants	2.200.000
Project grants	900.000

Grants, total

11.016.000

LOANS AND INVESTMENTS:

Geriatric clinic	
0	
Other loans	9 784.000

Total distributed

20.800.000

Board of Directors' profit allocation proposal

The Board of Directors proposes that, out of the profit for this year and previous surplus funds, €15 million be allocated to the Åland County Government for distribution to publicly-useful organisations and projects. The Board of Directors would like to extend its grateful thanks to the management team and other members of staff for their excellent work.

Financial report

Group	2012	2013	2014	2015	2016
Turnover	105,059	108,214	98,148	110,033	113,515
Operating profit	24,695	30,867	16,763	19,972	15,788
Profit before extraordinary items	26,761	31,438	17,315	22,852	15,330
Profit before appropriations and tax	26,810	31,429	17,315	22,852	15,330
Profit	26,813	31,420	17,160	22,697	15,171
Operating margin	23.5%	28.5%	17.1%	18.2%	13.9%
Profit in % of turnover	25.5%	29.0%	17.5%	20.6%	13.4%
Return on equity in % (ROE)	32.0%	32.2%	17.1%	23.0%	15.4%
Return on invested capital in % (ROI)	29.1%	29.8%	17.6%	22.6%	15.8%
Equity/assets ratio	85.8%	87.3%	81.8%	85.6%	84.5%
Investments in tangible assets	2,962	3,269	5,080	13,451	9,929
Investments in intangible assets	1,828	884	1,136	2,289	2,406
Investments, tangible and intangible assets	4,790	4,153	6,215	15,739	12,335
Average no. of employees	347	372	314	345	376
Shipping line croupiers*			58	52	54

*Because of agreement amendments, the salary cost of affected staff no longer appears in the total salary figures, which is why they must also be separated from the staff statistics.

Parent company Ålands Penningautomatförening	2012	2013	2014	2015	2016
Turnover	82,491	85,090	77,641	81,336	86,224
Operating profit	26,922	31,286	17,110	23,335	20,837
Profit before extraordinary items	28,800	31,823	17,590	23,626	18,374
Profit before appropriations and tax	28,854	31,823	17,590	23,626	18,374
Profit	28,854	31,823	17,590	23,618	18,341
Operating margin	32.6%	36.8%	22.0%	28.7%	24.2%
Profit in % of turnover	35.0%	37.4%	22.7%	29.0%	21.3%
Return on equity in % (ROE)	36.4%	33.6%	17.9%	24.3%	18.5%
Return on invested capital in % (ROI)	32.5%	30.8%	18.3%	23.9%	18.7%
Equity/assets ratio	87.0%	89.5%	85.3%	83.9%	85.0%
Investments in tangible assets	2,375	2,250	4,742	13,225	7,887
Investments in intangible assets	636	711	927	1,779	1,979
Investments, tangible and intangible assets	3,012	2,962	5,668	15,004	9,866
Investments in investments	62	0	4808	3,880	4,930
Investments, total	3,073	2,962	10,477	18,884	14,796
Gross investments in % of turnover	3.7%	3.5%	13.5%	23.2%	17.2%
Average no. of employees	268	292	256	264	261
Shipping line croupiers*			28	28	30
Allocation of profits	10,500	19,000	21,000	21,000	20,000
Lottery tax to Finnish State	10,311	11,458	9,995	11,105	11,433

*As a result of agreement amendments, the salary cost of affected staff no longer appears in the total salary figures, which is why they must also be separated from the staff statistics.

Definitions of key figures

Revenues	Sales income - profit payments - lottery taxes and similar taxes	
Return on equity in % (ROE)	$\frac{\text{— profit before extraordinary items — taxes —}}{\text{equity + minority stakes}}$	x 100
Return on invested capital in % (ROI)	$\frac{\text{profit before extr.ord items + interest costs + other financial costs}}{\text{balance sheet total - interest-free debts}}$	x 100
Solvency	$\frac{\text{equity + minority stakes + voluntary reserves}}{\text{balance sheet total - advanced received}}$	x 100
Average number of employees	The ratio is calculated as an average of the number of employees at the end of the calendar month taking into account part-time employment	

For ROE and ROI, the ratio divisor is calculated as an average of the values according to the balance sheets of the accounting period and the previous accounting period.

BALANCE SHEET

	Note	2016	2015	2016	2015
TURNOVER	R1	86,223,956.60	81,336,494.65	113,514,811	110,033,346
Other operating income		2,959,373.73	2,271,894.27	498,494	648,530
Materials and services					
Procurement during accounting period		-14,835.58	-13,705.60	-5,114,798	-5,437,481
Total procured services		-21,200,442.79	-15,297,324.62	-28,319,674	-22,461,604
		-21,215,278.37	-15,311,030.22	-33,434,472	-27,899,085
Staff costs	R2				
Salaries and fees		-16,628,447.65	-14,500,559.83	-19,968,409	-17,786,667
Pension costs		-2,500,434.28	-2,557,717.52	-2,763,557	-2,835,991
Other subsidiary salary costs		-1,612,909.97	-1,404,088.17	-2,268,180	-2,005,669
		20,741,791.90	-18,462,365.52	-25,000,146	-22,628,327
Activated development costs		539,038.93	1,700,492.27	823,893	2,014,390
Write-offs and depreciation					
Write-offs according to plan		-4,474,318.87	-3,627,000.01	-5,480,784	-4,952,248
Write-off of goodwill		0.00	0.00	-436,144	-465,450
Depreciation of active assets		-597,720.00	-8,448.02	-606,720	-16,948
		-5,072,038.87	-3,635,448.03	-6,523,648	-5,434,646
Other operating costs -		21,856,369.41	-24,565,005.82	-34,090,574	-36,762,101
OPERATING PROFIT		20,836,890.71	23,335,031.61	15,788,358	19,972,107
Financial revenue and costs					
Revenue from shares in group companies		0.00	0.00	0	2,476,314
Interest income from group companies		18,818.72	21,516.39	0	0
Interest income from other		39,437.74	38,065.25	39,438	38,065
Other interest and financial income		963,520.92	1,097,341.09	1,039,927	1,239,194
Write-downs of shares in group companies		-1,938,29	1.64 0.00	0	0
Interest costs to group companies		-78,783.05	-33,296.98	0	0
Other interest and financial costs		-1,467,290.58	-832,279.65	-1,537,517	-874,060
		-2,462,587.89	291,346.10	-458,152	2,879,513

PROFIT BEFORE TAX	18,374,302.82	23,626,377.71	15,330,206	22,851,620
Tax, this year and previous year	-33,566.00	-8,554.05	-37,697	-9,078
Latent tax	0.00	0.00	-121,258	-135,213
Minority share	0.00	0.00	0	-10,787
PROFIT FOR THE ACCOUNTING PERIOD	18,340	736.82	23,617	823.66
			15,171,251	22,696,542

BALANCE SHEET	Note	Parent company		Group	
		31.12.2016	31.12.2015	31.12.2016	31.12.2015
ACTIVE					
PERMANENTLY ACTIVE					
Intangible assets	B1				
Balanced development costs		1,644,057.67	1,821,138.18	1,686,303	1,872,852
Intellectual property rights		0.00	0.00	65,680	106,975
Goodwill		0.00	0.00	1,306,446	1,781,973
Other expenses with long effect		1,194,493.46	397,700.18	2,166,649	1,598,155
Advance payments and ongoing acquisitions		281,399.31	525,172.14	281,399,	5 2 5 , 1 7 2
		3,119,950.44	2,744,010.50	5,506,477	5,885,127
Tangible assets	B2				
Ground and water areas		1,098,528.31	1,098,528.31	1,098,528	1,098,528
Buildings and structures		19,659,334.50	5,644,638.50	20,195,414	6,205,940
Machinery and inventories		7,503,307.24	7,774,304.98	7,998,595	8,412,975
Other tangible assets		12,275.21	12,480.21	135,726	179,843
Advance payments and ongoing acquisitions		529,998.07	10,020,275.90	2,466,462	10,020,276
		28,803,443.33	24,550,227.90	31,894,725	25,917,562
Investments	B3				
Shares in companies within the same group		10,506,389.29	7,514,680.93	0	0
Capital loans to companies within the same group		3,300,000.00	5,880,000.00	0	0
Other shares and holdings		20,406.15	20,406.15	20,406	20,406
Other investments		0.00	0.00	63,600	38,000
		13,826,795.44	13,415,087.08	84,006	58,406
PERMANENT ACTIVE TOTAL		45,750,189.21	40,709,325.48	37,485,209	31,861,096
VARIABLE ACTIVE					
Long-term receivables					
Loan receivables		4,500,029.87	6,161,677.24	4,500,030	6,161,677
		4,500,029.87	6,161,677.24	4,500,030	6,161,677

Short-term receivables					
Accounts receivable		87,630.39	104,987.97	636,414	399,541
Receivables against companies in the same group	B5	2,847,856.18	2,197,850.51	0	0
Other short-term receivables		12,034,923.30	11,144,945.77	12,558,022	11,640,600
Income adjustments		1,696,785.38	1,844,723.22	2,102,399	2,215,135
		16,667,195.25	15,292,507.48	15,296,835	14,255,275
Financial securities					
Other securities		30,822,869.33	20,890,795.30	30,822,869	20,890,795
		30,822,869.33	20,890,795.30	30,822,869	20,890,795
Cash and bank	B4	28,476,588.88	43,741,586.71	37,116,839	52,216,142
VARIABLE ACTIVE TOTAL		80,466,683.33	86,086,566.73	87,736,573	93,523,890
ACTIVE TOTAL		126,216,872.54	126,795,892.21	125,221,782	125,384,985.23

BALANCE SHEET		Parent company		Group	
	Note	31.12.2016	31.12.2015	31.12.2016	31.12.2015
PASSIVE					
EQUITY					
	B8				
Other restricted capital		0.00	0.00	34,739	41,420
Balanced profit		80,739,204.02	75,952,930.73	81,681,198	77,869,505
Profit for the year		18,340,736.82	23,617,823.66	15,171,251	22,696,542
		99,079,940.84	99,570,754.39	96,887,188	100,607,467
PROVISIONS					
Other provisions B7		8,064,948.36	6,615,839.30	8,375,797	6,821,418
		8,064,948.36	6,615,839.30	8,375,797	6,821,418
Long-term loan capital					
Latent tax liabilities		0.00	0.00	697,369	576,111
		0.00	0.00	697,369	576,111
Shot-term loan capital					
Liabilities to suppliers		3,004,263.00	3,226,643.42	4,817,194	4,806,014
Received advances		152,848.36	173,521.18	623,986	173,521
Short-term liabilities to Group companies	B6	5,017,585.50	7,991,080.48	0	0
Other short-term liabilities		6,424,620.85	6,311,533.93	8,139,647	8,210,360
Income adjustments		4,472,665.63	2,906,519.51	5,680,600	4,190,093
		19,071,983.34	20,609,298.52	19,261,427	17,379,989
PASSIVE TOTAL		126,216,872.54	126,795,892.21	125,221,782	125,384,985

FINANCIAL ANALYSIS 2016 2015
Parent company
Operating company cash flow

Operating profit	20,836,891	23,335,032
Correction to operating profit	7,979,245	6,112,801
Change in operating capital	-2,912,003	6,791,584
Financial revenue and costs	-2,462,588	291,346
Write-downs of shares in group companies	-1,938,292	0
Tax	-33,566	-8,554
Net cash flow of business activities	25,346,271	36,522,208

Investments

Investments in intangible assets	-1,929,500	-1,771,107
Investments in tangible assets	-7,771,694	-13,216,138
Increase/reduction, investments in financial securities	-9,932,074	36,109,205
Capital loans to subsidiaries	-2,350,000	-3,880,000
Investment cash flow, total	-21,983,268	17,241,960

Cash flow before financing

3,363,003	53,764,168
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Financing

Increase/reduction in long-term receivables	1,661,647	-3,088,538
Distributed earnings	-20,000,000	-21,000,000
Increase/reduction in long-term liabilities	0	0
Other	-289,647	2,045,395
Financing cash flow, total	-18,628,000	-22,043,143

Change in cash and cash equivalents

-15,264,998	31,721,025
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Cash and cash equivalents 01.01

43,741,587	12,020,561
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Cash and cash equivalents 31.12

28,476,589	43,741,587
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FINANCIAL ANALYSIS 2016 2015
Group
Operating company cash flow

Operating profit	15,788,358	19,972,107
Correction to operating profit	9,536,125	8,072,996
Change in operating capital	839,879	-2,783,598
Financial revenue and costs	-458,152	2,879,513
Tax	-37,697	-9,078
Net cash flow of business activities	25,668,512	28,131,940

Investments

Investments in intangible assets	-2,193,162	-1,968,475
Investments in tangible assets	-9,954,600	-13,427,356
Increase/reduction, investments in financial securities	-9,932,074	36,109,205
Increase in other long-term investments	-25,600	-9,000
Investment cash flow, total	-22,105,436	20,704,374

Cash flow before financing	3,563,076	48,836,314
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Financing

Increase/reduction in long-term receivables	1,661,647	-3,349,370
Distributed earnings	-20,000,000	-21,000,000
Increase/reduction in long-term liabilities	0	-87,706
Other	-324,026	2,049,630
Financing cash flow, total	-18,662,379	-22,387,446

Change in cash and cash equivalents	-15,099,303	26,448,867
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Cash and cash equivalents 01.01	52,216,142	25,767,275
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Cash and cash equivalents 31.12	37,116,839	52,216,142
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INFORMATION ABOUT ACCOUNTING PRINCIPLES
Consolidation principles

The consolidated annual accounts have been drawn up in accordance with the acquisition method. The difference between the acquisition fee for subsidiaries and corresponding equity has been reported as Group goodwill/Group passive. Group goodwill has been written-off for 5 years.

Group profit following the sale of subsidiaries has been included in financial revenue and costs. The contributions of sold subsidiaries to the Group's profit during the year up until the point of sale are reported within each item in the Group's income statement.

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

Minority shares have been separated from Group equity and profit, and have been taken as a separate item. Any profit or loss in an acquired company up until the date of an acquisition has been taken into account in the minority share of the profit based on the minority shareholding during the period in question.

Translation differences

The translation differences caused by free equity have been taken up in the Group's free equity and the translation differences caused by the restricted equity have been taken up in the item other restricted equity.

Items in foreign currency

Assets and liabilities in foreign currency have been converted to euros in accordance with the exchange rate applicable on the accounting date. The income statements of foreign subsidiaries have been converted to euros in accordance with the average monthly exchange rate of the accounting period, whilst the balance sheet has been converted in accordance with the exchange rate applicable on the accounting date.

Activated development costs

Activated development costs for own account are in respect of direct fees for the period for salaries and other staff-related costs, as well as direct fees that can be attributed to development projects taken up as assets in the balance sheet. A criterion for activation is that it concerns significant new development.

Write-off principles

Tangible fixed assets have been taken up in the balance sheet as acquisition charges with deductions for planned write-offs. The planned write-offs have been calculated linearly and are based on the financial efficiency of the tangible fixed assets.

Charges that over the course three or more years bring in revenue have been activated and written-off during their period of use. Smaller acquisitions are booked directly at the time of acquisition.

Write-off times that shall be applied are:

Intangible assets

Gaming platforms and base investments in larger computer systems and licenses 3-5 years

Gaming products and smaller computer systems and licenses 3 years

Software licenses 3-6 years

Investment in rented premises 5-6 years

Goodwill 5 years

Tangible assets

Properties 40 years

Light constructions 5-10 years

Gaming equipment 3-6 years

Personal computers and accessories 3-5 years

Cars 5-7 years

Inventory 3-5 years

Other tangible assets 5 years

NOTES TO THE INCOME STATEMENT

	Note	Parent company		Group	
		2016	2015	2016	2015
Turnover per geographical area R1					
Åland - Land-based gaming		2,625,797.70	2,863,638.71	2,625,798	2,863,639
Ships on Baltic Sea		12,887,291.21	12,802,343.30	28,893,832	29,735,408
Finland		0.00	0.00	48,000	48,000
Sweden		0.00	0.00	0	1,015,718
Internet		70,710,867.69	65,670,512.64	81,947,181	76,370,581
		86,223,956.60	81,336,494.65	113,514,811	110,033,346
Turnover per business area					
System development and associated services		0.00	0.00	48,000	48,000
Casino gambling and lotteries on shore and ship		15,513,088.91	15,665,982.01	31,519,630	33,614,765
Online gambling		70,710,867.69	65,670,512.64	81,947,181	76,370,581
		86,223,956.60	81,336,494.65	113,514,811	110,033,346
Management salaries and fees R2					
Salary to parent company CEO and deputy 1)		-765,278.68	-398,694.70	-765,279	-398,695
Salary to subsidiary CEOs and deputies		0.00n	0.00	-279,857	-552,155
Board of Directors fees		-63,966.74	-40,900.00	-63,967	-40,900
Other remuneration to Board members		-8,000.00	-1,180.08	-8,000	-1,180
Total		-837,245.42	-440,774.78	-1,117,102	-992,930

1) For a transitional period, the parent company had different people in the CEO position during 2016. It was also decided to increase the number of deputy CEOs from one to two during the year.

The CEO and management team are covered by group pension insurance, which allows the employee to receive a pension corresponding to 60% of salary once they reach the age of 63.

Ålands Penningautomatförening Annual accounts for the period 01.01-31.12 2016

NOTES TO THE BALANCE SHEET

		Parent company		Group	
INTANGIBLE FIXED ASSETS	Note	2016	2015	2016	2015
	B1				
Balanced development costs					
Opening acquisition values		5,434,595.99	3,702,687.15	5,668,065	5,256,714
Sold/disposed		-472,380.43	0.00	-472,629	-1,323,377
Transfers between items		800,214.80	1,731,908.84	800,215	1,731,909
Translation difference		0.00	0.00	0	2,819
Closing accumulated acquisition values		5,762,430.36	5,434,595.99	5,995,650	5,668,065
Opening write-offs according to plan		-3,613,457.81	-3,143,688.53	-3,795,213	-4,522,547
Write-offs for the period		-908,316.47	-469,769.28	-1,102,832	-525,108
Sold/disposed		403,401.59	0.00	588,698	1,255,017
Translation difference		0.00	0.00	0	-2,575
Closing accumulated write-offs		-4,118,372.69	-3,613,457.81	-4,309,347	-3,795,213
Balanced development costs, total		1,644,057.67	1,821,138.18	1,686,303	1,872,852
Patents, licences and similar rights					
Opening acquisition values		0.00	0.00	669,696	1,656,147
Investments for the period		0.00	0.00	38,402	25,263
Sold/disposed		0.00	0.00	0	-1,013,874
Translation difference		0.00	0.00	0	2,159
Closing accumulated acquisition values		0.00	0.00	708,098	669,696
Opening write-offs according to plan		0.00	0.00	-562,721	-1,096,280
Write-offs for the period		0.00	0.00	-79,499	-242,449
Sold/disposed		0.00	0.00	0	777,303
Translation difference		0.00	0.00	-198	-1,296
Closing accumulated write-offs		0.00	0.00	-642,418	-562,721
Patents and similar rights, total		0.00	0.00	65,680	106,975
Goodwill					
Opening acquisition values		893,179.10	893,179.10	16,487,966	16,547,294
Sold/disposed		0.00	0.00	0	-58,834
Merged		0.00	0.00	-494,281	0
Translation difference		0.00	0.00	208	-493
Closing accumulated acquisition values		893,179.10	893,179.10	15,993,893	16,487,966
Opening write-offs according to plan		-893,179.10	-893,179.10	-14,705,993	-14,299,754
Write-offs for the period		0.00	0.00	-436,144	-465,450
Sold/disposed		0.00	0.00	0	54,341
Merged		0.00	0.00	454,690	0
Translation difference		0.00	0.00	0	4,870
Closing accumulated write-offs		-893,179.10	-893,179.10	-14,687,447	-14,705,993
Goodwill, total		0.00	0.00	1,306,446	1,781,973

Advance payments and ongoing projects

Opening acquisition values	525,172.14	556,588.71	525,172	556,589
Investments for the period	680,061.51	1,708,305.58	680,062	1,708,306
Sold/disposed/written-off	-123,619.54	-7,813.31	-123,620	-7,813
Transfers between items	-800,214.80	-1,731,908.84	-800,215	-1,731,909
Closing accumulated acquisition values	281,399.31	525,172.14	281,399	525,172
Advance payments and ongoing projects, total	281,399.31	525,172.14	281,399	525,172

NOTES TO THE BALANCE SHEET**INTANGIBLE FIXED ASSETS****Parent company****Group**

	Note	2016	2015	2016	2015
Other fees with long effect					
Opening acquisition values		21,265,167.10	21,194,552.19	25,005,045	24,489,886
Investments for the period		1,298,700.82	70,614.91	1,688,042	555,160
Sold/disposed		-564,871.01	0.00	-584,871	-40,000
Closing accumulated acquisition values		21,998,996.91	21,265,167.10	26,108,216	25,005,045
Opening write-offs according to plan		-20,867,466.92	-20,319,111.77	-23,406,890	-22,236,743
Write-offs for the period		-501,907.54	-548,355.15	-1,110,549	-1,201,647
Sold/disposed		564,871.01	0.00	575,871	31,500
Closing accumulated write-offs		-20,804,503.45	-20,867,466.92	-23,941,567	-23,406,890
Other expenses with long effect, total		1,194,493.46	397,700.18	2,166,649	1,598,155
INTANGIBLE ASSETS, TOTAL		3,119,950.44	2,744,010.50	5,506,477	5,885,127

NOTES TO THE BALANCE SHEET

Parent company

Group

TANGIBLE FIXED ASSETS	Note	2016	2015	2016	2015
	B2				
Buildings					
Opening acquisition values		8,077,274.15	7,844,782.53	8,704,262	8,471,770
Investments for the period		0.00	35,934.85	5,859	35,935
Sold/disposed		0.00	-102,810.09	0	-102,810
Transfers between items		14,431,840.63	299,366.86	14,431,841	299,367
Closing accumulated acquisition values		22,509,114.78	8,077,274.15	23,141,962	8,704,262
Opening write-offs according to plan		-2,432,635.65	-2,286,734.67	-2,498,322	-2,321,731
Write-offs for the period		-417,144.63	-241,840.99	-448,226	-272,531
Sold/disposed		0.00	95,940.01	0	95,940
Closing accumulated write-offs		-2,849,780.28	-2,432,635.65	-2,946,548	-2,498,322
Buildings, total		19,659,334.50	5,644,638.50	20,195,414	6,205,940
Ground and water areas					
Opening acquisition values		1,098,528.31	1,098,528.31	1,098,528	1,098,528
Closing accumulated acquisition values		1,098,528.31	1,098,528.31	1,098,528	1,098,528
Ground and water areas, total		1,098,528.31	1,098,528.31	1,098,528	1,098,528
Machinery and inventories					
Opening acquisition values		29,739,420.02	29,082,875.69	31,529,084	31,099,456
Investments for the period		1,321,074.11	1,820,765.42	1,393,757	1,900,969
Sold/disposed		-371,624.49	-4,723,898.98	-353,959	-5,032,974
Transfers between items		1,608,259.95	3,559,677.89	1,608,260	3,559,678
Translation difference		0.00	0.00	-2,307	1,955
Closing accumulated acquisition values		32,297,129.59	29,739,420.02	34,174,834	31,529,084
Opening write-offs according to plan		-21,965,115.04	-24,320,401.49	-23,107,786	-25,481,188
Write-offs for the period		-2,646,950.22	-2,367,034.59	-2,865,444	-2,649,875
Sold/disposed		264,700.75	4,722,321.04	249,461	5,025,126
Translation difference		0.00	0.00	2,163	-1,849
Closing accumulated write-offs		-24,347,364.51	-21,965,115.04	-25,721,606	-23,107,786
Included depreciation		0.00	0.00	-8,322	-8,240
Depreciation for the period		-446,457.84	0,00	-446,458	0
Translation difference		0.00	0.00	147	-82
Opening accumulated depreciation		-446,457.84	0.00	-454,633	-8,322
Machinery and inventories, total		7,503,307.24	7,774,304.98	7,998,595	8,412,975

Advance payments and ongoing projects				
Opening acquisition values	10,020,275.90	2,519,883.42	10,020,276	2,519,883
Investments for the period	6,565,804.32	11,368,178.49	8,502,268	11,368,178
Sold/disposed	-15,981.57	-8,741.26	-15,982	-8,741
Transfers between items	-16,040,100.58	-3,859,044.75	-16,040,101	-3,859,045
Closing accumulated acquisition values	529,998.07	10,020,275.90	2,466,462	10,020,276
Advance payments and ongoing projects, total	529,998.07	10,020,275.90	2,466,462	10,020,276

NOTES TO THE BALANCE SHEET

Parent company

Group

TANGIBLE FIXED ASSETS	Note	2016	2015	2016	2015
Other tangible fixed assets					
Opening acquisition values		80,042.82	80,042.82	429,176	283,203
Investments for the period		0.00	0.00	27,170	145,442
Sold/disposed		-205.00	0.00	-58,783	0
Translation difference		0.00	0.00	-946	531
Closing accumulated acquisition values		79,837.82	80,042.82	396,616	429,176
Opening write-offs according to plan		-67,562.61	-67,562.61	-249,333	-188,432
Write-offs for the period		0.00	0.00	-60,760	-60,637
Sold/disposed		0.00	0.00	48,671	0
Translation difference		0.00	0.00	532	-264
Closing accumulated write-offs		-67,562.61	-67,562.61	-260,890	-249,333
Other tangible fixed assets, total		12,275.21	12,480.21	135,726	179,843
TANGIBLE ASSETS, TOTAL		28 803 443,33	24 550 227,90	31 894 725	25 917 562

NOTES TO THE BALANCE SHEET

Parent company

Group

	Note	2016	2015	2016	2015
INVESTEMENTS					
Parent company investments					
Shares in companies in the same group					
Acquisition fee at the beginning of the period		25,793 831.87	25,793 831.87		
Increases		4,930,000.00	0.00		
Acquisition fee at the end of the period		30,723 831.87	25,793 831.87		
Previous depreciation		-18,279 150.94	-18,279 150.94		
Depreciation for the year		-1,938 291.64	0.00		
Accounting value at end of period		10,506 389.29	7,514 680.93		
Investments in other shares and shareholdings					
Acquisition fee at the beginning of the period		3,229 946.16	3,229 946.16		
Acquisition fee at the end of the period		3,229 946.16	3,229 946.16		
Previous depreciation		3,209 540.01	-3,209 540.01		
Accounting value at end of period		20 406.15	20 406.15		
Capital loans to companies within the same group					
Acquisition fee at the beginning of the period		5,880,000.00	2,000,000.00		
Increases		0.00	3,880,000.00		
Converted to shareholder dividend		-2,580,000.00			
Acquisition fee at the end of the period		3,300,000.00	5,880,000.00		
Total investments		13,826,795.44	13,415,087.08		
Parent company's subsidiaries					
Subsidiary	Base	Shareholding 2016	Shareholding 2015		
Paf New Business Ab	Mariehamn	100%	100%		
Paf Consulting Abp	Mariehamn	100%	100%		
Winga S.r.l.	Milan	100%	100%		
CASH AND BANK					
Customer funds		2,771,228.58	2,731,642.24	3,241,680	3,373,595
Other cash and bank		25,705,360.30	41,009,944.47	33,875,159	48,842,546
Total cash and bank		28,476,588.88	43,741,586.71	37,116,839	52,216,142

NOTES TO THE BALANCE SHEET	Note	Parent company		Group	
		31.12.2016	31.12.2015	31.12.2016	31.12.2015
RECEIVABLES IN THE SAME GROUP	B				5
Short-term receivables against companies in the same group					
Accounts receivable		362,135.23	165,046.65		
Other receivables		2,485,720.95	2,032,803.86	2,847,856.18	2,197,850.51
LIABILITIES IN THE SAME GROUP	B6				
Short-term liabilities to companies in the same group					
Supplier liabilities		47,699.99	27,967.63		
Other liabilities		4,969,885.51	7,963,112.85	5,017,585.50	7,991,080.48
PROVISIONS	B7				
Other provisions					
Jackpot reserve		3,093,959.54	2,306,078.76	3,104,501	2,311,372
Other provisions		4,970,988.82	4,309,760.54	5,271,296	4,510,046
		8,064,948.36	6,615,839.30	8,375,797	6,821,418
EQUITY	B8				
Other restricted equity at beginning of the year					
Translation difference		0.00	0.00	41,420	34,917
Other restricted equity at end of the year		0.00	0.00	-6,681	6,503
		0.00	0.00	34,739	41,420
Balanced profit at beginning of the year					
Change in Paf loans		99,570,754.39	95,101,923.72	100,566,047	97,026,358
Allocation of profits		-289,647.37	2,045,395.06	-289,647	2,045,395
Adjustment of previous year's profit*		-20,000,000.00	-21,000,000.00	-20,000,000	-21,000,000
Translation difference		1,458,097.00	-194,388.05	1,458,097	-233,222
Balanced profit at end of the year		0.00	0.00	-53,298	30,973
		80,739,204.02	75,952,930.73	81,681,198	77,869,505
Profit for the accounting period					
		18,340,736.82	23,617,823.66	15,171,251	22,696,542
EQUITY		99,079,940.84	99,570,754.39	96,887,188	100,607,467
*This amount is in respect of the adjustment of reserves attributable to an ongoing tax dispute for the previous year.					
SURETIES AND CONTINGENT LIABILITIES		31.12.2016	31.12.2015		
Pledged sureties to the benefit of companies within the same group					
Bank guarantees for which property deeds have been pledged as surety		.			
Bank guarantee, principal debtor Paf Consulting Abp		1,000,000.00	1,000,000.00		

Other pledged sureties and contingent liabilities

Credit limits for which property deeds have been pledged as surety.

Credit limit	10,000,000.00	10,000,000.00
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Property deeds pledged as surety, total 10,000,000.00 10,000,000.00

Rental guarantees	221,476.44	221,476.44
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Other financial liabilities that have not been taken up in the balance sheet

Property investments;

The company is obliged to adjust the VAT deductions that the company has made for a property investment completed in 2016, if the use of the property changes during the adjustment period. The final adjustment years is 2025. The maximum liability amount is €96,165.

Ålands Penningautomatförening

Annual accounts for the period

01.01-31.12 2016

SIGNATURES OF THE BOARD OF DIRECTORS, THE CHIEF EXECUTIVE OFFICER AND THE AUDITORS

Jomala den 29/3 2017



Christer Fahlstedt
VD



Åsa Ceder
Ordförande



Anders Å Karlsson



Carl Haglund



Sara Kemetter



Danne Sundman



Anna Dahlsten



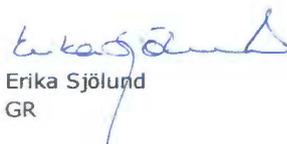
Birgitta Eriksson

Över utförd granskning har i dag avgetts revisionsberättelse.

Jomala den 13/4 2017



Bengt Nyholm
CGR



Erika Sjölund
GR

LIST OF ACCOUNTING BOOKS, VERIFICATION TYPES AND STORAGE METHODS

Accounting books

Balance book	Paper format, bound
Book of first entry	Electronic storage in Visma Control accounting system
General ledger	Electronic storage in Visma Control accounting system
Suppliers ledger journal	Electronic storage in Visma Control accounting system
Accounts receivable ledger	Electronic storage in Visma Control accounting system
Fixed assets register	Electronic storage in Visma Control accounting system
Group compilations	Electronic storage in Aaro consolidated reporting system

Section 2:10 of the Finnish Accounting Act is satisfied by a completed accounting year being locked for editing and a backup copy of the accounts being saved to a separate data storage medium.

Verification series

AN	Arrival registration of suppliers' ledger	Paper verifications
AR	Counterbooking of suppliers' ledger	Paper verifications
AV	Periodic write-off of tangible fixed assets	Electronic verification
BOX	Electronic transfer from presystem	Paper verifications
KB	Payment of customer invoices	Paper verifications
KR	Customer invoicing	Paper verifications
LB	Payment of supplier invoices	Electronic verification
LF	Final accounting of supplier invoices	Paper verifications
PE	Periodisation of accounting events	Electronic verification
RE	Main accounting	Paper verifications
IMAN	Arrival registration of supplier ledger in Invoice Manager	Electronic verification
IMAN	Counterbooking of supplier ledger in Invoice Manager	Electronic verification
IMAN	Final accounting of supplier ledger in Invoice Manager	Electronic verification