



PAF 2017

THE RIPPLE EFFECT

ANNUAL REPORT



ripple effect

Noun [C usually singular] /'rɪp.əl ɪ,fekt/

a situation in which one event produces effects which spread and produce further effects

(Cambridge Dictionary)



Climate compensation for this annual report

Paf has compensated for the climate impact of 3.0 tons CO₂e caused by this annual report by supporting the Sri Balaji biomass power plant in India through our climate partner Tricorona. Read more about the Sri Balaji project on the inside of the back cover of this report.



Environmental responsibility

This book has been produced with the necessary labels for ensuring environmentally responsible use of raw materials and chemicals as well as sustainable solutions regarding climate impact, emissions and waste.



TO OUR **COMMUNITY**

Paf is a money gaming operator owned by the regional government of Åland. Our task is to generate funds for the good of our community on the Åland Islands. Every year, our profit is used to support a wide range of activities that foster culture, health, sustainability, sports and the arts. We believe in openness towards all of our publics and therefore invite you to explore Paf and our highlights from 2017. Since our task is to raise funds for the Åland community, we also want to give you a glimpse of how these funds are distributed and what effect they have in our community. This is what we call the ripple effect: a single drop landing on a surface causes a circular outward movement and a change that reaches much further than the drop itself. The drop we contribute to Åland sends a good ripple through our community, one that can reach far in many directions and create inclusion, meaning and inspiration.



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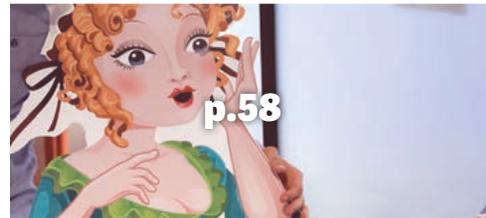
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CRO, Deputy CEO Daniela Johansson and CEO Christer Fahlstedt.

WORDS FROM THE CEO

2017 was a very strong year for Paf. Our net result nearly doubled during the year and we saw a steady growth in all markets. We are proud to have performed so well despite the sale of our Italian subsidiary in February 2017. To us, this is evidence that our strategy with focus on key markets has already born fruit.

The result from our business area Land & Ship is also very strong. The successful launch of our products onboard the Norwegian shipping line giant Color Line in the first quarter has been followed by increased profitability. The successful concept aboard Color Line will now be re-launched in a slightly adjusted form on ships in the Baltic. During 2018, we will convert four ships to accommodate the new technical solutions and then accelerate our rollout speed. An important part of our foundation and the core of our operations, Land & Ship, is a key to our future and provides a platform for change as well as many exciting business opportunities with the arrival of new technologies.

During 2017, Paf has sought and received a gaming license in Latvia. Our Latvian gaming site is planned to be launched during the second quarter of 2018. Latvia is an interesting market for Paf, since we already operate on ships that traffic to and from Latvia and because we deem the local gaming legislation favourable for long-term profitability.

Last year, we also made several tangible improvements that have been appreciated by our customers, including shorter response times and higher quality in customer service, a significant increase in the number of technical releases, more games, new betting objects and new payment methods. Moreover, we had the pleasure of welcoming 92 new colleagues during 2017.

It is with pride we can look back at 2017, a good year during which we generated €18 million to good causes. The contributions of our beneficiaries are an important part of sustaining a living island community where creating meaning, a sense of togetherness and safety are in focus.

Faced with its unique challenges, the gaming business evolves and develops through sharing knowledge and experiences and learning from them. Paf was chosen as the most responsible gaming company in the Nordic Countries in 2017, but we need to continuously develop our responsible gaming practices in order to remain on the cutting edge. We also want to become faster in implementing decisions in order to keep up with the industry. We have taken steps in the right direction during the year, but there is still room for improvement. In short, we are proud of our successes in 2017, but we can become even better!



Christer Fahlstedt, CEO

OUR VISION

**The most fun, entertaining and
responsible gaming company for
the good of society.**

OUR STRATEGIES

- **High fun factor** - we continuously develop our services and products to offer the most fun and entertaining customer experience in the market.
 - **Responsible Gaming** - high ambitions are clearly visible in our daily actions and we take conscious decisions on how we generate our revenue.
 - **Sustainable growth** - continue to develop our Home market offering while expanding into adjacent markets.
-

The year in short 2017



In January 2017, Paf won the award for **the most responsible gaming company** in the Nordic market at the EGR Nordic Awards in Malta. A total of eight companies were shortlisted for the prize.

€ 18,000,000

During 2017, Paf generated a total of **18 million euros to good causes.**



€ 7,000

On the Finnish National Veterans' Day on 27 April, Paf donated **€7,000 to the Åland veterans of war** to celebrate their contribution to Finland's centennial anniversary as a sovereign state.



On 10 October, Paf hosted its **3rd biennial Paf Responsible Gaming Summit** at the main offices in Mariehamn.

3.5 MILLION

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

Chief Responsibility Officer **Daniela Johansson** was appointed **Deputy CEO.**



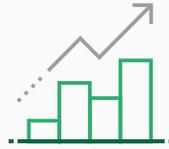
In October, Paf sought and was granted a **gaming license for the Latvian market.**



Paf started **gaming operations aboard 6 Color Line cruise ships** in the North Sea in February 2017.



In March 2017, Paf was **shortlisted for a prize in three different categories** in the Gambling Compliance Global Regulatory Awards.



During 2017, **Paf's profit nearly doubled** compared with the preceding year.



Stockholm University

During 2017, **Paf continued its collaboration** with a Stockholm University study that explores the effect of deposit limits on gaming behaviour.

Paf and its previous CEO Anders Ingves were **charged with the offense of money laundering** in January 2017. The alleged crime took place between 2009 and 2012, and is related to a **Paf customer who played with money that had been embezzled** from companies. In February 2018, the regional **court of Åland found Paf guilty** of money laundering by negligence, while the former CEO Anders Ingves was freed of all charges. **Paf has appealed against the verdict.**



During 2017, **Paf recruited 92 new employees** in all markets combined.

Deputy CEOs Johanna Backholm and Johan Rothberg left Group Management and their positions at Paf and Sverker Skogberg became part of Group Management.

CORPORATE SPIRIT

In early 2018, Paf was shortlisted as **one of the 40 most inspiring workplaces in Finland** in 2017 (a list compiled by Corporate Spirit on the basis of questionnaire answers of over 400,000 company employees in Finland).



SPER.

In March, Paf became a member of the new Swedish gaming trade association, Spelbranschens Riksorganisation (SPER).



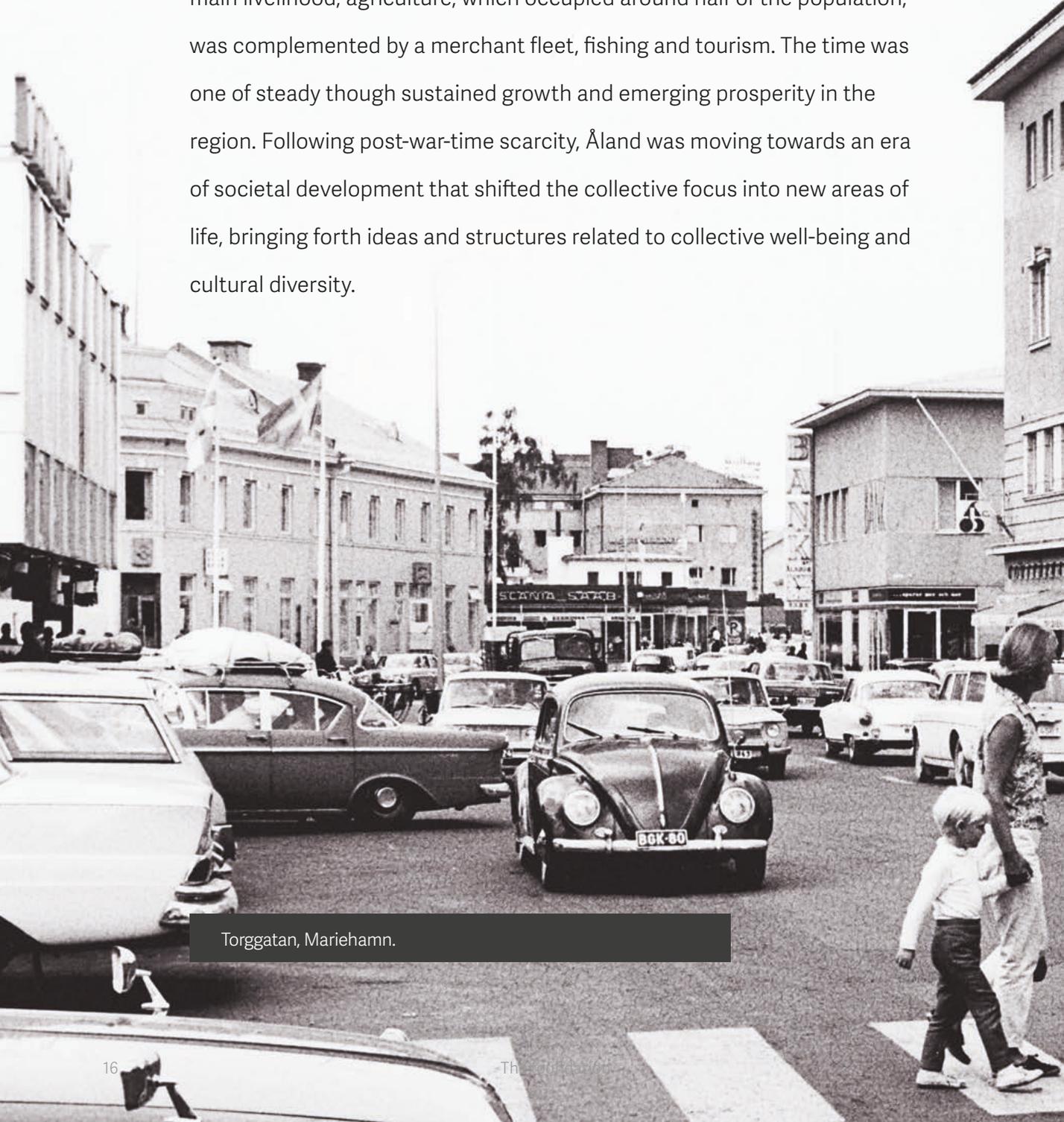
CHAPTER 1

The foundation

On our history and our operations on land, at sea and online.

■ Why we are here

In the 1960s, the Åland Islands had a population of roughly 20,000 and the main livelihood, agriculture, which occupied around half of the population, was complemented by a merchant fleet, fishing and tourism. The time was one of steady though sustained growth and emerging prosperity in the region. Following post-war-time scarcity, Åland was moving towards an era of societal development that shifted the collective focus into new areas of life, bringing forth ideas and structures related to collective well-being and cultural diversity.



Torggatan, Mariehamn.



For good causes since 1966

To support important initiatives that could drive the well-being of the population, Paf (Ålands penningautomatförening) was founded on Åland in 1966 by the local branches of Folkhälsan, Save the Children, The Finnish Red Cross and Dagens Barn. Paf was given the important task of raising funds through gaming entertainment to be used for the good of the Åland community.

...



Punainen Risti
Röda Korset



Rädda Barnen
Åland

 **folkhälsan**





Our operations

Following a modest start with classic Pajazzo slot machines (in which players shoot coins) and two part-time employees, the business flourished in the early 1970s when Paf invested in new game machines and entered a new market – the passenger ferries. By 1973, Paf had expanded its gaming offering onto passenger and car ferries operating on the Baltic Sea and registered on Åland.

Over a couple of decades after its first shipping company collaboration, Paf became a known gaming entertainment provider in the shipping industry and grew its operations

along with its staff. Today, Paf offers many different types of gaming activities ranging from slots machines to amusement games, table games, bingo and scratch cards onboard ships in the Baltic and the North Sea. Our sea-based gaming services complement our business profile in a unique way: we are the only gaming company in the region that offers gaming entertainment at sea as well as in land-based gaming halls and on the internet.

True to its entrepreneurial instincts, Paf was one of the early birds within online gaming: on 3 December, 1999, just a few weeks before



the turn of the millennium, Paf launched its website, Paf Online. Being an early player helped Paf to a good start in the online market, and as the online operations took off, the online games selection was complemented by slots, bingo, lotteries and poker. With time and effort, our early gaming site evolved into today's Paf.com, an international full-service gaming site available in six languages.

Parallel to the expansion of the company, Paf's physical games selection had grown and developed, and in 2003 the first Paf Casino on Torggatan in Mariehamn opened its doors to

the public. In 2010, the Paf Casino reopened in its current location by the city waterfront on the first floor of Hotell Arkipelag. With an unbeatable location in the heart of the town, the gaming hall offers gaming entertainment for locals and tourists alike in the form of slot machines and table games, has four full-time employees, and welcomes customers 364 days per year.





Paf headquarters on Åland.

Over the hill and beyond

Paf has evolved from a small, local gaming operator into an international fundraising all-star during its first half a century of existence. The combination of an online gaming site, physical gaming operations onboard ships and in the Paf Casino in Mariehamn gives our operations a unique scope in any market. Since Paf was established in 1966, the profit from its gaming

activities has become an important part of the structures supporting good causes in our small island community. Owned and regulated by the regional government of Åland, Paf generates approximately €20 million annually for the purpose of sustaining a wide variety of third sector activities, sports, environmental work, physical recreation as well as the arts and cultural events



that enrich life and contribute to the overall experience of community on the Åland Islands.

Well-known on Åland and beyond as a fundraising phenomenon, Paf is a wholesome 51-year-old full of new ideas, energized by its growing, multinational workforce and by its many plans for the future. The world has changed in many ways since our birth fifty-one years ago and we may have changed with it, but we are still inspired by and proud of our commitment to helping our island community flourish.



■ Our partners at sea

Beginning with the expansion into passenger cruise entertainment in the 1970s, Paf has fostered solid and long-standing partnerships with shipping companies. Our partners at sea include Viking Line, Tallink Group, Eckerö Group, Finnlines and Moby St Peterline.

Since 2017, we also operate gaming machines on all the vessels of Norway's largest passenger shipping company, Color Line. In addition to slot games, table games and a range of amusement

game machines, we arrange theme cruises and events onboard many vessels in collaboration with the shipping companies.



Passenger ferries are an important partner for Paf. Picture from Viking Grace.

Growing our customer base

In 2017, the number of potential Paf customers at sea increased notably due to a record-breaking year in passenger volumes for both Tallink and Viking Line as well as our new collaboration with the Norwegian shipping line giant Color Line. During the year, rising passenger numbers in the Baltic Sea coupled with the passengers onboard the 6 vessels of our new partner, Color Line, grew our potential customer base at sea to as many as 24 million passengers annually. Paf offers gaming entertainment in the form of slot machines, table and amusement games for Color Line passengers vessels travelling between Denmark, Norway and Sweden and Germany.

-Our partners at sea make it possible for us to meet roughly 65,000 potential customers on a daily basis. This presents a great opportunity for us, but also requires that we keep developing our onboard gaming offering in order to attract new customers. In order to stay ahead of the game, we try to continuously update and renew our onboard activities. For the time being, we are planning new technical solutions that enhance the gaming experience by merging digital and physical gaming, says Jukka Nikula, COO Land & Ship at Paf.

Ticket in – Ticket out

In 2017, we started updating our slot machines onboard M/S Megastar trafficking the Helsinki-Tallinn route with a new payout system. The new system, called ticket in - ticket out (TITO), entails that instead of coins, the wins from slot machines are printed out on a slip of paper with a barcode that indicates the amount of money won. In order to cash in the money, the player can take the slip and exchange it into cash at an automat. If the player wishes to continue playing, the ticket can also be inserted into another machine instead of cash.

TITO makes handling large sums of money easier for the players and for the gaming operators and helps streamline accounting procedures.



The new ticket system has been implemented aboard Tallinksiljas M/S Megastar.



Jukka Nikula, COO Land & Ship and Jannik Svahnström, Head of Sales Operations

Passenger guidance and protection

One of the challenges related to providing a gaming offering on passenger ferries is keeping minors away from the money gaming machines. In order to prevent minors from gaming and to provide customers with information about gaming, Paf offers a gaming host service onboard some of the passenger cruise ships where gaming entertainment is available.

Though we have thus far seen an increase in costs as a result of the gaming host project, the experience has shown us that guidance of this kind is needed in order to make gaming more socially responsible. In order to deliver an even better gaming host service in the years to come, we will evaluate our service and recalibrate it according to feedback from shipping companies, the authorities, and from customers.



CHAPTER 2

Our philosophy

On sustainability, responsibility and collaboration.



Responsibility, sustainability and collaboration

As a gaming company owned by the regional government of Åland, Paf's management and operations are governed by and must comply with the applicable legislation.

Given the hazards of money gaming, the most important area for us in terms of sustainability is responsible gaming. Therefore, we have made a commitment to continuously developing our responsible gaming measures for the safety and well-being of our customers.

In our everyday work, we promote

transparency and collaboration as a solid foundation for all sustainable activity in the long term. These values underpin our aim, which is to provide a sustainable profit in a responsible way for the good of the Åland community.

*“We all need to **be a part of the change** for it to happen”*

Companies to helm sustainability

The regional government of Åland has invested in drafting a development and sustainability strategy for the region, including seven strategic goals that should be reached by 2030. In order to ensure that there is a genuine commitment to the goals from the Åland community, the strategy has been created in close collaboration with the people of Åland, and the required information has been gathered through engaging society at all levels.

In 2017, Chair Katrin Sjögren voiced a plea on behalf of the Åland regional government to the larger companies on the Åland Islands to participate in spearheading the ongoing efforts of Åland towards becoming more sustainable in the long run.

Read more...

Scan the code with your mobile camera to read the Åland sustainability agenda (PDF).



The timing of Sjögren’s plea was not random: during the last few years, it has become evident that international legislative measures alone will not suffice in the face of the many sustainability-related challenges we will face within the decades to come. In order to change the negative course of events affecting our societies, our environment and climate, communities need to be engaged – from private citizens to public organizations, entrepreneurs and companies. We all need to be a part of the change for it to happen.



The basis for our sustainability work

Regardless of their size, field and scope, all businesses have an impact on the society and the environment. Analyzing the social, ecological or the economic aspects of corporate sustainability helps companies structure up their sustainability strategy and measure their performance in each category with the help of benchmarks.

Building on its previous corporate sustainability measures, Paf strives to align its social, ecological and economic long-term sustainability goals with those of the Åland sustainability initiative.

Focus areas in 2017:

- measuring our climate impact
- promoting collaboration and knowledge management both in-house and with external partners
- aligning processes and purchases with sustainability goals
- investing in employee well-being and engagement
- developing our CSR processes in general and within the framework of responsible gaming in particular



Our climate impact



Paf's annual climate audit is carried out by Tricorona Climate Partner AB, who specialise in assisting companies wishing to minimize their environmental impact. The audit helps us understand, identify and on reduce our impact in the right areas.

Three scopes of climate impact

Scope 1 / Direct emissions

Direct GHG emissions derive from sources that are owned and controlled by the company (e.g. company vehicles and emissions from leakage of refrigerants).

Scope 2 / Indirect emissions from purchased energy

Emissions from the generation of purchased electricity, heating and cooling.

Scope 3 / Indirect emissions from company activity

Emissions due to company activities from sources outside of the control of the company, for example during business and customer trips (e.g. from air travel, rail travel, taxi and rental car travel, hotel stays).



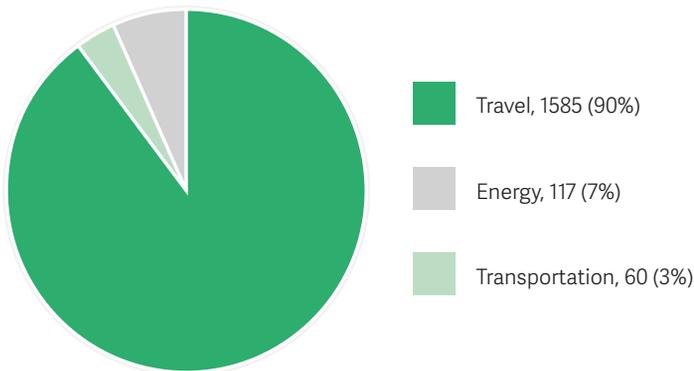
DID YOU KNOW?

Ecological sustainability refers to working in ways that help sustain diverse and healthy ecosystems. Sustainability work aims at meeting the needs of the present generation without compromising the resources of future generations.

Paf Climate Impact summary 2017



Paf's Total climate impact (tonnes CO₂e)



Total climate impact (tonnes CO₂e) 2017

In total, Paf's activities in 2017 resulted in 1761 tonnes CO₂e. Most of our emissions resulted from travel, which accounts for 90% of the total emissions. These emissions are part of scope 3, which included in our climate audit for the first time in 2017 (previous reports only comprised of scopes 1 and 2). Energy use at facilities accounted for 7%, while transportation accounted for the remaining 3%. The emissions from both scopes 1 and 2 had decreased from 2016 to 2017.

Category	2016	2017	Total
Refrigerants	42	-	42
Transportation	67	60	127
Travel	15	1585	1600
Energy	184	117	301
Total	309	1761	2070

Total climate impact 2016-2017

Scope 1

Transportation

Transportation using company-owned and leased vehicles. These emissions decreased due to a reduction in distance driven with trucks and vans.

Transportation	2016	2017	Unit
Car	23,8	32,6	tonnes CO ₂ e
Truck	8,0	5,8	tonnes CO ₂ e
Van	35,9	21,2	tonnes CO ₂ e
Total	67,6	596	tonnes CO ₂ e

Climate impact from transportation (tonnes CO₂e)

Transportation	2016	2017	Unit
Car (diesel, liters)	7 461	8 857	liters
Car (diesel, distance)	-	40 015	km
Car (gasoline, distance)	-	4 106	km
Truck	40 400	29 488	km
Van	271 000	134 078	km

Reported values for distance and fuel consumption from transportation

Refrigerants

Leaking refrigerants affect the environment. They harm the environment both by breaking down the ozone layer and by working as highly effective greenhouse gases. This accounted for an emission of 42 tonnes of CO₂e in 2016. Paf discontinued the use of the facility that had reported refrigerants leaks in 2016, eliminating emissions from this category for 2017.

Travel

Travel emissions under scope 1 only include emissions from travel by company-owned or leased vehicles. The use of these vehicles decreased significantly in 2017 from the previous year, resulting in a smaller climate impact.

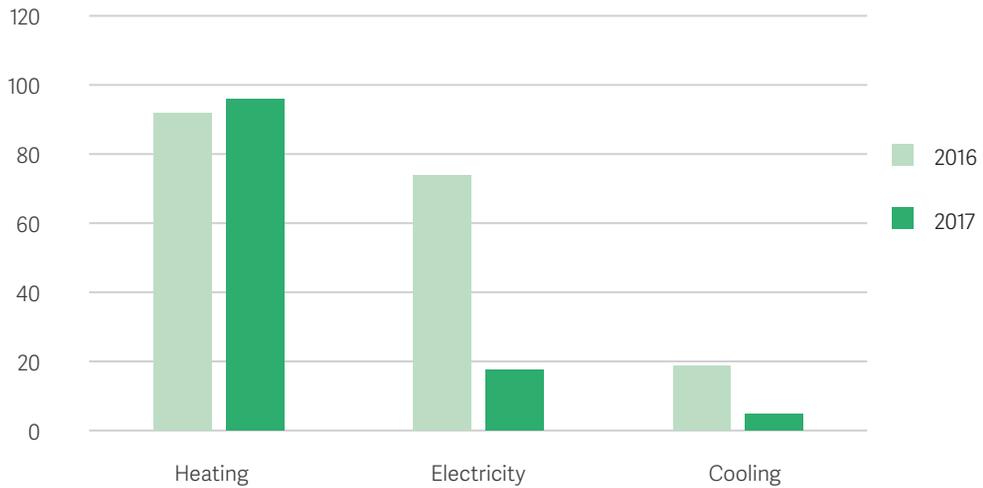
Car type	2016	2017
Petrol	4,07	-
Diesel	10,59	1,43
Total	14,66	1,43

Climate impact from travelling with company-owned/leased cars

Scope 2

Energy

Our climate impact from energy use is mostly generated by heating, which accounted for 96 tonnes CO₂e in total in 2017, an increase from 92 tonnes in 2016. However, Paf's climate impact from electricity decreased significantly from 73 tonnes CO₂e in 2016 to 24 tonnes in 2017, causing a decrease in the total climate impact from energy use. The relatively low climate impact from electricity use in 2017 is due primarily to the increased use of renewable electricity; 90% of the electricity used in 2017 was from renewable sources, twice the amount of 2016.



Climate impact from Paf's energy use in 2017 (tonnes CO₂e)

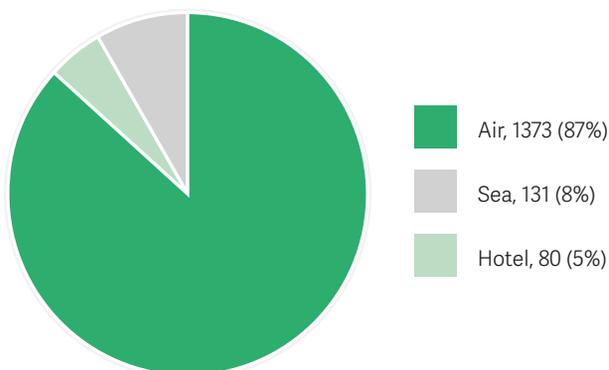
Energy	Climate impact (tonnes CO ₂ e)		Energy use (kWh)	
	2016	2017	2016	2017
Cooling	19	18	81 798	79 387
Electricity	73	24	1 279 199	981 342
Heating	92	96	1 140 052	944 908
Total	184	138	2 501 049	2 005 637

Paf's energy use (kWh) and its climate impact (tonnes CO₂e)

Scope 3

Travel

Paf began reporting Scope 3 emissions from travel in 2017. These indirect emissions caused by business travel accounted for 1584 tonnes CO₂e, and 87% of these emissions were from air travel. These emissions account for 78% of Paf's total climate impact.



Climate impact from Paf's travel (tonnes CO₂e)

Sammanfattning och våra mål för 2018

All in all, the the climate audit measurements for 2017 accounting for scopes 1 and 2 show that our climate impact from these sources has decreased from 2016 to 2017. The total climate impact from energy use had decreased due to the increase of renewable energy sources within electricity production. Emissions from company-owned or leased vehicles had also decreased due to a reduction in driven distance. The new measurements within scope 3 showed that air travel is the biggest source of CO₂e emissions from Paf's operations.

When it comes to our climate impact, our primary goal for 2018 is to reduce our emissions within scope three, particularly from air travel, which accounted for 87% of all emissions indirectly caused by travel activities undertaken by Paf.

Paf compensated for its carbon footprint of 1761 tons CO₂e in 2017 through its climate partner Tricorona by supporting the CDM and Gold Standard Sri Balaji biomass plant in India.



Electric vehicle charging stations outside Paf headquarters.

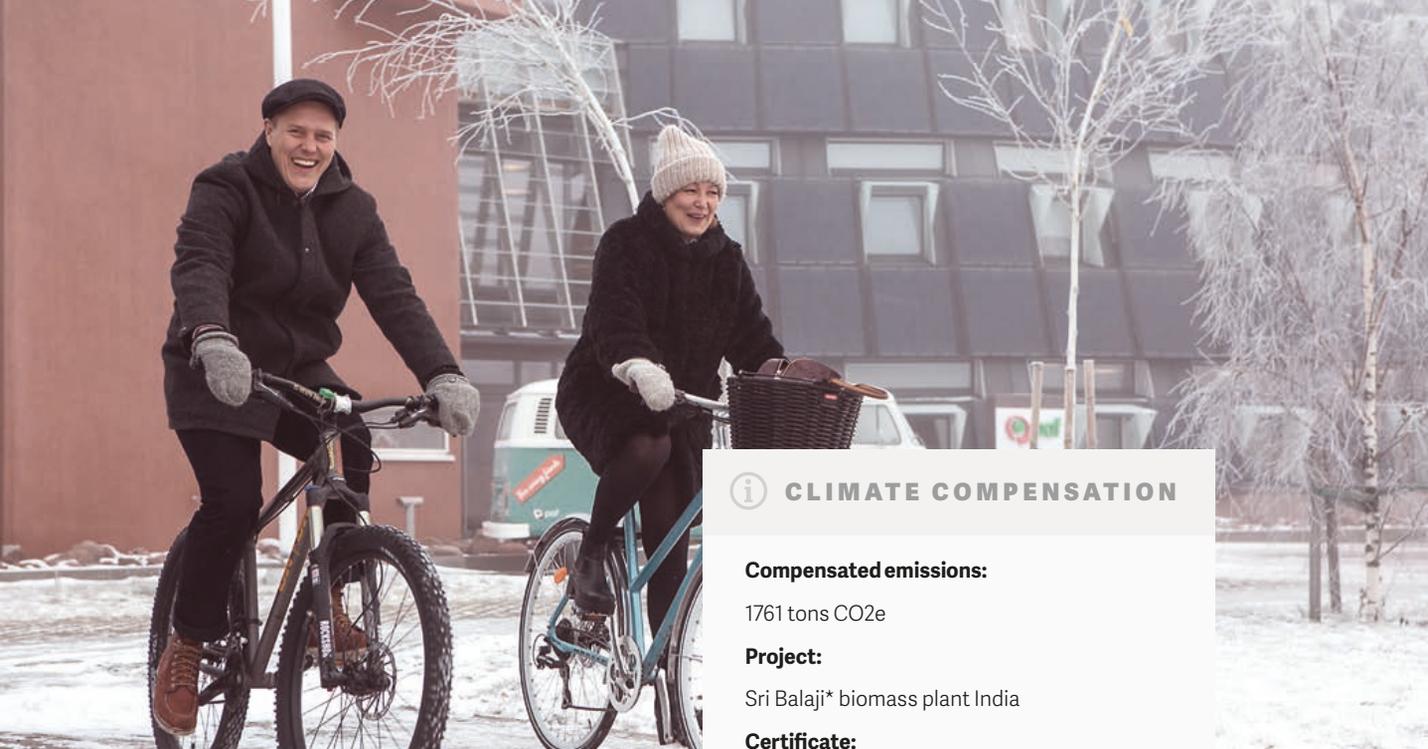


i WWF GREEN OFFICE

- Provides help and tools for environmentally friendly office solutions
- Is developed by WWF Finland and turns 15 in 2017.
- Includes 409 offices from 154 organisations, with a total of around 58,900 employees.
(Figures: September 2017)

Knowledge management and green offices

To increase the awareness of our climate impact, key employees train in sustainability accounting (on courses carried out in cooperation with Ålands Näringsliv). In addition, our offices in Mariehamn, Tallinn, Stockholm and Helsinki are part of the World Wildlife Fund Green Office Programme that provides tools for environmentally friendly operations and follow-up of in-house sustainability measures in a range of different areas, such as waste disposal, recycling, energy efficiency and purchases. Our offices in Mariehamn, Helsinki, Tallinn and Stockholm have been Green Office certified.



Recycling and collaboration

The prizes we give away to customers are primarily made from recycled or environmentally friendly materials regardless of their size – from the wood-framed “sandwich” bike to the pens made only of recycled plastic bottles.

For recycling used IT-equipment, Paf has collaborated with Reedex, a company that empowers refugees who have recently arrived in Finland by providing them with a job and a chance to network. Within the company, they work with repairing the recycled equipment and receive hands-on training in entrepreneurship. After repairs are carried out, the equipment is sent to schools in war or crisis-ridden areas, where such equipment helps to maintain modern-day learning environments.

CLIMATE COMPENSATION

Compensated emissions:

1761 tons CO₂e

Project:

Sri Balaji* biomass plant India

Certificate:

CDM & Gold Standard

Climate partner:

Tricorona

*Read more about the project on the back cover

We strive to support initiatives that stem from the idea of sustainability. During 2017, a portion of the profit from our new game Sällskapsresan with was donated directly to Hållbara Hav (a Swedish initiative for a cleaner and healthier Baltic Sea) in collaboration with Swedish actor Lasse Åberg, the ambassador of the game.

Stiftelsen
Hållbara Hav
Östersjön





Our social impact



Social sustainability is about what impact we have on people through our business, including our employees, customers and the community at large. For Paf, social sustainability is closely related to our role as a fundraising gaming company and as an employer.

To decrease our negative impact on our customers and on society, we continuously develop our responsible gaming tools and processes. This is the most important area of work for us in terms of sustainability. Read more about our responsible gaming measures on pages 40-47.

For a positive social impact, we

- Strive to prevent problem gaming
- Invest in the well-being of our employees
- Sponsor projects that contribute to inclusion and health
- Generate our profit for the good of the community
- Create job opportunities



Equal opportunities and diversity at the workplace

As an employer for more than 400 persons from 31 different countries, Paf is committed to creating the best possible working environment for one of its most important resources – its employees. Our goal is to foster a culture of professional inclusion and engagement in collaboration with our employees.

During 2017, we updated our Equal Opportunities Plan that highlights our employee philosophy and supports our efforts to promote the values we embrace as an employer.

The plan is founded on the principles of equality, inclusiveness and diversity and covers the following specific areas of working life:

- Recruitment
- Skills and career development
- Salaries
- Working environment/conditions
- Balancing family life, personal life and work
- Preventing discrimination and harassment
- Updated and transparent communication



Our economic impact



Our vision and strategies are aligned with the idea of generating a sustainable profit in the long-term in order to support the Åland community, which is always reflected in our economic goals.

We want to create a slow profit that will fulfill its purpose in the Åland community now and in the decades to come, while developing our responsible gaming measures so that we can minimize the negative effects of gaming. In other words, corporate social responsibility and economic sustainability are inextricably woven into our DNA as a company.

More employment and good fundraising

In 2017, Paf recruited 92 new employees and created job opportunities for many people. During the year, Paf generated 18 million euros to be used for the good of the community on the Åland Islands. The economic impact of our profit for the island community of Åland has a positive multiplier effect in the community, since supporting a healthy, inclusive society is a vital part of building a sustainable social and economic foundation for the future.

Long-term economic impact



Job opportunities

New working opportunities drive growth within the company and the community.



Support for a healthy community

Economic resources are allocated to good causes that support a strong and healthy community.



A sustainable profit

A sustainable profit is created through a business model that is socially, environmentally and economically sound.



Social and economic prosperity

The profit helps the community sustain its health, grow its potential and increase its attractiveness.

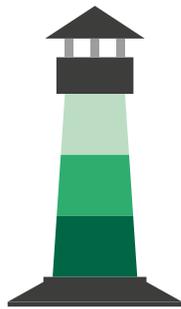


■ Responsibility goes a long way

As a responsible gaming operator owned by the regional government, Paf strives to help customers keep their gaming at a healthy level. But sustainable, long-term customer relations are arguably a priority even from an economic point of view.

Keeping in mind the psychological nature of gaming entertainment, it is not surprising that gaming can sometimes become overwhelming: the very mechanics that infuse the gaming experience with its inherent excitement and suspense can, in certain circumstances, turn against the player and lead to excessive gaming. It is our belief that being well-informed about the pitfalls of gaming and aware of one's own gaming behaviour are the keys to

sustainable gaming. And for Paf, fostering sustainable relationships with customers is the best bet for creating a foundation for a business that will thrive in the long run – responsibility goes a long way.



3 Collaborative knowledge

2 Internal tools

1 Gaming tools

Preventing and handling problem gaming

We provide our customers a range of ways to control their gaming, but sometimes things do still get out of hand. Since the reasons for excessive gaming can be of varying nature, we hold that responsible gaming behaviour needs to be supported from different angles.

Focus areas in 2017:

- developing our responsible gaming tools and information for customers
- internal tools and competence building
- collaborative knowledge-sharing across the gaming landscape between gaming operators, affiliates, researchers and help organizations

During 2017, Paf has continued to develop the right tools and services for preventing, identifying and addressing problem gaming. Furthermore, we hosted Paf Responsible Gaming Summit 2017, our biennial knowledge-sharing platform, at our main offices in Mariehamn. Paf also continued to support the Stockholm University study on the effect of auto-imposed deposit limits.

PROBLEM GAMBLING

Gambling has become a problem if it

- takes too much of your time or money
- makes you feel guilty or anxious
- causes confrontation or other social problems
- makes it difficult to carry out everyday tasks
- interferes with your work or studies
- takes over your thoughts so that you no longer are interested in other things

Source:

The National Institute for Health and Welfare (THL), Finland

Safety tools and information

Since risk awareness is key to responsible behaviour, customers are provided with updated information regarding the risks related to gaming in general and their personal gaming habits.

In addition, customers

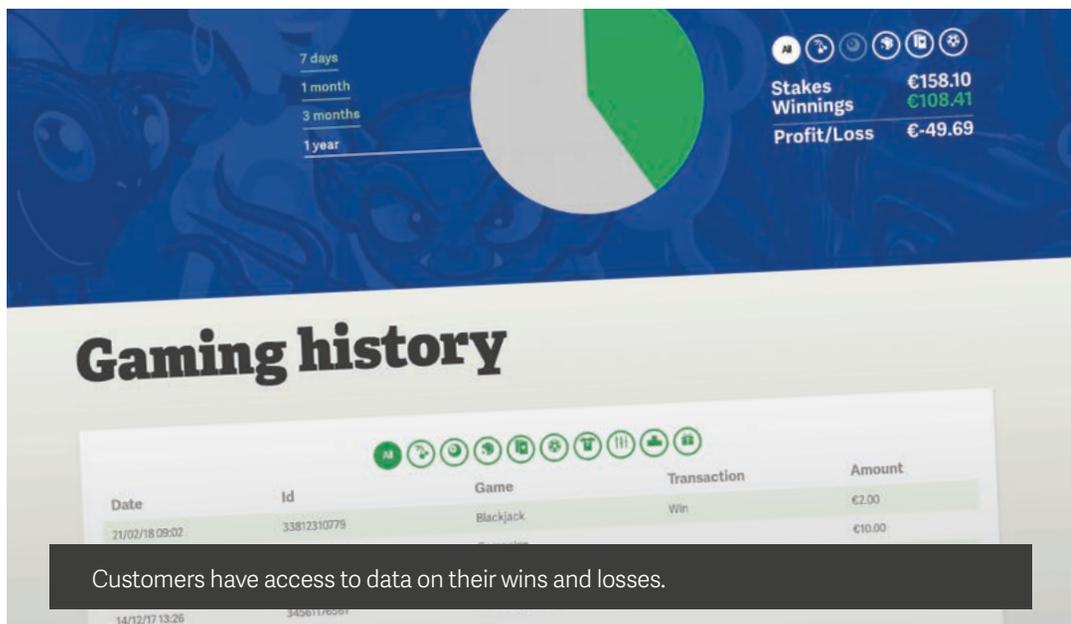
- receive information of the hazards of excessive gaming
- can set a deposit limit
- can set a time limit on gaming
- are shown a summary of their gaming actions when they log in.

During 2017, we have enhanced the visibility of the gaming summary view on the log-in page. We have also updated the usability of the log-in page with clearer layout and design.



DID YOU KNOW?

Customers in Finland, Sweden and Estonia are insured and are eligible for free therapy upon being diagnosed with gambling addiction. Having used this option, customers are barred from our gaming site and may not reopen an account.





Dialogues with customers

Any interventions that strive to guide players away from unhealthy gaming behaviour have a better chance of succeeding if they are carried out at an early phase. In order to identify and contact customers who are possibly moving into the risk zone, we have developed Radar, an internal tool for our responsible gaming (RG) specialists.

We have been using Radar for several years in order to detect negative gaming patterns (for example drastic changes in playing time or deposits) and provide the necessary support for customers who need to regain control over their gambling.

Over the past couple of years, Radar has been updated with a new communication model that includes sending personalised

emails to our customers with information about their gaming behavior, follow-up calls from our RG specialists, and sending customers graphs illustrating changes in their gaming behaviour. We also encourage customers to engage in self-reflection by letting them answer questions about their gaming habits.

Onboard cruise ships, we offer the service of our gaming hosts whose task is to oversee gaming activities and guide customers as well as protect minors from engaging in money games. The gaming hosts were also a part of our official Finland centennial celebration collaboration with the Finland 100 Years project organisation.



Shared knowledge – higher competency

On 10 October 2017, the third Paf Responsible Gaming summit was organized at the Paf headquarters in Mariehamn. The summit, entitled *The role of attitudes as a key driver of actions within gambling advertising, problem gambling and sustainable behaviour*, gathered some 100 professionals from different fields to discuss the mechanics behind gambling, its social consequences and shared responsibility.

The speakers at the summit represented the research field, players' support organizations as well as some of our partners and other gaming operators. The speakers included Per Binde, researcher in social anthropology at University of Gothenburg, Sweden; Madeleine Tügel, advisor at the Gambling Addicts'

Association of Malmö, Sweden and Morten Rønde, Chief Executive of the Danish Online Gambling Association.

Some of the themes discussed during the summit were how familial relations and living conditions can be affected by gaming dependency, what gaming operators can do better to promote responsible gaming and how attitudes are formed. Our hope is that sharing new insights from research and business can help the different fields come together to establish new common ground to develop safer gaming.



In October 2017, Paf hosted the Paf Responsible Gaming Summit on Åland.

Prize-winning efforts for safer gaming

In 2017, Paf was acknowledged as the socially most responsible gaming company in the Nordic market at the EGR Nordic Awards. Some of the main criteria for being nominated in this category were investment decisions and improvements that have been implemented during the year. Paf had invested in the following:

- Information on customer's wins/losses shown to customer after they log into their gaming account.
- Customer testing that compares gaming outcomes of customers with and without a self-imposed gaming limit.
- Research collaboration with Stockholm University.
- Developing the Radar system



An honor that motivates

The Nordic gaming market is suffused by competition. In Sweden alone hundreds of gaming companies are competing for market shares, and consequently outstanding performance in this region is as laudable as it is hard to achieve.

- What matters most are the tangible ways in which we can help our customers. However, this award is a great reminder that we are still the leading gaming company in this category, and it motivates us to continue developing our operations, Paf CEO Christer Fahlstedt says.

Paf Chief Responsibility Officer Daniela

Johansson had the honor of receiving the award at the gala.

- I'm both happy and proud. We see responsible gaming as something that really makes us stand out amongst the competition. We also believe that many of our customers choose us because we are the safer alternative. And as we help our customers to play on reasonable levels, we are simultaneously building lasting relationships with them.

Visions for the future

Since responsible gaming may be seen as our most important area of work in terms of social sustainability, and since we believe that enabling responsible gaming is the best way to create healthy long-term customer relationships, we are committed to becoming even better in this field.

Future goals:

- Being a global leader within responsible gaming
- Offering the best support to our customers related to problem gaming and responsible gaming in all channels
- Providing high standard responsible gaming tools for our customers and integrating these tools into the player experience.



“What matters most are the tangible ways in which we can help our customers. However, this award is a great reminder that we are still the leading gaming company in this category”

CEO Christer Fahlstedt on receiving the EGR Nordics Award for most responsible gaming company.



Jessica Pähti and Sara Eriksson

Legal advice, compliance and quality control

All our operations shall be carried out in compliance with regional, national and international legislation. To this end, the professionals in Paf's legal department address questions related to relevant areas, such as compliance, licensing and quality control. Our dedicated legal team, consisting of General Counsel Sara Eriksson, Legal Counsel Jessica Falenius, Paralegal Jessica Pähti and Executive Assistant Catarina Gahmberg, also provides legal advice and support in a wide range of matters throughout the organisation.

In 2017, some of the concrete areas of work for the department included:

- Drafting Paf's quality control documentation in collaboration with the Compliance team in accordance with the new Åland Lottery Act that entered into force 1 January 2017.
- Collaboration with external legal partners within the framework of the money laundering charges brought against Paf and former Paf CEO Anders Ingves, to be tried in the District Court of Åland.
- Active monitoring and referral responses with commentary from Paf regarding the new Swedish gambling regime.
- Preparation for adapting our operations to comply with EU's new General Data Protection Regulation (GDPR) that will enter into force 25 May 2018.
- Referral responses regarding the new anti-money laundering regulations in Finland and Sweden.
- Legal support in the gambling license application process for Latvia and for entering the new market.
- Continuous legal support in form of drafting and reviewing agreements as well as other legal advice throughout the organisation.



The Lottery Inspection is a regulatory authority under the regional government of Åland.
Picture: Chamber of Åland regional government.

Åland Lottery Inspection

The Lottery Inspection is a regulatory authority under the regional government of Åland. The Åland Lottery Inspection was established in accordance with the relevant provisions of the regional legislation on Åland (1966:10) regarding lotteries (Lotteries Act).

In addition to overseeing gaming activities on Åland, the Lottery Inspection monitors the general development within the areas governed by the Lotteries Act, provides related

information and guidelines and initiates updates and revisions within these areas where needed.

The Åland Lottery Inspection has been active since 1 March 2017. Previously, the regional government was responsible for supervising gaming activities on Åland. The lottery inspection became a member of the International Association of Gaming Regulators (IAGR) in September 2017.



Paf hosted a visit from Veikkaus management at the Paf headquarters.

Paf and Veikkaus – side by side for good causes

In 2017, the gaming market on the Finnish mainland underwent significant changes when the companies Veikkaus, RAY and Fintoto merged to become a single gaming company under the name Veikkaus. The merger was accompanied by a restructuring of the group management for the new company, and over the course of the year Paf has prioritised cementing good relations with the Veikkaus group management. While Paf and Veikkaus differ in size and location, they also have many things in common. They are both unlisted, publicly owned companies, donate their profit to good causes and are steadfastly committed to responsible gaming.

Paf has continued to focus on maintaining good relations with other companies within the gaming industry and with parliamentary and governmental decision-makers. In the fall of 2017, Paf hosted a visit from Veikkaus on Åland.



The court case

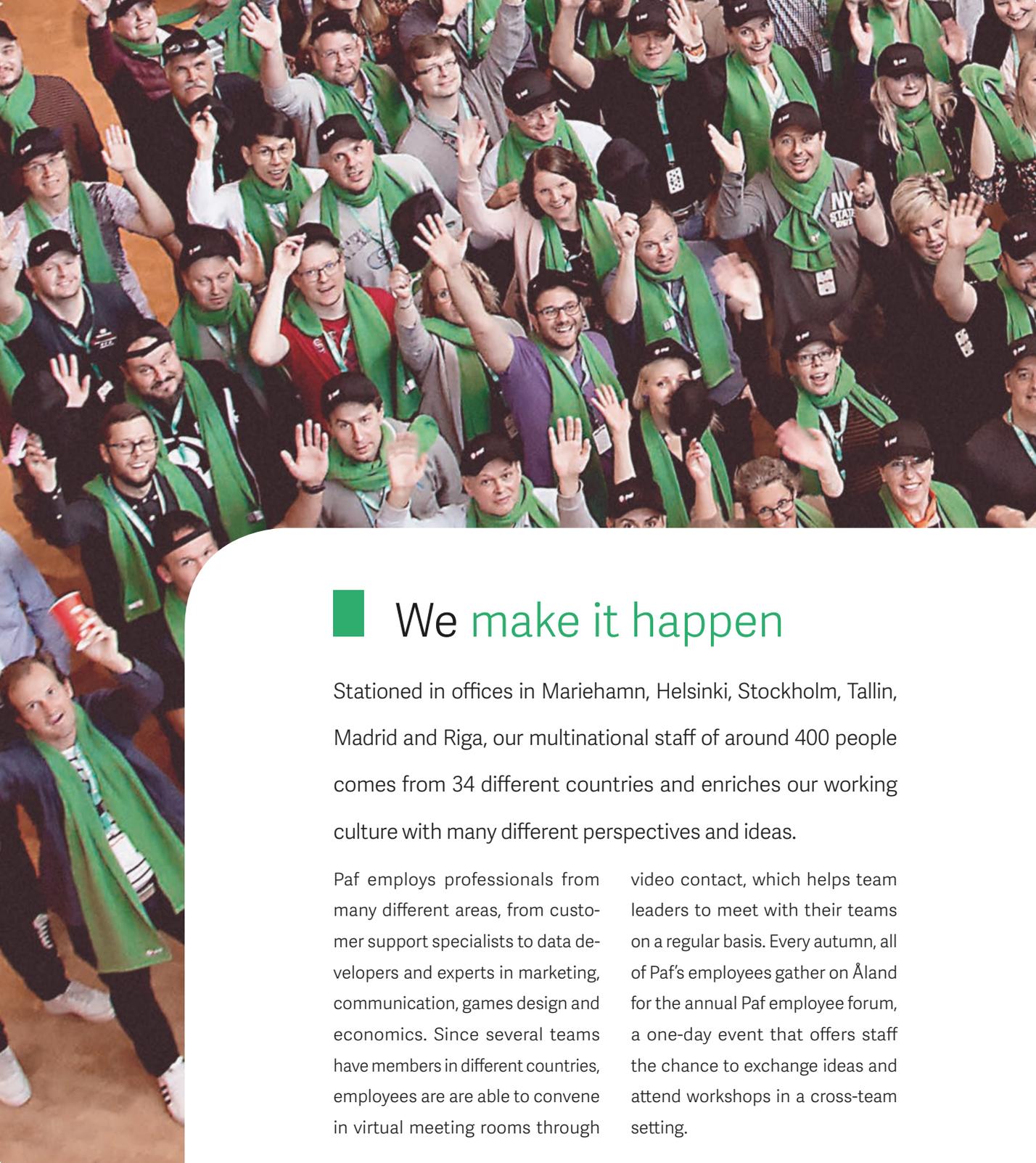
In a court case against Paf and its previous CEO Anders Ingves, a verdict was given in the end of February 2018. Paf was found guilty of the offence of money laundering by negligence while Anders Ingves was freed of all charges. In the court's view, Paf had adequate anti money-laundering processes and routines in place, but in this specific case, there had been breaches in the process. Paf and the prosecutor have appealed against the verdict to the Turku Court of Appeal.



CHAPTER 3

Our people

On our greatest resource and their work.



We make it happen

Stationed in offices in Mariehamn, Helsinki, Stockholm, Tallin, Madrid and Riga, our multinational staff of around 400 people comes from 34 different countries and enriches our working culture with many different perspectives and ideas.

Paf employs professionals from many different areas, from customer support specialists to data developers and experts in marketing, communication, games design and economics. Since several teams have members in different countries, employees are able to convene in virtual meeting rooms through

video contact, which helps team leaders to meet with their teams on a regular basis. Every autumn, all of Paf's employees gather on Åland for the annual Paf employee forum, a one-day event that offers staff the chance to exchange ideas and attend workshops in a cross-team setting.



Dialogues for engagement

Employee engagement is one of the single most important factors for long-term growth within companies. In addition to boosting business, fostering a culture of transparency and engagement is aligned with the overall goals of social sustainability. Clear tasks and roles coupled with regular two-way feedback are good building blocks for engagement, which is why Paf conducts employee surveys annually. Every year, feedback is gathered from all parts of the organisation, and the results are analyzed and evaluated within teams, departments and in Group Management in order to streamline processes, ease bottlenecks and plan for long-term improvements.

Some of the areas where concrete improvement actions have been taken during the past few years include:

- Purposefully designed working spaces, team rooms, conference rooms and social areas that support the agile mind-set
- Clear strategies communicated throughout the company
- Self-leadership
- Paf key behaviours – a set of guiding words to help us self-reflect and self-lead in our everyday work
- Coaching leadership for empowerment
- Biannual leadership forums

A culture that inspires

Overall, employees enjoy working at Paf: the employee experience in 2017 was positive and the engagement level rose compared to the previous years. In early 2018, Paf was acknowledged as one of Finland's most inspiring working places based on the good results of the employee survey of 2017. The 40 most inspiring workplaces in Finland are chosen by Corporate Spirit based on employee survey replies from over 80,000 employees in hundreds of Finnish companies.

Employee survey results for 2017

Our annual employee survey for 2017 showed a positive trend in the overall employee experience, with average or above-average results in most areas as compared to other Finnish companies.

Our strengths as an employer:

- Employer's investment in the well-being of employees
- Positive employer image
- Company moving in the right direction/ good future prospects
- Company values deemed worthy and visible in everyday work
- Trust in top management
- Teamwork, team performance and inter-team collaboration
- Accessibility of relevant information and adequate working tools

Focus on driving engagement by:

- Striving for excellence of products and services
- Ensuring that work is challenging and interesting

"The acknowledgement signals a high employee engagement level. The company is a workplace where business is developed together with employees."



Growing – and maturing

During the economically strong 2017, Paf also grew as an employer and welcomed all in all 92 new employees. We recruited particularly actively within technical development and customer support, and most of the new positions filled are located at the company's main office in Mariehamn on Åland.

Business growth and successful recruitments are crucial for long-term development and expansion, but they also entail additional

responsibilities and challenges for us as an employer. In order to continue to foster a culture of engagement and inspiration as a company while growing and expanding into new markets, we need to live up to our values while developing our products and services to become even better in the toughening competition. In 2017, we have seen the results of communicating a clear strategy and identified some key engagement drivers to focus on in the future.



Paf Employee Forum invites all Paf employees to Åland.



■ The game changers

There is perhaps nothing that defines Paf's dedication to quality entertainment better than the fact that we make and maintain our own games. This applies to both parts of our business – online games at Paf.com and physical games in our Land and Ship casinos.



Paf started in 1967 with just 36 pajazzo coin-drop gaming machines. In 1973 we began operating on Baltic Sea ferries and at that point our 'Land and Ship' gaming business began to really take off. In 1999 we launched our first online gaming services.

The connection between the real world of Land and Ship and the online world of Paf.com is strengthened by our own branded games that customers encounter in both areas of operation. Games such as Cash and Carry and Double Joker Poker.

Real world experience

The 50 years of Land and Ship operation has put the gaming experience at the heart of the business. Our croupiers meet the customers and get valuable feedback. The Paf Workshop keeps thousands of our physical machines running. It's not only a marvellous feat of

logistics and engineering – the expertise and experience of our technicians is a resource that drives ideas and innovation.

Online games expertise

There is only one way to make consistently great original online games. That's by nurturing a creative environment that allows people to make the games they dream up into reality.

The talents and skills required to make a successful game are many and varied: artists, animators, storyboarding, project managers, coders, mathematicians, testing, usability testing with focus groups, compliance, copywriters, translators, sound design and composition, responsible gaming expertise. And lots and lots of coffee!



Interview: Hali, Game designer



PAF GAMES STUDIO

Founded: 1999

Teams: 3

(one in Mariehamn, two in Helsinki)

Staff: 25

Games developed in-house: 76

Most popular games: Double Joker
Poker, Cash and Carry, Cash and Carry
Shopping Spree, Casino Island Deluxe

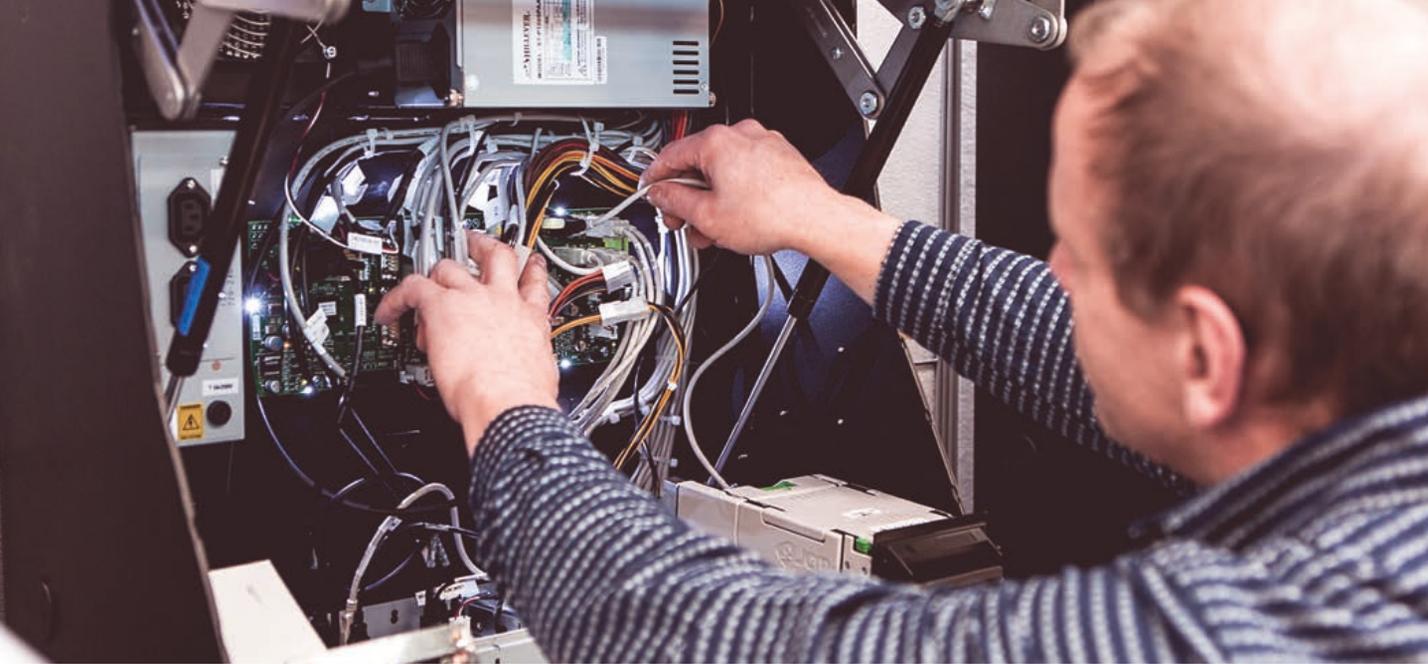
“I can make my characters **come to life**”

I've been living in Finland for three years. I've been at Paf for two years and before that I was working at another gaming company in Helsinki. When I got this job my residence permit was about to expire and Paf helped me extend it. I'm very happy here. The Paf Games Studio is very lively and very international. I feel like part of a family here. I feel like this is where I 'live' not where I 'work'. That's why I look forward to coming to work every day. It's a very friendly environment and I have artistic challenges that help me improve. I get to leave my comfort zone and widen my skills.

For instance. I had never animated characters before I started here. I was mostly focussed on static illustrations and concept art. Here I have learned new software packages – such as the animation tool Spine – and it's revolutionised my outlook. I can make my

characters come to life. I don't want to limit my abilities. Having skills in multiple disciplines also helps me to see other perspectives. After working with animation now I can create the ideal static graphic assets for animators. I can see the work from both sides.

I'm inspired by the world around me, movies and fine art. Back in Turkey I was an illustrator for an advertising agency. I started out with acrylic and oil paints and now I'm making digital art at Paf. I still paint with oils at home and whenever I make a mistake I look for the Ctrl-Z button to undo it. And it's not there! Digital art can give you those bad habits but it also gives you the confidence to be bold and explore because you can always go back. And I love that.



Keeping the **games afloat**

Paf has slot machines and physical games all across the Baltic region. We asked Henrik 'Henkka' Mattsson, Electronic Manager, to explain how the Paf Workshop keeps all the games afloat.

How long have you been at Paf?

Ha-ha! The first time I worked for Paf was back in 1978. I have been full-time employed at Paf since 1984. There are actually three of us here who have worked in the Paf Workshop for that long.

Tell us all about the Paf Workshop

The Paf Workshop is divided into two departments – mechanical and electronic. On the mechanical side we service and modify the slot machines and games. It could be for repairs or updates. We aim to get them back out into the field as quickly as possible. On

the electronic side we service many devices including banknote readers, coin locks, ticket printers, computers and screens. Then we also create the internal instruction manuals that show people how to program all these machines.

We also deal with other more general casino systems such as the new 'ticket in-ticket out' mechanism – both its connection and installation. We support the field teams on the boats too. Then many questions come to us about spare parts and machinery from other Paf teams.



Intervju: Henkka, Electronic manager



PAF WORKSHOP

Office: Mariehamn

Employees: 13

Games machines serviced: Over 1,400

Maintenance: 27 boats and Åland

Support: 6 boats (Colorline) and on-site field agents

What sort of experience is needed for the job?

You require some kind of computing or electrical education and even then you cannot really go directly from school into the work. You need half a year to a year working here to gather all the knowledge and experience needed for the job.

How long does it take to service a machine and how long do they last?

I usually say that servicing a slot machine takes from one to one-and-a-half days depending on the model. We certainly help to give the Paf slot machines a very healthy life-span – at least 6 years. We have machines that are over 10 years old. I would say the oldest machines are perhaps 12 years old.

What's your biggest challenge?

Without a doubt it's getting hold of spare parts. Looking for a spare part for a 10-year-old machine? No chance. But now we have a 3D printer in-house and with it you can print plastic spare parts. Previously we could not order these parts and that would be the end

of the story. Today if there are no plastic parts to buy then we can print them ourselves. It's just amazing!

How has the job changed in 40 years?

It has changed a lot. When I started we only had mechanical 'Can-Can' machines and 'Crazy Pays'. You put in 50 pence and then pulled on a lever. There was no 'stop' on the reels. You could not hold them. Then, after a few years, we got machines you could plug into the wall. They were electromechanical. At that time I thought that was amazing! But now they are totally electronic and the computer controls everything. It's fun to look back at that history. Because of my expert knowledge I get calls from collectors now. Private individuals who collect old slot machines. They sometimes call me when they have bought some old classic online. I think that's really funny.



■ Building flexible solutions

The engineering teams at Paf have over 100 technical professionals working in about 15 agile teams that offer a great working environment for a wide range of tech experts, from software architects to futuristic web designers.

Since Paf drives gaming operations both online and offline, the work of our technical experts spans likewise a wide range of tasks, including development of online games created by our own games studio, integration of games and payment systems from external service providers, and gathering data from our physical gaming machines. After pulling data together from these different worlds, we can offer a comprehensive view of our gaming operations to our stakeholders using tools like Kafka, Cloudera and Spark.

With its long history as an operator of physical gaming entertainment in form of slots machines onboard ferries and in casinos, Paf is generally not viewed as a tech company. However, as an international online gaming operator with over 400 online games and customers in six countries, Paf is growing its technical hub at an accelerating speed and raising the stakes as a future go-to employer among technology companies in the Nordic region.

Tech highlights at Paf during 2017

In order to offer a more entertaining and fun experience to our online customers, we have moved from releasing new features with 3–4 weeks intervals to a continuous delivery system. In practice, this means that instead of some 15 new features that the previous system would have allowed for during the same time frame, we delivered roughly 500 new features between June and December of 2017.

We achieved this by switching to a more agile release process mid-2017 for our legacy system and introduction of a microservice platform.

- This shift was enabled by implementing new tools, new processes and a change in our mindset, says Lars-Göran Hakamo, DevOps Evangelist at Paf.

Freedom, trust and diversity

Paf is becoming a highly compatible option in the job market for developers who appreciate the freedom to create as well as the opportunity to learn and share knowledge about coding within the developer community. Our growing tech hub offers advantageous surroundings for agile and independent work while also supporting horizontal development among its experts.

Francois Maugis, head of systems, tools and data at Paf, sees diversity and trust as some of the key drivers of the most successful technology companies today:

- Diversity stimulates creativity. The multi-national environment enables merging different perspectives, which helps fresh ideas to spire. We work with building trust among our people, since trust enables the teams and individuals to reach the level autonomy that is needed for freedom and creativity in everyday work. Trust is also central in breaking down silos and fueling inspiration. We also work actively to be able to provide our developers with the tools they need.

Setting our sights on recruiting top talent

During 2017, the tech hub has recruited 15 new developers and is on the lookout for more talent. Roberto Zagni, head of the database development team, posits that recruiting the best developers and helping them thrive at Paf are investments well worth our while:

-Talent attracts talent, so we are focusing on getting the best people on board. During 2017, we have hired 15 new developers in Finland and on Åland, where we now have roughly 100 developers from altogether 22 different nationalities. The road from journeyman to master within the craft of coding is often eased by way of working closely with top craftsmen. My hope is that the volume of our relatively large and constantly growing developer community will attract many more top recruits in the near future.

Francois Maugis shares Roberto's hopes:

- It's really quite simple, he says. - If we're not in the top five tech employers in Finland, we can't attract the best developers out there. That's why our goal is to become one of the top five tech employers in Finland within the next three years.



Francois Maugis, Head of Systems, Tools and Data



Fredrik Wiklund,
Head of System Operations

Keeping the wheels running

Fredrik Wiklund runs the System Operations Team based in Mariehamn and Helsinki. The team is responsible for system software and hardware as well as networks, version updates, security updates and developmental support.

– Our main focus is to keep the site up and running 24/7 all year round, so somebody from our team is always on call. However, it's not usually a critical issue when we are called in, because we continuously analyse the trends of all of our critical systems and proactively intervene before there is a problem, says Fredrik Wiklund.

Though all 12 team members are specialized in a certain area, the team prefers to work holistically and draws on the members' overlapping skills. Sharing responsibility and maintaining a holistic mindset helps the team keep the site running. The team members come from six different countries, which Wiklund sees as an asset in the daily work.

– I think our diverse cultural backgrounds help us navigate the varying situations we are faced with in our work. Our team members come from Finland, France, Portugal, Ukraine, Russia and India, and we can all contribute in different ways from our different angles to finding the best solutions within a restricted time-frame, Wiklund explains.

During Fredrik's 10 years at Paf he has seen the company develop into a more dynamic tech company and his team has a crucial role in supporting cutting edge development:

– Two years ago the applications controlled too much of our work. Now it's different. Now the developers tell us what they want and we provide it. It's better for the business. The business doesn't care what kind of application does the work – the focus is on the functionality. Developers also need dedicated servers for testing their new 'proof of concepts'. Today, we have over 700 virtual servers running in the system. It's a very dynamic setup. Considering our size and speed, maintaining order in a dynamic set-up characterized by continuous change is, in my opinion, our biggest challenge.



Pros in text and tone

All of Paf's copy and translation requests are processed by Copy Hub. The hub provides support throughout the organization and facilitates communication in many different areas of business in a wide range of languages.

Paf's Copy Hub is a fun and international team, where everybody brings something special to the mix of languages and culture. The Copy Hub comprises of nine professionals

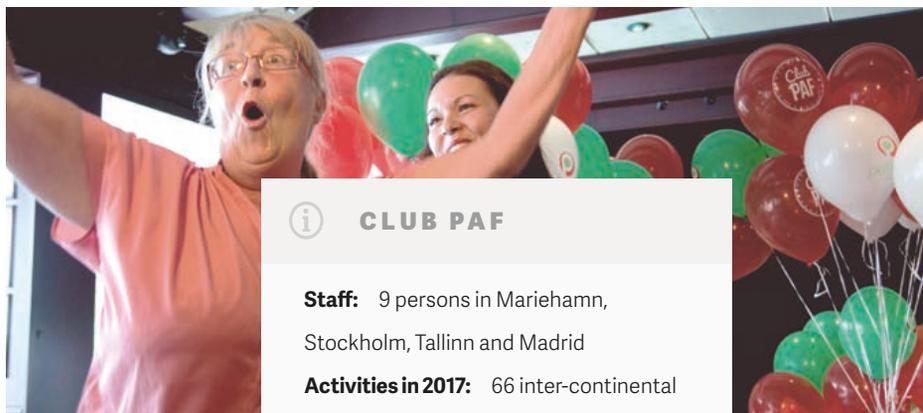
COPY HUB

Staff: 9

Main languages: English, Estonian, Finnish, Latvian, Russian, Spanish, Swedish

Copy orders processed in 2017: 1334

from different backgrounds within the field of communication from copywriting and marketing to technology, translation, linguistics and journalism. Apart from copy and translations, the team works towards ensuring that Paf maintains a distinct tone and feel that supports our brand.



Funtastic adventures

CLUB PAF

Staff: 9 persons in Mariehamn, Stockholm, Tallinn and Madrid

Activities in 2017: 66 inter-continental trips, 4 poker trips in Europe, events onboard ferries, local events on Åland as well as in Sweden, Estonia & Spain.

Some of our 2017 destinations: Las Vegas, Cologne, Croatia and Dubai

Our live customer experience experts at Club Paf provide customers a chance to come together in real life to share the fun. Customers can win seats at our friendly and relaxed gaming events where having a good time playing together is in focus. Customers can also win trips with Club Paf, who literally go the extra mile for customers, rain or shine.



Relevant messages – on time and on target

One of the less visible but central Paf teams is specialised in digital marketing and communication. The team, called Cross-channel Communications (CCC), continuously informs our current and potential customers of our latest games, events, prizes and offers in a wide range of channels. Based in Mariehamn and consisting of 11 dedicated professionals led by Eva Wiklund, head of cross-channel communications, CCC is responsible for targeted messaging in accordance with applicable laws.

In order to create relevant, timely and effective message content for customers, information about the latest news and events is continuously gathered from a number of different teams within Paf and curated by the CCC team.

– We then plan, compile and send out messages formed around this information. We also use data and customer feedback to discover what each group of customers are

interested in and try to cater to their interests in order to enhance their overall customer experience. All of our customer messages also include information about how to enjoy gaming in a responsible way, Eva Wiklund explains.

New marketing automation technology, such as programmatic buying, enables the CCC team to buy media space for advertising in for example Spain from Åland without using local media agencies between us and publishers. Riikka Stenborg, who has worked closely with paid media, sees insourced advertising as a great way of accumulating useful marketing data.

– In short, this is a highly cost-effective way of reaching the right audiences based on the relevant data. Seizing this opportunity to insource our digital advertising has absolutely been advantageous for us, Stenborg says.



Customer support: more jobs and top results

For many Paf customers, the only living point of contact with Paf is our customer support that ensures that they have the best possible customer experience. It is therefore our priority that customers' inquiries are met with skill, precision and friendliness within a reasonable time frame. Customers also provide important feedback regarding our site, games and campaigns that helps us make needed adjustments



CUSTOMER SUPPORT

- **91.7%** of customers gave customer support **4 or 5 points** (out of a maximum of 5 points) in an external customer satisfaction survey
- The new live chat channel **covered almost 30%** of all incoming contacts by the end of the year
- The average email response time was **reduced by 90%** (during our opening hours)



Shorter response times and in-house competence

Having been partially outsourced for more than 8 years, our customer support functions were moved back to us at Paf in the autumn of 2016, and the year 2017 was the first whole year that these functions have been covered internally. This insourcing has created 38 new job positions and enabled different teams to work more closely together to deliver the best possible customer experience.

During 2017, our customer support team has worked actively on improving and speeding up internal processes as well as on developing internal tools. In March, we launched live chat as a complement to our other customer communication channels. Thanks to better channels, improved internal processes and updated tools, the team succeeded in reducing email response time a whopping 90 per cent during the year.

In order to raise our in-house awareness of our customers' needs and to better facilitate the collaboration between customer support and other teams, Paf employees were invited to follow the work of the customer support team. This was realized on 13 occasions during A Day in Customer Support, where members from other teams across the board had the chance to learn more about the what, how and why of the work carried out by our customer support as well as how other Paf teams' work affects our customers and their gaming experience.

In December 2017, Paf was shortlisted for the Best Customer Service Operator award in the EGR Nordics Awards.



The Åland University of Applied Sciences and Novia University of Applied Sciences on a study visit to Paf. Pictured, from left: Rector Jonas Waller (Åland UAS), Department Manager Erik Englund (Novia UAS), Andreas Henriksson (IT/Paf), Aino Waller (Communications/Paf) and Jenny Schauman-Linevik (HR/Paf).

■ Listeners and speakers of culture

The Communications team works towards the entire organisation and helps in building the company's intangible resources through effective communication in different channels. The team analyses Paf's corporate image, handles communicative challenges, plans strategic communication messages and is responsible for Paf's sponsorship agreements.

Some of the core areas of corporate communications include:

- Media relations
- Corporate image and reputation management
- Corporate communication strategies and planning
- Public relations & sponsorships
- Corporate identity and corporate culture



Sponsorships for a strong brand

Paf initiates sponsorship agreements with selected partners in order to strengthen its positive brand image and to bring added value to its customers. In the long run, successful sponsoring partnerships help support our communicative and marketing goals.

- When planning our sponsorships, we strive to find partners that are relevant to our customers, give us visibility in the right channels and are in synch with our corporate identity, says Ludvig Winberg, head of sponsorships at Paf.

Sponsoring the right brands, projects, events and personas can be a strong brand building tool, and it is important that the values represented by our sponsorship partners are aligned with our company values.

- Our company philosophy is built around the idea of being both highly entertaining and highly responsible, and therefore these are things that we also look for in our sponsoring objects. It goes without out saying that our sponsorships always need to be built around a business case. After all, entering a sponsorship deal is essentially an investment in our brand, Winberg explains.

Our sponsorship highlights in 2017



Paf Masters Tour 2017 - part of the Curling Champions Tour, Paf Masters Women's Curling Championship is a world class curling event. The local organizer for Paf Masters is Ålands Curlingklubb.

Figaro 1917 - a large scale opera project realized on Åland based on Mozart's opera The Marriage of Figaro. The production has been coordinated by the cultural association Kulturföreningen Katrina.



Micke Björklund - celebrity chef, restaurateur and cookbook author from Åland, who owns and operates restaurants on Åland and in Finland and is a known figure from both television and social media.

Karelen, Karelen - a musical theatre performed by Flera Röster (vocals), Andreas Nyberg (violin), Kaj Sundblom (piano), Alexander Walldén (bass), Anton Johansson (percussion) and Ylva Watkins (dance) with original music composed by Kaj Sundblom.



Robert Helenius - professional boxer based on Åland. He is a two-time former European heavyweight champion, having held the title twice between 2011 and 2016.



Stina Lindell - world elite powerlifter in classical powerlifting. Three-time Finnish champion and bronze medalist in the European Championships.

SteelFM-hjälpen - non-stop charity drive broadcasted live on radio during several days to raise funds for Save the Children on Åland. The goal was to collect at least €15,000. In the end, the drive helped raise a total of €66,000.



Åland United - women's soccer team playing in the Finnish league since 2005. Two-time league champion (2009 and 2013). Two second and two third places in the league.



**EMPLOYEES FROM
34 COUNTRIES**

WHEN COMPETITION IS HARD
DIVERSITY IS KEY



*“The multinational environment enables **merging different perspectives,** which helps fresh ideas to spire.”*

-Francois Maugis, Head of Systems, Tools and Data



CHAPTER 4

Our contribution

On the distribution of our profit and the initiatives
that help our community thrive.



Together for a sustainable community

Healthy and thriving companies and societies alike are built on a culture of engagement and a sense of community. Research even suggests that social capital is connected to better health and longevity.

Thanks to the work of the regional government of Åland as well as the continuous engagement from associations, project groups and individuals, Åland upholds a strong sense of community.

Hundreds of applications for grants and loans for the funding of projects, investments, events and activities are submitted to the regional government annually, and with the help of the dedicated professionals in the regional government, the funds generated by Paf are distributed to the community.

The efforts put into many different initiatives are translated into a rich flora of sports, culture and art in our archipelago in a safe and clean environment. Despite their varying character, all of the initiatives funded by the profit from Paf have one thing in common: they help to sustain and develop Åland, our unique place on earth, by creating value, promoting inclusion and safety and by stimulating our dreams for the future.



Government officials

1, Social sector: Synnöve Jordas (Specialist), **2, Culture:** Yvonne Törneröos (Cultural Affairs Coordinator), **3, Youth, sports and investment funding:** Jan-Ole Lönnblad (Cultural Affairs Director), **4, General activities, investment funding and event grants:** Annelie Karlberg (Financial Officer), **5, Environment:** Mia Westman (Environmental Engineer), **Integration:** Johanna Fogelström-Duns (not pictured), **Sports:** Jani Westerlund (Ålands Idrott, Sports Director, not pictured)

Paf Allocation board

The Allocation Board consists of one representative (and substitute) from each of the association's members, a representative (and substitute) from the Åland Cultural Delegation and a representative from the Åland Regional Government. The Allocation Board is appointed for two years at a time. The representative of the Åland Regional Government acts as chairman of the Allocation Board.

Members of the allocation board

Ålands Handikappförbund
Ålands Idrottsförbund
Ålands landskapsregering
Ålands Marthadistrikt
Ålands Penningautomatförening
Ålands Sjöräddningssällskap
Ålands Ungdomsförbund
Finlands Röda Kors, Ålands distrikt
Folkhälsan
Kulturföreningarna
Rädda Barnen

Ålands Idrott

Ålands Idrott was founded in 1995 as an umbrella organisation for sports on Åland, and has had the mandate from the Åland Regional Government to allocate funds into sports on Åland since 1999. The organisation also supports its members in different ways and represents them in the communication towards the authorities, politicians, etc. Ålands Idrott consists of 70 member associations, all of which are registered associations.

The Cultural Delegation

The Åland Cultural Delegation is a politically appointed group which falls under the Government of Åland. It is tasked to promote and develop cultural life in Åland, which is done e.g. by awards, scholarships and allowances for cultural institutions, associations and individuals.

How is the profit allocated?



1. Budget

With financial information from Paf, the Allocation Board (sw. fördelningsrådet) informs the Åland Regional Government of the estimated net profit for the current business year and outlines recommendations for the distribution of the profit within the month of September (in accordance with the provincial regulation LF 1993:56).

The government officials compile a budget proposal for their respective areas of expertise based on the recommendation of the Allocation Board. The proposal is reported to the Regional Government where a budget is drafted and sent to the Åland Parliament where the budget is adopted.



2. Applications

Applications for grants and loans from the Paf profit are to be received by the Regional Government by 15 October of the year preceding the year of the possible grant or loan. Applications for grants for organizing events can be submitted continuously, but at least three months prior to the planned event.



3. Proposal

A proposal for the allocation of the funds is drafted by the dedicated government officials on the basis of the received applications within the following areas:

- Social
- Environment
- Youth
- Sports, gear and facilities
- Culture
- Other general activities, events and construction projects

The proposal is reviewed by the Allocation Board.



4. Decision

After the draft proposal has been taken up by the Allocation Board, each responsible administrative official reports the allocation proposal to the responsible minister within the regional government for a decision. Grants for sports activities are proposed to the board of directors of Ålands Idrottsförbund (Åland sports association) for a decision. Likewise, grants for cultural activities are proposed to the Åland Cultural Delegation for a decision.

The Åland Cultural Delegation and the Cultural Planner may consult experts who provide insights in art, literature, music and film. In addition, the working group for Artists in Residence may be consulted in decisions related to residency matters.



5. Distribution

The funds are distributed through payment to the recipients as:

- Working grants
- Culture grants
- Travel grants
- Event support
- Project support
- Operating support
- Elite support
- Investment support

Distributed 1966-2017:

€289,497,258



Beneficiaries 2017

Department of Finance / Event grants

Åland Triathlon Club, Bomarsund trail run
Åland Triathlon Club, Kärlingsundsloppet
Ålands Curlingklubb, Nordiska juniortävlingar, tjejer/killar
Ålands curlingklubb, Paf masters women curling tour
Ålands simförening, Bomarsund open water challenge
Ålands triathlonclub, Åland Swimmun
Ålenskur islandshästförening, Istölt
Tai chi föreningen Vita tranan, Internationellt läger

Department of Finance / Integration

ABF, skärgårdskultur för inflyttade
Emmaus, integration genom arbete

Department of Finance / Investment grants

Ålands 4H-distrikt rf, gödselhantering ramp till kastflak
Ålands Stjöräddningssällskap, byte av bränstetankar
Finströms kommun, Fastighetsförbättring Godbyhallen
Germundö Alpin, belysning, ny nedfart, snötilverkning, tidtagningssystem
Hammarlands Idrottsklubb rf, Hammarwallen
renovering 2 omklädningsrum
Hembygdens vänner, Frideborg
Jomala kommun Vikingavallen, grundförbättring av motionsspår 3 km
Mariehamns stad, Led-belysningsarmaturer stadens motionsbanor
Mariehamns stad, Mariebad vattenreningsssystem
Mariehamns stad, Pommendocka
Mariehamns stad, ute gym Idrottsparken
Norra Ålands högstadiestrikt, konstgräsplan
Saltviks kommun, Ny beläggning på tennisbanor i Kvambo
Saltviks kommun, ombyggnad och tillbyggnad Rangby skola
Södra Ålands högstadiestrikt, multiarena vid Kyrkby högstadieskola

Department of Finance / Loans

Emmaus, inköp av fastighet för möbel- och byggetur
Hembygdens vänner, Frideborg
Saltviks kommun ombyggnad och tillbyggnad Rangby skola

Department of Finance / Action grants

Ålands 4H-distrikt rf.
Ålands Brand- och Räddningsförbund rf. inkl. ungdomsverksamhet projektbidrag
Ålands Bruks- och Sällskapshundsklubb
Ålands feministparaply
Ålands flygklubb rf. bistå vid räddningsuppdrag
Ålands Guiderrf.
Ålands Hästsportförening rf.
Ålands Marthadistrikt rf.
Ålands Marthadistrikt rf. specialprojekt martha mot matsvinn
Ålands Stjöräddningssällskap rf.
Ålands Stjöräddningssällskap rf. Specialprojekt WBTS utbildning
Finlands Röda Kors, Ålands distrikt, frivilliga räddningstjänsten
Föreningen Norden på Åland rf. Specialprojekt
Föreningen Norden på Åland rf. varav nordjobb 26000
Föreningen Vårt hjärta rf, specialprojekt ett modigt hjärta räddar liv
Lemlands jaktvårdsförening
Skördefestens vänner rf
Skördefestens vänner rf specialprojekt, samhällsekonomisk analys
Stiftelsen Ålands fredsinstitut sr
Stiftelsen Ålands fredsinstitut sr specialprojekt
e-kurs territoriella autonomier
Visit Åland rf

Sports/ Gear and facilities

Agilityax
Ål sportslytteförening
Åland Triathlon Club
Ålands Idrottscenter
Ålands judoklubb
Åländska segelsällskapet
Finströms kommun
Föglö kommun
Germundö Alpin
Lumparlands kommun
Mariehamns stad
MH-gymnastikförening
MSF
Ridklubben Sleipner

Cultural Delegation / Working grants

Fredrik Erlandsson
Henrika Lax
Marc Svahnström

Cultural Delegation / Finland 100 years

Ahveniset
Ålands konstförening rf.
Ålands kulturstiftelse rf.
Ålands Lyceum
Ålands Natur och Miljö
Åländska hbt-föreningen Regnbågsfyrn
Brändö grundskola
Emmaus Åland rf
Flera Röster
Föglö Hembygdsförening rf
Geta kulturförening rf.
Godby högstadieskola
Jomala bibliotek o kultur
Kökar grundskola
Kökar hembygdsförening
Kulturföreningen Katrína
Kulturkampen
Kyrkby högstadieskola
Lumparlands skola
Mariehamns Pensionärsförening rf
Milan daghem
Önningeby hembygdsförening rf
Övernäs skola
Sällskapet Bel Canto Alandia rf.
Stiftelsen Ålands Jakt- och Fiskemuseum
Strandnäs skola
Vikingaåsens skola
Ytternäs skola

Cultural Delegation / Investment grants

Ålands bildningsförbund
Ålands telehistoriska förening
Arbetarnas bildningsförbund
Eckerö hbf
Eckerö u.f.
Enklinge hembygdsförening
Finströms kommun
Föglö hbf
Geta u.f.

Hembygdens väl
Lumparlands u.f.
Mariehamns stad/ Medis
Vårdö bönehus

Cultural Delegation / Cultural award

Sally Salminen-priset till Peter Hägerstrand

Cultural Delegation / Culture grants/ Film

Rasmus Olin

Cultural Delegation / Culture Grants/ Art

Amanda Charifreau
Ann-Louise Törnqvist
Annika Lahti
Caroline Pipping
Daniel Eriksson
Edward Johansson
Erica Petterson
Karl Henrik Edlund
Kjell Ekström
Lena Wilson
Linda Smith
Marcus Boman
Marika Markström
Mikko Snellman
Nayab Ikram
Sajja Saarela
Tove Chanfreau
Tuulikki Huovinen

Cultural Delegation / Culture Grants/ Music

Anna Randein
Anton Johansson
Emelie Eriksson
Jan-Erik Ramström
Johan Henriksson
Kaj Backas
Markus Helander
Victor Förström

Cultural Delegation / Culture Grants/ Theatre

Grete Snelvedt
Nicklas Lantz

Cultural Delegation / Literature grants

Cita Nylund
Gerd Karin Nordlund
Gunilla Wahlsten
Håkan Kåves
Janne Kuitmaa
Johanna Boholm
Johanna Boholm
Karin Erlandsson
Kristin Lives
Pernilla Lindroos

Cultural Delegation/ Project grants

Åland Action Art
Ålands Gospel rf.
Ålands Kulturförämjande rf.
Ålands Skeppsbefälhavareförening rf.
Birdpeople
Boken som bro till Japan/E. Johansson & A. Murakami
Brändö kommun
Det händer på Sottunga
Finlands svenska hembygdsförbund (FSH)
Finström kommun/historiegruppen
Hembygds Vänner i Sottunga rf.
Kökar Röster
Krigsveteranerna på Åland rf.
Krisgruppen Marika Sundqvist
Kultur i Båken
Kumlinge byalag
Läsande Föreläsare
Lika Productions
Max Teater rf.
Medeltidsföreningen å Austrvega
Sällskapet
Sälskärs Fyr rf.
Skärgårdsteatern 2017
Skatbo arbetslag
Teater Kuling rf.
Together 4 life
Zero

Cultural Delegation/ Support for autonomy/festivities 2017

Ålands Fredsinstitut
Garantiföreningen för Matsmårs
Kastelholmsnejdens byalag
Kökar Marthaförening rf.
Önningeby hembygdsförening

Cultural Delegation/ Action Grants and special projects

Åbo Svenska Teater rf.
Alandia square dancers rf.
Alandia Strings rf.
Ålands Accordion Club rf.
Ålands amatörastronomer rf.
Ålands Brand- och Räddningsförbund rf.
Ålands Dragspelsklubb rf.
Ålands Konstförening
Ålands Litteraturförening rf.
Ålands Mångkulturella förening rf.
Ålands Radioamatörer rf.
Ålands sång- och musikförbund rf.
Ålands Skötbåtsförening rf.
Ålands Slöjd- och Konsthandverk rf.
Ålands Spelmansgille
Antons Vänner rf.
Bomarsundssällskapet rf.
DUV på Åland rf.
Eckerö Ungdomsförening rf.
Filmklubben Chaplin rf.
Föglö Hembygdsförening rf.
Folkdansarna på Åland rf.
Folkmusiklaget Kvinnfolk rf.
Föräldraföreningen Bild- och Formskolan rf.
Förbundet Ålands Sjödaggar rf.
Föreningen Ålands Emigrantinstitut rf.
Föreningen Ålands Orgelfestival rf.

Föreningen Åva byalag rf.
Fornföreningen Fibula rf.
Fotoklubben Obscura rf.
Garantiföreningen Matsmårs rf.
Geta Kulturförening rf.
Hemsjösgillet i Mariehamn rf.
Kappsäcksteatern rf.
Kobba Klintars Vänner rf.
Kökar Hembygdsförening rf.
Kökarkultur rf.
Kompani Nord Teaterförening rf.
Kulturfestival på Åland rf.
Kulturföreningen Katrina rf.
Kumlinge Byalag rf.
Lappo uf/Skärgårdsmuseet rf.
Lumparlab Teaterförening rf.
Mariehamns Strategisklubb rf.
Nybonds i Krogstad rf.
Önningeby Hembygdsförening rf.
Sällskapet Bel Canto rf.
Skeppgården Pellas rf.
Skeppsföreningen Albanus rf.
Stiftelsen Ålands Jakt- och Fiskemuseum r.s.
Stiftelsen Sjökvartret r.s.
Stödföreningen för Ålands Jakt- och Fiskemuseum rf.
Sund Kultur rf.
Swingskeppet på Åland rf.
Teater Alandica rf.
Teaterföreningen i Mariehamn rf.
Visans vänner på Åland rf.
Visor så in i Norden

Cultural Delegation/Other

Keijo Hiltunen

Environmental grants

Ålands Biodlarförening rf.
Ålands djurskyddsförening rf.
Ålands fågelskyddsförening rf.
Ålands landskapregering miljöbyrå, specialprojekt
Ålands Näringsliv rf. Specialprojekt
Ålands Näringsliv rf. Specialprojekt
Ålands Natur och Miljö rf.
Energ- och miljötekniska föreningen i landskapet Åland rf.
Husö biologiska station/Åbo Akademi
Nätö biologiska station / Societas pro Flora et Fauna Fennica rf.
Rädda Lumparn rf.
Stiftelsen Ålandsfonden för Östersjöns framtid r.s.
Världsnaturfonden, Finlandsstiftelse sr WWF specialprojekt

Social sector/ Action grants and special projects

Ål, motorföres helnjakterhetsförening rf.
Ålands autismspektrumförening rf.
Ålands cancerförening rf.
Ålands fackliga semesterorganisation rf.
Ålands fountainhouse rf.
Ålands hälso- och sjukvård - Tobaks kampen
Ålands hälsoalternativ rf.
Ålands handikappförbund rf.
Ålands handikappförbund rf. – Fixtjänst
Ålands hemgårdsförbund rf.
Ålands hörselbarn rf.
Ålands intresseförening för psykisk hälsa
Ålands neurologiska förening rf.

Ålands reumatförening rf.
Ålands synskadade rf.
Åländska HBT-föreningen Regnbågsfyren rf.
Andning & Allergi Åland rf.
De utvecklingsstördas väl på Åland rf
Demensföreningen på Åland rf.
Diabetesföreningen på Åland rf.
Emmaus Åland rf
Finlands Röda Kors Ålands distrikt
Finlands Röda Kors Mariehamns avdelning
Föreningen Vård i livet rf.
Föreningen Vårt Hjärta rf.
Fri från narkotika Åland rf.
Krigsveteranerna på Åland rf.
Landskapsföreningen Folkhälsan på Åland rf
Mariehamns pensionärsförening rf.
Norra Ålands pensionärer rf.
Pussel familjen rf.
Rädda barnen på Åland rf.
Socialmissionen på Åland rf
Stall JoYs handikappridklubb
Stiftelsen Hemmet r.s
Vuxna på stan rf.

Travel grants

Åke Hillar
Arbetsgruppen Tittut
Elspeth Randelin
Johan Karrento
Kari Henrik Edlund
LaDena Laine
Linda Smith
Nayab Ikram
Ursula Sepponen
Zaida Porthin

Youth

Ålands scoutdistrikt
Ålands Ungdomsförbund
De utvecklingsstördas väl
Emmaus Åland rf.
Natur och miljö
SKUNK rf.
Ung resurs rf.
Ungdomens Hus
Ungmartha

This list includes the beneficiaries who received Paf funds during 2017 and that have been reported to us by 28.2.2018 by the regional government of Åland.



For our island community



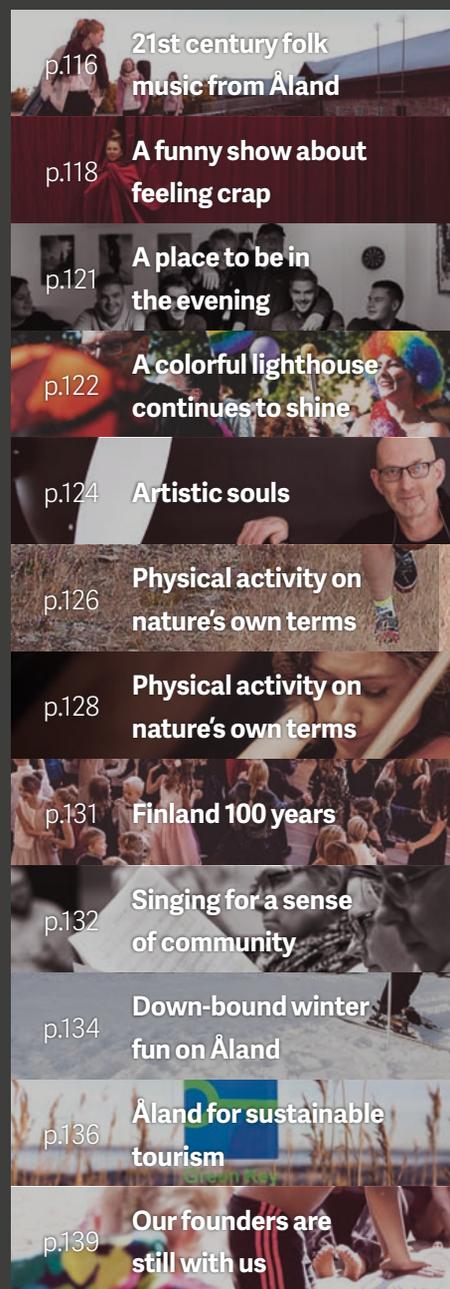
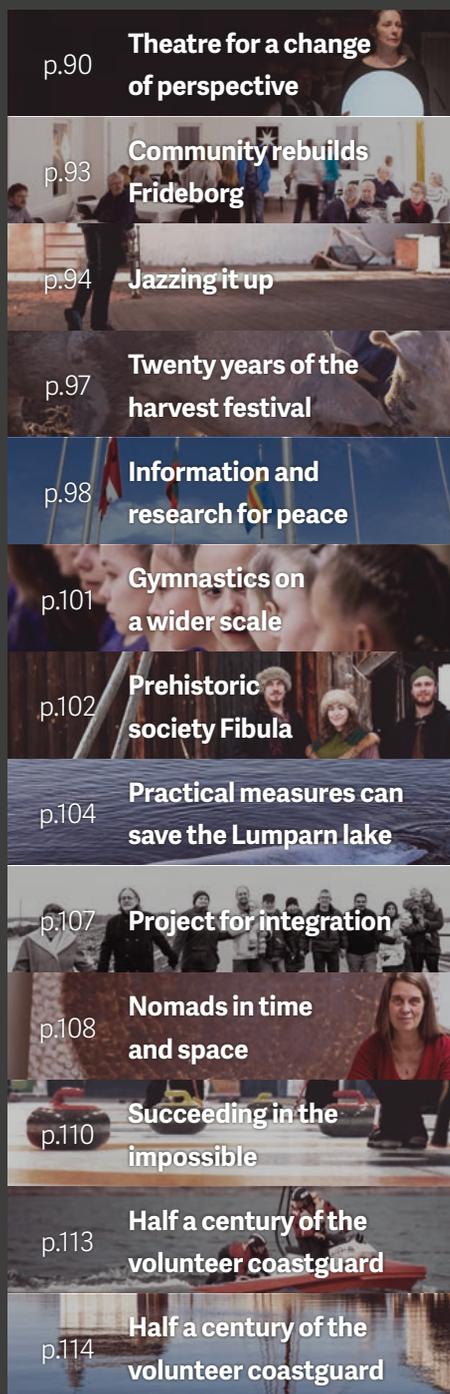
In 2017, 15 million euros generated by Paf in 2016 were distributed to the Åland community. The 309 beneficiaries can be found in list to the left. The map below indicates the places on Åland where the beneficiaries are registered. In this chapter, you can read about a selection beneficiaries from 2017.

Grants & loans 2017

Social activities	3,257,000
Environmental activities	450,000
Youth activities	482,000
Sports activities	1,640,000
Cultural activities*	1,788,000
Leader grants	95,000
Other general activities	2,400,000
Investments	1,000,000
Events	100,000
Integration	40,000
Loans	3,738,000
Total	15,000,000

*2017, 100,000 euro for Finland centennial celebrations

Overview - beneficiaries 2017



Lumparlab

Theatre for a change of perspective

Norrboda, Lumparland is the home of a culturally multifaceted Norwegian expat who is strongly rooted on Åland but works within the whole of Europe. The performing arts teacher and actress Grete Sneltvedt has been a “summer Ålander” since the early 2000s and has found a place here where she wants to grow old. After several decades in theatre she has created an extensive network and through the Lumparlab association she now facilitates contacts between Nordic and Åland actors and the European theatre scene.

In addition to Grete, Lumparlab consists of Leo Löthman, Arn-Henrik Blomqvist, Joanna Isaksson and Annikki Wahlöö. Their

activities are based on two pillars — the first of which is a kind of “theatre lab” which has given the association its name.

– We bring together local talents with actors, directors and other theatre people from Germany, England, Finland, Sweden, Italy and Greece to research and develop the art of theatre, says Grete.

Lumparlab's other pillar consists of the different performances that are born out of the labs - thus far children's performances Snäll och Ravn, a new version of King Lear and most recently the musical theatre piece Sömnens Rymd written by Kjell Frisk, which was performed at the Önningeby museum in





November 2017. Lumparlab have also been active in school environments as well as at theatre festivals in Tromsø and Tuscania.

– Minimalism is important to us, so we pack everything we need in a car and just head off. There is no need for stage lights, curtains or even a stage, Grete explains.

The Sömnens Rymd theatre performances at Önningsby museum were well received by critics in the local media. Critics agreed that this kind of more personal, artistic theatre had been missing from Åland. The plan is now to spread Lumparlab's existing performances to a bigger audience, both on and outside Åland. One of Grete's upcoming projects is built around the mythical figure Medea, with the opening night in Athens planned for the spring of 2019.

Grete thinks that the purpose of art is to be a little disobedient, challenge perspectives and make people think.

– A neighbour from Lumparland told me after Sömnens Rymd that she thought that it wouldn't be her thing. That it would be too difficult. "But it wasn't at all difficult, it was about life" he told me. In Lumparlab we are working to expand our understanding of the craft of stage performance and its possibilities. It's difficult to measure the effect of culture, but I think that it is there to create contact between people and to open discussions about existential questions.



Hembygdens vänner i Jomala r.f.

Community rebuilds Frideborg

On the night of February 4th, 2015, the youth facilities at Frideborg in Jomala burned down beyond repair in a violent fire. The house was from the early 1900s and was a kind of community landmark. The early name of the building reflected its role in the village life; it used to be called Fredens Borg, or the fortress of peace.

In January 2018, the new building raised on the site of the historical one was inaugurated. Designed to facilitate weddings, parties and other social gatherings, the new house has a light and spacious interior, with high ceilings and ample room for socializing. The new building, designed by architect Michael Donalds, resembles the old one but is slightly larger and has modern kitchen facilities. The

original name plate above the front door is a bit charred on the edges. It is the only thing left of the old Frideborg.

– We wanted the outer physical appearance of the new house to resemble the original. This was a wish communicated to us by many people in the community, and I think that we have definitely succeeded in granting them this wish, says Jens Wickholm, chairman of the local association Hembygdens Vänner i Jomala.

– Many of us have grown up at Frideborg – we have celebrated weddings and birthdays here and participated in youth activities... that's why it was so important for us to see this building raised again. Now we can all continue gathering here.



Fredrik Erlandsson

Jazzing it up

Imagine having the chance to take time off from a job you truly enjoy in order to work on your great passion for a whole year. Fredrik Erlandsson is doing exactly this, and admits that it feels like a dream come true. That said, making the most of this opportunity also means hard work. In 2017, Fredrik took some time off from his job as a musician in the Jomala lutheran congregation in order to arrange music on a scholarship. Thankful for this privilege, he decided to start off the year by creating a number of new arrangements for musicians on Åland.

-I wanted to begin by creating new arrangements for a number of different bands and choirs. My thought was that this would be a good way to get into right mode

for focusing on the rest of my arrangement work. Thus far, the youth orchestra ensemble Ungdomsorkestern, Alandia Big Band and some choirs have received new arrangements of pieces that they may use as they see fit. Fredrik's musical arrangements often lean towards jazzy accords and are characterized by a built-in quiriness that makes the listener smile.

-It may be that catching much of the musical humour in my arrangements requires some musical frames of reference. For example, you might recognize a two-hundred-year-old accord in a modern jazz arrangement. And this is an important part of why I love working with arranging music.



Fredrik confesses without hesitation to being a music nerd. At home, he listens exclusively to jazz from 1945–1965.

-It swings, there's a drive, it's sophisticated and well performed. I know that three accords can be enough, but for me playing music with only three accords feels like painting with only black and white. There's a whole palette that you can use, so why not use it?

Were it not for his everyday family life, Fredrik could engage in music during every waking hour. There is so much more to learn, despite the fact that he has studied music. In addition to the trumpet, Fredrik has played both piano and guitar. However, it is the trumpet that he regards as his own instrument.

It's easy to play the trumpet, and it appeals to me like no other instrument. It's as if it is a part of me.

In August 2018, Fredrik will have arranged two hour-long repertoires, one for a string quartet and one for a jazz quartet.

-I am very demanding when it comes to myself. Before I wrote my first big band arrangements, I read the course material three times in order to know what I was getting into. If something that I have planned has not been up to my standards, I let it go and continue on something else. But in the end, this year will hopefully result in concerts or recordings that the community can enjoy.



Skördefesten på Åland

Enjoying the fruits of harvest

It's difficult to imagine Åland without a harvest festival. For 20 years, the colourful and popular tradition on the third weekend in September has brought together consumers and producers. Guests from near and far visit the Åland countryside, the ferry companies schedule more trips, hotels are fully booked and almost every Ålander is involved in some way as a visitor or participant.

In 2017 the harvest festival celebrated a significant anniversary with the arrival of a new sibling – the spring festival Åland Grönskar, which will be held again in May 2018. As the days grow lighter in the Åland spring

there is a lot of activity in the countryside with the sowing and planting of everything that is to be harvested in the autumn. And of course, spring's vegetables finally arrive — asparagus, strawberries, rhubarb and those first delicate carrots fresh from the soil. Behind both events is the Skördefestens Vänner association with its director Liz Mattsson at the forefront:

– The Åland countryside is fantastic and it's really fun to be able to show off our creative, small-scale, craft food sector together with all the food producers, restaurateurs and other actors. It's really rural development at its best.

Information and research for peace

Peace and conflict resolution became an object of academic study in connection with the founding of the UN system after World War II. Research within this multidisciplinary field has since then steadily evolved and adopted new areas of focus. The mission of the Åland Islands Peace Institute is to function as an independent platform for research, information and education related to autonomies, minorities and peace, with special focus on the unique Åland model for autonomous regions.

– Autonomous regions benefit from practicing intellectual autonomy, and it is our important mission to provide information for the local community about Åland's political status, says Kjell-Åke Nordqvist, the Acting Director for the institute until March 2018 when Director and Head of Research Sia Spiliopoulou Åkermark returns from her research sabbatical.

The Åland Islands Peace Institute was established in 1992 during an optimistic and dynamic period that followed the end of the Cold War and the fall of the Berlin Wall. Some states that emerged from the former Soviet Union looked to Åland for ideas and solutions to new questions prompted by independence, such as questions related to minority interests and rights.

– The Åland Islands Peace Institute actually had an active role in the conflict resolution work carried out by OSCE (Organisation for Security and Co-operation in Europe) in Eastern Europe and Central Asia, Kjell-Åke says.

Through the years, the institute has received many visitors from conflict-ridden areas that have had an interest in the Åland model.

– Today, working for peace is a lot more than carrying signs and singing songs.





Academic research is carried out at well-known top universities, work within the political arena is much broader than before and the dialogue between the East and the West has evolved a lot since we started our work, Kjell-Åke posits.

– Autonomy as a political construct has become applicable and significant for minorities that are not served by other state structures. This was something quite unthinkable during the rigid atmosphere of the Cold War.

In the public sphere, the Åland Islands Peace Institute offers both large events, such as the Kastelholm talks on peace and monthly lunch seminars with themes ranging from local language policy to world politics. In the

fall of 2017, the institute celebrated its 25-year anniversary with a symposium themed Åland in the future. When it comes to the future of the institute, Kjell-Åke Nordqvist hopes for a broader and deeper focus on the central themes of autonomy, minorities and security.

– The world is changing and we are changing with it. We want to continue to make a relevant contribution to the field of research and decision-making as well as to those whose daily work involves resolving questions related to conflict and peace in other parts of the world.



Mariehamns Gymnastikförening

Gymnastics on a wider scale

With more than 600 active members and over 120 children and youths on their waiting list, Mariehamns Gymnastikförening (MGF) has an important role in local athletics. The association has existed since the 1930s, but it was only during the 1970s after the bar for training was raised that Åland put itself on the map within competitive gymnastics. Today the association is led by Ylva Watkins. She runs an association with a wide base and a smaller group of around 20 youths who train at elite level.

– Children can start training with us at almost any age. The idea isn't that everyone should try and become an elite athlete, so

those who just want to do it as a hobby can do that. Gymnastics is, at the end of the day, about getting to know your own body by hanging, climbing, jumping, rolling, balancing and spinning, says Ylva.

Right now MGF is looking to expand their facilities to accommodate those on their long waiting list.

– We would like to invest more in team gymnastics and would be happy to collaborate with other sports, as we can offer excellent ways of improving body control, coordination and flexibility. Gymnastics is a trendy and growing sport and it is really never too late to take it up.



Prehistoric society Fibula

Early 2018 saw the inauguration of the new timber building of the prehistoric society Fornföreningen Fibula in Vikingabyn. Built with hand-hewn 9-meter beams from Bolstaholm, the exterior of the building resonates the same Iron Age feeling as the rest of the village, while the interior comprises of modern facilities adequate for holding courses all year round. The association is hoping for more junior members and has therefore invested in recruiting its next generation of vikings.

– We are planning a wide range of arts and crafts courses for junior members in areas such as sewing clothes, woodwork, metal work, rope work, medieval fencing, etc. Our focus is on a level suitable for 8-9 years of age, says Johan de Manger, who is responsible for junior courses in the society.

Prehistoric society Fibula was initially called Hlödvergruppen when it was established in the municipality of Saltvik in 2000. The original name came from Hlödver den långe (en. Hlödver the long), who is believed to have been born in Saltvik 1000 years ago and supposedly sailed on king Olav Tryggvason's legendary viking ship Ormen Långe. The society decided to arrange the first of many

viking markets in Saltvik. Since then, the venue has seen a steady growth, with the number of participants, salesmen and buildings currently nearing maximum capacity.

– If we are to make room for more, we will have to expand the area, says society chairman Tom Danielsson.

Everyone in the society is fascinated by the Iron Age and the Viking period in their own way. John has an interest in historically accurate apparel, while Tom loves the simplicity of the historical way of life, and enjoys leaving his mobile phone at home, cooking over an open fire, building and timbering. Some may prefer to tend to the society's viking boats, while others engage in learning about fencing technique or natural dyeing of fabrics.

– The viking market is naturally a focal point, but we also enjoy a great sense of community. Within the framework of the Iron Age and the Viking period, we all find interests of our own. Currently, we are searching for persons who are willing to engage in maintaining the viking ship. And next year, the viking market turns 20 years. This calls for a proper celebration, Tom says.



Practical measures can save the Lumparn lake

While steering one's boat on the waves of Lumparn, it is hard to imagine how this crater lake came to being. Around 700 million years ago, a meteorite crashed in this area, which at the time was located approximately by the equator. The violent crash created the base for what became Lumparn, a lake with a flat bottom and a surface in constant movement.

Today, Lumparn lake and its adjacent bays are in acute need of help. Following reported high environmental stress in the area in 2014, the association Rädda Lumparn (en. Save Lumparn) was founded with the mission to improve the quality of the water and to increase awareness of the primary emission sources affecting the area. The chairman of the board in the association, Danne Sundman, describes the situation:

-There are only three small inlets into Lumparn, which is why the water is renewed

very slowly, and the long bays along the inlets have been damaged by households, agriculture and industry. To add to the problem, the topographical odds are against Lumparn, since it is a major drainage basin.

The work of the association is highly practical and involves a whole lot of no-nonsense ditch-squelching in knee-high wellingtons.

– It's fair to say that we have specialised in ditch-hiking. We hike in the area together with Peter Feuerbach from the independent environmental research and development association Hushållningssällskapet in Swedish Halland, trying to determine by a set of indicators how the environment has been affected, Danne explains.

During just three years, the association has implemented a number of practical measures for cleaning the environment around Lumparn. The farmers in the area



have received information and help in order to cut down on the emissions running out in the ditch, protection zones and wetlands have been established in a number of places, old problems have been identified, and several larger projects are underway to decrease the environmental stress on the Lumparn lake.

– I believe that we have come this far because we are not looking for scapegoats. Our point of departure is that everyone wants to do the right thing and we are here to help them do it, Danne says.

It is important to eliminate the biggest emission sources as soon as possible. Climate change has made the historically extremely infrequent heavy rainfall more common, which means that water masses flow through the area more often. The area is in an acute

need of more wetlands, and Åland should equip many more of its ditches with filters for capturing phosphorus and nitrogen. In the future, Danne believes that the association can have more influence as a knowledge base and a catalyst.

– We can connect the right people, help them find the right support, inform people regarding where to dig and how to establish natural water purification systems. There is a lot left to do, but I refuse to believe that the name of our association [Save Lumparn] is an exaggeration. If we are able to carry on with our operations, we can actually succeed in doing this.



Skärgårdskultur för inflyttade

Project for integration

Integration happens on many different planes, and informal learning situations, such as talking about everyday life or singing songs can be very effective ways to further integration where different cultures come together. When the Kumlinge municipality received two refugee families from Syria in 2017, there was a clear need for a place where immigrants and locals could meet. This need gave rise to the pilot project Skärgårdskultur för inflyttade (Archipelago culture for immigrants).

– People who move to Åland enrich and strengthen our community, but it's not always so easy to get to know the locals, to find natural settings for meeting people and to network, says project coordinator Mia Hanström.

The idea of the project is to create new activities or help immigrants participate in local activities where the people living the archipelago can meet each other and newcomers

from many directions. Thus far, activities have included for example midsummer wreath binding, mushroom picking and an info session about beekeeping. The experiences of participants are documented and will be utilized in further developing integration work within small municipalities.

– It has become apparent how important it is that there is someone who collaborates with the different associations, plans and informs about activities, takes care of the group and ensures that everything goes according to plan, Mia explains.

– Marketing and facility costs are minimal. Here in the archipelago, facilities are available without rent and information about events and activities can be posted on the grocery store bulletin board. Everyone is eager to help, but coordination is needed. This is an important lesson that we have learned from this project.



Nomads in time and space

In order to explore human relationships in an individual and collective continuum, Caroline Pipping uses sculptures that resemble all of us. At her recent exhibition held in Purnu (Finland), Caroline chose to name her group of straight-backed, raku-burnt ceramic figures “Just People” – and maybe it really is that simple. The sculptures look like ordinary people, and in the space between them, relationships and a sense of community arises.

– This idea that we have about people being separate entities is a fabrication. I am not just me and you are not just you. We are a part of each other as well, and carry the roots of our closest people within us. We are only separated by the thinnest film, Caroline explains.

Next autumn, Caroline Pipping’s work will be shown at the Åland Islands Art Museum in her first full-scale exhibition. The sculptures will be shown against the backdrop of monumental abstract paintings and the working title of the exhibition is “Nomads in time and space”.

– There is a special feeling in the sculptures and in the fact that I can create a range of different installations with them and be flexible with how I group them. The dynamic

between them changes depending on how they are placed – in groups or alone, facing each other or facing the viewer.

These sculpture figures are familiar from Caroline’s earlier paintings. They have been with her since her childhood in Africa and the adventures of her youth among the Navajo and Hopi Indians.

Raku is a dramatic, unpredictable and a little brutal ceramics technique. What comes out of the kiln can be something other than planned, which Caroline finds appealing both from an artistic and from a philosophical point of view.

– The raku technique was kept secret and was used solely by Buddhist monks until the 1970s. In Japanese aesthetics, raku is used in creating utility articles for tea ceremonies whose aim is to help us wind down and enjoy life. Remains of broken ceramic objects are welded together with gold in order to show the value of used and worn things, Caroline says.

– This is connected to the Zen Buddhist world view which holds that life just is, and I welcome this thought. The idea that we are in control is just an illusion.



Curlingcenter

pafmaster

OVER 200

mart

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Succeeding in the impossible

A popular myth says bumble bees are constructed in such a way they shouldn't be able to fly. In Eckerö the bumble bee has taken flight in a new form with the construction of a curling hall, and curling really has taken off – against all odds.

Åland Curling

When Mari Hansen, Thomas Jonsson, Janina Lindström, Peter Lindström and Sune Lindkvist came up with the idea of building a curling hall in the mid-2000s, few believed the idea could fly. There were no active players, nobody was really that interested in curling – hardly even the group who came up with the idea. But together they started Åland's Curling Club and set out on uncertain ground into the Swedish curling league in Mälardalen.

– Yep, it was a total disaster, we were beaten by teams all the time, recalls Mari who now works full-time in the hall.

The dream of their own curling hall grew out of the team's need for their own training facilities. And as the idea took hold among a particularly stubborn group of people it



managed to make traction so that by October 2013 Åland Curling's cozy and high-quality two-lane hall in Eckerö stood complete.

Today both of Finland's national youth teams have representatives from Åland's Curling Club and Mari and Janina's own senior squad is the best in the whole country. There are lots of company events arranged in the hall, a local league "Måndagscurlen", national team training sessions and competitions on many levels. Last year the first really big curling competition was organised on Åland. The Paf Masters managed to attract twelve top-flight teams from among the world's best including Korea, Canada and Sweden — all preparing for the Winter Olympics in Pyeongchang. The curling world is a small one and word of the perfect ice in the hall spread quickly.

– Peter is determined to become best in the world at producing the ice, says Mari.

– We received so much positive feedback

from the teams who thought it was the best tour tournament they had been to, so we are definitely starting to make a name for ourselves among the world's best organizers. Now we need to broaden the club's appeal locally and boost our junior training. We are also seeing new groups try out the sport, which is unbelievably fun, team-building and tactical and suits all ages. You get hooked on curling, I can tell you that from experience.



Ålands Sjöräddningssällskap r.f.

Five decades of **rescue work**

Breakdowns, vessels running aground, ambulance services, repairs, sea search operations—regardless of the weather the coastguard are ready to help, provide assistance and carry out rescue operations in local waters. Ålands Sjöräddningssällskap was founded in 1965 when a number of people involved in the Åland shipping industry took over the local coast guard that had previously been under Finnish control. Today, there are about 160 volunteers and five employees supported by 1,700 supporting members manning six stations around

Åland. On average, there are about 100 alarms per year as well as weekly exercises. The coastguard welcomes diversity and everyone who is willing to contribute.

– The only thing you need is a genuine will to help, says Lasse Gottberg, technical manager for Ålands Sjöräddningssällskap.

– We take care of all our own training and the basic course can be done in four evenings. Then you are a coastguard, with your name on our emergency call-up lists so you can be called in to assist when needed.

Showing the ropes in traditional sailing

The sail sump Jehu that made its maiden voyage 1996, is a replica of a sump from the 1700s designed by Fredrik Henrik af Chapman (1721–1808). Vessels of this type were used for transporting fish, and about a third of the vessel hull functions as a traditional fish sump, with 200 drilled holes for free water flow that helps keep the captured fish alive during transports.

Now it is time to replace the 20-year-old standing rigging consisting of the shrouds and stays that secure the mast in its place. But this is not a simple procedure.

– Finding hemp adequate for the task is hard in many areas of the world. Natural hemp has fibres that are over two meters long, but nowadays they are often chopped to pieces when the hemp is to be used in fabrics and other products, explains Astrid Olhagen, chairman of the association Ålands Skötbåtsförening that owns Jehu.

– The roping we have ordered comes from the viking ship museum Vikingaskibsmuséet in Roskilde, and in order to find the raw material they had to turn to a Chinese producer.

Association members will now make a collective effort to prepare the ropes for use, and the new rigging should be in place in time for the 2018 sailing season. Or then the work will be continued during next fall – only time will tell. Overall, timetables for maintaining the boats are seldom watertight.

– Something in the brain is recalibrated when you sail. Speed is not the highest priority, and the wind can turn or die down, which means that everything can take a lot longer than planned, Astrid says.

– I think it's good for us to not be able to steer all the time and to have to learn to take things as they come.



21st century folk music from Åland

3riksson is a young, Åland-based folk music group comprised (rather surprisingly) of two cellists and a violinist. Lydia and Francine Eriksson are two cello-playing sisters who formed 3riksson together with their violinist (and surnamesake) friend Emelie Eriksson. They have all played their instruments since childhood and made their debut as a group during 2012. Ever since their first recital, they have been regularly booked.

– We have had a multitude of gigs both on and outside of Åland. Last year, we became a kind of unofficial ambassador of Swedish-Finnish folk music towards the rest of Finland. Among other venues, we played at Etno-Espa, an annual folk music festival arranged on the Esplanade in Helsinki as well as at Folklandia, which is a folk music-themed cruise between Helsinki and Tallinn, Lydia says.

The image of folk music as an outdated and marginal knee-high pom pom socks genre has undergone a revolution during the last decade. The base of the 3riksson repertoire comprises of very old folk melodies that have

been rearranged to create a swinging, modern and full-bodied sound rich in detail.

–We create a lot of sound considering that we are only three people. The two cellos build a mighty base. At one of our concerts, a member of the audience described it as a wall of sound, Emelie recounts.

Since the three 3riksson members all study at different locations, they mostly play together during the holidays. In the summer of 2017, their gigs included a grant-enabled tour of retirement homes on Åland, recitals during the annual Culture Night and the folk music gathering arranged by Kvinnfolk as well as entertaining German cruise passengers passing through the port. The future of the group is difficult to foretell.

– We know that we want to play together, but since we live at different locations now, we take it one booking at a time. The most important thing for us is having fun when we play together, and it is this joy that we hope to convey to our audiences.





A funny show about feeling *like crap*

After writing as a form of self-expression for more than 15 years, Zandra Lundberg will ptake to the stage this autumn. In a performance with the working title "Go outside and be happy you bastard – a funny show about feeling like crap" she will take the audience on a journey to her innermost vulnerable self and back again.

Zandra Lundberg

In the cold and dark January of 2016, Zandra Lundberg interrupts her dream trip in Asia to return to Åland feeling completely lost and hopeless. She is 17 kilos below her normal weight, Asian stomach parasites have revived her old eating disorder, her depression is mounting and some days she only has the energy to get up, eat, google diagnoses and long for sleep, darkness and death. – I was so ashamed of being sick. I had been living my dream life as a yoga teacher in Asia, but the more I talked about how to live and grow, the worse I felt. In the end I realised that I might have to check myself into a psychiatric clinic, says Zandra.



Statistics show that one in five people experience depression at some point in their lives, yet many are completely unprepared when it happens.

– I think our society and all the people in it are so caught up in other things than what is really important. If you as a parent, older sibling or teacher don't understand and stand up for your own feelings, how can you possibly show a child how to cope with life? A lot of your life skills are missing, says Zandra.

She herself relied on the fundamental ideas in yoga – that everything changes, life isn't the same from one moment to another.

– It is difficult to accept the uncertainty, but I could sometimes comfort myself by looking at nature. It seems to be dead in the winter, but new shoots sprout again every spring. Recovery is in our nature, it just takes time.

What will now be a show started as a book, but the text wasn't enough. Zandra wanted to get even closer to people.

– I have always looked inside myself to try and understand what is going on and have understood that the feelings I have are universal ones, others think the same way and do the same things to cope in their lives. Now I've been shouting out my feelings in text for so long – this is the next step, my own show, completely from within me. It's an accessible show about being human. And it's a bit funny. I hope it will be an experience that people can carry with them for a long time.



Vuxna på stan

A place to be in the evening

For those who were young on Åland in 1991 when the association Vuxna på stan was founded, the name Stig Lindholm is a well-known one. Today he is 76 years old and continues, together with among others Eva Joelsson, to offer young people a safe place to be.

Vuxna på stan are based at the MUG youth centre, which is open six evenings a week, but is in constant need of economic support. The association's board are all unpaid volunteers, and are therefore reliant on sponsors and assistance from parents.

Young people now have a place to be instead of the streets and Vuxna på stan, in their role of providing an adult presence, offer support on the city streets during the year's big party weekends.

– Everyone should understand how important this is. We can really make a difference and save people, but not without economic support. If I have to keep going until I'm 100 years old so people understand the importance of what we do, then I will, says Stig.



A colorful lighthouse continues to shine

When the association Regnbågsfyren (en. Rainbow Lighthouse) was established on Åland in 2004, it was hard to imagine that ten years later 1,500 people would parade through the streets of Mariehamn in support of the local hbtq community. Though Åland Pride and the Pride parade are the most visible achievements of the association, much of the most important work is done in everyday situations throughout the community.

– Many people associate the hbtq movement with glitter and parties, and that's ok. But we continue to work for the more serious issues that underlie the movement, says the head of the association, Martha Hannus.

– There are for example still persons in our country who are subjected to forced sterilisation, and they are transsexuals. The suicide rate within this group is high, and for many people, sex reassignment surgery is crucial. And since the legislation demands that persons who undergo this surgery are sterile, it becomes in practice a case of forced

sterilisation. This is something that many people are unaware of.

The Regnbågsfyren association is now in a phase of internal reorganisation, where we are striving to create a stable structure to support our growth and development. We continue to focus on providing information, social activities and societal impact. Åland Pride is finding a sustainable form and size after the first years. During 2018, we will focus on reaching out to young people.

– I believe that the association is most important for young persons. We know that many rainbow youths choose to migrate away from Åland as soon as they have the chance, and this is something that we'd like to change. Being a hbtq person in a small community can be difficult, but there is also an upside. Here, we meet each other all the time, and we have a culture where people are not excluded. Maybe Åland can one day even become a place that hbtq people choose to migrate to.

Artistic souls

Nowadays everyone one carries a camera in their pocket, and hundreds of millions of pictures are uploaded on Facebook daily. So who is a photographer? According to photographer and pianist Marcus Boman, photography is about planning and preparing, creating an ambience and discovering the perfect interplay of the different elements in a picture. And being the one who presses the button at precisely the right millisecond in order to capture his vision. In a technical sense, Marcus is basically a self-taught photographer, but he has invested several years in studying art – form, color and composition – from a photographic point of view.

During the last six years, including for years in Frankfurt, Marcus has worked full time as a professional photographer. Since 2016, he has engaged in the virtually sisyphian task of portraying as many professional artists on Åland as possible, a large group that has continued steadily to grow. With his gear packed in a small army of bags, Marcus

has gone from work places to studios, stages and homes of Åland artists – musicians, singers, painters, photographers, designers, directors, authors and film-makers. A common denominator for all the artists portrayed by Marcus is that they have all been somehow recognized even beyond Åland.

In May 2018, Marcus' book entitled "Konstnärssjälar" (en. Artistic souls) will be published, hopefully accompanied by a photo exhibition with a selection of portraits. Though Marcus works on a variety of projects, he regards the portrait as the highest form of photography. It takes an artist to lure out the soul out of the darkness of self criticism and complexes that people envelop themselves in.

– Every individual is a universe and every individual is beautiful. As a photographer it is paramount to get under people's skin and away from their fear of the camera. The best feedback you can receive is that the person you photographed felt secure and beautiful.





Living it rough on nature's terms

Interested in cross-country running in a wetsuit and swimming while wearing running shoes? Prefer hurtling in uneven terrain among rocks and logs to running on even asphalt? Physical activity off the beaten path has quickly gained ground among sports enthusiasts. The Åland Triathlon Club has been equally quick to match its race offering with the evolving tastes of athletes, and has launched several edgy cross-country race concepts in collaboration with Åland Event during the past few years. The Bomarsund Trailrun course follows the same paths that the Russian troops once supposedly used for escaping and for transporting their wounded when the fortress of Bomarsund was bombed by the French-Swedish navy in 1854. Åland Swimrun is a tough land- and water-based challenge and takes place in the Western archipelago of Åland in September. The third event, Käringsundsloppet, has evolved from an "anniversary race" arranged for a cycling enthusiast's birthday into a 170-kilometer combined road and pursuit race in the archipelago.

The driving force behind the different events is Ia Colérus, secretary of the Åland Triathlon Club.

- We want to give people the chance to race in the natural surroundings of Åland – in the sea, on the islands and in the forests. Our races are realized on the terms of nature as well as people, Ia summarizes.

– Our local participants get to know the Åland environment better, and those coming from outside the Åland Islands have a chance to experience the beautiful, untamed side of our archipelago. In order to attract a higher number of people and to lower the threshold for participation, all of the races include a range of categories from elite to amateur groups and from shorter distances to children's races.

– One shouldn't need to be an elite athlete or even be able to run a 10K in order to take part. We welcome everyone to our casual and relaxed events that are characterized by a sense of community, a healthy lifestyle and sustainable choices. Like the rest of the world, Åland has seen a sports boom during the last few years, and people are looking for different physical activities to engage in. Now there are many fun and edgy races on Åland as well.



Violinist from reggae to requiem

The bow she plays her violin with is four times her age. Her musical taste stretches over several centuries and she has played the violin over half her life. On the home stretch of her master's programme at the Royal College of Music in Stockholm, Zaida Ponthin is ready to become a professional within the music business. Maybe. Or then she'll continue her studies and become an orchestra conductor.

Namn: Zaida Ponthin

–I want to do so many things, it's both a blessing and a curse. But it's what drives me forward, says Zaida Ponthin, who has played the violin for 16 out of her 26 years. The years she has spent studying at Ålands Musikinstitut, Bollnäs Folkhögskola and music colleges in Malmö, Gothenburg and Stockholm have formed her into a violinist with a broad range. Though her background is within classical music, she embraces opportunities to challenge herself with pop, jazz, folk and reggae. Zaida feels at home in music whether she plays in the Mariehamn church or at Öland Roots, an alternative music festival. She has also appeared on the popular talk show Skavlan on SVT, where she was called in with a couple of musician friends to complement the Norwegian band D.D.E. with 24 hours' forewarning.



– I really happened to be at the right place at the right time. That’s something that happens quite often in this line of work. Having the right connections can make all the difference. A friend rings, you get to talking and the rest is history, Zaida says.

Connections matter because the market isn’t exactly teeming with permanent employment for violinists. Many symphony orchestras have economic difficulties, and the rare permanent or temporary positions to be filled attract musicians from all over the world to auditions. The freelance life can be strenuous when competing with happy amateurs who play for pocket money. Sometimes

the only compensation offered for a project is “visibility”. Zaida sees her career as a form of entrepreneurship and loves to engage in different projects.

– I guess it’s like in all lines of work, there are those who excel in a certain niche and those who work on a broader scale. I view myself less as a classical violinist and more as a musician whose instrument happens to be the violin. I am driven by the multitude of inspiring things that I want to do. At the moment I am poised to move from Sweden to another country, somewhere where I can learn a new language and develop further within the musical world.



Finland 100 år / Ytternäs Skola

Finland 100 years!

During 2017, Finland's centennial anniversary was celebrated by many schools and associations on Åland with the help of Paf funds. The Ytternäs school in Mariehamn organised an independence ball where pupils and teachers enjoyed a festive three-course lunch with a Finnish theme. Following the solemn and compelling speech given by principal Andreas

Wiklund, the audience was treated to a ball dance show by the children's dance group Dunderdansarna. Next, it was the pupils and teachers who took to the dance floor. The ball culminated in a highly appreciated celebratory disco that lit up the gymnasium in blue tones and left no one standing still. Hooray for our 100-year-old Finland!

Singing for a sense of community

For many chorus singers this is old news, but now even research has come to the conclusion that singing together with others has a decidedly positive effect on our bodies and minds. Singing kick-starts the release of dopamine and endorphine in the brain, decreasing anxiety. At the same time, the level of activity in the immune system increases, blood pressure drops and the social bonding hormone oxytocin helps to create a sense of community among choir singers. Songs and rhythms are deeply rooted in the history of mankind – fireside songs, chants and lullabies, collective rhythms that made hard work easier to carry out, and folk songs that bridge generations and centuries.

The Åland song and music association, Ålands Sång- och Musikförbund, was established in the wake of the first Åland music festival that was arranged in 1922 in the spirit of the newly won autonomy. After the festival, there was a broad consensus regarding the

need for unification within the local musical community, which prompted the establishment of the association in 1926. The mission of the association was to stimulate and develop initiatives within the musical arena. With over 780 active members, the association is an important musical facilitator on Åland and arranges musical events and distributes funds to its member associations.

– The sense of community that emerges within choirs is quite unique in character. If you ask a choir singer what is important in life, the answer is often my family and my choir, says Sara Kemetter, chairman of the association.

– And we welcome any and all new members into our wonderfully wacky group on a continuous basis. We genuinely want to help people to find their place.

Down-bound winter fun on Åland

Water, air and energy. And, of course, a temperature a few degrees below zero. That's all it takes to make snow that is hard, icy, compact and significantly more resistant to Åland's winter climate than natural snow. At around minus 7 to minus 10 degrees, one can produce the optimal amount of snow in relation to the energy consumed, but snow makers can already be started at minus four degrees. When the snow is compacted for the ski runs, it can take several weeks of temperatures above zero without melting. Almost 20,000 cubic metres of snow was produced during the 2017 season at Germundö Alpin that welcomed over 2,000 happy skiers on 52 days between January and March.

The Germundö alpine establishment has 17 snowmakers, a new piste machine, a kiosk, a lift, a snow park for trick skiers and two slopes. Since 1082, the slopes have been run by the association that has seen both better and worse times. Before 2010, it had gone downhill for Germundö, and the future looked bleak. But thanks to lots of volunteer work and support from both the regional government

and the EU, the facility got back on its feet and has only been closed for one season in the last seven years. Deputy chairman in the association is Peter Smulter:

– A slope doesn't need to be big to function. Germundö is perfect for training and competitions for children and youths. It is also a good slope for trying out equipment and get your body used to skiing before going on longer skiing trips.

The association's biggest challenge is going to be continuing to motivate its members. We need people to man the lift and the kiosk to keep our activities going.

– We have an excellent facility here and equipment is available for hire closeby. We are considering hiring someone so our volunteers would have more time to get involved in training, organising competitions and developing our operations, says Peter Smulter.





Green Key

Åland for sustainable tourism

The launch of the environmental certification for tourism on Åland has without a doubt been a success. Since the start in 2014, the programme has gained 23 participants and 11 establishments have been granted the sought-after Green Key certification. During 2018, the sustainable destination project will continue to evolve and launch a certification for sustainable events.

Hållbar Destination

In the aftermath of the cholera epidemic in the Nordic region in the 1800s, cleanliness became the dividing line between the rich and the poor, and the first tourists came to Åland from larger cities to indulge in pine needle baths and other cleanliness rituals. Now, a good 100 years later, cleanliness and tourism are once again a topic of discussion, but this time from a different angle. Today, clean tourism is about socially, economically and environmentally sustainable tourism, which is the aim of Hållbar Destination (en. Sustainable destination), a joint project of Ålands Natur & Miljö, Visit Åland and the Åland Chamber of Commerce initiated in 2013. The first step of the project is implementing the international Green Key environmental certification created for the tourism industry locally on Åland.



– The Green Key certification was created in Denmark in the 1990s for the tourism industry by tourism experts. It suits Åland perfectly since we needed a certification that has an internationally acknowledged status, is adaptable to small-scale tourism and that can be steered locally, explains project coordinator Karin Rosenberg-Brunila.

With roughly 2,600 establishments certified in 56 different countries, the Green Key certification requires companies to fulfill mandatory criteria as well as strive for continuous development.

– Therefore, we also have a set of point criteria connected to various environment-related areas of operations, such as water usage, environmental management and staff involvement.

Today, 11 establishments on Åland are Green Key certified. Last year, the new Blue Flag sustainability certification for marinas

and beaches was introduced, and during 2018 events can also become Green Key certified. In addition, we will give an official definition of what can be considered a sustainable destination.

– One might think that the definition should have been the first thing to determine, but we have reasoned differently. When we started Green Key, we had no idea how it would be received within the tourism industry, and were only cautiously optimistic. Now we have a growing organisation with many persons involved in the work, which makes it easier to establish a definition specifically for Åland, Karin explains.

– The basis for our work is our fantastic, clean environment. Now it's time to refine our ways of working. Our dream scenario would naturally be that wherever you go on Åland, you could find sustainable tourism establishments.



Folkhälsan, Röda Korset & Rädda Barnen

Supporting a healthy community

Paf was founded in 1966 as a collaboration between Folkhälsan på Åland, the local Åland organisations of the Red Cross and Save the Children, and the Dagens Barn fund. All of the founding members had been raising funds through gaming activities, and the collaboration was designed to gather these fundraising efforts under one gaming license. All but the last of the above-named organisations are still active and receive funds for their non-profit operations every year.

Folkhälsan på Åland provides local community services ranging from family counseling, debt counseling and swimming schools to physical activities for senior citizens, discussion groups, drug prevention programs and much more. The local organisation of

the Red Cross arranges first aid courses, provides defibrillators, operates the voluntary rescue service and assists with refugee and friend programs. The local branch of Save the Children arranges education for all ages within children's rights and children and the internet as well as parent-child groups and play therapy.

The world has changed since 1966, but these third sector organisations are still vital for Åland and their contribution continues to further our health, well-being and sense of community.

Thank you all for a wonderful 2017!







CHAPTER 5

Financial report

On the financial summary, financial report
and organisation & management.

Financial summary

Revenue

The revenue for the Paf Group in 2017 is the highest in the history of the company. The total revenue increased from €113.5 to €116.5 million, and the increase comes from organic growth.

The GGR for online operations increased from €81.9 to €84.5 million. Paf saw growth in all markets.

The GGR for physical gaming operations on land and aboard ships increased from €31.5 to €31.9 million. The increase is mostly due to profits generated by the collaboration with Color Line.

Paf sold its subsidiary Winga S.r.l. on 1 March, 2017. The revenue from Winga within January and February 2017 was €1.8M. During 2016, Winga's revenue was €7.7M.

The product groups with the strongest development during 2017 were slots, videopoker and sports betting. Paf's own casino games sustained their portion of the total revenue.

During 2017, Paf has introduced new technology for operations on ships and on land, which has had a positive effect on the revenue.

Materials and services

Costs decreased from €33.4 million to €32.9 million. The cost decrease is partly due to the introduction of new game providers on more favourable commercial terms.

Personnel costs

Personnel costs increased marginally, from €25.0 million to €25.6 million. The salaries for customer support and the Spanish marketing organisation are considered as salary costs for the whole of 2017, but only from September to December during 2016. The sale of Winga caused a decrease in salary costs. The average number of employees decreased from 376 to 358 persons.

Capitalized development costs

The capitalization of company development costs decreased somewhat, from €0.8 million to €0.7 million. The amount for 2017 represents a normal level. The company's own technology platform and the casino games produced in-house require continuous development in order to provide an optimal gaming experience for customers.

Depreciation and devaluation

The costs from depreciation and devaluation decreased from €6.5 million to €5.7 million. Depreciation has increased according to plan and is explained by investments made in casino equipment on board passenger ferries. Capitalized goodwill has been depreciated in its entirety, which has resulted in decreased costs. In total, depreciation in 2017 is considerably lower than in 2016.

Other operating costs

Other operating costs decreased from €34.1 million to €25.5 million.

Before September 2016, Paf's customer support and Paf's marketing in Spain were outsourced to external service providers and were reported as other operating costs.

Marketing costs were notably lower in 2017 than in 2016. Selling Winga resulted in that marketing costs decreased by approximately €1.7million. The marketing department has also made substantial changes in the marketing mix during the year, which entailed notable savings as well as more effective outbound customer communication. Since the last quarter of 2017, the marketing costs have again increased and shown good results. The forecast for 2018 shows a controlled increase in marketing costs.

During 2017, Paf also relied less on of external systems and consultants, which has entailed notable savings in costs.

Operating profit

The operating profit for Paf Group increased from €15.8 million to €27.6 million.

Financial earnings and costs

The net result from earnings and costs increased from €0.5 million in costs to a positive result of €2.0 million.

Nonrecurring items

The sale of Winga S.r.l. resulted in a capital gain of €3.1 million.

Paf has depreciated the Gibraltar-based casino establishment Casino Sunborn (Gibraltar) Ltd by €1.6 million. The depreciation is based on the strategic decision of Paf to focus on online operations in Spain. Paf plans to discontinue its collaboration with Sunborn during 2018.

The result for the accounting period

The result for the accounting period increased from €15.2 million to €29.4 million.

Other information

During 2013, the tax authorities carried out an audit of parts of the Paf Group. Based on a decision from the tax administration, current provisions are carried out on a monthly basis, and the Group's operating profit for 2017 has been charged by approximately €2.2 million (€1.9 million). The decision of the tax administration has been appealed.

Lottery tax refund

In addition Paf's profit, the regional government of Åland will retroactively receive a lottery tax refund payment of €12.4 (€11.4) million from the Finnish State.

Investment securities

On 31 December 2017, Paf's investment securities had a quoted value that exceeded the estimated value reported in the accounts by €0.5 (€0.8) million. This means that if Paf had sold these securities before the end of the financial year, the profit would have increased by €0.5 million. All investments can be realized on short notice.

Significant events during the financial year

In February 2017, Paf initiated its collaboration with Norwegian Color Line aboard six ships, where Paf operates altogether 250 slot machines, 12 gaming tables and 40 amusement games.

Paf sold its subsidiary Winga S.r.l. on 1 March, 2017, which resulted in a capital gain of €3.1 million.

During the year, Paf has sought and been granted an operating license in the Latvian market.

Significant events after the financial year

In February 2018, the District Court of Åland gave its verdict in the case brought against Paf and its previous CEO Anders Ingves. The court found Paf guilty of money laundering by negligence, while the former CEO Anders Ingves was freed of all charges. According to the court, Paf's processes and routines for preventing money laundering had been adequate, but in the specific case tried in court, these routines had not been followed. Paf and the prosecutor have appealed against the verdict.

In March, the agreement between Paf and Tallink Group was extended until 2023.

Expected future developments

The market is expected to continue growing and to be characterized by increased competition in 2018. An important area of focus for Paf is growing in the international markets where increased marketing investments will likely be made. This will have a temporary negative effect on the operating profit, but contribute to an increased profitability in the long run.

Significant risks

Corporate risk assessment is carried out continuously at Paf and as the findings are reported to the Board on a yearly basis. Paf has identified a number of risks that could have a significant effect on Paf's operations, financial standing and profit. Understanding these risks is paramount in terms of steering the company.

Classification of risks

Strategic risks

Strategic risks comprise of changes in the conditions within Paf's respective markets. Increased competition, higher taxes and more expensive marketing channels may entail decreased profitability. Paf can diminish these risks by operating in several different markets.

Operational risks

Well-functioning collaboration with external partners is vital for Paf. Changes in terms of agreement for example with game providers, payment platforms, banks or technical solutions providers can have a negative effect on Paf's development.

Paf is directly dependent on its own technical platform developed in-house, and it is crucial that its IT-system works adequately and upholds high standards. If Paf fails to keep pace with the technical development, its risks losing market shares. It is also important to maintain a high level of security for preventing risks related to fraud, money laundering, DDos attacks and security breaches.

Paf's land and ship operations can be negatively affected by legislative changes. Transitions to using new technology can prompt the need to depreciate, which can have a short-term negative effect on profitability.

In order to provide a customer experience that meets our high standards, it is important that the company is able to retain and recruit needed talent.

Financial risks

Paf's financial risks can be divided into credit risks and currency risks. Credit risks can arise when important suppliers or banks become insolvent. Paf can reduce this risk by working with several different suppliers. Notable changes in currency value can entail a risk for Paf. The primary currency risk for Paf would be a weakening of the Swedish krona and the Norwegian krone. However, the currency risk is relatively low since the majority of profits and costs are generated in euros.

Legal risks

A notable risk for Paf, as for gaming companies in general, are the legal risks. Games and lotteries operations are subject to license, and thus political decisions affect Paf's operations.

We carefully monitor any developments and possible legislative changes and adapt our operations accordingly. A focus area during 2017 has been to adapt our organisation to the new EU legislation regarding personal data (GDPR), which will enter into force 25 May 2018. The new Swedish licensing system, which shall enter into force during 2019, gives us clearer conditions and higher predictability and hence decreases risks. Possible legal cases against Paf

may cause considerable costs for and reduced trust in the company.

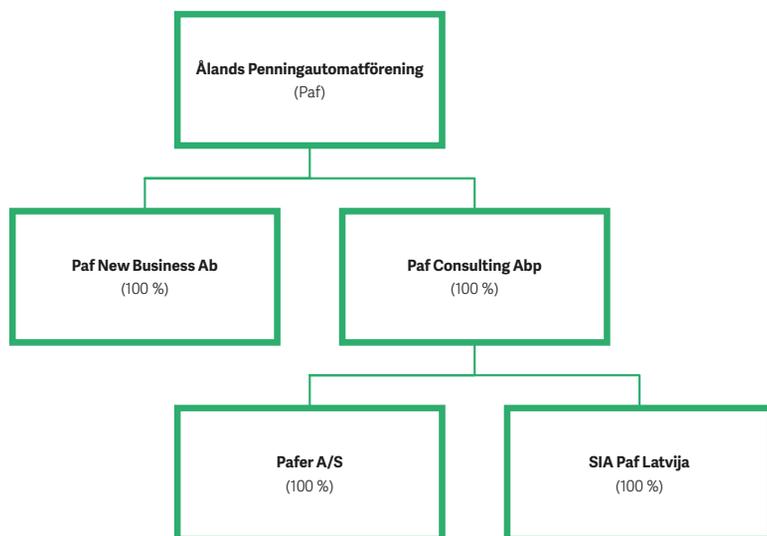
Paf Group Summary

At the end of 2017, the Paf Group comprised of the parent company Ålands Penningautomatförening and its subsidiaries Paf Consulting Abp and Paf New Business Ab. Paf Consulting Abp is the owner of subsidiaries Pafer A/S and SIA Paf Latvija, which was established 6 June 2017. In March 2017, Paf sold its subsidiary Winga S.r.l.

Active companies

Ålands Penningautomatförening offers physical gaming entertainment on Åland and aboard ships registered on Åland as well as on-line games on its international gaming site.

Paf Consulting Abp is a gaming entertainment operator on ferries registered outside of Åland as well as online games on the international market.



Paf Consulting is a sub-group that comprises of Paf Consulting Sverige AB (dormant), Pafer A/S and SIA Paf Latvija. The main business areas of the sub-group Paf Consulting include gaming operations on ships and online games on the international market. The different parts of the operations are divided between the companies within Paf Consulting.

Paf New Business has had very limited activity during 2017.



Paf Board (from left): Danne Sundman, Sara Kemetter, Anders Å Karlsson, Carl Haglund, Åsa Ceder and Birgitta Eriksson. Not pictured: Anna Dahlsten.

■ Organisation and management

Board

In 2017, the Board of Directors consisted of Chairman Åsa Ceder, Vice President Anders Å. Karlsson and board members Sara Kemetter, Danne Sundman, Birgitta Eriksson, Carl Haglund and Anna Dahlsten.

CEO and Group Management

In the beginning of 2017, Group Management comprised of CEO Christer Fahlstedt; deputy CEO & CHRO Johanna Backholm; deputy CEO Johan Rothberg; COO Land & Ship Jukka Nikula; CCO Anders Sims; CRO Daniela Johansson; CFO Per Sahlberg; CMO Goran Ristic; CIO Tuomas Bergström, CGO Kim Johansson and General Counsel Sara Eriksson.

Changes during the year

Johan Rothberg left Group Management and Paf in May and Johanna Backholm left the company at the end of December. In October, Daniela Johansson was nominated deputy CEO and Sverker Skogberg is part of Group Management since December.



Auditors

Auditors appointed by the Åland Regional Government for Ålands Penningautomatförening are Bengt Nyholm (CGR) and Erika Sjölund (GR). Their assistants are Anders Svennas (CGR) and Sixten Söderström (GR).

Allocation of the profit

The Board proposes that €18 million from the 2017 profit of €29.4 million (and from previous earnings) be allocated to the regional Åland government to be distributed to public good. The Board also wishes to express its thanks to operative management and all other employees for excellent work.

Financial statement

Ålands Penningautomatförening

Financial statements for the period 01.01-31.12 2017

RATIOS						1 000 €
Group	2013	2014	2015	2016	2017	
Revenue	108 214	98 148	110 033	113 515	116 513	
Operating profit	30 867	16 763	19 972	15 788	27 607	
Profit before tax	31 429	17 315	22 852	15 330	29 600	
Net profit	31 420	17 160	22 697	15 171	29 407	
Operating marginal	28,5 %	17,1 %	18,2 %	13,9 %	23,7 %	
Profit as % of revenue	29,0 %	17,5 %	20,6 %	13,4 %	25,2 %	
Return on equity in % (ROE)	32,2 %	17,1 %	23,0 %	15,4 %	27,9 %	
Return on invested capital in % (ROIC)	29,8 %	17,6 %	22,6 %	15,8 %	28,0 %	
Equity/assets ratio	87,3 %	81,8 %	85,6 %	84,5 %	87,4 %	
Investments in tangible assets	3 269	5 080	13 451	9 929	3 936	
Investments in intangible assets	884	1 136	2 289	2 406	887	
Investments in tangible and intangible assets	4 153	6 215	15 739	12 335	4 824	
Average number of employees	372	314	345	376	358	
Parent company Ålands Penningautomatförening						
	2013	2014	2015	2016	2017	
Revenue	85 090	77 641	81 336	86 224	93 793	
Operating profit	31 286	17 110	23 335	20 837	28 081	
Profit before tax	31 823	17 590	23 626	18 374	26 305	
Net profit	31 823	17 590	23 618	18 341	26 270	
Operating marginal	36,8 %	22,0 %	28,7 %	24,2 %	29,9 %	
Profit as % of revenue	37,4 %	22,7 %	29,0 %	21,3 %	28,0 %	
Return on equity in % (ROE)	33,6 %	17,9 %	24,3 %	18,5 %	24,8 %	
Return on invested capital in % (ROIC)	30,8 %	18,3 %	23,9 %	18,7 %	25,7 %	
Equity/assets ratio	89,5 %	85,3 %	83,9 %	85,0 %	86,2 %	
Investments in tangible assets	2 250	4 742	13 225	7 887	1 676	
Investments in intangible assets	711	927	1 779	1 979	792	
Investments in tangible and intangible assets	2 962	5 668	15 004	9 866	2 469	
Capital investments	0	4 808	3 880	4 930	3 756	
Total investments	2 962	10 477	18 884	14 796	6 224	
Gross investments as % of revenue	3,5 %	13,5 %	23,2 %	17,2 %	6,6 %	
Average number of employees	292	256	264	261	305	
Distribution of profits	21 000	21 000	20 000	15 000	18 000*	
Lottery tax in Finland	11 458	9 995	11 105	11 433	12 413	

*Board proposal for dividend

Definitioner av relationstal

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

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

INCOME STATEMENT

		Parent company		Group	
	Note	2017	2016	2017	2016
REVENUE	R1	93 793 185,37	86 223 956,60	116 512 706	113 514 811
Other operating income		1 835 449,01	2 959 373,73	119 098	498 494
Materials and services					
Purchases during the financial period		-19 074,32	-14 835,58	-5 023 542	-5 114 798
Total services purchased		-21 630 320,12	-21 200 442,79	-27 878 710	-28 319 674
		-21 649 394,44	-21 215 278,37	-32 902 252	-33 434 472
Staff costs	R2				
Salaries and other remuneration		-17 873 665,38	-16 628 447,65	-20 350 976	-19 968 409
Pension expenses		-3 102 977,51	-2 500 434,28	-3 276 121	-2 763 557
Other social expenses		-1 481 914,81	-1 612 909,97	-1 958 877	-2 268 180
		-22 458 557,70	-20 741 791,90	-25 585 974	-25 000 146
Capitalised development expenses		679 624,76	539 038,93	745 722	823 893
Depreciation, amortisation and impairment losses					
Depreciation/amortisation according to plan		-4 614 400,10	-4 474 318,87	-5 644 920	-5 480 784
Amortisation of goodwill		0,00	0,00	-72 572	-436 144
Write-down of fixed assets		-29 714,78	-597 720,00	-29 835	-606 720
		-4 644 114,88	-5 072 038,87	-5 747 327	-6 523 648
Other operating expenses		-19 475 653,53	-21 856 369,41	-25 534 548	-34 090 574
OPERATING PROFIT		28 080 538,59	20 836 890,71	27 607 425	15 788 358
Financial income and expenses					
Income from shares in Group companies		0,00	0,00	3 102 836	0
Interest income from Group companies		0,00	18 818,72	0	0
Other interest and financial income		1 281 138,15	1 002 958,66	1 386 776	1 079 365
Write-down of shares in Group companies		0,00	-1 938 291,64	0	0
Interest costs from Group companies		-39 862,38	-78 783,05	0	0
Other interest and financial expenses	R3	-3 017 029,55	-1 467 290,58	-2 496 946	-1 537 517
		-1 775 753,78	-2 462 587,89	1 992 666	-458 152
PROFIT BEFORE TAX		26 304 784,81	18 374 302,82	29 600 091	15 330 206
Tax for the year and previous years		-35 077,43	-33 566,00	-35 077	-37 697
Deferred taxes		0,00	0,00	-158 037	-121 258
PROFIT FOR THE FINANCIAL PERIOD		26 269 707,38	18 340 736,82	29 406 977	15 171 251

BALANCE SHEET

	Parent company		Group	
Note	31.12.2017	31.12.2016	31.12.2017	31.12.2016
ASSETS				
FIXED ASSETS				
Intangible assets	B1			
Capitalised development expenses	1 346 534,58	1 644 057,67	1 346 535	1 686 303
Intellectual property	0,00	0,00	23 755	65 680
Goodwill	0,00	0,00	0	1 306 446
Other long-term expenditure	935 367,64	1 194 493,46	1 081 318	2 166 649
Advance payments and current acquisitions	296 312,95	281 399,31	296 313	281 399
	2 578 215,17	3 119 950,44	2 747 921	5 506 477
Tangible assets	B2			
Land and water areas	702 700,11	1 098 528,31	702 700	1 098 528
Buildings and structures	19 021 765,60	19 659 334,50	19 491 766	20 195 414
Machinery and equipment	6 799 103,36	7 515 582,45	10 115 355	8 134 321
Advance payments and current acquisitions	175 614,26	529 998,07	375 134	2 466 462
	26 699 183,33	28 803 443,33	30 684 955	31 894 725
Investments	B3			
Shares in companies in the same Group	4 706 389,29	10 506 389,29	0	0
Capital loans to companies in the same Group	6 700 000,00	3 300 000,00	0	0
Other shares and holdings	20 406,15	20 406,15	20 406	20 406
Other investments	0,00	0,00	0	63 600
	11 426 795,44	13 826 795,44	20 406	84 006
TOTAL FIXED ASSETS	40 704 193,94	45 750 189,21	33 453 282	37 485 209
CURRENT ASSETS				
Long-term receivables				
Loans	4 909 401,34	4 500 029,87	5 109 401	4 500 030
	4 909 401,34	1 200 029,87	5 109 401	4 500 030
Current receivables				
Accounts receivable	39 000,08	87 630,39	179 476	636 414
Receivables from companies in the same Group	4 376 206,49	2 847 856,18	0	0
Other current receivables	16 706 467,91	12 034 923,30	16 668 546	12 558 022
Accruals	2 088 587,76	1 696 785,38	2 613 635	2 102 399
	23 210 262,24	16 667 195,25	19 461 657	15 296 835
Financial securities				
Other securities	21 726 120,88	30 822 869,33	21 726 121	30 822 869
	21 726 120,88	30 822 869,33	21 726 121	30 822 869
Cash and bank balances	B4			
	50 508 276,99	28 476 588,88	60 714 833	37 116 839
TOTAL CURRENT ASSETS	100 354 061,45	80 466 683,33	107 012 012	87 736 573
TOTAL ASSETS	141 058 255,39	126 216 872,54	140 465 294	125 221 782
LIABILITIES				
EQUITY	B8			
Other restricted equity	0,00	0,00	33 306	34 739
Retained earnings	86 616 752,42	80 739 204,02	84 380 934	81 681 198
Net profit for the year	26 269 707,38	18 340 736,82	29 406 977	15 171 251
	112 886 459,80	99 079 940,84	113 821 217	96 887 188
PROVISIONS	B7			
Other provisions	8 472 142,50	8 064 948,36	8 776 431	8 375 797
	8 472 142,50	8 064 948,36	8 776 431	8 375 797
Long-term debt				
Deferred tax liabilities	0,00	0,00	855 406	697 369
	0,00	0,00	855 406	697 369
Short-term debt				
Liabilities to suppliers	3 553 770,10	3 004 263,00	3 940 037	4 817 194
Advances received	200 295,47	152 848,36	200 295	623 986
Current liabilities to Group companies	4 948 519,93	5 017 585,50	0	0
Other current liabilities	6 439 295,12	6 424 620,85	7 956 557	8 139 647
Accruals	4 557 772,47	4 472 665,63	4 915 349	5 680 600
	19 699 653,09	19 071 983,34	17 012 239	19 261 427
TOTAL LIABILITIES	141 058 255,39	126 216 872,54	140 465 294	125 221 782

FINANCIAL ANALYSIS PARENT COMPANY

Parent company	2017	2016
Operating company cash flow		
Operating profit	28 080 539	20 836 891
Correction to operating profit	7 272 749	7 979 245
Change in operating capital	-5 915 397	-2 912 003
Financial revenue and costs	-1 775 754	-2 462 588
Depreciation of shares in Group companies	656 876	1 938 292
Tax	-35 077	-33 566
Net cash flow of business activities	28 283 935	25 346 271
Investments		
Investments in intangible assets	-807 729	-1 929 500
Investments in tangible assets	-1 190 390	-7 771 694
Sale of shares in group companies	5 498 723	0
Increase/reduction, investments in financial securities	9 096 748	-9 932 074
Capital loans to subsidiaries	-3 700 000	-2 350 000
Increase of other long-term securities	-55 599	0
Investment cash flow total	8 841 753	-21 983 268
Cash flow before financing	37 125 688	3 363 003
Financing		
Increase/decrease in long-term receivables	-409 371	1 661 647
Distributed earnings	-15 000 000	-20 000 000
Other	315 371	-289 647
Financing cash flow total	-15 094 000	-18 628 000
Change in cash and cash equivalents	22 031 688	-15 264 998
Cash and cash equivalents 01.01	28 476 589	43 741 587
Cash and cash equivalents 31.12	50 508 277	28 476 589

FINANCIAL ANALYSIS GROUP

Group	2017	2016
Operating company cash flow		
Operating profit	27 607 425	15 788 358
Correction to operating profit	8 499 499	9 536 125
Change in operating capital	-4 427 952	839 879
Financial revenue and costs	-1 110 170	-458 152
Tax	-35 077	-37 697
Net cash flow from business activities	30 533 725	25 668 512
Investments		
Investments in intangible assets	-887 220	-2 193 162
Investments in tangible assets	-3 503 900	-9 954 600
Sale of shares in group companies adjusted for the subsidiary's liquid funds at the time of sale	3 642 724	
Increase/reduction of investments in financial securities	9 096 748	-9 932 074
Increase/reduction in other long-term securities	0	-25 600
Investment cas flow total	8 348 352	-22 105 436
Cash flow before financing	38 882 077	3 563 076
Financing		
Increase/reduction in long-term receivables	-609 371	1 661 647
Distributed earnings	-15 000 000	-20 000 000
Other	325 288	-324 026
Financing cash flow total	-15 284 083	-18 662 379
Change in cash and cash equivalents	23 597 994	-15 099 303
Cash and cash equivalents 01.01	37 116 839	52 216 142
Cash and cash equivalents 31.12	60 714 833	37 116 839

INFORMATION - ACCOUNTING PRINCIPLES

Consolidation principles

The consolidated financial statements have been prepared using the acquisition method. The difference between the acquisition cost of the subsidiaries and the corresponding equity has been reported as Group goodwill/Group liabilities. Group goodwill is amortised over five years.

Group profit/loss on sale of subsidiaries has been reported in financial income and expenses. The contribution from sold subsidiaries to the Group net profit up to the date of the sale is included in the respective item in the Group income statement. Group profit/loss on sale of subsidiaries has been reported in financial income and expenses.

Intra-Group transactions, internal gains, internal profit distribution and internal receivables and liabilities have been eliminated.

Translation differences

Translation differences resulting from non-restricted equity have been included in the Group's non-restricted equity, while translation differences resulting from restricted capital have been included in the item other restricted equity.

Transactions in foreign currency

Assets and liabilities in foreign currencies have been translated to euros at the rate prevailing on the closing date. Foreign subsidiaries' income statements have been converted to euros at the monthly average exchange rate for the financial period, while the balance sheet has been translated at the exchange rate on the closing date.

Capitalised development expenses

Capitalised development expenses for own account refer to direct expenditure for the period in respect of salaries and other staff-related costs and direct costs attributed to development projects that have been recorded as assets in the balance sheet. A condition of capitalisation is that it relates to an important new development.

Depreciation/amortisation principles

Fixed assets are reported at cost in the balance sheet minus depreciation/amortisation according to plan. Depreciation/amortisation according to plan is calculated on a straight-line basis and is based on the useful life of the fixed assets.

Expenditure which results in income for three or more years is capitalised and amortised over the period of use. Minor acquisitions are expensed directly at the time of acquisition. The depreciation/amortisation periods applied are:

Intangible assets

Gaming platforms and basic investments in major computer systems and licences	3-5 years
Gaming products and licences	3 years
Software licenses	3-6 years
Investments in leased premises	5-6 years
Goodwill	5 years

Tangible assets

Properties	40 years
Light structures	5-10 years
Gaming equipment	3-6 years
Personal computers and accessories	3-5 years
Cars	5-7 years
Equipment	3-5 years
Other tangible assets	5 years

INCOME STATEMENT NOTES

	Parent company		Group		
	Not	2017	2016	2017	2016
Revenue by geographical area	R1				
Åland – land-based gaming		3 359 589,90	2 625 797,70	3 359 590	2 625 798
Ships		11 799 373,16	12 887 291,21	28 587 220	28 893 832
Finland		0,00	0,00	48 000	48 000
Internet		78 634 222,31	70 710 867,69	84 517 896	81 947 181
		<u>93 793 185,37</u>	<u>86 223 956,60</u>	<u>116 512 706</u>	<u>113 514 811</u>
Revenue by area of business					
Systems development and related services		0,00	0,00	48 000	48 000
Casino gambling and lotteries on land and ship		15 158 963,06	15 513 088,91	31 946 810	31 519 630
Online gaming		78 634 222,31	70 710 867,69	84 517 896	81 947 181
		<u>93 793 185,37</u>	<u>86 223 956,60</u>	<u>116 512 706</u>	<u>113 514 811</u>
Management salaries and other remuneration	R2				
Salary to the parent company's CEO and deputy ¹		-575 285,96	-765 278,68	-575 286	-765 279
Salary to subsidiaries' CEOs and deputies		0,00	0,00	-84 909	-279 857
Board fees		-85 900,00	-63 966,74	-85 900	-63 967
Other remuneration to Board members		0,00	-8 000,00	0	-8 000
Total		<u>-661 185,96</u>	<u>-837 245,42</u>	<u>-746 095</u>	<u>-1117 102</u>
The CEO and management team are covered by a group pension that allows the employee to draw a pension equivalent to 60% of salary					
Other interest and financial costs	R3				
Capital loss from sale of shares in group companies		-656 876,04	0,00	0	0
Write-down of receivables		-1 560 148,99	0,00	-1 560 149	0
Other interest and financial costs		-800 004,52	-1 467 290,58	-936 797	-1 537 517
Total		<u>-3 017 029,55</u>	<u>-1 467 290,58</u>	<u>-2 496 946</u>	<u>-1 537 517</u>

BALANCE SHEET NOTES

		Parent company		Group	
INTANGIBLE FIXED ASSETS	Note	2017	2016	2017	2016
	B1				
Capitalised development expenses					
Cost, opening balance		5 762 430,36	5 434 595,99	5 995 650	5 668 065
Sold/scrapped		0,00	-472 380,43	-95 867	-472 629
Reclassified		703 182,12	800 214,80	703 182	800 215
Accumulated cost, closing balance		6 465 612,48	5 762 430,36	6 602 965	5 995 650
Amortisation according to plan, opening balance		-4 118 372,69	-3 613 457,81	-4 309 347	-3 795 213
Amortisation for the period		-1 000 705,21	-908 316,47	-1 004 143	-1 102 832
Sold/scrapped		0,00	403 401,59	57 060	588 698
Accumulated amortisation, closing balance		-5 119 077,90	-4 118 372,69	-5 256 430	-4 309 347
Total capitalised development expenses		1 346 534,58	1 644 057,67	1 346 535	1 686 303
Patents, licences and similar rights					
Cost, opening balance		0,00	0,00	708 098	669 696
Investments for the period		0,00	0,00	8 800	38 402
Sold/scrapped		0,00	0,00	-590 126	0
Accumulated cost, closing balance		0,00	0,00	126 772	708 098
Amortisation according to plan, opening balance		0,00	0,00	-642 418	-562 721
Amortisation for the period		0,00	0,00	-20 088	-79 499
Sold/scrapped		0,00	0,00	559 490	0
Translation difference		0,00	0,00	0	-198
Accumulated amortisation, closing balance		0,00	0,00	-103 016	-642 418
Total patents and similar rights		0,00	0,00	23 755	65 680
Goodwill					
Cost, opening balance		893 179,10	893 179,10	15 993 893	16 487 966
Sold/scrapped		0,00	0,00	-2 177 147	0
Merged		0,00	0,00	0	-494 281
Translation difference		0,00	0,00	0	208
Accumulated cost, closing balance		893 179,10	893 179,10	13 816 746	15 993 893
Amortisation according to plan, opening balance		-893 179,10	-893 179,10	-14 687 447	-14 705 993
Amortisation for the period		0,00	0,00	-72 572	-436 144
Sold/scrapped		0,00	0,00	943 669	0
Merged		0,00	0,00	0	454 690
Translation difference		0,00	0,00	-396	0
Accumulated amortisation, closing balance		-893 179,10	-893 179,10	-13 816 746	-14 687 447
Total goodwill		0,00	0,00	0	1 306 446
Advance payments and current projects					
Cost, opening balance		281 399,31	525 172,14	281 399	525 172
Investments for the period		764 451,96	680 061,51	764 452	680 062
Sold/scrapped/expensed		-11 636,20	-123 619,54	-11 636	-123 620
Reclassified		-737 902,12	-800 214,80	-737 902	-800 215
Accumulated cost, closing balance		296 312,95	281 399,31	296 313	281 399
Total advance payments and current projects		296 312,95	281 399,31	296 313	281 399
Other long-term expenditure					
Cost, opening balance		21 998 996,91	21 265 167,10	26 108 216	25 005 045
Investments for the period		27 871,02	1 298 700,82	113 968	1 688 042
Sold/scrapped		0,00	-564 871,01	-4 317 355	-584 871
Reclassified		61 762,50	0,00	209 423	0
Accumulated cost, closing balance		22 088 630,43	21 998 996,91	22 114 252	26 108 216
Amortisation according to plan, opening balance		-20 804 503,45	-20 867 466,92	-23 941 567	-23 406 890
Amortisation for the period		-348 759,34	-501 907,54	-439 461	-1 110 549
Sold/scrapped		0,00	564 871,01	3 348 094	575 871
Accumulated amortisation, closing balance		-21 153 262,79	-20 804 503,45	-21 032 934	-23 941 567
Total other long-term expenditure		935 367,64	1 194 493,46	1 081 318	2 166 649
TOTAL INTANGIBLE ASSETS		2 578 215,17	3 119 950,44	2 747 921	5 506 477

BALANCE SHEET NOTES

	Moderbolaget		Koncernen		
TANGIBLE FIXED ASSETS	Note	2017	2016	2017	2016
	B2				
Buildings					
Cost, opening balance		22 509 114,78	8 077 274,15	23 141 962	8 704 262
Investments for the period		2 943,98	0,00	2 944	5 859
Sold/scrapped		0,00	0,00	-34 218	0
Reclassified		0,00	14 431 840,63	0	14 431 841
Accumulated cost, closing balance		22 512 058,76	22 509 114,78	23 110 688	23 141 962
Depreciation according to plan, opening balance		-2 849 780,28	-2 432 635,65	-2 946 548	-2 498 322
Depreciation for the period		-640 512,88	-417 144,63	-672 375	-448 226
Accumulated depreciation, closing balance		-3 490 293,16	-2 849 780,28	-3 618 923	-2 946 548
Total buildings		19 021 765,60	19 659 334,50	19 491 766	20 195 414
Land and water areas					
Cost, opening balance		1 098 528,31	1 098 528,31	1 098 528	1 098 528
Sold/scrapped		-395 828,20	0,00	-395 828	0
Accumulated cost, closing balance		702 700,11	1 098 528,31	702 700	1 098 528
Total land and water areas		702 700,11	1 098 528,31	702 700	1 098 528
Machinery and equipment					
Cost, opening balance		32 376 967,41	29 819 462,84	34 571 452	31 958 260
Investments for the period		913 507,02	1 321 074,11	1 120 593	1 420 927
Sold/scrapped		-1 620 195,09	-371 829,49	-2 182 962	-412 742
Reclassified		1 087 363,55	1 608 259,95	4 688 477	1 608 260
Translation difference		0,00	0,00	-892	-3 253
Accumulated cost, closing balance		32 757 642,89	32 376 967,41	38 196 667	34 571 452
Depreciation according to plan, opening balance		-24 414 927,12	-22 032 677,65	-25 982 496	-23 357 119
Depreciation for the period		-2 624 422,66	-2 646 950,22	-3 508 853	-2 926 204
Sold/scrapped		1 527 268,09	264 700,75	1 864 319	298 132
Translation difference		0,00	0,00	352	2 695
Accumulated cost, closing balance		-25 512 081,69	-24 414 927,12	-27 626 678	-25 982 496
Depreciation according to plan, opening balance		-446 457,84	0,00	-454 633	-8 322
Depreciation for the period		0,00	-446 457,84	0	-446 458
Translation difference		0,00	0,00	0	147
Accumulated depreciation, closing balance		-446 457,84	-446 457,84	-454 633	-454 633
Total machinery and equipment		6 799 103,36	7 515 582,45	10 115 355	8 134 321
Advance payments and current projects					
Cost, opening balance		529 998,07	10 020 275,90	2 466 462	10 020 276
Investments for the period		760 022,24	6 565 804,32	2 812 748	8 502 268
Sold/scrapped		0,00	-15 981,57	-40 897	-15 982
Reclassified		-1 114 406,05	-16 040 100,58	-4 863 180	-16 040 101
Accumulated cost, closing balance		175 614,26	529 998,07	375 134	2 466 462
Total advance payments and current projects		175 614,26	529 998,07	375 134	2 466 462
TANGIBLE ASSETS TOTAL		26 699 183,33	28 803 443,33	30 684 955	31 894 725

BALANCE SHEET NOTES

	Parent company		Group		
	Not	2017	2016	2017	2016
INVESTMENTS	B3				
Parent company investments					
Shares in Group companies					
Acquisition cost at beginning of period		30 723 831,87	25 793 831,87		
Increases		55 598,64	4 930 000,00		
Acquisition cost at end of period		<u>30 779 430,51</u>	<u>30 723 831,87</u>		
Earlier impairment losses		-20 217 442,58	-18 279 150,94		
Impairment losses for the year			-1 938 291,64		
Sales		-5 855 598,64			
Book value at end of period		<u>4 706 389,29</u>	<u>10 506 389,29</u>		
Investments in other shares and holdings					
Acquisition cost at beginning of period		3 229 946,16	3 229 946,16		
Acquisition cost at end of period		3 229 946,16	3 229 946,16		
Earlier impairment losses		-3 209 540,01	-3 209 540,01		
Book value at end of period		<u>20 406,15</u>	<u>20 406,15</u>		
Capital loans to Group companies					
Acquisition cost at beginning of period		3 300 000,00	5 880 000,00		
Increases		3 700 000,00	0,00		
Converted to shareholders contribution		0,00	-2 580 000,00		
Sales		-300 000,00	0,00		
Acquisition cost at end of period		<u>6 700 000,00</u>	<u>3 300 000,00</u>		
Total investments		<u>11 426 795,44</u>	<u>13 826 795,44</u>		
Parent company's subsidiaries					
Subsidiary	Domicile	Ownership share 2017	Ownership share 2016		
Paf New Business Ab	Mariehamn	100%	100%		
Paf Consulting Abp	Mariehamn	100%	100%		
Winga S.r.l.	Milano	0%	100%		
CASH AND BANK	B4				
Customer means		2 863 339,02	2 771 228,58	2 863 339	3 241 680
Other cash and bank balances		47 644 937,97	25 705 360,30	57 851 494	33 875 159
Cash and bank balances total		<u>50 508 276,99</u>	<u>28 476 588,88</u>	<u>60 714 833</u>	<u>37 116 839</u>

BALANCE SHEET NOTES

	Parent company		Group		
	Not	31.12.2017	31.12.2016	31.12.2017	31.12.2016
INTRA-GROUP RECEIVABLES	B5				
Long-term receivables from Group companies					
Accounts receivable		143 534,14	362 135,23		
Other receivables		4 232 672,35	2 485 720,95		
		<u>4 376 206,49</u>	<u>2 847 856,18</u>		
INTRA-GROUP LIABILITIES	B6				
Short-term liabilities to Group companies					
Accounts payable		36 450,00	47 699,99		
Other liabilities		4 912 069,21	4 969 885,51		
		<u>4 948 519,21</u>	<u>5 017 585,50</u>		
PROVISIONS	B7				
Other provisions					
Jackpot provision		2 583 857,62	3 093 959,54	2 596 770	3 104 501
Other provisions		5 888 284,88	4 970 988,82	6 179 661	5 271 296
		<u>8 472 142,50</u>	<u>8 064 948,36</u>	<u>8 776 431</u>	<u>8 375 797</u>
EQUITY	B8				
Other restricted equity at beginning of year		0,00	0,00	34 739	41 420
Translation difference		0,00	0,00	-1 434	-6 681
Other restricted equity at end of year		0,00	0,00	33 306	34 739
Retained earnings at beginning of year		99 079 940,83	99 570 754,39	96 852 448	100 566 047
Change in Paf loans		315 371,47	-289 647,37	315 371	-289 647
Distribution of profits		-15 000 000,00	-20 000 000,00	-15 000 000	-20 000 000
Adjustment of the previous year's profit*		2 221 440,12	1 458 097,00	2 221 440	1 458 097
Translation difference		0,00	0,00	-8 325	-53 298
Retained earnings at end of year		86 616 752,42	80 739 204,02	84 380 934	81 681 198
Profit for the financial period		26 269 707,38	18 340 736,82	29 406 977	15 171 251
EQUITY		112 886 459,80	99 079 940,84	113 821 217	96 887 187

*Amount due mainly to tax review decisions regarding previous financial years.

PLEGGED ASSETS AND CONTINGENT LIABILITIES	31.12.2017	31.12.2016
Assets pledged in favour of Group companies		
Bank guarantees for mortgages pledged		
Bank guarantee, principal debtor Paf Consulting Abp	1 000 000,00	1 000 000,00
Other pledged assets and contingent liabilities		
Credit limits for which mortgages have been pledged		
Credit limit	10 000 000,00	10 000 000,00
Total mortgages pledged as security	10 000 000,00	10 000 000,00
Rent guarantees	221 476,44	221 476,44

Other financial liabilities not included in the balance sheet

Real estate investments;

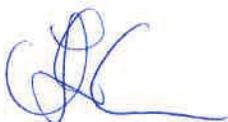
The parent company is obliged to adjust the VAT deductions made on an in 2016 completed real estate investment, if the purpose of the real estate usage changes during the adjustment period. The last adjustment year is 2025. The maximum adjustment amount is 96 165 euro.

Signatures of board of directors, CEO and auditor's endorsement (Swedish)

Jomala, den 21.3.2018



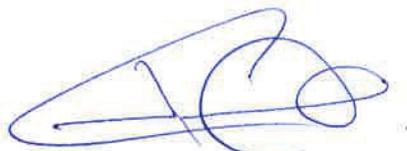
Christer Fahlstedt | VD



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 21.3.2018
HELSINGFORS



Bengt Nyholm | CGR



Erika Sjölund | GR

List of accounting books, verification types and storage methods

Accounting books

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

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

Verification series

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

■ Reflections from the board



Interview with the chairman of the board

What's your take on the past year?

It has been a tumultuous year, as everyone knows. At the same time, a lot of positive things have happened during the year. Not least in regard to our financial results, which mean we have been able to considerably increase our contribution to Åland society.

I'm particularly happy that the board has come together really well as a team. We have a clear common vision of the company's long-term strategy and how to work with that.

What does the future hold?

The board, together with the CEO, have done an excellent job producing sustainable strategies for Paf's business with a clear vision of Paf as the most responsible gaming company.

We have learnt a lot of lessons during the past year and have included them in our strategic work. Our vision is an ambitious one, but a vision should be ambitious and set a course ahead.

What do you think is most important in your role?

In the owner's guidelines for provincial government-owned companies it is clearly stated that their running should be characterized by long-term planning, openness and responsibility. Those are my guiding principles as chairman of the board.

At the same time, Paf's role is to create the greatest possible value for Åland society. Combining these goals and guidelines requires constant weighing of the possible consequences and I'm pleased that our cooperation with the owner works so well.

We are now ready to take on the challenges ahead to reach our set goals.

What is the best thing about being Paf's chairman of the board?

That I can contribute to our society in such a concrete way. I'm active myself as an equestrian and have seen the enjoyment and enormous benefits that are a result of Paf's financial contribution. It really feels good and worthwhile.

At the same time, it is very important that nobody is hurt by gaming. So our investment in responsible gaming is especially important to me.

Paf has existed since 1966 and has made a large contribution to Åland society ever since. Our responsibility is to make sure it continues for the coming generations!

Åsa Ceder



“During 2017 our customer service has become even better at listening to customers’ wishes”

In the tough and intensifying competition, customer satisfaction is imperative for business success. Paf strives to provide customers with a fun and exciting experience while helping them maintain their gaming on a sustainable level.

We know that customers appreciate our broad selection of games, many of which are unique Paf-games created by us.

During 2017, our customer service has launched its live chat, shortened response times and become even better at listening to customers’ wishes. With the more efficient technical solutions implemented during this year, these wishes can also be more quickly translated into concrete improvements on the site and in the customer experience.

These developments coupled with our professional and friendly customer support specialists increase customer satisfaction, which is an important factor in building long-term customer relationships.

Anna Dahlsten



“We are now well equipped to succeed in the competitive international market”

Looking back at 2017, I am especially satisfied by our growth in the international market. The strategy has been simply to terminate unprofitable investments and grow internationally from our core: the Baltic Sea region, an area where we have experience and expertise. During the year, we have enhanced the online customer experience thanks to technical development work, and are now well equipped to succeed in the competitive international market.

We have invested heavily on marketing in Sweden, where we can already see some great results, and we are growing in all international markets.

At the same time, we are entering a new market in Latvia and have initiated a new, exciting collaboration with Norwegian shipping giant Color Line.

Anders Å Karlsson



“I am **very proud** of the solid work Paf has done to **enable responsible gaming**”

For most of Paf’s customers, money gaming entails a fun pause from everyday life – a moment of diversion that is both entertaining and exciting. But for some of our customers, playing becomes a problem that can harm both them and others.

Considering the importance of tackling these problems, I am very proud of the solid work Paf has done to enable responsible gaming in collaboration with academic research projects and the gaming industry at large. Paf is a pioneer in analysing the gaming habits of online customers, keeping customers informed of their gaming patterns and helping them gain and maintain control of their gaming when needed. This said, Paf strives to continuously learn more about ways to prevent and alleviate problem gaming, since we believe that we can provide our customers an even safer gaming experience.

Sara Kemetter



“During 2017, Paf was an **official partner**
in Finland’s centennial celebrations”

Paf is a great company where innovation and entertainment go hand in hand with development of responsible gaming tools and knowledge. Within the gaming industry, companies must develop continuously and keep up with the rapidly changing business environment, and Paf has succeeded in doing this. Paf has an important role within the Åland community since it raises funds for the third sector, sports and culture.

During 2017, Paf was an official partner in the Finland 100 centennial celebrations through sponsoring the musical highlights of the centennial year on Åland, “Figaro 1917” and “Karelen, Karelen”.

Carl Haglund



“The **engagement of employees** can be translated into a **better customer experience**”

Paf is an attractive workplace that engages employees and helps them thrive. This is apparent from the positive employee survey results from 2017. The company’s focus on employee well-being received top ratings from employees across the board, which is a great foundation for driving engagement and maturing as an employer.

Good leadership on all levels, opportunities for professional development and a meaningful company mission are also important building blocks for creating engagement. In addition to driving engagement among employees, Paf’s mission to generate funds for the good of the community is an attraction factor in recruitment.

The engagement of employees can be translated into a better customer experience, and I believe that this is one of the reasons for the success of 2017.

Birgitta Eriksson



“Paf has grown as a local employer on Åland during 2017”

The funds channeled from Paf’s profit and the lottery tax to good causes are of great significance for a large number of people and make the Åland community more attractive as a place to live. Furthermore, Paf has grown as a local employer on Åland during 2017, which is good for the community both in the short and the long run.

Paf is a kind of corporate role model on Åland and sets an example in many ways. The new company headquarters on Åland, covered with solar panels for generating renewable energy, is a good example of this. The year 2017 was the first year that all Paf employees on Åland sat here at a shared location, and I believe this has been good for business. The move of customer support to Åland has also created more jobs locally and indirectly contributed to the society.

Danne Sundman

**Compensated emissions:**

1761 tons CO₂e

Certificate:

CDM & Gold Standard

Project:

Biomass plant

Project number:

UNFCCC ID: 362

Gold Standard ID: GS382

Climate Compensation for 2017

Paf compensated for a total of 1761 tons CO₂e through supporting Sri Balaji biomass power plant in India.

Sri Balaji is a biomass power plant in Andhra Pradesh in eastern India. The power plant uses renewable farm waste instead of coal, the most common source of power in the country. This saves approximately 29 000 tonnes CO₂e each year. India's current energy production is based almost entirely on fossil fuels, but by contributing fossil-free energy to the power network, the project helps mitigate local pollution.



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That's all, folks!

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