Casino Copenhagen K/S

Amager Boulevard 70, 2300 Copenhagen S

CVR no. 15 75 12 74

Annual report 2020

Approved at the Company's annual general meeting on 16 June 2021

Chairman:

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Contents

Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Casino Copenhagen K/S for the financial year 1 January - 31 December 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 16 June 2021
Executive Board:

Thomas Kellner

Board of Directors:

Bahram Sadr-Hashemi Chairman	Lars Wenaas	Christoph Zurucker-Burda

Independent auditor's report

To the shareholders of Casino Copenhagen K/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Casino Copenhagen K/S for the financial year 1 January – 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 16 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Gath State Authorised Public Accountant mne19718	Morten Weinreich Larsen State Authorised Public Accountant mne42791

Management's review

Company details

Name	Casino Copenhagen K/S
Address, zip code, city	Amager Boulevard 70, 2300 Copenhagen S, Denmark
CVR no.	15 75 12 74
Established	1 June 1989
Registered office	Copenhagen
Financial year	1 January – 31 December
Website	www.casinos.dk
Telephone	+45 33 96 59 65
Board of Directors	Bahram Sadr-Hashemi, Chairman Lars Wenaas Christoph Zurucker-Burda
Executive Board	Thomas Kellner, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, 2000 Frederiksberg, Denmark

Management's review

Financial highlights for the Group

In % and DKK thousands	2020	2019	2018	2017	2016
Key figures					
Net profit ratio (%)	-1.4	7.8	6.4	9.8	12.5
Return on investment (%)	-8.9	147.9	126.7	181.3	156.5
Gross margin ratio (%)	67.5	53.7	53.6	53.4	43.9
Solvency ratio (%)	58.5	58.0	46.0	39.5	37.3
Return on equity (%)	-7.1	60.6	67.7	122.4	138.8
Investment in property, plant and equipment	22,993	2,597	8,285	2,858	4,676
Average number of full-time employees	144	153	163	154	156

Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society.

Management's review

Management commentary

Principal activities of the Group

The main activity of the Group is to operate casinos. The basis for the operations is licenses granted for 10 years. The present licenses expire on 31 December 2028, 31 December 2027 and 31 May 2029, respectively, for Casino Copenhagen K/S, Casino Marienlyst A/S and Casino Vesterport Copenhagen K/S.

The Group consists of Casino Copenhagen K/S (Parent Company), Casino Marienlyst A/S and Casino Vesterport Copenhagen K/S.

Profit for the year

The income statement shows a loss of DKK -2.9 million for the Group and a profit of DKK 1.4 million for the Parent Company, which is regarded as unsatisfying but in line with expectations due to impact of the casinos being closed for more than 3 months during 2020 due to Covid-19 restrictions. The result for 2020 is positively impacted by DKK 20 million from Covid-19 aid package as disclosed in note 2.

The Group's equity at 31 December 2020 amounts to DKK 38.8 million whilst the balance sheet amounts to DKK 66.4 million. The parent company has paid a total of DKK 0 million in dividends during the year.

Outlook

The result for 2021 is expected to decrease compared to 2020 due to the impact from Covid-19. The expected impact from Covid-19 in 2021 is subject to significant uncertainty but assessed to be in the range off DKK 15 - 20 million at Group level with the main impact being in the parent company.

Subsequent events

As a consequence of the Covid-19 pandemic the activities of the company and the group are affected to a huge extend. The casinos has been closed as from 8th December 2020 until 21st May 2021. In this period there has not been any activity. The company, and Group entities, have received compensation from government aid programs, however this compensation does not cover the aggregated loss in the closing-period. The economic net-impact of the closing-period is subject to uncertainty, but expected to be in the range from DKK 15 - 20 million. For the time being it is hard to predict, when the situation will be normalised and to asses the economic impact after the re-opening.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

		Group		Parent	
Note	DKK'000	2020	2019	2020	2019
	Gross gaming revenue	156,069	241,745	132,320	213,391
	Gaming tax	-77,125	-124,675	-68,192	-113,970
	Entrance and cloakroom, service, etc.	6,286	12,668	6,088	11,710
2	Other operating income	20,044	0	17,252	0
	Gross margin	105,274	129,738	87,468	111,131
3	Staff cost	-76,799	-83,915	-67,138	-71,648
4	Other external costs	-26,578	-22,821	-16,127	-16,167
	Impairment of investments in subsidiaries	0	0	0	-7,500
5	Depreciation/amortisation	-4,129	-4,248	-3,014	-3,326
	Operating profit	-2,232	18,754	1,189	12,490
6	Financial income	0	2	298	83
7	Financial expenses	-130	-157	-108	-139
	Profit before tax	-2,362	18,599	1,379	12,434
8	Tax on profit for the year	-497	221	0	0
	Profit for the year	-2,859	18,820	1,379	12,434

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

Note	DKK'000	Group 2020	Group 2019	Parent 2020	Parent 2019
	ASSETS				
	Non-current assets				
9	**Intangible assets**				
	Software	0	0	0	0
	Goodwill	0	0	0	0
	Right of use assets	4,189	4,097	0	0
		4,189	4,097	0	0
10	**Property, plant and equipment**				
	Leasehold improvements	13,229	2,176	0	0
	Tools and equipment	17,149	9,265	6,066	7,930
		30,378	11,441	6,066	7,930
	Investments				
11	Investments in subsidiaries	0	0	7,335	7,335
		0	0	7,335	7,335
	Total non-current assets	34,567	15,538	13,401	15,265
	Current assets				
	Inventories				
	Receivables, affiliated and associated comp.	7,203	2,087	37,606	8,222
	Receivables, external	406	4,726	341	3,623
	Other receivables	6,098	506	4,864	428
	Prepayments	632	618	555	419
	Tax receivable	103	208	0	0
12	Deferred tax asset	0	497	0	0
	Cash at bank and in hand	17,390	47,640	9,363	41,580
	Total current assets	31,832	56,282	52,729	54,272
	TOTAL ASSETS	66,399	71,820	66,130	69,537

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent	
Note	DKK'000	2020	2019	2020	2019
	EQUITY AND LIABILITIES				
	Equity				
	Capital from limited partners	1,000	1,000	1,000	1,000
	Retained earnings	37,824	40,683	43,533	42,153
	Total equity	38,824	41,683	44,533	43,153
	Liabilities other than provisions				
	Payables, affiliated and associated comp.	0	0	0	0
	Trade payables	1,753	1,285	375	970
	Tax liability	0	0	0	0
13	Other payables	25,822	28,852	21,222	25,414
	Total liabilities other than provisions	27,575	30,137	21,597	26,384
	TOTAL EQUITY AND LIABILITIES	66,399	71,820	66,130	69,537

1 Accounting policies
14 Contractual obligations and contingencies, etc.
15 Related party disclosures
16 Appropriation of profit/loss

Consolidated financial statements and parent company financial statements 1 January – 31 December 2020

Statement of changes in equity

		Group			Parent company		
Note	DKK'000	Share capital	Retained earnings	Total	Share capital	Retained earnings	Total
	Equity at 1 January 2019	1,000	24,863	25,863	1,000	32,719	33,719
	Dividend distribution	0	-3,000	-3,000	0	-3,000	-3,000
	Transfer, see "Appropriation of profit/loss"	0	18,820	18,820	0	12,434	12,434
	Equity at 1 January 2020	1,000	40,683	41,683	1,000	42,153	43,153
	Dividend distribution	0	0	0	0	0	0
16	Transfer, see "Appropriation of profit/loss"	0	-2,859	-2,859	0	1,379	1,379
	Equity at 31 December 2020	1,000	37,824	38,824	1,000	43,532	44,532

Consolidated financial statements and parent company financial statements 1 January – 31 December

Cash flow statement

Note	DKK'000	2020	2019
	Profit for the year	-2,859	18,820
17	Adjustments	4,756	4,405
18	Changes in working capital	-8,860	-233
	Cash generated from operations before financial items	-6,963	22,992
	Interest received	0	2
	Interest paid	-130	-157
	Cash flows from operating activities	-7,093	22,837
	Acquisition of property, plant and equipment, and software	-23,156	-7,694
	Disposals of property, plant and equipment	0	0
	Cash flows from investing activities	-23,156	-7,694
	Dividends paid	0	-3,000
	Dividends received	0	833
	Cash flows from financing activities	0	-2,167
	Net cash flows from operating, investing and financing activities	-30,249	12,976
	Cash and cash equivalents at 1 January	47,640	34,664
	Cash and cash equivalents at 31 December	17,391	47,640

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements and the parent company financial statements.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December 2020

Notes to the financial statements

1 **Accounting policies**

The annual report of Casino Copenhagen K/S for 2020 has been prepared in accordance with the provisions applying to reporting class C medium enterprises under the Danish Financial Statements Act.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Casino Copenhagen K/S, and subsidiaries in which Casino Copenhagen K/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Business combinations

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the acquisition method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement over 5 years.

Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised. Negative goodwill not related to any anticipated adverse development is recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year following the year of acquisition.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December 2020

Notes to the financial statements

1 **Accounting policies (continued)**

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue and expenses

Gross gaming revenue consists of gains from various gaming activity and received tronc. Gaming tax is calculated from gains of gaming activity. Significant revenue and gaming tax are accrued to match the financial statement period.

Revenue from entrance and cloakroom includes income from non-gaming activities.

Staff costs

Staff costs comprise salaries and wages, pension and other expenses related to social security.

Other external costs

Other external costs include expenses related to marketing, administration, premises, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on transactions denominated in foreign currencies and dividend from investments in affiliated companies.

Tax on profit for the year

The Parent Company is a tax transparent entity, and therefore, the limited partners are liable to pay tax. Tax on profit for the year included in the income statement is related to subsidiaries liable to pay tax.

Tax for the year comprises current tax and changes in deferred tax for the year in subsidiaries.

Other operating income

Other operating income comprises items secondary to the Company's activities, including gains on disposal of intangible assets and property, plant and equipment and compensation packages.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December 2020

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years.

Software and right of use assets

Software consist of external acquired software programs used for operations and administration. Right of use assets consist of payments related to entering leasing contract on gaming premises.

On initial recognition, intangible assets are measured at cost.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Software	1-3 years
Right of use assets	3 - 10 years

If the remaining licence period is shorter than the depreciation period according to the estimated useful lives, the non-current assets will be depreciated over the remaining licence period.

Gains and losses on the disposal of software are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other external costs.

Property, plant and equipment

Leasehold improvement and tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Leasehold improvement	10 years
Tools and equipment	3-5 years

If the remaining licence period is shorter than the depreciation period according to the estimated useful lives, the non-current assets will be depreciated over the remaining licence period.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December 2020

Notes to the financial statements

1 Accounting policies (continued)

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other external costs.

Investments in subsidiaries

Investments in subsidiaries are measured at acquisition cost in the parent company financial statements. The acquisition costs consist of the purchasing price plus costs directly related to the acquisition. If the acquisition price is higher than the reinvestment value, the asset is depreciated to this lower value.

On acquisition of subsidiaries, the acquisition method is applied; see the consolidated financial statements above.

Impairment of assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested annually for impairment.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost. Write-down for anticipated losses is made to net realisable value.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December 2020

Notes to the financial statements

1 Accounting policies (continued)

Liabilities other than provisions

Financial liabilities are measured at net realisable value.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's capital from limited partners and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to the limited partners.

Cash and cash equivalents

Cash and cash equivalents comprise cash in bank and in hand.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Net profit ratio $$\frac{\text{Operating profit x 100}}{\text{Gross gaming revenue}}$$

Return on investment $$\frac{\text{Operating profit x 100}}{\text{Average operating assets}}$$

Gross margin ratio $$\frac{\text{Gross margin x 100}}{\text{Gross gaming revenue}}$$

Solvency ratio $$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$$

Return on equity $$\frac{\text{Profit for the year after tax x 100}}{\text{Average equity}}$$

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December 2020

Notes to the financial statements

		Group		Parent	
	DKK'000	2020	2019	2020	2019
2	**Other income/special items**				
	Fixed cost compensation	20,044	0	16,485	0
	Payroll compensation	0	0	767	0
		20,044	0	17,252	0
3	**Staff costs**				
	Salaries and wages	65,060	70,210	57,188	60,258
	Costs for social security	1,649	2,480	1,043	2,056
	Pensions	5,077	5,193	4,426	4,497
	Payroll tax	4,520	4,666	3,857	3,995
	Other staff costs	493	1,368	624	843
		76,799	83,917	67,138	71,649
	Average number of full-time employees	144	153	125	132

Remuneration of the Parent Company's Executive Board and Board of Directors amounted to DKK 2,170 thousand in 2020 (2019: DKK 2,495 thousand).

4 **Fees paid to auditors appointed at the annual general meeting**

		Group		Parent	
	DKK'000	2020	2019	2020	2019
	Audit services	359	327	250	242
	Other assurance engagement	100	0	40	0
	Other assistance	47	46	30	29
		506	373	320	271
5	**Amortisation/depreciation and impairment losses**				
	Intangible assets	71	0	0	0
	Property, plant and equipment	4,058	4,248	3,014	3,326
		4,129	4,248	3,014	3,326
6	**Financial income**				
	Interest income from associates	0	0	298	83
	Other interest income	0	2	0	0
		0	2	298	83

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December 2020

Notes to the financial statements

	Group		Parent	
DKK'000	2020	2019	2020	2019
7 Financial expenses				
Interest expense to associates	130	0	108	0
Other interest expense	0	157	0	139
	130	157	108	139

	Group		Parent	
8 Tax on profit for the year				
Current tax charge for the year	0	0	0	0
Change in deferred tax	497	221	0	0
	497	221	0	0

The parent company is a tax transparent entity and thus not subject to income tax. Reference is made to accounting policies.

9 Intangible assets

	Group		
DKK'000	Right of use	Software	Goodwill
Cost at 1 January 2020	4,097	32	13,000
Additions	163	0	0
Cost at 31 December 2020	4,260	32	13,000
Impairment losses and amortisation at 1 January 2020	0	32	13,000
Amortisation	71	0	0
Impairment losses and amortisation at 31 December 2020	71	32	13,000
Carrying amount at 31 December 2020	4,189	0	0
Amortised over	10 years	3 years	5 years

10 Property, plant and equipment

	Group		
DKK'000	Leasehold improve-ments	Tools and equipment	Total
Cost at 1 January 2020	25,932	95,879	121,811
Additions during the year	11,382	11,611	22,993
Disposals during the year	0	79	79
Cost at 31 December 2020	37,314	107,569	144,883
Depreciation at 1 January 2020	23,756	86,614	110,370
Depreciation for the year	329	3,786	3,997
Depreciation on disposals for the year	0	20	20
Impairment losses and depreciation at 31 December 2020	24,085	90,420	114,387
Carrying amount at 31 December 2020	13,229	17,149	30,378

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December 2020

Notes to the financial statements

10 Property, plant and equipment (continued)

	Parent		
DKK'000	Leasehold improve-ments	Tools and equipment	Total
Cost at 1 January 2020	23,383	77,756	101,139
Additions during the year	0	1,150	1,150
Disposals during the year	0	0	0
Cost at 31 December 2020	23,383	78,906	102,289
Depreciation at 1 January 2020	23,383	69,826	93,209
Depreciation for the year	0	3,014	3,014
Depreciation on disposals for the year	0	0	0
Impairment losses and depreciation at 31 December 2020	23,383	72,840	96,223
Carrying amount at 31 December 2020	0	6,066	6,066

	Parent	
DKK'000	2020	2019
11 Investments in subsidiaries		
Cost at 1 January	14,835	14,585
Additions	0	1,000
Disposal	0	-750
Cost at 31 December	14,835	14,835
Value adjustments at 1 January	7,500	275
Impairment for the year	0	7,500
Value adjustments disposals	0	-275
Value adjustments at 31 December	7,500	7,500
Carrying amount at 31 December	7,335	7,335

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
Casino Marienlyst A/S	100%	-1,116	3,909
Casino Vesterport Copenhagen K/S	100%	-3,123	-2,283

All subsidiaries are considered as separate entities.

	Group		Parent	
DKK'000	2020	2019	2020	2019
12 Deferred tax				
Deferred tax at 1 January	0	276	0	0
Adjustment of deferred tax	-497	221	0	0
Deferred tax at 31 December	-497	497	0	0

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December 2020

Notes to the financial statements

DKK'000	Group 2020	Group 2019	Parent 2020	Parent 2019
13 Other payables				
Gaming tax payable	631	9,360	0	8,305
Payroll tax payable	1,174	1,001	983	854
Salaries and holiday pay	15,992	11,664	13,913	10,343
VAT payable	2,536	979	1,300	836
ATP payable	944	699	852	626
Costs for social security and pensions	41	35	36	30
Other payables	4,504	5,114	4,138	4,420
	25,822	28,852	21,222	25,414

14 Contractual obligations and contingencies, etc.

Contingent liabilities

The Group has issued guarantees totalling DKK 5,500 thousand to the Danish Gambling Authority. Of this amount, the Parent Company is liable for DKK 4,000 thousand.

Operating lease obligations

The group companies have entered into operating lease contracts with annual lease payments of DKK 8,117 thousand. Of this amount, the Parent Company is liable for DKK 4,747 thousand. The contracts apply until the end of the casino operating licenses.

The present licenses expire on 31 December 2028, 31 December 2027 and 31 May 2029, respectively.

15 Related party disclosures

Casino Copenhagen K/S' related parties comprises the Board of Directors, Management and related entities.

Related party trading includes the following:

Related party transactions

DKK'000	2020	2019
Group		
Receivables from related parties	7,203	2,087
Payables to related parties	0	0
Parent		
Purchase from shareholders (rent/administration)	5,880	5,022
Received dividends from subsidiaries	0	83
Receivables from related parties	37,606	8,222

Besides distribution of dividend and the information provided in accordance with the above table, no other transactions were carried through with shareholders in the year.

Remuneration/fees to members of the Executive Board and the Board of Directors of the Parent Company are reflected in note 3.

Casino Copenhagen K/S has no related parties exercising control.

CIH Scandinavia Hotel A/S, Denmark, and Casinos Austria International GmbH, Austria, each hold 50% of the shares in Casino Denmark A/S, which is the general partner of Casino Copenhagen K/S.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December 2020

Notes to the financial statements

15 Related party disclosures (continued)

CIH Scandinavia Hotel A/S and Casinos Austria International Gesmbh are the limited partners of Casino Copenhagen K/S and each own 50% of the total capital as both parties have provided DKK 500 thousand in capital.

The annual reports for these companies can be acquired at the following addresses:

Casino Austria AG
Rennweg 44
A-1038
Austria

Wenaasgruppen AS
Wenaashuset
N-6386 Måndalen
Norway

DKK'000	Parent 2020	Parent 2019
16 Appropriation of profit/loss		
Recommended appropriation of profit/loss	1,379	12,434

The parent company has paid DKK 0 thousand (2019: DKK 3,000 thousand) as dividend during the year.

DKK'000	Group 2020	Group 2019
17 Cash flow statements – adjustments		
Interest income and similar items	0	0
Interest expense and similar items	130	157
Amortisation and depreciation	4,129	4,248
Tax on profit for the year	497	0
	4,756	4,405
18 Cash flow statements – changes in working capital		
Change in current assets	-5,439	-3,573
Change in short-term liabilities	-3,421	3,340
	-8,860	-233