

Casino Copenhagen K/S

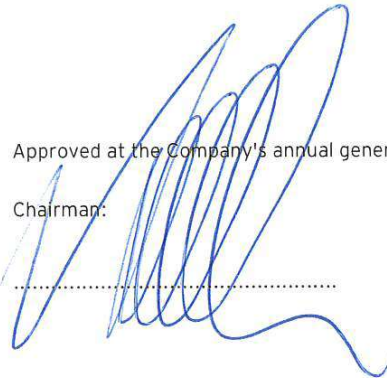
Amager Boulevard 70, 2300 Copenhagen S

CVR no. 15 75 12 74

Annual report 2022

Approved at the Company's annual general meeting on 31 May 2023

Chairman:



A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke at the bottom, positioned over a dotted line.

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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 2022.

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 2022 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 2022.

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.

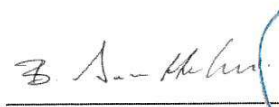
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 May 2023
Executive Board:




Thomas Kellner

Board of Directors:



Bahram Sadr-Hashemi
Chairman

Lars Wenaas

Fritz Pühringer

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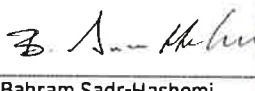
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We recommend that the annual report be approved at the annual general meeting.


Copenhagen, 31 May 2023
Executive Board:

Thomas Kellner

Board of Directors:



Bahram Sadr-Hashemi
Chairman



Lars Wenaas



Fritz Pühringer

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 2022, 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 2022 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 2022 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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, 31 May 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Morten Weinreich Larsen
State Authorised
Public Accountant
mne42791



Majken Bech Larsen
State Authorised
Public Accountant
mne46623

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	25 June 1991
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 Fritz Pühringer
Executive Board	Thomas Kellner, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, 2000 Frederiksberg, Denmark

Management's review

Financial highlights for the Group

DKKm	2022	2021	2020	2019	2018
Key figures					
Revenue	248,759	151,778	156,069	241,745	252,281
Gross margin	140,766	112,496	105,274	129,738	135,140
Operating profit/loss	11,436	-6,981	-2,232	18,754	16,066
Profit/loss from net financials	234	-399	-130	-155	-84
Profit/loss for the year	11,670	-7,380	-2,859	18,820	15,829
Balance sheet total					
Investments in property, plant and equipment	1,678	2,003	22,993	2,597	8,285
Total assets	83,612	71,761	66,399	71,820	57,113
Equity	43,114	31,444	38,824	41,683	26,280
Cash flows					
Cash flows from operating activities	21,666	12,455	-7,093	22,837	20,606
Cash flows from investing activities	-1,678	-2,003	-23,156	-7,694	-8,285
Cash flows from financing activities	-5,046	5,046	0	-2,167	-10,000
Total cash flows	47,830	32,888	17,391	47,640	34,957
Financial ratios (%)					
Operating margin	2.1	-4.6	-1.4	7.8	6.4
Gross margin	54.0	74.1	67.5	53.7	53.6
Equity ratio	51.6	43.8	58.5	58.0	46.0
Return on equity	14.3	-21.0	-7.1	60.6	67.7
Average number of full-time employees					
Average number of full-time employees	163	149	144	153	163

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Gross gaming revenue}}$
Gross margin	$\frac{\text{Gross margin} \times 100}{\text{Gross gaming revenue}}$
Equity ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$

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 profit of DKK 11.7 million for the Group and a profit of DKK 7.6 million for the Parent Company, which is unsatisfactory even if the casinos was closed for 1 month during 2022 due to Covid-19 restrictions. The result for 2022 is positively impacted by DKK 7.7 million in the Group and DKK 5.5 million in Parent Company from Covid-19 aid package as disclosed in note 2. Furthermore, the result for the year for the Parent Company is negatively impacted by impairment of investments in subsidiaries.

The Group's equity at 31 December 2022 amounts to DKK 43.1 million whilst the balance sheet amounts to DKK 83.6 million. The Parent Company's equity at 31 December 2022 amounts to DKK 50.3 million whilst the balance sheet amounts to DKK 84.5 million. The parent company has paid a total of DKK 0 million in dividends during the year.

Outlook

The Group expects good results in the coming year and feel well positioned in the market. It is expected that 2023 will bring positive results due to impact from Covid-19 in 2022. The expectation for 2023 is a gross gaming revenue between DKK 250 million and DKK 270 million and a profit before tax between DKK 14 million and DKK 18 million.

Policy for data ethics

The policy is based on the values that the Group stands for and that makes Casino Copenhagen Group a trustworthy and competent business for guests, partners, authorities and employees.

The collection of data is limited to what is needed to run the business and be compliant with Danish regulations for casino operations. Data is not shared with or sold to other parties than the Danish Gaming Authorities and SØIK. Furthermore, data is kept securely using the appropriate tools with access to only staff that need data to run operations. Corporate Governance regulations are also applied to data obtained, saved, and used.

The employees using systems are appropriately trained in using the systems and comply with regulations concerning safeguarding information of a personal nature. Such data is only kept for a limited period.

The policy is approved by Management.

Subsequent events

After the balance sheet date, no circumstances have occurred that have material impact on the assessment on the annual report.

**Consolidated financial statements and parent company financial statements
1 January - 31 December 2022**

Income statement

Note	DKK'000	Group		Parent	
		2022	2021	2022	2021
	Gross gaming revenue	248,759	151,778	198,617	117,990
	Gaming tax	-125,465	-72,372	-106,733	-59,951
	Entrance and cloakroom, service, etc.	9,806	5,300	8,213	4,567
2	Other operating income	7,666	27,790	14,414	28,960
	Gross margin	140,766	112,496	114,511	91,566
3	Staff cost	-91,060	-85,172	-79,759	-74,226
	Other external costs	-31,127	-26,490	-19,892	-16,532
4	Impairment of investments in subsidiaries	0	0	-6,335	0
4	Depreciation/amortisation	-7,143	-7,815	-1,906	-2,612
	Operating profit	11,436	-6,981	6,619	-1,804
5	Financial income	292	0	962	286
6	Financial expenses	-58	-399	-20	-290
	Profit before tax	11,670	-7,380	7,560	-1,808
7	Tax on profit for the year	0	0	0	0
	Profit for the year	11,670	-7,380	7,560	-1,808

Consolidated financial statements and parent company financial statements
1 January - 31 December 2022

Balance sheet

Note	DKK'000	Group		Parent	
		2022	2021	2022	2021
	ASSETS				
	Non-current assets				
8	Intangible assets				
	Right of use assets	2,485	3,337	0	0
		<u>2,485</u>	<u>3,337</u>	<u>0</u>	<u>0</u>
9	Property, plant and equipment				
	Tools and equipment	10,268	13,349	2,727	3,587
	Leasehold improvements	10,533	12,068	0	0
		<u>20,801</u>	<u>25,417</u>	<u>2,727</u>	<u>3,587</u>
	Financial assets				
10	Investments in subsidiaries	0	0	1,000	7,335
	Receivables from affiliated companies	6,494	6,725	44,337	44,163
		<u>6,494</u>	<u>6,725</u>	<u>45,337</u>	<u>51,498</u>
	Total non-current assets	<u>29,780</u>	<u>35,479</u>	<u>48,064</u>	<u>55,085</u>
	Current assets				
	Receivables, external	3,674	363	2,649	224
	Receivables from affiliated companies	101	28	101	28
	Other receivables	1,327	1,300	425	1,110
	Prepayments	899	1,703	715	1,550
11	Deferred tax asset	0	0	0	0
	Cash at bank and in hand	47,830	32,888	32,576	18,604
	Total current assets	<u>53,831</u>	<u>36,282</u>	<u>36,466</u>	<u>21,516</u>
	TOTAL ASSETS	<u><u>83,612</u></u>	<u><u>71,761</u></u>	<u><u>84,530</u></u>	<u><u>76,601</u></u>

Consolidated financial statements and parent company financial statements 1 January - 31 December 2022

Balance sheet

Note	DKK'000	Group		Parent	
		2022	2021	2022	2021
		EQUITY AND LIABILITIES			
		Equity			
		1,000	1,000	1,000	1,000
		42,114	30,444	49,284	41,724
		Total equity	31,444	50,284	42,724
		Non-current liabilities			
12		7,445	7,412	6,601	6,568
		Total non-current liabilities	7,412	6,601	6,568
		Current liabilities			
		0	5,046	0	5,046
		2,498	3,403	1,984	1,877
12		30,455	24,456	25,661	20,386
		100	0	0	0
		Total current liabilities	32,905	27,645	27,309
		TOTAL EQUITY AND LIABILITIES	71,761	84,530	76,601

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

Consolidated financial statements and parent company financial statements 1 January - 31 December 2022

Statement of changes in equity

Note	DKK'000	Group			Parent company		
		Share capital	Retained earnings	Total	Share capital	Retained earnings	Total
	Equity at 1 January 2021	1,000	37,824	38,824	1,000	43,532	44,532
	Dividend distribution	0	0	0	0	0	0
	Transfer, see "Appropriation of profit/loss"	0	-7,380	-7,380	0	-1,808	-1,808
	Equity at 1 January 2022	1,000	30,444	31,444	1,000	41,724	42,724
	Dividend distribution	0	0	0	0	0	0
15	Transfer, see "Appropriation of profit/loss"	0	11,670	11,670	0	7,560	7,560
	Equity at 31 December 2022	1,000	42,114	43,114	1,000	49,284	50,284

**Consolidated financial statements and parent company financial statements
1 January - 31 December 2022**

Cash flow statement

Note	DKK'000	2022	2021
	Profit for the year	11,670	-7,380
16	Adjustments	6,909	8,214
17	Changes in working capital	2,853	11,916
	Cash generated from operations before financial items	21,432	12,750
	Interest received	292	0
	Interest paid	-58	-295
	Cash flows from operating activities	21,666	12,455
	Acquisition of property, plant and equipment and software	-1,678	-2,003
	Disposals of property, plant and equipment	0	0
	Cash flows from investing activities	-1,678	-2,003
	Repayment of bank loans	-5,046	5,046
	Cash flows from financing activities	-5,046	5,046
	Net cash flows from operating, investing and financing activities	14,942	15,498
	Cash and cash equivalents at 1 January	32,888	17,390
	Cash and cash equivalents at 31 December	47,830	32,888

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 2022

Notes to the financial statements

1 Accounting policies

The annual report of Casino Copenhagen K/S for 2022 has been prepared in accordance with the provisions applying to reporting class C medium enterprises under the Danish Financial Statements Act.

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 2022

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 gaming tax

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Gross gaming revenue consists of gains from various gaming activity and received tronc. Gaming tax is calculated from gains of gaming activity. Revenue is recognised in the period in which the activity has taken place.

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

Other operating income

Other operating income comprises items secondary to the Company's activities, including management fees, gains on disposals of intangible assets and property, plant and equipment and compensation under Covid-19 aid schemes.

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.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Right of use assets

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:

Right of use assets 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.

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.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

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 is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation made.

Impairment tests are conducted on assets or groups of assets when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying 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 2022

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

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

Operating margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Gross gaming revenue}}$
Gross margin	$\frac{\text{Gross margin} \times 100}{\text{Gross gaming revenue}}$
Equity ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2022

Notes to the financial statements

DKK'000	Group		Parent	
	2022	2021	2022	2021
2 Other income/special items				
State aid Covid-19 compensation	7,666	27,790	5,461	22,413
Management fee	0	0	8,953	6,547
	<u>7,666</u>	<u>27,790</u>	<u>14,414</u>	<u>28,960</u>
3 Staff costs				
Salaries and wages	76,191	71,795	66,963	62,619
Pensions	5,713	5,459	5,019	4,861
Costs for social security	2,895	3,105	2,271	1,933
Payroll tax	5,115	4,019	4,464	4,019
Other staff costs	1,146	794	1,042	794
	<u>91,060</u>	<u>85,172</u>	<u>79,759</u>	<u>74,226</u>
Average number of full-time employees	<u>163</u>	<u>149</u>	<u>140</u>	<u>131</u>
Remuneration of the Parent Company's Executive Board and Board of Directors amounted to DKK 2,221 thousand in 2022 (2021: DKK 2,161 thousand).				
4 Amortisation/depreciation and impairment losses				
Intangible assets	852	852	0	0
Property, plant and equipment	6,291	6,963	1,906	2,612
Impairment of investments in subsidiaries	0	0	6,335	0
	<u>7,143</u>	<u>7,815</u>	<u>8,241</u>	<u>2,612</u>
5 Financial income				
Interest income from affiliates	292	0	962	268
	<u>292</u>	<u>0</u>	<u>962</u>	<u>268</u>

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2022

Notes to the financial statements

DKK'000	Group		Parent	
	2022	2021	2022	2021
6 Financial expenses				
Other interest expense	58	399	20	290
	<u>58</u>	<u>399</u>	<u>20</u>	<u>290</u>
7 Tax on profit for the year				
Current tax charge for the year	0	0	0	0
Change in deferred tax	0	497	0	0
	<u>0</u>	<u>497</u>	<u>0</u>	<u>0</u>

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

8 Intangible assets

DKK'000	Group
	Right of use
Cost at 1 January 2022	4,260
Additions	0
Cost at 31 December 2022	<u>4,260</u>
Impairment losses and amortisation at 1 January 2022	923
Amortisation	852
Impairment losses and amortisation at 31 December 2022	<u>1,775</u>
Carrying amount at 31 December 2022	<u><u>2,485</u></u>
Amortised over	10 years

9 Property, plant and equipment

DKK'000	Group		
	Leasehold improvements	Tools and equipment	Total
Cost at 1 January 2022	37,795	109,012	146,807
Additions during the year	143	1,535	1,678
Disposals during the year	0	0	0
Cost at 31 December 2022	<u>37,938</u>	<u>110,547</u>	<u>148,485</u>
Depreciation at 1 January 2022	25,727	95,663	121,390
Depreciation for the year	1,678	4,616	6,294
Depreciation on disposals for the year	0	0	0
Impairment losses and depreciation at 31 December 2022	<u>27,405</u>	<u>100,279</u>	<u>127,684</u>
Carrying amount at 31 December 2022	<u><u>10,533</u></u>	<u><u>10,268</u></u>	<u><u>20,801</u></u>

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2022

Notes to the financial statements

9 Property, plant and equipment (continued)

DKK'000	Parent		
	Leasehold improvements	Tools and equipment	Total
Cost at 1 January 2022	23,383	79,039	102,422
Additions during the year	0	1,046	1,046
Disposals during the year	0	0	0
Cost at 31 December 2022	23,383	80,085	103,468
Depreciation at 1 January 2022	23,383	75,452	98,835
Depreciation for the year	0	1,907	1,907
Depreciation on disposals for the year	0	0	0
Impairment losses and depreciation at 31 December 2022	23,383	77,359	100,742
Carrying amount at 31 December 2022	0	2,727	2,727

DKK'000	Parent	
	2022	2021
10 Investments in subsidiaries		
Cost at 1 January	14,835	14,835
Additions	0	0
Disposal	0	0
Cost at 31 December	14,835	14,835
Value adjustments at 1 January	7,500	7,500
Impairment for the year	6,335	0
Value adjustments at 31 December	13,835	7,500
Carrying amount at 31 December	1,000	7,335

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
Casino Marienlyst A/S	100%	-1,200	-492
Casino Vesterport Copenhagen K/S	100%	-1,006	-5,678

All subsidiaries are considered as separate entities.

DKK'000	Group		Parent	
	2022	2021	2022	2021
11 Deferred tax				
Deferred tax at 1 January	0	497	0	0
Adjustment of deferred tax	0	-497	0	0
Deferred tax at 31 December	0	0	0	0

The Group has a deferred tax asset of DKK 1,571 thousand at 31 December 2022. Due to uncertainty towards when the non-tax transparent entity in the Group will generate a positive taxable income, no deferred tax assets has been recorded in the balance sheet at 31 December 2022.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2022

Notes to the financial statements

DKK'000	Group		Parent	
	2022	2021	2022	2021
12 Other payables				
Gaming tax payable	12,614	2,910	10,927	1,585
Payroll tax payable	1,180	1,457	1,029	1,287
Salaries and holiday pay	6,620	14,111	5,915	12,242
VAT payable	1,766	737	1,711	721
ATP payable	985	1,026	913	945
Other payable	7,290	4,215	5,166	3,606
Total current other payables	30,455	24,456	25,661	20,386
Holiday pay, non-current	7,445	7,412	6,601	6,568
Total other payables	37,900	31,868	32,262	26,954

Payments due within 1 year are recognised in short-term debt. Other debt is due more than 1 year after the balance sheet date is recognised in non-current liabilities.

Long-term other payables for the Group consist of holiday pay and DKK 7,445 thousand (2021: DKK 7,412 thousand). Of the long-term liabilities, DKK 6,700 thousand is expected to be paid after more than 5 years after the balance sheet date.

Long-term other payables for the Parent Company consist of holiday pay and DKK 6,601 thousand (2021: DKK 6,568 thousand). Of the long-term liabilities, DKK 5,941 thousand is expected to be paid after more than 5 years after the balance sheet date.

13 Contractual obligations and contingencies, etc.

Contingent liabilities

The Group has issued guarantees totalling DKK 7,000 thousand to the Danish Gambling Authority. Of this amount, the Parent Company is liable for DKK 4,000 thousand. In addition hereto the Group has issued guarantees of totalling DKK 608 thousand to other parties.

The Parent Company is jointly liable for the guarantee issued to the Danish Gambling Authority. The Parent Company has lodged a joint and several guarantee in favour of the group-affiliated company Casino Marienlyst A/S with up to DKK 1,500 thousand and unlimited joint and several guarantee in favour of the group-affiliated company Casino Vesterport Copenhagen K/S. In addition the Parent Company has issued letters of support to its related parties Casino Vesterport Copenhagen K/S, Casino Marienlyst A/S and Casinos Denmark A/S in which the Parent Company has guaranteed financial support in 2023 to ensure their operations in 2023.

Operating lease obligations

The group companies have entered into operating lease contracts with annual lease payments of DKK 8,410 thousand. Of this amount, the Parent Company is liable for DKK 5,382 thousand. The contracts apply until the end of the casino operating licenses.

The present licenses expire on 31 December 2027 until 31 December 2029.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2022

Notes to the financial statements

14 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	2022	2021
Group		
Purchase from shareholders (rent/administration)	6,623	5,081
Receivables from related parties	6,595	6,753
Payables to related parties	0	0
Parent		
Purchase from shareholders (rent/administration)	5,205	6,296
Received dividends from subsidiaries	0	0
Receivables from related parties	44,438	44,191
Management fee income during the year	8,953	6,547

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.

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	Wenaasgruppen AS
Rennweg 44	Wenaashuset
A-1038	N-6386 Måndalen
Austria	Norway
https://www.casinos.at/en	https://www.wenaasgruppen.no/

DKK'000	Parent	
	2022	2021
15 Appropriation of profit/loss		
Recommended appropriation of profit/loss	7,560	-1,808

The parent company has paid DKK 0 thousand (2021: DKK 0 thousand) as dividend during the year.

**Consolidated financial statements and parent company financial statements for
the period 1 January - 31 December 2022**

Notes to the financial statements

DKK'000	Group	
	2022	2021
16 Cash flow statements - adjustments		
Interest income and similar items	-292	0
Interest expense and similar items	58	399
Amortisation and depreciation	7,143	7,815
Tax on profit for the year	0	0
	<u>6,909</u>	<u>8,214</u>
17 Cash flow statements - changes in working capital		
Changes in receivables	-3,179	5,291
Changes in trade and other payables	5,127	7,696
Change in prepayments (net)	905	-1,071
	<u>2,853</u>	<u>11,916</u>