



CEGO A/S

Lauritzens Plads 1, 4.
9000 Aalborg
CVR No. 29206651

Annual report 2020

The Annual General Meeting adopted the
annual report on 31.03.2021

Jef Nymand Hounsgaard

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020	8
Balance sheet at 31.12.2020	9
Statement of changes in equity for 2020	11
Notes	12
Accounting policies	17

Entity details

Entity

CEGO A/S

Lauritzens Plads 1, 4.

9000 Aalborg

CVR No.: 29206651

Registered office: Aalborg

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Johan Jesper Kärrbrink, Chairman

Jacob Frederik Christensen

Anders Gautier Christensen

Peter Thorlund Haahr

Allan Auning-Hansen

Executive Board

Jacob Frederik Christensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of CEGO A/S for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 31.03.2021

Executive Board

Jacob Frederik Christensen

Board of Directors

Johan Jesper Kärrbrink
Chairman

Jacob Frederik Christensen

Anders Gautier Christensen

Peter Thorlund Haahr

Allan Auning-Hansen

Independent auditor's report

To the shareholders of CEGO A/S

Opinion

We have audited the financial statements of CEGO A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Aalborg, 31.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

René Winther Pedersen

State Authorised Public Accountant

Identification No (MNE) mne34173

Management commentary

Primary activities

The Company's principal activities comprise providing games and competitions on the internet.

Development in activities and finances

The Company's profit for the year amounts to DKK 117.8 million (2019: DKK 97.1 million). According to Management, the results are considered satisfactory. The results are driven by positive developments in the subsidiary entities

Events after the balance sheet date

No events, which would influence the evaluation of this annual report, have occurred after the balance sheet date to this date.

COVID-19 is not expected to have a material impact on the financial statements of the Company.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		15,721,040	(298,842)
Staff costs	1	(13,601,484)	(7,774,334)
Depreciation, amortisation and impairment losses		(820,380)	(18,045,711)
Operating profit/loss		1,299,176	(26,118,887)
Income from investments in group enterprises		117,038,655	117,752,503
Other financial income	2	7,413	2,237
Other financial expenses	3	(305,014)	(262,083)
Profit/loss before tax		118,040,230	91,373,770
Tax on profit/loss for the year	4	(233,542)	5,799,186
Profit/loss for the year		117,806,688	97,172,956
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		100,000,000	21,000,000
Extraordinary dividend distributed in the financial year		82,717,000	96,121,000
Retained earnings		(64,910,312)	(19,948,044)
Proposed distribution of profit and loss		117,806,688	97,172,956

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects		0	0
Acquired intangible assets		0	15,218
Development projects in progress		0	0
Intangible assets	5	0	15,218
Other fixtures and fittings, tools and equipment		1,140,985	1,283,070
Leasehold improvements		171,281	240,901
Property, plant and equipment	6	1,312,266	1,523,971
Investments in group enterprises		97,561,841	60,529,521
Deposits		1,209,575	1,209,575
Other financial assets	7	98,771,416	61,739,096
Fixed assets		100,083,682	63,278,285
Trade receivables		0	109,341
Receivables from group enterprises		70,268,997	17,655
Deferred tax		164,468	214,922
Other receivables		2,499	28,902
Income tax receivable		2,223,834	0
Joint taxation contribution receivable		0	2,655,386
Prepayments		413,156	280,826
Receivables		73,072,954	3,307,032
Cash		3,078,765	1,859,069
Current assets		76,151,719	5,166,101
Assets		176,235,401	68,444,386

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		500,000	500,000
Reserve for net revaluation according to the equity method		0	22,639,520
Retained earnings		9,747,098	2,017,890
Proposed dividend		100,000,000	21,000,000
Equity		110,247,098	46,157,410
Provisions for investments in group enterprises		0	6,060,942
Provisions		0	6,060,942
Other payables		804,021	198,542
Non-current liabilities other than provisions	8	804,021	198,542
Bank loans		72,122	29,635
Trade payables		865,680	694,010
Payables to group enterprises		60,434,388	14,321,678
Joint taxation contribution payable		166,540	0
Other payables		3,645,552	982,169
Current liabilities other than provisions		65,184,282	16,027,492
Liabilities other than provisions		65,988,303	16,226,034
Equity and liabilities		176,235,401	68,444,386
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		
Non-arm's length related party transactions	12		
Group relations	13		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Proposed dividend DKK
Equity beginning of year	500,000	22,639,520	2,017,890	0	21,000,000
Effect of divestments of entities etc	0	50,886	(50,886)	0	0
Ordinary dividend paid	0	0	0	0	(21,000,000)
Extraordinary dividend paid	0	0	0	(82,717,000)	0
Group contributions etc	0	0	50,000,000	0	0
Dividends from group enterprises	0	(174,000,000)	174,000,000	0	0
Transfer to reserves	0	34,271,418	(34,271,418)	0	0
Profit/loss for the year	0	117,038,176	(181,948,488)	82,717,000	100,000,000
Equity end of year	500,000	0	9,747,098	0	100,000,000

	Total DKK
Equity beginning of year	46,157,410
Effect of divestments of entities etc	0
Ordinary dividend paid	(21,000,000)
Extraordinary dividend paid	(82,717,000)
Group contributions etc	50,000,000
Dividends from group enterprises	0
Transfer to reserves	0
Profit/loss for the year	117,806,688
Equity end of year	110,247,098

Dividends from group enterprises include a dividend of DKK 50,000,000 which has been approved at the general meeting of Magnet Gaming ApS, where the annual report 2020 has been approved.

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	10,250,700	6,978,392
Pension costs	1,544,615	979,534
Other social security costs	49,573	70,911
Other staff costs	1,756,596	1,944,466
	13,601,484	9,973,303
Staff costs classified as assets	0	(2,198,969)
	13,601,484	7,774,334
Average number of full-time employees	17	18

2 Other financial income

	2020	2019
	DKK	DKK
Financial income from group enterprises	7,395	648
Fair value adjustments	18	1,589
	7,413	2,237

3 Other financial expenses

	2020	2019
	DKK	DKK
Financial expenses from group enterprises	289,546	253,556
Other interest expenses	13,060	7,375
Fair value adjustments	2,408	740
Interest regarding tax paid on account	0	412
	305,014	262,083

4 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	166,540	(2,655,386)
Change in deferred tax	53,802	(3,143,797)
Adjustment concerning previous years	13,200	(3)
	233,542	(5,799,186)

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	73,660,711	985,477	1,597,374
Disposals on divestments etc	0	(462,535)	0
Disposals	(73,660,711)	0	(1,597,374)
Cost end of year	0	522,942	0
Amortisation and impairment losses beginning of year	(73,660,711)	(970,259)	(1,597,374)
Disposals on divestments etc	0	447,317	0
Reversal regarding disposals	73,660,711	0	1,597,374
Amortisation and impairment losses end of year	0	(522,942)	0
Carrying amount end of year	0	0	0

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	7,486,461	1,837,869
Additions	558,155	50,639
Disposals	(15,199)	0
Cost end of year	8,029,417	1,888,508
Depreciation and impairment losses beginning of year	(6,203,391)	(1,596,968)
Depreciation for the year	(700,240)	(120,259)
Reversal regarding disposals	15,199	0
Depreciation and impairment losses end of year	(6,888,432)	(1,717,227)
Carrying amount end of year	1,140,985	171,281

7 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	3,890,000	1,209,575
Additions	50,080,000	0
Cost end of year	53,970,000	1,209,575
Revaluations beginning of year	56,639,521	0
Adjustments on equity	50,866	0
Share of profit/loss for the year	117,038,655	0
Dividend	(124,000,000)	0
Other adjustments	(6,137,201)	0
Revaluations end of year	43,591,841	0
Carrying amount end of year	97,561,841	1,209,575

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Spilnu.dk A/S	Aalborg	A/S	100.0
Magnet Gaming ApS	Aalborg	ApS	100.0
Lyckost ApS	Aalborg	ApS	100.0
Superpog ApS	Aalborg	ApS	100.0
Datoselskabet af 17.06.2020 ApS	Aalborg	ApS	100.0

8 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Other payables	804,021
	804,021

9 Unrecognised rental and lease commitments

	2020	2019
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	1,309,283	3,003,649

10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where CEGO Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes, etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

11 Assets charged and collateral

None.

12 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report.

The company has received a tax-free group subsidy from the parent company CEGO Midco ApS, of 50,000 tDKK in the financial year.

During the financial year, the company provides tax-free group subsidies to subsidiaries of 50.000 tDKK.

Group subsidy granted to the following subsidiaries.

Spilnu.dk A/S of 30.000 tDKK.

Lyckost ApS of 16.000 tDKK.

Datoselskabet af 17.06.2020 ApS of 4.000 tDKK.

13 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

CEGO Holding ApS, Aalborg

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Non-comparability

With effect per. 01.01.2020, assets and liabilities from CEGO A / S concerning the company's development activities have been transferred to Superpog ApS.

Assets worth DKK 1,625 thousand and liabilities of DKK 1,530 thousand have been transferred to Superpog ApS.

Investments in group enterprises worth DKK 91 thousand have been added to CEGO A/S.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project.. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	1-7 years
Leasehold improvements	1-7 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive

obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Other provisions comprise provision to the negative equity value of a subsidiary.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.