



CEGO A/S

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

Annual report 2023

The Annual General Meeting adopted the annual report on 27.03.2024

Esben Serup Thomsen

Chairman of the General Meeting

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Entity details

Entity

CEGO A/S

Lauritzens Plads 1, 4.

9000 Aalborg

Business Registration No.: 29206651

Registered office: Aalborg

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Peter Thorlund Haahr, Chairman

Jacob Frederik Christensen

Anders Gautier Christensen

Executive Board

Esben Serup Thomsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of CEGO A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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, 21.03.2024

Executive Board

Esben Serup Thomsen

Board of Directors

Peter Thorlund Haahr
Chairman

Jacob Frederik Christensen

Anders Gautier Christensen

Independent auditor's report

To the shareholders of CEGO A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of CEGO A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 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 financial statements" section of this auditor's report. 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. 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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 commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aalborg, 21.03.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Winther Pedersen

State Authorised Public Accountant
Identification No (MNE) mne34173

Management commentary

Financial highlights

| | 2023 | 2022 | 2021 |
|--|-----------|----------|-----------|
| | DKK'000 | DKK'000 | DKK'000 |
| Key figures | | | |
| Gross profit/loss | 133,996 | 157,274 | 164,340 |
| Operating profit/loss | 43,963 | 72,435 | 83,514 |
| Net financials | (1,125) | (833) | (397) |
| Profit/loss for the year | 33,605 | 56,447 | 66,883 |
| Balance sheet total | 147,990 | 204,649 | 184,622 |
| Investments in property, plant and equipment | 1,905 | 1,627 | 3,144 |
| Equity | 67,177 | 133,572 | 112,125 |
| Cash flows from operating activities | 97,087 | 73,058 | 151,910 |
| Cash flows from investing activities | (27,067) | (26,894) | (22,880) |
| Cash flows from financing activities | (100,000) | (40,000) | (100,000) |
| Ratios | | | |
| Equity ratio (%) | 45.39 | 65.27 | 60.73 |

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total

Primary activities

CEGO A/S (henceforth: CEGO) develops and operates online casino products, focusing on the Casual Segment. CEGO currently has online casino activities in Denmark, Sweden, and the UK. CEGO operates subject to license requirements and is exposed to competition under local gambling jurisdictions.

The purpose of CEGO Holding is to own shares in other companies and businesses related hereto.

Development in activities and finances

CEGO is currently present in three markets with its casual online casino offerings. In Denmark, it operates www.spilnu.dk, which has been in operation since the liberalization of the Danish market in 2012. In Sweden, www.lyckost.se was launched in 2020, and since 2021, CEGO has also entered the UK market with happytiger.co.uk.

The online casino activities involve the offering of slot machines, Bingo, and Casino, all running on an in-house-built platform. This platform has been optimized to support a continuously strong customer experience in the future and to facilitate commercial initiatives designed for multi-market operations.

CEGO's in-house studio has achieved notable success in 2023, having developed and launched seven distinct in-house slot machines, alongside the introduction of Bingo 90, all tailored to cater to casual players.

CEGO embarked on international investments in 2020, with plans to sustain and expand these efforts in the foreseeable future. The focus in 2024 will be on leveraging the momentum attained in the UK market and intensifying operational efforts in this region. Concurrently, CEGO aims to uphold its status as the preferred casual iCasino operator in Denmark. Consequently, the company intends to discontinue operations in Sweden during 2024.

Responsible Gambling

CEGO's primary objective is to offer casual, fun, and entertaining games. We take an active role in creating a healthy environment where players feel safe and well-taken care of. Responsibility in gambling is an inherent part of our core values and the way we work. All employees receive responsible gambling training, and it is an integrated part of our daily operations.

Responsibility is at the forefront of our employees' minds when creating marketing content, new games, etc. Additionally, the Customer Support Team undergoes extra training to ensure a high level of attention towards potential adverse gambling behavior and to initiate safer gambling protocols when needed. The Customer Support Team is supervised in the area of responsible gambling by both an internal and external psychologist.

Being responsible is not a single action or intervention but the sum of a series of initiatives. At CEGO, these initiatives are implemented based on our overall approach, which is to be aware of and understand our players, helping them prevent potential unhealthy gambling patterns. We strive to do so in an incident-based, respectful, and personalized manner. One of the ways we achieve this is through Care Calls to players, performed by our in-house psychologist or personnel trained by experts in the field of problem gambling. We collaborate with external psychologists and support third-party research projects, both financially and with our extensive knowledge, to increase awareness and responsibility in gambling for the betterment of our players and society.

We monitor our players' behavior using software that analyzes Big Data. This information is used in dialogue with the players to proactively support changes in their behavior if it indicates that playing for fun may be at risk.

Furthermore, we continuously stay updated on the newest research to enhance our processes and support our players in the best possible way.

At CEGO we aim to maintain our collaboration with external experts/organizations and stakeholders, supporting a continuously safe gambling environment for our customers. Overall, CEGO strives to create a safe environment for our players that encourages and enables them to maintain a healthy approach towards gambling.

Diversity, recruitment, and employee composition

The CEGO company culture is rooted in entrepreneurship, agility, a flat hierarchy, and, above all, an openness to new developments, diverse ways of working, and new colleagues. CEGO is dedicated to providing equal opportunities to individuals, irrespective of gender, ethnicity, race, political views, religion, or sexual orientation. We embrace all facets of diversity, recognizing the importance of both the right skillset and mindset. Recruitment and promotion of managers at CEGO are aimed at fostering diversity within the leadership team.

Our goal is to become the preferred employer in the IT, gaming, and software sectors in our local market. We focus on attracting talent and providing our colleagues and employees with the best opportunities to ensure a long and rewarding tenure within CEGO.

In 2023, the CEGO Group welcomed 11 new employees while 15 employees departed. Of the new joiners, 20% are female. The current gender composition is 80% male and 20% female, with a more balanced distribution in departments other than IT development. The average seniority at CEGO is more than 5 years. We prioritize our employees' well-being, believing that thriving employees enhance our company culture and contribute to the best results for both the individual and the company.

CEGO is more than just a workplace; it's a culture. We consider ourselves a family, and we eagerly anticipate welcoming new family members. Social activities, ranging from weekly board game nights to physical workouts and in-house sports tournaments, are integral to our culture. We also prioritize physical and mental well-being by offering flexible working conditions, easy access to health insurance, free gym access, and more.

CEGO upholds and respects internationally recognized labor rights as specified in the International Labor Organization (ILO) core conventions. We comply with all applicable federal, state, and local laws and regulations regarding employer/employee rights and obligations, including the right to freedom of association and collective bargaining. Additionally, we have initiatives that strengthen diversity right from the recruitment process, such as participating in HR fairs, designing inclusive job advertisements, and actively leveraging our employees' networks.

Governance

The CEGO business must always be governed in a legally compliant manner, supporting the optimal protection of customers and employees within CEGO. Through our robust compliance frameworks, policies, procedures, workflows, and educational programs, we ensure that CEGO's governance and business ethics adhere to the highest standards.

All revenue in CEGO is generated from licensed markets. By operating exclusively in domestically regulated markets, CEGO can guarantee our customers the highest standards of quality in player protection and gambling products, certified in accordance with the license requirements in the applicable jurisdiction.

Profit/loss for the year in relation to expected developments

Profit for the year is DKK 33.6 million, influenced by a large marketing spend to leverage momentum gained in the UK.

Outlook

Management anticipates additional investments in growth during 2024, with an expected profit in the range of DKK 30 to 50 million.

Knowledge resources

CEGO is dedicated to maintaining a leading position in the adoption of new technologies across platform operations, product development, and compliance, with a primary focus on catering to casual players. The expertise of CEGO's personnel is pivotal to all aspects of the business and the Group.

Research and development activities

The company capitalizes development costs incurred during internal projects related to Games and Platform development. In the fiscal year 2023, the company capitalized DKK 25 million on such development projects. This capitalization primarily pertains to salaries allocated to these projects.

Consolidated income statement for 2023

| | Notes | 2023 DKK'000 | 2022 DKK'000 |
|--|-------|-----------------|-----------------|
| Gross profit/loss | | 133,996 | 157,274 |
| Staff costs | 1 | (67,545) | (66,161) |
| Depreciation, amortisation and impairment losses | 2 | (22,107) | (18,514) |
| Other operating expenses | | (381) | (164) |
| Operating profit/loss | | 43,963 | 72,435 |
| Other financial income | 3 | 477 | 490 |
| Other financial expenses | 4 | (1,602) | (1,323) |
| Profit/loss before tax | | 42,838 | 71,602 |
| Tax on profit/loss for the year | 5 | (9,233) | (15,155) |
| Profit/loss for the year | 6 | 33,605 | 56,447 |

Consolidated balance sheet at 31.12.2023

Assets

| | Notes | 2023 DKK'000 | 2022 DKK'000 |
|--|-------|-----------------|-----------------|
| Completed development projects | 8 | 51,779 | 49,085 |
| Acquired intangible assets | | 310 | 696 |
| Development projects in progress | 8 | 12,938 | 10,353 |
| Intangible assets | 7 | 65,027 | 60,134 |
| Other fixtures and fittings, tools and equipment | | 2,581 | 2,677 |
| Leasehold improvements | | 178 | 505 |
| Property, plant and equipment | 9 | 2,759 | 3,182 |
| Deposits | | 1,232 | 1,232 |
| Other receivables | | 1,580 | 1,647 |
| Financial assets | 10 | 2,812 | 2,879 |
| Fixed assets | | 70,598 | 66,195 |
| Trade receivables | | 22,720 | 14,305 |
| Receivables from group enterprises | | 0 | 42,957 |
| Other receivables | | 1,360 | 777 |
| Prepayments | 11 | 6,679 | 3,802 |
| Receivables | | 30,759 | 61,841 |
| Cash | | 46,633 | 76,613 |
| Current assets | | 77,392 | 138,454 |
| Assets | | 147,990 | 204,649 |

Equity and liabilities

| | Notes | 2023 DKK'000 | 2022 DKK'000 |
|--|--------------|-------------------------------|-------------------------------|
| Contributed capital | 12 | 500 | 500 |
| Retained earnings | | 1,677 | 3,072 |
| Proposed dividend for the financial year | | 65,000 | 130,000 |
| Equity | | 67,177 | 133,572 |
| Deferred tax | 13 | 13,913 | 12,917 |
| Provisions | | 13,913 | 12,917 |
| Other payables | | 3,836 | 3,633 |
| Non-current liabilities other than provisions | 14 | 3,836 | 3,633 |
| Bank loans | | 2 | 2 |
| Prepayments received from customers | | 16,636 | 12,702 |
| Trade payables | | 14,419 | 8,914 |
| Payables to group enterprises | | 1,672 | 0 |
| Tax payable | | 8,237 | 13,304 |
| Other payables | | 22,098 | 19,605 |
| Current liabilities other than provisions | | 63,064 | 54,527 |
| Liabilities other than provisions | | 66,900 | 58,160 |
| Equity and liabilities | | 147,990 | 204,649 |
| Unrecognised rental and lease commitments | 16 | | |
| Contingent liabilities | 17 | | |
| Transactions with related parties | 18 | | |
| Group relations | 19 | | |
| Subsidiaries | 20 | | |

Consolidated statement of changes in equity for 2023

| | Contributed capital DKK'000 | Retained earnings DKK'000 | Proposed dividend for the financial year DKK'000 | Total DKK'000 |
|---------------------------|-----------------------------------|---------------------------------|--|------------------|
| Equity beginning of year | 500 | 3,072 | 130,000 | 133,572 |
| Ordinary dividend paid | 0 | 0 | (130,000) | (130,000) |
| Group contributions etc. | 0 | 30,000 | 0 | 30,000 |
| Profit/loss for the year | 0 | (31,395) | 65,000 | 33,605 |
| Equity end of year | 500 | 1,677 | 65,000 | 67,177 |

Consolidated cash flow statement for 2023

| | Notes | 2023 DKK'000 | 2022 DKK'000 |
|---|-------|------------------|-----------------|
| Operating profit/loss | | 43,963 | 72,435 |
| Amortisation, depreciation and impairment losses | | 22,107 | 18,678 |
| Working capital changes | 15 | 44,951 | (5,472) |
| Cash flow from ordinary operating activities | | 111,021 | 85,641 |
| Financial income received | | 471 | 458 |
| Financial expenses paid | | (1,101) | (695) |
| Taxes refunded/(paid) | | (13,304) | (12,346) |
| Cash flows from operating activities | | 97,087 | 73,058 |
| Acquisition etc. of intangible assets | | 0 | (298) |
| Acquisition etc. of property, plant and equipment | | (1,894) | (1,568) |
| Acquisition of fixed asset investments | | (11) | (56) |
| Capitalization of development costs | | (25,162) | (24,972) |
| Cash flows from investing activities | | (27,067) | (26,894) |
| Free cash flows generated from operations and investments before financing | | 70,020 | 46,164 |
| Dividend paid | | (130,000) | (40,000) |
| Group contribution | | 30,000 | 0 |
| Cash flows from financing activities | | (100,000) | (40,000) |
| Increase/decrease in cash and cash equivalents | | (29,980) | 6,164 |
| Cash and cash equivalents beginning of year | | 76,613 | 70,449 |
| Cash and cash equivalents end of year | | 46,633 | 76,613 |
| Cash and cash equivalents at year-end are composed of: | | | |
| Cash | | 46,633 | 76,613 |
| Cash and cash equivalents end of year | | 46,633 | 76,613 |

Notes to consolidated financial statements

1 Staff costs

| | 2023 DKK'000 | 2022 DKK'000 |
|---------------------------------------|-----------------|-----------------|
| Wages and salaries | 60,283 | 59,169 |
| Pension costs | 5,988 | 5,704 |
| Other social security costs | 1,274 | 1,288 |
| | 67,545 | 66,161 |
| Average number of full-time employees | 106 | 109 |

| | Remuneration of management 2023 DKK'000 | Remuneration of management 2022 DKK'000 |
|--|---|---|
| Total amount for management categories | 4,590 | 4,982 |
| | 4,590 | 4,982 |

According to section 98B(3) no.2 of the Danish Financial Statement Act, remuneration to management has been disclosed together under one category, as it otherwise will lead to an individual's remuneration being disclosed.

2 Depreciation, amortisation and impairment losses

| | 2023 DKK'000 | 2022 DKK'000 |
|---|-----------------|-----------------|
| Amortisation of intangible assets | 18,848 | 16,465 |
| Impairment losses on intangible assets | 1,056 | 0 |
| Depreciation on property, plant and equipment | 2,203 | 2,049 |
| | 22,107 | 18,514 |

3 Other financial income

| | 2023 DKK'000 | 2022 DKK'000 |
|---|-----------------|-----------------|
| Financial income from group enterprises | 0 | 351 |
| Other interest income | 381 | 51 |
| Exchange rate adjustments | 6 | 32 |
| Other financial income | 90 | 56 |
| | 477 | 490 |

4 Other financial expenses

| | 2023 DKK'000 | 2022 DKK'000 |
|---|-----------------|-----------------|
| Financial expenses from group enterprises | 782 | 0 |
| Other interest expenses | 17 | 379 |
| Exchange rate adjustments | 501 | 629 |
| Other financial expenses | 302 | 315 |
| | 1,602 | 1,323 |

5 Tax on profit/loss for the year

| | 2023 DKK'000 | 2022 DKK'000 |
|------------------------|-----------------|-----------------|
| Current tax | 8,237 | 13,304 |
| Change in deferred tax | 996 | 1,851 |
| | 9,233 | 15,155 |

6 Proposed distribution of profit/loss

| | 2023 DKK'000 | 2022 DKK'000 |
|--|-----------------|-----------------|
| Ordinary dividend for the financial year | 65,000 | 130,000 |
| Retained earnings | (31,395) | (73,553) |
| | 33,605 | 56,447 |

7 Intangible assets

| | Completed development projects DKK'000 | Acquired intangible assets DKK'000 | Development projects in progress DKK'000 |
|---|---|---|---|
| Cost beginning of year | 103,687 | 6,526 | 10,353 |
| Transfers | 12,895 | 0 | (12,895) |
| Additions | 9,488 | 0 | 15,674 |
| Disposals | (1,602) | 0 | (194) |
| Cost end of year | 124,468 | 6,526 | 12,938 |
| Amortisation and impairment losses beginning of year | (54,602) | (5,830) | 0 |
| Impairment losses for the year | (1,056) | 0 | 0 |
| Amortisation for the year | (18,462) | (386) | 0 |
| Reversal regarding disposals | 1,431 | 0 | 0 |
| Amortisation and impairment losses end of year | (72,689) | (6,216) | 0 |
| Carrying amount end of year | 51,779 | 310 | 12,938 |

8 Development projects

In 2023, DKK 24,985 thousand has been capitalized allocated on 140 projects of which 116 have been launched and those projects are now subject to amortisation. The remaining projects are in preparation. The capitalization solely relates to salary allocated on projects. The projects are often completed within two years and thus amortisation of capitalised expenses on the projects is commenced shortly after the capitalization of the project. The projects are amortised over a period of three to five years. The Group has a positive profit for the year which expresses that the development projects have market potential.

9 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK'000 | Leasehold improvements DKK'000 |
|---|---|---|
| Cost beginning of year | 16,005 | 2,889 |
| Additions | 1,894 | 11 |
| Disposals | (176) | 0 |
| Cost end of year | 17,723 | 2,900 |
| Depreciation and impairment losses beginning of year | (13,328) | (2,384) |
| Depreciation for the year | (1,865) | (338) |
| Reversal regarding disposals | 51 | 0 |
| Depreciation and impairment losses end of year | (15,142) | (2,722) |
| Carrying amount end of year | 2,581 | 178 |

10 Financial assets

| | Deposits DKK'000 | Other receivables DKK'000 |
|------------------------------------|-----------------------------|--|
| Cost beginning of year | 1,232 | 1,647 |
| Transfers | 0 | (67) |
| Cost end of year | 1,232 | 1,580 |
| Carrying amount end of year | 1,232 | 1,580 |

11 Prepayments

Prepayments mainly consist of smaller costs relating to future periods.

12 Contributed capital

| | Number | Nominal value DKK'000 |
|---------------|----------------|--------------------------------------|
| Share capital | 500,000 | 500 |
| | 500,000 | 500 |

13 Deferred tax

| | 2023 DKK'000 | 2022 DKK'000 |
|-------------------------------------|-----------------|-----------------|
| Changes during the year | | |
| Beginning of year | 12,917 | 11,064 |
| Recognised in the income statement | 996 | 1,851 |
| Adjustment concerning previous year | 0 | 2 |
| End of year | 13,913 | 12,917 |

14 Non-current liabilities other than provisions

| | Due after more than 12 months 2023 DKK'000 | Outstanding after 5 years 2023 DKK'000 |
|----------------|--|---|
| Other payables | 3,836 | 3,836 |
| | 3,836 | 3,836 |

15 Changes in working capital

| | 2023 DKK'000 | 2022 DKK'000 |
|--|-----------------|-----------------|
| Increase/decrease in receivables | 31,149 | (5,839) |
| Increase/decrease in trade payables etc. | 13,802 | 367 |
| | 44,951 | (5,472) |

16 Unrecognised rental and lease commitments

| | 2023 DKK'000 | 2022 DKK'000 |
|---|-----------------|-----------------|
| Total liabilities under rental or lease agreements until maturity | 32,100 | 1,600 |

17 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which CEGO Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

18 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 Group has received a tax-free group subsidy from the parent company CEGO Midco ApS, of 30,000 tDKK in the financial year.

19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
CEGO Holding ApS, Aalborg

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
CEGO A/S, Aalborg

20 Subsidiaries

| | Registered in | Corporate form | Ownership % |
|---------------------------------|----------------------|-----------------------|--------------------|
| Magnet Gaming ApS | Aalborg | ApS | 100.00 |
| Spilnu.dk A/S | Aalborg | A/S | 100.00 |
| Lyckost ApS | Aalborg | ApS | 100.00 |
| Happytiger ApS | Aalborg | ApS | 100.00 |
| Double ApS | Aalborg | ApS | 100.00 |
| Datoselskabet af 04.03.2021 ApS | Aalborg | ApS | 100.00 |
| CEGO Payco Ltd. | United Kingdom | Ltd | 100.00 |

Parent income statement for 2023

| | Notes | 2023 DKK'000 | 2022 DKK'000 |
|--|-------|-----------------|-----------------|
| Gross profit/loss | | 28,728 | 29,634 |
| Staff costs | 1 | (24,735) | (26,206) |
| Depreciation, amortisation and impairment losses | 2 | (844) | (884) |
| Other operating expenses | | (15) | 0 |
| Operating profit/loss | | 3,134 | 2,544 |
| Income from investments in group enterprises | | 33,115 | 55,485 |
| Other financial income | 3 | 864 | 949 |
| Other financial expenses | 4 | (3,364) | (2,241) |
| Profit/loss before tax | | 33,749 | 56,737 |
| Tax on profit/loss for the year | 5 | (144) | (290) |
| Profit/loss for the year | 6 | 33,605 | 56,447 |

Parent balance sheet at 31.12.2023

Assets

| | Notes | 2023 DKK'000 | 2022 DKK'000 |
|--|-------|-----------------|-----------------|
| Acquired intangible assets | | 238 | 298 |
| Intangible assets | 7 | 238 | 298 |
| Other fixtures and fittings, tools and equipment | | 272 | 711 |
| Leasehold improvements | | 178 | 505 |
| Property, plant and equipment | 8 | 450 | 1,216 |
| Investments in group enterprises | | 161,980 | 178,865 |
| Deposits | | 1,232 | 1,232 |
| Other receivables | | 1,580 | 1,647 |
| Financial assets | 9 | 164,792 | 181,744 |
| Fixed assets | | 165,480 | 183,258 |
| Receivables from group enterprises | | 28,071 | 55,428 |
| Deferred tax | 10 | 151 | 114 |
| Other receivables | | 600 | 429 |
| Prepayments | 11 | 1,044 | 970 |
| Receivables | | 29,866 | 56,941 |
| Cash | | 2,638 | 1,410 |
| Current assets | | 32,504 | 58,351 |
| Assets | | 197,984 | 241,609 |

Equity and liabilities

| | Notes | 2023 DKK'000 | 2022 DKK'000 |
|--|--------------|-------------------------------|-------------------------------|
| Contributed capital | | 500 | 500 |
| Retained earnings | | 1,677 | 3,072 |
| Proposed dividend for the financial year | | 65,000 | 130,000 |
| Equity | | 67,177 | 133,572 |
| Other payables | | 754 | 768 |
| Non-current liabilities other than provisions | 12 | 754 | 768 |
| Bank loans | | 2 | 0 |
| Trade payables | | 2,926 | 1,364 |
| Payables to group enterprises | | 124,331 | 103,000 |
| Joint taxation contribution payable | | 181 | 308 |
| Other payables | | 2,613 | 2,597 |
| Current liabilities other than provisions | | 130,053 | 107,269 |
| Liabilities other than provisions | | 130,807 | 108,037 |
| Equity and liabilities | | 197,984 | 241,609 |
| Unrecognised rental and lease commitments | 13 | | |
| Contingent liabilities | 14 | | |
| Assets charged and collateral | 15 | | |
| Related parties with controlling interest | 16 | | |
| Transactions with related parties | 17 | | |

Parent statement of changes in equity for 2023

| | Contributed capital DKK'000 | Retained earnings DKK'000 | Proposed dividend for the year DKK'000 | Total DKK'000 |
|---------------------------|-----------------------------------|---------------------------------|---|------------------|
| Equity beginning of year | 500 | 3,072 | 130,000 | 133,572 |
| Ordinary dividend paid | 0 | 0 | (130,000) | (130,000) |
| Group contributions etc. | 0 | 30,000 | 0 | 30,000 |
| Profit/loss for the year | 0 | (31,395) | 65,000 | 33,605 |
| Equity end of year | 500 | 1,677 | 65,000 | 67,177 |

Dividends from group enterprises include dividends of 87.5 mDKK, whereby 7.5 mDKK has been approved at the general meeting of Magnet Gaming ApS and 80 mDKK has been approved at the general meeting of Spilnu.dk. Both dividends have been approved with the approvals of the 2023 annual reports for the companies.

Notes to parent financial statements

1 Staff costs

| | 2023 | 2022 |
|---|----------------|----------------|
| | DKK'000 | DKK'000 |
| Wages and salaries | 21,847 | 23,229 |
| Pension costs | 2,540 | 2,580 |
| Other social security costs | 348 | 397 |
| | 24,735 | 26,206 |
| Number of employees at balance sheet date | 31 | 36 |

| | Remuneration of Manage- ment 2023 DKK'000 | Remuneration of Manage- ment 2022 DKK'000 |
|--|--|--|
| Total amount for management categories | 4,590 | 4,982 |
| | 4,590 | 4,982 |

According to section 98B(3) no.2 of the Danish Financial Statement Act, remuneration to management has been disclosed together under one category, as it otherwise will lead to an individual's remuneration being disclosed.

2 Depreciation, amortisation and impairment losses

| | 2023 | 2022 |
|---|----------------|----------------|
| | DKK'000 | DKK'000 |
| Amortisation of intangible assets | 60 | 0 |
| Depreciation on property, plant and equipment | 784 | 884 |
| | 844 | 884 |

3 Other financial income

| | 2023 | 2022 |
|---|----------------|----------------|
| | DKK'000 | DKK'000 |
| Financial income from group enterprises | 839 | 874 |
| Other interest income | 19 | 56 |
| Exchange rate adjustments | 6 | 19 |
| | 864 | 949 |

4 Other financial expenses

| | 2023 | 2022 |
|---|----------------|----------------|
| | DKK'000 | DKK'000 |
| Financial expenses from group enterprises | 3,359 | 2,194 |
| Other interest expenses | 4 | 19 |
| Exchange rate adjustments | 1 | 28 |
| | 3,364 | 2,241 |

5 Tax on profit/loss for the year

| | 2023 | 2022 |
|------------------------|----------------|----------------|
| | DKK'000 | DKK'000 |
| Current tax | 181 | 308 |
| Change in deferred tax | (37) | (18) |
| | 144 | 290 |

6 Proposed distribution of profit and loss

| | 2023 | 2022 |
|--|----------------|----------------|
| | DKK'000 | DKK'000 |
| Ordinary dividend for the financial year | 65,000 | 130,000 |
| Retained earnings | (31,395) | (73,553) |
| | 33,605 | 56,447 |

7 Intangible assets

| | Acquired intangible assets DKK'000 |
|---|---|
| Cost beginning of year | 698 |
| Cost end of year | 698 |
| Amortisation and impairment losses beginning of year | (400) |
| Amortisation for the year | (60) |
| Amortisation and impairment losses end of year | (460) |
| Carrying amount end of year | 238 |

8 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK'000 | Leasehold improvements DKK'000 |
|---|--|--------------------------------------|
| Cost beginning of year | 8,982 | 2,889 |
| Additions | 132 | 11 |
| Disposals | (176) | 0 |
| Cost end of year | 8,938 | 2,900 |
| Depreciation and impairment losses beginning of year | (8,271) | (2,384) |
| Depreciation for the year | (446) | (338) |
| Reversal regarding disposals | 51 | 0 |
| Depreciation and impairment losses end of year | (8,666) | (2,722) |
| Carrying amount end of year | 272 | 178 |

9 Financial assets

| | Investments in group enterprises DKK'000 | Deposits DKK'000 | Other receivables DKK'000 |
|------------------------------------|---|---------------------|---------------------------------|
| Cost beginning of year | 129,010 | 1,232 | 1,647 |
| Transfers | 0 | 0 | (67) |
| Additions | 30,000 | 0 | 0 |
| Cost end of year | 159,010 | 1,232 | 1,580 |
| Revaluations beginning of year | 49,855 | 0 | 0 |
| Share of profit/loss for the year | 33,115 | 0 | 0 |
| Dividend | (80,000) | 0 | 0 |
| Revaluations end of year | 2,970 | 0 | 0 |
| Carrying amount end of year | 161,980 | 1,232 | 1,580 |

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

10 Deferred tax

| | 2023 DKK'000 | 2022 DKK'000 |
|------------------------------------|-----------------|-----------------|
| Changes during the year | | |
| Beginning of year | 114 | 96 |
| Recognised in the income statement | 37 | 18 |
| End of year | 151 | 114 |

Deferred tax assets

Deferred tax assets comprises deferred tax on other fixtures and fitting, tools and equipments and leasehold improvements. Management expects to utilize the deferred tax assets in the coming years.

11 Prepayments

Prepayments mainly consist of smaller costs relating to future periods.

12 Non-current liabilities other than provisions

| | Due after more than 12 months 2023 DKK'000 | Outstanding after 5 years 2023 DKK'000 |
|----------------|--|---|
| Other payables | 754 | 754 |
| | 754 | 754 |

13 Unrecognised rental and lease commitments

| | 2023 DKK'000 | 2022 DKK'000 |
|---|-----------------|-----------------|
| Total liabilities under rental or lease agreements until maturity | 32,100 | 1,600 |

14 Contingent liabilities

The entity has provided a statement of support to the subsidiary Double ApS until 31.12.2024.

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

15 Assets charged and collateral

None.

Collateral provided for group enterprises

The Entity has provided guarantee for Lyckost ApS's bank debt. The maximum limit of the guarantee is 800 tDKK. Bank loans in Lyckost ApS amount to 0 tDKK.

16 Related parties with controlling interest

CEGO Midco ApS, Aalborg (parent company) owns all shares in CEGO A/S, thus exercising control.
CEGO Holding ApS, Aalborg (ultimate parent company) owns all shares in CEGO Holding ApS, thus exercising control.

17 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 30,000 tDKK in the financial year. During the financial year, the company has provided tax-free group subsidy to its subsidiary Happytiger of 30,000 tDKK.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, own work capitalised, other operating income, costs of sales and external expenses.

Revenue

Revenue from the sale of games is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue comprises gross gaming revenue set off against winning and government taxes

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds .

Cost of sales

Cost of sales comprises expenses incurred to achieve revenue for the financial year; including fees, etc. to payment service provider, annual gaming fee and expenses for white label takers and license fee.

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 write downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staf

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, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and 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 interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as 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, payables and transactions in foreign currencies, amortisation of financial liabilities as well as 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 Parent is jointly taxed with all of its 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 in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises staff costs such as salaries, pension etc. 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. For development projects the amortisation periods used is 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 on a straight-line basis 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:

| | Useful life |
|--|--------------------|
| Other fixtures and fittings, tools and equipment | 1-7 years |
| Leasehold improvements | 3 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

In the parent financial statements, 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 and 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.

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.

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.

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.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to completion of the service agreed.

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.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.