

Stanleybet Danmark ApS
Dybendalsvænget 2, 2630 Taastrup

Annual report
2019

Company reg. no. 33 15 24 93

The annual report was submitted and approved by the general meeting on the 16 June 2020.

John Samuel Whittaker
Chairman of the meeting

Contents

Page

Reports

- 1 Management's report
- 2 Independent auditor's report

Management commentary

- 5 Company information
- 6 Management commentary

Financial statements 1 January - 31 December 2019

- 7 Accounting policies
- 11 Income statement
- 12 Statement of financial position
- 14 Notes

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The executive board has today presented the annual report of Stanleybet Danmark ApS for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

Taastrup, 24 April 2020

Executive board

John Samuel Whittaker

Giovanni Garrisi

Lee Thomas Shannon

Independent auditor's report

To the shareholders of Stanleybet Danmark ApS

Opinion

We have audited the annual accounts of Stanleybet Danmark ApS for the financial year 1 January to 31 December 2019, which comprise accounting policies, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the 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 annual accounts 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not find any material misstatement in the management's review.

Copenhagen, 24 April 2020

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Michael Marseen

State Authorised Public Accountant
mne32165

Company information

The company

Stanleybet Danmark ApS
Dybendalsvænget 2
2630 Taastrup

Company reg. no. 33 15 24 93
Established: 8 September 2010
Domicile: Copenhagen
Financial year: 1 January - 31 December
9th financial year

Executive board

John Samuel Whittaker
Giovanni Garrisi
Lee Thomas Shannon

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Øster Allé 42
2100 København Ø

Parent company

Stanleybet International Ltd.

Management commentary

The principal activities of the company

The activity of the company is to conduct gambling business in Denmark

Development in activities and financial matters

The gross profit for the year is DKK 2.579.072 against DKK 2.231.929 last year. The results from ordinary activities after tax are DKK -2.912.517 against DKK -2.966.642 last year.

A small loss is expected in 2020.

Continued operation

The company's shareholder has signed a letter in which the parent company declares that it will fund - and have the capacity to pay - the company with sufficient liquidity to ensure the company's continued operation in the current form, at least until 31 December 2020.

Furthermore the parent company has declared, that its outstanding balance with the company is subordinated to other debt / creditors.

The accounts are on this basis prepared with continued operation in mind.

COVID-19

As a result of covid-19, the range of sporting events is greatly reduced, which has a negative effect on the company's revenue.

The extent of this influence is still unknown at this time.

Accounting policies

The annual report for Stanleybet Danmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

Changes in the accounting policies

The item “Staff costs” has been reclassified so that certain types of expenses previously recognised under “Staff costs” will, in the future, be recognised under the item “Other external charges”.

The change in classification has no effect on the net profit or loss for the year, nor on the statement of financial position, neither for the current financial year, nor the previous financial year. The comparative figures have been adjusted in accordance with the reclassification.

Except for the above, the accounting policies for the financial statements remain unchanged from last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concern matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Accounting policies

Income statement

Gross profit

The gross profit comprises the net turnover, payouts and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Tangible fixed assets

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset. The depreciation period is fixed at the acquisition date and re-evaluated annually. If the residual value exceeds the book value of the asset, the depreciation expires.

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

Accounting policies

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Other plants, operating assets, fixtures and furniture	3-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

As regards assets of own production, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Financial fixed assets

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies

Corporate tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Liabilities

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross profit	2.579.072	2.231.929
1 Staff costs	-3.169.524	-3.214.417
Depreciation and impairment of property, land, and equipment	<u>-1.704.418</u>	<u>-1.368.020</u>
Operating profit	-2.294.870	-2.350.508
Other financial income	24.621	0
2 Other financial costs	<u>-642.268</u>	<u>-616.134</u>
Pre-tax net profit or loss	-2.912.517	-2.966.642
Tax on net profit or loss for the year	<u>0</u>	<u>0</u>
Net profit or loss for the year	-2.912.517	-2.966.642
Proposed appropriation of net profit:		
Allocated from retained earnings	<u>-2.912.517</u>	<u>-2.966.642</u>
Total allocations and transfers	-2.912.517	-2.966.642

Statement of financial position at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Non-current assets			
3	Other fixtures and fittings, tools and equipment	<u>2.159.841</u>	<u>4.209.792</u>
	Total property, plant, and equipment	<u>2.159.841</u>	<u>4.209.792</u>
	Deposits	<u>95.626</u>	<u>39.376</u>
	Total investments	<u>95.626</u>	<u>39.376</u>
	Total non-current assets	<u>2.255.467</u>	<u>4.249.168</u>
Current assets			
	Trade receivables	757.189	1.193.244
	Other receivables	1.707	0
	Prepayments and accrued income	<u>167.963</u>	<u>401.834</u>
	Total receivables	<u>926.859</u>	<u>1.595.078</u>
	Cash on hand and demand deposits	<u>438.874</u>	<u>269.088</u>
	Total current assets	<u>1.365.733</u>	<u>1.864.166</u>
	Total assets	<u>3.621.200</u>	<u>6.113.334</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
4	Contributed capital	80.000	80.000
5	Retained earnings	-36.881.103	-33.968.587
	Total equity	-36.801.103	-33.888.587
Liabilities other than provisions			
	Deposits	926.315	1.014.678
6	Other payables	123.327	0
	Total long term liabilities other than provisions	1.049.642	1.014.678
	Prepayments received from customers	34.705	28.865
	Trade payables	152.208	37.737
7	Payables to group enterprises	38.362.482	37.564.991
	Other payables	727.483	910.459
	Accruals and deferred income	95.783	445.191
	Total short term liabilities other than provisions	39.372.661	38.987.243
	Total liabilities other than provisions	40.422.303	40.001.921
	Total equity and liabilities	3.621.200	6.113.334
8 Contingencies			

Notes

All amounts in DKK.

	2019	2018
1. Staff costs		
Salaries and wages	2.890.403	2.910.846
Pension costs	240.834	262.281
Other costs for social security	38.287	41.290
	3.169.524	3.214.417
Average number of employees	6	7
2. Other financial costs		
Financial costs, group enterprises	637.325	569.664
Other financial costs	4.943	46.470
	642.268	616.134
3. Other fixtures and fittings, tools and equipment		
Cost 1 January	10.840.807	7.673.570
Additions during the year	197.757	3.167.237
Disposals during the year	-543.290	0
Cost 31 December	10.495.274	10.840.807
Depreciation and writedown 1 January	-6.631.015	-5.262.994
Amortisation and depreciation for the year	-1.704.418	-1.368.021
Depreciation and writedown 31 December	-8.335.433	-6.631.015
Carrying amount, 31 December	2.159.841	4.209.792
4. Contributed capital		
Contributed capital 1 January	80.000	80.000
	80.000	80.000

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
5. Retained earnings		
Retained earnings 1 January	-33.968.586	-31.001.945
Retained earnings for the year	<u>-2.912.517</u>	<u>-2.966.642</u>
	<u>-36.881.103</u>	<u>-33.968.587</u>
6. Other payables		
Holiday pay obligations	<u>123.327</u>	<u>0</u>
	<u>123.327</u>	<u>0</u>
Share of liabilities due after 5 years	<u>123.327</u>	<u>0</u>

7. Payables to group enterprises

The company's shareholder has signed a letter in which the parent company declares that it will fund - and have the capacity to pay - the company with sufficient liquidity to ensure the company's continued operation in the current form, at least until 31 December 2020.

Furthermore the parent company has declared, that its outstanding balance (37.414.571 DKK) with the company is subordinated to other debt / creditors.

The accounts are on this basis prepared with continued operation in mind.

8. Contingencies

Contingent assets

Deferred tax asset of 7.970 T.DKK is not recognised.

Contingent liabilities

Rent obligations amount yearly to 46 T.DKK with a interminable period of 3 months.

The company has no other liabilities or guaranties at 31 December 2019.