



Spilnu.dk A/S

Lauritzens Plads 1, 4.
9000 Aalborg
CVR No. 33960476

Annual report 2021

The Annual General Meeting adopted the
annual report on 06.04.2022

Jef Nymand Hounsgaard
Chairman of the General Meeting

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Entity details

Entity

Spilnu.dk A/S

Lauritzens Plads 1, 4.

9000 Aalborg

Business Registration No.: 33960476

Registered office: Aalborg

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Johan Jesper Kärrbrink, Chairman of the Board

Peter Thorlund Haahr

Jacob Frederik Christensen

Anders Gautier Christensen

Executive Board

Allan Auning-Hansen

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 Spilnu.dk A/S for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 06.04.2022

Executive Board

Allan Auning-Hansen

Board of Directors

Johan Jesper Kärrbrink
Chairman of the Board

Peter Thorlund Haahr

Jacob Frederik Christensen

Anders Gautier Christensen

Independent auditor's report

To the shareholders of Spilnu.dk A/S

Opinion

We have audited the financial statements of Spilnu.dk A/S for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 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 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, 06.04.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Winther Pedersen

State Authorised Public Accountant
Identification No (MNE) mne34173

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Gross profit/loss	93,676	91,585	180,084	121,780	111,853
Operating profit/loss	92,332	89,641	150,652	98,870	91,838
Net financials	806	724	332	321	654
Profit/loss for the year	72,647	70,406	117,756	77,353	72,068
Total assets	126,948	145,677	122,719	131,297	117,166
Investments in property, plant and equipment	0	16	464	368	70
Equity	77,141	4,493	60,530	95,895	90,542
Ratios					
Return on equity (%)	177.98	216.56	150.56	82.98	78.89
Equity ratio (%)	60.77	3.08	49.32	73.04	77.28

Return on equity

The entity's return on capital invested in the entity by the owners.

Solvency ratio

The financial strength of the entity.

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

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

Spilnu.dk A/S operates the website Spilnu.dk, which offers online casino experiences within the casual gaming category. Spilnu.dk A/S is a licensed remote operator of the gambling site Spilnu.dk, which offers online casino experiences within the casual gaming category. The company competes subject to the requirements of its remote operator license and pursuant to the Danish Gambling Act and all other applicable regulation.

Development in activities and finances

The Group entity Magnet Gaming A/S serves as the groups in-house studio and develops online casino games and deliver platform services to Spilnu.dk. Magnet Gaming A/S has successfully developed 7 unique in-house slot machines in 2021 targeted casual players which have been launched on the Spilnu.dk online casino together with additional third-party games.

The platform has been optimized, supporting a continuously strong customer experience in the future and commercial initiatives designed to multi-market operations.

Profit/loss for the year in relation to expected developments

Profit for the year is DKK 72.6 million. As expected, profit for the year is impacted by the increase in Gambling Duty from 20% to 28%, however above management expectations.

Outlook

Management expects 2022 profits in line with 2021.

Knowledge resources

The Group is devoted to staying in a forefront position in the utilization of new technologies in platform operations, product development and compliance. The expertise of the Group's personnel is essential to all areas of the business and the Group.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		93,675,528	91,584,958
Staff costs	1	(1,195,038)	(1,749,809)
Depreciation, amortisation and impairment losses		(148,806)	(194,083)
Operating profit/loss		92,331,684	89,641,066
Other financial income	2	1,652,672	1,243,036
Other financial expenses	3	(846,559)	(518,720)
Profit/loss before tax		93,137,797	90,365,382
Tax on profit/loss for the year	4	(20,490,598)	(19,959,685)
Profit/loss for the year	5	72,647,199	70,405,697

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		31,250	12,215
Intangible assets	6	31,250	12,215
Other fixtures and fittings, tools and equipment		49,033	185,624
Property, plant and equipment	7	49,033	185,624
Fixed assets		80,283	197,839
Trade receivables		13,286,237	14,661,941
Receivables from group enterprises		70,321,052	95,589,738
Other receivables		1,725,434	67,764
Prepayments	8	430,294	167,007
Receivables		85,763,017	110,486,450
Cash		41,104,910	34,993,006
Current assets		126,867,927	145,479,456
Assets		126,948,210	145,677,295

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital	9	1,000,000	1,000,000
Retained earnings		26,140,674	3,493,475
Proposed dividend		50,000,000	0
Equity		77,140,674	4,493,475
Deferred tax	10	104,454	77,626
Provisions		104,454	77,626
Other payables		0	107,408
Non-current liabilities other than provisions		0	107,408
Bank loans		61,430	235,719
Prepayments received from customers		12,083,123	13,554,072
Trade payables		4,991,807	1,483,363
Payables to group enterprises		802,248	96,739,910
Joint taxation contribution payable		20,463,770	19,900,060
Other payables		11,300,704	9,085,662
Current liabilities other than provisions		49,703,082	140,998,786
Liabilities other than provisions		49,703,082	141,106,194
Equity and liabilities		126,948,210	145,677,295
Contingent liabilities	11		
Assets charged and collateral	12		
Related parties with controlling interest	13		
Non-arm's length related party transactions	14		
Group relations	15		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	1,000,000	3,493,475	0	4,493,475
Profit/loss for the year	0	22,647,199	50,000,000	72,647,199
Equity end of year	1,000,000	26,140,674	50,000,000	77,140,674

Notes

1 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	1,039,648	1,467,838
Pension costs	89,517	159,910
Other social security costs	31,334	46,471
Other staff costs	34,539	75,590
	1,195,038	1,749,809
Average number of full-time employees	2	3

2 Other financial income

	2021	2020
	DKK	DKK
Financial income from group enterprises	1,652,672	1,109,979
Other interest income	0	133,057
	1,652,672	1,243,036

3 Other financial expenses

	2021	2020
	DKK	DKK
Financial expenses from group enterprises	556,867	0
Other interest expenses	286,151	505,759
Interest regarding tax paid on account	0	10,704
Other financial expenses	3,541	2,257
	846,559	518,720

4 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Current tax	20,463,770	19,900,060
Change in deferred tax	26,828	59,625
	20,490,598	19,959,685

5 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Ordinary dividend for the financial year	50,000,000	0
Extraordinary dividend distributed in the financial year	0	90,000,000
Retained earnings	22,647,199	(19,594,303)
	72,647,199	70,405,697

6 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	354,700
Additions	31,250
Cost end of year	385,950
Amortisation and impairment losses beginning of year	(342,485)
Amortisation for the year	(12,215)
Amortisation and impairment losses end of year	(354,700)
Carrying amount end of year	31,250

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	1,183,803
Disposals	(30,045)
Cost end of year	1,153,758
Depreciation and impairment losses beginning of year	(998,179)
Depreciation for the year	(136,591)
Reversal regarding disposals	30,045
Depreciation and impairment losses end of year	(1,104,725)
Carrying amount end of year	49,033

8 Prepayments

Prepayments mainly consist of smaller intersecting costs.

9 Share capital

	Number	Nominal value DKK
Share capital	1,000,000	1,000,000
	1,000,000	1,000,000

10 Deferred tax

	2021 DKK
Changes during the year	
Beginning of year	77,626
Recognised in the income statement	26,828
End of year	104,454

11 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 liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend 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.

12 Assets charged and collateral

None.

13 Related parties with controlling interest

CEGO A/S, Aalborg (parent company)
 CEGO Midco ApS, Aalborg (parent of CEGO A/S)
 CEGO Holding ApS (ultimate parent company)

14 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. No such transactions have been conducted in the financial year.

15 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 prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these 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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

Revenue from the sale of games is recognised in the income statement, when delivery has been made and risk has passed to the buyer. Revenue is stated as BSI (GGR) and comprises gross gaming revenue set off against winnings and government taxes.

Cost of sales

Cost of sales comprises expenses incurred to achieve revenue for the 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, 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, and gains and losses from the sale of intangible assets and property, plant and equipment.

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, 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, 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 comprises of acquired intellectual property rights.

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
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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. Residual values are estimated at DKK 0.

Items of property, plant and equipment 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.

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.

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.

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 delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of 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.

Cash flow statement

Cash flow statement has been omitted in the annual report, according to the Danish Financial Statements Act Section 86 subsection 4, as it is included in the Group cash flow statement of CEGO Holding ApS.