



Spilnu.dk A/S

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

Annual report 2020

The Annual General Meeting adopted the
annual report on 31.03.2021

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

CVR No.: 33960476

Registered office: Aalborg

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Johan Jesper Kärrbrink, Chairman

Jacob Frederik Christensen

Anders Gautier Christensen

Peter Thorlund Haahr

Allan Auning-Hansen

Executive Board

Jacob Frederik Christensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

Statement by Management

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

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

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

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

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

Aalborg, 31.03.2021

Executive Board

Jacob Frederik Christensen

Board of Directors

Johan Jesper Kärrbrink
Chairman

Jacob Frederik Christensen

Anders Gautier Christensen

Peter Thorlund Haahr

Allan Auning-Hansen

Independent auditor's report

To the shareholders of Spilnu.dk A/S

Opinion

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aalborg, 31.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Winther Pedersen

State Authorised Public Accountant
Identification No (MNE) mne34173

Management commentary

Financial highlights

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	91,585	180,084	121,780	111,853	104,319
Operating profit/loss	89,641	150,652	98,870	91,838	89,472
Net financials	724	332	321	654	839
Profit/loss for the year	70,406	117,756	77,353	72,068	71,082
Total assets	145,677	122,719	131,297	117,166	114,979
Investments in property, plant and equipment	16	464	368	70	0
Equity	4,493	60,530	95,895	90,542	92,174
Ratios					
Return on equity (%)	216.56	150.56	82.98	78.89	92.76
Equity ratio (%)	3.08	49.32	73.04	77.28	80.17

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 (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

Spilnu.dk A/S operates the website Spilnu.dk, which offers online casino experiences within the casual gaming category. The company is subject to license requirements as well the Danish Gambling Act; and competes in accordance with these.

Development in activities and finances

During the year the Game Development and Platform Operating activities were consolidated in the Magnet Gaming entity, which now provides games and platform management to the Operator-entities in the group. The administrative function of Group Marketing was moved to the CEGO A/S parent company, which will continue to perform management services for SpilNu.dk.

Profit/loss for the year in relation to expected developments

Profit for the year amounts to DKK 70.4 million (2018: 117.8 million). The result is reflecting the restructuring activities, and Management consider the result acceptable.

Performance of the SpilNu.dk brand in the Danish Market has improved with +10% growth in Gross Gaming Revenue (GGR) during the year 2020.

During this period, the company has also significantly reduced TV advertising coverage as measured by Target Rating Points. The financial performance improvements are attributed to the fact that SpilNu.dk retains customers by offering high quality casino games, which make profits less contingent on marketing expenditure.

Outlook

The company is expecting the profit in 2021 to be slightly lower than 2020, due to the increase in online casino duty from 20% to 28%. Revenue in 2021 is expected to grow slightly less than in 2020.

Particular risks

No unusual circumstances occurred during the financial year and up to the reporting date, and the Company has not assumed any special risks. The financial statements have not been associated with significant uncertainty in relation to recognition and measurement. In connection with the financial reporting, Management has assessed the valuation of its development projects. Management has not identified the need for write-down of its development projects.

Intellectual capital resources

The knowledge and competence level of the employees are important parameters in relation to the development of Spilnu.dk A/S 'products. It is endeavored to continually have the right knowledge and competences that will help Spilnu.dk A/S continue to maintain its customers in a competitive environment and continue its growth through the development of new games for the Company's gaming platform and business partners.

Events after the balance sheet date

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

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		91,584,958	180,083,787
Staff costs	1	(1,749,809)	(17,061,819)
Depreciation, amortisation and impairment losses		(194,083)	(12,370,105)
Operating profit/loss		89,641,066	150,651,863
Other financial income	2	1,243,036	629,458
Other financial expenses		(518,720)	(297,007)
Profit/loss before tax		90,365,382	150,984,314
Tax on profit/loss for the year	3	(19,959,685)	(33,227,829)
Profit/loss for the year	4	70,405,697	117,756,485

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	6	0	29,080,029
Acquired intangible assets		12,215	93,467
Development projects in progress	6	0	3,512,763
Intangible assets	5	12,215	32,686,259
Other fixtures and fittings, tools and equipment		185,624	551,391
Property, plant and equipment	7	185,624	551,391
Fixed assets		197,839	33,237,650
Trade receivables		14,661,941	16,020,573
Receivables from group enterprises		95,589,738	40,127,785
Other receivables		67,764	295,382
Prepayments	8	167,007	48,666
Receivables		110,486,450	56,492,406
Cash		34,993,006	32,989,316
Current assets		145,479,456	89,481,722
Assets		145,677,295	122,719,372

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	9	1,000,000	1,000,000
Reserve for development expenditure		0	24,742,680
Retained earnings		3,493,475	787,322
Proposed dividend		0	34,000,000
Equity		4,493,475	60,530,002
Deferred tax	10	77,626	6,579,801
Provisions		77,626	6,579,801
Other payables		107,408	1,023,088
Non-current liabilities other than provisions	11	107,408	1,023,088
Bank loans		235,719	490,326
Prepayments received from customers		13,554,072	14,241,143
Trade payables		1,483,363	1,845,909
Payables to group enterprises		96,739,910	0
Joint taxation contribution payable		19,900,060	26,068,121
Other payables		9,085,662	11,940,982
Current liabilities other than provisions		140,998,786	54,586,481
Liabilities other than provisions		141,106,194	55,609,569
Equity and liabilities		145,677,295	122,719,372
Contingent liabilities	12		
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Non-arm's length related party transactions	15		
Group relations	16		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Proposed dividend DKK
Equity beginning of year	1,000,000	24,742,680	787,322	0	34,000,000
Effect of divestments of entities etc	0	0	(32,442,224)	0	0
Increase of capital	0	0	30,000,000	0	0
Ordinary dividend paid	0	0	0	0	(34,000,000)
Extraordinary dividend paid	0	0	0	(90,000,000)	0
Dissolution of reserves	0	(24,742,680)	24,742,680	0	0
Profit/loss for the year	0	0	(19,594,303)	90,000,000	0
Equity end of year	1,000,000	0	3,493,475	0	0

	Total DKK
Equity beginning of year	60,530,002
Effect of divestments of entities etc	(32,442,224)
Increase of capital	30,000,000
Ordinary dividend paid	(34,000,000)
Extraordinary dividend paid	(90,000,000)
Dissolution of reserves	0
Profit/loss for the year	70,405,697
Equity end of year	4,493,475

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	1,467,838	26,914,918
Pension costs	159,910	2,524,562
Other social security costs	46,471	666,433
Other staff costs	75,590	1,038,188
	1,749,809	31,144,101
Staff costs classified as assets	0	(14,082,282)
	1,749,809	17,061,819
Average number of full-time employees	3	57

	Remuneration of management 2020 DKK	Remuneration of management 2019 DKK
Total amount for management categories	155,171	1,877,257
	155,171	1,877,257

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

2 Other financial income

	2020	2019
	DKK	DKK
Financial income from group enterprises	1,109,979	614,957
Other interest income	133,057	14,500
Other financial income	0	1
	1,243,036	629,458

3 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	19,900,060	33,638,121
Change in deferred tax	59,625	(410,292)
	19,959,685	33,227,829

4 Proposed distribution of profit and loss

	2020 DKK	2019 DKK
Ordinary dividend for the financial year	0	34,000,000
Extraordinary dividend distributed in the financial year	90,000,000	96,121,000
Retained earnings	(19,594,303)	(12,364,515)
	70,405,697	117,756,485

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	64,771,025	4,780,360	3,512,763
Disposals on divestments etc	(64,771,025)	(4,425,660)	(3,512,763)
Cost end of year	0	354,700	0
Amortisation and impairment losses beginning of year	(35,690,996)	(4,686,893)	0
Disposals on divestments etc	35,690,996	4,365,348	0
Amortisation for the year	0	(20,940)	0
Amortisation and impairment losses end of year	0	(342,485)	0
Carrying amount end of year	0	12,215	0

6 Development projects

All development projects has been moved to Magnet Gaming ApS in 2020.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	1,521,033
Additions	15,999
Disposals	(353,229)
Cost end of year	1,183,803
Depreciation and impairment losses beginning of year	(969,642)
Depreciation for the year	(173,143)
Reversal regarding disposals	144,606
Depreciation and impairment losses end of year	(998,179)
Carrying amount end of year	185,624

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

	2020 DKK
Changes during the year	
Beginning of year	18,001
Recognised in the income statement	59,625
End of year	77,626

11 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Other payables	107,408
	107,408

12 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.

13 Assets charged and collateral

None.

14 Related parties with controlling interest

CEGO A/S, Aalborg (parent company)

CEGO Holding ApS (ultimate parent company)

15 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 A / S, of 30,000 tDKK in the financial year.

16 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.

Non-comparability

With effect per. 01.01.2020 a branch splitting has been carried out concerning the company's development activities which have been split into Magnet Gaming ApS.

Assets worth DKK 32,874 thousand and liabilities of DKK 431 thousand have been transferred to Magnet Gaming ApS.

Reserves on equity of DKK 32,442 thousand has been transferred to Magnet Gaming ApS.

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.

Other operating income

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

Cost of sales

Cost of sales comprises 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 licence 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 writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, 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 comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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

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

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

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

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

Property, plant and equipment

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

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

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

Other fixtures and fittings, tools and equipment	1-7 years
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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.