Deloitte.

Cego Holding ApS

Lauritzens Plads 1, 4.
9000 Aalborg
CVR No. 40559493

Annual report 2021

The Annual General Meeting adopted the annual report on 06.04.2022

Jef Nymand Hounsgaard
Chairman of the General Meeting

Contents

Entity details

Entity

Cego Holding ApS
Lauritzens Plads 1, 4.
9000 Aalborg

Business Registration No.: 40559493
Registered office: Aalborg
Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Peter Thorlund Haahr, Chairman of the board
Jacob Frederik Christensen
Anders Gautier Christensen
Jesper Hørsholt

Executive Board

Jacob Frederik Christensen

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 Holding ApS 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 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 31.12.2021 and of the results of their operations and the consolidated cash flows 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

Jacob Frederik Christensen

Board of Directors

Peter Thorlund Haahr
Chairman of the board

Jacob Frederik Christensen

Anders Gautier Christensen

Jesper Hørsholt

Independent auditor's report

To the shareholders of Cego Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Cego Holding ApS 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, 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 31.12.2021 and of the results of their operations and the consolidated cash flows 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 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 under the Danish Financial Statements Act.

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 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
Key figures			
Gross profit/loss	146,945	195,880	60,049
Operating profit/loss	32,916	101,376	3,633
Net financials	(13,909)	(9,273)	(1,923)
Profit/loss for the year	5,878	61,017	(5,809)
Balance sheet total	1,030,693	1,045,010	1,076,310
Investments in property, plant and equipment	3,144	1,690	12,524
Equity	563,012	555,208	494,191
Cash flows from operating activities	90,287	121,898	35,214
Cash flows from investing activities	(22,880)	(21,201)	(1,101,995)
Cash flows from financing activities	(37,534)	(94,200)	1,032,500
Ratios			
Return on equity (%)	1.05	11.63	(1.20)
Equity ratio (%)	54.62	53.13	45.92

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
Balance sheet total

Primary activities

CEGO Holding (henceforth: the Group) develops and operates online casino products, focusing on the Casual Segment. The Group currently have online casino activities in Denmark, Sweden and UK. The Group operates subject to license requirements and exposed to competition under local gambling jurisdictions.

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

Development in activities and finances

During 2021 the group obtained a license in the UK market and started offering its online casino products on happytiger.co.uk in the fourth quarter of 2021. The Group is now present with its online casino in three markets which besides UK counts Denmark with spilnu.dk and Sweden with lyckost.se.

Lyckost.se is now an established online casino brand in Sweden following the launch in 2020. During 2021 the in-house build Bingo product was launched in Sweden and has been well received by the Swedish players.

The Online Casino activities involving the offering of slot machines, Bingo and Casino runs on an in-house build platform. The platform has been optimized, supporting a continuously strong costumer experience in the future and commercial initiatives designed to multi-market operations.

The Group in-house studio has successfully developed and launched 7 unique in-house slot machines in 2021 targeted casual players and added additional third-party games to its product offering.

The subsidiary Superpog ApS was divested in Q3 2021.

Responsible gambling

The Group primary objective is to offer casual, fun, and entertaining games. We take on an active role in creating a healthy environment where players feel safe and taken care of. Responsibility in gambling is therefore 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 work. All employees have responsibility in mind when creating marketing content, new games, etc. Furthermore, the Customer Support Team is trained to have attention on responsible behaviour in the communication with the players. We always communicate that gambling should be fun, entertaining, and responsible.

Being responsible is not a single action or intervention, but the sum of a series of initiatives. In the Group these initiatives are all implemented based on our overall approach which is to be aware of and understand our players to help them prevent potential unhealthy gambling patterns. We strive to do that in an incident based, respectful and personalised approach. One of the ways we do that is to perform Care Calls to players. Our Care Calls are performed by our in-house psychologist or personnel trained by experts in the field of problem gambling.

We use a game scanner to monitor the behaviour of our players. We use this information in dialogue with the player to help them to proactively support change in their behaviour if the behaviour no longer supports playing for fun. Furthermore, we continuously follow the newest research to update our processes and support our players in the best possible way.

Overall, the Group seeks to create a secure environment for our players that encourages and enables them to continuously have a healthy approach towards gambling.

Profit/loss for the year in relation to expected developments
Profit for the year is DKK 5.9 million. As expected, profit for the year is impacted by the increase in Gambling Duty from 20% to 28% in Denmark, in combination with investments in new market growth.

Outlook
Management expects further investments in growth in 2022 leading to a decrease in profits compared to 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, targeting mainly casual players. The expertise of the Group's personnel is essential to all areas of the business and the Group.

Research and development activities
The CEGO Group capitalizes development costs on internal development projects related to Games and Platform development. In 2021 the CEGO Group capitalized DKK 21.2 million on development projects. The capitalization is solely related to salaries allocated to the projects.

Statutory report on diversity
Our culture is based on entrepreneurship, agility, a flat hierarchy and, above all, an open-mindedness towards new actions, ways of working and new colleagues. In the Group, all aspects of diversity with the right skillset and mindset are embraced.

In 2021, an additional 23 employees have joined CEGO, whereas 11 employees have left. 25% of the new joiners are female. Six of the employees leaving the company did so because of the divestment of the subsidiary Superpog A/S. The current gender composition is 80% male and 20% female, but closer to 50/50 in departments other than it-development.

Employee wellbeing
In the Group, we highly prioritise our employees' well-being, as we believe that thriving employees enrich our culture and drive the best results for the individual as well as the company. Like many other companies, The Group and our way of work have been impacted by Covid-19. We adapted to the work from home situation quickly. Our focus was to sustain our culture in an online environment by facilitating various online social activities for all employees such as Friday afternoon online parties, online get-togethers in groups, care calls from HR, etc.

Once back at the office, we reinitiated our many social activities, which are an important part of our culture, ranging from weekly board game nights to physical workout and in-house sports tournaments. We also prioritise physical and mental wellbeing by offering flexible working conditions, easy access to health insurance, free gym access, etc.

The Groups sick leave percentage in 2021 was 2,5%, reflecting a year with Covid-19 cases.

Consolidated income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		**146,945**	**195,880**
Staff costs	1	(46,295)	(29,521)
Depreciation, amortisation and impairment losses		(67,734)	(64,983)
Operating profit/loss		**32,916**	**101,376**
Income from investments in group enterprises		1,600	0
Other financial income		9	133
Other financial expenses		(13,918)	(9,406)
Profit/loss before tax		**20,607**	**92,103**
Tax on profit/loss for the year	2	(14,729)	(31,086)
Profit/loss for the year	3	**5,878**	**61,017**

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Completed development projects	5	43,823	37,859
Acquired intangible assets		778	230
Goodwill		879,097	929,093
Development projects in progress	5	6,894	7,036
Intangible assets	4	**930,592**	**974,218**
Other fixtures and fittings, tools and equipment		2,817	2,368
Leasehold improvements		790	172
Property, plant and equipment	6	**3,607**	**2,540**
Deposits		1,233	1,210
Other receivables		1,839	0
Financial assets	7	**3,072**	**1,210**
Fixed assets		**937,271**	**977,968**
Manufactured goods and goods for resale		0	3
Inventories		**0**	**3**
Trade receivables		14,734	16,253
Other receivables		3,280	818
Tax receivable		0	5,403
Prepayments	8	1,909	939
Receivables		**19,923**	**23,413**
Cash		**73,499**	**43,626**
Current assets		**93,422**	**67,042**
Assets		**1,030,693**	**1,045,010**

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital	9	502	500
Reserve for development costs		39,559	35,018
Retained earnings		522,951	519,103
Proposed dividend for the financial year		0	587
Equity		**563,012**	**555,208**
Deferred tax	10	11,064	8,687
Provisions		**11,064**	**8,687**
Bank loans		378,800	398,300
Other payables		3,731	3,883
Non-current liabilities other than provisions	11	**382,531**	**402,183**
Current portion of non-current liabilities other than provisions	11	20,000	40,000
Bank loans		88	612
Prepayments received from customers		12,705	13,924
Trade payables		9,036	3,174
Tax payable		12,346	0
Other payables		19,911	21,222
Current liabilities other than provisions		**74,086**	**78,932**
Liabilities other than provisions		**456,617**	**481,115**
Equity and liabilities		**1,030,693**	**1,045,010**
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Transactions with related parties	16		
Subsidiaries	17		

Consolidated statement of changes in equity for 2021

	Contributed capital DKK'000	Share premium DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Proposed dividend for the financial year DKK'000
Equity beginning of year	500	0	35,018	519,103	587
Increase of capital	2	2,511	0	0	0
Transferred from share premium	0	(2,511)	0	2,511	0
Ordinary dividend paid	0	0	0	0	(587)
Transfer to reserves	0	0	4,541	(4,541)	0
Profit/loss for the year	0	0	0	5,878	0
Equity end of year	**502**	**0**	**39,559**	**522,951**	**0**

	Total DKK'000
Equity beginning of year	555,208
Increase of capital	2,513
Transferred from share premium	0
Ordinary dividend paid	(587)
Transfer to reserves	0
Profit/loss for the year	5,878
Equity end of year	**563,012**

Consolidated cash flow statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Operating profit/loss		32,916	101,376
Amortisation, depreciation and impairment losses		67,734	64,983
Working capital changes	12	(1,097)	9,516
Cash flow from ordinary operating activities		**99,553**	**175,875**
Financial income received		9	133
Financial expenses paid		(13,918)	(9,403)
Taxes refunded/(paid)		4,643	(44,707)
Cash flows from operating activities		**90,287**	**121,898**
Acquisition etc. of intangible assets		(229)	(26)
Sale of intangible assets		112	0
Acquisition etc. of property, plant and equipment		(3,819)	(1,690)
Acquisition of fixed asset investments		(23)	0
Sale of fixed asset investments		330	0
Disposal of enterprises		1,993	0
Staff costs classified as assets		(21,244)	(19,485)
Cash flows from investing activities		**(22,880)**	**(21,201)**
Free cash flows generated from operations and investments before financing		**67,407**	**100,697**
Loans raised		0	438,300
Repayments of loans etc.		(39,500)	(532,500)
Dividend paid		(587)	0
Cash capital increase		2,553	0
Cash flows from financing activities		**(37,534)**	**(94,200)**
Increase/decrease in cash and cash equivalents		**29,873**	**6,497**
Cash and cash equivalents beginning of year		43,626	37,129
Cash and cash equivalents end of year		**73,499**	**43,626**

Cash and cash equivalents at year-end are composed of:

Cash	73,499	43,626
Cash and cash equivalents end of year	**73,499**	**43,626**

Notes to consolidated financial statements

1 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	56,438	41,326
Pension costs	5,396	4,352
Other social security costs	1,246	757
Other staff costs	4,459	2,571
	67,539	**49,006**
Staff costs classified as assets	(21,244)	(19,485)
	46,295	**29,521**

Average number of full-time employees	104	85

	Remuneration of management 2021 DKK'000	Remuneration of management 2020 DKK'000
Total amount for management categories	1,909	1,859
	1,909	**1,859**

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 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	12,346	29,933
Change in deferred tax	2,246	1,252
Adjustment concerning previous years	137	13
Refund in joint taxation arrangement	0	(112)
	14,729	**31,086**

3 Proposed distribution of profit/loss

	2021 DKK'000	2020 DKK'000
Ordinary dividend for the financial year	0	587
Retained earnings	5,878	60,430
	5,878	**61,017**

4 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	87,930	5,609	999,921	7,036
Disposals on divestments etc.	0	(676)	0	0
Transfers	6,092	0	0	(6,092)
Additions	14,553	1,304	0	6,691
Disposals	(21,950)	(9)	0	(741)
Cost end of year	**86,625**	**6,228**	**999,921**	**6,894**
Amortisation and impairment losses beginning of year	(50,071)	(5,379)	(70,828)	0
Disposals on divestments etc	0	664	0	0
Reversal of impairment losses	20,795	0	0	0
Amortisation for the year	(13,526)	(740)	(49,996)	0
Reversal regarding disposals	0	5	0	0
Amortisation and impairment losses end of year	**(42,802)**	**(5,450)**	**(120,824)**	**0**
Carrying amount end of year	**43,823**	**778**	**879,097**	**6,894**

5 Development projects

In 2021, DKK 21,244 thousand has been capitalized allocated on 80 projects of which 49 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 five years.

The Groups revenue is stabil compared to last year which expresses that the development projects have market potentials. The projects are in online slot machines, cash games and casual games without cash involved.

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	12,268	1,889
Additions	2,200	944
Disposals	(30)	0
Cost end of year	**14,438**	**2,833**
Depreciation and impairment losses beginning of year	(9,900)	(1,717)
Depreciation for the year	(1,751)	(326)
Reversal regarding disposals	30	0
Depreciation and impairment losses end of year	**(11,621)**	**(2,043)**
Carrying amount end of year	**2,817**	**790**

7 Financial assets

	Deposits DKK'000	Other receivables DKK'000
Cost beginning of year	1,210	0
Transfers	0	(340)
Additions	23	2,179
Cost end of year	**1,233**	**1,839**
Carrying amount end of year	**1,233**	**1,839**

8 Prepayments

Prepayments mainly consist of smaller costs relating to future periods.

9 Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
A-Shares	300,000	1	300
B-Shares	201,734	1	202
	501,734		**502**

10 Deferred tax

Changes during the year	2021 DKK'000	2020 DKK'000
Beginning of year	8,687	7,434
Recognised in the income statement	2,246	1,253
Disposals through business combinations etc.	131	0
End of year	**11,064**	**8,687**

11 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK'000	Due within 12 months 2020 DKK'000	Due after more than 12 months 2021 DKK'000	Outstanding after 5 years 2021 DKK'000
Bank loans	20,000	40,000	378,800	0
Other payables	0	0	3,731	3,633
	20,000	**40,000**	**382,531**	**3,633**

12 Changes in working capital

	2021 DKK'000	2020 DKK'000
Increase/decrease in inventories	3	(3)
Increase/decrease in receivables	(3,752)	(603)
Increase/decrease in trade payables etc.	2,652	10,122
	(1,097)	**9,516**

13 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Total liabilities under rental or lease agreements until maturity	1,517	1,309

14 Contingent liabilities

The company has entered into a warrant incentive program with senior executives that includes the right of purchasing new B shares representing a nominal value of DKK 1 in the company in the period 2021 to 2026. The program is structured two-fold with the respective characteristics:

Monthly allocation	Number of shares	Price per warrant
1/48	3,000	DKK 1,615
1/60	1,100	DKK 1,600

The program corresponds to a total capital increase of DKK 6,605 thousand.

15 Assets charged and collateral

The shares in CEGO A/S has been pledged as collateral for the Group's bank loans. The carrying amount of the shares amounts to 991,223 tDKK. The balances amounts at December 31st to 398,800 tDKK .

16 Transactions with related parties

Only related party transactions not conducted on an arms's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

17 Subsidiaries

	Registered in	Corporate form	Ownership %
Spilnu.dk A/S	Aalborg	A/S	100.0
Magnet Gaming ApS	Aalborg	ApS	100.0
CEGO A/S	Aalborg	A/S	100.0
Lyckost ApS	Aalborg	ApS	100.0
CEGO Midco ApS	Aalborg	ApS	100.0
Happytiger ApS	Aalborg	ApS	100.0
Datoselskabet af 04.03.2021 ApS	Aalborg	ApS	100.0

Parent income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		**(235)**	**(104)**
Income from investments in group enterprises		6,281	61,412
Other financial income	1	4	0
Other financial expenses	2	(287)	(401)
Profit/loss before tax		**5,763**	**60,907**
Tax on profit/loss for the year	3	115	111
Profit/loss for the year	4	**5,878**	**61,018**

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Investments in group enterprises		561,359	555,679
Financial assets	5	**561,359**	**555,679**
Fixed assets		**561,359**	**555,679**
Tax receivable		0	3,177
Joint taxation contribution receivable		13,084	29,935
Receivables		**13,084**	**33,112**
Cash		**2,518**	**4**
Current assets		**15,602**	**33,116**
Assets		**576,961**	**588,795**

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		502	500
Reserve for net revaluation according to equity method		61,360	55,679
Retained earnings		501,150	498,442
Proposed dividend for the financial year		0	587
Equity		**563,012**	**555,208**
Payables to group enterprises		1,504	33,587
Tax payable		12,346	0
Other payables	6	99	0
Current liabilities other than provisions		**13,949**	**33,587**
Liabilities other than provisions		**13,949**	**33,587**
Equity and liabilities		**576,961**	**588,795**
Contingent liabilities	7		
Assets charged and collateral	8		
Transactions with related parties	9		

Parent statement of changes in equity for 2021

	Contributed capital DKK'000	Share premium DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000
Equity beginning of year	500	0	55,679	498,442	587
Increase of capital	2	2,511	0	0	0
Transferred from share premium	0	(2,511)	0	2,511	0
Ordinary dividend paid	0	0	0	0	(587)
Dividends from group enterprises	0	0	(600)	600	0
Profit/loss for the year	0	0	6,281	(403)	0
Equity end of year	**502**	**0**	**61,360**	**501,150**	**0**

	Total DKK'000
Equity beginning of year	555,208
Increase of capital	2,513
Transferred from share premium	0
Ordinary dividend paid	(587)
Dividends from group enterprises	0
Profit/loss for the year	5,878
Equity end of year	**563,012**

Notes to parent financial statements

1 Other financial income

	2021 DKK'000	2020 DKK'000
Financial income from group enterprises	1	0
Other interest income	3	0
	4	**0**

2 Other financial expenses

	2021 DKK'000	2020 DKK'000
Financial expenses from group enterprises	272	400
Other interest expenses	15	1
	287	**401**

3 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Adjustment concerning previous years	(1)	0
Refund in joint taxation arrangement	(114)	(111)
	(115)	**(111)**

4 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Ordinary dividend for the financial year	0	587
Retained earnings	5,878	60,431
	5,878	**61,018**

5 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	500,000
Cost end of year	**500,000**
Revaluations beginning of year	55,678
Share of profit/loss for the year	6,281
Dividend	(600)
Revaluations end of year	**61,359**
Carrying amount end of year	**561,359**

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

6 Other payables

	2021 DKK'000	2020 DKK'000
Other costs payable	99	0
	99	**0**

7 Contingent liabilities

The company has entered into a warrant incentive program with senior executives that includes the right of purchasing new B shares representing a nominal value of DKK 1 in the company in the period 2021 to 2026. The program is structured two-fold with the respective characteristics:

Monthly allocation	Number of shares	Price per warrant
1/48	3,000	DKK 1,615
1/60	1,100	DKK 1,600

The program corresponds to a total capital increase of DKK 6,605 thousand.

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 these entities.

8 Assets charged and collateral

None.

Collateral provided for group enterprises

The Entity has provided guarantee for Cego Midco ApS's bank debt. Bank loans in Cego Midco ApS amount to 398,800 tDKK.

9 Transactions with related parties

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.

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 takeover date, with net assets having been calculated at fair value.

Profit or loss from divestment of enterprises

Profits or losses from divestment or winding-up of enterprises are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment and winding-up, respectively.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating expenses, 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.

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 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 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.

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
Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The useful life has been set at 20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

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. For development projects 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 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:

Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	3-7 years

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

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises
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.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 20 years.

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

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

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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

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

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

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

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.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as 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 income taxes paid.

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

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.