

## **CEGO Holding ApS**

Lauritzens Plads 1, 4.  
9000 Aalborg  
Central Business Registration  
No 40559493

## **Annual report 03.06.2019 - 31.12.2019**

The Annual General Meeting adopted the annual report on 25.03.2020

### **Chairman of the General Meeting**

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Name: Peter Thorlund Haahr

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## Entity details

### Entity

CEGO Holding ApS  
Lauritzens Plads 1, 4.  
9000 Aalborg

Central Business Registration No (CVR): 40559493

Registered in: Aalborg

Financial year: 03.06.2019 - 31.12.2019

### Board of Directors

Peter Thorlund Haahr  
Anders Gautier Christensen  
Jacob Frederik Christensen  
Jesper Hørsholt

### Executive Board

Jacob Frederik Christensen

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Østre Havnepromenade 26, 4. sal  
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 03.06.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations and cash flows for the financial year 03.06.2019 - 31.12.2019.

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, 25.03.2020

### Executive Board

Jacob Frederik Christensen

### Board of Directors

Peter Thorlund Haahr

Anders Gautier Christensen

Jacob Frederik 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 03.06.2019 - 31.12.2019, 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 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 03.06.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 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 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 Parent'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 Group or 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

## Independent auditor's report

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 these 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 Parent'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 Parent'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.

## Independent auditor's report

### 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, 25.03.2020

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

René Winther Pedersen  
State Authorised Public Accountant  
Identification No (MNE) mne34173

## Management commentary

	<b>2019</b> <b>DKK'000</b>
<b>Financial highlights</b>	
<b>Key figures</b>	
Gross profit	60.049
Operating profit/loss	3.633
Net financials	(1.922)
Profit/loss for the year	(5.809)
Total assets	1.076.310
Investments in property, plant and equipment	12.524
Equity	494.191
Cash flows from (used in) operating activities	35.214
Cash flows from (used in) investing activities	(1.101.955)
Cash flows from (used in) financing activities	1.032.500

### Ratios

Return on equity (%)	(1,2)
Equity ratio (%)	45,9

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

<b>Ratios</b>	<b>Calculation formula</b>	<b>Calculation formula reflects</b>
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.



## Management commentary

### Primary activities

The Group offers online casino within the gaming category of competitions on the internet and casual gaming, which is subject to license requirements and exposed to competition under the Danish Gambling Act.

### Development in activities and finances

Profit/loss for the year shows a negative DKK 5,809 thousand, which is considered unsatisfactory by the Management.

During the financial year, there have been investments in goodwill, which are depreciated over 20 years. The financial statements for the current year are negatively impacted by one-off costs in regards of the acquisition, therefore we expect the Group to show positive results from 2020.

### Particular risks

No unusual circumstances occurred during the financial year and up to the reporting date, and the Group 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, the Groups management has assessed the valuation of its development projects. The Groups management has not assessed 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 the Group products. It is endeavoured to continually have the right knowledge and competences that will help the Group continue its growth through the development of new games for the Groups gaming platform and business partners.

### Events after the balance sheet date

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

Covid-19 is not expected to impact the financial statements of the Company.

## Consolidated income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>
<b>Gross profit</b>		<b>60.049</b>
Staff costs	1	(13.358)
Depreciation, amortisation and impairment losses		(43.058)
<b>Operating profit/loss</b>		<b>3.633</b>
Other financial income		10
Other financial expenses		(1.932)
<b>Profit/loss before tax</b>		<b>1.711</b>
Tax on profit/loss for the year	2	(7.520)
<b>Profit/loss for the year</b>	3	<b>(5.809)</b>

## Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>
Completed development projects		34.175
Acquired intangible assets		351
Goodwill		979.089
Development projects in progress		4.579
<b>Intangible assets</b>	4	<u><b>1.018.194</b></u>
Other fixtures and fittings, tools and equipment		2.129
Leasehold improvements		241
<b>Property, plant and equipment</b>	5	<u><b>2.370</b></u>
Deposits		1.210
<b>Fixed asset investments</b>	6	<u><b>1.210</b></u>
<b>Fixed assets</b>		<u><b>1.021.774</b></u>
Trade receivables		16.746
Other receivables		332
Prepayments	7	329
<b>Receivables</b>		<u><b>17.407</b></u>
<b>Cash</b>		<u><b>37.129</b></u>
<b>Current assets</b>		<u><b>54.536</b></u>
<b>Assets</b>		<u><b>1.076.310</b></u>

## Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>
Contributed capital		500
Reserve for development expenditure		29.548
Retained earnings		464.143
<b>Equity</b>		<b>494.191</b>
Deferred tax	8	7.434
<b>Provisions</b>		<b>7.434</b>
Bank loans		119.500
Other payables		398.000
<b>Non-current liabilities other than provisions</b>	9	<b>517.500</b>
Current portion of long-term liabilities other than provisions	9	15.000
Bank loans		520
Prepayments received from customers		14.241
Trade payables		2.819
Income tax payable		9.493
Other payables		15.112
<b>Current liabilities other than provisions</b>		<b>57.185</b>
<b>Liabilities other than provisions</b>		<b>574.685</b>
<b>Equity and liabilities</b>		<b>1.076.310</b>
Unrecognised rental and lease commitments	11	
Assets charged and collateral	12	
Transactions with related parties	13	
Subsidiaries	14	

## Consolidated statement of changes in equity for 2019

	<b>Contributed capital DKK'000</b>	<b>Reserve for development expenditure DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Contributed upon formation	40	0	0	40
Increase of capital	460	0	499.500	499.960
Transfer to reserves	0	29.548	(29.548)	0
Profit/loss for the year	0	0	(5.809)	(5.809)
<b>Equity end of year</b>	<b>500</b>	<b>29.548</b>	<b>464.143</b>	<b>494.191</b>

## Consolidated cash flow statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>
Operating profit/loss		3.633
Amortisation, depreciation and impairment losses		43.058
Working capital changes	10	3.645
<b>Cash flow from ordinary operating activities</b>		<b>50.336</b>
Financial income received		10
Financial expenses paid		(1.932)
Income taxes refunded/(paid)		(13.200)
<b>Cash flows from operating activities</b>		<b>35.214</b>
Acquisition etc of property, plant and equipment		(435)
Staff costs classified as assets		(8.151)
Acquisition of goodwill		(1.093.369)
<b>Cash flows from investing activities</b>		<b>(1.101.955)</b>
Loans raised		597.500
Repayments of loans etc		(65.000)
Cash increase of capital		500.000
<b>Cash flows from financing activities</b>		<b>1.032.500</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(34.241)</b>
Cash and cash equivalents beginning of year		71.370
<b>Cash and cash equivalents end of year</b>		<b>37.129</b>

## Notes to consolidated financial statements

	<b>2019</b> <b>DKK'000</b>
<b>1. Staff costs</b>	
Wages and salaries	16.274
Pension costs	1.599
Other social security costs	421
Other staff costs	1.579
Staff costs classified as assets	(6.515)
	<b>13.358</b>
Average number of employees	<b>83</b>
	<b>Remunera- tion of manage- ment 2019 DKK'000</b>
Total amount for management categories	772
	<b>772</b>
	<b>2019</b> <b>DKK'000</b>
<b>2. Tax on profit/loss for the year</b>	
Current tax	12.960
Change in deferred tax	(4.470)
Refund in joint taxation arrangement	(970)
	<b>7.520</b>
	<b>2019</b> <b>DKK'000</b>
<b>3. Proposed distribution of profit/loss</b>	
Retained earnings	(5.809)
	<b>(5.809)</b>

## Notes to consolidated financial statements

	<b>Completed develop- ment projects DKK'000</b>	<b>Acquired intangible assets DKK'000</b>	<b>Goodwill DKK'000</b>	<b>Develop- ment projects in progress DKK'000</b>
<b>4. Intangible assets</b>				
Addition through business combinations etc	133.748	5.766	999.921	14.983
Transfers	10.651	0	0	(10.651)
Additions	6.307	242	0	1.844
Disposals	(3.465)	0	0	0
<b>Cost end of year</b>	<b>147.241</b>	<b>6.008</b>	<b>999.921</b>	<b>6.176</b>
Addition through business combinations etc	(96.536)	(5.620)	0	0
Impairment losses for the year	(9.915)	(5)	0	(1.597)
Amortisation for the year	(6.699)	(32)	(20.832)	0
Reversal regarding disposals	84	0	0	0
<b>Amortisation and impairment losses end of year</b>	<b>(113.066)</b>	<b>(5.657)</b>	<b>(20.832)</b>	<b>(1.597)</b>
<b>Carrying amount end of year</b>	<b>34.175</b>	<b>351</b>	<b>979.089</b>	<b>4.579</b>

### Development projects

In 2019, DKK 8,151 thousand has been capitalised allocated on 50 projects of which 38 have been launched and those projects are now subject to amortisation. The 12 remaining projects are in preparation. The capitalisation 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 capitalisation of the project. The projects are amortised over a period of five years.

The Groups revenue has increased 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.

At the end of the year, development projects in CEGO A/S has been written down.

Acquired goodwill during the year amount to t.DKK 999,921, depreciations amount to t.DKK 20,832.



## Notes to consolidated financial statements

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Leasehold improve- ments DKK'000</b>
<b>5. Property, plant and equipment</b>		
Addition through business combinations etc	10.328	1.761
Additions	358	77
Disposals	(15)	0
<b>Cost end of year</b>	<b>10.671</b>	<b>1.838</b>
Addition through business combinations etc	(8.021)	(1.536)
Depreciation for the year	(528)	(61)
Reversal regarding disposals	7	0
<b>Depreciation and impairment losses end of year</b>	<b>(8.542)</b>	<b>(1.597)</b>
<b>Carrying amount end of year</b>	<b>2.129</b>	<b>241</b>
		<b>Deposits DKK'000</b>
<b>6. Fixed asset investments</b>		
Addition through business combinations etc		1.210
<b>Cost end of year</b>		<b>1.210</b>
<b>Carrying amount end of year</b>		<b>1.210</b>
<b>7. Prepayments</b>		
Prepayments mainly consist of smaller intersecting costs.		
<b>8. Deferred tax</b>		
<b>Changes during the year</b>		
Addition through business combinations etc.		11.904
Recognised in the income statement		(4.470)
<b>End of year</b>		<b>7.434</b>

## Notes to consolidated financial statements

	<b>Due within 12 months 2019 DKK'000</b>	<b>Due after more than 12 months 2019 DKK'000</b>
<b>9. Liabilities other than provisions</b>		
Bank loans	15.000	119.500
Other payables	0	398.000
	<b>15.000</b>	<b>517.500</b>

	<b>2019 DKK'000</b>
<b>10. Change in working capital</b>	
Increase/decrease in receivables	(4.740)
Increase/decrease in trade payables etc	8.385
	<b>3.645</b>

### 11. Unrecognised rental and lease commitments

Liabilities under rental or lease agreements until maturity in total DKK 3,004 thousand.

### 12. Assets charged and collateral

The shares in CEGO A/S has been pledged as collateral for the Company's balances with a bank and other creditor. The carrying amount of the shares amounts to t.DKK 1,013,564. The balances amounts at December 31<sup>st</sup> to t.DKK 532,500.

### 13. 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.

	<b>Registered in</b>	<b>Corpo- rate form</b>	<b>Equity inte- rest %</b>
<b>14. Subsidiaries</b>			
SPIILNU.dk A/S	Aalborg	A/S	100,0
Magnet Gaming ApS	Aalborg	ApS	100,0
CEGO A/S	Aalborg	A/S	100,0
Datoselskabet af 03.09.2019 ApS	Aalborg	ApS	100,0
CEGO Midco ApS	Aalborg	ApS	100,0

## Parent income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>
<b>Gross loss</b>		<b>(55)</b>
Income from investments in group enterprises		(5.733)
Other financial expenses	2	<u>(42)</u>
<b>Profit/loss before tax</b>		<b>(5.830)</b>
Tax on profit/loss for the year	3	<u>21</u>
<b>Profit/loss for the year</b>	4	<b><u>(5.809)</u></b>

## Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>
Investments in group enterprises		494.267
<b>Fixed asset investments</b>	5	<u>494.267</u>
<b>Fixed assets</b>		<u>494.267</u>
Income tax receivable		1.011
Joint taxation contribution receivable		14.155
<b>Receivables</b>		<u>15.166</u>
<b>Current assets</b>		<u>15.166</u>
<b>Assets</b>		<u>509.433</u>

## Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>
Contributed capital		500
Retained earnings		493.691
<b>Equity</b>		<b>494.191</b>
Payables to group enterprises		13.297
Joint taxation contribution payable		1.945
<b>Current liabilities other than provisions</b>		<b>15.242</b>
<b>Liabilities other than provisions</b>		<b>15.242</b>
<b>Equity and liabilities</b>		<b>509.433</b>
Staff costs	1	
Contingent liabilities	6	
Assets charged and collateral	7	
Transactions with related parties	8	

## Parent statement of changes in equity for 2019

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Contributed upon formation	40	0	40
Increase of capital	460	499.500	499.960
Profit/loss for the year	0	(5.809)	(5.809)
<b>Equity end of year</b>	<b>500</b>	<b>493.691</b>	<b>494.191</b>

## Notes to parent financial statements

	<b>2019</b> <b>DKK'000</b>
<b>2. Other financial expenses</b>	
Financial expenses from group enterprises	41
Other interest expenses	1
	<b>42</b>
	<b>2019</b> <b>DKK'000</b>
<b>3. Tax on profit/loss for the year</b>	
Refund in joint taxation arrangement	(21)
	<b>(21)</b>
	<b>2019</b> <b>DKK'000</b>
<b>4. Proposed distribution of profit/loss</b>	
Retained earnings	(5.809)
	<b>(5.809)</b>
	<b>Invest-</b> <b>ments in</b> <b>group</b> <b>enterprises</b> <b>DKK'000</b>
<b>5. Fixed asset investments</b>	
Additions	800.000
Disposals	(300.000)
<b>Cost end of year</b>	<b>500.000</b>
Share of profit/loss for the year	(5.733)
<b>Revaluations end of year</b>	<b>(5.733)</b>
<b>Carrying amount end of year</b>	<b>494.267</b>

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

### 6. Contingent liabilities

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.

## Notes to parent financial statements

### **7. Assets charged and collateral**

None.

### **8. 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 presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Consolidated financial statements

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

### Basis of consolidation

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

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

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

### Income statement

#### Gross profit or loss

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

## Accounting policies

### 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.

### 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 writedowns 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, as well as gains and losses from the sale of intangible assets as well as 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 internal 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.

## Accounting policies

### 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 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	3-7 years
Leasehold improvements	3-7 years

## Accounting policies

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 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.

### 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 or the planned settlement of each liability.

## Accounting policies

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.

### **Income tax receivable or payable**

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

### **Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities 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.