



## Cego Midco ApS

Lauritzens Plads 1, 4.  
9000 Aalborg  
CVR No. 40561641

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 05.04.2023

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**Allan Auning-Hansen**

Chairman of the General Meeting

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# Entity details

## Entity

Cego Midco ApS  
Lauritzens Plads 1, 4.  
9000 Aalborg

Business Registration No.: 40561641  
Date of foundation: 04.06.2019  
Registered office: Aalborg  
Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Jacob Frederik Christensen  
Anders Gautier Christensen  
Peter Thorlund Haahr

## 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 Cego Midco ApS for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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, 30.03.2023

## Executive Board

**Jacob Frederik Christensen**

## Board of Directors

**Jacob Frederik Christensen**

**Anders Gautier Christensen**

**Peter Thorlund Haahr**

# Independent auditor's report

## To the shareholders of Cego Midco ApS

### Opinion

We have audited the financial statements of Cego Midco ApS for the financial year 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

#### **Statement on the management commentary**

Management is responsible for the management commentary.

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

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

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

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

Aalborg, 30.03.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**René Winther Pedersen**

State Authorised Public Accountant  
Identification No (MNE) mne34173

# Management commentary

## Primary activities

The purpose of the company is to own shares in other companies and business related hereto. Acquisition finance activities are also conducted through the company.

## Description of material changes in activities and finances

Loss for the year is DKK 8.2 million. The profit for the year is impacted by developments in the subsidiary entities. As expected, profit for the year in the subsidiary is impacted by the investments in new market growth and increased interest rates on bank loans.



# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>(277,691)</b>	<b>(360,992)</b>
Income from investments in group enterprises		6,457,363	16,881,914
Other financial income	1	14,140	157,546
Other financial expenses	2	(18,468,739)	(13,387,197)
<b>Profit/loss before tax</b>		<b>(12,274,927)</b>	<b>3,291,271</b>
Tax on profit/loss for the year	3	4,121,104	2,989,941
<b>Profit/loss for the year</b>		<b>(8,153,823)</b>	<b>6,281,212</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(8,153,823)	6,281,212
<b>Proposed distribution of profit and loss</b>		<b>(8,153,823)</b>	<b>6,281,212</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		962,680,046	991,222,683
<b>Financial assets</b>	4	<b>962,680,046</b>	<b>991,222,683</b>
<b>Fixed assets</b>		<b>962,680,046</b>	<b>991,222,683</b>
Receivables from group enterprises		0	1,503,975
Joint taxation contribution receivable		4,121,104	2,989,941
<b>Receivables</b>		<b>4,121,104</b>	<b>4,493,916</b>
<b>Cash</b>		<b>9,327,338</b>	<b>532,501</b>
<b>Current assets</b>		<b>13,448,442</b>	<b>5,026,417</b>
<b>Assets</b>		<b>976,128,488</b>	<b>996,249,100</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		500,000	500,000
Retained earnings		552,705,801	560,859,624
<b>Equity</b>		<b>553,205,801</b>	<b>561,359,624</b>
Bank loans		278,443,911	378,800,000
<b>Non-current liabilities other than provisions</b>	<b>5</b>	<b>278,443,911</b>	<b>378,800,000</b>
Current portion of non-current liabilities other than provisions	5	100,000,000	20,000,000
Payables to group enterprises		44,468,775	36,079,475
Other payables		10,001	10,001
<b>Current liabilities other than provisions</b>		<b>144,478,776</b>	<b>56,089,476</b>
<b>Liabilities other than provisions</b>		<b>422,922,687</b>	<b>434,889,476</b>
<b>Equity and liabilities</b>		<b>976,128,488</b>	<b>996,249,100</b>
Contingent liabilities	6		
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# Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	560,859,624	561,359,624
Profit/loss for the year	0	(8,153,823)	(8,153,823)
<b>Equity end of year</b>	<b>500,000</b>	<b>552,705,801</b>	<b>553,205,801</b>

# Notes

## 1 Other financial income

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	14,140	157,546
	<b>14,140</b>	<b>157,546</b>

## 2 Other financial expenses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	316,996	208,949
Other interest expenses	17,507,832	12,678,248
Other financial expenses	643,911	500,000
	<b>18,468,739</b>	<b>13,387,197</b>

## 3 Tax on profit/loss for the year

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	(4,121,104)	(2,989,941)
	<b>(4,121,104)</b>	<b>(2,989,941)</b>

## 4 Financial assets

	<b>Investments in group enterprises DKK</b>
Cost beginning of year	1,177,092,000
Additions	40,000,000
<b>Cost end of year</b>	<b>1,217,092,000</b>
Impairment losses beginning of year	(185,869,317)
Amortisation of goodwill	(49,996,072)
Share of profit/loss for the year	56,453,435
Dividend	(75,000,000)
<b>Impairment losses end of year</b>	<b>(254,411,954)</b>
<b>Carrying amount end of year</b>	<b>962,680,046</b>

Goodwill recognized at the balance sheet date is DKK 829,102 thousand.

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
CEGO A/S	Aalborg	A/S	100.0

## 5 Non-current liabilities other than provisions

	<b>Due within 12 months 2022 DKK</b>	<b>Due within 12 months 2021 DKK</b>	<b>Due after more than 12 months 2022 DKK</b>
Bank loans	100,000,000	20,000,000	278,443,911
	<b>100,000,000</b>	<b>20,000,000</b>	<b>278,443,911</b>

Of the non-current liabilities, DKK 0 is due after more than 5 years from the balance sheet date

## 6 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, which is limited to the equity interest by which the entity participates in the Group, as well as secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

## 7 Assets charged and collateral

The shares in CEGO A/S and certain bank accounts have been pledged as collateral for the Company's bank loans. The carrying amount of the shares in CEGO A/S amounts to DKK 962,680 thousand and the bank accounts amounts to DKK 0 thousand. The loan balances amounts to DKK 378,444 thousand at the balance sheet date.

## 8 Related parties with controlling interest

CEGO Holding ApS (parent company)

## 9 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. In the financial year, a tax-free group subsidy of DKK 40,000 thousand has been granted to CEGO A/S.

## 10 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 presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## 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.

## Income statement

### Gross profit or loss

Gross profit or loss comprises other external expenses.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, etc. This item also includes write downs of receivables recognised in current assets.

### 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 dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, 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, net capital or exchange losses on securities, 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****Investments in group enterprises**

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 or 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 period used is 20 years.

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

The accounting policies applied to material financial statement items of group enterprises are:

**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 from games is stated as GGR and comprises gross gaming revenue set off against winnings and government taxes. Revenue not from the sale of games is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.



### Staff costs

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

### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress. 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 in the 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.

### **Receivables**

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

### **Joint taxation contributions receivable or payable**

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

Cash comprises cash in hand and bank deposits.

### **Other financial liabilities**

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