

# Guidance for financial documents used for applications



# Contents

<b>Version history</b> .....	<b>3</b>
Version 1.0 of April 2021 .....	3
Version 1.01 of June 2021 .....	3
<b>1. Financially responsible operation of a gambling business</b> .....	<b>4</b>
<b>2. Documentation requirements - Part 1</b> .....	<b>6</b>
2.1 Business plan .....	7
2.2 The applicant's audited annual accounts for the last five years .....	7
2.3 Formal written communication between the accountant and the board for the last three years (protocol or similar) .....	7
2.4 Deed of foundation or certificate of registration for the applicant company .....	7
2.5 Most recent articles of association for the applicant company .....	7
2.6 Organisation chart of the group .....	7
2.7 Description of the gambling activities in the group .....	9
2.8 Chart of the company's organisational structure .....	10
2.9 List of CxOs and other relevant employees responsible, as well as CV's for persons on the list .....	12
2.10 Overview of the group's gambling licences and types of games in other countries .....	12
2.11 Rejection of application for gambling licence for the applicant and its associated companies .....	12
2.12 Revocation of licences .....	12
2.13 Overview of legal disputes/current legal cases and debt to tax authorities .....	13
2.14 Engagement overview from the applicant's main banking institution .....	13
2.15 List of debtors .....	13
2.16 List of creditors .....	13
2.17 Risk management tool .....	13
2.18 The applicant's ethical code .....	14
2.19 Procedures and policies for operations, accounting and setoff-free account .....	14
2.20 Procedure for management of ongoing adjustment of odds .....	14
2.21 Calculation of the largest possible payment of winnings .....	14
2.22 If relevant, a copy of declaration(s) of financial support and/or other undertakings to provide financial support .....	15
2.23 Signed declaration from the management about financial information .....	15
<b>3. Documentation requirements – Part 2 (Budget template)</b> .....	<b>16</b>
3.1 Explanation of budget template .....	17
3.2 First-year budget per month .....	17
3.3 Profit and loss accounts (P&L) .....	18
3.4 Balance sheet .....	18
3.5 GGR Specifications .....	18
3.6 Cashflow statement .....	19
3.7 Key performance indicator (KPI) .....	19
<b>4. The applicant's naming, numbering and explanation of documents</b> .....	<b>20</b>
<b>5. Standard templates</b> .....	<b>22</b>
5.1 Declaration by the management on financial data .....	23
5.2 Template for declaration of financial support .....	23

5.3	Standard template for declaration by the management.....	23
5.4	Standardskabelon støtteerklæring (støttegiver brevpapir/ letterhead of supporting company).....	25

# Version history

Version 1.0 of April 2021

- Publication of the guide

Version 1.01 of June 2021

- Clarification of sections 18 and 19

# **Financially responsible operation of a gambling business**

# **1**

This guide describes the financial documents that must be attached to an application for a licence to offer betting or online casino. The documents are listed under item 28 in the application form.

Section 29 of the Gambling Act says that licences can only be issued to applicants who are deemed capable of operating a gambling business in a financially responsible manner. The requirement for financial responsibility must be sustained for the duration of the licence. For this reason, several documents must be submitted in connection with the application, which can form the basis for an assessment of whether it can be expected that the applicant can operate a gambling business in a financially responsible manner. In the assessment, the Danish Gambling Authority especially consider that:

- The business is capable of paying winnings,
- There is sufficient liquidity in the business to manage investments, for example in form of reel cash and cash equivalents or guarantees from other supporting businesses, for example a parent company or a bank connection,
- Budgets agree with the goals that are set out in the business plan, and
- Sufficient capital is allocated to operating the applicant business.

The individual documents that must be submitted are reviewed in the following. These cover documents that the applicant must prepare themselves as well as standard templates that must be completed by the applicant. For further information about how the documents must be submitted, and how the applicant themselves can assist in a fast and efficient processing of the application, please see section 2 on “the applicant’s naming, numbering and explanation of documents”.

The first part of the guide describes the documents that must be prepared by the applicant themselves or obtained from their consultants. The second part of the guide describes the information that must be completed in the Danish Gambling Authority’s budget template.

Unless otherwise stated in the guide, the documentation requirements must be stated for the entire business of the applicant company, and thus not solely for the applicant’s Danish activities.

For the Danish Gambling Authority to make an accurate and factual assessment of the applicant’s ability to operate a gambling business in a financially responsible manner, it is a condition that the material submitted presents a true and fair view of the applicant’s business. Hence, it is a general requirement that the material submitted cannot be more than 3 months old at the time of application. There are some documents where the timeliness requirements of three months may vary, and in these cases, the deadline is stated in the text. Material that has exceeded the deadline at the time of application will be rejected and the Danish Gambling Authority will therefore not be able to make an assessment of the applicant company’s business until new up to date material has been submitted.

# Documentation requirements - Part 1

2

## 2.1 Business plan

The applicant must submit a business plan which must include all future and significant strategic considerations. The business plan must cover the entire group. This especially applies to growth and large investments in assets, marketing etc. If there are elements in the business plan that require investments, a plan for financing must be available. The plan should be a detailed statement and description of how the business plan is expected to be financed, for example via free assets, loans, guarantees or a combination hereof. The business plan must use the budgetary assumptions, which were also used in connection with the preparation of the budget and forecast.

## 2.2 The applicant's audited annual accounts for the last five years

The applicant must submit audited annual accounts for the last five years. If annual accounts are not available for all five years, for example if the business is newly established, then annual accounts for the years available for the applicant must be submitted. If there are no accounts available or if the most recently audited accounts are more than six months old at the time of application, then the most recent internal accounts must be attached. The internal accounts must include a profit and loss statement and a balance sheet. There are no procedural requirements for the internal accounts and can be in the form of a management report, interim accounts, or trial balances.

## 2.3 Formal written communication between the accountant and the board for the last three years (protocol or similar)

The applicant must submit relevant formal communication between the accountant and the board for the last three years (protocol and similar). The relevant communication must identify circumstances that may influence the applicant's ability to operate a financially responsible gambling business, such as the accountant's recommendations for strengthening the financial resources etc.

## 2.4 Deed of foundation or certificate of registration for the applicant company

For newly established applicant companies, the applicant must submit a copy of the applicant's deed of foundation, which must be verified by the board.  
For existing companies, the applicant must submit a copy of the applicant company's certificate of registration from the registration authority in the applicant company's home country. The certificate of registration cannot be more than six months old at the time of application.

## 2.5 Most recent articles of association for the applicant company

The applicant must submit the most recent articles of association for the applicant company and these must be signed by all board members.

## 2.6 Organisation chart of the group

The applicant must submit an organisation chart of the group providing a complete overview of the group of which the applicant is a part. All parent companies, subsidiary companies, and



sister companies of the applicant must therefore appear from the organisation chart. The applicant company must be clearly highlighted in the organisation chart.

The organisation chart of the group must include all relations up to the natural persons owning at least 10 percent of the voting rights or capital of the group.

In addition, it must be stated if the applicant company, the subsidiary company or the sister company have owners who are not directly a part of the group and who have ownership interests of at least 10 percent.

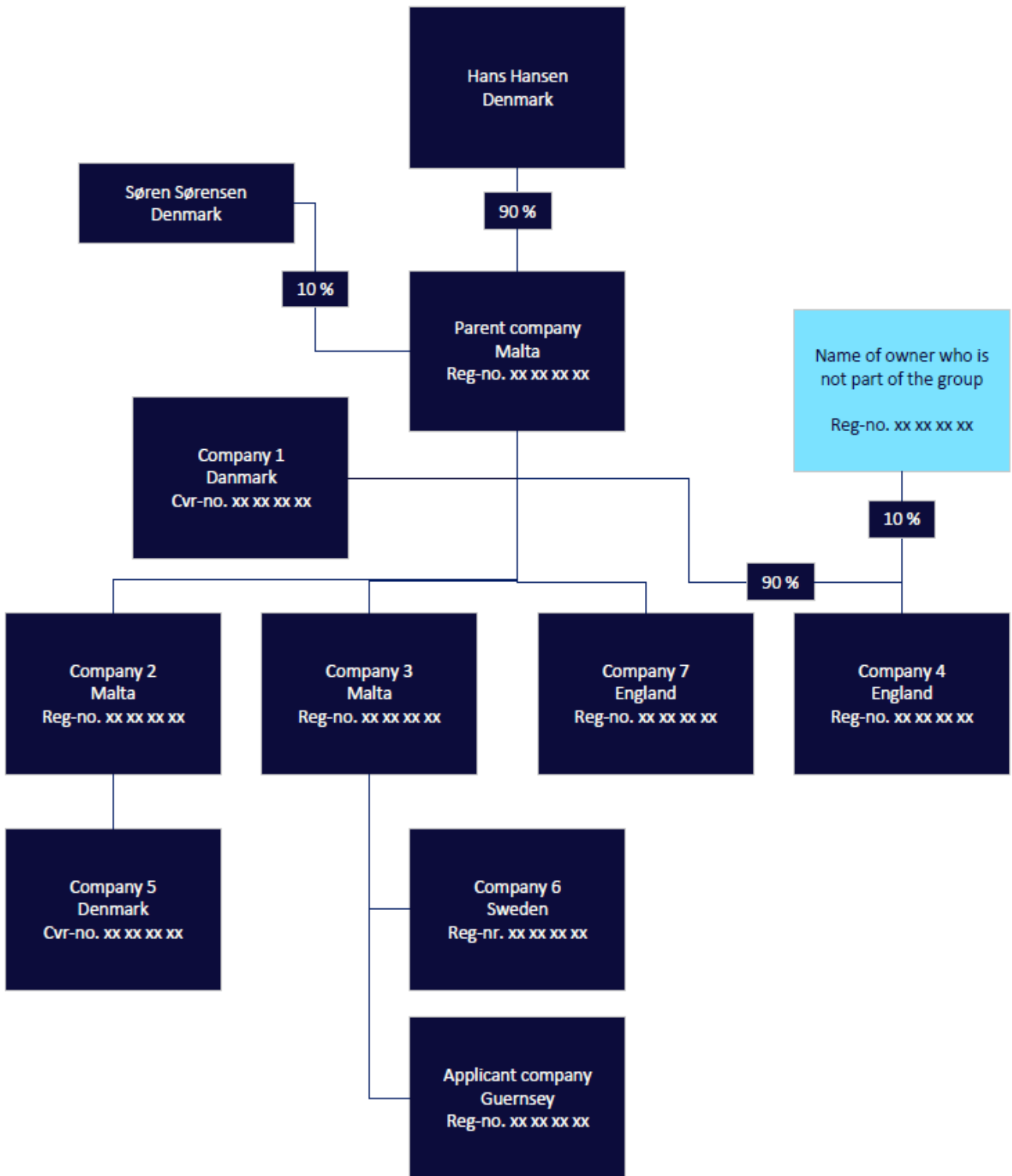
It must be stated in the organisation chart of the group how large ownership interests each company and person has.

The organisation chart of the group must include names and company registration number of all companies/units part of the group. If a company/unit does not have a company registration number, a corresponding registration number from the home country must appear along with a statement of the home country.

If a listed company is part of the group, the company's group of owners does not need to appear from the organisation chart of the group, however, it must be highlighted that the company is listed.

If a commercial foundation or another autonomous legal arrangement owns the group, the chart must show all owner relations up to here.

An organisation chart may for example be constructed as such:



## 2.7 Description of the gambling activities in the group

If there are companies in the group that already operate gambling activities, it must be described in the document. From the description, it must appear:

- What the gambling activity covers, for example land-based casino, online casino, betting, land-based gaming machines or lottery games

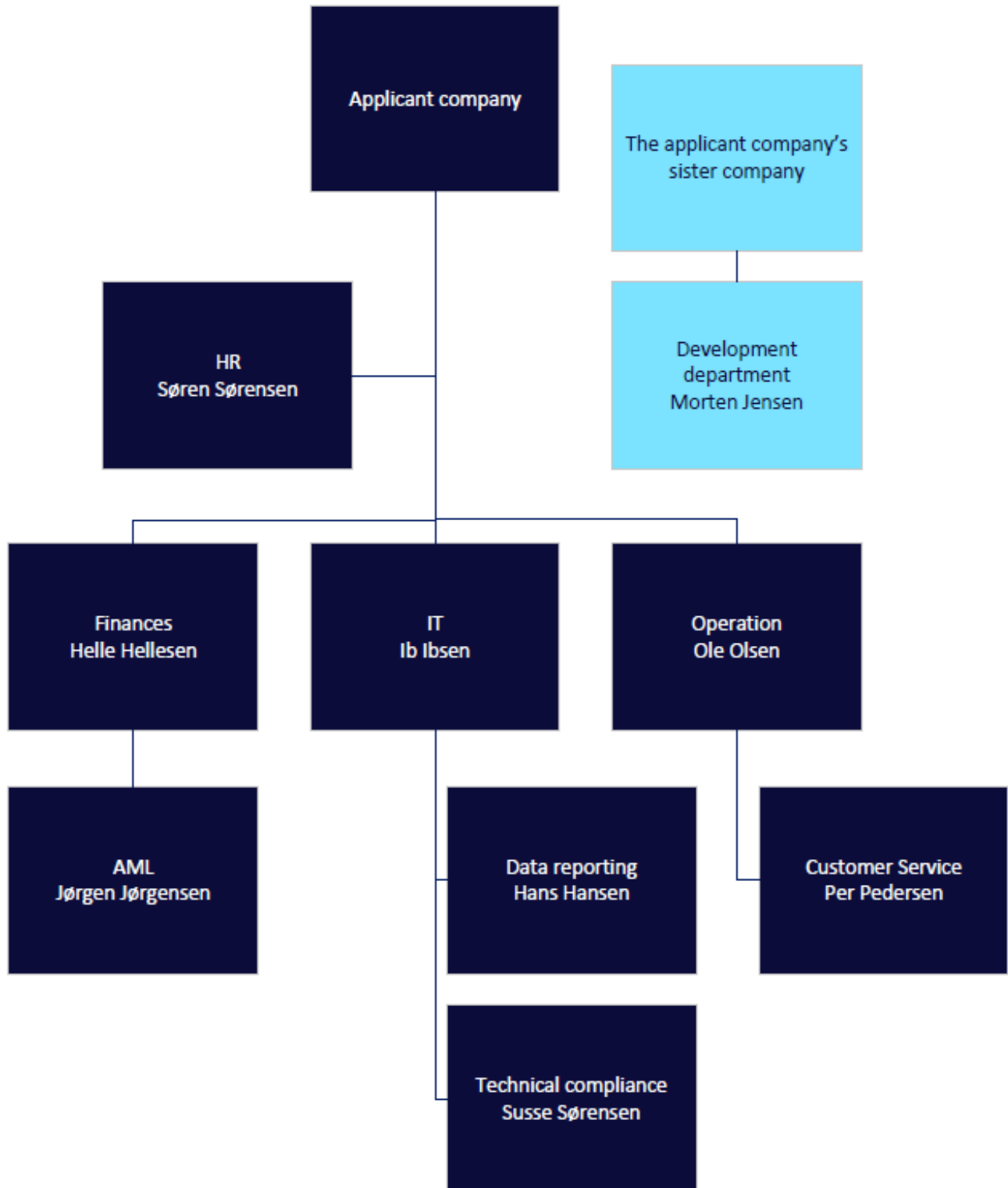
- In which company the activity is conducted
- In which countries the gambling activity is offered.

If the gambling activities require a licence, it must be stated, and a copy of licences from the applicant company must be attached to the application.

## 2.8 Chart of the company's organisational structure

The applicant must submit an organisation chart including a hierarchical structure of the individual divisions and subdivisions at the applicant company. The chart must also state which persons are responsible for the functions performed by the divisions, for example compliance, technical matters, or customer relations etc. If the functions are performed in other parts of the group, this must be stated. Functions performed in other parts of the group can either be stated in the organisation chart or in an independent document.

For example:



## 2.9 List of CxOs and other relevant employees responsible, as well as CV's for persons on the list

The overview must include full names and titles of persons in the management and other CxO-level executives and as a minimum:

- CEO (Chief Executive Officer)
- CFO (Chief Financial Officer)
- CTO (Chief Technical Officer)
- CCO (Chief Compliance Officer)
- MLRO (Money Laundering Reporting Officer)

A CV must be attached for each person, which can verify that the person in question has the competences to perform their position in a professional and sound manner. The same person can hold several positions. Please notice that for the persons on the list, the applicant must attach a personal declaration, Annex A, and the persons must be stated in the application form.

## 2.10 Overview of the group's gambling licences and types of games in other countries

The Danish Gambling Authority requests a detailed description of relevant circumstances that are related to the group's gambling activities that may influence the Danish business. The description must include information about whether the applicant holds gambling licences in other countries and whether these gambling activities have another risk profile than the activities applied for in Denmark. If the applicant is financially dependent on the parent company, it must be stated whether other companies in the group have gambling activities, in which countries, and whether these gambling activities have another risk profile than the activities applied for in Denmark. The applicant may for example:

- Have a greater willingness to take risks on e.g. betting,
- Offer other types of games on other markets,
- Offer games with higher stakes and thereby greater winnings than expected in the Danish market, or
- Have entirely other activities in the companies that the applicant is financially dependent on.

## 2.11 Rejection of application for gambling licence for the applicant and its associated companies

If the applicant company or additional companies in the group have received a rejection of an application for a licence to offer gambling in Denmark or other countries, the reason for this must be stated.

For the applicant company, the rejection letters must be attached.

If the applicant and additional companies in the group have not received rejections of applications for a gambling licence, we request that the management confirm this.

## 2.12 Revocation of licences

If the applicant company or additional companies in the group have a gambling licence revoked in Denmark or other countries, this must be stated. The letter of revocation of the licence to offer gambling activities must be attached to the application. If the applicant and additional companies in the group have not had gambling licences revoked, we request that the management confirm this.

## 2.13 Overview of legal disputes/current legal cases and debt to tax authorities

A document providing an overview of all cases/disputes with a potentially financial obligation for the applicant company or additional companies in the group must be submitted. The overview must include an assessment of the likelihood that the applicant is liable to the obligation, an assessment of the size of the obligation, as well as an assessment of the consequences when the obligation begins, including how the obligation will be financed.

In addition to this, the applicant must attach a declaration from the public taxation authorities in the country in which the applicant company is established. The declaration must document whether the applicant has overdue debt obligations to the public authorities in the home country.

## 2.14 Engagement overview from the applicant's main banking institution

An overview from the applicant company's primary bank must be submitted, and it must be prepared according to the usual practice in the applicant company's jurisdiction. The engagement overview cannot be dated more than 14 days before the time of application. The primary bank is defined as the banking institution where the applicant company places most of their banking activities. If the applicant's banking activities are equally shared between more banking institutions, engagement overviews must be sent from all banking institutions.

## 2.15 List of debtors

The applicant must send a list of the applicant company's debtors. The list of debtors must show any receivables from debtors and the list must be ordered by age according to the following criteria:

- Debtors with no unpaid receivables
- Unpaid receivables 30 – 60 days
- Unpaid receivables 60 – 120 days
- Unpaid receivables more than 120 days

The list must not be more than 14 days old from the date when the application material is submitted.

## 2.16 List of creditors

The applicant must send a list of the applicant company's creditors. The list of creditors must provide an overview of the applicant's debts. The list must be ordered by age according to the following criteria:

- Suppliers where there is no unpaid debt
- Unpaid debt 30 – 60 days
- Unpaid debt 60 – 120 days
- Unpaid debt more than 120 days

The list must not be more than 14 days old from the date when the application material is submitted.

## 2.17 Risk management tool

The applicant company must account for how they manage risks in the company. If the applicant uses a formalised risk management tool, a detailed description of the applicant's risk

management model must be submitted, including a copy of the applicant's risk log or similar risk management tools, if relevant. It must clearly appear which parts of the business that are covered by the risk management, for example payment of winnings or breakdowns of systems. The individual procedures covered by the risk management tool must be submitted as well as documentation that shows that risk management is in fact performed in the business. If risk management is not performed in the business, we request that the management confirm this.

## 2.18 The applicant's ethical code

The applicant's guidelines for behaviour in the company must be submitted (e.g., code of conduct).

## 2.19 Procedures and policies for operations, accounting and setoff-free account

A detailed description of the applicant's procedure for managing accounting, including a description of IT systems and internal control measures must be sent to the Danish Gambling Authority.

The applicant must send the procedure for updating and management of the setoff-free account. In connection with renewal of an existing licence, the applicant must also send documentation for balancing of the setoff-free account is in fact performed. This can be documented by sending printouts of the applicant's gaming system, which shows the players' total credit balances. In addition, printouts of postings from the applicant's setoff-free bank account can also be sent, which shows that the account has been balanced in relation to the gambling system.

The applicant must send the policies that are prepared for the applicant's operations, for example policy for paying dividend, policy for investments, policy for gearing, policy for guarantees and policy in relation to creditors, etc.

## 2.20 Procedure for management of ongoing adjustment of odds

If the application covers provision of betting, the documentation must include a detailed description of how the business manages/adjusts their odds on an ongoing basis, for example if many players place bets on the same outcome. This may be done by buying odds through a reliable third party or by having automatic odds adjustments.

## 2.21 Calculation of the largest possible payment of winnings

The applicant must calculate and submit a detailed description of the largest possible payment of winnings to a player and the risk of this happening. The documentation must include the mathematical probability of paying the largest possible winnings. In addition, the applicant must also send information on how jackpots offered through subcontractors are managed (if relevant).

Information for management of the largest possible payment of winnings by wager must also be describes, such as if there are limits on the highest odds, maximum stake in relation to odds etc. If this is not a part of the company's procedure, it has to be noticed for this item.

## 2.22 If relevant, a copy of declaration(s) of financial support and/or other undertakings to provide financial support

Based on the application material submitted, the Danish Gambling Authority will assess whether the applicant needs a declaration of financial support from a parent company or others. A declaration of support will always be requested by the Danish Gambling Authority if the company's need of liquidity is not met by the applicant company's financial situation.

If the applicant has already received a declaration of financial support from e.g. the parent company or a bank, a copy of the declaration must be attached to the application.

A declaration of financial support must be legally binding and cannot in itself be a declaration of intent. Thus, the Danish Gambling Authority have prepared a standard template for a declaration of financial support, which is available on the Danish Gambling Authority's website or can be acquired with one of the Danish Gambling Authority's employees. It is not required that the template be used, but the Danish Gambling Authority assesses that this template includes a sufficiently high legal security and therefore the use of this will meet the requirement for the declaration of financial support.

## 2.23 Signed declaration from the management about financial information

A declaration in which the applicant company's management acknowledges their responsibility in different areas must be sent. The declaration must, among other things, include future financial data, descriptions of significant budgetary assumptions and the management's acknowledgement of the responsibility for the declared information. The Danish Gambling Authority's template for declarations by the management must be signed by the applicant company's management. The template is available on the Danish Gambling Authority's website or can be acquired with one of the Danish Gambling Authority's employees.



# **Documentation requirements – Part 2 (Budget template)**

# 3

Several accounting data must be submitted via the budget template prepared by the Danish Gambling Authority in which relevant information must be stated. The template is available at the same place as the application form, or it can be acquired from one of the Danish Gambling Authority's employees. The template is prepared in Excel and includes individual tabs for the areas for which budget and accounting data must be submitted. The budget template is a method of aligning the financial data that cover liquidity, profitability and financial soundness and make it easier for the applicant to know which information to provide. When data is entered into the template, income must be positive figures and expenses negative figures.

Budget and budgetary assumptions must be submitted regardless of whether the company is listed or not.

### 3.1 Explanation of budget template

In the budget template you must enter data on the following:

- Profit and loss (Tab: P&L)
- Balance sheet (Tab: Balance sheet)
- GGR specifications (Tab: GGR Spec)
- Applicant's first-year budget divided into months (Tab: First-year budget per month)
- Cashflow statement (Tab: Cashflow)
- Number of customers (Tab: KPI)

The applicant should specify the financial circumstances of the prespecified titles in each tab. The individual tabs must be completed in the cells that are highlighted in yellow.

For all tabs, except the worksheet "First-year budget per month", the following information must be completed:

- Accounting data for the last five years if there has been previous activity.
- Budget information for the first 12 months
- Year-to-date realised data
- Forecast information for years two and three

The individual tabs are related. This means that the worksheet "P&L" automatically gathers GGR-data from the worksheet "GGR Spec", which means that identical data in principle only needs to be entered once.

It is important in cases where the applicant company has activities in several markets that the budget template is completed with data for all the applicant's activities, and not just the Danish activities, so that the Danish Gambling Authority can assess the whole of the applicant company's financial basis.

### 3.2 First-year budget per month

The first-year budget per month is entered in the predefined headings under the worksheet "First-year budget per month". The data is entered in the cells that are highlighted in yellow. In addition, the budgetary assumptions must be attached, which must include mention of significant relations that the prepared budgets are based on, especially including:

- Development on turnover,
- Expected market share in Denmark,
- Development in costs, and
- Investments in material fixed assets and the capital resources, including the size of established credit facilities with banks and any special conditions connected to this.

It must appear clearly how the budgetary assumptions are incorporated in the profit and loss accounts, balance sheet budget and liquidity budget.

The budgetary assumptions may be entered in the budget template or be attached in a separate document.

### 3.3 Profit and loss accounts (P&L)

Profit and loss are entered in the predefined headings under the worksheet "P&L". The following data must be entered under each heading:

- Accounting data for the last five years
- Budget information for the first 12 months
- Year-to-date realised data
- Forecast information for years two and three

In addition, budgetary assumptions for profit and loss must be attached. The budgetary assumptions must cover significant factors, including changes in turnover and costs. The budgetary assumptions can be entered in the budget template or be attached in a separate document.

Some headings related to income and expenses are predefined. These headings are indicative. If there are not enough lines of text, please use the line "other" and specify in the comment box, which expenses/income that are placed under "other".

### 3.4 Balance sheet

The balance sheet must be completed in the predefined headings under the worksheet "Balance sheet". The following data must be entered for each heading:

- Accounting data for the last five years
- Budget information for the first 12 months
- Year-to-date realised data
- Forecast information for years two and three

In addition, the budgetary assumptions for the balance sheet must be attached. The budgetary assumptions must cover significant factors, especially including investments in material fixed capital. The budgetary assumptions can be entered in the budget template or be attached in a separate document.

It is important that there is correlation between this and the liquidity budget, so that investments stated in the liquidity budget also appear from the assets in the balance sheet.

### 3.5 GGR Specifications

Data on GGR must be entered in the predefined heading under the worksheet "GGR spec". If the applicant wants to offer different types of games under the licence, the data on GGR must be specified in relation to the following gambling sectors:

- Gaming machines,
- Other casino games (Blackjack, baccarat etc.),
- poker,
- bingo
- betting and
- betting on the outcome of electronically simulated sports events.

The following data must be entered for each heading:

- Accounting data for the last five years
- Budget information for the first 12 months
- Year-to-date realised data
- Forecast information for years two and three

In addition, budgetary assumptions for the GGR data must be attached. They must cover significant factors, especially if changes are made to the allocation between the different gambling sectors. The budgetary assumptions can be entered in the budget template or be attached in a separate document.

### 3.6 Cashflow statement

The statement must provide information about the applicant's cashflow. Cashflow is the amount of money flowing in and the amount used on operational, investment and financing of activities. In addition to this, the expectations to future cashflows must be stated.

The data on cashflow must be entered in the predefined headings under the worksheet "Cashflow".

The following data must be entered for each heading:

- Accounting data for the last five years
- Budget information for the first 12 months
- Year-to-date realised data
- Forecast information for years two and three

In addition, the applicant must attach budgetary assumptions for the cashflow statement, which must include significant factors that influence the liquidity both positively and negatively. It is assumed that the applicant budgets with positive cashflows, which is why it must appear how the applicant expects to raise capital for e.g. establishment, operations and/or investments. The budgetary assumptions can be entered in the budget template or be attached in a separate document.

### 3.7 Key performance indicator (KPI)

Under the worksheet "KPI", relevant key performance indicators are calculated based on the data entered in the additional part of the budget template. The information can help the applicant confirm that the data entered is correct.

Under the worksheet "KPI", the number of customers is the only data that must be entered manually. In addition, the applicant must attach budgetary assumptions for the inflow of customers, which must include significant factors that influence the number of customers, for example in the form of increased marketing costs or expansion to new markets.

For all the automatically calculated KPIs, explanations must be stated in the comment box of the individual KPIs are on a very high or low level or if there are great variations. The following KPIs are calculated:

- Return on assets (ROA)
- Return on sales (ROS)
- Return on equity (ROE)
- Average turnover per customer
- Cost per acquisition (CPA)
- Solvency rate
- Analysis of cashflow
- Liquidity ratio

The budgetary assumptions and explanations can be entered in the budget template or be attached in a separate document.

# **The applicant's naming, numbering and explanation of documents**

# 4

To ensure a fast and efficient processing of the application, we urge you to send one file per document requirement, and that the individual document files are named and numbered according to the application form's item 28. For example, "Item28.01\_Organisation\_chart.pdf" or "Item28.02\_Deed\_of\_foundation.pdf". In this way, it is easier for the person responsible for the case to get an overview of the complete application material. The documents must be sent as pdfs or a similar format that indicates that the document is final. However, we request that the budget template be submitted in the format available on the Danish Gambling Authority's website.

It is also important for a fast and efficient application process that all documents are submitted at the same time, so that there is the greatest possible correlation between the timeliness of the documents.

As a principle, all documents must be submitted in connection with an application. However, if there are some documents that the applicant cannot submit, we request that the applicant attach a document with an explaining the reason for why these documents are not attached to the application. In this way, the Danish Gambling Authority can take this into account when processing the application.

If a document contains other information than what is required according to an item in the application, then we request that the applicant state exactly where in the document that the required information can be found. Data submitted in connection with the application process, and which does not appear from information requested under item 28 will not be part of the Danish Gambling Authority's assessment.

The application form's item 28 includes checkboxes for each documentation requirement for assessment of the applicant's financial situation. The checkboxes are a tool for the applicant to ensure that a complete application with the complete application material is submitted. This will further the processing of the application.

The Danish Gambling Authority does not begin the processing of the application before the application material is complete.

# Standard templates

5

## 5.1 Declaration by the management on financial data

The Danish Gambling Authority have prepared a template for declarations from the management, which must be completed by the management in connection with the approval of the information on the business' financial situation, which is submitted along with the application.

The Danish Gambling Authority require that the applicant's management specifically declare the application material submitted, and therefore the Danish Gambling Authority's standard template for declaration by the management must always be completed and attached to the application. The template is available on page 19 under item 3.1 below.

## 5.2 Template for declaration of financial support

The Danish Gambling Authority has prepared a template for a declaration of financial support expressing sufficient legal security. It is up to the applicant whether they choose to use the template for the declaration of financial support, but the Danish Gambling Authority will require that a declaration of financial support expresses sufficient legal security.

A declaration of financial support must be legally binding and cannot in itself be a declaration of intent. Thus, the Danish Gambling Authority has prepared a standard template for a declaration of financial support, which is available on the Danish Gambling Authority's website or can be acquired with one of the Danish Gambling Authority's employees. It is not required that the template be used, but the Danish Gambling Authority assesses that this template includes a sufficiently high legal security and therefore the use of this will meet the requirement for the declaration of financial support.

## 5.3 Standard template for declaration by the management

[Letterhead of Applicant]

Spillemyndigheden  
Englandsvej 25, 6.  
5000 Odense C

1. This Letter of Representation is submitted in connection with our application for gaming license in Denmark dated [Date Month Year].
2. The material included in our application among other including descriptions of procedures, CV's, Financial Statements and other accounting records, budget and forecasts is prepared for the purpose of giving a true and fair view of the Company's [applicant] organisation and the financial position at [application day/month/year] and of the budgeted results, balance and cash flows for the license period ending [day/month/year].
3. The following statements are issued to the best of our knowledge and after having made the necessary inquiries to relevant employees etc of the Company [and the Group/unit].

### Financial Information

4. We acknowledge our responsibility in respect of preparing and presenting Accounting Statements and Budgets giving a true and fair view in accordance with the Danish Gambling Authorities Guidelines and in this connection to the best of our knowledge and belief confirm that:
  - Our choice and application of accounting policies are appropriate.
  - The Company [and the Group] has/[have] ownership or control of all assets, and that there are no obligations or mortgages incumbent on these assets other than what has been disclosed in the documentation send to the Danish Gambling Authorities as basis for granting gaming license to the Company.



- All the Company's [and the Group's] assets and liabilities exist at the application date and have been recognised and measured in the Balance Sheet for the Company [and the Group] under the criteria laid down in the accounting policies applied.
- We have no plans or intentions that may materially affect the carrying amount or classification of the assets and liabilities appearing from the Balance Sheet.
- We have informed you of all existing or potential litigation, claims relating to the Company [and the Group] of which we are aware, and whose implications should be considered in connection with the presentation of the Balance Sheet.
- The mention in the Balance Sheet or other documentation of contingent assets and liabilities is complete and complies fully with the accounting policies applied.
- The Company [and the Group] has/[have] performed all agreements entered into that could have a material effect on the Balance Sheet in the event of non-performance.
- In our opinion, key assumptions regarding revenue, costs, investments and cash flows as basis for budgets and prognosis described in the document "Assumption for budget/prognosis" are reasonable and attainable considering the expected market development in Denmark. Assumptions that are based on specific actions or decisions adequately reflect Management's intentions and the possibilities of carrying through such action plans.
- We have provided you with all information relevant to applying the going concern assumption for the Company for the license period.

#### Internal controls

5. We acknowledge our responsibility for the preparation, implementation and maintenance of internal controls that are relevant to the Company whether such misstatement is due to error or fraud.
6. [If relevant: We are aware of the increased risk of errors, including errors due to fraud, resulting from the non-segregation of duties in the accounts department due to the limited size of the organisation. We have therefore, to a reasonable extent, performed compensating controls with a view to preventing and detecting the above-mentioned risk of errors and misstatements, for example by examining accounting records, accounts statements from banks, payment of wages and salaries and reconciliations on a regular basis.]

#### Completeness

7. We have made all the requested material available for your processing of the application for granting gaming license to the company in Denmark and assesses that this material gives a true and fair view for your processing of the application.
8. All the Company's [and the Group's] transactions have been duly reflected and recorded in the accounting records and Balance Sheet.
9. In the forwarded material we have disclosed the identity of all the Company's [and the Group's] related parties and stated all material transactions with and relations to related parties which are relevant to the Company [and the Group], and we are not aware of any other matters of this type which should be disclosed to you.
10. We have no suspicion that the forwarded material may contain material misstatement due to fraud or fraud that may include:
  - executive Management;
  - employees who have significant roles in the system of internal control; or
  - other persons whose fraud might have a significant influence on the Company's accounts.

City, date month year 201x  
[Company A/S]

NN  
CEO

NN  
CFO

## 5.4 Standardskabelon støtteerklæring (støttegiver brevpapir/ letterhead of supporting company)

Selskab XXX/ Company XX [Ansøger/Applicant]

Adresse / Address

Postnummer og by / Postal Code; City

Danmark/Denmark

xx. måned 20xx

xx Month 20xx

### Affale om økonomisk støtte

I forbindelse med ansøgning om spilletilladelse i Danmark og going concern for ansøger [Selskab XX] for tilladelsesperioden, bekræfter moderselskabet, [Moderselskab ZZ], herved at:

- 1 moderselskabet vil yde økonomisk støtte til [Selskab XX] ved lån eller kontant kapitalindskud i det omfang, det er nødvendigt for at finansiere selskabets drift, anlægsinvesteringer og afvikling af selskabets økonomiske forpligtelser,
- 2 ydede lån samt yderligere fremtidige lån til [Selskab XX], ikke vil blive opsagt, medmindre [Selskab XX's] likviditetsstilling er tilstrækkelig til at berettige en sådan tilbagebetaling,
- 3 moderselskabets samt tilknyttede virksomheders tilgodehavende i [Selskab XX] træder tilbage for andre kreditorer i [Selskab XX].

Denne affale om økonomisk støtte gælder for så vidt angår punkt 1 for tilladelsesperioden for ansøgning med Spillemyndighedens journalnummer xx-xxxxx.

### Letter of Financial Support

In connection with the application for gaming licence in Denmark and assumption of going concern for the applicant [Company XX] for the license period the parent company [Parent Company ZZ], hereby confirm that:

- 1 we will support [Company XX] financially in the form of a loan or equity by cash contribution to the extent necessary to finance its operating activities, investments and to settle its financial obligations;
- 2 the loan extended and additional future loans that will be extended to [Company XX] will not be called unless the liquidity position of [Company XX] is adequate to justify such repayment;
- 3 the Parent Company and group enterprises will subordinate their receivables from [Company XX] in favour of other creditors of [Company XX].

With respect to item 1, this Letter of Financial Support is effective for the effective period of the granted license subject to the Danish Gambling Authority's reference no. xx-xxxxx.

XXby, xx. måned 201x  
XXtown, xx Month 201x

**Parent Company ZZ**

NN

Titel

*Title*

*[Tegningsberettiget på vegne af Moderselskab ZZZ]*

*[Authorized to sign for the Parent Company ZZZ]*

