Slow and Steady

Denmark – Online

Denmark's methodical and steady pace to liberalise its online gambling industry has seen the online casino and betting sector gradually overtake all other gambling sectors and is today responsible for more than half of the country's annual Gross Gambling Revenue.

For a country which at one time was built around a complete ban on gambling, Denmark has slowly but surely opened up its gambling market and managed to liberalise the majority of its gambling sectors.

From a complete prohibition dating back to the 18th century, the market has seen a series of legislations introduced to enable the gambling market to develop and grow at a slow and steady but sensible pace.

For a long time, Denmark's gaming industry existed via a strict monopoly situation organised by Danske Spil, which had the exclusive licence to offer betting, lotteries and online gambling.

However, in June 2010 the new Gambling Act strolled into town and when it came into force two years later a partial liberalisation of the market enabled the gambling market to finally have some increased freedom and flexibility.

The Gambling Act of 2012 served two purposes – to open the market for privately owned national and international betting and online casino operators and to clean up the complex rules and regulations which existed in the marketplace.

Betting, online casinos and landbased slots were all liberalised whilst a monopoly situation remained for the lottery, class lotteries and horse and dog racing and Danske Spil was divided into two companies – Danske Lotteri Spil (for the lottery sector) and Danske Licens Spil (for the online sector).

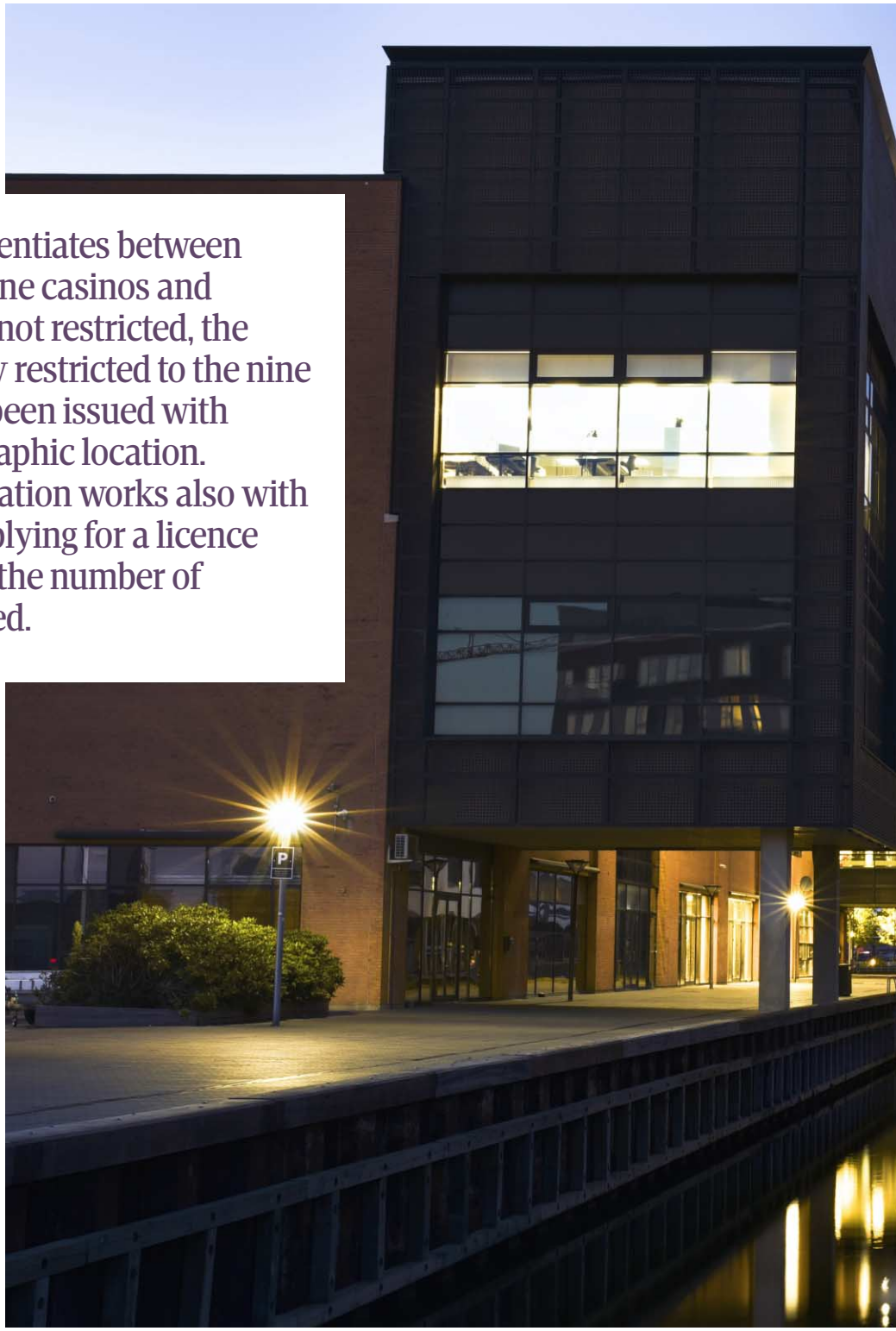
Then in 2017 the market was further modified and online bingo and online landbased betting on horse and dog racing were also liberalised expanding the independent market even further.

'From small acorns great oaks grow' and almost a decade later Denmark has the second highest online gambling participation rate in Europe, after Sweden (2020).

Since 2012 the online gambling sector has been growing steadily and between them, online casinos and online betting, now make up just over half of the total gambling GGR (DKK9.2bn) with DKK4.7bn in total online revenues last year. The lottery has a 35 per cent market share of the total GGR with DKK3.2bn whilst slots (11 per cent) and casinos (two per cent) make up the remaining share.

The Danes are big gamblers. Last year Denmark was seventh in Europe with the biggest gambling spend per adult who spent on average DKK2,086. The Danes spend just under DKK38 per week (2020 data) on gambling, of which DKK13 is spent on lotteries and DKK1 on casinos. The remaining is on online casinos, betting and gaming machines. Around 64 per cent of GGR from online betting and online casinos is via mobile devices and the other 36 per cent on computers.

The vast majority of online accounts belong to men and 76 per cent of online casino accounts and 81 per cent of online betting accounts are created by men. The highest number of male players (23 per cent) are between the ages of 26 and 35 years.



The Danish legislation differentiates between land-based casinos and online casinos and although online casinos are not restricted, the landbased sector is currently restricted to the nine casino permits which have been issued with consideration given to geographic location. Similarly, the geographic location works also with slot machine halls when applying for a licence although there is no limit of the number of licences which can be granted.

A TIGHT SHIP

The Danish government runs an efficient business when it comes to its gambling sector and laws are meticulous with a strict licensing process and regulatory system in place.

The Spillemyndigheden (Danish Gambling Authority or DGA) is tasked with governing the market and is part of the Ministry of Taxation and its role includes issuing licences, charging fees and supervising the industry. SKAT (Danish Tax Authority) is responsible for the registration of licensees, invoicing, control and collection of fees.

Gambling is regulated nationally, although the local governments in Greenland and the Faroe Islands have full jurisdiction and autonomous authority regarding gambling regulation. Greenland currently allows gambling under the national Gambling Act although the Faroe Islands have a complete ban.

Online gambling and betting in Denmark currently operates under the Gambling Act executive order no. 1303 of September 2020.

There are three main provisions when applying for a licence from the authority:

1. Players must pay a stake to take part in the game (money or item of value).

2. Players must have a chance of receiving winnings.

3. There must be a random element involved.

The Danish legislation differentiates between land-based casinos and online casinos and although online casinos are not restricted, the landbased sector is currently restricted to the nine casino permits which have been issued with consideration given to geographic location. Similarly, the geographic location works also with slot machine halls when applying for a licence although there is no limit of the number of licences which can be granted.

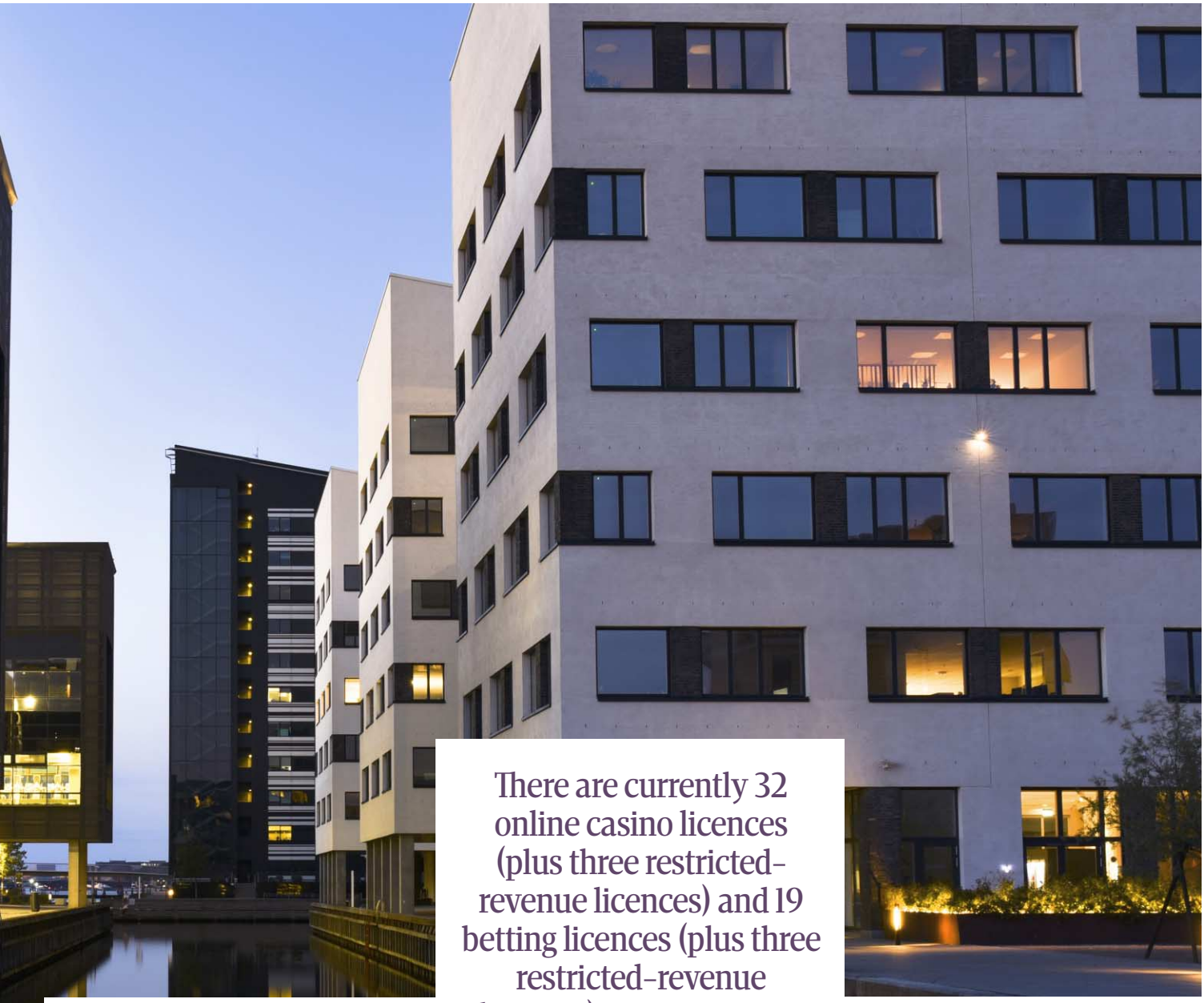
There are two different types of online gambling licences in Denmark – a betting licence and online casino licence. The betting licence can be divided into two categories – Fixed Odds Betting or Pool Betting and also covers landbased betting and can include betting on the results of virtual sports events.

Online casino licences includes roulette, blackjack, baccarat, punto banco, poker, online bingo, online slots and combination games (such as Backgammon, Whist, Yahtzee or guessing competitions).

It is also possible to apply for a revenue-restricted licence which are available for one year and GGR cannot exceed DKK1m. Operators can also apply for a turnover-restricted Manager Games licence with a limit on GGR of DKK5m and if the payout ratio does not exceed 20 per cent.

LICENCES:

- Licences are provided via the Danish Gambling Authority for a period of five years.
- The application fee for an online betting or casinos licence is DKK292,300 (2021).
- A combined betting and casino licence is DKK409,200.



- The application fee for a licence renewal is DKK116,900 (single licence) or DKK146,200 (for both betting and online casino). Renewal process is about three months.
- A revenue-restricted licence application fee is DKK58,500.
- Online operators (betting and casino) must also pay an annual licensing fee varying from DKK58,500 up to DKK5.2m depending on GGR (see chart A).
- Betting and online casinos pay taxes of 28 per cent of GGR.

ONSHORE AND OFFSHORE GAMBLING

There are currently 32 online casino licences (plus three restricted-revenue licences) and 19 betting licences (plus three restricted-revenue licences). In comparison there are nine casinos and 325 for gaming machines. See Chart B for list for current online casinos/betting licences.

Those operators licensed via the Danish Gambling Authority can offer remote gambling without media restrictions so via internet, mobile phones, tablets or television. However, a computer which is set up in a public place which only accesses one online casino site is considered to be a landbased casino and requires licensing as such.

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A licence offering online gambling grants the operator a licence to offer gambling in Denmark and taking wagers from non-Danish players is not covered under the licence and the legality of this is technically covered by the country where the wager is placed.

Servers must be located in Denmark unless there is a cooperation agreement in place with the Danish Gambling Authority.

In relation to offshore gambling under the Gambling Act the interpretation means operators accepting wagers from players located in Denmark without having a Danish licence is not contrary to Danish law provided the operator is not targeting its offering of gambling products within the Danish market. These include:

- Providing a gambling website in Danish language version.
- Offering customer services in Danish.

Chart A:
ONLINE ANNUAL LICENSING FEES

GGR 2021	FEES 2021
<DKK5m	DKK58,500
DKK5m – DKK10m	DKK146,200
DKK10m-DKK25m	DKK263,100
DKK25m-DKK50m	DKK526,100
DKK50m-DKK100m	DKK935,200
DKK100m-DKK200m	DKK1,753,500
DKK200m-DKK500m	DKK2,922,500
>DKK500m	DKK5,260,500

- Offering games only of interest to Danish players.
- Accepting Danish Kroner.
- Accepting payment services such as Danish debit card payment system DanKort (exclusive to Danish market).
- Marketing and advertising in the Danish media.
- Marketing and advertising in the Danish language.
- Direct marketing targeting Danish players where the operator sender is aware the recipient is in Denmark.

In terms of site blocking the DGA has blocked a total of 145 sites since 2012 which are unlicensed and offering illegal gambling websites. In March this year the DGA successfully blocked 55 illegal sites alone.

Henrik Norsk Hoffman of Nordic Gambling said: "If an operator targets the Danish market without a Danish licence, the Danish Gambling Authority has shown great commitment to having such an offering shut down. So far, the Danish Gambling Authority has had a great deal of success doing this and, in most cases, cease-and-desist letters have proven sufficient.

"Article 65 of the Gambling Act provides the Danish Gambling Authority with the legal authority to block payment services to an operator offering gambling in Denmark without a licence. The same provision allows the Danish Gambling Authority to block access from Denmark to the violating operator's website or websites.

"Further, Article 59 places a complete ban in Denmark on advertising of unlicensed gambling. In all cases where cease-and-desist letters have proven insufficient to stop the unlicensed offering, the Danish Gambling Authority has successfully gained court orders to force internet service providers to prevent access to certain websites where unlicensed gambling was offered and targeted at the Danish market.

"For all the time that the Gambling Act has been in force (currently more than nine years), the Danish Gambling Authority has not made use of its legal authority to block payment services.

> "The Danish Gambling Authority is pursuing and developing cooperation with as many foreign regulators and commissions as it can, in order to improve its chances of receiving assistance if a foreign operator violates Danish law, and to promote a higher degree of uniformity and mutual recognition of standards."

"After an initial period with a substantial number of cease-and-desist letters and ISPs blocking access to websites, the letters and the advertisement ban, combined with a critical mass in terms of the number of operators with a licence to offer gambling, seems to be sufficient to keep most unlicensed gambling out of the Danish market.

"The Danish Gambling Authority estimates the unlicensed offering of gambling in Denmark to represent five per cent or less of the total Danish gambling market. The operators are less optimistic but still estimate that approximately 80-85 per cent of the Danish market is licensed and compliant.

"The Danish Gambling Authority has not yet had to pursue enforcement, including fines for violation of the Gambling Act, outside Denmark, so the enforceability of the Gambling Act against a foreign operator has not yet been identified.

"The Danish Gambling Authority is pursuing and developing cooperation with as many foreign gambling regulators and gambling commissions as it can, in order to improve its chances of receiving assistance if a foreign operator violates Danish law, and to promote a higher degree of uniformity and mutual recognition of standards within, in particular, the online gambling industry.

"The Gambling Act does not restrict the number of licences that can be granted in any way, and is therefore in compliance with EU law, at least in terms of the types of games that have been liberalised as a result of the law reform. The EU-

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wide enforcement of Danish law against a foreign EU based entity can therefore not be excluded.

"However, regarding games that are still part of Danske Lotteri Spil A/S's monopoly, the legality of the Gambling Act from an EU law perspective is unclear. The government has given no justification for maintaining a state monopoly on the offering of, for example, lotteries and scratch cards and consequently the enforcement of this part of the legislation outside of Denmark is questionable at best."

In terms of the online sector the authorities can measure the share of gambling spend coming in from licensed gambling operators. According to the DGA back in 2012 when betting and online casino were liberalised, a large part of the Danes' gambling spend moved over to licensed operators and the channelling rate increased to 69 per cent compared to just 40 per cent in 2011. By 2020 the channelling rate was said to be 90 per cent onshore – a record high for the jurisdiction – and up from 88 per cent in 2019 putting Denmark in fifth place in Europe for channelisation behind the UK, Italy, Spain and Czech.

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According to H2 Gambling Capital statistics – in 2019 the gambling GGR onshore total (landbased and online but excluding lotteries) amounted to DKK6.75bn whilst offshore online saw gambling revenues of DKK694m. This was compared to DKK4.56bn and DKK932m respectively for the year 2012.

FACTS AND FIGURES

The Danish gambling market on the whole struggled last year when gambling arcades and casinos were closed in spring and again in December 2020 and sport events cancelled or postponed, to prevent the spread of Covid. Certain sectors saw a massive drop in GGR whilst overall the GGR decreased by DKK600m between 2019 and 2020 with a total of DKK9.2bn last year.

The lottery maintains over a third share of the total gambling revenue. There are three types of lotteries – charitable, monopoly and class lotteries.

Chart B: LIST OF ONLINE LICENCE HOLDERS

LICENCE HOLDER	TYPE OF LICENCE	DOMAIN NAMES EXAMPLES
25syv	OnlineCasino/Betting	Bet25.dk, casinogo.dk, derby25.dk rod25.dk etc
888	OnlineCasino/Betting	888.dk, 888casino.dk, 888poker.dk, 888sport.dk
AG Communications	OnlineCasino	Barbadoscasino.dk, belliscasino.dk, casinoluck.dk, dansk777.dk
Aller	OnlineCasino (limited licence)	Not yet registered
Primanetworks	OnlineCasino	Casinoaction.dk, casinoclassic.dk, luxury casino.dk
Betfair	OnlineCasino/Betting	Betfair.com, betfair.dk
Betway	OnlineCasino	Betway.dk
Betsson	OnlineCasino/Betting	Casino.dk, nordicbet.dk
Cashpoint	Betting	Cashpoint.dk
Casumo	OnlineCasino	Casumo.com/da, m.casumo.com/da
Co-Gaming	OnlineCasino/Betting	Comeon.com
Danske Spil	OnlineCasino/Betting	Danskespil.dk, tivolicasino.dk
DK Gambling	OnlineCasino/Betting	Onsidebetting.dk, spil.gl
Bwin	OnlineCasino/Betting	Bwin.dk, da.partypoker.com, partycasino.dk, partypoker.com
Spilhuset	Betting	Not yet registered
Bet365	OnlineCasino/Betting	Bet365.dk
Infiton	OnlineCasino	Casino999.dk
JJnet	Betting (limited licence)	Fanpicks.dk, feltet.dk
Kraeftens Bekaempelse	OnlineCasino (limited licence)	Not yet registered
LeoVegas	OnlineCasino/Betting	Leovegas.com, leovegas.dk, livecaisno.com
Marathon	OnlineCasino/Betting	Marathonbet.dk
Mr Green	OnlineCasino/Betting	Mrgreen.dk, mrgreen.com
PIP	OnlineCasino	Pip.dk
One Casino	OnlineCasino	Onecasino.com
Pokerstars	OnlineCasino/Betting	Betstars.dk, pokerstars.dk, pokerstarscasino.dk, pokerstarssports.dk
Royal Casino	OnlineCasino	Royalcasino.dk, kapowcasino.dk
SIFA	OnlineCasino	Sifa-online.dk, tvbingo.dk
SK Gaming	OnlineCasino	Casinohouse.dk
Skillonnet	OnlineCasino	44aces.com, casinoandfriends.dk, lunacasino.dk, slotsmagic.com, slotstars.com etc
CompuGame	OnlineCasino	Bingohallen.dk, spillehallen.dk
SpilNu	OnlineCasino	Spilnu.dk
Sportsbetting	Betting	Not yet registered
Swush	Betting (limited licence)	Holdet.dk, lynholdet.dk
THWeb	OnlineCasino (limited licence)	Vindstort.dk, why-care.dk
Tipwin	OnlineCasino/Betting	Tipwin.com tipwin.dk
Tombola	OnlineCasino	Tombola.dk
Unibet	OnlineCasino/Betting	Mariacasino.dk, unibet.dk
Videoslots	OnlineCasino	Mrvegas.com/da, mrvegas.dk, videoslots.com
Zweeler	Betting (limited licence)	Zweeler.com

Danske Spil is a state owned public limited company and has the monopoly on offering lotteries such as lotto and scratch cards (plus horse and dog racing) whilst Danske Klasselotteri, Varelotteriet and Landbrugslotteriet have licences to offer class lotteries. Klasselotteri is state owned and licensed via the DGA whilst the Ministry of Justice supervises the other two lotteries.

The GGR for the monopoly lotteries in 2020 was DKK2.92bn whilst charity lotteries saw a GGR of DKK282m providing a total of almost DKK3.2bn.

Lotto and number games represent 79 per cent of the monopoly lottery GGR whilst scratchcards represent nine per cent and class lotteries 11 per cent.

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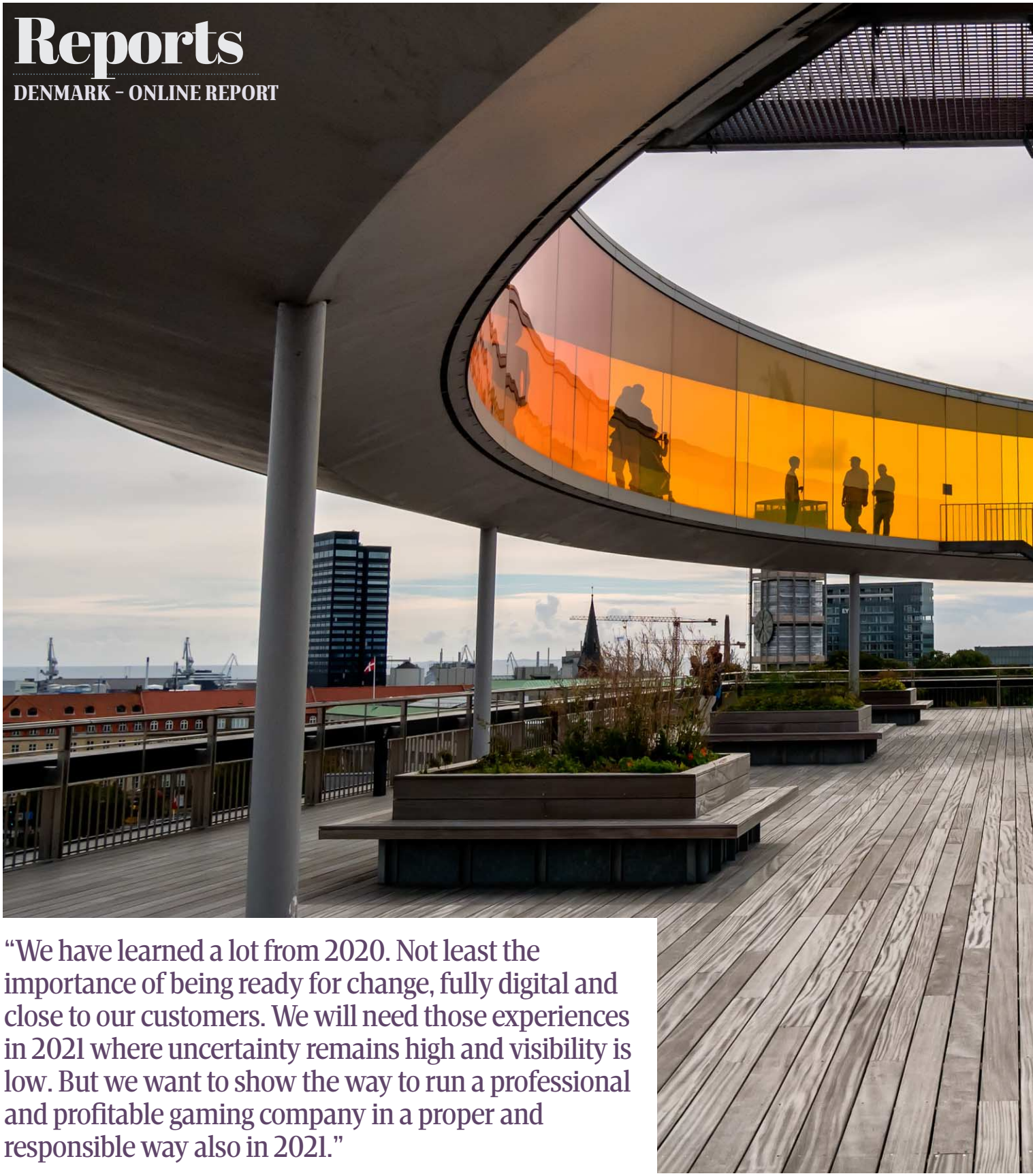
The lottery sector of Danske Lotteri Spil saw its GGR increase by DKK66.6m last year to DKK2.62bn compared to 2019 which was mainly down to the development of Eurojackpot and Viking Lotto plus 12 new scratchcards.

Its betting arm, Danske Licens Spil, however saw a decrease of DKK213m last year to DKK1.83bn which was mostly caused by the cancellation of sporting events. The company total GGR amounted to DKK4.73bn and is anticipating its total GGR this year to be in the region of DKK4.6 – 4.9bn.

The Danske Spil group has shown that the first 6 months of 2021 has seen an increase of



"We have learned a lot from 2020. Not least the importance of being ready for change, fully digital and close to our customers. We will need those experiences in 2021 where uncertainty remains high and visibility is low. But we want to show the way to run a professional and profitable gaming company in a proper and responsible way also in 2021."

DKK36.4m compared to the same period last year with total GGR at DKK2.33bn. This was made up of revenues from the lottery sector with a GGR of DKK1.35bn and Danske Licens with a GGR of DKK934.5m (up from DKK896.4m in 2020) for the first half of 2021.

Nikolas Lyhne-Knudsen, Administration Director at Danske Spil said: "We have learned a lot from 2020. Not least the importance of being ready for change, fully digital and close to our customers. We will need those experiences in 2021 where uncertainty remains high and visibility is low. But we want to show the way to run a professional and profitable gaming company in a proper and responsible way also in 2021."

Meanwhile, since partial liberalisation in 2012 the share of GGR from online gambling has been increasing steadily:

- Back in 2012 online casinos had a 34.3 per cent market share compared to 35.8 per cent for betting, 24.6 per cent for slots and 5.2 per cent for landbased casinos. In comparison in 2020 this share was almost 44 per cent share for online casinos; almost 40 per cent for betting; 13 per cent for slots and three per cent for landbased casinos.

- Back in 2012 online casinos saw a GGR of DKK885m. In comparison in 2020 this

ANNUAL GGR DATA – ALL SECTORS

SECTOR	GGR 2012	GGR 2018	GGR 2019	GGR 2020
Lotteries	DKK3.32bn	DKK3.28bn	DKK3.20bn	DKK3.20bn
Online casino	DKK885m	DKK2.17bn	DKK2.35bn	DKK2.45bn
Betting	DKK1.17bn	DKK2.52bn	DKK2.51bn	DKK2.29bn
Gaming machines	DKK1.77bn	DKK1.41bn	DKK1.39bn	DKK986m
Landbased casinos	DKK344m	DKK354m	DKK350m	DKK239m
TOTAL	**DKK7.48bn**	**DKK9.73bn**	**DKK9.81bn**	**DKK9.17bn**

increased to DKK 2.4bn in 2020.

- imilarly, the betting market saw revenues in 2012 of DKK1.17bn. In comparison this increased to DKK2.29bn last year.

The year 2020 was the first year since the partial liberalisation that the GGR of online casinos (DKK2.45bn) surpassed the betting market GGR (DKK2.29bn).

The most popular online casino activity comes from online slots, which in 2020 was responsible for 74 per cent of GGR (DKK1.82bn) with 9.5 per cent from roulette (DKK234.8m); 6.8 per cent blackjack (DKK167.9m), six per cent from commission games such as multiplayer poker or bingo (DKK139.7m) and three per cent other games (DKK84.4m). Around 54 per cent of online games are played via computer and 45 per cent via mobile.

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Although it was anticipated online casino revenue would rise during Covid lockdowns due to closed landbased venues there was however no obvious increase.

As Covid struck Denmark's landbased gambling sectors were affected as two enforced lockdowns had a detrimental effect on incomes. There are currently nine casinos open in Denmark (7 land casinos and two onboard ship casinos) which between them generated a GGR of DKK239m in 2020 compared to DKK350 in 2019 – a 31.8 per cent decline.

Closures in spring 2020 and again in December through to April saw zero income for the landbased sector. October 2020 was the month with the biggest GGR registered which amounted to DKK32m.

Likewise gaming machines also saw a drop in revenues in April and May with zero income. GGR in total for 2020 was down by 29 per cent from 2019 from DKK1,388m (2019) to DKK986m (2020).

Of this amount, around DKK768m came from slots in gaming arcades and DKK218 came from slots in restaurants. In 2020 there were 29,000 active gaming machines in Denmark installed in 1,032 gambling arcades and 2,348 restaurants.

Meanwhile betting revenues were also affected by Covid due to cancelled sporting events and GGR in total for the betting market dropped by 8.9 per cent compared to 2019 to DKK2.29m. Once events were resumed fully in October

2020 this apparently saw a GGR of DKK303m – the month with the highest recorded GGR ever in Denmark.

Meanwhile this year online gambling revenues have seen a big boost. Online casino revenues for Q1 2021 amounted to DKK717m compared to DKK557m for the same period the year.

Whilst the return of sporting events meant Q2 2021 saw a massive 76 per cent increase for betting revenues compared to Q2 2020 revenues from DKK373m to DKK657m.

Meanwhile the first quarter of 2021 saw revenues for both landbased casinos and slots at the zero-mark compared to DKK66m (casinos for Q1 2020) and DKK283m (slots for Q1 2020).

There has been a gradual move over to mobile betting over the years. Back in 2012 the division comprised of 57 per cent landbased betting (GGR of DKK669.6m); 29.5 per cent computer (GGR of DKK346.9m) and 13.5 per cent mobile (GGR DKK158.3m).

In 2020 this had shifted to 33.6 per cent landbased betting (GGR of DKK770.7m); 14.7 per cent computer (GGR of DKK338.3m) and over 51.5 per cent mobile (GGR of DKK1.18bn).

One of the purposes behind the 2012 Gambling Act was to encourage players away from the unregulated market which was estimated at the time to be nearly twice the size of the regulated market operated by the monopoly. The new act meant anyone could apply for a licence and the act would introduce a fair and responsible gambling market.However, as with any gambling market growth comes the negative impact.

PROTECTION AND LIMITATIONS

One of the purposes behind the 2012 Gambling Act was to encourage players away from the unregulated market which was estimated at the time to be nearly twice the size of the regulated market operated by the monopoly.

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However, as with any gambling market growth comes the negative impact. In Denmark the gambling addiction issue had to be addressed as the number of gamblers increased as the market opened up for the online sector.

A set of social responsibility controls were introduced last year, which included an update to the certification process making monthly, weekly or daily player deposit limits mandatory.

A new set of controls around sales promotions were also introduced including a maximum threshold for promotional offers organised by landbased and online sportsbetting and online casinos with a value of DKK1,000 maximum whilst betting promotions should not exceed over 10 times the player's stake.

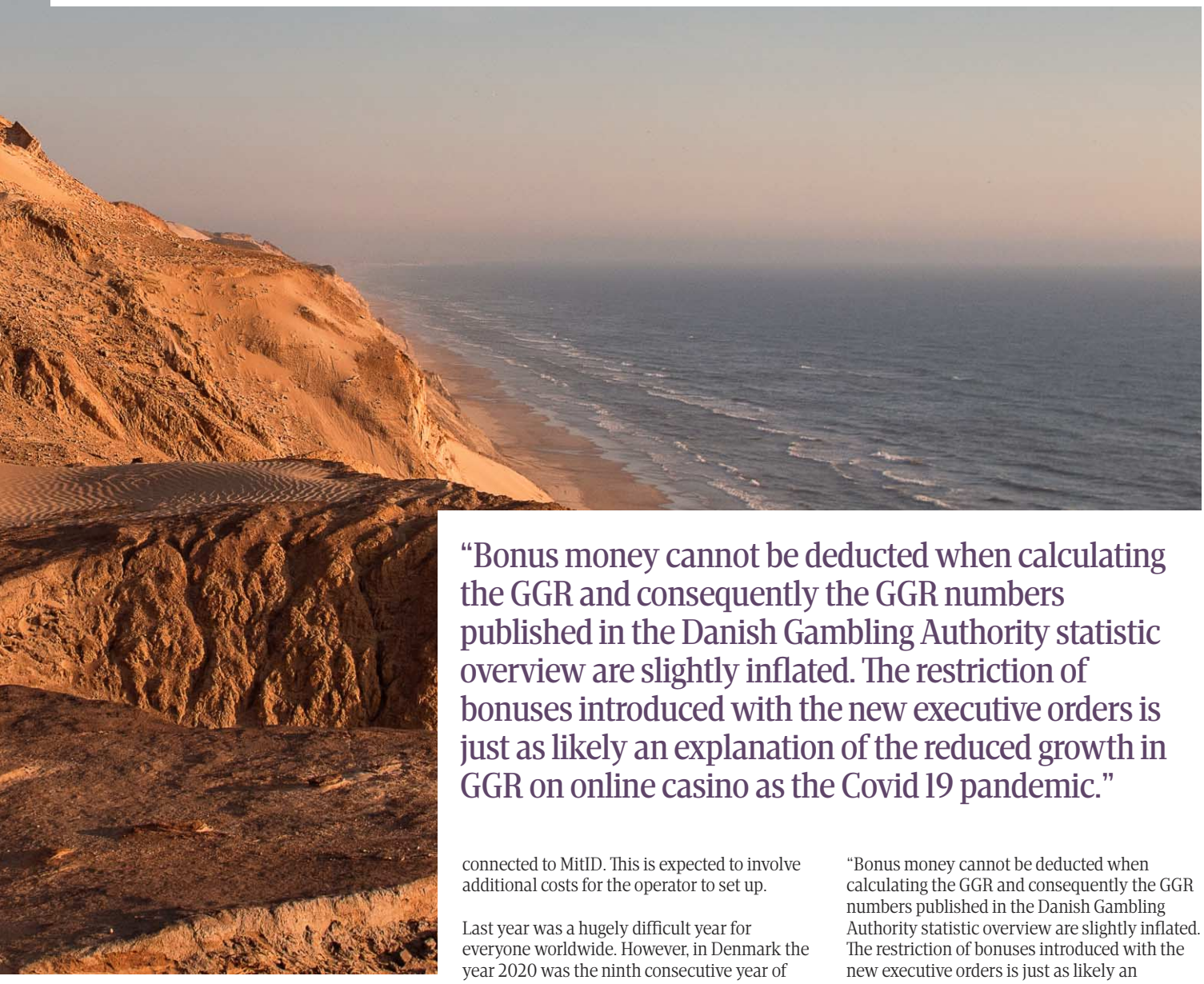
Marketing was also restricted and gambling cannot be directly marketed to inactive players or players with an increase in gambling activity. There must be clear marking in terms of turnover or replay and words such as 'free' cannot be used.

In July this year the DGA issued a change to its advertising rules which requires operators to make the proceeds from most of their sales promotions and bonuses available for a minimum of 60 days.

This includes deposit bonuses, free bet/spins, favourable odds, price reductions and limited

QUARTERLY GGR PER SECTOR

SECTOR	GGR Q1 2020	GGR Q2 2020	GGR Q3 2020	GGR Q4 2021	GGR Q1 2021	GGR Q2 2021
Online casino	DKK557m	DKK675m	DKK555m	DKK666m	DKK717m	DKK715m
Betting	DKK635m	DKK373m	DKK558m	DKK724m	DKK588m	DKK657m
Slots	DKK283m	DKK100m	DKK337m	DKK267m	DKK0	DKK163m
Land casinos	DKK66m	DKK16m	DKK87m	DKK69m	DKK0	DKK37m
TOTAL	**DKK1.54bn**	**DKK1.16bn**	**DKK1.53bn**	**DKK1.72bn**	**DKK1.30bn**	**DKK1.57bn**



> "Bonus money cannot be deducted when calculating the GGR and consequently the GGR numbers published in the Danish Gambling Authority statistic overview are slightly inflated. The restriction of bonuses introduced with the new executive orders is just as likely an explanation of the reduced growth in GGR on online casino as the Covid 19 pandemic."

time offers via online or landbased gambling facilities.

Also in May this year the MitID was introduced to Danish citizens and businesses which will replace the current identity system of NemID which will be phased out by the end of this year.

Operators who use NemID must now in future use a broker who will be responsible for the authentication process of the player to be connected to MitID. This is expected to involve additional costs for the operator to set up.

Last year was a hugely difficult year for everyone worldwide. However, in Denmark the year 2020 was the ninth consecutive year of growth for GGR in the online casino market although the increase was lower than in previous years.

Henrik Norsk Hoffmann said: "The most likely reason for this is the Covid 19 pandemic, but there is no data to support such a claim. In previous years the high increases in GGR have been influenced by the large number of bonus offers utilised in the licensed operator's battle for market shares.

"Bonus money cannot be deducted when calculating the GGR and consequently the GGR numbers published in the Danish Gambling Authority statistic overview are slightly inflated. The restriction of bonuses introduced with the new executive orders is just as likely an explanation of the reduced growth in GGR on online casino as the Covid 19 pandemic."

There has also been a push for more information and promotion about the Authority's helpline and ROFUS register with more measures to be introduced by operators to look at responsible gambling.

The Register of Self-Excluded Players was set up by the Danish Gambling Authority in 2012 to enable players to exclude themselves from

In 2019 the authority set up another tool for helping with gambling issues. StopSpillet is a helpline for players and relatives offering advice and guidance about compulsive gambling and responsible gambling via telephone or chat. In 2020, 512 players or relatives had contacted StopSpillet.

gambling online or at landbased casinos for a period of 24 hours, one, three or six months or permanently.

The number of registered players in ROFUS has grown from around 1,456 back in 2012 to over 28,200 by June 2021. Around 66 per cent of those registered have excluded themselves permanently; 19 per cent for six months; 10 per cent for three months and five per cent for one month.

In 2019 the authority set up another tool for helping with gambling issues. StopSpillet (Stop Gambling) is a helpline for players and relatives offering advice and guidance about compulsive gambling and responsible gambling via telephone or chat. In 2020 some 512 players or relatives had contacted StopSpillet compared to 722 in 2019.

Other changes within the Danish market include an increase of the tax rate for the online sector earlier this year. Landbased casinos are taxed on the amount of GGR (between 45 and 75 per cent) whereas gambling machines pay 41 per cent. Online gambling tax is now set at 28 per cent of GGR regardless of the amount.

This was increased from 20 per cent (set back in 2012) after the government entered into an agreement on the Finance Act of 2020 to increase the tax rate for the online sector to 28 per cent from January 2021 despite the industry's request to increase the amount to 22 per cent. The government is anticipating an increase in annual revenue from the increase of around DKK150m this year.

A report by H2 Gambling Capital at the time concluded that although increasing the tax amount to 28 per cent would see an overall increase in tax revenue, this would come at the "detriment to consumer welfare with more players moving to offshore sites where there are lower levels of consumer protection."

H2 anticipated the increased tax rate would also see a rise in Danish offshore channelling from 12 per cent of the online market to 24 per cent (versus 76 per cent onshore) over the next three to four years.

A new Gambling Advertising Board

MONTHLY GGR PER SECTOR (IN DKK)

	BETTING	ONLINE CASINO	SLOTS	LAND CASINOS
2020 TOTAL	**2.29bn**	**2.45bn**	**986m**	**239m**
January	263m	176m	108m	29
February	239m	175m	113m	29
March	133m	206m	62m	8
April	66m	241m	1m	0
May	109m	240m	12m	0
June	197m	194m	88m	16m
July	217m	201m	120m	30m
August	172m	186m	110m	29m
September	168m	168m	108m	29m
October	303m	239m	128m	32m
November	165m	196m	100m	28m
December	255m	230m	39m	10m
2021 TOTAL	1.48bn	1.66bn	273m	68m
January	206m	256m	0	0
February	221m	217m	0	0
March	161m	244m	0	0
April	266m	256m	7m	0
May	200m	247m	55m	11m
June	191m	212m	101m	26m
July	235m	229m	109m	31m
August	128m	221m	112m	33m

(Spilreklamenaevnet) was launched in August this year by operators to handle complaints related to advertising within the gambling industry.

The idea was first discussed back in 2018 when the Agreement on new Initiatives against Compulsive Gambling and Adjustments to the Gambling Agreement was introduced. At this time the gaming industry agreed to set up a Code of Conduct for the entire industry which included the establishment of a Gaming Advertising Board (GAB).

Denmark is considered the safest of all European markets when it comes to protecting consumers and children with a tough stance against advertising or targeting the underage with gambling marketing and advertisements.

The Code of Conduct came into effect in July 2019 with the aim of strengthening consumer protection and lowering the risk of gambling addiction.

It also set up limits on TV advertising and all gambling marketing must display under-age warnings and cannot be broadcast on the same advertising slots as loans or credit services. The code also requires a full transparency on customer promotions and incentives.

The code is monitored by the three associations – Danish Online Gambling Association (DOGA) which covers online casinos and betting; Dansk Automat Bracheforening (DAB) for the gambling machines and Dansk Kasinoforening for the casino industry and is composed of representatives from the gaming industry such as Elite Gaming, Danske Lotteri Spil, Danske Klasselotteri and Royal Casino.

In July last year, new regulations were also introduced in Denmark which prohibits the display of gambling brands alongside bank logos and also prevents products such as loans to be promoted alongside gambling products. The regulation requires operators to incorporate new information and links in their gambling marketing.

All gaming companies must comply with the rules on marketing laid out in the Gaming Act and the Marketing Act and basically monitors the way in which gambling is advertised so it does not target under 18s, does not imply that gambling promotes a solution to financial problems or use celebrities to promote gambling or imply it can contribute to success.

The board takes on a 'watchdog' type role to maintain responsible and ethical marketing of gambling and enables both players and organisations to file complaints about gambling marketing activities.

In July last year, new regulations were also introduced in Denmark which prohibits the display of gambling brands alongside bank logos and also prevents products such as loans to be promoted alongside gambling products.

The regulation requires operators to incorporate new information and links in their gambling marketing so betting and casino products must state age limits for the game, information about ROFUS register and direct players towards the DGA's guide on responsible gambling. The GAB will be run along the same model lines as the Alcohol Advertising Board and headed by independent Chairman, Judge Jacob Scherfig, a judge from Copenhagen City Court whilst the board is assisted by representatives from Research Clinic of Gambling Addiction and Department of Communication and Psychology.

One such case the GAB recently had to deal with involved a complaint about a television commercial for Mr Green Casino which ran immediately before an episode of the TV Christmas-themed show called 'Juleønsket' in December 2020.

Consumers alerted regulators claiming the advert was aired too closely to the show which is watched by children even though Mr Green argued it had purchased 18+ and 21+ advertising slots. TV2, the station which aired the commercial, claimed the show was listed under the 21+ section. However, the GAB reviewed the commercial and ordered the removal of the Mr Green casino TV advert.

TV commercials are a primary source for gambling operators to promote their sites. Since 2012 the number of gambling adverts has tripled in Denmark.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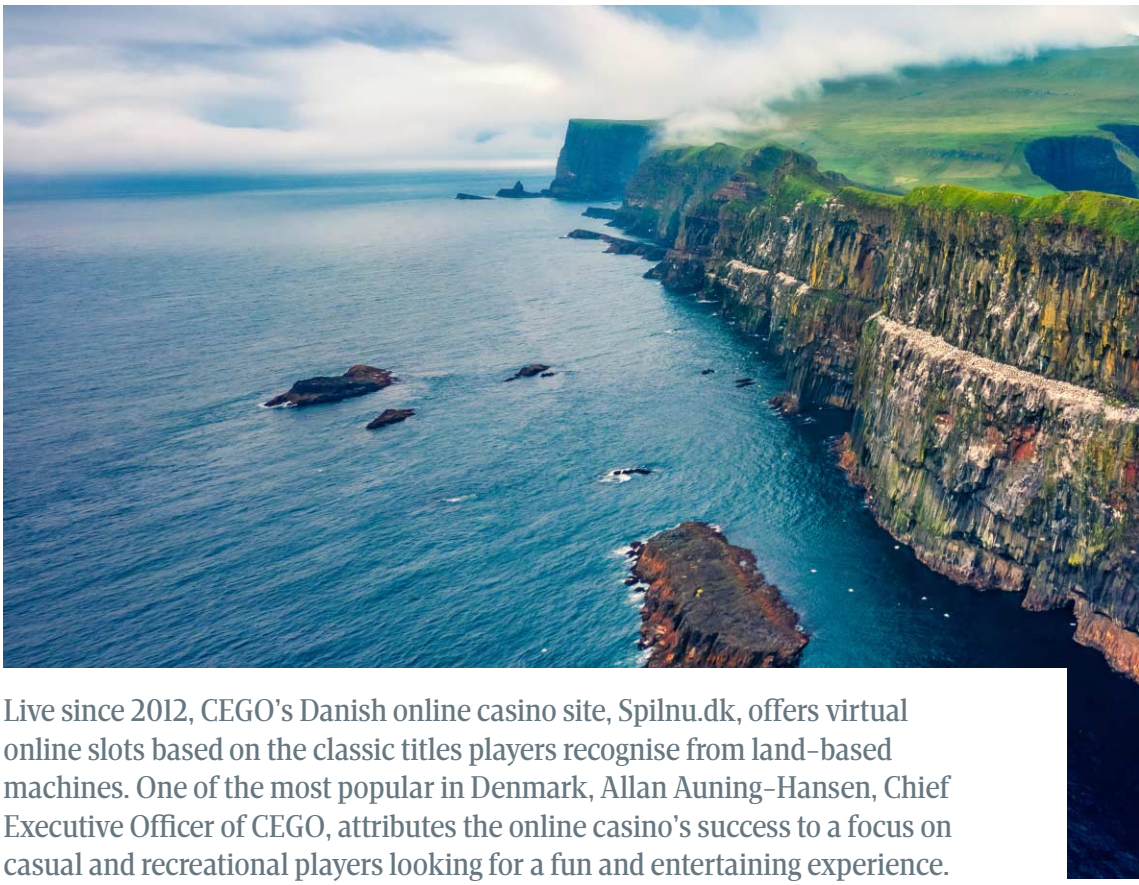
The Danish formula: low stakes, high entertainment

Allan Auning-Hansen,
Chief Executive Officer
CEGO

Denmark is a mature market where online gambling has been legal for several years now. Players are comfortable with gambling online and trust the brands that are active in the region. This is certainly the case for those that have been able to provide a fun and entertaining experience but where responsible gambling and safe gaming are also a priority. This is a core part of the CEGO DNA.



Live since 2012, CEGO's Danish online casino site, Spilnu.dk, offers virtual online slots based on the classic titles players recognise from land-based machines. One of the most popular in Denmark, Allan Auning-Hansen, Chief Executive Officer of CEGO, attributes the online casino's success to a focus on casual and recreational players looking for a fun and entertaining experience.

CEGO and our Spilnu.dk brand have been able to leverage the growth opportunities present in Denmark better than most and this is due to our unique proposition. From day one we have focused solely on recreational and casual players and have built out our casino so that it delivers a fun and entertaining experience where players are encouraged to gamble responsibly.

How has the Danish market performed in 2021?

The Danish market has performed incredibly well this year. Our Spilnu.dk brand in particular has enjoyed great success also after Covid-19 lockdown restrictions were lifted in the country. We have been really encouraged by growth in new player sign-ups and our ability to keep increasing the total addressable market in Denmark.

We are achieving this by taking a different approach to our rivals and instead of focusing on bonusing as the main driver of player acquisition and retention, are leveraging our unique, in-house developed content. This content has been designed to appeal specifically to casual players in Denmark, and this is how we are able to reach new audiences and grow the overall market. We've taken the same approach to other markets such as Sweden and the UK, and this has been a driving force behind our success in these jurisdictions.

Have there been any other factors behind the market performing well?

Denmark is a mature market where online gambling has been legal for several years now. Players are comfortable with gambling online and trust the brands that are active in the region. This is certainly the case for those that have been able to provide a fun and entertaining experience but where responsible gambling and safe gaming are also a priority. This is a core part of the CEGO DNA.

Operators and regulators are working together when it comes to channelisation and limiting grey market activity. Players know that online casino is legal in Denmark, and they also know which brands are licensed and are safe to play at. This has allowed the licensed market to thrive while also ensuring that players are protected to the highest possible levels.

CEGO and our Spilnu.dk brand have been able to leverage the growth opportunities present in Denmark better than most and this is due to our unique proposition. From day one we have focused solely on recreational and casual players and have built out our casino so that it delivers a fun and entertaining experience where players are encouraged to gamble responsibly.

Most of our games stocked in our lobby are developed in-house and are unique to Spilnu.dk. This, combined with allowing players to enjoy high levels of entertainment from low stakes, has proved to be a winning formula in Denmark for sure.

Has the new code of conduct around marketing had an impact on the market?

The new code of conduct has come at the same time as a whistle-to-whistle ban on gambling advertising during sporting events. As you might expect, this has led to lower television rating point levels but more importantly, it has forced operators and marketers to look to new ways of driving brand awareness around their casinos and sportsbooks.

This has seen many ramp up their digital marketing efforts to drive acquisition. For CEGO, it has meant

that we have focused our marketing content and activity more towards responsibility and entertainment.

What approach to do you take to marketing in the country? What sets you aside from your rivals?

The marketing activity that we undertake reflects on our customer focus and in particular engaging casual and recreational players. Messaging is mostly around the fun and entertaining experience that we offer which we also combine with encouraging players to always gamble responsibly. In terms of platforms, we do use TV and our player testimonials concept has been working well, giving a unique insight into their player experience and preference

What is the core player demographic in Denmark and does this differ to other EU countries?

The wider market demographic leans mostly towards male players, but with Spilnu.dk we have a near 50/50 split between male and female customers. This is mostly because our focus is on casual and recreational players that are ultimately looking for a fun and entertaining experience regardless of their gender. The same applies for our Swedish casino brand, Lyckost.

Are there any unique player preferences/expectations?

It all starts with our proprietary platform as this provides the foundation for us to deliver an excellent player experience across desktop and mobile. We combine this with five-star customer service and a focus on responsible gambling and safe gaming. Of course, our in-house developed content allows us to stock games built specifically for our players.

Not really. I'd say most players in Denmark are like players elsewhere but the market in general is less VIP focused. At Spilnu.dk we do not work with a VIP concept. We want players to have fun and long playtime for lower stakes. Our experience is that players are loyal if you have the right combination of content/game offering and a fun experience.

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We know that our players are recreational and are looking to place low stakes, enjoy longer gaming sessions and ultimately have a fun experience. We work tirelessly to keep bringing new games to our portfolio and to fine-tune and tweak our overall player proposition and this is what allows us to not only meet but exceed their expectations.

Is Denmark a tough market when it comes to competition? How do you differentiate?

There are around 30 license holders in Denmark. A few of these are large operators, but the majority are smaller brands. To stand out in what is a crowded market, it is important to excel across all areas of the online casino but also be different and unique when it comes to games, bonuses, loyalty, customer support and marketing.

We have taken our own path with Spilnu.dk and this has ultimately led us down the road to success in Denmark and indeed the other markets we target.

Do you think the market will grow in 2022?

I absolutely believe the market will continue to grow next year. Of course, there will be winners and there will be losers and those that emerge victorious will be the operators that continue to not just meet but exceed player expectations. Here at CEGO, we are continuously working to deliver this across Spilnu.dk, Happy Tiger and Lyckost.