

Music Tribe Innovation DK A/S

Ib Spang Olesens Gade 18
DK-8200 Aarhus N

CVR no. 21 37 86 07

Annual report 2021

The annual report was presented and approved at the
Company's annual general meeting

on 30 June 2022

Sonny Xavier Abella

Chairman of the annual general meeting

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Music Tribe Innovation DK A/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Aarhus, 30 June 2022
Executive Board:



Sonny Xavier Sabidorio
Abella

Board of Directors:



Ulrich Bernhard Behringer

Chairman



Sonny Xavier Sabidorio
Abellaa



David Hunter



Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

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

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

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

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

Music Tribe Innovation DK A/S
Annual report 2021
CVR no. 21 37 86 07

Management's review

Company details

Music Tribe Innovation DK A/S
Ib Spang Olesens Gade 18
DK-8200 Aarhus N

CVR no.	21 37 86 07
Established:	27 October 1998
Registered office:	Aarhus N
Financial year:	1 January – 31 December

Board of Directors

Ulrich Bernhard Behringer
Sonny Xavier Sabidorio Abella
David Hunter

Executive Board

Sonny Xavier Sabidorio Abella

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42,
DK-8000 Aarhus C
CVR no. 25 57 81 98

Management's review

Financial highlights for the Group

DKK'000	2021	2020	2019	2018	2017
Revenue	349,023	461,566	79,552	282,924	622,638
Operating profit/loss	-58,980	-58,626	-153,722	66,291	158,886
Profit/loss from financial income and expenses	-1,664	34,454	6,318	18,901	-9,179
Profit/loss for the year	-141,056	-21,044	-146,487	63,549	108,238
Total assets	900,761	963,456	935,953	767,535	729,761
Investments in property, plant and equipment	1,990	154,492	40,760	37,517	17,655
Equity	204,449	347,127	362,622	500,070	445,647
Cash flows from operating activities	48,605	686,072	-79,830	195,185	393,318
Cash flows from investing activities	-197,228	-265,691	-178,874	-93,979	-79,437
Cash flows from financing activities	199,033	-96,487	87,044	14,708	-1,130,475
Total cash flows	50,380	323,894	-171,660	115,914	-816,594
Gross margin	-7%	-6%	-63%	33%	38%
Operating margin	-17%	-13%	-72%	23%	26%
Return on equity	-40%	-6%	-34%	13%	27%
Solvency ratio	25%	36%	28%	65%	
Average number of full-time employees	261	311	177	279	414

The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Return on equity	$\frac{\text{Profit from ordinary activities after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

Investments

In February 2021, The Group acquired, through its subsidiary Music Tribe Brands UK, Aston Microphones, a UK-based manufacturer and distributor of Microphones in order to complement its product offerings.

In June 2022, the Group acquired Music Tribe Innovation PVT Ltd, a Research and Development company based in India from its Parent Company, Music Tribe Commercial MY Sdn. Bhd.

Outlook

Revenue for 2022 is expected to range between DKK 400-450 million with a profit between DKK 4-20 million.

The Group does not expect a significant impact from either inflation of foreign currency conversion.

Research and development activities

The Group is intellectual capital-intensive with material product development activities in the individual companies.

Therefore, the Group works continuously with programs to ensure that this intellectual capital is maintained and embedded in the organisation. The Group focuses on both physical and mental working conditions and carries out staff satisfaction measurements on a regular basis.

Financial risks

Foreign currency risks

It is part of the company strategy to protect the Group against exchange rate fluctuations by, to the extent possible, matching the Group's sales currencies against its purchase and cost currencies.

The Group has net inflows in USD.

Liquidity risks

The financial resources are assessed and controlled by the Parent Company's treasury functions. This ensures that the committed credit facilities required to meet the budgeted financing requirements are ongoing are made available by the Company's financial partners.

Management's review

Operating review

The Group has no other significant formalised policies.

During 2021, the Group took an active role in formalizing and promoting worldwide its core values of Trust, Respect, Integrity, Bold, Engage which are consistent with the Code of Conduct released in 2019; the Group undertook extensive workshops and training on those core values across the entire workforce and has embedded them in employees performance review.

The Group plans to continue its journey in 2022 by introducing mandatory compliance training on Ethics, Business Conduct and Anti-corruption.

The Group, through its subsidiaries has also distributed in 2021, free of charge, 1,510 Synthesizers and Headphones to children and schools worldwide, in an effort to increase its Corporate Social Responsibility and its active participation and involvement in the community.

The Group has assessed the risk as insignificant.

Climate and environment

The sixth assessment from the Intergovernmental Panel on Climate Change from August 2021 delivered a stern warning on the impact that climate change has on lives and livelihood.

It is the duty of fast-growing companies like the Group to actively participate and drive the reduction of their carbon footprint and supply products that are environmentally friendly whilst improving its customer experience and product offering.

In 2020, the Group closed two manufacturing facilities in UK and Sweden thereby reducing its carbon footprint; this journey of carbon footprint reduction continued in 2021 by further announcing the closure of a second site in UK in 2022 as well as significant reduction of transportation equipment worldwide.

During 2021, the Group has also started an in-depth review of its packaging material with a long-term objective of re-designing its solutions to be environmentally friendly by end of 2024; this is one of the key objectives for the Group for 2022.

In 2022, the Group has also committed to undertake a Global Environmental Health and Safety Risk Assessment and Risk Mitigation Strategy.

Sustainability is also one of the key drivers of the Group Product Development Strategies.

Social and employee matters

The Group is an equal opportunity employer and actively supports human rights, as well as all equality legislation.

We are therefore opposed to all forms of unlawful or unfair discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex or sexual orientation.

Every possible step will be taken to ensure that individuals are treated equally and fairly and that decisions on recruitment, training and promotion are based solely on the job criteria, the individuals' abilities, skills, performance and behaviour and on our business requirements.

Discrimination, abuse or harassment will result in disciplinary action being taken including dismissal for serious cases.

Management's review

Operating review

The Group aims to achieve diversity on the Board by 2024, planning to increase the Board of Directors to 4 with a minimum target of an even distribution as follows

2023: 25% of the board represented by women

2024: 50% of the board represented by women.

Reporting on data ethics

The Group has not prepared a policy for data ethics, as it is not an integrated part of the entities business strategy and business model. The Group operates with researching and developing new products, which are to be sold by sister company, thereby the Group will not maintain critical data for end consumers or alike.

However, the Group has put in place a Global Data Privacy Policy in 2022.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	Group		Parent Company	
		2021	2020	2021	2020
ASSETS					
Fixed assets					
Intangible assets					
	5				
Completed development projects		46,236	50,830	24,981	34,560
Patents, licences and trademarks		2,223	4,263	11,001	24,946
Goodwill		98,451	85,569	0	0
Development projects in progress		95,523	98,306	95,523	71,613
		<u>242,433</u>	<u>238,968</u>	<u>131,505</u>	<u>131,119</u>
Property, plant and equipment					
	6				
Land and buildings		143,828	168,101	0	0
Leasehold improvements		14,216	1,410	0	0
Fixtures and fittings, tools and equipment		4,838	2,997	0	0
		<u>162,882</u>	<u>172,508</u>	<u>0</u>	<u>0</u>
Investments					
Equity investments in group entities	7	0	0	649,991	555,317
Deposits		50	2,044	50	2,044
		<u>50</u>	<u>2,044</u>	<u>650,041</u>	<u>557,361</u>
Total fixed assets		405,365	413,520	781,546	688,480
Current assets					
Inventories					
Raw materials and consumables		3,245	968	0	0
Work in progress		0	19,066	0	0
Finished goods and goods for resale		28,442	12,458	0	0
		<u>31,687</u>	<u>32,492</u>	<u>0</u>	<u>0</u>
Receivables					
Trade receivables		9,619	856	0	0
Receivables from group entities		5,925	120,429	249,430	132,725
Income tax receivable		0	4,245	0	14,908
Other receivables		34,096	26,618	28,858	18,867
Prepayments		66	1,673	0	0
		<u>49,706</u>	<u>153,821</u>	<u>278,288</u>	<u>166,500</u>
Cash at bank and in hand		414,003	363,623	15,986	978
Total current assets		495,396	549,936	294,274	167,478
TOTAL ASSETS		900,761	963,456	1,075,820	855,958

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

Group	Contributed capital	Retained earnings	Total
DKK'000			
Equity at 1 January 2021	157,619	189,508	347,127
Transferred over the distribution of loss	0	-141,056	-141,056
Exchange rate adjustment, foreign subsidiary	0	-1,622	-1,622
Equity at 31 December 2021	157,619	46,830	204,449

Consolidated financial statements and parent company financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	Group	
		2021	2020
Loss for the year		-141,056	-21,044
Depreciation, amortisation and impairment losses		199,842	171,277
Interest income		-1,719	-60,703
Interest expense		3,383	24,249
Tax on profit/loss for the year		29,735	-1,128
Other adjustments of non-cash operating items	11	-12,377	-16,583
Cash generated from operations before changes in working capital		77,808	96,068
Changes in working capital	12	-27,539	558,720
Cash generated from operations		50,269	654,788
Interest income		1,719	60,703
Interest expense		-3,383	-24,249
Income tax paid		0	-5,170
Cash flows from operating activities		48,605	686,072
Acquisition of intangible assets	5	-46,647	-43,607
Acquisition of property, plant and equipment	6	-1,990	-92,242
Acquisition of subsidiaries and activities		-148,591	-129,890
Disposal of subsidiaries and activities		0	48
Cash flows from investing activities		-197,228	-265,691
Repayment of long-term debt		-2,711	1,168
Arrangement of payables to group entities		201,714	82,268
Repayment of payables to group entities		0	-179,923
Cash flows from financing activities		199,003	-96,487
Cash flows for the year		50,380	323,894
Cash and cash equivalents at the beginning of the year		363,623	39,681
Unrealised value adjustments for the year		0	48
Cash and cash equivalents at year end		414,003	363,623

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Parent Company. The uniting of interests is considered to have been completed at the date of the merger without restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity.

Gains or losses on the divestment of subsidiaries and participating interests (including associates) are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and projected costs of divestment or winding-up.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and participating interests (including associates) which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries which are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income from equity investments in group entities

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments I subsidiaries also comprises gains and losses on the sale of equity investments.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in group entities and participating interests (including associates) measured at cost are recognised as income in the parent company income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends exceed profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Tax on profit/loss for the year

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Property, plant and equipment

Land and buildings, leasehold improvements and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Production/administration buildings	20 years
Leasehold improvements	3-10 years
Fixtures and fittings, tools and equipment	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments

Equity investments in subsidiaries are measured at the proportionate share of the entities' net asset value calculated in accordance with the Parent Company's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in subsidiaries with negative net asset values are measured at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash

Cash includes bank accounts as well as operating cash.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of participating interests (including associates) in proportion to cost.

Dividends that expected to be received before the balance sheet date are not tied to the reserve.

Reserves may be eliminated in connection with loss, realisation of equity investments or changes in accounting estimates.

Reserves cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the development costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established.

The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

DKK'000	Group		Parent Company	
	2021	2020	2021	2020
4 Proposed distribution of loss				
Reserve for net revaluation according to the equity method	0	0	-63,041	-72,482
Reserve for development costs	0	0	-14,581	0
Retained earnings	-141,056	-21,044	-63,434	51,438
	<u>-141,056</u>	<u>-21,044</u>	<u>-141,056</u>	<u>-21,044</u>

5 Intangible assets

DKK'000	Group				
	Completed development projects	Patents, licences and trade-marks	Goodwill	Development projects in progress	Total
Cost at 1 January 2021	655,186	44,846	128,353	98,306	926,691
Additions	0	0	137,581	46,646	184,227
Transferred	49,429	0	0	-49,429	0
Cost at 31 December 2021	<u>704,615</u>	<u>44,846</u>	<u>265,934</u>	<u>95,523</u>	<u>1,110,918</u>
Amortisation and impairment losses at 1 January 2021	-604,356	-40,583	-42,784	0	-687,723
Impairment losses	-11,099	0	-50,677	0	-61,776
Amortisation	-42,924	-2,040	-74,022	0	-118,986
Amortisation and impairment losses at 31 December 2021	<u>-658,379</u>	<u>-42,623</u>	<u>-167,483</u>	<u>0</u>	<u>-868,485</u>
Carrying amount at 31 December 2021	<u>46,236</u>	<u>2,223</u>	<u>98,451</u>	<u>95,523</u>	<u>242,433</u>

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

6 Property, plant and equipment

	Group			
	Land and buildings	Lease- hold Improve- ments	Fixtures and fittings, tools and equip- ment	Total
DKK'000				
Cost at 1 January 2021	196,479	8,005	76,167	280,651
Foreign exchange adjustments in foreign entities	3,891	3,629	2,936	10,456
Additions on acquisition of subsidiary	0	0	2,196	2,196
Additions	0	290	1,700	1,990
Transferred	-10,699	10,699	0	0
Disposals	-10,022	0	-41,111	-51,133
Cost at 31 December 2021	<u>179,649</u>	<u>22,623</u>	<u>41,888</u>	<u>244,160</u>
Depreciation and impairment losses at 1 January 2021	-28,378	-6,595	-73,173	-108,146
Foreign exchange adjustments in foreign entities	-1,053	-1,182	-2,496	-4,731
Depreciation on acquisition of subsidiary	0	0	-866	-866
Transferred	315	-309	-6	0
Depreciation	-16,727	-321	-1,620	-18,668
Depreciation on disposals	10,022	0	41,111	51,133
Depreciation and impairment losses at 31 December 2021	<u>-35,821</u>	<u>-8,407</u>	<u>-37,050</u>	<u>-81,278</u>
Carrying amount at 31 December 2021	<u>143,828</u>	<u>14,216</u>	<u>4,838</u>	<u>162,882</u>

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

8 Contributed capital

The contributed capital consists of:

A shares, 7,880,967 shares of nom. DKK 20 each

All shares rank equally.

9 Deferred tax

DKK'000	Group		Parent Company	
	2021	2020	2021	2020
Deferred tax at 1 January	14,354	11,327	0	-11,209
Deferred tax adjustment for the year in the income statement	-740	3,027	0	11,209
	<u>13,614</u>	<u>14,354</u>	<u>0</u>	<u>0</u>

Deferred tax asset

Deferred tax asset amounts to DKK 46,723 thousand, which is not recognized as Management does not expect the deferred tax asset to be utilised within a period of 5 years.

10 Non-current liabilities other than provisions

Liabilities other than provisions consist of intragroup loan amounting to DKK 14,619 thousand. The loan is to be repaid within 2-5 years.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

14 Related parties

Music Tribe Innovation DK A/S' related parties comprise the following:

Control

Music Tribe Commercial MY Sdn. Bhd. Malaysia

Music Tribe Commercial MY Sdn. Bhd holds the majority of the contributed capital in the Company.

Music Tribe Innovation DK A/S is part of the consolidated financial statements of Music Tribe Commercial MY Sdn. Bhd., Malaysia, and the consolidated financial statements of DTOS Trustees Ltd., Mauritius, which are the smallest and largest groups, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Music Tribe Commercial MY Sdn. Bhd. and the consolidated financial statements of DTOS Trustees Ltd. can be obtained by contacting the companies at the above addresses.

Related party transactions

DKK'000	2021	2020
Group		
Sale of goods and services	309,353	382,500
Purchase of goods and services	-3,091	-11,695
	<u>306,262</u>	<u>370,805</u>
Parent Company		
Sale of goods to a subsidiary	331	213,086
Purchase of services from a subsidiary	-170,057	-2,829
	<u>-169,726</u>	<u>210,257</u>
Total	<u>475,988</u>	<u>581,062</u>

Payables to associates and subsidiaries are disclosed in the balance sheet.

15 Fees to auditor appointed at the general meeting

DKK'000	2021	2020
Total fees to KPMG	<u>575</u>	<u>476</u>
Statutory audit	430	390
Tax assistance	60	14
Other assurance engagements	0	0
Non-audit services	<u>85</u>	<u>72</u>
	<u>575</u>	<u>476</u>











TREA RTR DK2_Financials-Audit-Statement_2021-12-31_Rev.0

Final Audit Report

2022-06-30

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