BEIERHOLM
VI SKABER BALANCE

Music Tribe Innovation DK A/S

H.C. Andersens Boulevard 38 3 th, 1553 København V

CVR no. 21 37 86 07

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 16.07.24

Ulrich Bernhard Behringer
Dirigent

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Group information etc.

The company

Music Tribe Innovation DK A/S
H.C. Andersens Boulevard 38 3 th
1553 København V
Tel.: 89 88 28 67
Website: www.musictribe.com
Registered office: København V
CVR no.: 21 37 86 07
Financial year: 01.01 - 31.12

Executive Board

Santria

Board of Directors

Ulrich Bernhard Behringer
Santria
Casper Nørklit Thingholm

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Music Tribe Innovation DK A/S.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.23 and of the results of the group’s and parent’s activities and of the group's cash flows for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Copenhagen, July 16, 2024

Executive Board

Santria

Board of Directors

Ulrich Bernhard Behringer Chairman	Santria	Casper Nørklit Thingholm

Independent auditor's report

To the shareholder of Music Tribe Innovation DK A/S

Disclaimer of Opinion

We have been appointed with a view to auditing the consolidated financial statements and financial statements of Music Tribe Innovation DK A/S for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

We do not express an opinion on the consolidated financial statements and financial statements. Because of the significance of the matter described in the 'Basis for disclaimer of opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and financial statements.

Basis for Disclaimer of Opinion

The company's accounting records does not provide a reliable basis for preparing the consolidated and annual financial statements, due to significant missing documentation related to the recognition and measurement of significant accounting items in the subsidiary, Music Tribe Brands UK, Ltd. Further, we were unable to obtain audit evidence regarding the existence of inventories of Music Tribe Brands UK, Ltd., which amounts DKK 50,090k (of total group inventories, DKK 50,144k) as of 31 December 2023. As a result, we were unable to obtain audit evidence regarding the accounting records of Music Tribe Brands UK, Ltd.

The company has also sold all rights with a recorded value at the time of sale of DKK 738.666k in December 2023. The sale was made to a sister company in Dubai based on a valuation report prepared in Denmark, which also includes an adjustment proposal for the purchase price from 2019. This adjustment has subsequently been implemented by the company in the consolidated and annual financial statements. The company is in dialogue with the Danish tax authorities (SKAT) regarding the transaction and its tax consequences. The consolidated and annual financial statements have been prepared on the assumption that SKAT approves the deduction for the corrected acquisition cost. However, we have not received sufficient documentation for this, and therefore, we qualify the tax consequences of the rights sale at the end of 2023.

Statement on the management's review

As described in the 'Basis for disclaimer of opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and financial statements. We therefore issue no statement on the management's review.

Management's responsibilities for the consolidated financial statements and financial statements

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

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and the 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 financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated financial statements and financial statements

Our responsibility is to conduct an audit of the consolidated financial statements and financial statements in accordance with International Standards on Auditing and the additional requirements applicable in Denmark and to issue an auditor’s report. However, because of the significance of the matter described in the ‘Basis for disclaimer of opinion’ section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and financial statements.

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Aarhus, July 16, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Helle Damsgaard Jensen
State Authorized Public Accountant
MNE-no. mne33690

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2023	2022	2021	2020	2019
Profit/loss					
Revenue	257,289	334,388	349,023	461,566	79,552
Operating profit/loss	702,987	-258,097	-332,742	-281,711	-153,722
Total net financials	-727	544	-1,664	36,454	6,318
Profit/loss for the year	674,475	-277,109	-364,141	-244,129	-146,487
Balance					
Total assets	1,217,781	586,518	1,230,660	1,516,440	1,712,022
Investments in property, plant and equipment	1,457	0	1,990	154,492	40,760
Equity	875,312	217,368	510,849	876,612	1,115,192

Ratios

	2023	2022	2021	2020	2019
Profitability					
Return on equity	123%	-127%	-51%	-6%	-34%
Gross margin	11%	-102%	-22%	-6%	-63%
Equity ratio					
Solvency ratio	72%	37%	23%	36%	28%

Ratios definitions

Return on equity: $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Gross margin: $\frac{\text{Gross result x 100}}{\text{Revenue}}$

Solvency ratio: $\frac{\text{Equity, end of year x 100}}{\text{Total assets}}$

Primary activities

The Company's main activity is retail, production, distribution, development and marketing of audio and related activities in both the Company as through subsidiaries.

The Company is also the IP holder for Music Tribe Group and receives a royalty in exchange for its services as IP Holder; royalty for 2023 was 6% of Music Tribe Group Sales as per Exclusive License Agreement with

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK 674,475k against DKK -277,109k for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 875,312k.

On December 20, 2023, MT-DK2 transferred its Intellectual Property to ET-IP ADGM at a fair market value of USD 110.8 million, as determined by ACM Consulting (subject to finalization by Danish Tax Authoriy)

In 2019, Music Tribe Global Brands Ltd, based in the British Virgin Islands, transferred intellectual property to Music Tribe Innocation A/S in Denmark for USD 4.7 million. This transfer did not account for the fair market value, which was USD 104.9 million at the time of transfer. Consequently, the entry point acquisition cost has been updated, leading to retrospective adjustments in prior years.

The company has no activity in 2024.

The Board of Directors does not propose any dividend distribution, and results for the year are to be allocated to retained earnings.

Investments

There is no recent investment in the year 2023, Thus, this remain same as per last year.

Outlook

Revenue for 2024 is expected to range between DKK 400-550 million with a profit between DKK 7-40 million.

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

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.

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.

Subsequent events

No important events have occurred after the end of the financial year.

Corporate social responsibility

Business model

The Group is a global enterprise and is represented with locations worldwide. The Group's activities are concentrated around sales, development and service and to a minor extent, production; own production primarily consists of the assembly of semi-manufactures. The primary workplaces are "office workplaces". Therefore, the Group's activities are not assessed to have adverse environmental and climate impact as regards noise, smoke, discharge of waste products and massive use of energy and consequently.

However, the Group seeks to optimise its energy consumption on a current basis, primarily for heating, and has in several locations carried out energy measurements. Subsequently, the Group has implemented several of the recommendations listed by energy reports.

As stated above, the Group's own production primarily consists of assembly activities, and the Group has thus to a great extent outsourced the production of its semi-manufactures and finished products.

Environmental matters

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. The second site in UK was closed in 2022 to further limit the carbon footprint.

Furthermore, the Group has continued to pursue and drive the reduction of their carbon footprint since 2021, this can be evidenced by the steps taken to move production of physical products to digital.

The Group continues on its project on in depth review of its packaging material with a long-term objective of re-designing its solutions to be environmentally friendly. On another step towards the reduction of the Group carbon footprint, the organisation has during 2022 turned complete paperless and moved all premise servers to cloud solutions.

In 2024, the Group will ensure to implement a Global Environmental Health and Safety Risk Assessment and Risk Mitigation Strategy, as this was not accomplished in 2023. Although management believes that the work and accomplishments achieved during 2023 is sufficient to prove that the Group is committed to supporting the climate and environment in a positive direction.

Sustainability is also one of the key drivers of the Group Product Development Strategies. The Group has not yet started a data collection or calculated KPIs within the field of climate and environmental matters.

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.

The Group Employee Service Manual as well as its Values clearly define expectations around unacceptable behaviour.

The Group transformed its training platforms in 2022 has been continued in 2023 to ensure all employees undertake training on its Code of Conduct and Values; this also forms part of the employee induction process and is constantly enforced in all business decisions.

In light of COVID-19 and a hybrid working policy, the Group made an extensive effort in 2021 and continued in 2022 to promote employee well-being as well as mental health support through online workshops and initiatives; the Group has also created an online dedicated channel to employee wellness and is constantly promoting diversity and inclusion and wishes to continue the same for year 2023, because the employee health and well being is our top priority.

In 2023, The Group has started the move towards an inclusive organization. All possible steps are taken to ensure equality and inclusivity.

In 2024, we will continue promote employee well-being and mental health, through online workshops, initiatives and internal training. The Group has not yet started a data collection or calculated KPIs within the field of social and employee matters.

Respect for human rights

The Group cooperates mainly with Asian sub-suppliers. The Group focuses on establishing partnership agreements in order to ensure long-term relations with its sub-suppliers.

The Group has prepared a code of conduct for the sub-suppliers which is to support the same responsibility as that prescribed by the Group's internal policies. Amongst other things, the code of conduct prescribes the following:

- No child labour
- Remuneration and working hours to follow local agreements and standards
- Responsibility towards the environment with focus on limitation of climate and environmental impact.
-

The code of conduct thus intends to ensure that the sub-suppliers comply with the Group's policies concerning child labour, forced labour, human rights, corruption and environmental and climate impact.

The code of conduct is part of the Group's basis for the contracts entered into with new subsuppliers, and the code of conduct is discussed before a contract is entered into. In case of large contracts, a visit is paid to the sub-supplier in order to check whether the Group's code of conduct is complied with. Previous years, the result of such visits has been that the Group has refused cooperating with two sub-suppliers.

Furthermore, the Group pays control visits to existing sub-suppliers on a continuous basis in order to make sure that the code of conduct is complied with.

Through its digital transformation, the Group rationalised its vendor footprint and put in place strict processes for vendor onboarding and approvals.

In the Group's opinion, the strategy to ensure partnership agreements and long-term relations is of great value in relation to securing the Group's policies. The Group's sales are effected in accordance with the Group policy of complying with international guidelines for trade and sanctions as enforced by the UN and EU. The company has a whistleblower system that is available to all employees

The Group has no other significant formalised policies.

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. This work has continued during 2023.

In 2022, the Group changed its core values to be, kind, be clear, collaborate, deliver to promise and celebrate. The Group has taken active steps to educate and train employees to adjust to and live up to those core values.

The Group plans to continue its journey in 2024 by further strengthening the mandatory compliance training on Ethics, Business Conduct and Anti-corruption, in order to ensure that all employees are informed and trained sufficiently to fulfil the Code of Conduct.

The Group has assessed the risk as insignificant.

Anti-corruption and bribery matters

As displayed in the Group Employee Service Manual, the Group adheres to best practices in corruption prevention in all its dealings and corrupt or corruptive practices are not tolerated.

The Group absolutely prohibits giving or receiving gifts, hospitality or other expenses which could influence or be perceived to be capable of influencing a contractual or material transaction.

The provisions include but are not limited to Corporate Hospitality, Facilitation Payments, Political Donations, Charitable Donations and has as strict process of approval for exceptions.

The Group has mandated all employees to undertake an Anti-Bribery and Corruption Training and such training will be compulsory every year, to reinforce the Group zero tolerance for such activities. During 2023, the implementation of such training has been on-going and strengthened. The training has supported and facilitated that no breaches has occurred during 2023.

The Group has established greater compliance in all areas of the organisation and adopting good governance, risk and compliance into the business.

The Group experienced no breaches of the policy in 2023.

Gender composition of the management

Supreme management body

The company sees gender diversity on the Board of Directors as important to ensure that both genders are represented and can contribute to the company being viewed from different angles.

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of members	3	*)	*)	*)	*)
Underrepresented sex (%)	33%	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Gender balance

The company's Board of Directors consists of 1 woman (33%) and 2 men (67%), as shown in the table above. The goal of gender balance has thus been achieved. This gender balance is expected to be maintained in future.

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of female board members on the Board of Directors. It only includes board members elected by the general meeting. Employee representatives are not included.

Other management levels

Other levels of management include the Executive Board, and people with responsibility for personnel who report directly to the Executive Board.

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of managers	40	*)	*)	*)	*)
Underrepresented sex (%)	10%	*)	*)	*)	*)
Target (%)	15%	*)	*)	*)	*)
Target figures expected to be met in year	2024	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Update on meeting targets

The company's other levels of management currently consist of 4 female managers out of a total of 40 managers (10%), which is unchanged from last year.

Description of material content of the policy

The company's policy and goal is to create a workplace with a diverse workforce at all levels of management that promotes equal opportunities irrespective of background, culture, religion, gender, etc. Management has adopted a policy to increase the proportion of the underrepresented sex at the other management levels, including the company's department managers and team leaders. The policy contains a framework for each manager's career development and mentoring options, and internal targets for the proportion of the underrepresented sex at other management levels. The policy also lays down guidelines for recruiting and retaining the sex that is underrepresented in the company.

The company has set a target for the underrepresented sex at other management levels of 15%. The company is working towards achieving the target before the end of 2024.

Significant actions taken during the financial year to achieve the target

The company has taken the following actions during the year in line with this policy to increase the proportion of female managers:

- Support for preparation of individual career plans
- Mentoring schemes
- Pursuing staff policies that promote equal career opportunities for both sexes
- Recruitment procedures that help ensure uniform recruitment opportunities for both sexes.

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of female managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

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 2023. https://community.musictribe.com/privacy-policy

Income statement

Note		Group 2023 DKK '000	Group 2022 DKK '000	Parent 2023 DKK '000	Parent 2022 DKK '000
1	**Revenue**	**257,289**	**334,388**	**190,845**	**215,165**
	Production costs	-228,920	-674,819	-189,624	-496,298
	Gross result	**28,369**	**-340,431**	**1,221**	**-281,133**
	Distribution costs	-7,874	-1,886	-34	0
	Administration costs	-21,505	-38,853	-3,207	-4,391
2	Other operating income	703,997	123,073	708,476	0
	Operating profit/loss	**702,987**	**-258,097**	**706,456**	**-285,524**
5	Income from equity investments in group enterprises	0	0	-21,595	35,150
6	Financial income	21,600	851	35,142	54,528
7	Financial expenses	-22,327	-307	-20,749	-64,795
	Profit/loss before tax	**702,260**	**-257,553**	**699,254**	**-260,641**
	Tax on profit or loss for the year	-27,785	-19,556	-24,779	-16,468
	Profit/loss for the year	**674,475**	**-277,109**	**674,475**	**-277,109**

8 Proposed appropriation account

Balance sheet

ASSETS

Note		Group 31.12.23 DKK '000	Group 31.12.22 DKK '000	Parent 31.12.23 DKK '000	Parent 31.12.22 DKK '000
	Completed development projects	0	19,115	0	12,177
	Acquired rights	0	28	0	0
	Development projects in progress	0	48,821	0	48,821
9	**Total intangible assets**	**0**	**67,964**	**0**	**60,998**
	Land and buildings	107,448	114,666	0	0
	Leasehold improvements	17,940	13,526	0	0
	Other fixtures and fittings, tools and equipment	3,886	5,927	0	0
10	**Total property, plant and equipment**	**129,274**	**134,119**	**0**	**0**
11	Equity investments in group enterprises	0	0	468,015	546,508
12	Deposits	169	131	69	69
	Total investments	**169**	**131**	**468,084**	**546,577**
	Total non-current assets	**129,443**	**202,214**	**468,084**	**607,575**
	Raw materials and consumables	40,220	28,372	0	0
	Work in progress	16	0	0	0
	Manufactured goods and goods for resale	8,414	10,471	0	0
	Prepayments for goods	1,494	0	0	0
	Total inventories	**50,144**	**38,843**	**0**	**0**
	Trade receivables	434	0	0	0
	Receivables from group enterprises	966,828	173,729	964,872	221,597
	Income tax receivable	16,343	0	0	0
	Other receivables	33,308	45,692	42,824	36,441
	Prepayments	66	1,090	0	0
	Total receivables	**1,016,979**	**220,511**	**1,007,696**	**258,038**
	Cash	**21,215**	**124,950**	**1,981**	**23,152**
	Total current assets	**1,088,338**	**384,304**	**1,009,677**	**281,190**
	Total assets	**1,217,781**	**586,518**	**1,477,761**	**888,765**

Balance sheet

EQUITY AND LIABILITIES

Note		Group		Parent	
		31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000
13	Contributed capital	157,619	157,619	157,619	157,619
	Reserve for development costs	0	0	0	28,186
	Retained earnings	717,693	59,749	717,693	31,563
	Total equity	**875,312**	**217,368**	**875,312**	**217,368**
14	Provisions for deferred tax	32,269	34,194	23,499	23,499
	Total provisions	**32,269**	**34,194**	**23,499**	**23,499**
	Payables to group enterprises	0	4,116	0	0
	Total long-term payables	**0**	**4,116**	**0**	**0**
	Payables to other credit institutions	2,350	0	0	0
	Trade payables	3,901	13,893	477	2,586
	Payables to group enterprises	256,306	308,266	571,952	644,039
	Income taxes	3,798	4,484	3,798	0
	Other payables	43,845	4,197	2,723	1,273
	Total short-term payables	**310,200**	**330,840**	**578,950**	**647,898**
	Total payables	**310,200**	**334,956**	**578,950**	**647,898**
	Total equity and liabilities	**1,217,781**	**586,518**	**1,477,761**	**888,765**

15 Contingent liabilities
16 Charges and security
17 Related parties

Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for development costs	Retained earnings	Total equity
Group:				
Statement of changes in equity for 01.01.22 - 31.12.22				
Balance as at 01.01.22	157,619	0	-23,564	134,055
Net effect of correction of material errors	0	0	360,422	360,422
Adjusted balance as at 01.01.22	157,619	0	336,858	494,477
Net profit/loss for the year	0	0	-277,109	-277,109
Balance as at 31.12.22	157,619	0	59,749	217,368
Statement of changes in equity for 01.01.23 - 31.12.23				
Balance as at 01.01.23	157,619	0	-23,566	134,053
Net effect of correction of material errors	0	0	83,315	83,315
Adjusted balance as at 01.01.23	157,619	0	59,749	217,368
Other changes in equity	0	0	-16,531	-16,531
Net profit/loss for the year	0	0	674,475	674,475
Balance as at 31.12.23	157,619	0	717,693	875,312

Statement of changes in equity

Figures in DKK '000	Contributed capital	Reserve for development costs	Retained earnings	Total equity
Parent:				
Statement of changes in equity for 01.01.22 - 31.12.22				
Balance as at 01.01.22	157,619	28,186	-51,750	134,055
Net effect of correction of material errors	0	0	360,422	360,422
Adjusted balance as at 01.01.22	157,619	28,186	308,672	494,477
Net profit/loss for the year	0	0	-277,109	-277,109
Balance as at 31.12.22	157,619	28,186	31,563	217,368
Statement of changes in equity for 01.01.23 - 31.12.23				
Balance as at 01.01.23	157,619	28,186	-51,752	134,053
Net effect of correction of material errors	0	0	83,315	83,315
Adjusted balance as at 01.01.23	157,619	28,186	31,563	217,368
Other changes in equity	0	0	-16,531	-16,531
Transfers to/from other reserves	0	-28,186	28,186	0
Net profit/loss for the year	0	0	674,475	674,475
Balance as at 31.12.23	157,619	0	717,693	875,312

Consolidated cash flow statement

Note		Group 2023 DKK '000	Group 2022 DKK '000
	Profit/loss for the year	**674,475**	**-277,109**
18	Adjustments	-679,673	413,743
	Change in working capital:		
	Inventories	-11,301	-7,154
	Receivables	-796,469	-3,082
	Trade payables	-9,992	-1,053
	Other payables relating to operating activities	-12,311	0
	Cash flows from operating activities before net financials	**-835,271**	**125,345**
	Interest income and similar income received	21,600	851
	Interest expenses and similar expenses paid	-22,328	-306
	Cash flows from operating activities	**-835,999**	**125,890**
	Sale of intangible assets	735,487	0
	Purchase of property, plant and equipment	-1,457	-4,491
	Sale of property, plant and equipment	0	35,368
	Cash flows from investing activities	**734,030**	**30,877**
	Arrangement of payables to credit institutions	2,350	0
	Repayment of payables to credit institutions	0	-10,504
	Repayment of payables to group entreprises	-4,116	-435,315
	Cash flows from financing activities	**-1,766**	**-445,819**
	Total cash flows for the year	**-103,735**	**-289,052**
	Cash, beginning of year	124,950	414,002
	Cash, end of year	**21,215**	**124,950**
	Cash, end of year, comprises:		
	Cash	21,215	124,950
	Total	**21,215**	**124,950**

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

1. Revenue

Information about the distribution of revenue by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Revenue comprises the following activities:

Royalty	193,644	290,820	0	0
Services	45,021	0	0	0
Product	18,624	43,568	0	0
Total	257,289	334,388	0	0

Revenue comprises the following geographical markets:

Asia	257,289	334,388	0	0

2. Other operating income

Other operating income includes income of DKK 708.476k from the disposal of intangible assets.

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

3. Employee aspects

Wages and salaries	121,943	130,879	0	0
Pensions	8,478	5,765	0	0
Other social security costs	93	9,865	0	0
Other staff costs	11,000	490	0	0
Total	141,514	146,999	0	0
Average number of employees during the year	248	278	0	0

In accordance with section 98b(3)(2) pf the Danish Fiancial Statements Atc, remuneration of the Exxecutive Broad has not been disclosed.

4. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	400	481	0	0
Tax advice	5	43	0	0
Other services	0	219	0	0
Total	405	743	0	0

5. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	-21,595	35,150

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

6. Financial income

Interest, group enterprises	0	0	0	315
Foreign currency translation adjustments	19,781	851	35,142	54,213
Other financial income	1,819	0	0	0
Other financial income	21,600	851	35,142	54,213
Total	21,600	851	35,142	54,528

7. Financial expenses

Interest, group enterprises	0	0	2,082	0
Other interest expenses	1,389	6	778	6
Foreign currency translation adjustments	19,248	301	17,889	64,789
Other financial expenses	1,690	0	0	0
Other financial expenses	22,327	307	18,667	64,795
Total	22,327	307	20,749	64,795

8. Proposed appropriation account

Retained earnings	674,475	-277,109	674,475	-277,109

9. Intangible assets

Figures in DKK '000	Completed development projects	Acquired rights	Goodwill	Development projects in progress	Total
Group:					
Cost as at 01.01.23	1,407,575	44,846	265,934	48,821	1,767,176
Disposals during the year	-1,456,396	-44,846	0	0	-1,501,242
Transfers during the year to/from other items	48,821	0	0	-48,821	0
Cost as at 31.12.23	0	0	265,934	0	265,934
Amortisation and impairment losses as at 01.01.23	-1,396,706	-44,818	-265,934	0	-1,707,458
Amortisation during the year	-32,679	-28	0	0	-32,707
Reversal of amortisation of and impairment losses on disposed assets	1,429,385	44,846	0	0	1,474,231
Amortisation and impairment losses as at 31.12.23	0	0	-265,934	0	-265,934
Carrying amount as at 31.12.23	0	0	0	0	0

9. Intangible assets - continued -

Figures in DKK '000	Completed development projects	Acquired rights	Goodwill	Development projects in progress	Total
Parent:					
Cost as at 01.01.23	801,422	53,390	0	48,821	903,633
Disposals during the year	-850,243	0	0	0	-850,243
Transfers during the year to/from other items	48,821	0	0	-48,821	0
Cost as at 31.12.23	0	53,390	0	0	53,390
Amortisation and impairment losses as at 01.01.23	-819,310	-53,390	0	0	-872,700
Amortisation during the year	-30,933	0	0	0	-30,933
Reversal of amortisation of and impairment losses on disposed assets	850,243	0	0	0	850,243
Amortisation and impairment losses as at 31.12.23	0	-53,390	0	0	-53,390
Carrying amount as at 31.12.23	0	0	0	0	0

Development projects relate to the development of products within the group's core business. The progress are progressing according to plan through the use of the resources allocated by Management to the development. The products are expected to be sold in the present market to the group's existing customers and new markets.

10. Property, plant and equipment

Figures in DKK '000	Land and buildings	Leasehold improvements	Other fixtures and fittings, tools and equipment
Group:			
Cost as at 01.01.23	129,388	32,056	43,489
Foreign currency translation adjustment of foreign enterprises	-196	-24	-120
Additions during the year	0	1,371	86
Cost as at 31.12.23	129,192	33,403	43,455
Depreciation and impairment losses as at 01.01.23	-14,722	-10,285	-37,562
Depreciation during the year	-7,022	-5,178	-2,007
Depreciation and impairment losses as at 31.12.23	-21,744	-15,463	-39,569
Carrying amount as at 31.12.23	107,448	17,940	3,886

11. Equity investments in group enterprises

Figures in DKK '000	Equity investments in group enterprises
Parent:	
Cost as at 01.01.23	578,804
Cost as at 31.12.23	578,804
Revaluations as at 01.01.23	-32,211
Foreign currency translation adjustment of foreign enterprises	-16,618
Net profit/loss from equity investments	-20,062
Dividend relating to equity investments	-41,898
Revaluations as at 31.12.23	-110,789
Carrying amount as at 31.12.23	468,015

Name and registered office:	Ownership interest
Subsidiaries:	
Music Tribe Brands DK A/S, Denmark	100%
Music Tribe Brands SE, AB, Sweden	100%
Music Tribe Brands CA, Ltd., Canada	100%
Music Tribe Brands UK, Ltd., United Kingdom	100%
Music Tribe Brands DE, GmbH, Germany	100%
Music Tribe Brands IN, Ltd, India	100%

12. Other non-current financial assets

Figures in DKK '000	Deposits
Group:	
Cost as at 01.01.23	169
Cost as at 31.12.23	169
Carrying amount as at 31.12.23	169
Parent:	
Cost as at 01.01.23	69
Cost as at 31.12.23	69
Carrying amount as at 31.12.23	69

13. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK'000
Share capital	7,880,967	157,619
Total		157,619

14. Deferred tax

Deferred tax as at 01.01.23	34,194	37,113	23,499	23,499
Deferred tax recognised in the income statement	-1,925	-2,919	0	0
Deferred tax as at 31.12.23	32,269	34,194	23,499	23,499

15. Contingent liabilities

The group has no contingent liabilities as at 31.12.23.

Parent:

Other contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. The jointly taxed entities' total net liability to SKAT amounted to DKK 3.798 thousand at 31 December 2023. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

The Group's Danish entities are jointly and severally liable for the joint registration concerning VAT..

The company has no contingent liabilities as at 31.12.23.

16. Charges and security

Group:

The group has not provided any other security over assets.

17. Related parties

Controlling influence	Basis of influence
Ulrich Bernhard Behringer	Holds the majority of the contributed capital in the Company
Music Tribe Commercial MY Sdn. Bhd. Malaysia	Holds the majority of the contributed capital in the Company

		Group	Parent
Transactions	Relation	2023 DKK '000	2023 DKK '000
Sale of Goods and Services	Parent	257,289	0
Purchase of goods and services	Parent	158,678	0
Other income	Parent/Group	738,666	0
Sale of goods to Related Party:	Group	0	138,770
Purchase of services from subsidiaries	Group	0	158,770

	Group	Parent
Balances	31.12.23 DKK '000	31.12.23 DKK '000
Receivables from group enterprises	966,828	964,870
Payables to group enterprises	-256,306	-571,952

18. Adjustments for the cash flow statement

Other operating income	-708,476	0
Depreciation and impairments losses of property, plant and equipment	15,878	409,113
Financial income	-21,600	-851
Financial expenses	22,328	306
Tax on profit or loss for the year	27,785	19,556
Other adjustments	-15,588	-14,381
Total	-679,673	413,743

19. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Material error

The company has identified a material error in the financial statements for 2022 and earlier years from 2019. The error is due to an adjustment of aquation cost in 2019 for aquired rights. The company's financial highlights have also been adjusted for the years 2019, 2020 og 2021.

Comparative figures for 2022 have been restated in the income statement, balance sheet, cash flow statement and notes. The accumulated effect of materiel errors has been recognised directly in equity at the beginning of the comparative year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

19. Accounting policies - continued -

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

DERIVATIVE FINANCIAL INSTRUMENTS

INCOME STATEMENT

Revenue

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Production costs

Costs incurred, directly or indirectly, to generate the revenue for the year, including raw materials and consumables, wages and salaries and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the production process, are recognised under production costs.

Distribution costs

Costs for the distribution of goods sold during the year and sales campaigns etc., including wages and salaries for sales staff, advertising and exhibition costs etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the distribution and sales activity, are recognised under distribution costs.

Administrative expenses

Expenses incurred during the year for management and administration, including wages and salaries for administrative staff and management as well as office premise expenses, office expenses, bad debts etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used for administration, are recognised under administrative expenses.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and

19. Accounting policies - continued -

property, plant and equipment.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK '000
Completed development projects	3	
Acquired rights	3	0
Goodwill	7	0
Buildings	20	0
Leasehold improvements	3-10	0
Plant and machinery	3-5	0
Other plant, fixtures and fittings, tools and equipment	3-5	0

Land is not depreciated.

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the ‘Impairment losses on fixed assets’ section.

Income from equity investments in group entreprises

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

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Tax on profit/loss for the year

19. Accounting policies - continued -

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Completed development projects and development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation and impairment losses' section.

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation and impairment losses' section.

19. Accounting policies - continued -

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the ‘Depreciation and impairment losses’ section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise land and buildings, leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the ‘Depreciation and impairment losses' section.

Property, plant and equipment under construction

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

19. Accounting policies - continued -

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

19. Accounting policies - continued -

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

19. Accounting policies - continued -

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

19. Accounting policies - continued -

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash and short-term payables to credit institutions.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.