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BEATNIK APS

C/O NIKOLAJ NYHOLM, VALBY LANGGADE 7A ST., 2500 VALBY

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 8 July 2024**

Nikolaj Nyholm

CVR NO. 32 30 40 60

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COMPANY DETAILS

Company	BEATNIK ApS c/o Nikolaj Nyholm, Valby Langgade 7A st. 2500 Valby
	CVR No.: 32 30 40 60
	Established: 4 July 2011
	Municipality: Copenhagen
	Financial Year: 1 January - 31 December
Executive Board	Nikolaj Nyholm
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of BEATNIK ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 8 July 2024

Executive Board

Nikolaj Nyholm

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of BEATNIK ApS

Conclusion

We have performed an extended review of the Financial Statements of BEATNIK ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the 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 Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management Commentary

Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

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

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

Copenhagen, 8 July 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Kim Mücke
State Authorised Public Accountant
MNE no. mne10944

MANAGEMENT COMMENTARY

Principal activities

The primary activity of the Company is to invest in various investment opportunities.

Development in activities and financial and economic position

The Company incurred a loss of DKK 1.951k in the current year versus a loss of DKK 8.305k in 2022. The loss in the current year is mainly caused by return from associates less negative fair value adjustments from other investments.

Subsequent events after the end of the financial year

No events have occurred subsequently to the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK '000	2022 DKK '000
GROSS LOSS		-53	-22
Impairment of other current revceivables.....		0	-423
OPERATING LOSS		-53	-445
Income from investments in associates.....		3.582	25.648
Other financial income.....		984	10
Other financial expenses.....		-6.461	-33.518
LOSS BEFORE TAX		-1.948	-8.305
Tax on profit/loss for the year.....	2	-3	0
LOSS FOR THE YEAR		-1.951	-8.305
 PROPOSED DISTRIBUTION OF PROFIT			
Proposed dividend for the year.....		122	8.874
Allocation to reserve for net revaluation under the equity method.....		3.582	25.648
Retained earnings.....		-5.655	-42.827
TOTAL		-1.951	-8.305

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK '000	2022 DKK '000
Intangible fixed assets acquired.....		970	970
Intangible assets	3	970	970
Investments in associates.....		1.229	1.394
Other investments.....		30.511	37.062
Financial non-current assets	4	31.740	38.456
NON-CURRENT ASSETS		32.710	39.426
Other receivables.....		578	1.159
Receivables		578	1.159
Cash and cash equivalents.....		6.179	10.506
CURRENT ASSETS		6.757	11.665
ASSETS		39.467	51.091

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK '000	2022 DKK '000
Share Capital.....		80	80
Reserve for net revaluation under the equity method.....		590	755
Retained earnings.....		38.632	40.540
Proposed dividend.....		122	8.874
EQUITY.....		39.424	50.249
Payables to owners and management.....		0	57
Corporation tax payable.....		3	0
Other liabilities.....		40	785
Current liabilities.....		43	842
LIABILITIES.....		43	842
EQUITY AND LIABILITIES.....		39.467	51.091
 Contingencies etc.	 5		

EQUITY

DKK '000	Share	Reserve for net revaluati- on under the Capital equity method	Retained earnings	Proposed dividend	Total
Equity at 1 January 2023.....	80	755	40.057	8.874	49.766
Change of equity due to change of accounting policy.....			483		483
Adjusted equity at 1 January 2023.....	80	755	40.540	8.874	50.249
Proposed profit/loss allocation.....		3.582	-5.655	122	-1.951
Transactions with owners					
Dividend paid.....				-8.874	-8.874
Transfers					
Receiv./decl. dividend.....		-3.747	3.747		0
Equity at 31 December 2023.....	80	590	38.632	122	39.424

NOTES

	2023 DKK '000	2022 DKK '000	Note
Staff costs			1
Average number of full time employees	0	0	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	3	0	
	3	0	
Intangible assets			3
DKK '000		Intangible fixed assets acquired	
Cost at 1 January 2023.....		970	
Cost at 31 December 2023.....		970	
Carrying amount at 31 December 2023.....		970	
Financial non-current assets			4
DKK '000		Investments in associates	Other investments
Cost at 1 January 2023.....	639	13.412	
Additions.....	0	976	
Disposals.....	0	-1.739	
Cost at 31 December 2023.....	639	12.649	
Revaluation at 1 January 2023.....	755	24.132	
Dividend.....	-3.747	0	
Profit/loss for the year.....	3.582	0	
Revaluation and impairment losses for the year.....	0	-6.009	
Reversal of revaluation on disposed assets.....	0	-261	
Revaluation at 31 December 2023.....	590	17.862	
Carrying amount at 31 December 2023.....	1.229	30.511	
Contingencies etc.			5
Contingent liabilities			
The Company has investment commitments of DKK 486k relating to other investments.			

ACCOUNTING POLICIES

The Annual Report of BEATNIK ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year, except for the following change.

Change in accounting policies and classification

The Company has investments in bitcoins. In 2022, these investments were included in other investments. With effect from 2023 such investments are presented as intangible fixed assets at the lower of cost or fair value. Comparative figures have been changed accordingly. The change has resulted in an improvement of profit/loss and equity in 2022 of DKK 483k. The change has not had any impact on profit/loss and equity in 2023

INCOME STATEMENT

Other external expenses

Other external expenses include corporate costs.

Income from investments in associates

The income from investments in associates include the proportional share of the results of each individual associate.

Financial expenses

Financial expenses include interest expenses, financial expenses of realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Intangible assets in the form of bitcoins are measured at the lower of cost or fair value. Due to the type of the asset, bitcoins are not subject to annual amortisation.

Gain or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Gain and loss are recognised in the Income Statement under other operating income or other operating expenses.

ACCOUNTING POLICIES

Financial non-current assets

Investments in associates are measured under the equity method, which is regarded as a method of measuring/consolidation.

Investments in associates are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity values, calculated in accordance with the Company's accounting policies.

Net revaluation of investments in associates is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Gain and loss at disposal of investments in associates are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Gain and loss are recognised in the Income Statement under income from investments from associates.

Associates with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the associates deficit.

Other investments are measured at fair value in the Company's Balance Sheet and comprise both listed and non-listed investments. The listed investments are measured at the fair value whereas non-listed investments, are measured at the estimated fair value as of the balance sheet date.

Impairment of fixed assets

The carrying amount of intangible fixed assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which -the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

ACCOUNTING POLICIES

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

The amortised cost of current liabilities corresponds usually to the nominal value.