

GREYSTONE SPECIAL SITUATIONS FUND K/S

KROGENBERGVEJ 15A

DK-3490 KVISTGÅRD

CVR 38 74 23 53

ANNUAL REPORT 2023

*The Annual Report has been presented and adopted at
the Company's Annual General Meeting on 31 July 2024*

Christian Hassel

Chairman of the General Meeting

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Fund details

Greystone Special Situations Fund K/S
Krogenbergvej 15A
DK-3490 Kvistgård

Central Business Registration No: 38 74 23 53

Registered in: Helsingør
Financial year: 01.01.2023 – 31.12.2023

General Partner

GCPGP ApS, Helsingør

Executive board

Nick Jensen

Auditor

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
1561 Copenhagen V

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Greystone Special Situations Fund K/S for the financial year 01.01.2023 - 31.12.2023.

The financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and Danish disclosure requirements of the Danish Financial Statements Act.

In the opinion of the Executive Board, the financial statements give a true and fair view of the Fund's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023.

In the opinion of the Executive Board, the management commentary contains a fair review of the development of the Fund's business and financial matters, the results for the year and of the Fund's financial position as a whole, together with a description of the principal risks and uncertainties that the Fund faces.

The Executive Board recommends the annual report for adoption at the Annual General Meeting.

Kvistgård, 31 July 2024

Executive Board

Nick Jensen

Independent auditor's report

To the Limited Partners and the General Partner of Greystone Special Situations Fund K/S

Opinion

We have audited the financial statements of Greystone Special Situations Fund K/S for the financial year 01.01.2023 - 31.12.2023, which comprise the statements of comprehensive income, financial position, changes in equity and cash flows, and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Fund in accordance with the International Ethics Standards Board of 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as the 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, the Management is responsible for assessing the Fund's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless the Management either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 users taken on the basis of these 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 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting in preparing the 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 Fund'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 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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on the Management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit 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 in the audit 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 of the management commentary.

Declaration pursuant to other legislation and other regulations

Violation of the Financial Statements Act's deadline for submitting the annual report

The Company's management has not complied with the Financial Statements Act's requirement that the annual report must be submitted to the Danish Business Authority within the deadline set in the Financial Statements Act.

Copenhagen, 31 July 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Kim Mücke
State Authorised Public Accountant
Identification number (MNE) mne10944

Management commentary

Primary activities

The Fund's primary objective is to invest in enterprises by capital contribution or contributions of bridge loan capital to holding companies of such enterprises and any other activities, which the Executive Board deems incidental or conducive to the attainment of such objectives.

Development in activities and finances

At the end of 2023, the Fund holds a majority investment in Moodagent A/S ("Moodagent") through Songco ApS ("Songco"). In addition, the Fund owns Styleco ApS, which is dormant and planned to be liquidated in 2024.

The result for 2023 showed a loss of DKK 3 million resulting from a fair value loss of DKK 15 million and financial income of DKK 12 million from loans provided to Songco. The fair value loss from the investment in Songco consist of a fair value gain of DKK 32 million from the underlying investment in Moodagent less financial expenses of DKK 47 million from loans from the Fund and other related lenders.

On 28 February 2023, Moodagent successfully completed a financial restructuring. During the restructuring period starting end of first quarter 2022, Moodagent implemented a new strategy where the business model was changed from a B2C approach to a B2B offering. As part of the new strategy, Moodagent has implemented multiple costs saving initiatives including reducing staff by almost 50% to reflect that a much lower cost-base is needed under the new B2B strategy. The approved restructuring plan has resulted in Moodagent's debt burden has been reduced considerably where loans from related parties have been converted to equity, including loans provided by Songco, and unsecured creditors have been subject to a reduction by 43%. Further, in March 2023 a syndication loan was obtained to secure funding until the beginning of 2024, and the syndication loan was refinanced in March 2024 with maturity in December 2024 securing Moodagent the necessary funds to carry-out its planned activities in 2024. In 2023, Moodagent began to generate revenue from its licensing business, and Moodagent is planning to go live with its white label music services in Q3 2024 which expectedly will contribute to a considerable further increase in revenue in 2024 compared to 2023. For 2024, Moodagent is expecting a profit before tax of DKK 10-15 million. Profit before tax is expected to grow substantially in the coming years concurrently with more white label cooperation agreements will be entered.

Uncertainty in recognition and measurement

The above positive development in Moodagent has led to an increase in the fair value of Moodagent resulting in a fair value gain in 2023 of DKK 32 million. The valuation is based in a valuation obtained from a third party. Considering that Moodagent to a large extent is still a development stage company, and with a valuation which assumes a significantly increase in revenues and earnings in the years to come, the valuation is subject to significant uncertainty. Reference is made to note 6 which in further details describe how the fair value for Moodagent has been determined.

Events after the balance sheet date

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

Statement of comprehensive income

	<u>Notes</u>	<u>2023 DKK</u>	<u>2022 DKK</u>
Other external expenses	10	<u>1,339,836</u>	<u>(1,549,810)</u>
Operating profit/loss		<u>1,339,836</u>	<u>(1,549,810)</u>
Financial income	3	11,244,696	4,633,077
Financial expenses	4	(2,110)	(13,308)
Fair value adjustments	5	<u>(15,437,583)</u>	<u>16,999,768</u>
Profit/loss for the year		<u>(2,855,161)</u>	<u>20,069,727</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/loss for the year		<u>(2,855,161)</u>	<u>20,069,727</u>

Statement of financial position

	<u>Notes</u>	<u>31.12.2023</u> <u>DKK</u>	<u>31.12.2022</u> <u>DKK</u>
Assets			
Investment in portfolio enterprises	6	160,954,144	176,391,727
Loans to portfolio enterprises	7	<u>73,715,230</u>	<u>62,470,534</u>
Fixed asset investments		<u>234,669,374</u>	<u>238,862,261</u>
Non-current assets		<u>234,669,374</u>	<u>238,862,261</u>
Cash		<u>0</u>	<u>1,085</u>
Current assets		<u>0</u>	<u>1,085</u>
Assets		<u>234,669,374</u>	<u>238,863,346</u>

Statement of financial position

	<u>Notes</u>	<u>31.12.2023</u> <u>DKK</u>	<u>31.12.2022</u> <u>DKK</u>
Equity and liabilities			
Contributed capital	8	95,000,000	95,000,000
Retained earnings		<u>136,245,862</u>	<u>139,101,023</u>
Equity		<u>231,245,862</u>	<u>234,101,023</u>
Accounts payable		160,189	75,000
Debt to related parties		<u>3,263,323</u>	<u>4,687,323</u>
Current liabilities		<u>3,423,512</u>	<u>4,762,323</u>
Liabilities		<u>3,423,512</u>	<u>4,762,323</u>
Equity and liabilities		<u>234,669,374</u>	<u>238,863,346</u>

Statement of changes in equity

	Contributed capital DKK	Retained earnings DKK	Total DKK
Balance beginning of the year 2022	95,000,000	119,031,296	214,031,296
Comprehensive income for the year	<u>-</u>	<u>20,069,727</u>	<u>20,069,727</u>
Balance at 31 December 2022	<u>95,000,000</u>	<u>139,101,023</u>	<u>234,101,023</u>
Comprehensive loss for the year	<u>-</u>	<u>(2,855,161)</u>	<u>(2,855,161)</u>
Balance at 31 December 2023	<u>95,000,000</u>	<u>136,245,862</u>	<u>231,245,862</u>

Statement of cash flows

	<u>Notes</u>	<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
Operating loss		1,339,836	(1,549,810)
Working capital changes		<u>1,338,784</u>	<u>1,487,309</u>
Cash flow from ordinary primary activities		<u>1,052</u>	<u>(62,501)</u>
Financial expenses paid		<u>(2,110)</u>	<u>(13,808)</u>
Cash flows from operating activities		<u>(1,085)</u>	<u>(75,809)</u>
Financial income received		<u>0</u>	<u>76,000</u>
Cash flows from investing activities		<u>0</u>	<u>76,000</u>
Cash flows from financing activities		<u>0</u>	<u>0</u>
Increase/decrease in cash and cash equivalents		(1,085)	(191)
Cash at 1 January		<u>1,085</u>	<u>894</u>
Cash and cash equivalents at 31 December		<u>0</u>	<u>1,085</u>

Notes to the financial statements

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1. Material accounting information

The financial statements of Greystone Special Situations Fund K/S are prepared in accordance with IFRS Accounting Reporting Standards as approved by the EU and disclosure requirements of the Danish Financial Statements Act governing reporting class B enterprises as further outlined in the Danish Executive Order on Adoption of IFRS issued in accordance with the Danish Financial Statements Act.

The financial statements are presented in Danish kroner (DKK), which is the functional currency of the Fund.

Statement regarding the omission of consolidated financial statements

With reference to IFRS 10, the Executive Board of Greystone Special Situations Fund K/S has assessed that the Fund meets the definition of an investment company as the following conditions exist:

- 1) The Fund originally had more than one portfolio investment.
- 2) The Fund has more than one investor, and the investors are not related to each other.
- 3) The Fund's investments in portfolio enterprises primarily occur as equity instruments or similar type of investment types.
- 4) The investments are measured and evaluated on a fair value basis.

As a result, the Executive Board has decided to apply the exemption rule in IFRS 10 not to prepare consolidated financial statements, and instead the controlled subsidiaries are accounted for at fair value through profit or loss.

Standards and interpretations not yet effective

No new and changed standards and interpretations relevant to Greystone Special Situations Fund K/S and effective for the financial period beginning 1 January 2023 have been introduced by the International Accounting Standards Board and hence the financial statements have been prepared applying unchanged accounting principles.

At the time of publication of the financial statements, some new or changed standards and interpretations have not yet become effective. It is the Executive Board's assessment that these standards and interpretations will not materially impact the financial statements for the forthcoming years.

Notes

1. Material accounting information (continued)

Significant accounting policies and estimates

When preparing the financial statements, the Executive Board makes accounting estimates forming the basis for the presentation, recognition and measurement of the Fund's assets and liabilities. The most significant accounting estimates and assessments are presented in note 2 and with more details in note 6.

Foreign currency translation

On initial recognition, transactions made in a different currency than the Fund's functional currency are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the statement of comprehensive income as financial income or financial expenses.

Exchange rate adjustments relating to investments in portfolio enterprises are presented in the statement of comprehensive income together with other fair value adjustments concerning the investments.

Income taxes

The annual report does not include current or deferred tax due to the corporate form of the Fund being a non-taxable entity.

Statement of comprehensive income

Other external expenses

Other external expenses include various administration costs.

Financial income from portfolio enterprises

Other financial income comprises interest income on receivables from portfolio enterprises.

Financial expenses

Other financial expenses comprise bank charges and interest expenses.

Balance sheet

Investments in and loans to portfolio enterprises

Investments in portfolio enterprises comprise equity investments in portfolio enterprises with fair value adjustments recognized in profit and loss.

Investments in portfolio enterprises are recognized and measured, on initial recognition, at fair value equivalent to cost of the investments, and subsequently investments are measured at fair value (level 3 in the IFRS fair value hierarchy) with recognition of fair value adjustments through profit and loss.

Notes

1. Material accounting information (continued)

Receivables

Receivables are measured at amortized cost less write-downs for expected credit losses.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities comprise short-term payables and are measured at amortized cost, which usually corresponds to nominal value.

Statement of cash flows

The statement of cash flows is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as cash at the beginning and the end of the financial year.

Cash flows from operating activities are presented as the operating profit/loss adjusted for non-cash operating items including fair value adjustments of investments in portfolio enterprises and working capital changes attributable to the operating activities.

Cash flows from investing activities comprise payments in connection with investments, including follow-up investments, and proceeds from divestment of portfolio enterprises. Received interest income and dividends from investments are presented as part of cash flows from investing activities.

Cash flows from financing activities comprise changes in contributed capital as well as the raising of loans and instalments on interest-bearing debt, if any.

Notes

2. Critical accounting judgements, estimates, assumptions and uncertainties

Greystone Special Situations Fund K/S invests in portfolio enterprises which includes equity investments and contribution of loans to its portfolio enterprises, which all are unlisted investments. The investments are accounted for at a fair value through profit or loss. When measuring the fair value of the unlisted investments, the Executive Board assesses the performance against the investment plans at the time of making the initial investments, future financing requirements, commercialization possibilities, timing of exit and possible exit values.

Methods and assumptions for determining the fair value of investments in unlisted portfolio enterprises are described in note 6.

	<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
3. Financial income		
Interest income from portfolio enterprises	<u>11,244,696</u>	<u>4,633,077</u>
	<u>11,244,696</u>	<u>4,633,077</u>
4. Financial expenses		
Bank charges	2,110	808
General partner fee	<u>0</u>	<u>12,500</u>
	<u>2,110</u>	<u>13,803</u>
5. Fair value adjustments		
Fair value adjustments of investments in portfolio enterprises (note 6)	<u>(15,437,583)</u>	<u>16,999,768</u>
	<u>(15,437,583)</u>	<u>16,999,768</u>
6. Investment in portfolio enterprises		
Cost beginning of year	<u>28,050,000</u>	<u>28,050,000</u>
Cost at end of year	<u>28,050,000</u>	<u>28,050,000</u>
Revaluations at beginning of year	148,341,727	131,341,959
Fair value adjustment	<u>(15,437,583)</u>	<u>16,999,768</u>
Revaluation at end of year	<u>132,904,144</u>	<u>148,341,727</u>
Carrying amount at end of year	<u>160,954,144</u>	<u>176,391,727</u>

Notes

6. Investment in portfolio enterprises (continued)

Portfolio investments comprises:

Portfolio enterprise	Corporate form	Registered in	Equity interest %
Songco	ApS	Denmark	100
Styleco	ApS	Denmark	100

The fair value of Songco ApS has been based on a 55.68 % ownership share of Moodagent A/S (“Moodagent”). Early 2023, the Bankruptcy Court early approved the restructuring plan for Moodagent based on the plan that was completed and delivered to the Court end 2022, and hence the formal approval of the plan early 2023 was considered as an adjusting event when preparing the 2022 financial statements, whereby the effects of the debt reduction and the changes in the ownership shares resulting from the restructuring plan was reflected when determining the fair value of Moodagent as of 31 December 2022 (through the determination of the fair value of Songco ApS). The fair value changes in 2023 hence results from fact that Moodagent has begun to generate license revenues in 2023 and revenue from its white label streaming services are now expected to be generated from 2024.

Styleco has been dormant since 2022 and the fair value equals DKK 0 (zero)..

Methods and assumptions for determining fair values in unlisted portfolio enterprises

The fair value for unlisted portfolio enterprises is determined based on methods which best reflect the individual investment’s potential and risk.

In general, the fair value is determined following the IPEV Valuation Guidelines which prescribe the use of accepted valuation methods, such as discounted cash flow, price of recent investments, multiple analysis/benchmarking, most recent transaction multiple and other relevant methods.

Upon initial investment, cost of the investment is generally determined to represent the fair value.

Fair value hierarchy for determining fair value for investments in portfolio enterprises

IFRS has established a fair value hierarchy for certain assets measured at fair value:

- Quoted prices in active markets for identical instruments (level 1) (not used in 2022 and 2021)
- Quoted prices in active markets for similar assets or liabilities or other valuation methods under which all material inputs are based on observable market data (level 2) (not used in 2022 and 2021)
- Valuation techniques under which any material inputs are not based on observable market data (level 3).

Notes

6. Investment in portfolio enterprises (continued)

Determination of fair value for Songco/Moodagent

The fair value of Songco ApS is solely related to the fair value of Moodagent, where Songco ApS has had an ownership share of 55.68% throughout 2023.

Moodagent is engaged in developing technology for music services. In 2023, Moodagent has successfully completed a financial restructuring. During the restructuring period, management of Moodagent has implemented a new strategy where the business model has changed from a B2C approach to a B2B offering. As part of the new strategy, management of Moodagent implemented several cost-saving initiatives including staff-reduction by around 50% to reflect that a much lower cost-base is needed under the new B2B strategy.

In 2023, the assessment of fair value for Moodagent is among other things based on a third-party valuation of Moodagent obtained in 2024. The third-party valuation is considered to represent a level 3 fair value determination of fair value according to the IFRS fair value hierarchy, which is categorised by using valuation techniques that include inputs that are not based on observable market data only. The third-party valuation is based on trading information available for comparable IP/AI companies such as market capitalisation, EV/sales, EV/EBITDA, P/E multiples and sales and sales growth as basis for determining an indicative value for Moodagent A/S taking into account risk factors like that Moodagent A/S is still primarily a development stage unlisted company.

The key factors in determining the fair value for Moodagent A/S and thereby the fair value of Songco ApS are as follows:

	DKK million
Estimated fair value of Songco based on 55.68 shareholding in Moodagent less interest-bearing debt	161
Estimated fair value of Moodagent, 100% (USD 125 million)	845
Key value factors for Moodagent:	
Assumed annualized revenue 2024-2025, average (100% basis)	425
Revenue multiples based on comparable peer group (net of discount for Moodagent being a non-listed company immature company) (100% basis)	2.2

Sensitivity, effect on fair value, on an every-else-being-equal basis for a 55.68% shareholding in Moodagent can be summarized as follows:

	DKK million
Change in annualised revenue +/- DKK 25 million	+/- 31
Change in multiple +/- 0.1	+/- 18
Change in USD +/- 10%	+/- 46

Notes

6. Investment in portfolio enterprises (continued)

Determination of fair value for Styleco ApS

Both end 2023 and 2022, Styleco ApS was a dormant company where the value has been determined to be DKK 0 (nil), which was already reflected in past financial statements. It is planned that Styleco ApS will be liquidated in 2024.

Development in fair value, level 3

The development in the value of investments in portfolio enterprises classified into level 3 can be summarized as follows:

	<u>Level 3 DKK</u>	<u>Total investment DKK</u>	<u>Fair value gain/loss DKK</u>
2022			
Fair value at 1 January	159,391,959	159,391,959	-
Fair value adjustments	<u>16,999,768</u>	<u>16,999,768</u>	<u>16,999,768</u>
Fair value at 31 December	<u>176,391,727</u>	<u>176,391,727</u>	<u>16,999,768</u>
2023			
Fair value at 1 January	176,391,727	176,391,727	-
Fair value adjustments	<u>(15,437,583)</u>	<u>(15,437,583)</u>	<u>(15,437,583)</u>
Fair value at 31 December	<u>160,954,144</u>	<u>160,954,144</u>	<u>(15,437,583)</u>
		<u>2023 DKK</u>	<u>2022 DKK</u>
7. Loans to portfolio enterprises			
Balance beginning of year		62,470,534	57,913,457
Added interest, not paid		11,244,696	4,557,077
Credit loss allowance		<u>-</u>	<u>-</u>
Net book value end of year		<u>73,715,230</u>	<u>62,470,534</u>
Allowance beginning of the year		<u>(12,292,219)</u>	<u>(12,292,219)</u>
Allowance end of year		<u>(12,292,219)</u>	<u>(12,292,219)</u>

Allowance represents a full reservation for loans provided to Styleco ApS, since loans are not considered re-coverable. No allowance has been recognized for the loans provided to Songo ApS based on an assessment that the valuation of Moodagent supports that Songco ApS also will be able to repay the loan balance, and hence no credit loss is expected.

Notes

7. Loans to portfolio enterprises (continued)

	Within 1 year DKK	Between 1 and 5 years DKK	After 5 years DKK	Total DKK
Loans to Songco ApS (before fair value adjustment)	-	73,715,230	-	73,715,230
	-	73,715,230	-	73,715,230

In 2023, the nominal interest rate for loans to portfolio enterprises was 18% p.a. Interest is added and falls due with the principal.

	2023 DKK	2022 DKK
8. Capital contribution		
Capital contribution at beginning of year	95,000,000	95,000,000
Contributions made/redistributed during the year	-	-
Limited Partners' contributions at end of year	95,000,000	95,000,000

The contributed capital represents the Limited Partners' total equity contributions, fully paid-up. Total committed capital contributions equals DKK 95 million. No separate shares have been issued. The contributed capital has been divided by the limited partners proportionally to the agreed ownership shares, and the limited partners are entitled to receive distributions and dividends, subject to detailed agreement.

Capital structure

The leverage of the Fund's capital structure is primarily measured applying the debt/equity ratio to ensure that the Fund at any time can settle liabilities as they fall due.

The Executive Board of the Fund regularly assesses the capital structure in view of both current and expected future funding needs in the light of the expected timing of exiting investments in portfolio enterprises.

The Fund has received and invested all committed capital. Distributions to limited partners will take place concurrently as proceeds are received from portfolio enterprises, subject to the terms of the Limited Partners' Agreement. Payment of carried interest to the General Partner will take place upon the termination of the Fund.

Until proceeds will be received from the portfolio enterprises, the Fund only has limited payment obligations to non-related parties, which will be funded by related parties.

Notes

	<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
9. Financial risks and financial instruments		
Categories of financial instruments:		
Investment in portfolio enterprises	<u>160,954,144</u>	<u>176,391,727</u>
Financial assets measured at fair value through profit/loss	<u>160,954,144</u>	<u>176,391,727</u>
Loans to portfolio enterprises	<u>73,715,230</u>	<u>62,470,534</u>
Financial assets measured at amortised cost	<u>73,715,230</u>	<u>62,470,534</u>
Accounts payable	160,189	75,000
Debt to related parties	<u>3,263,323</u>	<u>4,687,323</u>
Financial liabilities measured at amortised cost	<u>3,423,512</u>	<u>4,762,323</u>

Liquidity risks

Maturity of financial liabilities is specified below divided into timing intervals. The specified amounts represent the amounts due for payment.

	<u>Within</u> <u>1 year</u> <u>DKK</u>	<u>Between</u> <u>1 and 5 years</u> <u>DKK</u>	<u>After</u> <u>5 years</u> <u>DKK</u>	<u>Total</u> <u>DKK</u>
Accounts payable	75,000	-	-	75,000
Debt to related parties	<u>4,688,323</u>	-	-	<u>4,688,323</u>
31 December 2022	<u>4,763,323</u>	<u>-</u>	<u>-</u>	<u>4,763,323</u>
Accounts payable	160,189	-	-	75,000
Debt to related parties	<u>3,263,323</u>	-	-	<u>4,688,323</u>
31 December 2023	<u>3,423,512</u>	<u>-</u>	<u>-</u>	<u>4,763,323</u>

Credit risks

The Fund provides loans to its portfolio enterprises as part of its total investment in portfolio enterprises and hence the credit risk is considered as part of the valuation of the investment in portfolio enterprises. As stated in note 7, the Fund has recorded an allowance for the entire outstanding loan provided to Styleco ApS in the past, whereas no allowance has been provided for the loans provided to Songco ApS as the underlying valuation of Moodagent supports that the loans will be fully repaid. The maximum credit risk exposure is equal to the carrying amount of the loans with the addition of future added interest.

Notes

9. Financial risks and financial instruments (continued)

Interest risks

The Fund has provided loans to portfolio enterprises and is as such subject to interest risk. In 2023, the interest rate applied was 18% p.a. A change of 1% point would increase/decrease interest income by approx. DKK 600,000.

Currency risks

All expenses in the Fund are in Danish Kroner, and hence the Fund is not exposed to changes in foreign currencies.

Any currency risk relating to portfolio enterprises is embedded in the valuation of the portfolio enterprises. Reference is made to the sensitivity disclosures provided in note 6.

10. Related party transactions

Related parties with control

The General Partner, Greystone Capital Partners GP ApS, has full control over the Fund.

Subsidiaries

Interests in subsidiaries are set out in note 6.

Transactions with related parties

After the publication of the 2022 financial statements, the Fund and Greystone Capital Partners A/S have agreed that Greystone Capital Partners A/S will no longer charge the Fund for cost coverage with retroactive effect from 2022. Hence, cost coverage expensed in 2022 of DKK 1,425,000 has been reversed in 2023. Upon exit of the investment in Songco/Moodagent, the parties will engage in dialogue of whether Greystone Capital Partners A/S should be entitled to a one-off fee.

In 2023, the Fund has expensed general partner fee to GCPGP ApS of DKK 0 (2022: DKK 12,500).

Outstanding balances arising from purchase of services to/from related parties

The Fund has debt to Greystone Capital Partners A/S and GCPGP ApS DKK covering unpaid cost coverage and general partner fees for past years of totally DKK 3,263,323 (2022: DKK 4,687,323). The balance is due on request, though payment will only take place if the Fund has sufficient cash resources to settle the balances, and otherwise, the balances will be carried forward to next year.

Loans to subsidiaries and information about interest are set out in note 7.

11. Events after the reporting date

No events have occurred after the end of the financial year of material importance for the assessment of the financial statements for 2023.

Notes

12. Fund information

The Fund is legally organized as a limited liability partnership with its headquarter in Denmark and with GCPGP ApS as the general partner. The Fund's primary objective is to invest in enterprises by capital contribution or contributions of bridge loan capital to holding companies of such enterprises and any other activities, which the Executive Board deems incidental or conducive to the attainment of such objectives.

End 2023, the Fund holds a majority shareholding in Moodagent A/S through the intermediary holding company; Songco ApS. In addition, the Fund has a shareholding in Styelco ApS, which has been dormant since 2022.

Greystone Special Situations Fund K/S has its registered address at Krogenbergvej 15a, Nyrup, 3490 Kvistgård, Denmark.

The Fund has one employee being the Executive Board. The executive board does not receive any remuneration.

13. Approval of the financial statements for publication

On 31 July 2024, the General Partner has approved the financial statements for publication.