

GREYSTONE SPECIAL SITUATIONS FUND K/S

KROGENBERGVEJ 15A

DK-3490 KVISTGÅRD

CVR 38 74 23 53

ANNUAL REPORT 2022

*The Annual Report has been presented and adopted at
the Company's Annual General Meeting on 21 July 2023*

Christian Hassel

Chairman of the General Meeting

Contents

| | <u>Page</u> |
|--|--------------------|
| Fund details | 1 |
| Statement by Management on the annual report | 2 |
| Independent auditor's report | 3 |
| Management commentary | 6 |
| Statement of comprehensive income | 7 |
| Statement of financial position | 8 |
| Statement of changes in equity | 10 |
| Statement of cash flows | 11 |
| Notes to the financial statements | 12 |

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: 01.01.2022 – 31.12.2022

General Partner

Greystone Capital Partners GP 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 01.01.2022 - 31.12.2022.

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

In my opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

In my opinion, 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.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 21.07.2023

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 01.01.2022 - 31.12.2022, 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 International Financial Reporting 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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with International Financial Reporting 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 International Financial Reporting 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.

Copenhagen, 21.07.2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Kim Takata 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 2022, the Fund holds a majority investment in Moodagent A/S ("Moodagent") through Songco ApS ("Songco"). During 2022, the Fund, through Styleco ApS, divested its minority shareholding in Noa Noa A/S.

The result for the year showed a profit of DKK 20 million primarily resulting from fair value gain from the investment in Moodagent (through Songco).

At the beginning of 2023, Moodagent successfully completed a financial restructuring. During the restructuring period starting in 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 a number of cost saving initiatives including reducing staff by almost 50% to reflect that a much lower cost-base is needed under the new B2B strategy. End February 2023, the Bankruptcy Court approved the restructuring plan prepared under the supervision of the reconstructors appointed by the Court whereby Moodagent's debt burden has been reduced considerably since 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 has been obtained to secure funding until the beginning of 2024 from which time Moodagent is expected to be cash-flow neutral from its operations. In 2022, Moodagent has continued its development activities relating to the technology platform, which under the new strategy will be made available for business partners. On this basis, Management of the Fund has assessed that valuation of the investment in Moodagent can be based on a more normalized situation leading to an increase in the fair value. See note 6 for more information.

The shareholding in and loans to Styleco ApS have already in the past been written-down to DKK 0 (nil).

Events after the balance sheet date

As stated above, Moodagent successfully completed a financial restructuring early 2023. The restructuring plan approved by the Bankruptcy Court early 2023 was completed and delivered to the Court end 2022, and hence the formal approval of the plan early 2023 is considered to be an adjusting event, whereby the impact on the restructuring has been taken into consideration when determining the fair value of Moodagent as of 31 December 2022 (through the determination of the fair value of Songco).

Statement of comprehensive income

| | <u>Notes</u> | <u>2022</u> <u>DKK</u> | <u>2021</u> <u>DKK</u> |
|---|--------------|---------------------------|-----------------------------|
| Other external expenses | | <u>(1,549,810)</u> | <u>(1,828,376)</u> |
| Operating loss | | <u>(1,549,810)</u> | <u>(1,828,376)</u> |
| Financial income | 3 | 4,633,077 | 2,238,707 |
| Financial expenses | 4 | (13,308) | (13,803) |
| Fair value adjustments | 5 | <u>16,999,768</u> | <u>(282,692,694)</u> |
| Profit/loss for the year | | <u>20,069,727</u> | <u>(282,296,166)</u> |
| Other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive income/loss for the year | | <u>20,069,727</u> | <u>(282,296,166)</u> |

Statement of financial position

| | <u>Notes</u> | <u>31.12.2022</u> <u>DKK</u> | <u>31.12.2021</u> <u>DKK</u> |
|-------------------------------------|--------------|---------------------------------|---------------------------------|
| Assets | | | |
| Investment in portfolio enterprises | 6 | 176,391,727 | 159,391,959 |
| Loans to portfolio enterprises | 7 | <u>62,470,534</u> | <u>57,913,457</u> |
| Fixed asset investments | | <u>238,862,261</u> | <u>217,305,416</u> |
| Non-current assets | | | |
| Other receivables | | <u>0</u> | <u>48,810</u> |
| Receivables | | <u>0</u> | <u>48,810</u> |
| Cash | | <u>1,085</u> | <u>894</u> |
| Current assets | | <u>1,085</u> | <u>49,704</u> |
| Assets | | <u>238,863,346</u> | <u>217,355,120</u> |

Statement of financial position

| | <u>Notes</u> | <u>31.12.2022</u> <u>DKK</u> | <u>31.12.2021</u> <u>DKK</u> |
|-------------------------------|--------------|---------------------------------|---------------------------------|
| Equity and liabilities | | | |
| Contributed capital | 8 | 95,000,000 | 95,000,000 |
| Retained earnings | | <u>139,101,023</u> | <u>119,031,296</u> |
| Equity | | <u>234,101,023</u> | <u>214,031,296</u> |
| Accounts payable | | 75,000 | 75,000 |
| Debt to related parties | | <u>4,687,323</u> | <u>3,248,824</u> |
| Current liabilities | | <u>4,762,323</u> | <u>3,323,824</u> |
| Liabilities | | <u>4,762,323</u> | <u>3,323,824</u> |
| Equity and liabilities | | <u>238,863,346</u> | <u>217,355,120</u> |

Statement of changes in equity

| | Contributed capital DKK | Retained earnings DKK | Total DKK |
|---|--|--------------------------------------|---------------------------|
| Balance beginning of the year 2021 | 95,000,000 | 401,327,462 | 496,327,462 |
| Comprehensive loss for the year | <u>-</u> | <u>(282,296,166)</u> | <u>(282,296,166)</u> |
| Balance at 31 December 2021 | <u>95,000,000</u> | <u>119,031,296</u> | <u>214,031,296</u> |
| 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> |

Statement of cash flows

| | <u>Notes</u> | <u>2022</u> <u>DKK</u> | <u>2021</u> <u>DKK</u> |
|---|--------------|---------------------------|---------------------------|
| Operating loss | | (1,549,810) | (1,828,376) |
| Working capital changes | | <u>1,487,309</u> | <u>1,470,918</u> |
| Cash flow from ordinary primary activities | | <u>(62,501)</u> | <u>(357,458)</u> |
| Financial expenses paid | | <u>(13,808)</u> | <u>(13,803)</u> |
| Cash flows from operating activities | | <u>(75,809)</u> | <u>(371,261)</u> |
| Financial income received | | <u>76,000</u> | <u>367,500</u> |
| Cash flows from investing activities | | <u>76,000</u> | <u>367,500</u> |
| Cash flows from financing activities | | <u>0</u> | <u>0</u> |
| Increase/decrease in cash and cash equivalents | | (191) | (3,761) |
| Cash at 1 January | | <u>894</u> | <u>4,655</u> |
| Cash and cash equivalents at 31 December | | <u>1,085</u> | <u>894</u> |

Notes to the financial statements

| | <u>Page</u> |
|---|-------------|
| 1. General introduction and accounting policies | 13 |
| 2. Critical accounting judgements, estimates, assumptions and uncertainties | 16 |
| 3. Financial income | 16 |
| 4. Financial expenses | 16 |
| 5. Fair value adjustments | 16 |
| 6. Investments in portfolio enterprises | 16 |
| 7. Loans to portfolio enterprises | 19 |
| 8. Capital contribution | 20 |
| 9. Financial risks and financial instruments | 20 |
| 10. Related party transactions | 22 |
| 11. Events after the reporting date | 22 |
| 12. Approval of the financial statements for publication | 22 |

Notes

1. General introduction and Accounting policies

The Fund is legally organized as a limited liability partnership with its headquarter in Denmark and with Greystone Capital Partners GP 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 2022, 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 early 2022.

The financial statements of Greystone Special Situations Fund K/S are prepared in accordance with International Financial 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 2022 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. Accounting policies (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.

Statement of comprehensive income

Other external expenses

Other external expenses include expenses for cost coverage and other 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 and loans to portfolio enterprises with fair value adjustments recognized in profit and loss.

Investments in and loans to portfolio enterprises are recognized and measured, on initial recognition, at fair value equivalent to cost less direct expenses incurred, and subsequently measured at fair value with recognition of fair value adjustments through profit and loss.

Notes

1. Accounting policies (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. 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. Interest expenses and bank charges are presented as part of the financing activities.

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>2022</u> <u>DKK</u> | <u>2021</u> <u>DKK</u> |
|--|---------------------------|-----------------------------|
| 3. Financial income | | |
| Interest income from portfolio enterprises | <u>4,633,077</u> | <u>2,238,707</u> |
| | <u>4,633,077</u> | <u>2,238,707</u> |
| 4. Financial expenses | | |
| Bank charges | 808 | 1,303 |
| General partner fee | <u>12,500</u> | <u>12,500</u> |
| | <u>13,308</u> | <u>13,803</u> |
| 5. Fair value adjustments | | |
| Fair value adjustments of investments in portfolio enterprises (note 6) | 16,999,768 | (270,064,100) |
| Fair value adjustments of loans to portfolio enterprises (note 7) | <u>-</u> | <u>(12,628,864)</u> |
| | <u>16,999,768</u> | <u>(282,692,694)</u> |
| 6. Investment in portfolio enterprises | | |
| Cost beginning of year | 28,050,000 | 50,001 |
| Additions (conversion of loan to portfolio enterprise to equity) | <u>-</u> | <u>27,999,999</u> |
| Cost at end of year | <u>28,050,000</u> | <u>28,050,000</u> |
| Revaluations at beginning of year | 131,341,959 | 429,406,058 |
| Revaluations | 16,999,768 | (270,064,100) |
| Transfer of write-down related to loan portfolio enterprise (see note 7) | <u>-</u> | <u>(27,999,999)</u> |
| Revaluation at end of year | <u>148,341,727</u> | <u>131,341,959</u> |
| Carrying amount at end of year | <u>176,391,727</u> | <u>159,391,959</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 |

During 2022, Styleco ApS has disposed of its minority shareholding in Noa Noa A/S and is a dormant company end 2022.

End 2022, the value of Songco ApS has been based on an ownership of 55.68 % of Moodagent A/S. The ownership share reflects the changes resulting from the financial restructuring approved by the Bankruptcy Court early 2023 based on the restructuring plan was completed and delivered to the Court end 2022, and hence the formal approval of the plan early 2023 is considered as an adjusting event, whereby both the debt reduction and the changes in the ownership shares resulting from the restructuring plan have been taken into consideration when determining the fair value of Moodagent as of 31 December 2022 (through the determination of the fair value of Songco).

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)

In 2022, the value of the investment in Songco ApS/Moodagent A/S has been determined based on multiple inputs. Moodagent is engaged in developing technology for music services. As mentioned above, Moodagent has just successfully completed a financial restructuring. During the restructuring period, Management 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 has implemented a number of cost saving initiatives including reducing staff by almost 50% to reflect that a much lower cost-base is needed under the new B2B strategy. As a result of the successful completion of the restructuring, the valuation end 2022 has been based on a more normalized situation, though still reflecting that Moodagent has still not yet generated revenues and is expected still to be loss-making in 2023 and with a target of being cash-flow neutral in 2024. Hence, valuation has been based on weighting various relevant financial and non-financial inputs for development stage technology companies, including but not limited to acquire-hire multiples, but also estimates and targets for future cash-flows.

Considering that Moodagent is still primarily a development-stage company and considering that Moodagent has just been through a financial restructuring, though with a satisfactory successful outcome with a considerable debt relief, the valuation is subject to significant uncertainty. Management of the Fund continuously reviews the progress of the various activities of Moodagent and how progress will affect the estimated fair value. Management of the Fund assess that the fair value based on the above key assumptions, including considering that the debt relief and the changes in the ownership shares from the approval of the restructuring plan early 2023 as an adjusting event, everything considered reflects best estimate of the fair value as of 31 December 2022. Users of the financial statements should note that the fair value may change over time, both in positive and negative direction, and such changes may be significant.

In 2022, the value of the investment in Styleco ApS/Noa Noa A/S has been determined to be DKK 0 (nil), which was already reflected in the 2021 financial statements. Early 2022, Styleco ApS sold the remaining shares in Noa Noa and the proceeds were used to settle bank loans in Styleco ApS whereby no proceeds will be available to the Fund.

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

Notes

6. Investment in portfolio enterprises (continued)

| | <u>Level 3 DKK</u> | <u>Total investment DKK</u> | <u>Fair value gain DKK</u> |
|----------------------------------|---------------------------|-------------------------------------|------------------------------------|
| 2021 | | | |
| Fair value at 1 January | 429,456,059 | 429,456,059 | - |
| Fair value adjustments | <u>(270,064,100)</u> | <u>(270,064,100)</u> | <u>(270,064,100)</u> |
| Fair value at 31 December | <u>159,391,959</u> | <u>159,391,959</u> | <u>(270,064,100)</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> |

| | <u>2022 DKK</u> | <u>2021 DKK</u> |
|---|----------------------------|----------------------------|
| 7. Loans to portfolio enterprises | | |
| Balance beginning of year | 57,913,457 | 68,670,636 |
| Additions | - | - |
| Added interest, not paid | 4,557,077 | 1,871,685 |
| Fair value adjustment | <u>-</u> | <u>(12,628,864)</u> |
| Net book value end of year | <u>62,470,534</u> | <u>57,913,457</u> |
| Allowance beginning of the year | (12,292,219) | (27,663,354) |
| Fair value adjustment | - | (12,628,864) |
| Transfer to investment in portfolio enterprise in connection with part of loan being converted to equity in portfolio enterprise | <u>-</u> | <u>27,999,999</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 recoverable.

| | <u>Within 1 year DKK</u> | <u>Between 1 and 5 years DKK</u> | <u>After 5 years DKK</u> | <u>Total DKK</u> |
|--|----------------------------------|--|----------------------------------|----------------------|
| Loans to Songco ApS (before fair value adjustment) | <u>-</u> | <u>62,470,534</u> | <u>-</u> | <u>62,470,534</u> |
| | <u>-</u> | <u>62,470,534</u> | <u>-</u> | <u>62,470,534</u> |

In 2022, the nominal interest rate for loans to portfolio enterprises was 8% p.a. Interest is added and falls due with the principal.

Notes

| | <u>2022</u> <u>DKK</u> | <u>2021</u> <u>DKK</u> |
|---|---------------------------|---------------------------|
| 8. Capital contribution | | |
| Capital contribution at beginning of year | 95,000,000 | 95,000,000 |
| Contributions made in cash during the year | <u>-</u> | <u>-</u> |
| Limited Partners' contributions at end of year | <u>95,000,000</u> | <u>95,000,000</u> |

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.

| | <u>2022</u> <u>DKK</u> | <u>2021</u> <u>DKK</u> |
|--|---------------------------|---------------------------|
| 9. Financial risks and financial instruments | | |
| Categories of financial instruments: | | |
| Investments in portfolio enterprises | 176,391,727 | 159,391,959 |
| Loans to portfolio enterprises | <u>62,470,534</u> | <u>57,913,457</u> |
| Financial assets measured at fair value through profit/loss | <u>238,862,261</u> | <u>217,305,416</u> |
| Cash | <u>1,085</u> | <u>894</u> |
| Loans and receivables | <u>1,085</u> | <u>894</u> |
| Accounts payable | 75,000 | 75,000 |
| Debt to related parties | <u>4,687,323</u> | <u>3,248,824</u> |
| Financial liabilities measured at amortised cost | <u>4,762,323</u> | <u>3,323,824</u> |

Notes

9. Financial risks and financial instruments (continued)

Liquidity risks

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

| | Within 1 year <u>DKK</u> | Between 1 and 5 years <u>DKK</u> | After 5 years <u>DKK</u> | Total <u>DKK</u> |
|-------------------------|---|---|---|-----------------------------|
| Accounts payable | 75,000 | - | - | 75,000 |
| Debt to related parties | <u>3,248,824</u> | - | - | <u>3,248,824</u> |
| 31 December 2021 | <u>3,323,824</u> | - | - | <u>3,323,824</u> |
| Accounts payable | 75,000 | - | - | 75,000 |
| Debt to related parties | <u>4,687,323</u> | - | - | <u>4,687,323</u> |
| 31 December 2022 | <u>4,762,323</u> | - | - | <u>4,762,323</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 with any value adjustments reflected in profit and loss.

Interest risks

The Fund has provided loans to portfolio enterprises, and is as such subject to interest risk, though the risk is considered limited.

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.

Notes

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

In the financial year, the Fund has expensed general partner fee to Greystone Capital Partners GP ApS of DKK 12,500 (2021: DKK 12,500) and cost coverage to Greystone Capital Partners A/S of DKK 1,425,000 (2021: DKK 1,425,000).

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

The Fund has debt to Greystone Capital Partners A/S and Greystone Capital Partners GP ApS DKK covering unpaid cost coverage and general partner fees of DKK 4,687,323 (2021: DKK 3,248,824). 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 are set out in note 7.

11. Events after the reporting date

As stated in note 6, Moodagent successfully completed a financial restructuring early 2023. The restructuring plan approved by the Bankruptcy Court early 2023 was completed and delivered to the Court end 2022, and hence the formal approval of the plan early 2023 is considered to be an adjusting event, whereby the impact on the restructuring has been taken into consideration when determining the fair value of Moodagent as of 31 December 2022 (through the determination of the fair value of Songco). See note 6 for further details.

12. Approval of the financial statements for publication

On 21.07.2023, the General Partner has approved the financial statements for publication.