

SONGCO ApS

KROGENBERGVEJ 15A

DK-3490 KVISTGÅRD

CVR 38 91 54 87

ANNUAL REPORT 2023

*The Annual Report has been presented and adopted at
the Company's Annual General Meeting on 9 August 2024*

Nick Jensen

Chairman of the General Meeting

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Company details

Songco ApS
Krogenbergvej 15A
DK-3490 Kvistgård

Central Business Registration No: 38 91 54 87

Registered in: Helsingør
Financial year: 01.01.2023 – 31.12.2023

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 Songco ApS 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 my opinion, the financial statements give a true and fair view of the Company'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 my opinion, the management commentary contains a fair review of the development of the Company's business and financial matters, the results for the year and of the Company's financial position as a whole, together with a description of the principal risks and uncertainties that the Company faces.

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

Kvistgård, 9 August 2024

Executive Board

Nick Jensen

Independent auditor's report

To the shareholder of Songco ApS

Opinion

We have audited the financial statements of Songco ApS 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 Company'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 Company 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 Company'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 Company 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company 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, 9 August 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 Company's purpose is – on behalf of its parent Greystone Special Situations Fund K/S and its ultimate owners – to hold an investment in Moodagent A/S (“Moodagent”), a company engaged in developing technology for music services.

Development in activities and finances

The result for the year showed a loss of DKK 15 million primarily resulting from financing costs of DKK 47 million less fair value gain from the investment in Moodagent of DKK 32 million.

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. Moodagent is currently in dialogue about securing a more substantial funding which, among other things, will secure the remaining funding need for 2024 and additional working capital for 2025. The dialogue about the additional funding is expected to be closed in Q3 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.

Management commentary

Capital resources

The investment in Moodagent is partly financed by loans from related parties, which formally are due on request, and therefore presented as short-term debt on the balance sheet. Management plans that the loans will be settled with the sales proceeds or distributions from the Moodagent investment. Since loans predominantly are from related parties, Management has no expectation that any lender will ask for early repayment.

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		<u>(538,608)</u>	<u>(54,125)</u>
Operating loss		<u>(538,608)</u>	<u>(54,125)</u>
Financial expenses	4	(47,016,204)	(41,005,535)
Fair value gains	6	<u>32,332,154</u>	<u>57,844,503</u>
Profit/loss for the year		<u>(15,222,658)</u>	<u>16,784,843</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/loss for the year		<u>(15,222,658)</u>	<u>16,784,843</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	470,396,890	428,763,736
Loans to portfolio enterprises	7	<u>0</u>	<u>0</u>
Fixed asset investments		<u>470,396,890</u>	<u>428,763,736</u>
Non-current assets		<u>470,396,890</u>	<u>428,763,736</u>
Cash		<u>530</u>	<u>434</u>
Current assets		<u>530</u>	<u>434</u>
Assets		<u>470,397,420</u>	<u>428,764,170</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			
Share capital	8	50,000	50,000
Retained earnings		<u>160,904,144</u>	<u>176,126,802</u>
Equity		<u>160,954,144</u>	<u>176,176,802</u>
Debt to related parties	9	303,829,903	252,527,368
Financial loans		5,500,000	0
Accounts payable		<u>114,125</u>	<u>60,000</u>
Current liabilities		<u>309,443,276</u>	<u>252,587,368</u>
Liabilities		<u>309,443,276</u>	<u>252,587,368</u>
Equity and liabilities		<u>470,397,420</u>	<u>428,764,170</u>

Statement of changes in equity

	<u>Share capital DKK</u>	<u>Retained earnings DKK</u>	<u>Total DKK</u>
Balance beginning of the year 2022	50,000	159,341,959	159,391,959
Comprehensive income for the year	<u>-</u>	<u>16,784,843</u>	<u>16,784,843</u>
Balance at 31 December 2022	<u>50,000</u>	<u>176,126,802</u>	<u>176,176,802</u>
Comprehensive income for the year	<u>-</u>	<u>(15,222,658)</u>	<u>(33,999,903)</u>
Balance at 31 December 2023	<u>50,000</u>	<u>160,904,144</u>	<u>160,954,144</u>

Statement of cash flows

	<u>Notes</u>	<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
Operating loss		(538,608)	(54,125)
Working capital changes		54,125	-
Cash flows from operating activities		<u>(484,483)</u>	<u>(54,125)</u>
Investment in portfolio enterprises		(9,301,000)	0
Loans provided to portfolio enterprises	8	<u>0</u>	<u>(22,243,660)</u>
Cash flows from investing activities		<u>(9,301,000)</u>	<u>(22,243,660)</u>
Loans received from related parties	11	9,301,000	22,384,750
Interest related parties, paid	11	(4,164,000)	(76,000)
Loans received from external parties		5,500,000	0
Bank charges		<u>(851,421)</u>	<u>(20,072)</u>
Cash flows from financing activities		<u>9,785,579</u>	<u>22,288,678</u>
Increase/decrease in cash and cash equivalents		96	(9,107)
Cash and cash equivalents at 1 January		<u>434</u>	<u>9,541</u>
Cash and cash equivalents at 31 December		<u>530</u>	<u>434</u>

Notes to the financial statements

1. General introduction and Material accounting information
2. Critical accounting judgements, estimates, assumptions and uncertainties
3. Financial expenses
4. Fair value adjustments
5. Tax for the year
6. Investments in portfolio enterprises
7. Loans to portfolio enterprises
8. Equity
9. Debt to related parties
10. Financial risks and financial instruments
11. Related party transactions
12. Asset charged and contingent liabilities etc.
13. Events after the reporting date
14. Company information
15. Approval of the financial statements for publication

Notes

1. Material accounting information

The financial statements of Songco ApS are prepared in accordance with IFRS Accounting Standards (“IFRS”) 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 Company.

Statement regarding the omission of consolidated financial statements

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

- 1) As a wholly owned subsidiary, the Company follows the accounting policies of Greystone Special Situations Fund K/S who has the purpose to hold multiple portfolio investments.
- 2) Greystone Special Situations Fund K/S has more than one investor, and the investors are not related to each other.
- 3) The Company’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.

Considering that Songco ApS has been founded with the purpose to carry out one of Greystone Special Situations Fund K/S’ portfolio investments, the Executive Boards of Songco ApS and Greystone Special Situations Fund K/S have assessed that the exemption rule in IFRS 10 not to prepare consolidated financial statements is also applicable for Songco ApS, 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 Songco ApS and effective for the financial period beginning at 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 Company'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 Company'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 recognised 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.

Statement of comprehensive income

Other external expenses

Other external expenses primarily include corporate costs.

Financial expenses

Other financial expenses comprise bank charges and interest expenses, which are accrued based on the principal amount and the effective interest rate. The effective interest rate represents the discount rate which should be used when discounting future payments related to the financial asset or the financial liability, in order for the present value of these to correspond with the carrying amount of the asset and the liability, respectively.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in other comprehensive income or equity by the portion attributable to entries directly in other comprehensive income or equity.

The Company is jointly taxed with its portfolio enterprise. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Notes

1. Material accounting information (continued)

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.

Receivables

Receivables are measured at amortized cost, less allowance for expected credit losses.

Cash

Cash comprise bank deposits.

Interest-bearing debt

Interest-bearing debt is initially recognized at fair value net of any transaction costs directly attributable to the issue of the loans. Subsequently interest-bearing debt is measured at amortized cost using the effective interest rate method, so that the difference between the loan proceeds and the nominal value is recognised as a financial cost over the term of the loan.

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

Songco ApS 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, and the loans are accounted for at amortised cost less allowance for credit losses. When measuring the fair value of the unlisted investments and the value of the loans to the same portfolio enterprises, 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, which will typically cover both the equity investments and the loans provided to the portfolio enterprises.

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 expenses		
Interest expense to related parties	46,164,783	40,985,463
Other interest and charges	<u>851,732</u>	<u>20,072</u>
	<u>47,016,204</u>	<u>41,005,535</u>
4. Fair value gains		
Fair value gains of investments in portfolio enterprises (note 6)	<u>32,332,154</u>	<u>57,844,503</u>
	<u>32,332,154</u>	<u>7,844,503</u>
5. Tax for the year		
Profit/loss before tax	(15,222,658)	16,784,843
Tax at a rate of 22%	3,348,985	(3,692,665)
Non-deductible cost and non-taxable income, net	<u>(3,348,985)</u>	<u>3,692,665</u>
Total	<u>0</u>	<u>0</u>
Effective tax rate	<u>0%</u>	<u>0%</u>

Effective tax rate

Effective tax rate is 0%, as the majority of income and cost per the income statement in the financial statements of Songco ApS, relates to non-taxable income (such as non-taxable fair value gains) and non-deductible costs (such as non-deductible interest cost due to interest limitation rules).

Notes

Deferred tax

The Company has tax loss carry forwards of DKK 99.956.193 by the end of 2023 representing a tax value of DKK 21,990,362. The tax losses can be carried-forward indefinitely. The value of the tax losses has not been recognized as a deferred tax asset, as the future income primarily will consist of tax exempted returns from investments. Furthermore, as part of being part jointly taxed with the subsidiary Moodagent A/S, also Moodagent A/S can benefit partly from the tax loss carry forwards against payment of a tax contribution. However, at this stage it is still premature to recognize a deferred tax asset from the tax contributions which potentially will be received from Moodagent A/S in the future.

6. Investment in portfolio enterprises

Cost beginning of year	205,814,127	91,040,549
Additions	9,301,000	0
Transfer from loans to portfolio enterprises (note 6)	<u>0</u>	<u>114,773,578</u>
Cost at end of year	<u>215,115,127</u>	<u>205,814,127</u>
Revaluations at beginning of year	222,949,609	165,105,106
Revaluations	<u>32,332,154</u>	<u>57,844,503</u>
Revaluation at end of year	<u>255,281,763</u>	<u>222,949,609</u>
Carrying amount at end of year	<u>470,396,890</u>	<u>428,763,736</u>

Portfolio investments comprises:

Portfolio enterprise	Corporate form	Registered in	Equity interest %
Moodagent A/S	A/S	Denmark	55,68

Methods and assumptions for determining fair values in unlisted portfolio enterprises

The fair value for the unlisted portfolio enterprise is determined based on methods which best reflect the 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.

Notes

6. Investment in portfolio enterprises (continued)

Methods and assumptions for determining fair values in unlisted portfolio enterprises (continued)

Throughout the life of the investment, the Executive Board reviews the investments for potential impairment, which may materialize if the portfolio enterprise have been subject to pervasive negative development and/or if the Company decides that it will no longer participate in the further funding and there is a considerable risk that the portfolio enterprise may not be able to continue its operations or it is by other means obvious that there is a pervasive decline in the fair value of the portfolio enterprise. In these cases, the value is written down to a new lower fair value based on the Executive Board's best estimate.

As investments mature, other valuation models for determining the fair value may be more appropriate. Such models are typically based on discounted cash flow models and/or other relevant methods.

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 2023 and 2022)
- 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 2023 and 2022)
- Valuation techniques under which any material inputs are not based on observable market data (level 3).

The measurement of investments in portfolio enterprises classified according to level 3 is based on measurement methods, in which material non-observable inputs are included such as assessment of which method best reflects fair value, assessment of the performance of each portfolio enterprise, determination of multiples and future earnings.

Determination of fair value for Moodagent

Moodagent is engaged in developing technology for music services. As described above, 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 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 a development stage unlisted company.

Notes

6. Investment in portfolio enterprises (continued)

Determination of fair value for Moodagent (continued)

The key factors in determining the fair value for Moodagent A/S are as follows:

	DKK million
Estimated fair value, 100% (USD 125 million)*	845
Estimated fair value, 55.68%	470
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

*Fair value is determined as enterprise value less financial loans of DKK 100 million in Moodagent as of 31 Dec. 2023.

Sensitivity, effect on fair value, on an every-else-being-equal basis for a 55.68% shareholding 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

The estimation of the future revenue stream and thereby the fair value is based on the assumption that Moodagent will go live with its white label music services in 2024. Hence, the estimation of fair value is especially sensitive to revenue materializing in the future as expected.

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 DKK</u>
2022			
Fair value at 1 January	256,145,655	256,145,655	-
Fair value adjustments	57,844,503	57,844,503	57,844,503
Transfer from loans to portfolio enterprises	<u>114,773,578</u>	<u>114,773,578</u>	<u>-</u>
Fair value at 31 December	<u>428,763,736</u>	<u>428,763,736</u>	<u>57,844,503</u>
2023			
Fair value at 1 January	428,763,736	428,763,736	0
Additions	9,301,000	9,301,000	0
Fair value adjustments	<u>32,332,154</u>	<u>32,332,154</u>	<u>32,332,154</u>
Fair value at 31 December	<u>470,396,890</u>	<u>470,396,890</u>	<u>32,332,154</u>

Notes

	<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
7. Loans to portfolio enterprises		
Balance beginning of year	-	95,529,918
Additions	-	22,243,660
Transfer to equity investment in Moodagent A/S (See note 6)	-	<u>(114,773,578)</u>
Net book value end of year	<u>-</u>	<u>-</u>
	<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
8. Equity		
Share capital at beginning of year	<u>50,000</u>	<u>50,000</u>
Share capital at end of year	<u>50,000</u>	<u>50,000</u>

The share capital represents the shareholder's total equity contributions and is fully paid-up.

The share capital consists of 50,000 shares of DKK 1 each.

Capital structure

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

The Executive Board of the Company 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 investment in Moodagent is partly financed by loans from related parties where interest is rolled-up, which formally are due on request, and therefore presented as short-term debt on the balance sheet. Management plans that the loans including added interest will be settled with the sales proceeds or distributions from the Moodagent investment. Considering that a predominantly portion of lending is from related parties, Management has no current expectation that lenders will ask for early repayment.

Until proceeds will be received from the portfolio enterprises, the Company only has limited payment obligations to non-related parties, where Management expects that related parties will continue to fund such costs on an ongoing basis.

Notes

	<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
9. Debt to related parties		
Balance beginning of year	252,527,368	189,233,155
Loans obtained during the year	9,301,000	22,384,750
Added interest, total	46,164,783	40,985,463
Interest, paid	<u>(4,164,000)</u>	<u>(76,000)</u>
Net book value end of year	<u>303,829,151</u>	<u>252,527,368</u>

The Company has loans from related parties being Greystone Special Situations Fund K/S and its limited partners and other entities related these entities. Interest is generally rolled-up, though payments can take place on a discretionary basis. The loans are due on request, though payment will only take place if the Company has sufficient cash resources to settle the loans. Otherwise, the loans will be carried forward to next year. Loans from related parties have been subject to interests of 18-20 % p.a.

	<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
10. Financial risks and financial instruments		
Categories of financial instruments:		
Investments in portfolio enterprises	<u>470,396,890</u>	<u>428,763,463</u>
Financial assets measured at fair value through profit/loss	<u>470,396,890</u>	<u>428,763,736</u>
Cash	<u>530</u>	<u>434</u>
Loans and receivables measured at amortised costs	<u>530</u>	<u>434</u>
Debt to related parties	303,829,151	252,527,368
Financial loans	5,500,000	0
Accounts payable	<u>114,125</u>	<u>60,000</u>
Financial liabilities measured at amortized cost	<u>309,443,276</u>	<u>252,587,368</u>

Notes

10. 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 excluding future interest, where this may be relevant.

	<u>Within 1 year DKK</u>	<u>Between 1-5 years DKK</u>	<u>After 5 years DKK</u>	<u>Total DKK</u>
Debt to related parties	252,527,368	-	-	252,527,368
Accounts payable	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
31 December 2022	<u>189,293,155</u>	<u>-</u>	<u>-</u>	<u>189,293,155</u>
Debt to related parties	303.829,151	-	-	303,829.151
Financial loans	5,500,000	-	-	5,500,000
Accounts payable	<u>114,125</u>	<u>-</u>	<u>-</u>	<u>114,125</u>
31 December 2023	<u>309.443.276</u>	<u>-</u>	<u>-</u>	<u>309,443,276</u>

Credit risks

In the past, the Company has provided bridge loans to Moodagent A/S as part of its total investment in Moodagent A/S. As stated in note 6 and 7, such loans have been converted to equity and hence the Company does not have any current credit risk.

Interest risks

Loans from related parties bear fixed interest rates of 18-20% p.a.

Currency risks

All expenses in the Company are in Danish Kroner, and hence the Company is not exposed to changes in foreign currencies. Any currency risk relating to operations of Moodagent A/S is embedded in the valuation of Moodagent A/S.

Notes

11. Related party transactions

Related parties with control

The parent, Greystone Special Situations Fund K/S with GCPGP ApS as general partner, has full control over the Company.

Greystone Special Situations Fund K/S does not publish consolidated financial statements, since Greystone Special Situations Fund K/S, just as Songco ApS, regard itself as an investment entity, and thereby, in accordance with the exemption rules in IFRS 10, it Greystone Special Situations Fund K/S does not prepare consolidated financial statements.

Transactions with related parties

The Company has loans from related parties being Greystone Special Situations Fund K/S and its limited partners of totally DKK 303,829,151 (2022: DKK 252,527,368). Interest expense in 2023 relating to these loans equal DKK 46,164,783 (2022: DKK 40,985,463). Interest is either paid or added to the loans. The balance is due on request, though payment will only take place if the Company has sufficient cash resources to settle the loans. Otherwise, the loans will be carried forward to next year. Loans to and from related parties have been subject to interests of 18-20 % p.a. in 2023.

In the past, the Company provided bridge financing to Moodagent A/S. As stated in notes 6 and 7, these loans have been converted to equity as part of the financial restructuring of Moodagent A/S.

The Company has not paid any remuneration to the Executive Board in 2023 and 2022.

12. Assets charged and contingent liabilities etc.

The Company has pledged its shares in Moodagent A/S with a carrying value of DKK 470,396,890, which has been provided as security for financial loan obtained by Moodagent A/S.

The Company is the administration company in a joint taxation with its portfolio enterprise and Danish subsidiaries. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed entities, and obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

13. 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

14. Company information

The Company is legally organised as a limited liability company with its headquarter in Denmark. The Company is fully owned by Greystone Special Situations Company K/S, which is a limited liability partnership with GCPGP ApS as the general partner. The Company's primary objective is – on behalf of Greystone Special Situations Fund K/S - to hold investments in Moodagent A/S, with headquarter in Denmark, and who is developing technology for music services.

Both Greystone Special Situations Fund K/S and GCPGP ApS have their registered address at Krogenbergvej 15a, Nyrup, 3490 Kvistgård, Denmark, same location as Songco ApS.

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

15. Approval of the financial statements for publication

The Executive Board has approved the financial statements for publication on 31 July 2024.

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Nick Jensen

Direktør

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