

SONGCO ApS
KROGENBERGVEJ 15A
DK-3490 KVISTGÅRD
CVR 38 91 54 87

ANNUAL REPORT 2022

*The Annual Report has been presented and adopted at
the Company's Annual General Meeting on 14 July 2023*

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: 01.01.2022 – 31.12.2022

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 01.01.2022 - 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 Company'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 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.

Copenhagen, 14.07.2023

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 01.01.2022 - 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 Company'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 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 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 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.

Copenhagen, 14.07.2023

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 Company's purpose is to hold 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 profit of DKK 17 million primarily resulting from fair value gain from the investment in Moodagent.

On February 28th, 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 a number of costs saving initiatives including reducing staff by almost 50% to reflect that a much lower cost-base is needed under the new B2B strategy. 28th 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 positive from its operations. During the restructuring period 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 Company 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.

Events after the balance sheet date

As stated above, Moodagent successfully completed a financial restructuring end of February 2023. The restructuring plan approved by the Bankruptcy Court 28th February 2023 was prepared end 2022, and formally approved by the Court end of February 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, including considering loans provided by Songco and other related parties as been effectively converted to equity in Moodagent end of 2022, and thereby using the reduced ownership share as basis for determining the value of the investment as of 31 December 2022.

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. Management has no expectation that any lender will ask for early repayment.

Statement of comprehensive income

	<u>Notes</u>	<u>2022 DKK</u>	<u>2021 DKK</u>
Other external expenses		<u>(54,125)</u>	<u>(30,000)</u>
Operating loss		<u>(54,125)</u>	<u>(30,000)</u>
Financial income	3	-	7,564,952
Financial expenses	4	(41,005,535)	(9,496,201)
Fair value adjustments	5	<u>57,844,503</u>	<u>(268,102,850)</u>
Profit/loss for the year		<u>16,784,843</u>	<u>(270,064,099)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/loss for the year		<u>16,784,843</u>	<u>(270,064,099)</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	428,763,736	256,145,655
Loans to portfolio enterprises	7	<u>0</u>	<u>92,529,918</u>
Fixed asset investments		<u>428,763,736</u>	<u>348,675,573</u>
Non-current assets		<u>428,763,736</u>	<u>348,675,573</u>
Cash		<u>434</u>	<u>9,541</u>
Current assets		<u>434</u>	<u>9,541</u>
Assets		<u>428,764,170</u>	<u>348,685,114</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			
Share capital	8	50,000	50,000
Retained earnings		<u>176,126,802</u>	<u>159,341,959</u>
Equity		<u>176,176,802</u>	<u>159,391,959</u>
Debt to related parties	9	252,527,368	189,233,155
Accounts payable		<u>60,000</u>	<u>60,000</u>
Current liabilities		<u>252,587,368</u>	<u>189,293,155</u>
Liabilities		<u>252,587,368</u>	<u>189,293,155</u>
Equity and liabilities		<u>428,764,170</u>	<u>348,685,114</u>

Statement of changes in equity

	Share capital DKK	Retained earnings DKK	Total DKK
Balance beginning of the year 2021	50,000	429,406,058	429,456,058
Comprehensive loss for the year	-	(270,064,099)	(270,064,099)
Balance at 31 December 2021	50,000	159,341,959	159,391,959
Comprehensive income for the year	-	16,784,843	16,784,843
Balance at 31 December 2022	50,000	176,126,802	176,176,802

Statement of cash flows

	<u>Notes</u>	<u>2022 DKK</u>	<u>2021 DKK</u>
Operating loss		(54,125)	(30,000)
Working capital changes		-	(1)
Cash flows from operating activities		<u>(54,125)</u>	<u>(30,001)</u>
Loans provided to portfolio enterprise	7	<u>(22,243,660)</u>	<u>(86,812,914)</u>
Cash flows from investing activities		<u>(22,243,660)</u>	<u>(86,812,914)</u>
Loans received from related parties	9	22,384,750	87,616,580
Interest to related parties, paid	9	(76,000)	-
Bank fees		<u>(20,072)</u>	<u>(715,777)</u>
Cash flows from financing activities		<u>22,288,678</u>	<u>86,900,803</u>
Increase/decrease in cash and cash equivalents		(9,107)	57,888
Cash and cash equivalents at 1 January		<u>9,541</u>	<u>(48,347)</u>
Cash and cash equivalents at 31 December		<u>434</u>	<u>9,541</u>

Notes to the financial statements

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Notes

1. General introduction and Accounting policies

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 Greystone Capital Partners GP ApS as the general partner. The Company's primary objective is to hold investments in Moodagent A/S, with headquarter in Denmark, and who is developing technology for music services.

The financial statements of Songco ApS are prepared in accordance with International Financial Reporting 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 2022 have been introduced by the International Accounting Standards Board and hence the financial statements have been prepared applying unchanged accounting principles.

Notes

1. Accounting policies (continued)

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.

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 income from portfolio enterprises

Other financial income from portfolio enterprise comprises interest income on receivables from the portfolio enterprise.

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.

Notes

1. Accounting policies (continued)

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).

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.

Receivables

Receivables are measured at amortized cost, usually equaling nominal value less allowance for expected credit losses.

Cash

Cash comprises 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.

Notes

1. Accounting policies (continued)

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. 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	-	7,564,952
	<u>-</u>	<u>7,564,952</u>
4. Financial expenses		
Interest expense to related parties	40,985,463	9,127,924
Other interest	-	327,224
Bank charges	20,072	41,053
	<u>41,005,535</u>	<u>(9,496,201)</u>
5. Fair value adjustments		
Fair value adjustments of investments in portfolio enterprises (note 6)	57,844,503	(268,102,850)
	<u>57,844,503</u>	<u>(268,102,850)</u>
6. Investment in portfolio enterprises		
Cost beginning of year	91,040,549	57,897,664
Transfer from loans to portfolio enterprises (note 7)	114,773,578	33,142,885
Cost at end of year	<u>205,814,127</u>	<u>91,040,549</u>
Revaluations at beginning of year	165,105,106	433,207,956
Revaluations	57,844,503	(268,102,850)
Revaluation at end of year	<u>222,949,609</u>	<u>165,105,106</u>
Carrying amount at end of year	<u>428,763,736</u>	<u>256,145,655</u>

Notes

6. Investment in portfolio enterprises (continued)

Portfolio investments comprises:

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

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 ownership changes and considerable debt reduction 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 have been taken into consideration when determining the fair value of Moodagent as of 31 December 2022. As a result, the loans provided by Songco ApS to Moodagent A/S have been considered converted to equity also at 31 December 2022.

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.

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.

Notes

6. Investment in portfolio enterprises (continued)

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).

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.

In 2022, the value of the investment in 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 technology companies, including but not limited to acquire-hire multiples.

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 Songco ApS continuously reviews the progress of the various activities of Moodagent and how progress will affect the estimated fair value. Management of Songco ApS 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.

Notes

6. Investment in portfolio enterprises (continued)

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

	Level 3 DKK	Total investment DKK	Fair value gain DKK
2021			
Fair value at 1 January	491,105,620	491,105,620	-
Fair value adjustments	(268,102,850)	(268,744,850)	(268,744,850)
Transfer from loans to portfolio enterprises	<u>33,142,885</u>	<u>33,142,885</u>	<u>-</u>
Fair value at 31 December	<u>256,145,655</u>	<u>256,145,655</u>	<u>(268,744,850)</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>

	2022 DKK	2021 DKK
7. Loans to portfolio enterprises		
Balance beginning of year	92,529,918	31,294,837
Additions	22,243,660	86,813,014
Added interest, not paid	-	7,564,952
Transfer to equity investment in Moodagent A/S (See note 6)	<u>(114,773,578)</u>	<u>(33,142,885)</u>
Net book value end of year	<u>-</u>	<u>92,529,918</u>

As part of the financial restructuring of Moodagent A/S, the loans provided by Songco ApS to Moodagent A/S have been converted to equity, and the conversion has been based on the loan values without any interest being added for 2022, and hence no interest income has been recognized for the loans in 2022. In previous years, nominal interest rate for loans to portfolio enterprises was 8% p.a.

Notes

	<u>2022</u> <u>DKK</u>	<u>2021</u> <u>DKK</u>
8. Equity		
Share capital at beginning of year	50,000	50,000
Share capital during the year	<u>-</u>	<u>-</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, fully paid-up.

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, 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. Management has no expectation that any lender 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, which will be funded by related parties.

	<u>2022</u> <u>DKK</u>	<u>2021</u> <u>DKK</u>
9. Debt to related parties		
Balance beginning of year	189,233,155	92,836,151
Loans obtained during the year	22,384,750	87,269,080
Added interest, total	40,985,463	9,127,924
Interest, paid	<u>(76,000)</u>	<u>-</u>
Net book value end of year	<u>252,527,368</u>	<u>189,233,155</u>

The Company has loans from related parties being Greystone Special Situations Fund K/S and its limited partners. Interest is either paid or added to the loans. 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% p.a.

Notes

	<u>2022</u> <u>DKK</u>	<u>2021</u> <u>DKK</u>
10. Financial risks and financial instruments		
Categories of financial instruments:		
Investments in portfolio enterprises	428,763,463	256,145,655
Loans to portfolio enterprises	-	92,529,918
Financial assets measured at fair value through profit/loss	<u>428,763,736</u>	<u>348,675,573</u>
Cash	434	9,541
Loans and receivables	<u>434</u>	<u>9,541</u>
Debt to related parties	252,527,368	189,233,155
Accounts payable	60,000	60,000
Financial liabilities measured at amortized cost	<u>252,587,368</u>	<u>189,293,155</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>1-5 years</u> <u>DKK</u>	<u>After</u> <u>5 years</u> <u>DKK</u>	<u>Total</u> <u>DKK</u>
Debt to related parties	89,233,155	-	-	189,233,155
Accounts payable	60,000	-	-	60,000
31 December 2021	<u>189,293,155</u>	<u>-</u>	<u>-</u>	<u>189,293,155</u>
Debt to related parties	252,527,368	-	-	252,527,368
Bank overdraft	60,000	-	-	60,000
31 December 2022	<u>252,587,368</u>	<u>-</u>	<u>-</u>	<u>252,587,368</u>

Credit risks

In the past and during 2022, 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, the loans have been converted to equity and hence the Company does not have any credit risk from these past loans.

Interest risks

The Company has provided loans to Moodagent A/S and obtained loans from related parties. The loans to Moodagent A/S have been converted to equity and hence interest risk is no longer relevant for these loans. With respect to the loans from related parties, these loans bear a fixed interest rate of 18% p.a.

Notes

10. Financial risks and financial instruments (continued)

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.

11. Related party transactions

Related parties with control

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

Subsidiaries

Interests in Moodagent A/S are set out in note 6.

Loans to/from related parties

The Company has loans from related parties being Greystone Special Situations Fund K/S and its limited partners of totally DKK 252,527,368 (2020: DKK 189,233,155). Interest expense in 2022 relating to these loans equal DKK 40,985,463 (2020: DKK 9,127,924). 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 balance. Otherwise, the balance will be carried forward to next year. Loans to and from related parties have been subject to interests of 18% p.a.

Loans to Moodagent A/S (subsidiary) are set out in note 7. As stated in notes 6 and 7, the loans have been converted to equity as part of the financial restructuring of Moodagent A/S.

12. Assets charged and contingent liabilities etc.

The Company has no assets charged nor contingent liabilities in general or specifically towards the portfolio enterprise.

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

As stated in note 6, Moodagent A/S 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 A/S as of 31 December 2022, including considering loans provided by Songco ApS and other related parties as been converted to equity in Moodagent A/S, and thereby using the reduced ownership share as well as reduced debt burden as basis for determining the value of the investment as of 31 December 2022.

Notes

14. Approval of the financial statements for publication

The Executive Board has approved the financial statements for publication on 14.07.2023.