ANNUAL REPORT

AND CONSOLIDATED FINANCIAL STATEMENT 2022-2023

1st July 2022 to 30th June 2023

Adopted at the Company's Annual General Meeting on 26th October 2023

Layal Sarhan

Chairman

mdundo

Jagtvænget 2, 2920 Charlottenlund
Central Business Registration 41305754

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Company Details

Company
Mdundo.com A/S
Jagtvænget 2
2920 Charlottenlund
Central Business Registration no. 41 30 57 54
Registered in: Copenhagen

Board of Executives
Martin Møller Nielsen

Company auditors
Grant Thornton
Statsautoriseret Revisionspartnerselskab
Stockholmgade 45
2100 København Ø
Company reg. No. 34 20 99 36

Martin S. Haaning
State Authorized Public Accountant

Board of Directors

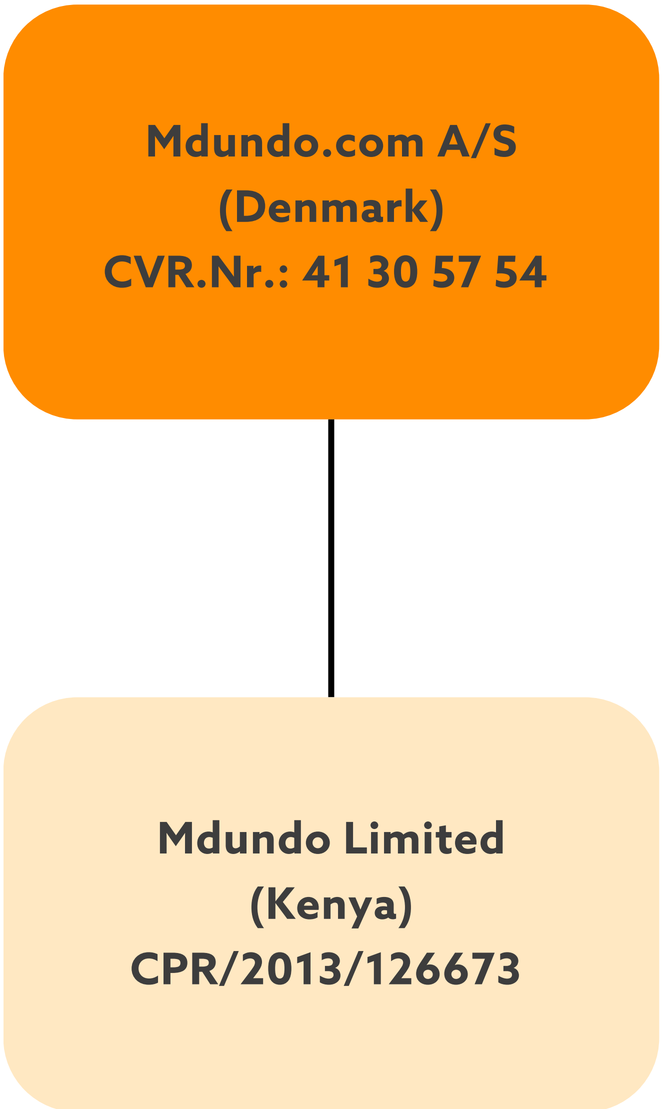
Jesper Vesten Drescher

Kristopher Mawijena Kris Senau

Joseph Hundah

Jakob Ellehauge Sode

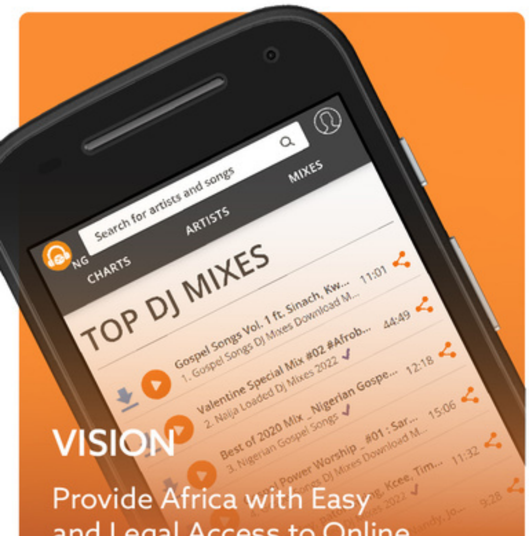
Group Chart


Mdundo.com A/S
(Denmark)
CVR.Nr.: 41 30 57 54
Mdundo Limited
(Kenya)
CPR/2013/126673

Mdundo.com grows premium service revenue by 239% and exceeds user guidance of 26 million monthly active users

The principal activities of the group:
Mdundo.com A/S's main activity is to operate and develop an online music service like Spotify, Apple Music, etc., but developed with a focus on the African mass market and the more than one billion people of sub-Saharan Africa. Similarly, to the conditions in the Western world, music is being distributed digitally in Africa, but digital music services are only now making a breakthrough, and Mdundo is playing a significant role in that development.

Mdundo.com stands at the forefront of Sub-Saharan Africa's music streaming evolution. As the region embarks on an unprecedented digital journey, we've harnessed the power of connectivity to transform the music experience for millions towards our vision of providing Africa with easy and legal access to online entertainment. Our growth, and ambition of reaching 50 million monthly active users as well as financial sustainability by the financial year ending 2025, underscore our commitment to redefining the African music industry.



VISION

Provide Africa with Easy and Legal Access to Online Entertainment

MISSION

To be the primary pan-African online content service by contributing structure, legality and income to the sector

2025 Goals

50M
Monthly Active Users

POSITIVE EBITDA

2025 Focus

Delivering a locally relevant service and content.

Driving value per user further through telco and premium products.

Focus on the biggest markets Kenya, Tanzania, Nigeria, Ghana and South Africa.

Highlight Summary: Building a leading music service for Africa

Steep Revenue Growth and EBITDA improvement:
74% growth from DKK 7.2 million to 12.6 million, as a result of strategic media investments. EBITDA of DKK -7.7 million, which reflects guidance and strategic investments.

Exceeding User Growth:
Monthly active users reached 26.6 million, surpassing yearly target of 25 million.

Premium Offering:
Subscription revenue grew 239% to DKK 4.4 million, comprising 35% of total revenue.

Advertising Offering:
Advertising revenue grew by 37% to DKK 8.2 million, campaigns executed for leading global brands.

Cash:
DKK 15.5 million in the bank, which corresponds to 43% of the total net proceeds from the listing on Nasdaq First North in 2020 of DKK 36 million,

Ambitious Goals:
Pursuing 50 million monthly active users and EBITDA positive operation by 2025.

Guidance for FY 2023-24

User Growth Anticipated:
Projecting 32% increase in monthly active users to 35 million.

Revenue Growth:
Aiming for DKK 17-21 million, reflecting 35-66% growth from last year.

EBITDA Improvement:
Targeting DKK -6.5 to -7.5 million, showcasing an improvement of DKK 0.5-1.5 million.

Martin Møller Nielsen
CEO

Wanjiku Koinange
Head of Licensing

Michael Okeje
Head of Product & Growth

Sowari Akosionu
Head of Marketing & Partnerships

Market Overview: Unlocking the Potential of Sub-Saharan Africa's Music Streaming Landscape

Market Overview: Unlocking the Potential of Sub-Saharan Africa's Music Streaming Landscape

Smartphone and Internet Penetration Surge: The Sub-Saharan African region is on the cusp of a digital revolution. With mobile penetration projected to surge from 515 million in 2021 to 613 million in 2025, the total addressable market is positioned for remarkable growth. These figures, sourced from the GSMA Report 2022, indicate a flourishing opportunity to tap into a population of 1.2 billion people, as reported by the World Bank. This rapid expansion in digital connectivity underscores the immense growth potential across the continent.

Exponential Growth in Recorded Music: Sub-Saharan Africa is shaping up to be a powerhouse in the global music industry. In 2022, the region emerged as the fastest growing for recorded music, boasting a remarkable 34.7% year-on-year growth. Against the backdrop of this robust growth, the global music recording market experienced an additional 9.6% expansion, reaching an impressive $26.2 billion in the calendar year. This surge marks a significant ascent from the market's low point of $13.1 billion in 2014. An increasingly digital-focused landscape is evident, with streaming accounting for a substantial 67% of this growth, as documented by the IFPI Global Music Report 2023.

African Artists Shining Globally: African musical talent isn't just resonating locally; it's taking the world by storm. With artists from the continent gaining rapid international acclaim, they're stealing the spotlight on the global music scene. For instance, Rema and Burna Boy headlined Denmark's Roskilde Festival during successful European tours. These achievements highlight the rising impact and allure of African music globally. Nigeria's Mavin Records, a leading label, boasts a staggering 6 billion global streams, showcasing the worldwide demand for African creativity and talent.

Emerging from the Shadows: While data on consumption and revenue within Sub-Saharan Africa is currently limited, an encouraging trend is evident. Management holds the view that both consumption and revenue within the continent are experiencing rapid growth. Drawing parallels with historical shifts in music consumption patterns, it's noteworthy that Africa is embarking on a journey akin to that observed in the Western world a decade ago, transitioning from illegal to legal music services.

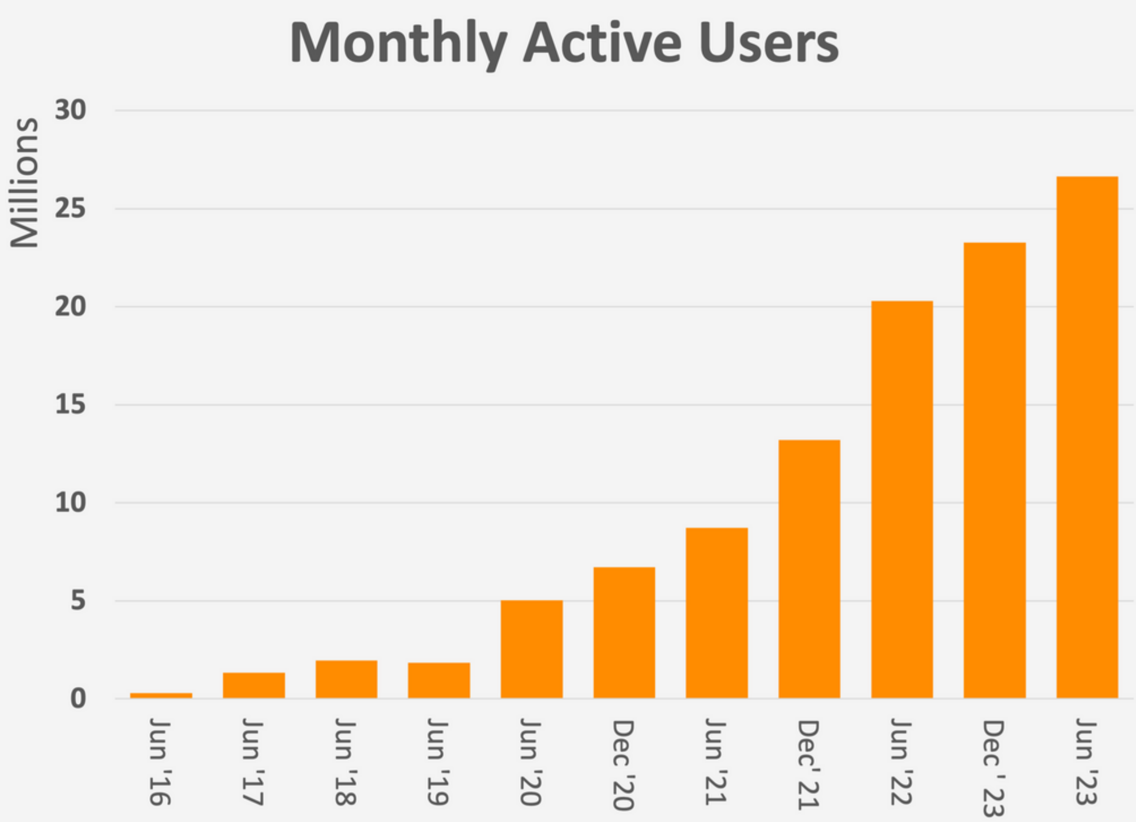
The Sub-Saharan African music streaming landscape presents a rich tapestry of potential and possibilities. With expanding smartphone and internet penetration, a thriving recorded music market, global recognition for African artists, and an evolving consumption paradigm, the continent's music industry is poised for an exciting chapter of growth. The journey from local to global prominence is underway, and as trends continue to align, Sub-Saharan Africa's music scene is undoubtedly a force to be reckoned with on the global stage.

Performance Highlights: Investing in user and revenue growth with an eye on EBITDA positive by year 2025

Exceeding Expectations in User Growth: Our user growth has outpaced projections, marking a testament to our strategy's direction. By the close of the financial year, our monthly active users soared to an impressive 26.6 million. This milestone surpassed the initial target of 25 million for the month. Furthermore, this represents a notable progression from the 20.3 million users recorded in June 2022. Our resounding success extends across geographic borders, reflecting the diverse appeal of our platform. Nigeria emerged as our largest market, followed closely by Tanzania, Kenya, Uganda, Ghana, and South Africa.

Strong Revenue Surge: Throughout the fiscal year, our commitment to growth has yielded good results, as reflected in our revenue performance. The year culminated with a substantial revenue surge from DKK 7.2 to 12.6 million, embarking us on our journey towards EBITDA positive in the financial year ending 2025.

Subscription Revenue Growth: Our premium offering, developed in collaboration with leading telecom partners across Africa, achieved remarkable growth, surging from DKK 1.3 million to DKK 4.4 million in total revenue, a staggering 239% increase. This service now constitutes 35% of our total revenue, a significant jump from 18% last year. As initially stated during the IPO, subscription revenue is on track to comprise 40% of our total revenue moving forward.



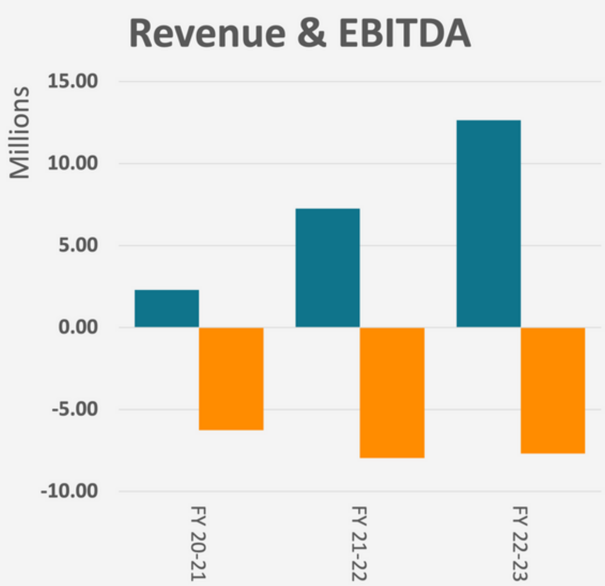
Advertising Revenue Growth: Our advertising revenue experienced remarkable growth, leaping by 37% from DKK 6 million to DKK 8.2 million compared to the year ending June 2022. The company executed 119 campaigns, a notable increase from 81 campaigns in the prior year. Leading global and pan-African companies such as Diageo, Coca-Cola, Sportpesa, Wringley's, Guinness, Beiersdorff, Netflix, Airtel Africa, Safaricom, Standard Chartered Bank, and MTN were among our clients, demonstrating our expanding presence in premium advertising partnerships.

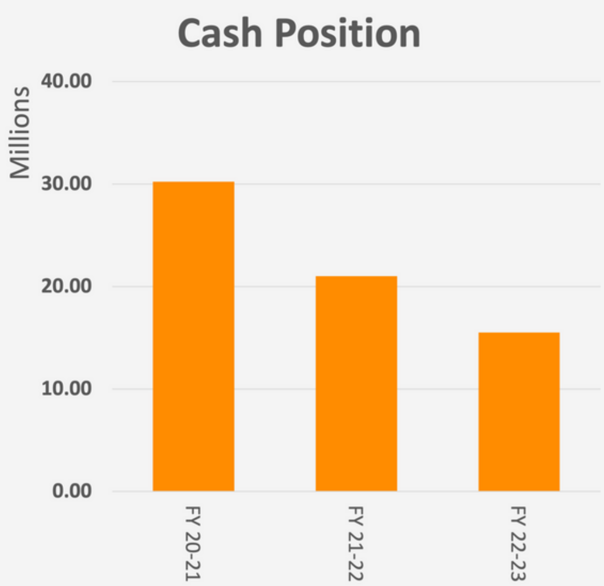
Robust Revenue Growth and Financial Performance: Our financial accomplishments underscore our robust growth trajectory. Notably, our revenue for the financial year surged to DKK 12.6 million, a substantial leap from the DKK 7.2 million recorded last year. This equates to an impressive 74% growth from 2021-22 to 2022-23. While our performance slightly trailed our guidance of DKK 13-16 million, management thinks the progress remains acceptable.

EBITDA aligned with guidance: For the year, our EBITDA stands at DKK -7.7 million. This outcome aligns with our guidance of negative DKK 7-8.5 million for 2022-23.

Mission-Aligned Results and Growth Strategy: Reflecting on the year's results, our management deems them in line with our ambitious growth strategy. An ordinary result after tax of DKK -10.2 million, while representing a deficit, is viewed as a satisfactory outcome due to investments in future growth and profitability. This performance harmonizes with our mission to emerge as the foremost pan-African music service. Our sights remain set on achieving 50 million unique monthly active users by mid-2025.

Capital Infusion and Fiscal Prudence: Our listing on Nasdaq First North in September 2020 was accompanied by a capital infusion that fueled our growth journey. Raising approximately DKK 36 million in net proceeds, we equipped ourselves to seize opportunities in the fast growth African music streaming landscape. As we close the financial year, our liquidity stands at DKK 15.5 million.





Progress towards 2025 Strategy:

Mdundo.com remains on track to achieve its ambitious 2025 strategy, which centers on reaching 50 million monthly active users and achieving a positive EBITDA operation.

Focus on Nigeria, Kenya, Tanzania, Ghana, and South Africa:

These key markets encompass a combined population of 422 million people, approximately 35% of Sub-Saharan Africa's population. They offer substantial growth opportunities due to high internet penetration rates and robust economic development. In June 2023, these markets accounted for 15.0 million of Mdundo's 26.6 million monthly active users.

Focus on driving value per user through telco and premium products:

Mdundo.com has established music packages in collaboration with prominent telecommunications providers, including Vodacom in Tanzania, Airtel in Nigeria, and MTN in Nigeria, Ghana, and South Africa. These partnerships collectively reach an extensive customer base of 185 million people, enabling Mdundo.com to address the low usage of payment cards in Africa and deliver enhanced value to its users.

Focus on delivering locally relevant service and content:

Mdundo.com places a strong emphasis on providing locally relevant service and content, acknowledging the significance of cultural diversity and local preferences. The platform curates a diverse range of music from various genres and local artists, ensuring an engaging and relevant experience for its users. The company has previously announced that approximately 80% of all music consumed within the focus markets is African catalog and that the service is approaching 500,000 African songs directly uploaded to the service by +140,000 African creators.

Guidance for FY 2023-24, expects +35% annual growth in monthly active users

- Growth in Monthly Active Users (MAUs): Mdundo.com anticipates significant growth in MAUs, targeting an increase from 26.6 million in the previous financial year to an impressive 35 million, reflecting a remarkable 35% surge. The guidance reflects an astounding seven-fold increase in MAUs since the IPO in 2020, highlighting the platform's expanding footprint in Africa.

- Increase in Annual Revenue: The company expects to achieve a substantial increase in annual revenue, projecting a range of DKK 17 - 21 million. This demonstrates an average growth rate of 35-66% compared to this financial year. The guidance reflects a 11 to 13-fold increase in yearly revenue since the IPO in 2020.

- EBITDA Improvement: Mdundo.com aims to enhance its EBITDA performance. The company foresees an improvement from an anticipated range of minus DKK 6.5 million to -7.5 million.This represents an improvement of DKK 0.5-1.5 million, reflecting the company's dedication to financial progress and minimizing cash-burn.

Mdundo.com stands as a pioneer in Sub-Saharan Africa's music streaming revolution, capitalizing on connectivity to redefine music experiences for millions. Our rapid growth, as well as our ambition to reach 50 million monthly active users and achieve financial sustainability by 2025, reflects our dedication to reshaping the African music landscape. Our investments yield results with revenue and user growth surging, while EBITDA remains consistent. These achievements align with our journey to become the leading pan-African music service.

Financial highlights for the Group

Amounts in DKK '000	2022/23	2021/22	2020/21	2019/20
Income statement				
Revenue	12.639	7.258	2.300	379
Gross profit/loss	-5.201	-5.475	-3.740	-432
Profit/loss from primary activities	-9.923	-10.153	-8.401	-987
Net financials	-186	645	-1	48
Profit/loss for the year	-10.211	-9.683	-8.403	-939
Balance sheet				
Balance sheet total	36.199	43.895	51.370	23.119
Equity	28.470	38.870	48.517	21.173
Key figures in %				
Profit margin (EBIT-margin)	-79	-140	-365	-260
Acid test ratio	265	526	1.131	130
Solvency ratio	79	89	94	92
Return on equity	-30	-22	-24	-9
Share related key figures				
Book value per share	2,79	3,81	4,76	
Earnings per share ratio before dilution	-1,00	-0,95	-1,04	
Earnings per share ratio after dilution	-1,00	-0,95	-1,04	
Total shares	10.197	10.197	10.197	
Average shares in the period	10.197	10.197	8.098	

Calculations of key figures and ratios follow the recommedations of the Danish Association of Finance Analysts.

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and Board of Executives have today discussed and approved the annual report for the financial year 1 June 2022 - 30 July 2023 of Mdundo.com A/S.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the Group and the Company's financial position at 30 June 2023 and of the result of the Group and the Company's operations and cash flows for the financial year 1 July 2022 - 30 June 2023.

In our opinion, the Management's Review includes a fair review of the matters the review deals with.

We recommend that the Annual Report be approved at the Annual General Meeting.

Charlottenlund, 26th September 2023

Board of Executives

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Martin Nielsen
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Martin Møller Nielsen
CEO

Board of Directors

DocuSigned by:
Jesper Drescher
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Jesper Vesten Drescher

DocuSigned by:
Kris Senanu
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Kristopher Mawijena Kris Senau

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Joseph Hundah

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Jakob Ellehauge Sode
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Jakob Ellehauge Sode

To the shareholder of Mdundo.com A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Mdundo.com A/S for the financial year 1 July 2022 to 30 June 2023, which comprise the accounting policies applied, the income statement, the balance sheet, statement of changes in equity and notes for both the Group and the Parent Company as well as cash flow statement for the Group.

The Consolidated Financial Statements and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2023, and of the results of the Group and Parent Company's operations and the Group's cash flows for the financial year 1 July 2022 to 30 June 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional 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 Consolidated Financial Statements and the Parent Company Financial Statements

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

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and Parent Company Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit.
We also:

* Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Group's and the Parent Company's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

* Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group and the Company to cease to continue as a going concern.

* Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

* Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements.
We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements, continued

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.

Statement on the Management’s review

Management is responsible for Management’s Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the Consolidated Financial Statements or the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management’s Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not identify any material misstatement of Management’s Review.

Reporting on Other legal og regulatory requirements

As part of our audit, we have reviewed the company's VAT accounting. In this regard, discrepancies have been identified between the company's VAT reporting and VAT accounting, for which management may potentially be held responsible.

København Ø, 26th September 2023

Grant Thorton
statsautoriseret revisionspartnerselskab
Central Business Registration no. 34 20 99 36

DocuSigned by:
Martin Seidelin Haaning
8484E06E479E4B9

Martin S. Haaning
State Authorized Public Accountant
mne32793

ACCOUNTING POLICIES

The annual report has been prepared in accordance with Danish financial statements legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class B enterprises.

The accounting policies have not been changed from last year.

RECOGNITION AND MEASUREMENT

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Furthermore, all costs incurred to earn the profit or loss for the year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions, as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less installments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish Kroner, DKK. All other currencies are considered foreign currencies.

FOREIGN CURRENCY TRANSLATION

During the year, transactions in foreign currencies have been translated by applying the exchange rate at the transaction date. If currency positions are considered a hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

CONSOLIDATED FINANCIAL STATEMENT
The consolidated financial statements comprise the parent company and the enterprises (group enterprises) controlled by the parent company. The parent company is deemed to be controlling an enterprise when it directly or indirectly controls more than 50 % of the voting rights or is otherwise able to exercise control or de facto control with respect to the economic and operational decisions in the enterprise.

Consolidation policies
The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

INCOME STATEMENT
The income statement has been classified by nature.

Revenue
Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Direct costs
Direct costs include royalties, licenses and other costs directly related to revenue.

External expenses
Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs
Staff costs include wages and salaries, including holiday pay, pensions, and other social security costs etc. to the Company´s employees. Staff costs are reduced with payments received from public authorities.

Results from equity investment in group enterprise
After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the group enterprise is recognised in the income statement of the parent as a proportional share of the group enterprises' post tax profit or loss.

Other financial income and other financial expenses
Financial income and expenses are recognised with amounts concerning the financial year. Financial items comprise interest, realised and unrealised exchange gains and losses, as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year income taxes
Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to the adjustment of tax rates is recognised in the income statement.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

BALANCE SHEET
The balance sheet has been presented in account form.

ASSETS

Intangible assets

Development costs comprise salaries, wages, and amortisation directly or indirectly attributable to development activities

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 10 years.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant and equipment

Property, plant, and equipment are measured at cost less accumulated amortisation and depreciation. The basis of amortisation and depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation. For self-produced property, plant, and equipment, indirect production costs are also included. Indirect production costs include indirect materials and payroll as well as maintenance and depreciation of production equipment applied for the production of the assets.

The cost price for an asset is divided into separate components that are depreciated separately if the useful life of the individual components is significantly different.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives with following residual values:

	Useful lives	Residual value
Other fixtures, etc.	4 - 8 yr.	0%

Minor purchases with useful lives below one year have been recognised as expenses in the income statement in external expenses.

Profit/loss on sale or retirement has been included in the income statement under other operating income and other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investment in group enterprise are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments in group enterprises
Investments in group enterprises have been recognised according to the equity method, so that the investment is measured at the pro rata share of the group enterprises' net asset value adjusted for internal dividends and gains.

Foreign group enterprises' profit or loss and equity have been translated into DKK. Exchange adjustments arising on translation of the foreign group enterprises' equity at the beginning of the financial year as well as profit/loss for the financial year are taken to equity.

Distributable reserves in group enterprises which are distributed as dividends to the Parent at the balance sheet date are included in the value of investments.

Group enterprises with negative net asset values are measured at zero, and any receivable from such enterprises is written down by the Parent's share of the negative net asset value to the extend deemed irrecoverable. If the negative net asset value exceeds the amount receivable, the remaining amount is recognised in provisions to the extent the Parent has a legal or constructive obligation to cover the relevant enterprise's liabilities.

Acquisition of group enterprises are recognised at cost. The difference between the cost price and the net asset value of the acquired company, which appears at the time of establishing the consolidation, is as far as possible allocated to the assets and liabilities whose value is higher or lower than the carrying amount. A remaining positive difference is treated as goodwill and included in the value of investments, which is amortised in the income statement. A negative difference , reflecting an expected cost or an unfavourable development, is recognised as income in the income statement in the year of acquisition.

Investments in group enterprises, continued
The total net revaluation of investments in group enterprises is allocated via the profit distribution to "reserve for net revaluation according to the equity method" under equity. The reserve is reduced by dividend distributions to the Parent and is adjusted by changes in equity in the group enterprises.

Receivables
Receivables are measured at amortised cost which usually correspond to a nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

Prepayments
Prepayments comprise costs incurred relating to subsequent financial years.

EQUITY AND LIABILITIES

Equity

Management's proposed dividends for the financial year is disclosed as a separate item in equity.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.
The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Provision for deferred tax

Deferred tax is measured according to the liability method. A 22 % deferred tax provision has been made on all temporary differences between carrying amount and tax-based value of assets and liabilities.

Deferred tax is also measured with respect to the planned use of the asset and the settlement of the liability.The tax value of the tax losses to be carried forward are included in the calculation of deferred taxes if it is probable that the losses can be used.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Financial liabilities
Liabilities have been measured at amortised cost, which corresponds to nominal value.

Deferred income
Deferred income comprises income received relating to subsequent years.

CASH FLOW STATEMENT
The cash flow statement shows the Group's cash flows for the year, as well as the Group's cash and cash equivalents at year-end.

Cash flows from acquisitions and divestments are shown separately under cash flows from investing activities. In the cash flow statement, cash flows regarding acquired companies are recognized from the date of acquisition and cash flows from divested companies are recognized until the transfer date.

Cash flows from operating activities have been calculated as profit or loss adjusted for non-cash operating items, financial income and expenses paid, corporation taxes, as well as increase and decrease in inventories, trade receivables, trade payables, and other changes in assets and liabilities other than provisions derired from operations.

Cash flows from investing activities comprise payments in connection with acquisition and sale of fixed assets.

Cash flows from financing activities comprise payments from inception and repayment of long-term liabilities other than provisions as well as payments made to and received from shareholders.

Cash and cash equivalents comprise cash funds as well as operating credits at credit institutions included in the Group's cash management.

INCOME STATEMENT FOR THE PERIOD OF 1 JULY 2022 - 30 JUNE 2023

INCOME STATEMENT	GROUP		PARENT		
	2022/23	2021/22	2022/23	2021/22	Note
Revenue	12.639.156	7.257.986	12.083.977	6.528.970	
Direct costs	-6.318.226	-3.735.745	-6.376.716	-3.690.356	
Other external costs	-11.473.178	-8.997.405	-10.522.582	-7.650.838	
GROSS PROFIT/LOSS	-5.201.114	-5.475.164	-4.815.321	-4.812.224	
Staff costs	-2.487.028	-2.492.018	-525.000	-525.000	1
PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION, INTEREST AND TAX (EBITDA)	-7.688.142	-7.967.183	-5.340.321	-5.337.224	
Amortisation, depreciation, and impairment for loss of intangible and tangible fixed assets	-2.234.760	-2.185.932	-2.122.369	-2.073.500	5,6
OPERATING PROFIT/LOSS	-9.922.903	-10.153.115	-7.462.690	-7.410.724	
Income from investments in group enterprises	0	0	-2.475.556	-2.781.222	
Other financial income	470.326	1.002.529	469.945	1.001.421	2
Other financial expenses	-656.328	-357.375	-640.718	-317.768	3
PROFIT/LOSS BEFORE TAX	-10.108.905	-9.507.961	-10.109.019	-9.508.293	
Tax on profit/loss for the year	-102.362	-174.557	-102.248	-174.225	4
PROFIT/LOSS FOR THE YEAR	-10.211.267	-9.682.518	-10.211.267	-9.682.518	5

	KONCERN		MODER	
Distribution of profit/loss	2022/23	2021/22	2022/23	2021/22
Retained earnings	-10.211.267	-9.682.518	-10.211.267	-9.682.518
PROFIT/LOSS FOR THE YEAR	-10.211.267	-9.682.518	-10.211.267	-9.682.518

BALANCE SHEET AT 30 JUNE 2023

ASSETS	GROUP		PARENT		
	30/6 2023	30/6 2022	30/6 2023	30/6 2022	Note
Completed development projects	1.418.041	1.047.445	1.418.041	1.047.445	5,6
Concessions, patents, licenses, trademarks, and similar rights acquired	13.556.256	15.539.736	13.556.256	15.539.736	
Goodwill	738.591	846.677	0	0	
INTANGIBLE ASSETS	15.712.888	17.433.858	14.974.297	16.587.181	
Other fixtures and fittings, tools and equipment	13.862	20.363	0	0	5,6
PROPERTY, PLANT AND EQUIPMENT	13.862	20.363	0	0	
Investments in group enterprises	0	0	1.027.388	821.247	
FINANSIELLE ANLÆGSAKTIVER FIXED ASSET INVESTMENTS	0	0	1.027.388	821.247	
FIXED ASSETS	15.726.750	17.454.221	16.001.685	17.408.428	
Trade receivables	4.329.930	3.561.157	3.179.267	2.982.656	
Receivables from group enterprises	0	0	801.543	678.748	
Income tax receivables	12.982	16.085	0	0	4
Other receivables	74.614	15.141.086	2.048	15.078.534	8
Prepayments	552.068	450.101	552.068	450.101	9
RECEIVABLES	4.969.594	19.168.429	4.534.926	19.190.039	
CASH	15.503.013	7.272.056	15.358.682	6.881.671	
CURRENT ASSETS	20.472.606	26.440.486	19.893.607	26.071.710	
TOTAL ASSETS	36.199.356	43.894.707	35.895.292	43.480.138	

BALANCE SHEET AT 30 JUNE 2023

EQUITY AND LIABILITIES	**GROUP**		**PARENT**		
	30/6 2023	30/6 2022	30/6 2023	30/6 2022	Note
Contributed capital	1.019.667	1.019.667	1.019.667	1.019.667	
Reserve for development expenditure	1.106.072	817.007	1.106.072	817.007	
Reserve for foreign currency translation	-157.959	31.427	-157.959	31.427	
Retained earnings	26.502.040	37.002.372	26.502.040	37.002.372	
EQUITY	28.469.820	38.870.473	28.469.820	38.870.473	
Trade payables	6.530.884	3.994.446	6.366.288	3.771.236	
Tax payable	0	55.435	0	55.435	4
Other payables	1.198.653	191.360	1.059.184	0	
Accruals and deferred income	0	782.993	0	782.994	
SHORT-TERM LIABILITIES OTHER THAN PROVISIONS	7.729.537	5.024.234	7.425.472	4.609.665	
LIABILITIES OTHER THAN PROVISIONS	7.729.537	5.024.234	7.425.472	4.609.665	
TOTAL EQUITY AND LIABILITIES	36.199.356	43.894.707	35.895.292	43.480.138	

10 Contingent assets
11 Contingent liabilities

STATEMENT OF CHANGES IN EQUITY AS OF 30 JUNE 2023

Statement of changes in equity	**THE GROUP**				
	Share capital	Reserve for development expenditure	Reserve for foreign currency translation	Retained earnings	TOTAL
Equity at 1/7 2021	1.019.667	462.145	-4.826	47.039.752	48.516.738
Profit or loss for the year brought forward				-9.682.518	-9.682.518
Reserve for development costs	0	354.862	0	-354.862	0
Exchange rate adjustments, foreign group companies	0	0	36.253	0	36.253
Equity at 1/7 2022	1.019.667	817.007	31.427	37.002.372	38.870.473
Profit or loss for the year brought forward	0	0	0	-10.211.267	-10.211.267
Reserve for development costs		289.065		-289.065	
Exchange rate adjustments, foreign group companies	0	0	-189.386	0	-189.386
Equity at 30/6 2023	1.019.667	1.106.072	-157.959	26.502.040	28.469.820

STATEMENT OF CHANGES IN EQUITY AS OF 30 JUNE 2023

Statement of changes in equity	PARENT				
	Share capital	Reserve for development expenditure	Reserve for foreign currency translation	Retained earnings	TOTAL
Equity at 1/7 2021	1.019.667	462.145	-4.826	47.039.752	48.516.738
Profit or loss for the year brought forward	0	0	0	-9.682.518	-9.682.518
Reserve for development costs	0	354.862	0	-354.862	0
Exchange rate adjustments, foreign group companies	0	0	36.253	0	36.253
Equity at 1/7 2022	1.019.667	817.007	31.427	37.002.372	38.870.473
Profit or loss for the year brought forward	0	0	0	-10.211.267	-10.211.267
Reserve for development costs	0	289.065	0	-289.065	0
Transferred to retained earnings	0	0	0	0	0
Exchange rate adjustments, foreign group companies	0	0	-189.386	0	-189.386
Equity at 30/6 2023	1.019.667	1.106.072	-157.959	26.502.040	28.469.820

CASH FLOW STATEMENT FOR THE PERIOD OF 1 JULY 2022 - 30 JUNE 2023

CASH FLOW STATEMENT	GROUP		
	2022/23	2021/22	Note
Profit/loss for the year	-10.211.267	-9.682.518	
Amortisation, depreciation, and impairment for loss of intangible and tangible fixed assets	2.234.760	2.185.932	
Adjustments	288.364	-470.597	12
Change in trade receivables	-768.773	-2.622.063	
Change in trade payables	2.536.438	2.215.674	
Change in other working capital items	15.188.805	-14.607.282	
CASH FLOWS FROM OPERATING PROFIT/LOSS	9.268.328	-22.980.854	
Financial income	470.326	1.002.529	
Financial expenses	-656.328	-357.375	
Income tax paid/refund	-157.734	-124.241	
CASH FLOWS FROM OPERATING ACTIVITIES	8.924.592	-22.459.941	
Acquisition of intangible assets	-509.486	-544.971	
Acquisition of property, plant and equipment	-6.026	0	
CASH FLOWS FROM INVESTING ACTIVITIES	-515.512	-544.971	
CHANGES FOR THE YEAR IN CASH AND CASH EQUIVALENTS	8.409.079	-23.004.912	
Exchange adjustments of the year	-178.122	35.014	
Cash and cash equivalents at 1/7 2022	7.272.056	30.241.954	
CASH AND CASH EQUIVALENTS AT 30/6 2023	15.503.013	7.272.056	
That can be specified as:			
Cash	15.503.013	7.272.056	
Other credit institutions (short term)	0	0	
CASH AND CASH EQUIVALENTS AT 30/6 2023	15.503.013	7.272.056	

NOTES

1 Staff costs

	GROUP 2022/23	GROUP 2021/22	PARENT 2022/23	PARENT 2021/22
Wages and salaries	2.392.521	2.319.581	525.000	525.000
Pensions	0	0	0	0
Other social security costs	94.507	172.437	0	0
TOTAL	2.487.028	2.492.018	525.000	525.000
Average number of full-time employees	18	18	1	1

2 Other financial income

	GROUP 2022/23	GROUP 2021/22	PARENT 2022/23	PARENT 2021/22
Interest income to group enterprises	0	0	0	0
Other financial income	470.326	1.002.529	469.945	1.001.421
TOTAL	470.326	1.002.529	469.945	1.001.421

3 Other financial expenses

	GROUP 2022/23	GROUP 2021/22	PARENT 2022/23	PARENT 2021/22
Other financial expenses	656.328	357.375	640.718	317.768
TOTAL	656.328	357.375	640.718	317.768

	GROUP		PARENT	
4 Tax on profit/loss for the year, corporation tax and deferred tax	2022/23	2021/22	2022/23	2021/22
Tax on profit/loss for the year:				
Tax on taxable income for the year	-310.324	174.557	-310.438	174.225
Non exempted withholding taxes	412.686	0	412.686	0
TOTAL	102.362	174.557	102.248	174.225
Payable corporation tax:				
Payable at 1/7 2021	39.350	-10.566	55.435	0
Adjustment, previous years	-310.438	0	-310.438	0
Exchange rate adjustments	1.328	-407	0	0
Received regarding the year and previous years	136.162	-5.451	136.213	0
Withholding tax	118.790	-118.790	118.790	-118.790
Tax on taxable income for the year	102	174.564	0	174.225
PAYABLE AT 30/6 2023	-14.706	39.350	0	55.435

5 List of fixed assets, amortisation and impairment, intangible assets and property, plant and equipment

	THE GROUP					
	Completed development projects	Acquired patents and other right	Goodwill	Other fixtures and fittings, tools and equipment	TOTAL	30/6 2022
Cost at 1/7 2022	1.164.122	19.834.797	1.080.863	49.113	22.128.895	21.582.101
Adjustment	0	0	0	0	0	0
Exchange rate adjustments	0	0	0	-8.742	-8.742	1.823
Additions for the year	509.486	0	0	6.026	515.512	544.971
Disposals for the year	0	0	0	-11.522	-11.522	0
COST AT 30/6 2023	1.673.608	19.834.797	1.080.863	34.875	22.624.143	22.128.895
Amortisation and impairment at 1/7 2022	-116.677	-4.295.061	-234.186	-28.750	-4.674.674	-2.487.757
Adjustment	0	0	0	0	0	0
Exchange adjustments	0	0	0	5.187	5.187	-985
Amortisation and depreciation for the year	-138.890	-1.983.480	-108.086	-4.304	-2.234.760	-2.185.932
Amortisation and impairment, disposals for the year	0	0	0	6.854	6.854	0
AMORTISATION AND IMPAIRMENT AT 30/6 2023	-255.567	-6.278.541	-342.272	-21.014	-6.897.394	-4.674.674
CARRYING AMOUNT AT 30/6 2023	1.418.041	13.556.256	738.591	13.862	15.726.750	17.454.221

6 List of fixed assets, amortisation and impairment, intangible assets and property, plant and equipment

	PARENT			
	Completed development projects	Acquired patents and other right	TOTAL	30/6 2022
Cost at 1/7 2022	1.164.122	19.834.797	20.998.919	20.453.948
Additions for the year	509.486	0	509.486	544.971
Disposals for the year	0	0	0	0
COST AT 30/6 2023	1.673.608	19.834.797	21.508.405	20.998.919
Amortisation and impairment at 1/7 2022	-116.677	-4.295.061	-4.411.738	-2.338.238
Amortisation and depreciation for the year	-138.890	-1.983.480	-2.122.370	-2.073.500
Amortisation and impairment, disposals for the year	0	0	0	0
AMORTISATION AND IMPAIRMENT AT 30/6 2023	-255.567	-6.278.541	-6.534.108	-4.411.738
CARRYING AMOUNT AT 30/6 2023	1.418.041	13.556.256	14.974.297	16.587.181

NOTES

7 List of fixed assets, amortisation and depreciation, fixed asset investments

	PARENT		
	Investments in group enterprises	TOTAL	30/6 2022
Cost at 1/7 2022	6.403.757	6.403.757	3.807.203
Additions for the year	2.871.083	2.871.083	2.596.554
COST AT 30/6 2023	9.274.840	9.274.840	6.403.757
Amortisations and impairment at 1/7 2022	-5.348.324	-5.348.324	-2.711.441
Exchange rate adjustments	-189.386	-189.386	36.253
Result for the year before goodwill amortisations	-2.367.470	-2.367.470	-2.673.136
Adjustment internal gains/loss	0	0	0
AMORTISATIONS AND IMPAIRMENT AT 30/6 2023	-7.905.180	-7.905.180	-5.348.324
Amortisation of goodwill, opening balance 1 July 2021	-234.186	-234.186	-126.100
Amortisation of goodwill for the year	-108.086	-108.086	-108.086
Depreciation on goodwill 30 June 2022	-342.272	-342.272	-234.186
CARRYING AMOUNT AT 30/6 2023	1.027.388	1.027.388	821.247
The item includes goodwill, with an amount of	738.591	738.591	846.677

NOTES

8 Other receivables	GROUP 30/6 2023	GROUP 30/6 2022	PARENT 30/6 2023	PARENT 30/6 2022
Accrued revenue	1.737	1.737	1.737	1.737
Other receivables	72.877	15.082.505	311	15.019.953
VAT receivable	0	56.844	0	56.844
TOTAL	74.614	15.141.086	2.048	15.078.534

In other receivables as of June 30, 2022, included a balance of DKK 15,019,642 in the company's tax account. These funds have been transferred to the company's bank account in the current fiscal year, resulting in a significant increase in the company's cash.

9 Prepayments	GROUP 30/6 2023	GROUP 30/6 2022	PARENT 30/6 2023	PARENT 30/6 2022
Other prepayments	552.068	450.101	552.068	450.101
TOTAL	552.068	450.101	552.068	450.101

10 Contingent assets

The Company has unrecognised deferred tax assets of DKK 4.533.882,00

11 Contingent liabilities

Warranty commitments and other contingent liabilities:

With the intention of maintaining and protecting the investments in Mdundo Limited, a statement of support valid for the affiliated company has been submitted for 12 months from the signing of this annual report.

Mdundo has been demanded payment of KES 31,553,500, equivalent to DKK 1,539,175 as of 30th of June 2023, for alleged copyright infringement. However, based on a legal assessment, it is considered highly likely that the court will acquit Mdundo of the allegation.

12 Adjustments (cash flow)	GROUP 2022/23	GROUP 2021/22
Other financial income	-470.326	-1.002.529
Other financial expenses	656.328	357.375
Tax on profit/loss for the year	102.362	174.557
Other adjustements	0	0
TOTAL	288.364	-470.597