ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

1 JULY 2021 - 30 JUNE 2022

MDUNDO.COM A/S

Jagtvænget 2

2920 Charlottenlund

CENTRAL BUSINESS REGISTRATION no. 41 30 57 54

Adopted at the Company's
Annual General Meeting,
on 27/10 2022

Jakob Knudsen
Chairman

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Case no. 910267
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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

Board of Directores

Jesper Vesten Drescher

Kristopher Mawijena Kris Senau

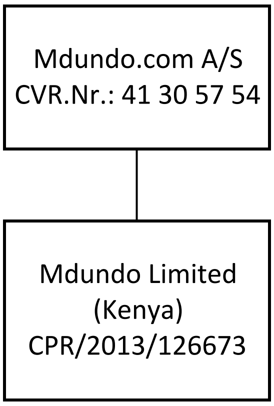
Joseph Hundah

Jakob Ellehauge Sode

Company auditors

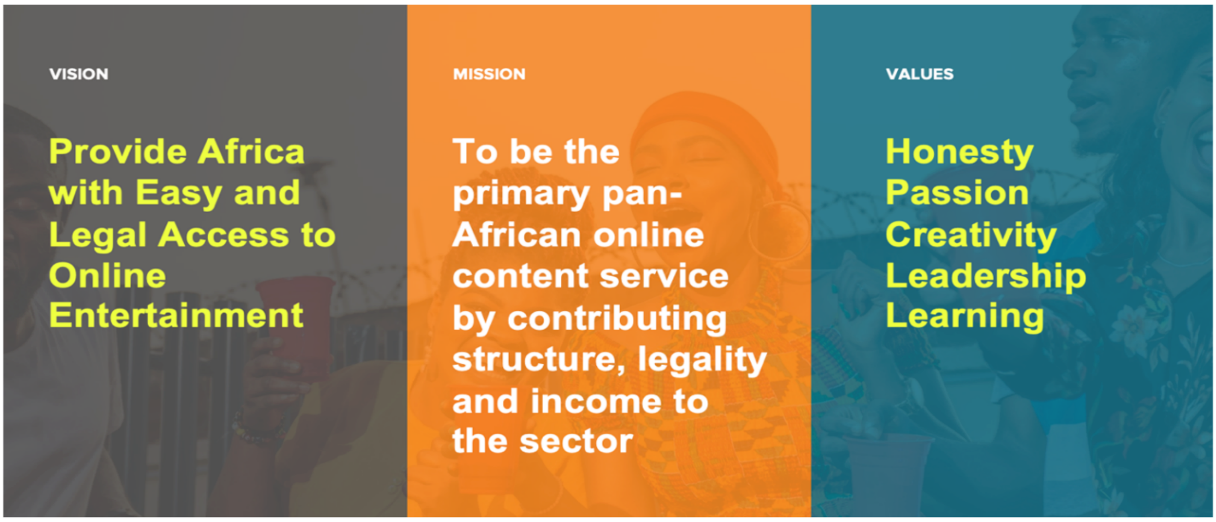
Grant Thornton
Statsautoriseret Revisionspartnerselskab
Stockholmgade 45
2100 København Ø
Company reg. No. 34 20 99 36

Martin S. Haaning
State Authorized Public Accountant


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

The principal activities of the group

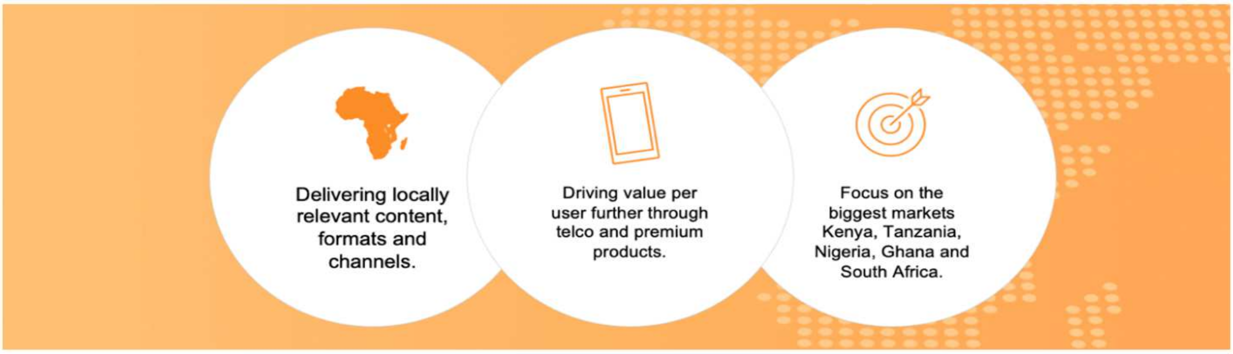
A well-known business model customised to the African market:
Mdundo.com A/S's main activity is to operate and develop an online music service like Spotify, Apple Music, etc., but developed with a focus on the African mass market and the more than one billion people of sub-Saharan Africa. Similarly, 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.



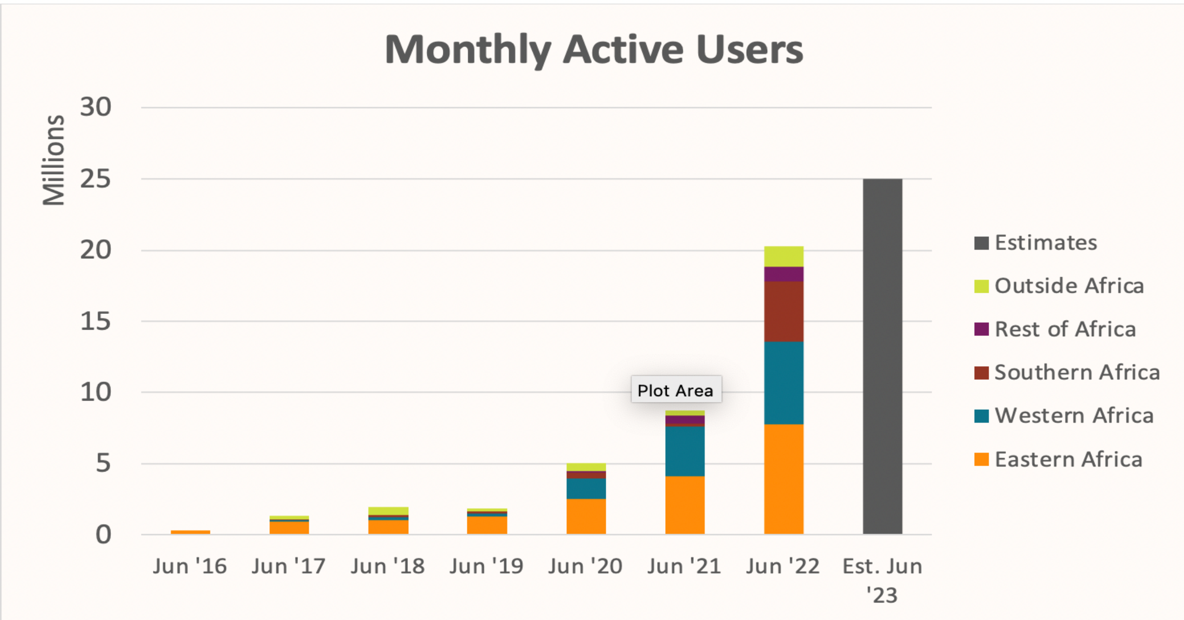
Mdundo.com A/S exceeds the monthly active user target from IPO by 13% and grow revenue by +200% from last year
The financial year 2021-22 was the first full financial year after Mdundo.com listed at First North Nasdaq Copenhagen, and we are happy to share a strong performance. Among the highlights are:
- Ended the year with 20.3 million monthly active users, exceeding the target communicated at IPO by 13% and up from 5 million at IPO stage.
- Delivered 216% revenue growth from 2020-21 with revenue from paying subscribers accounting for 18% up from 2% last year.
- Released a new strategy for the period 2022 to 2025 with a target of reaching positive EBITDA and 50 million Monthly Active Users by end of 2025.

During financial year 2022-23 we expect continued user-growth from 20.3m to 25m by June 2023 and a doubling in revenue from DKK 7.3m to DKK 13-16m in the year ending June 2023 with a remaining focus on delivering locally relevant solutions and driving value per user through premium products and telecommunication partnerships.

Target of 50m active users and EBIDTA positive by 2025:
Mdundo released a strategy with directions and targets towards June 2025 with a clear ambition to aim at 50 million monthly active users by June 2025 as well as an EBIDTA positive result in the financial year ending 2025. The company defined three key focus areas for the period towards 2025:



Rapid user growth:
Mdundo.com A/S had 20.3m monthly active users in June 2022, beating the original guidance of 18m for the month. This is a growth of 74% from June 2021. The biggest country was Nigeria with a total of 4.9m monthly active users, followed by South Africa with 3.7m, Kenya with 2.8m and Tanzania with 2.4m. In addition to the four biggest countries, the company had a strong user base in several other countries including Uganda, Ethiopia, Ghana, Congo - Kinshasa, Zambia, Sudan, Cameroon, Angola, Zimbabwe, Mozambique, Rwanda, Côte d'Ivoire, South Sudan and Malawi.

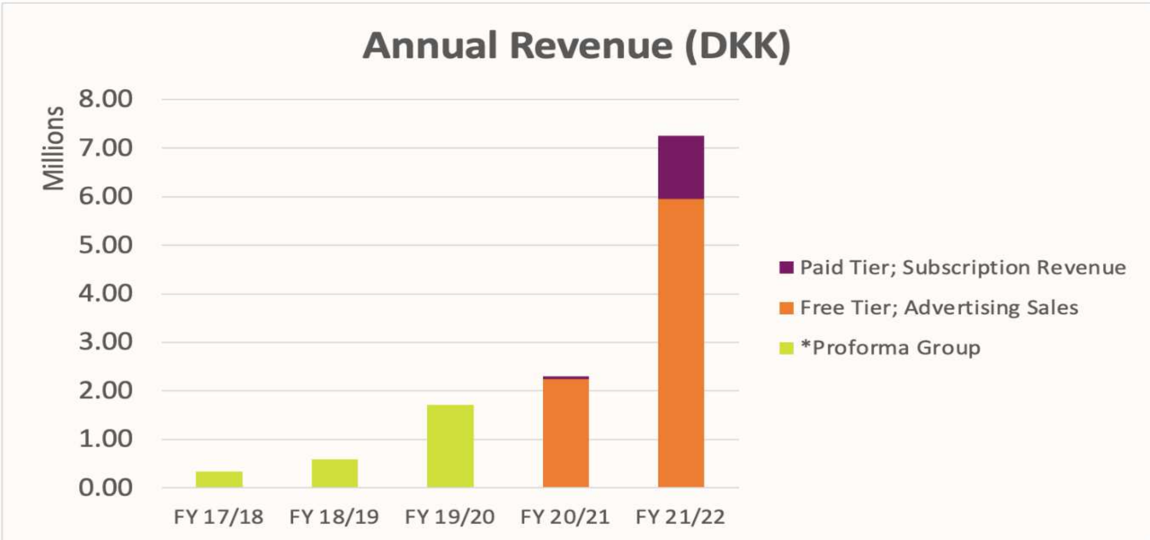


Development in revenues:
Mdundo is offering users two tiers: Freemium (free service), which is ad-supported, and Premium, which is subscription-based. The premium tier has been an increasing focus since the IPO with a strategy to establish telecommunication partnerships. As a result, subscriber revenue has grown significantly in the last financial years from approximately 2% of total revenue in the financial year ending June 2021 to 18% in the year ending June 2022.

- **Advertising revenue remained the dominating revenue stream:**

The focus is primarily on the free service which is advertisement funded. The advertisement consists of display banners and audio advertisements embedded into the music tracks. In practice, a track downloaded from Mdundo has a 5-10 second advertisement playing before the actual track. The revenue generated from advertisement has increased by 165% from DKK 2.25m to DKK 5.95m in comparison to the year ending June 2021.

The growth is a result of two activities:
1. A new advertising network partner deployed in November 2020 with a focus on the African mass-market consumer. This has increased the value and impressions of Mdundo's banner advertising especially on low-end devices.
2. An increase in direct sales to leading pan-African clients within our commercial focus markets including major brands such as Diageo, Standard Chartered Bank, Guinness, Safaricom, Betika, Coca Cola, Sportpesa, Nivea, Betking, and Airtel. Mdundo's clients can track brand performance within the Mdundo audience real time at the Mdundo Brand Lift tool located at mdundoforbrands.com.



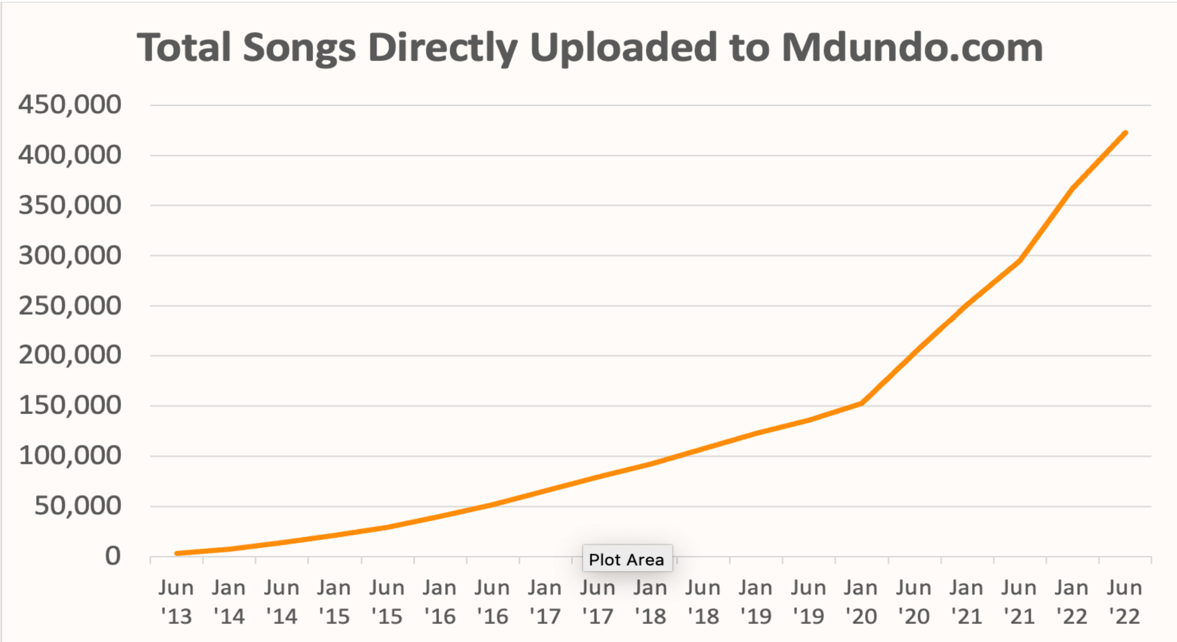
*Mdundo.com A/S was established in 2020 in preparation for the IPO on Nasdaq in Copenhagen.

Telecommunication partnerships fuel rapid growth in new revenue stream within 150m potential customers
The company has launched four telco partnerships since the beginning of 2021, one with MTN in Ghana, one with Vodacom in Tanzania and two in Nigeria with MTN and Airtel. The customer base of the four partners is a total of 150m people across the three countries. The partnerships allow the telecommunication provider's customers to subscribe to Mdundo music packages offering access to Mdundo Premium as well as exclusively curated DJ mixes only available for paying subscribers. The customer pays a daily fee for the subscription and the product is co-marketed in collaboration with the telco partner.

The partnerships account for DKK 1.31m in revenue for the financial period, or 18% of the total revenue for the period. The company announced as part of the IPO that subscription revenue is expected to account for 40% of total revenue in the future, which is still the case.

New License Agreements and Growth in the Music Catalogue

In the strategy update released in June a continues focus on locally relevant content was highlighted towards 2025. Musicians and rights-holders can create an account and upload content directly to Mdundo.com. The total number of songs available on Mdundo.com, directly uploaded to the service, grew by 43%, to a total above 400,000 songs. A premise for achieving and expanding its position as Africa's leading music service is a strong content-offering and in addition to the songs uploaded directly to the service the company announced a licensing agreement with Universal Music Group, one of the leading music companies globally. The company already have existing licensing agreements with Warner Music Group and Believe Digital, which together deliver 1.7 million. songs that are available to Mdundo's users.



Appointing Chief Operating Officer to support the growth of the organisation

In May 2022 the company appointed Njiru Whitney Njagi as the Chief Operating Officer to support the growth of the organisation and scaling of core activities within the company. Njiru has an MBA from University of Nairobi, and a background in finance, strategy and stakeholder management with 7 years of experience from KPMG Kenya and 3 years of experience from Lake Turkana Wind Power, where he was Head of FP&A and Stakeholder engagement.
In addition to Njiru the management team consists of:

- CEO, Martin Moeller Nielsen.
- Head of Growth, Michael Okeje.
- Head of Licensing, Wanjiku Koinange.
- Head of Brand Partnerships, Rachel Karanu

Unusual conditions
The Group's operations were not significantly affected by factors other than those resulting from the general market development during the financial year.

Uncertainty when recognizing or measuring
There was no significant uncertainty regarding recognition and measurement during the financial year.

Development in activities and financial conditions
EBITDA for the year amounts to DKK -8,0 million. The ordinary result after tax amounts to DKK -9,7 million. Management considers the result for the year for satisfactory and in line with the Company's growth strategy and mission to be the primary pan-African music service within a few years and have 50 million unique monthly active users mid-2025.

In connection with the listing on Nasdaq First North in September 2020, the company raised additional capital to support the growth journey. The net proceeds were approx. DKK 36 million and at the end of the financial year, liquidity was DKK 7,3 million plus a DKK 15 million deposit on the Company's tax account.

Expectations for 2022/23

- The Company expects an increase in revenue from DKK 7.3m million in 2021-22 to DKK 13-16 million in 2022/23, while EBITDA is expected to be in the range of minus DKK 7-8.5 million, as a result of an increased investment focusing on driving value per user through premium products and telco partnerships. For the financial year 2022/2023 the company is expecting 25m monthly active users up from 20.3m in June 2022.

- The Company announced earlier in June 2022 that it is aiming at 50m monthly active users as well as a positive EBITDA for the financial year ending June 2025.

Financial highlights for the Group

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

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

The Board of Directors and Board of Executives have today discussed and approved the annual report for the financial year 1 June 2021 - 30 July 2022 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 2022 and of the result of the Group and the Company's operations and cash flows for the financial year 1 July 2021 - 30 June 2022.

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, 22nd September 2022

Board of Executives

Martin Møller Nielsen
CEO

Board of Directors

Jesper Vesten Drescher

Kristopher Mawijena Kris Senau

Joseph Hundah

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 2021 to 30 June 2022, 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 2022, and of the results of the Group and Parent Company's operations and the Group's cash flows for the financial year 1 July 2021 to 30 June 2022 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.

Søborg, 22nd September 2022

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

Martin S. Haaning
State Authorized Public Accountant
mne32793

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	**GROUP**		**PARENT**		
	2021/22	2020/21	2021/22	2020/21	Note
Revenue	7.257.986	2.299.740	6.528.970	1.748.587	
Direct costs	-3.735.745	-1.155.855	-3.690.356	-1.148.353	
Other external costs	-8.997.404	-4.883.934	-7.650.838	-4.255.256	
GROSS PROFIT/LOSS	-5.475.163	-3.740.049	-4.812.224	-3.655.022	
Staff costs	-2.492.018	-2.535.851	-525.000	-393.750	1
PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION, INTEREST AND TAX (EBITDA)	-7.967.182	-6.275.900	-5.337.224	-4.048.772	
Amortisation, depreciation, and impairment for loss of intangible and tangible fixed assets	-2.185.932	-2.124.862	-2.073.499	-2.010.137	5,6
OPERATING PROFIT/LOSS	-10.153.114	-8.400.762	-7.410.723	-6.058.909	
Income from investments in group enterprises	0	0	-2.781.222	-2.338.836	
Other financial income	1.002.529	487.558	1.001.421	483.416	2
Other financial expenses	-357.375	-488.319	-317.768	-488.265	3
PROFIT/LOSS BEFORE TAX	-9.507.960	-8.401.523	-9.508.292	-8.402.594	
Tax on profit/loss for the year	-174.557	-1.071	-174.225	0	4
PROFIT/LOSS FOR THE YEAR	-9.682.517	-8.402.594	-9.682.517	-8.402.594	5

	KONCERN		**MODER**	
Distribution of profit/loss	2021/22	2020/21	2021/22	2020/21
Retained earnings	-9.682.517	-8.402.594	-9.682.517	-8.402.594
PROFIT/LOSS FOR THE YEAR	-9.682.517	-8.402.594	-9.682.517	-8.402.594

ASSETS	GROUP		PARENT		
	30/6 2022	30/6 2021	30/6 2022	30/6 2021	Note
Completed development projects	1.047.445	592.494	1.047.445	592.494	5,6
Concessions, patents, licenses, trademarks, and similar rights acquired	15.539.736	17.523.216	15.539.736	17.523.216	
Goodwill	846.677	954.763	0	0	
INTANGIBLE ASSETS	17.433.858	19.070.473	16.587.181	18.115.710	
Other fixtures and fittings, tools and equipment	20.363	23.871	0	0	5,6
PROPERTY, PLANT AND EQUIPMENT	20.363	23.871	0	0	
Investments in group enterprises	0	0	821.247	969.662	
FINANSIELLE ANLÆGSAKTIVER					
FIXED ASSET INVESTMENTS	0	0	821.247	969.662	
FIXED ASSETS	17.454.221	19.094.344	17.408.428	19.085.372	
Trade receivables	3.561.157	939.094	2.982.656	464.796	
Receivables from group enterprises	0	0	678.748	424.112	
Income tax receivables	16.085	10.566	0	0	4
Other receivables	15.141.086	1.046.363	15.078.534	924.502	
Prepayments	450.101	37.043	450.101	37.042	8
RECEIVABLES	19.168.429	2.033.066	19.190.039	1.850.452	
CASH	7.272.056	30.242.578	6.881.671	29.991.758	
CURRENT ASSETS	26.440.486	32.275.644	26.071.710	31.842.210	
TOTAL ASSETS	43.894.707	51.369.988	43.480.138	50.927.582	

EQUITY AND LIABILITIES	GROUP		PARENT		
	30/6 2022	30/6 2021	30/6 2022	30/6 2021	Note
Contributed capital	1.019.667	1.019.667	1.019.667	1.019.667	
Reserve for development expenditure	817.007	462.145	817.007	462.145	
Reserve for foreign currency translation	31.427	-4.826	31.427	-4.826	
Retained earnings	37.002.373	47.039.752	37.002.373	47.039.752	
EQUITY	38.870.474	48.516.738	38.870.474	48.516.738	
Other credit institutions	0	625	0	625	
Trade payables	3.994.446	1.778.772	3.771.236	1.700.137	
Tax payable	55.435		55.435	0	4
Other payables	191.360	192.530	0	0	
Accruals and deferred income	782.993	881.323	782.993	710.082	
SHORT-TERM LIABILITIES OTHER THAN PROVISIONS	5.024.233	2.853.250	4.609.664	2.410.844	
LIABILITIES OTHER THAN PROVISIONS	5.024.233	2.853.250	4.609.664	2.410.844	
TOTAL EQUITY AND LIABILITIES	43.894.707	51.369.988	43.480.138	50.927.582	

9 Contingent assets
10 Contingent liabilities

Statement of changes in equity — **THE GROUP**

	Share capital	Share premium	Reserve for development expenditure	Reserve for foreign currency translation	Retained earnings	TOTAL
Equity at 1/7 2020	600.000	0	0	149	20.572.741	21.172.890
Capital increase (debt conversion)	419.667	39.600.000	0	0	-19.667	40.000.000
Profit or loss for the year brought forward					-8.402.594	-8.402.594
Reserve for development costs	0	0	462.145	0	-462.145	0
Transferred to retained earnings	0	-39.600.000	0	0	39.600.000	0
Direct costs related to capital increase					-4.248.583	-4.248.583
Exchange rate adjustments,						0
foreign group companies	0	0	0	-4.975		-4.975
Equity at 1/7 2021	1.019.667	0	462.145	-4.826	47.039.752	48.516.738
Profit or loss for the year brought forward	0	0	0	0	-9.682.517	-9.682.517
Reserve for development costs			354.862		-354.862	
Exchange rate adjustments, foreign group companies	0	0	0	36.253	0	36.253
Equity at 30/6 2022	1.019.667	0	817.007	31.427	37.002.373	38.870.474

Statement of changes in equity	PARENT					
	Share capital	Share premium	Reserve for development expenditure	Reserve for foreign currency translation	Retained earnings	TOTAL
Equity at 1/7 2020	600.000	0	0	149	20.572.741	21.172.890
Capital increase (debt conversion)	419.667	39.600.000	0	0	0	40.019.667
Profit or loss for the year brought forward	0	0	0	0	-8.402.594	-8.402.594
Reserve for development costs	0	0	462.145	0	-462.145	0
Transferred to retained earnings	0	-39.600.000	0	0	39.600.000	0
Direct costs related to capital increase	0	0	0	0	-4.248.583	-4.248.583
Capital increase	0	0	0	0	-19.667	-19.667
Exchange rate adjustments, foreign group companies	0	0	0	-4.975	0	-4.975
Equity at 1/7 2021	1.019.667	0	462.145	-4.826	47.039.752	48.516.738
Profit or loss for the year brought forward	0	0	0	0	-9.682.517	-9.682.517
Reserve for development costs	0	0	354.862	0	-354.862	0
Transferred to retained earnings	0	0	0	0	0	0
Exchange rate adjustments, foreign group companies	0	0	0	36.253	0	36.253
Equity at 30/6 2022	1.019.667	0	817.007	31.427	37.002.373	38.870.474

CASH FLOW STATEMENT	GROUP		
	2021/22	2020/21	Note
Profit/loss for the year	-9.682.517	-8.402.594	
Amortisation, depreciation, and impairment for loss of intangible and tangible fixed assets	2.185.932	2.124.862	
Adjustments	-470.596	-1.910	11
Change in trade receivables	-2.622.063	-74.628	
Change in trade payables	2.215.674	854.029	
Change in other working capital items	-14.607.282	-949.248	
CASH FLOWS FROM OPERATING ACTIVITIES	-22.980.852	-6.449.489	
Financial income	1.002.529	487.559	
Financial expenses	-357.375	-488.318	
Income tax paid/refund	-124.241	-10.118	
CASH FLOWS FROM OPERATING ACTIVITIES	-22.459.940	-6.460.366	
Acquisition of intangible assets	-544.971	-619.151	
Acquisition of property, plant and equipment	0	-13.900	
CASH FLOWS FROM INVESTING ACTIVITIES	-544.971	-633.051	
Cash capital injection	0	35.751.417	
CASH FLOWS FROM FINANCING ACTIVITIES	0	35.751.417	
CHANGES FOR THE YEAR IN CASH AND CASH EQUIVALENTS	-23.004.911	28.658.000	
Exchange adjustments of the year	35.013	0	
Cash and cash equivalents at 1/7 2021	30.241.953	1.583.953	
CASH AND CASH EQUIVALENTS AT 30/6 2022	7.272.056	30.241.953	
That can be specified as:			
Cash	7.272.056	30.242.578	
Other credit institutions (short term)	0	-625	
CASH AND CASH EQUIVALENTS AT 30/6 2022	7.272.056	30.241.953	

	GROUP		PARENT	
1 Staff costs	2021/22	2020/21	2021/22	2020/21
Wages and salaries	2.319.581	2.535.851	525.000	393.750
Pensions	0	0	0	0
Other social security costs	172.437	0	0	0
TOTAL	2.492.018	2.535.851	525.000	393.750
Capitalized wages and salaries	0	1.003.446	0	0
TOTAL	2.492.018	3.539.297	525.000	393.750
Average number of full-time employees	18	21	1	1

	GROUP		PARENT	
2 Other financial income	2021/22	2020/21	2021/22	2020/21
Interest income to group enterprises	0	0	0	
Other financial income	1.002.529	487.558	1.001.421	483.416
TOTAL	1.002.529	487.558	1.001.421	483.416

	GROUP		PARENT	
3 Other financial expenses	2021/22	2020/21	2021/22	2020/21
Other financial expenses	357.375	488.319	317.768	488.265
TOTAL	357.375	488.319	317.768	488.265

	GROUP		PARENT	
4 Tax on profit/loss for the year, corporation tax and deferred tax	2021/22	2020/21	2021/22	2020/21
Tax on profit/loss for the year:				
Tax on taxable income for the year	174.557	0	174.225	0
TOTAL	174.557	0	174.225	0
Payable corporation tax:				
Payable at 1/7 2021	-10.566	0	0	0
Exchange rate adjustments	-407	0	0	0
Received regarding the year and previous years	-5.451	0	0	0
Withholding tax	-118.790	0	-118.790	0
Tax on taxable income for the year	174.564	0	174.225	0
PAYABLE AT 30/6 2022	39.350	0	55.435	0

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 2021
Cost at 1/7 2021	619.151	19.834.797	1.080.863	47.290	21.582.101	20.934.392
Adjustment						14.658
Exchange rate adjustments	0	0	0	1.823	1.823	0
Additions for the year	544.971	0	0	0	544.971	633.051
Additions for the year	0	0	0	0	0	0
COST AT 30/6 2022	1.164.122	19.834.797	1.080.863	49.113	22.128.895	21.582.101
Amortisation and impairment at 1/7 2021	-26.657	-2.311.581	-126.100	-23.419	-2.487.757	-346.115
Adjustment						-14.658
Exchange adjustments	0	0	0	-985	-985	0
Amortisation and depreciation for the year	-90.020	-1.983.480	-108.086	-4.346	-2.185.932	-2.125.774
Exchange adjustments	0	0	0	0	0	-1.210
AMORTISATION AND IMPAIRMENT AT 30/6 2022	-116.677	-4.295.061	-234.186	-28.750	-4.674.674	-2.487.757
CARRYING AMOUNT AT 30/6 2022	1.047.445	15.539.736	846.677	20.363	17.454.221	19.094.344

	PARENT			
6 List of fixed assets, amortisation and impairment, intangible assets and property, plant and equipment	Completed development projects	Acquired patents and other right	TOTAL	30/6 2021
Cost at 1/7 2021	619.151	19.834.797	20.453.948	19.834.797
Additions for the year	544.971	0	544.971	619.151
Disposals for the year	0	0	0	0
COST AT 30/6 2022	1.164.122	19.834.797	20.998.919	20.453.948
Amortisation and impairment at 1/7 2021	-26.657	-2.311.581	-2.338.238	-328.101
Amortisation and depreciation for the year	-90.020	-1.983.480	-2.073.500	-2.010.137
Amortisation and impairment, disposals for the year	0	0	0	0
AMORTISATION AND IMPAIRMENT AT 30/6 2022	-116.677	-4.295.061	-4.411.738	-2.338.238
CARRYING AMOUNT AT 30/6 2022	1.047.445	15.539.736	16.587.181	18.115.710

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

	PARENT		
	Investments in group enterprises	TOTAL	30/6 2021
Cost at 1/7 2021	3.807.203	3.807.203	1.948.297
Additions for the year	2.596.554	2.596.554	1.858.906
COST AT 30/6 2022	6.403.757	6.403.757	3.807.203
Amortisations and impairment at 1/7 2021	-2.711.441	-2.711.441	-475.005
Exchange rate adjustments	36.253	36.253	-5.686
Result for the year before goodwill amortisations	-2.673.136	-2.673.136	-2.230.750
Adjustment internal gains/loss	0	0	0
AMORTISATIONS AND IMPAIRMENT AT 30/6 2022	-5.348.324	-5.351.023	-2.711.441
Amortisation of goodwill, opening balance 1 July 2021	-126.100	-126.100	-18.014
Amortisation of goodwill for the year	-108.086	-108.086	-108.086
Depreciation on goodwill 30 June 2022	-234.186	-234.186	-126.100
CARRYING AMOUNT AT 30/6 2022	821.247	818.548	969.662
The item includes goodwill, with an amount of	846.677	846.677	954.762

8 Prepayments

	GROUP		PARENT	
	30/6 2022	30/6 2021	30/6 2022	30/6 2021
Other prepayments	450.101	37.043	450.101	37.042
TOTAL	450.101	37.043	450.101	37.042

9 Contingent assets

The Company has unrecognised deferred tax assets of DKK 3.156.176,00

10 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.

11 Adjustments (cash flow)

	GROUP	
	2021/22	2020/21
Other financial income	-1.002.529	-487.559
Other financial expenses	357.375	488.318
Tax on profit/loss for the year	174.557	1.071
Other adjustements	0	-3.740
TOTAL	-470.596	-1.910