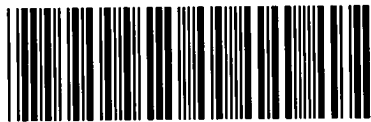


Company Number: 09368999

**PROJECT PANTHER BIDCO LIMITED**  
**DRAFT DIRECTOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2019**

Music Business Worldwide (copy)

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**PROJECT PANTHER BIDCO LIMITED**  
**REPORT AND FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**PROJECT PANTHER BIDCO LIMITED**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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<b>Director</b>	JF Perez
<b>Registered Office</b>	The Broadgate Tower Third Floor 20 Primrose Street London EC2A 2RS
<b>Company number</b>	09368999
<b>Auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

Music Business Worldwide (copy)

## **PROJECT PANTHER BIDCO LIMITED**

### **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Director presents his Strategic Report for the Group for the year ended 31 December 2019.

#### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

##### **Operations**

Project Panther Bidco Limited is the parent company of the Aspiro Group (“the Group”). The Group was founded in the Autumn of 1998 and the business is focused on streaming music through the TIDAL subscription service. We offer unlimited music streaming subscription services in 54 countries worldwide. We are an artist-owned global music and entertainment platform that brings artists and fans closer together through unique original content and exclusive events.

TIDAL streaming service has more than 60 million songs and 250,000 high quality videos in its catalogue along with original video series, podcasts, thousands of expertly curated playlists and artist discovery via TIDAL Rising. With the commitment of our owners to create a more sustainable model for the music industry, TIDAL is available in premium and HiFi tiers—which includes Master Quality Authenticated (MQA) recordings as well immersive audio through Dolby Atmos and Sony 360 Reality Audio.

##### **Review of the year and business**

Total revenue increased 13% year over year, which is in line with expectations. During the year, the Group focused on driving revenue growth on the back of various investment and expansion initiatives, including new and expanded distribution deals with telecom carriers around the world. In the US, the Group expanded its commercial relationship with Sprint via their Unlimited plans which launched in 2018 and drove significant user and revenue growth in 2019.

Additionally, the Group continues to invest in technological and marketing platforms, with significant enhancements to its product in the form of new user-friendly features, new advanced sound capabilities and expanded performance-based growth and retention marketing.

The Group showed a gross profit of \$49.4 million in 2019 compared to a gross profit of \$44.7 million in 2018. This was primarily attributable to an increase in revenue from \$147.6 million to \$166.9 million and in line with expectations.

The net loss for the year ended 2019 was \$55.8 million, compared to \$36.9 million in 2018.

At December 31, 2019 the Group had intangible assets (excluding goodwill) of \$13.4 million, compared to \$16.5 million in 2018. The Group ended 2019 in a net liability position of \$82.5 million compared to \$30.3 million in 2018, with an increase in cash to \$3.8 million from \$1.8 million in 2018. We continue to monitor the capital and liquidity of the Group and remain confident in the long-term success of the business.

Refer to the Director’s Report on page 5 for consideration of post balance sheet events.

##### **Environmental impact**

The main impact of the Group’s operations on the environment is expected to be from the eventual disposal of electronic equipment used in the business. Almost all of this equipment is owned by Aspiro AB and will be disposed in the ordinary course of business as required by applicable regulations.

##### **Technology and Development**

The Group intends to continue making significant investments in developing new products and enhancing the functionality of our existing product. Product development expenses are primarily comprised of costs incurred for development of products related to the Group’s platform and service as well as improvements to the Group’s mobile application, website and streaming services. The costs are classified as maintenance and expensed as incurred. The costs incurred include related employee compensation and benefits and consulting costs. No development expenses were capitalized during the year.

## PROJECT PANTHER BIDCO LIMITED

### STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Financial risk management

The Group is exposed to various financial risks such as currency, interest rate, credit and liquidity risks, which are managed under the control and supervision of the Director of the Company.

#### *Technological risk*

There is a risk that the Group may face threats to its ability to trade and or its reputation through a failure to maintain its technology and defend operating systems from cyber-attack.

#### *Funding risk*

There is a risk that the Group may fail to attract new funding required for its planned expansion and growth targets. Currently, access to and the availability to funding is strong and the Group secured significant investment in 2017 through Sprint as described above. No funding was required during 2019 but is available from the shareholders should it be so required.

#### *Reputational risk*

There is a risk that a failure of the Group to maintain its good reputation could impact negatively the demand for its services. Panther and its subsidiaries maintain their reputation by seeking to act in a responsible and transparent manner. Management considers the Group's reputation to be in good standing, given the rising number of subscribers and increased revenues.

#### *Currency risk:*

The Group's currency exposure is primarily related to the translation risk of net assets in foreign subsidiaries. At present, no hedging is made regarding this exposure. Currency flows arising from purchases and sales in foreign currency is of a short-term nature and is not hedged. Switching takes place if necessary, and the various companies also have foreign currency accounts for major currencies to avoid shifting. The most important currencies for the Group's sales and purchases are USD, SEK, NOK, EUR and PLN.

#### *Interest rate risk:*

The Group's interest rate risk is attributable to changes in market interest rates and their impact on interest-bearing assets. The Group's interest-bearing assets were \$3.8m as at 31 December 2019 and consisted almost exclusively of bank funds. The Group has no interest bearing loans.

#### *Credit risk:*

The Group strives for the best possible creditworthiness of the Group's counterparties. Most of the Group's sales can be done with low credit risk. Historically, credit losses have been low.

#### *Liquidity risk:*

The Group's liquidity preparedness consisting of bank funds was \$3.8 million at 31 December 2019.

#### *Data Security:*

The nature of the Group's operations means it is in possession of personal and financial data. There is therefore a risk to the Group should data security breaches result in the loss or theft of data. The Director continues to monitor the implementation of strategies to ensure the Group's data security environment is resistant to all assessed threats.

## SECTION 172 REPORT

The Board acknowledges its responsibility under section 172(1) of the Companies Act 2006 and below sets out the key processes and considerations that demonstrate how the Director promotes the success of the Group. The below statement sets out the requirements of the Act, section 172(1), and notes how the Director discharges his duties.

The Board meets regularly with senior management of the Group and other relevant stakeholders and receives and evaluate reports on the company's performance and strategies. Factors (a) to (f) below, are all taken into account during the decision-making process.

**PROJECT PANTHER BIDCO LIMITED**

**STRATEGIC REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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(a) The likely consequences of any decision in the long term – The Board carefully evaluates any significant decisions which are likely to have long term impacts by consulting with management and relevant stakeholders, relying on detailed analysis and considering industry and wider trends.

(b) The interests of the Group's employees – Employees interests are considered as part of the decision-making process

(c) The need to foster the Group's business relationships with suppliers, customers and others - The Director has identified the key stakeholders (customers, vendors, and employees) of the Group and regularly reviews their interests, concerns and expectations to ensure adequate communication and engagement is ongoing with each group.

(d) The impact of the Group's operations on the community and environment - The Group takes its responsibility within the community and wider environment seriously and has supported several national social justice and diversity and inclusion initiatives.

(e) The desirability of the Group maintaining a reputation for high standards of business conduct - The Director is committed to high standards of business conduct and governance. Where there is a need to seek advice on a particular issue, the Board will work with its lawyers and nominated advisors to ensure the consideration of business conduct, and the Group's reputation is maintained.

(f) The need to act fairly between members of the Group. The Director regularly meets with the investors and gives equal access to all investors and takes their feedback into consideration as part of the decision-making process.

This report was approved and authorised by the Director and signed by:



JF Perez  
Director

Date: 30 December 2020

## **PROJECT PANTHER BIDCO LIMITED**

### **DIRECTOR'S REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Director presents his annual report on the affairs of the Group, together with the financial statements for the year ended 31 December 2019.

#### **PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The principal activity of the Group is the delivery of unlimited music streaming subscription services.

The loss for the year for the Group, after taxation was \$52.2 million (2018: \$31.6 million). The Director does not recommend the payment of a dividend.

#### **DIRECTORS**

The Director of the company who served during the year was:  
Juan Perez

#### **GOING CONCERN**

The Director has assessed the Group's ability to continue as a going concern. This evaluation is comprised of quantitative and qualitative analysis and includes such factors as current financial condition, available cash, cash flow projections and the ability to access additional capital. Barring any unforeseen circumstances, the Director has concluded that the Group can continue as a going concern.

The Group has made a loss and is in a net liability position at the year end. It is uncertain that the projected growth of the Group anticipated by the Director will be achieved. However, if such unforeseen circumstances were to occur and additional funding is needed, the current shareholders have agreed to provide additional capital funding to cover any such anticipated shortfall over the next twelve months should it be so required. While the Group's future financial performance is materially uncertain, the Director is satisfied that provision of such funding (which is not unconditional) in conjunction with cash flow management would be sufficient to cover any reasonably expected working capital requirements and therefore that the Group and Company are considered a going concern.

#### **POST BALANCE SHEET EVENTS**

At this stage, the impact of the COVID-19 outbreak on the Group's business and results has not been significant and based on the Group's experience to date, expect this to remain the case. The Group operates in the music streaming sector and has therefore found steady demand for its services and expect this to continue. The Group will continue to follow the various government policies and advice and continue operations in the best and safest way possible.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Director is responsible for preparing the Director's Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare Group and parent Company financial statements for each financial year. Under that law the Director has elected to prepare the Group financial statements in accordance with International Reporting Standards ("IFRS") as adopted by the European Union ("EU") and to prepare the Company financial statements in accordance with IFRS as adopted by the EU.

**PROJECT PANTHER BIDCO LIMITED**

**DIRECTOR'S REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)**

Under company law the Director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group and the Company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Director's report is approved has confirmed that:

- so far as that Director is aware there is no relevant audit information of which the Company's auditor is unaware: and
- that Director has taken all steps that the Director ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved and authorized by the Director and signed by:



JF Perez  
Director

Date: 30 December 2020



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF PROJECT PANTHER BIDCO LIMITED

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#### **Opinion**

We have audited the financial statements of Project Panther Bidco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise of the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty related to going concern**

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a going concern basis based on the Director's expectations of future growth and further capital funding being made available to the group and parent company, if required. This and the other matters set forth in note 2 indicate that a material uncertainty exists that may cast significant doubt over the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **Other information**

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the group and parent company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

*In our opinion, based on the work undertaken in the course of the audit:*

- the information given in the strategic report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Director's Report have been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITORS' REPORT (continued)

### TO THE MEMBERS OF PROJECT PANTHER BIDCO LIMITED

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#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

#### Responsibilities of Director

As explained more fully in the Director's Responsibilities Statement, the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director 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 unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Anastasia Frangos  
Senior Statutory Auditor  
for and on behalf of Haysmacintyre LLP  
Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

Date: 30 December 2020

**PROJECT PANTHER BIDCO LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Year ended 2019 \$'000	Year ended 2018 \$'000
Revenue	4	166,910	147,639
Cost of Sales		(117,482)	(102,910)
<b>GROSS PROFIT</b>		<b>49,428</b>	<b>44,729</b>
Administrative expenses		(104,707)	(81,433)
<b>LOSS FROM OPERATIONS</b>	5	<b>(55,279)</b>	<b>(36,704)</b>
Finance income	9	1	16
Finance expense	9	(1,044)	(922)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(56,322)</b>	<b>(37,610)</b>
Tax on loss on ordinary activities	10	570	707
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(55,752)</b>	<b>(36,903)</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
Currency translation difference		3,551	5,268
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(52,201)</b>	<b>(31,635)</b>
<b>LOSS ATTRIBUTABLE TO:</b>			
- Equity holders of the company		(54,366)	(35,929)
- Non-controlling interests		(1,386)	(974)
<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:</b>			
- Equity holders of the company		(50,908)	(30,800)
- Non-controlling interests		(1,293)	(835)

All amounts relate to continuing operations.

**PROJECT PANTHER BIDCO LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Company number: 09368999**

	Note	2019 \$'000	2018 \$'000
<b>NON-CURRENT ASSETS</b>			
Goodwill and intangible assets	11	50,755	53,924
Property, plant and equipment	12	1,073	-
		<u>51,828</u>	<u>53,924</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	13	18,606	19,287
Current tax assets		513	1,036
Cash and cash equivalents	14	3,770	1,847
		<u>22,889</u>	<u>22,170</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	(155,224)	(104,818)
Lease liability	17	(520)	-
Corporation tax liabilities		(9)	(31)
		<u>(132,864)</u>	<u>(82,679)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(132,864)</u>	<u>(82,679)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(81,036)</u>	<u>(28,755)</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax	16	(831)	(1,499)
Lease liability	17	(588)	-
		<u>(82,455)</u>	<u>(30,254)</u>
<b>NET LIABILITIES</b>		<u>(82,455)</u>	<u>(30,254)</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Share capital	20	-	-
Foreign currency translation reserve		9,179	5,721
Other Reserves		106,435	106,435
Profit and loss account		(193,081)	(138,715)
		<u>(77,467)</u>	<u>(26,559)</u>
<b>NON-CONTROLLING INTEREST</b>		<u>(4,988)</u>	<u>(3,695)</u>
<b>TOTAL EQUITY</b>		<u>(82,455)</u>	<u>(30,254)</u>

These financial statements were approved and authorised by the Director and signed by:



**J Perez**  
**Director**

**Date: 30 December 2020**

**PROJECT PANTHER BIDCO LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Share Capital</b>	<b>Profit &amp; Loss a/c</b>	<b>Foreign Currency Translation Reserve</b>	<b>Other Reserves</b>	<b>Non- Controlling Interest</b>	<b>Total Equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 January 2019	-	(138,715)	5,721	106,435	(3,695)	(30,254)
Loss for the year	-	(54,366)	-	-	(1,386)	(55,752)
Movement on translation	-	-	3,458	-	93	3,551
Balance at 31 December 2019	-	(193,081)	9,179	106,435	(4,988)	(82,455)

**PROJECT PANTHER BIDCO LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 DECEMBER 2019**

	<b>Share Capital</b>	<b>Profit &amp; Loss a/c</b>	<b>Foreign Currency Translation Reserve</b>	<b>Other Reserves</b>	<b>Non- Controlling Interest</b>	<b>Total Equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 January 2018	-	(102,786)	592	106,435	(2,860)	1,381
Loss for the year	-	(35,929)	-	-	(974)	(36,903)
Movement on translation	-	-	5,129	-	139	5,268
Balance at 31 December 2018	-	(138,715)	5,721	106,435	(3,695)	(30,254)

**PROJECT PANTHER BIDCO LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Year ended 2019 \$'000	Year ended 2018 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the year	(55,752)	(36,903)
Adjustments for:		
Tax credit	570	707
Finance income	(1)	(16)
Finance expense	1,044	922
Net effect of capitalised leases	35	-
Depreciation & amortisation	8,135	7,022
Impairment of goodwill	-	-
Loss on disposal of fixed assets	-	1,105
<b>OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES</b>	<b>(45,969)</b>	<b>(27,163)</b>
Decrease in trade and other receivables	681	681
Increase in trade and other payables	50,406	31,375
Income tax credit received/paid	(737)	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>50,350</b>	<b>32,056</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	-	-
Purchase of intangible assets	(4,966)	(4,644)
Finance income	1	16
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(4,965)</b>	<b>(4,628)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance expense	(1,044)	(922)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(1,044)</b>	<b>(922)</b>
<b>NET (INCREASE) / DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,628)</b>	<b>(657)</b>
Cash and cash equivalents brought forward	1,847	1,345
Effects of foreign currency translation	3,551	1,159
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>3,770</b>	<b>1,847</b>

The notes on pages 14 to 30 form part of these financial statements.

**PROJECT PANTHER BIDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. GENERAL INFORMATION**

Project Panther Bidco Limited is a private limited company and is incorporated and registered in England and Wales. It is domiciled in the United Kingdom. The principal place of business is:

540 West 26<sup>th</sup> Street  
New York  
NY 10001, USA

The Group's principal activity is the sale of music streaming subscription services.

**2. ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared under the historical cost convention and using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The Group financial statements consolidate the accounts of the Company and its subsidiary undertakings as at 31 December 2019. As provided by section 408 of the Companies Act 2006, a separate Statement of Comprehensive Income for the parent Company has not been presented.

The Group is itself a subsidiary owned by Project Panther Ltd (Cayman) and indirectly by individual investors. No statutory consolidated accounts are prepared above Project Panther Bidco Limited. All intercompany balances and transactions have been eliminated in full. Subsidiary undertakings are accounted for from the effective date of acquisition until the effective date of disposal.

The financial statements are presented in US dollars (\$) which is the functional and presentational currency of the Group. All values have been rounded to the nearest thousand (\$'000) except where otherwise indicated.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Group are presented below under 'Statement of Compliance'.

**2.2 Segmental reporting**

There is one class of business, being the sale of music streaming subscription services therefore no segmental information provided.

**2.3 Going concern**

The Director has assessed the Group's ability to continue as a going concern. This evaluation is comprised of quantitative and qualitative analysis and includes such factors as current financial condition, available cash, cash flow projections and the ability to access additional capital. Barring any unforeseen circumstances, the Director has concluded that the Group can continue as a going concern.

The Group has made a loss and is in a net liability position at the year end. It is uncertain that the projected growth of the Group anticipated by the Director will be achieved. However, if such unforeseen circumstances were to occur and additional funding is needed, the current shareholders have agreed to provide additional capital funding to cover any such anticipated shortfall over the next twelve months should it be so required. While the Group's future financial performance is materially uncertain, the Director is satisfied that provision of such funding (which is not unconditional) in conjunction with cash flow management would be sufficient to cover any reasonably expected working capital requirements and therefore that the Group and Company are considered a going concern. As a result, no adjustment has been made to the financial statements which have been prepared on a going concern basis.



**PROJECT PANTHER BIDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. ACCOUNTING POLICIES (continued)**

**2.4 Key sources of estimation uncertainty**

The preparation of the financial statements in conformity with IFRS requires management and the Director to make estimates and judgements that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. These estimates are based on historical experience and various other assumptions that management and the Board believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, significantly impacting earnings and financial position.

Management believes that the following areas, all of which are discussed and separately marked in the respective sections of Note 2 "Accounting Policies", comprise the most difficult, subjective or complex judgements it has to make in the preparation of the financial statements: valuation of intangible assets and other non-current assets, trade and other payables, deferred taxation and revenue recognition.

**2.5 Statement of compliance and adoption of new standards**

The financial statements comply with IFRS as adopted by the European Union. At the date of authorisation of these financial statements the following Standards and Interpretations affecting the Group, which have not been applied in these financial statements, were in issue, but not yet effective. The Group does not plan to adopt these standards early.

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to IFRS 3).
- Definition of Material (Amendments to IAS 1 and IAS 8).
- IFRS 17 Insurance Contracts

The Director has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that they are either not relevant or that they would not have a significant impact on the Group and Company's financial statements.

The following new standards were adopted in the year:

- IFRS 16: Leases

During the year the Group adopted IFRS 16: Leases which is effected from 1 January 2019. The Group has elected to adopt the modified retrospective approach, under which the cumulative effect of initial receipt is recognised in retained earnings as at 1 January 2019, meaning that it has not restated its comparative financial information. Details of assets recognised as a result of the existence of right of use leases are outlined in note 16.

**2.6 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of applicable value-added tax, refunds, rebates and discounts.

The Group recognizes revenue when all of the following conditions have been satisfied:

- the amount of revenue can be measured reliably;
- it is probable that future economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and

**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. ACCOUNTING POLICIES (continued)**

**2.6 Revenue recognition (Continued)**

- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In certain instances, revenue recognition is impacted by estimates of sales prices as well as estimates of allowances, discounts and rebates. These estimates are supported by historical data. While management believes that the estimates used are appropriate, differences in actual numbers or changes in estimates may affect the future results.

**Subscription revenue**

The Group generates subscription revenue from the sale of Hifi and Premium services comprising of unlimited music streaming. Subscription services are sold to direct subscribers and to partners who are generally telecommunications companies that bundle the subscription with their own services or collect payment for the standalone subscriptions from their end customers.

Direct subscription services are based on a fixed fee and are paid in advance. Subscription services collected through third parties are based on a fixed fee and are paid in arrears. Revenue from these services is recognized on a straight-line basis over the subscription period.

**Gross versus net presentation of revenue**

The Group reports revenue on a gross or net basis based on management's assessment of whether it acts as a principal or agent in the transaction. To the extent the Group acts as the principal, revenue is reported on a gross basis. The determination of whether the Group acts as a principal or an agent in a transaction is based on an evaluation of whether it has the substantial risks and rewards associated with the rendering of services under the terms of an arrangement.

**Deferred revenue**

Deferred revenue is mainly comprised of subscription fees collected that have not been recognized and services in which the applicable revenue recognition criteria have not been met.

**Accrued revenue**

Accrued revenue relates to the sale of subscriptions to partners or amounts due from third parties who collect on the Group's behalf, which are invoiced and paid in arrears. Revenue is recognized as the services are performed.

**Minimum guarantees**

Revenue attributable to contract agreements with minimum guarantees is recognised over the life of the contract. Once cumulative actual revenues exceed guaranteed minimums, any accrued revenues arising from the pro-rata recognition are reduced accordingly.

**2.7 Property, plant and equipment**

Property, plant and equipment are reported at cost less accumulated depreciation and any impairment. Depreciation is calculated to write down the cost of all tangible fixed assets by equal monthly instalments over their estimated useful lives at the following rates:

	Number of years
Computer equipment	3
Office equipment	5

## PROJECT PANTHER BIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2019

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## 2. ACCOUNTING POLICIES (continued)

### 2.8 Goodwill and business combinations

Business combinations on or after 1 January 2004 are accounted for under IFRS 3 (“Business combinations”) using the purchase method. Any excess of the cost of business combinations over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the Statement of Financial Position as goodwill and is not amortised. After initial recognition, goodwill is not amortised but is stated at cost less any accumulated impairment loss, with the carrying value being reviewed for impairment, at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired

For the purpose of impairment testing, goodwill is allocated to the related cash generating units monitored by management. Where the recoverable amount of the cash generating unit is less than its carrying amount, including goodwill, an impairment loss is recognised in the Statement of Comprehensive Income. Intangible assets are tested annually for impairment and other non-current assets are tested where an indication of impairment arises. The assessment of impairment is made by comparing the carrying amount of cash generating units (including any associated goodwill) to the higher of their value in use and their fair value. Value in use represents the net present value of future discounted cash flows. Any impairment of non-current assets is recognised in the Statement of Comprehensive Income.

### 2.9 Intangible assets (other than goodwill)

Intangible assets are recognised on business combinations if they are separable from the acquired entity or arise from other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques. Intangible assets relate to unpatented software and technology which were valued by calculating the cost to develop the software in house, and content costs which is the cost of acquiring future content for the streaming service that will be used to generate future benefit.

Externally acquired assets are initially recognised at cost less accumulated amortisation and any write-downs. Assets are amortised on a straight-line basis over the estimated useful life of the assets. The useful life reviewed on each balance sheet date. Ongoing projects are subject to annual impairment reviews. The following useful lives apply:

	Number of years
Licenses	3-10
Unpatented Software and technology	6
Content costs	5

### 2.10 Taxation

Current taxation is the taxation currently payable on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax assets are recognised in respect of losses only where the Group considers it probable that taxable profits will be available against which the losses can be utilised.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the Statement of Financial Position date. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Statement of Comprehensive Income, except where they relate to items that are charged or credited to equity in which case the related deferred tax is also charged or credited directly to equity.

## PROJECT PANTHER BIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. ACCOUNTING POLICIES (continued)

##### 2.11 Trade and other receivables

Trade and other receivables are recognised and carried at original invoice value less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

##### 2.12 Cash and Cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

##### 2.13 Trade and other payables

Trade and other payables generally have a 30 to 60-day term and are recognized and carried at their original invoice value, inclusive of any value added tax that may be applicable.

Included within trade and other payables are accruals made in respect to the royalty and distribution costs related to content streaming. The nature of the Group's business means that there is a timing difference between revenue being recognised and purchase invoices being received from record labels, rights holders and other suppliers. As a result, the Group routinely makes accruals for royalties and content costs based on the most accurate data available. The Director considers this a key area where judgements and estimates are exercised.

##### 2.14 Leases

Leases of property for periods longer than one year are capitalised at the fair value of the leased property (disclosed as a right of use asset on the face of the Statement of Financial Position) with the corresponding rental obligations, net of finance charges, included in current and non-current liabilities. The fair value of the lease asset and corresponding liability is calculated as the present value of the minimum value of lease payments for which the Group will become liable, discounted at the appropriate rate at 1 January 2019.

##### 2.15 Technology and development

Technology and development costs are expensed during the period in which they are incurred, unless the Director considers them to fulfil the criteria of an intangible asset, in which case they will be capitalised. No technology and development costs were capitalized during the year.

##### 2.16 Pensions

The Group operates a defined contribution pension plan. Charges for defined-contribution pension plans are expensed in the period to which they relate.

##### 2.17 Foreign Currency

Monetary receivables and liabilities in foreign currency have been translated at the balance sheet date.

Exchange rate differences arising from the adjustment or translation of monetary items are recognized in the income statement fiscal year they arise, either as an operating item or as a financial item based on the underlying business event. The exchange rate used as at 31 December 2019 was SEK: USD 9.29:1.00, BRL:USD 4.02:1.00 and USD:GBP 1.31:1.00

## PROJECT PANTHER BIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### FINANCIAL INSTRUMENTS

##### *Recognition, initial measurement and de-recognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### *Classification and subsequent measurement of financial assets*

For the purpose of subsequent measurement financial assets are classified into the following category upon initial recognition:

- Financial assets at fair value through profit or loss (FVTPL)

All financial assets except for those at FVTPL are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items.

##### *Trade and other receivables*

Trade and other receivables are stated at their nominal amount (discounted if material) less impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand.

##### *Classification and subsequent measurement of financial liabilities*

The Group's financial liabilities include trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

##### *Trade and other payables*

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

The Group has no financial assets or financial liabilities measured at fair value through profit or loss.

**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The prime areas involving a higher degree of judgement or complexity, where assumptions and estimates are significant to the financial statements, are as follows:

- Provision for bad debts

Management must exercise judgement when deciding whether to provide against the receivables. All information up to the date of approval of the financial statements is reviewed and assessed, and provisions made when management consider it more likely than not that material receivables will not be recovered.

- Impairment of goodwill/intangibles

An annual assessment is made as to whether the current carrying value of goodwill and intangibles is impaired. Detailed calculations are performed based on discounting expected pre-tax cash flows of the relevant cash generating units and discounting these at an appropriate discount rate, the determination of which requires the exercise of judgement.

- Royalties

- Included within trade and other payables are accruals made in respect to the royalty and distribution costs related to content streaming. The nature of the Group's business means that there is a timing difference between revenue being recognised and purchase invoices being received from record labels, rights holders and other suppliers. As a result, the Group routinely makes accruals for royalties and content costs based on the most accurate data available.

- IFRS 16: Leases

The Group recognises lease liabilities at the present value of future cash flows. The determination of present value involves judgements and estimates, in particular in relation to the discount factor to be applied to those cash flows. In determining an appropriate discount factor the Directors' considered a range of factors including the Groups' cost of capital together with the interest rate charged on the Groups' external debt facilities. Having considered these factors the Directors' have assessed that 4% is an appropriate discount factor to determine the value of the Group's lease liabilities.

**PROJECT PANTHER BIDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2019**

<b>4. REVENUE</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Revenue arises from the following streams:		
Sale of subscriptions	165,815	144,274
Sponsorship	1,095	3,365
	<u>166,910</u>	<u>147,639</u>
	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Sales by geographic area:		
United Kingdom	8,073	7,199
United States of America	100,576	87,993
Rest of world	58,261	52,447
	<u>166,910</u>	<u>147,639</u>
<b>5. LOSS FROM OPERATIONS</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
This is arrived at after charging:		
Amortisation of intangible assets	8,135	6,662
Depreciation of tangible fixed assets	536	350
Impairment of intangible assets	-	-
Operating lease rentals	-	1,606
Staff costs (see note 7)	21,305	17,793
Foreign exchange differences – expense	6,469	3,796
	<u>36,445</u>	<u>30,206</u>
<b>6. AUDITOR'S REMUNERATION</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Fees payable to the Group auditor or for the audit of the Group's accounts	77	71
Fees payable to the Group auditor for other services provided	6	5
Fees payable to the subsidiary auditor for the audit of the subsidiaries	177	251
	<u>260</u>	<u>293</u>

**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

<b>7. STAFF COSTS</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Wages and salaries	18,997	15,860
Social security costs	1,990	1,746
Pension costs	318	187
	<u>21,305</u>	<u>17,793</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2019 Number</b>	<b>2018 Number</b>
Directors and key management	5	7
Operations and administration	238	231
	<u>243</u>	<u>238</u>

The key management personal for the Group received remuneration for the year of \$2.1 million and \$2.0 million in 2018.

**8. DIRECTOR'S EMOLUMENTS**

The Directors of the company received \$Nil remuneration during the year (2018: \$Nil).

<b>9. FINANCE INCOME &amp; COSTS</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Interest receivable and similar income	1	16
Interest payable and other charges	1,044	922
	<u>1,045</u>	<u>938</u>

<b>10. TAXATION</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Overseas tax paid	(98)	(49)
Deferred tax credit (see note 16)	668	756
	<u>570</u>	<u>707</u>



**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**11. GOODWILL AND INTANGIBLE ASSETS**

	Content costs	Unpatented software & technology	Licenses, technology, trademarks & similar rights	Goodwill on consolidation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost</b>					
At 1 January 2019	12,122	26,556	66	41,351	80,095
Additions	4,966	-	-	-	4,966
Translation	-	-	-	-	-
At 31 December 2019	<u>17,088</u>	<u>26,556</u>	<u>66</u>	<u>41,351</u>	<u>85,061</u>
<b>Amortisation</b>					
At 1 January 2019	4,448	17,738	46	3,939	26,171
Charge for the year	3,691	4,442	2	-	8,135
At 31 December 2019	<u>8,139</u>	<u>22,180</u>	<u>48</u>	<u>3,939</u>	<u>34,306</u>
<b>Net Book Value</b>					
At 31 December 2019	<u>8,949</u>	<u>4,376</u>	<u>18</u>	<u>37,412</u>	<u>50,755</u>
At 31 December 2018	<u>7,674</u>	<u>8,818</u>	<u>20</u>	<u>37,412</u>	<u>53,924</u>

Goodwill is not amortised, but tested annually for impairment with the recoverable amount being determined with reference to valuation methodologies considered appropriate by the Director. An impairment of \$Nil. (2018: \$ Nil) was recognised during the year against goodwill and \$Nil. (2018: \$ Nil) against other intangible assets.

**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**12. PROPERTY PLANT AND EQUIPMENT**

	<b>Right of use asset</b>
	<b>\$'000</b>
<b>Cost</b>	
At 1 January 2019	-
Additions	1,609
At 31 December 2019	<u>1,698</u>
<b>Depreciation</b>	
At 1 January 2019	-
Charge for the year	536
At 31 December 2019	<u>536</u>
<b>Net Book Value</b>	
At 31 December 2019	<u><u>1,073</u></u>
At 31 December 2018	<u><u>-</u></u>

**13. TRADE AND OTHER RECEIVABLES**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current receivables</b>		
Trade receivables	9,112	7,734
Other receivables	-	-
Prepayments and accrued income	8,780	10,832
Due from group undertakings	-	-
	<u>17,892</u>	<u>18,566</u>
<b>Non-current receivables</b>		
Other receivables	<u>714</u>	<u>721</u>

**14. CASH AND CASH EQUIVALENTS**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand	3,349	1,273
Cash equivalents	421	574
	<u>3,770</u>	<u>1,847</u>

**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

<b>15. LIABILITIES</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current liabilities</b>		
Trade payables	64,685	47,847
Other taxes and social security	1,712	1,740
Other payables	1,391	998
Accruals	72,306	41,403
Deferred income	4,343	3,761
Owed to group undertakings	10,787	9,069
	<u>155,224</u>	<u>104,818</u>
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current liabilities</b>		
Deferred tax (See note 16)	831	1,499
	<u>831</u>	<u>1,499</u>
<b>16. DEFERRED TAX</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Arising on intangible assets recognized at fair value on the acquisition of subsidiaries:		
Balance at 31 December 2018	1,499	2,254
Credit in the year	(668)	(755)
	<u>831</u>	<u>1,499</u>
<b>17. RIGHT OF USE ASSET LEASES</b>		
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Amounts recognised on the balance sheet</b>		
<b>Right of use assets</b>		
<b>Buildings</b>	1,073	-
	<u>1,073</u>	<u>-</u>
<b>Lease liabilities</b>		
<b>Current</b>	521	-
<b>Non-current</b>	588	-
	<u>1,109</u>	<u>-</u>

Project Panther Bidco has adopted the modified retrospective approach to the implemented of IFRS 16: Leases

**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**17. RIGHT OF USE ASSET LEASES (continued)**

Amounts recognised on the consolidated statement of comprehensive income

	2019 \$'000	2018 \$'000
Depreciation charge of right of use assets		
Buildings	535	-
Interest expense	54	-
Foreign exchange	1	-
<b>Total cash outflow for leases</b>	<b>55</b>	<b>-</b>

The Group leases various offices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets may not be used as security for borrowing purposes.

Until the 2019 financial year, property leases were accounted for as operating leases. From 1 January 2019, leases are recognised as a right of use asset and a corresponding liability at the date at which the asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, including any lease incentives receivable;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions

## PROJECT PANTHER BIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2019

## 18. FINANCIAL INSTRUMENTS

### CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern
- to support the Group's growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

### CURRENCY RISK

Transaction exposure relates to business transactions denominated in foreign currency required by operations (selling and purchasing). The Group's general policy is not to hedge transaction exposure. The Group's objective is to mitigate currency exposure as much as possible. To manage these risks efficiently, the Group established guidelines in the form of a treasury policy that serves as a framework for the daily operations of the Group. In most cases, the Group's customers are billed in their respective local currency. Major payments, such as royalties, salaries, consultants and marketing expenses are also settled in local currencies. The matching of these transactions in their respective currencies has significantly reduced the risk of foreign currency exposure. The Group's currency exposure is mainly related to the translation risk related to net assets in foreign subsidiaries. Currently there is no hedging of this exposure. The most important currencies for the Group's sales and purchases are USD, EUR, SEK, NOK and PLN.

### CREDIT RISK

The main credit risk relates to liquid funds held at banks. The credit risk in respect of these bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

### LIQUIDITY RISK

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs. An analysis of trade and other payables is given in note 16.

### CATEGORIES OF FINANCIAL INSTRUMENTS

The IAS 39 categories of financial assets and liabilities included in the Statement of Financial Position and the headings in which they are included are as follows:

	2019	2018
	\$'000	\$'000
<b>Financial assets:</b>		
Cash at bank and in hand	3,770	1,847
Trade receivables	9,112	7,734
Amounts owed by group undertakings	-	-
<b>Financial liabilities at amortized cost:</b>		
Trade payables	64,685	47,847
Other payables	1,391	998
Amounts owed to group undertakings	10,787	9,069

**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**19. OPERATING LEASE COMMITMENTS**

At 31 December 2019, the Group had commitments under non-cancellable operating leases as set out below:

	2019 \$'000	2018 \$'000
No later than 1 year	-	574
1-5 years	-	1,196
	<hr/>	<hr/>
	-	1,770

**20. ISSUED SHARE CAPITAL**

Project Panther Bidco Limited has one class of Ordinary share. One share of value \$1 is in issue (2018: one share of value \$1).

The ordinary shares confer upon the holders rights to any dividends and the right to attend or vote at general meetings of the Group.

**21. RESERVES**

“Profit and loss account” represents all other gains and losses reported by the Group that have not been recognised elsewhere

“Foreign currency translation reserve” represents the translation difference resulting in the translation of the financial information from the functional to the presentational currency of group members.

“Other Reserves” represents loans from the parent company, Project Panther Ltd. These loans have no defined repayment terms, bear no interest and as such have been classified as a capital contribution within other reserves.

**22. ULTIMATE CONTROLLING PARTY**

The Director does not consider there to be any single ultimate controlling party.

**23. RELATED PARTY TRANSACTIONS**

At 31 December 2019 the Company owed \$10.8 million (2018: \$9.1 million) to Project Panther Ltd which is the sole shareholder of Project Panther Bidco Limited.

During the year the Group incurred expenditures of \$8.7m (2018: \$7.1m) with companies under the common influence of a shareholder. As at 31 December 2019, \$15.7m (2018: \$10.3m) was due to these companies.

During the year the Group received income totalling \$17.3m (2018: \$14.0m) with companies under the common influence of shareholders. As at 31 December 2019, \$3.3m (2018: \$2.2m) was due from these companies.

**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**24. CHANGES IN ACCOUNTING POLICIES**

This note explains the impact of the adoption of IFRS 16, 'Leases', on the group's financial statements.

As indicated in note 17 above, the group has adopted IFRS 16, 'Leases' retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 2.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's cost of capital as of 1 January 2019. The cost of capital applied to the lease liabilities on 1 January 2019 was 4%.

(i) Practical expedients applied

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(ii) Measurement of lease liabilities

	2019 \$'000
<b>Operating lease commitments disclosed as at 31 December 2018</b>	1,770
<b>Deductions in rent agreements</b>	(41)
<b>Discounted using the lessee's incremental borrowing rate at the date of initial application</b>	(102)
<b>Lease liability recognised as at 1 January 2019</b>	<b>1,627</b>
<b>Of which are:</b>	
<b>Current lease liabilities</b>	507
<b>Non-current lease liabilities</b>	1,120

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

(iv) Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets – increase by \$1,627
- prepayments – decrease by \$ Nil
- lease liabilities – increase by \$1,627

The net impact on retained earnings on 1 January 2019 was \$ Nil.

**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**25. POST BALANCE SHEET EVENTS**

The worldwide outbreak of the COVID-19 virus represents a significant event since the end of the financial period. In light of the impact of the virus upon consumer demand, the Company has reviewed its cash flow forecasts and considered the impact on going concern, concluding that the going concern basis remains an appropriate basis of preparation for these financial statements given the likely cash flow impact on operations 12 months from the date of signing this report.

COVID-19 is considered to be a non-adjusting post balance sheet event and therefore has not been taken into account in preparing the Statement of Financial Position as at 31 December 2019. The Company is unable to quantify any impact on the Statement of Financial Position at the date of signing the financial statements.

The director continues to monitor the capital and liquidity of the Company and remain confident in the long-term success of the business.



**PROJECT PANTHER BIDCO LIMITED**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Company number: 09368999**

	Note	2019 \$'000	2018 \$'000
<b>NON-CURRENT ASSETS</b>			
Investments	2	50,342	50,342
<b>CURRENT ASSETS</b>			
Debtors	3	63,431	61,743
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4	(10,757)	(9,069)
<b>NET ASSETS</b>		<u><b>103,016</b></u>	<u><b>103,016</b></u>
<b>EQUITY</b>			
Share capital	6	-	-
Profit and loss account		(3,419)	(3,419)
Other Reserves	6	106,435	106,435
<b>TOTAL EQUITY</b>		<u><b>103,016</b></u>	<u><b>103,016</b></u>

During the year the company recorded a single entity loss of \$ Nil (2018: \$ Nil)

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

These financial statements were approved and authorised by the Director:



**J Perez**  
**Director**

**Date: 30 December 2020**

The notes on pages 34 to 36 form part of these financial statements.

**PROJECT PANTHER BIDCO LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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	<b>Share Capital \$'000</b>	<b>Profit &amp; Loss a/c \$'000</b>	<b>Other Reserves \$'000</b>	<b>Total Equity \$'000</b>
Balance at 1 January 2019	-	(3,419)	106,435	103,016
Loss for the year	-	-	-	-
Balance at 31 December 2019	<u>-</u>	<u>(3,503)</u>	<u>106,435</u>	<u>103,016</u>

**PROJECT PANTHER BIDCO LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**

	<b>Share Capital \$'000</b>	<b>Profit &amp; Loss a/c \$'000</b>	<b>Other Reserves \$'000</b>	<b>Total Equity \$'000</b>
Balance at 1 January 2018	-	(3,419)	106,435	103,016
Loss for the year	-	-	-	-
Balance at 31 December 2018	-	(3,419)	106,435	103,016

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**PROJECT PANTHER BIDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of Preparation**

The Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The financial statements are presented in US dollars (\$) which is the functional and presentational currency of the Group. All values have been rounded to the nearest thousand (\$'000) except where otherwise indicated.

These accounts do not contain a Cashflow Statement as the Company does not have a bank account. These accounts do not contain a Financial Instruments note as this is disclosed in the Group financial statements.

**1.2 Investments**

Fixed asset investments are stated at cost less provision for impairment.

**1.3 Trade and other receivables**

Trade and other receivables are recognised and carried at original invoice value less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

**1.4 Trade and other payables**

Trade and other payables generally have a 30 to 60-day term and are recognized and carried at their original invoice value, inclusive of any value added tax that may be applicable.

**1.5 Statement of compliance**

The financial statements comply with IFRS as adopted by the European Union. At the date of authorisation of these financial statements the following Standards and Interpretations affecting the Group, which have not been applied in these financial statements, were in issue, but not yet effective. The Group does not plan to adopt these standards early.

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to IFRS 3).
- Definition of Material (Amendments to IAS 1 and IAS 8).
- IFRS 17 Insurance Contracts

The Director has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that they are either not relevant or that they would not have a significant impact on the Group and Company's financial statements.

The following new standards were adopted in the year:

- IFRS 16: Leases

During the year the Group adopted IFRS 16: Leases which is effected from 1 January 2019. The Group has elected to adopt the modified retrospective approach, under which the cumulative effect of initial receipt is recognised in retained earnings as at 1 January 2019, meaning that it has not restated its comparative financial information.

**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. INVESTMENTS**

<b>Cost</b>	<b>Investments in Subsidiary companies \$'000</b>	
At 1 January 2019		50,342
Impairment		-
At 31 December 2019		<u>50,342</u>

<b>Subsidiary company</b>	<b>Holding</b>	<b>Address</b>
Malibu Entertainment Inc	Direct	540 W26th St, 8 <sup>th</sup> Floor, New York, NY 10001
Aspiro AB	Direct	540 W26th St, 8 <sup>th</sup> Floor, New York, NY 10001
TIDAL Brazil	Direct	City of São Paulo, State of São Paulo, at Avenida Paulista, n° 807, suite 552, Bela Vista, CEP 01310-910
TIDAL Uganda	Direct	General Post Office Building, Plot 35, Kampala Road, 4th Floor, PO Box 127 Kampala, Uganda
Owned by Malibu Entertainment Inc: Percolator LLC	Indirect	540 W26th St, 8 <sup>th</sup> Floor, New York, NY 10001
Owned by Aspiro AB: TIDAL US AB	Indirect	540 W26th St, 8 <sup>th</sup> Floor, New York, NY 10001
WiMP Music ApS	Indirect	Kristen Bernikows Gade 4, 2 1105 Kobenhavn K Denmark
WiMP Music GmbH	Indirect	Friedrichstrasse 68, Berlin, Germany
TIDAL Sp Zoo	Indirect	Koszykowa 61, Warsaw, Poland
Project Panther US LLC	Indirect	540 W26th St, 8 <sup>th</sup> Floor, New York, NY 10001
Owned by TIDAL Sp Zoo: TIDAL Music AS	Indirect	POB 9097, Gronland, 0133 Oslo, Norway

**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

<b>3. TRADE AND OTHER RECEIVABLES</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Amounts owed by group undertakings	<u>63,431</u>	<u>61,743</u>
<b>4. TRADE AND OTHER PAYABLES</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
<b>Current liabilities</b>		
Amounts owed to group undertakings	<u>10,757</u>	<u>9,069</u>

<b>5. ISSUED SHARE CAPITAL</b>	<b>Number of Shares No.</b>	<b>Nominal Value \$</b>
<b>Allotted, called up and fully paid</b>		
At 31 December 2019:		
Ordinary shares of \$ each	<u>1</u>	<u>1</u>

The ordinary shares confer upon the holder's rights to any dividends and the right to attend or vote at general meetings of the Company.

**6. RESERVES**

"Profit and loss account" represents all other gains and losses reported by the Company that have not been recognised elsewhere.

"Other Reserves" represents loans from the parent company, Project Panther Ltd. These loans have no defined repayment terms, bear no interest and as such have been classified as a capital contribution within other reserves.

**7. ULTIMATE CONTROLLING PARTY**

The Director does not consider there to be any single ultimate controlling party.