

Company Number: 09368999

**PROJECT PANTHER BIDCO LIMITED**  
**DIRECTOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**



**PROJECT PANTHER BIDCO LIMITED**  
**REPORT AND FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**PROJECT PANTHER BIDCO LIMITED**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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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

## **PROJECT PANTHER BIDCO LIMITED**

### **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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The Director presents his Strategic Report for the Group for the year ended 31 December 2018.

#### **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.

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

Total revenue increased 26% year over year, which is in line with expectations and faster than the growth rate for 2017. During the year, the Group focused on driving revenue growth on the back of various investment and expansion initiatives, including exclusive content releases and new distribution deals with telecom carriers around the world, particularly in Western and Eastern Europe as well as Latin America. In the US, the Group expanded its commercial relationship with Sprint via their Unlimited plans which launched in 2018. This new plan is driving 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 (such as algorithmic mixes), new advanced sound capabilities and expanded performance-based growth and retention marketing.

The Group showed a gross profit of \$44.7 million in 2018 compared to a gross profit of \$34.4 million in 2017. This was primarily attributable to an increase in revenue from \$116.8 million to \$147.6 million and in line with expectations.

The net loss for the year ended 2018 was \$36.9 million, compared to \$40.2 million in 2017.

##### **Environmental impact**

The main impact of the Group's operations on the environment is expected to be from the eventual disposal of the electronic equipment necessary to supply the services. 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 2018**

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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 further funding was required during 2018 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 \$1.8 million at 31 December 2018 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 \$1.8 million at 31 December 2018.

*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.

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

JF Perez  
Director



Date: February 5, 2020

**PROJECT PANTHER BIDCO LIMITED**

**DIRECTOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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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 2018.

**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 \$36.9 million (2017: \$40.2 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.

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**

There were no material events affecting the Group or Company after the year end date.

**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 2018**

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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: February 5, 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 2018 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 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 at 31 December 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as 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 parent company 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:** 05.02.20

**PROJECT PANTHER BIDCO LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Year ended 2018 \$'000	Year ended 2017 \$'000
Revenue	3	147,639	116,779
Cost of Sales		(102,910)	(82,426)
<b>GROSS PROFIT</b>		<u>44,729</u>	<u>34,353</u>
Administrative expenses		(81,433)	(74,922)
Other operating income	4	-	2
<b>LOSS FROM OPERATIONS</b>	5	<u>(36,704)</u>	<u>(40,567)</u>
Finance income	9	16	6
Finance expense	9	(922)	(456)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(37,610)</u>	<u>(41,017)</u>
Tax on loss on ordinary activities	10	707	756
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(36,903)</u>	<u>(40,261)</u>
<b>OTHER COMPREHENSIVE INCOME:</b>			
Currency translation difference		5,268	(1,143)
<b>TOTAL COMPREHENSIVE LOSS</b>		<u>(31,635)</u>	<u>(41,404)</u>
<b>LOSS ATTRIBUTABLE TO:</b>			
- Equity holders of the company		(35,929)	(39,295)
- Non-controlling interests		(974)	(966)
<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:</b>			
- Equity holders of the company		(30,800)	(40,408)
- Non-controlling interests		(835)	(996)

All amounts relate to continuing operations.

**PROJECT PANTHER BIDCO LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Company number: 09368999**

	Note	2018 \$'000	2017 \$'000
<b>NON-CURRENT ASSETS</b>			
Goodwill and intangible assets	11	53,924	56,423
Property, plant and equipment	12	-	1,961
		<u>53,924</u>	<u>58,384</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	13	19,287	19,046
Current tax assets		1,036	1,034
Cash and cash equivalents	14	1,847	1,345
		<u>22,170</u>	<u>21,425</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	(104,818)	(76,165)
Corporation tax liabilities		(31)	(9)
<b>NET CURRENT LIABILITIES</b>		<u>(82,679)</u>	<u>(54,749)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(28,755)</u>	<u>3,635</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax	16	(1,499)	(2,254)
<b>NET (LIABILITIES)/ASSETS</b>		<u>(30,254)</u>	<u>1,381</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Share capital	19	-	-
Foreign currency translation reserve		5,721	592
Other Reserves		106,435	106,435
Profit and loss account		(138,715)	(102,786)
<b>NON-CONTROLLING INTEREST</b>		<u>(26,559)</u>	<u>4,241</u>
		<u>(3,695)</u>	<u>(2,860)</u>
<b>TOTAL EQUITY</b>		<u>(30,254)</u>	<u>1,381</u>

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

J Perez  
Director



Date: February 5, 2020

**PROJECT PANTHER BIDCO LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<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	<u>-</u>	<u>(138,715)</u>	<u>5,721</u>	<u>106,435</u>	<u>(3,695)</u>	<u>(30,254)</u>

**PROJECT PANTHER BIDCO LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 DECEMBER 2018**

	<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 2017	-	(63,491)	1,705	105,375	(1,864)	41,725
Loss for the year	-	(39,295)	-	-	(966)	(40,261)
Movement on translation	-	-	(1,113)	-	(30)	(1,143)
Contributions	-	-	-	1,060	-	1,060
Balance at 31 December 2017	-	(102,786)	592	106,435	(2,860)	1,381

**PROJECT PANTHER BIDCO LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Year ended 2018 S'000	Year ended 2017 S'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the year	(36,903)	(40,261)
Adjustments for:		
Tax credit	707	756
Finance income	(16)	(6)
Finance expense	922	456
Depreciation	350	81
Amortisation	6,672	5,862
Impairment of goodwill	-	852
Loss on disposal of fixed assets	1,105	-
<b>OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES</b>	<b>(27,163)</b>	<b>(32,260)</b>
Decrease in trade and other receivables	681	36,113
Increase in trade and other payables	31,375	3,319
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>32,056</b>	<b>39,432</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	-	(1,790)
Purchase of intangible assets	(4,644)	(4,403)
Finance income	16	6
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(4,628)</b>	<b>(6,187)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance expense	(922)	(456)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(922)</b>	<b>(456)</b>
<b>NET (INCREASE) / DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(657)</b>	<b>529</b>
Cash and cash equivalents brought forward	1,345	2,968
Effects of foreign currency translation	1,159	(2,152)
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>1,847</b>	<b>1,345</b>

The notes on pages 13 to 24 form part of these financial statements.

**PROJECT PANTHER BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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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 at 31 December 2018. 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 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.

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 2018

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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

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.

- IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IFRS 3 Business Combinations (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IAS 12 Income Taxes (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IAS 19 Employee Benefits (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IAS 23 Borrowing Costs (effective for accounting periods beginning on or after 1 January 2019)
- Improvements to IFRS Standards 2014-2017 Cycle
- Improvements to IFRS Standards 2015-2018 Cycle

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 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018)

No adjustment arose from the introduction of these standards.

### 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 2018**

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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**

In certain cases, minimum guaranteed subscriptions or payments are included in revenue contracts with partners who bundle subscriptions with their services or sell subscriptions to their customers on a standalone basis. Given that the Group satisfies its performance obligation(s), the Group accrues the minimum guarantee on a straight-line basis over the life of the contract, reducing the accrual by the revenue recognized for the actual subscriptions sold during the relevant period. Once the cumulative actual revenues exceed the guaranteed minimums, the revenue is recognized as subscription revenue 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 2018**

**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 2018**

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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 Operating leases: lessee**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charge to profit and loss account as incurred.

**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 at 31 December 2018 was SEK: USD 8.18:1.00.

**PROJECT PANTHER BIDCO LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>3. REVENUE</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue arises from the following streams:		
Sale of subscriptions	144,274	113,802
Sponsorship	3,365	2,977
	<u>147,639</u>	<u>116,779</u>
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Sales by geographic area:		
United Kingdom	5,776	5,710
United States of America	57,403	71,495
Rest of world	84,460	39,574
	<u>147,639</u>	<u>116,779</u>
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>4. OTHER OPERATING INCOME</b>		
Other income	-	2
	<u>-</u>	<u>2</u>
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>5. LOSS FROM OPERATIONS</b>		
This is arrived at after charging:		
Amortisation of intangible assets	6,662	5,862
Depreciation of tangible fixed assets	350	81
Impairment of intangible assets	-	852
Operating lease rentals	1,606	1,816
Staff costs (see note 7)	10,643	8,541
Foreign exchange differences	3,796	900
	<u>26,857</u>	<u>27,052</u>
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>6. AUDITOR'S REMUNERATION</b>		
Fees payable to the Group auditor or for the audit of the Group's accounts	36	35
Fees payable to the Group auditor for other services provided	6	5
Fees payable to the subsidiary auditor for the audit of the subsidiaries	251	87
	<u>293</u>	<u>127</u>

**PROJECT PANTHER BIDCO LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>7. STAFF COSTS</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Wages and salaries	15,860	13,317
Social security costs	1,746	1,446
Pension costs	187	313
	<u>17,793</u>	<u>15,076</u>

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

	<b>2018 Number</b>	<b>2017 Number</b>
Directors and key management	7	7
Operations and administration	231	202
	<u>238</u>	<u>209</u>

The key management personal for the Group received remuneration for the year of \$2.0 million and \$1.9 million in 2017.

**8. DIRECTOR'S EMOLUMENTS**

The Directors of the company received \$Nil remuneration during the year (2017: \$Nil).

<b>9. FINANCE INCOME &amp; COSTS</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Interest receivable and similar income	16	6
Interest payable and other charges	922	456
	<u>938</u>	<u>462</u>

<b>10. TAXATION</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Overseas tax paid	(49)	-
Deferred tax credit (see note 16)	756	756
	<u>707</u>	<u>756</u>

**PROJECT PANTHER BIDCO LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 2018	8,001	26,556	66	41,351	75,974
Additions	4,654	-	-	-	4,654
Translation	(533)	-	-	-	(533)
At 31 December 2018	12,122	26,556	66	41,351	80,095
<b>Amortisation</b>					
At 1 January 2018	2,271	13,295	46	3,939	19,551
Charge for the year	2,229	4,443	-	-	6,672
Translation	(52)	-	-	-	(52)
At 31 December 2018	4,448	17,738	46	3,939	26,171
<b>Net Book Value</b>					
At 31 December 2018	7,674	8,818	20	37,412	53,924
At 31 December 2017	5,730	13,261	20	37,412	56,423

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 (2017: \$ Nil) was recognised during the year against goodwill and \$Nil (2017: \$852k) against other intangible assets.

PROJECT PANTHER BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

12. PROPERTY, PLANT AND EQUIPMENT

	Office & computer equipment \$'000
<b>Cost</b>	
At 1 January 2018	4,551
Disposals	(4,551)
At 31 December 2018	-
<b>Depreciation</b>	
At 1 January 2018	2,590
Charge for the year	350
Disposals	(2,940)
At 31 December 2018	-
<b>Net Book Value</b>	
At 31 December 2018	-
At 31 December 2017	1,961

13. TRADE AND OTHER RECEIVABLES

	2018 \$'000	2017 \$'000
<b>Current receivables</b>		
Trade receivables	7,734	6,366
Other receivables	-	3
Prepayments and accrued income	10,832	9,148
Due from group undertakings	-	2,772
	<u>18,566</u>	<u>18,289</u>
<b>Non-current receivables</b>		
Other receivables	<u>721</u>	<u>757</u>

14. CASH AND CASH EQUIVALENTS

	2018 \$'000	2017 \$'000
Cash at bank and in hand	1,273	1,024
Cash equivalents	574	321
	<u>1,847</u>	<u>1,345</u>

**PROJECT PANTHER BIDCO LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>15. LIABILITIES</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current liabilities</b>		
Trade payables	47,847	31,375
Other taxes and social security	1,740	2,177
Other payables	998	519
Accruals	41,403	36,706
Deferred income	3,761	5,388
Owed to group undertakings	9,069	-
	<u>104,818</u>	<u>76,165</u>

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current liabilities</b>		
Deferred tax (See note 16)	1,499	2,254
	<u>1,499</u>	<u>2,254</u>

<b>16. DEFERRED TAX</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Arising on intangible assets recognized at fair value on the acquisition of subsidiaries:		
Balance at 31 December 2017	2,254	3,010
Credit in the year	(755)	(756)
	<u>1,499</u>	<u>2,254</u>

**17. OPERATING LEASE COMMITMENTS**

At 31 December 2018, the Group had commitments under non-cancellable operating leases as set out below:

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
No later than 1 year	574	589
1-5 years	1,769	2,403
	<u>2,343</u>	<u>2,992</u>



## PROJECT PANTHER BIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

## 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 15.

### 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:

	2018 \$'000	2017 \$'000
<b>Financial assets:</b>		
Cash at bank and in hand	1,847	1,345
Trade receivables	7,734	6,366
Amounts owed by group undertakings	-	2,772
<b>Financial liabilities at amortized cost:</b>		
Trade payables	47,847	31,375
Other payables	998	519
Amounts owed to group undertakings	9,069	-

**PROJECT PANTHER BIDCO LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**19. ISSUED SHARE CAPITAL**

Project Panther Bidco Limited has one class of Ordinary share. One share of value \$1 is in issue (2017: 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.

**20. 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 (Cayman). These loans have no defined repayment terms, bear no interest and as such have been classified as a capital contribution within other reserves.

**21. ULTIMATE CONTROLLING PARTY**

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

**22. RELATED PARTY TRANSACTIONS**

At 31 December 2018 the Company owed \$9.1 million (2017: \$2.8 million receivable) to Project Panther Ltd (Cayman) which is the sole shareholder of Project Panther Bidco Limited.

During the year the Company incurred expenditure of \$3.5 million (2017: \$3.5 million) with a company under common influence of a shareholder. As of 31 December 2018, \$4.5 million (2017: \$2.8 million) was due to this company.

**PROJECT PANTHER BIDCO LIMITED**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

Company number: 09368999

	Note	2018 \$'000	2017 \$'000
<b>NON-CURRENT ASSETS</b>			
Investments	2	50,342	50,342
<b>CURRENT ASSETS</b>			
Debtors	3	61,743	55,446
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4	(9,069)	(2,772)
<b>NET ASSETS</b>		<u>103,016</u>	<u>103,016</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>103,016</u>	<u>103,016</u>

During the year the company recorded a single entity loss of \$Nil (2017: \$ 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: February 5, 2020

The notes on pages 28 to 30 form part of these financial statements.

**PROJECT PANTHER BIDCO LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	<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 2017	-	(3,419)	105,375	101,956
Loss for the year	-	-	-	-
Contributions	-	-	1,060	1,060
Balance at 31 December 2017	<u>-</u>	<u>(3,419)</u>	<u>106,435</u>	<u>103,016</u>

**PROJECT PANTHER BIDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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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.

The Company is included within the consolidated financial statements of Project Panther, Limited.

These accounts do not contain a Cashflow Statement or a Financial Instruments note as these are 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.

- IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IFRS 3 Business Combinations (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IAS 12 Income Taxes (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IAS 19 Employee Benefits (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IAS 23 Borrowing Costs (effective for accounting periods beginning on or after 1 January 2019)
- Improvements to IFRS Standards 2014-2017 Cycle
- Improvements to IFRS Standards 2015-2018 Cycle

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 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018)

No adjustment arose from the introduction of these standards.

**PROJECT PANTHER BIDCO LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. INVESTMENTS**

Cost	Investments in Subsidiary companies S'000
At 1 January 2018	50,342
Impairment	-
At 31 December 2018	<u>50,342</u>

  

Subsidiary company	Holding	Address
Malibu Entertainment Inc	Direct	1411 Broadway, New York, NY 10018
Aspiro AB	Direct	1411 Broadway, New York, NY 10018
TIDAL Brazil	Direct	City of São Paulo, State of São Paulo, at Avenida Paulista, nº 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 Aspiro AB:		
Aspiro AS	Indirect	POB 9097, Gronland, 0133 Oslo, Norway
Aspiro TV AS	Indirect	POB 9097, Gronland, 0133 Oslo, Norway
Aspiro Sok AS	Indirect	POB 9097, Gronland, 0133 Oslo, Norway
TIDAL Music AB	Indirect	1411 Broadway, New York, NY 10018
SMS Enlightenment 2100 AS	Indirect	1411 Broadway, New York, NY 10018
RADR Entertainment AB	Indirect	1411 Broadway, New York, NY 10018
Aspiro Innovation AB	Indirect	1411 Broadway, New York, NY 10018
Owned by Aspiro AS:		
SMS Opplysningen 1985 AS	Indirect	POB 9097, Gronland, 0133 Oslo, Norway
Owned by TIDAL US AB:		
TIDAL US AB	Indirect	1411 Broadway, New York, NY 10018
WiMP Music ApS	Indirect	Kristen Bernikows Gade 4, 2 1105 Kobenhavn K Denmark
WiMP Music GmbH	Indirect	Grimmstr. 23 10967 Berlin, Germany
TIDAL Norway AS	Indirect	POB 9097, Gronland, 0133 Oslo, Norway
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 2018**

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<b>3. TRADE AND OTHER RECEIVABLES</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts owed by group undertakings	61,743	55,446

<b>4. TRADE AND OTHER PAYABLES</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current liabilities</b>		
Amounts owed to group undertakings	9,069	2,772

<b>5. ISSUED SHARE CAPITAL</b>	<b>Number of</b>	<b>Nominal</b>
	<b>Shares</b>	<b>Value</b>
<b>Allotted, called up and fully paid</b>	<b>No.</b>	<b>\$</b>
At 31 December 2018:		
Ordinary shares of \$ each	1	1

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 (Cayman). 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.