

Heartcore Alumni Fund IV K/S Annual Report 2024



The Annual General Meeting adopted the data on
27.02.25

Signe Marie Sveinbjørnsson
Chairwoman of the General Meeting

Heartcore Alumni Fund IV K/S
Frederiksgade 7,3 1265 København K
CVR No. 42406996

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2024	8
Balance sheet at 31.12.2024	9
Statement of changes in equity for 2024	11
Notes	12
Accounting policies	14

Entity details

Entity

Heartcore Alumni Fund IV K/S

Frederiksgade 7, 3.

1265 København K

Business Registration No.: 42406996

Registered office: København

Financial year: 01.01.2024 - 31.12.2024

Executive Board in Heartcore Capital General Partner IV ApS

Christian Lindegaard Jepsen

Jimmy Fussing Nielsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Heartcore Alumni Fund IV K/S for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 30.01.2025

On behalf of Heartcore Capital General Partner IV ApS

Christian Lindegaard Jepsen

Jimmy Fussing Nielsen

Independent auditor's report

To the shareholders of Heartcore Alumni Fund IV K/S

Opinion

We have audited the financial statements of Heartcore Alumni Fund IV K/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 30.01.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Thorø Larsen

State Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

Primary activities

The primary activities for the Fund is owning shares in Heartcore Capital Fund IV K/S that are monitoring, developing and realizing investments in early-stage technology companies.

The Fund has had no employees during the year.

Development in activities and finances

The fund's profit for the year is DKK 10 thousand, primarily related to other financial income.

Periodic disclosure for Article 6 financial product

The investment underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Information according to the Alternative Investment Fund Managers Directive

According to Article 22 of the Alternative Investment Fund Managers Directive, Alternative Investment Funds (AIF) must make certain disclosures to investors in connection with the presentation of financial statements. During the financial period covered by the financial statements, there have been no significant changes in the matters below:

- The Fund's Investment strategy;
- Valuation principles of the Fund's investments;
- New arrangements for managing the Fund's liquidity;
- The Fund's risk profile and the risk management systems implemented by the Fund Manager used to manage the Fund's risks;
- There have been no amendments to the maximum level of leverage which the Fund Manager can use on behalf of the Fund. Nor has there been any changes in the right to use collateral or any guarantee in accordance with the agreement allowing for the leverage.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2024

	Notes	2024 DKK'000	2023 DKK '000
Other external expenses	1	(24)	(19)
Gross profit/loss		(24)	(19)
Other operating expenses	2	(10)	(10)
Operating profit/loss		(34)	(29)
Other financial income		45	85
Other financial expenses		(1)	(1)
Profit/loss for the year		10	55
Proposed distribution of profit and loss:			
Retained earnings		10	55
Proposed distribution of profit and loss		10	55

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Other investments		22,375	19,590
Financial assets	3	22,375	19,590
Fixed assets		22,375	19,590
Cash		690	2,978
Current assets		690	2,978
Assets		23,065	22,568

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		22,359	22,399
Retained earnings		160	150
Equity		22,519	22,549
Other payables		546	19
Current liabilities other than provisions		546	19
Liabilities other than provisions		546	19
Equity and liabilities		23,065	22,568
Contingent liabilities	4		
Related parties with controlling interest	5		

Statement of changes in equity for 2024

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	22,399	150	22,549
Decrease of capital	(40)	0	(40)
Profit/loss for the year	0	10	10
Equity end of year	22,359	160	22,519

The Partners have committed themselves to contributing up to DKK 28,733 thousand into the Fund, as and when new capital is required for making investments, paying fund costs etc. Of the total committed capital, the Partners have paid-in net DKK 22,359 thousand, and the remaining contribution balance is DKK 6,374 thousand.

Notes

1 Other external expenses

Other external expenses cover cost for investments that did not materialize, regulatory costs, cost for the fund's advisory and investment board and fees to other advisors.

2 Other operating expenses

The Fund had no employees during the financial year.

According to Article 107 of the AIFMD Level 2 Regulation and paragraph 61 section 3 (5 and 6) of the Alternative Investment Fund Managers etc. Act, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager and the number of beneficiaries. Furthermore, remuneration to material risk-takers must be disclosed.

The Fund Manager must also disclose the information necessary to provide an understanding of the risk profile of the Fund and the measures that the Fund Manager takes to avoid or manage conflicts of interest between the Fund Manager and the Limited Partners. The Board of Directors has adopted a remuneration policy in order to ensure that the employees and Management are remunerated according to the Danish Executive Order on remuneration policy and disclosure requirements on remuneration for managers of alternative investment funds, etc.

The remuneration policy ensures, among other matters, that the following is applied in relation to remuneration at the Fund Manager:

- Promoting of sound and effective risk management, which does not encourage excessive risk-taking.
- Consistency with the principles regarding the protection of the Limited Partners and measures in order to avoid conflicts of interest.

In accordance with paragraph 61 section 3 (5 and 6) of the Alternative Investment Fund Managers etc. Act, information regarding salaries paid to employees of the fund manager is disclosed in the Annual Report for 2024 for Heartcore Capital A/S (CVR no. 33858663).

3 Financial assets

	Other investments DKK'000
Cost beginning of year	19,590
Additions	2,785
Cost end of year	22,375
Carrying amount end of year	22,375

The Fund has through its investment in a portfolio fund ownership of solely unlisted investments. The Fund does not possess controlling or significant influence on the portfolio fund in which the Fund has invested.

Annually the Fund receives audited financial statements by an independent auditor from the portfolio fund,

which serve as the basis for the year-end valuation of the net realisable value.

As a part of the compilation of the annual report, Management assesses the fair value principles and accounting estimates of the portfolio fund, and evaluate if the applied principles are fair, based upon management experience and knowledge regarding the specific portfolio fund. Given the nature of the unlisted investments valuation is inherently associated with uncertainty, and the final valuation or sale price of the investments held the portfolio fund, will depend on the future developments in market and specific factors, including earning interest rates, foreign exchange, etc.

The General Partner has assessed that the net realisable value of its investment in the portfolio fund exceeds cost. Consequently, no impairment has been recognised during the financial period.

4 Contingent liabilities

At the balance sheet date, the Fund has assumed obligations to make further investment in a portfolio fund or otherwise assumed obligations towards the portfolio fund by an amount of up to totally DKK 6,423 thousand (2023: DKK 9,209 thousand).

5 Related parties with controlling interest

The General Partner is Heartcore Capital General Partner IV ApS, Copenhagen

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Other external expenses

Other external expenses include include general administration costs.

Other operating expenses

Other operating expenses comprise management fee to the management company, Heartcore Capital A/S.

Other financial income

Other financial income comprise interest income and currency gains, which are not related to value adjustments of investments in portfolio companies.

Other financial expenses

Other financial expenses comprise interest expenses and currency losses, which are not related to value adjustments of investments in portfolio companies.

Balance sheet

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities, are measured at amortised cost and comprises other payables.