



## Heartcore Capital Progression Fund Beta K/S

Frederiksgade 7, 3.  
1265 København K  
CVR No. 40295879

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 28.02.2023

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**Signe Marie Sveinbjørnsson**  
Chairwoman of the General Meeting

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# Entity details

## Entity

Heartcore Capital Progression Fund Beta K/S

Frederiksgade 7, 3.

1265 København K

Business Registration No.: 40295879

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

## Executive Board in Heartcore Capital General Partner Beta ApS,

Jimmy Fussing Nielsen

Christian Lindegaard Jepsen

## 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 Capital Progression Fund Beta K/S for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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, 24.01.2023

## Executive Board

**Jimmy Fussing Nielsen**

**Christian Lindegaard Jepsen**

# Independent auditor's report

## To the shareholders of Heartcore Capital Progression Fund Beta K/S

### Opinion

We have audited the financial statements of Heartcore Capital Progression Fund Beta K/S for the financial year 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 under the Danish Financial Statements Act.

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, 24.01.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Murat Güler**

State Authorised Public Accountant  
Identification No (MNE) mne46582

# Management commentary

## Primary activities

The primary activities for the Fund is monitoring, developing and realising investments in early-stage technology companies.

The Fund has had no employees during the year

## Development in activities and finances

The Fund's loss for the year is DKK 10,479 thousand. The loss is mainly due to write-downs of financial assets.

## Information according to the Alternative Investment Fund Managers Directive

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 2022

	Notes	2022 DKK'000	2021 DKK '000
Other external expenses		(501)	(1,691)
<b>Gross profit/loss</b>		<b>(501)</b>	<b>(1,691)</b>
Other operating expenses	1	(1,770)	(381)
<b>Operating profit/loss</b>		<b>(2,271)</b>	<b>(2,072)</b>
Income from financial assets	2	(8,164)	637
Other financial income		53	0
Other financial expenses		(97)	(30)
<b>Profit/loss for the year</b>		<b>(10,479)</b>	<b>(1,465)</b>
<b>Proposed distribution of profit and loss:</b>			
Retained earnings		(10,479)	(1,465)
<b>Proposed distribution of profit and loss</b>		<b>(10,479)</b>	<b>(1,465)</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK'000	2021 DKK'000
Other investments		222,269	101,600
<b>Financial assets</b>	3	<b>222,269</b>	<b>101,600</b>
<b>Fixed assets</b>		<b>222,269</b>	<b>101,600</b>
<b>Cash</b>		<b>435</b>	<b>150</b>
<b>Current assets</b>		<b>435</b>	<b>150</b>
<b>Assets</b>		<b>222,704</b>	<b>101,750</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
Contributed capital		234,543	103,158
Retained earnings		(11,952)	(1,473)
<b>Equity</b>		<b>222,591</b>	<b>101,685</b>
Other payables		113	65
<b>Current liabilities other than provisions</b>		<b>113</b>	<b>65</b>
<b>Liabilities other than provisions</b>		<b>113</b>	<b>65</b>
<b>Equity and liabilities</b>		<b>222,704</b>	<b>101,750</b>
Contingent liabilities	4		
Related parties with controlling interest	5		

# Statement of changes in equity for 2022

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	103,158	(1,473)	101,685
Increase of capital	131,385	0	131,385
Profit/loss for the year	0	(10,479)	(10,479)
<b>Equity end of year</b>	<b>234,543</b>	<b>(11,952)</b>	<b>222,591</b>

### 1 Other operating expenses

The Fund had no employees during the financial year.

Administrative and Investment work is performed by Heartcore Capital A/S (see note 5).

Administrative expenses cover management fee to Heartcore Capital A/S of DKK 1,720 thousand (2021: DKK 343 thousand) and management fee to General Partner of DKK 50 thousand (2021: DKK 38 thousand).

According to Article 22 of the AIFM Directive, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager, including paid-out carried interest. Furthermore, remuneration to material risk-takers must be disclosed. For information about remuneration, please refer to [www.heartcore.com](http://www.heartcore.com).

According to the requirements in Article 22 in the AIFM Directive, further information about remuneration and realised carried interest can be received upon request from the Limited Partners of the respective funds.

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.

### 2 Income from financial assets

Income/(loss) from other fixed asset investment comprise unrealised value adjustments from investments in portfolio companies.

### 3 Financial assets

	<b>Other investments DKK'000</b>
Cost beginning of year	100,963
Additions	128,834
<b>Cost end of year</b>	<b>229,797</b>
Revaluations beginning of year	637
Reversal of revaluations	(637)
<b>Revaluations end of year</b>	<b>0</b>
Impairment losses for the year	(7,528)
<b>Impairment losses end of year</b>	<b>(7,528)</b>
<b>Carrying amount end of year</b>	<b>222,269</b>

#### **4 Contingent liabilities**

At the balance sheet date, the Fund has not assumed obligations to make further investments in portfolio companies or any other contingent liabilities.

#### **5 Related parties with controlling interest**

The General Partner is Heartcore Capital General Partner Beta ApS, Copenhagen. The majority of the shares are owned by the European Investment Fund

# 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 for these financial statements are consistent with those applied last year. The description of accounting policies reflects the Fund's special activity as venture fund.

The annual report is presented in DKK 1,000.

## 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.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Exchange rate adjustments relating to other investments are recognised in the income statement together with fair value adjustments concerning the investments

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

## Income statement

### Other external expenses

Other external expenses comprise expenses related to administration.

### Other operating expenses

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

### Income from other fixed asset investments

Income from other fixed asset investments (shares and loans) comprises realised gains/losses from divestments as well as unrealised value adjustments from revaluation of the investments.

### Other financial income

Other financial income comprises interest income

### Other financial expenses

Other financial expenses comprise interest expenses and currency losses, which do not relate to, realised and unrealised capital losses on transactions in foreign currencies which do not relate to value adjustments of investments in portfolio companies.

## Balance sheet

### Other investments

Other investments included as fixed asset investments comprise investments in portfolio companies and convertible loans to portfolio companies. Investments in portfolio companies made in the financial year are recognised at cost at the time of investment. The cost includes expenses incurred in connection with acquisition of portfolio companies. Unlisted investments in portfolio companies are subsequently measured in accordance with IPEV's Valuation Guidelines, under which investments are recognised at fair value at the balance sheet date. Also convertible loans to portfolio companies are recognised at fair value at the balance sheet date. For investments in portfolio companies listed on a stock exchange, fair value is determined as the stock price at the balance sheet date. Value adjustments are recognised in the income statement.

### Cash

Cash comprises cash in hand and bank deposits.

### Other financial liabilities

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