



Entropia ApS

Borchsvej 16
2950 Vedbæk
CVR No. 30570251

Annual report 2022

The Annual General Meeting adopted the
annual report on 10.07.2023

Eric Alan Rapp

Chairman of the General Meeting

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Entity details

Entity

Entropia ApS

Borchsvej 16

2950 Vedbæk

Business Registration No.: 30570251

Registered office: Rudersdal

Financial year: 01.01.2022 - 31.12.2022

Executive Board

Eric Alan Rapp

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6700 Esbjerg

Statement by Management

I have today considered and approved the annual report of Entropia ApS for the financial year 01.01.2022 - 31.12.2022.

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

In my opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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

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

Vedbæk, 10.07.2023

Executive Board

Eric Alan Rapp

Independent auditor's report

To the shareholder of Entropia ApS

Opinion

We have audited the financial statements of Entropia ApS 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.

Esbjerg, 10.07.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Lasse Lynggaard Wolff

State Authorised Public Accountant

Identification No (MNE) mne35802

Management commentary

Primary activities

The primary activities of the Company are to hold shares in companies in the Heartcore Capital structure and other investment activities.

Income statement for 2022

| | Notes | 2022 DKK | 2021 DKK |
|--|-------|------------------|-------------------|
| Other external expenses | | (489,248) | (23,433) |
| Gross profit/loss | | (489,248) | (23,433) |
| Income from investments in associates | | (1,555) | 22,628,686 |
| Income from investments in participating interests | | 5,065,998 | 0 |
| Other financial expenses | | (744,859) | (44,752) |
| Profit/loss before tax | | 3,830,336 | 22,560,501 |
| Tax on profit/loss for the year | | (496,947) | (83,732) |
| Profit/loss for the year | | 3,333,389 | 22,476,769 |
| Proposed distribution of profit and loss: | | | |
| Ordinary dividend for the financial year | | 500,000 | 1,000,000 |
| Extraordinary dividend distributed in the financial year | | 2,063,518 | 5,611,844 |
| Retained earnings | | 769,871 | 15,864,925 |
| Proposed distribution of profit and loss | | 3,333,389 | 22,476,769 |

Balance sheet at 31.12.2022

Assets

| | Notes | 2022 DKK | 2021 DKK |
|--|-------|-------------------|-------------------|
| Investments in group enterprises | | 1,000,000 | 0 |
| Investments in associates | | 11,777 | 13,332 |
| Investments in participating interests | | 1,289,847 | 1,208,526 |
| Other investments | | 1,118,236 | 0 |
| Financial assets | 1 | 3,419,860 | 1,221,858 |
| Fixed assets | | 3,419,860 | 1,221,858 |
| Receivables from associates | | 7,777 | 7,777 |
| Income tax receivable | | 767,640 | 0 |
| Receivables | | 775,417 | 7,777 |
| Other investments | | 6,335,333 | 0 |
| Other investments | | 6,335,333 | 0 |
| Cash | | 8,377,658 | 16,904,724 |
| Current assets | | 15,488,408 | 16,912,501 |
| Assets | | 18,908,268 | 18,134,359 |

Equity and liabilities

| | Notes | 2022 DKK | 2021 DKK |
|--|--------------|---------------------|---------------------|
| Contributed capital | | 125,000 | 125,000 |
| Reserve for net revaluation according to the equity method | | 206,766 | 126,929 |
| Retained earnings | | 15,404,157 | 16,777,641 |
| Proposed extraordinary dividend | | 2,063,518 | 0 |
| Proposed dividend | | 500,000 | 1,000,000 |
| Equity | | 18,299,441 | 18,029,570 |
| | | | |
| Bank loans | | 4,300 | 0 |
| Trade payables | | 86,523 | 0 |
| Income tax payable | | 496,947 | 83,732 |
| Other payables | | 21,057 | 21,057 |
| Current liabilities other than provisions | | 608,827 | 104,789 |
| | | | |
| Liabilities other than provisions | | 608,827 | 104,789 |
| | | | |
| Equity and liabilities | | 18,908,268 | 18,134,359 |
| | | | |
| Employees | 2 | | |
| Fair value information | 3 | | |
| Contingent liabilities | 4 | | |
| Assets charged and collateral | 5 | | |

Statement of changes in equity for 2022

| | Contributed capital DKK | Reserve for net revaluation according to the equity method DKK | Retained earnings DKK | Proposed extraordinary dividend DKK | Proposed dividend DKK |
|-----------------------------|----------------------------|---|--------------------------|--|--------------------------|
| Equity beginning of year | 125,000 | 126,929 | 16,777,641 | 0 | 1,000,000 |
| Ordinary dividend paid | 0 | 0 | 0 | 0 | (1,000,000) |
| Extraordinary dividend paid | 0 | 0 | (2,063,518) | 0 | 0 |
| Profit/loss for the year | 0 | 79,837 | 690,034 | 2,063,518 | 500,000 |
| Equity end of year | 125,000 | 206,766 | 15,404,157 | 2,063,518 | 500,000 |

| | Total DKK |
|-----------------------------|-------------------|
| Equity beginning of year | 18,029,570 |
| Ordinary dividend paid | (1,000,000) |
| Extraordinary dividend paid | (2,063,518) |
| Profit/loss for the year | 3,333,389 |
| Equity end of year | 18,299,441 |

Notes

1 Financial assets

| | Investments in group enterprises DKK | Investments in associates DKK | Investments in participa- ting interests DKK | Other investments DKK |
|--------------------------------------|---|--|---|-----------------------------|
| Cost beginning of year | 0 | 51,666 | 1,043,192 | 0 |
| Additions | 1,000,000 | 0 | 0 | 1,118,236 |
| Cost end of year | 1,000,000 | 51,666 | 1,043,192 | 1,118,236 |
| Revaluations beginning of year | 0 | 0 | 165,334 | 0 |
| Share of profit/loss for the year | 0 | 0 | 4,627,884 | 0 |
| Dividend | 0 | 0 | (4,984,677) | 0 |
| Other adjustments | 0 | 0 | 438,114 | 0 |
| Revaluations end of year | 0 | 0 | 246,655 | 0 |
| Impairment losses beginning of year | 0 | (38,334) | 0 | 0 |
| Share of profit/loss for the year | 0 | (1,555) | 0 | 0 |
| Impairment losses end of year | 0 | (39,889) | 0 | 0 |
| Carrying amount end of year | 1,000,000 | 11,777 | 1,289,847 | 1,118,236 |

| Investments in subsidiaries | Registered in | Corporate form | Equity interest % |
|-----------------------------|---------------|-------------------|-------------------------|
| Sloppy Jo & Friends ApS | Copenhagen | ApS | 100.00 |

| Investments in associates | Registered in | Corporate form | Equity interest % |
|------------------------------|---------------|-------------------|-------------------------|
| Sunstone TV GP I Holding ApS | Copenhagen | ApS | 22.22 |

| Investments in participating interests | Registered in | Corporate form | Equity interest % |
|--|---------------|-------------------|-------------------------|
| Heartcore Capital Invest I Holding ApS | Copenhagen | ApS | 16.28 |
| Heartcore Capital Special LP I Holding ApS | Copenhagen | ApS | 18.06 |
| Sunstone TV Partners Holding ApS | Copenhagen | ApS | 11.25 |
| Sunstone TV Partners & Co. Holding ApS | Copenhagen | ApS | 9.00 |
| Heartcore Capital Special Limited Partner II Holding ApS | Copenhagen | ApS | 2.52 |
| Sunstone LSV (TV) Special Limited Partner II Holding ApS | Copenhagen | ApS | 2.73 |
| Heartcore Capital Invest II Holding ApS | Copenhagen | ApS | 2.16 |

2 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

3 Fair value information

| | Other investments DKK |
|--|--------------------------------------|
| Fair value end of year | 6,335,333 |
| Unrealised fair value adjustments recognised in the income statement | (637,094) |

4 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

5 Assets charged and collateral

As collateral regarding the company's bank engagement, one bank account and other investments has been pledged as security.

The booked value as of 31.12.2022 are DKK 6,340,395.

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.

Changes in accounting policies

The Entity has changed its accounting policies with regards to investments in participation interests.

Investments in participation interests are now recognised as such. The investments was presented as investments in associates during last years annual report.

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with 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 corporate costs etc.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss.

Income from investments in participating interests

Income from investments in participating interests comprises the pro rata share of the individual participating interests' profit/loss after pro rata elimination of intra-group profits or losses.

Other financial expenses

Other financial expenses comprise interest expenses and bank charges etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value.

Associates with negative equity value are measured at DKK 0.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method in equity.

Investments in participating interests

Investments in participating interests are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the participating interests' equity value.

Participating interests with negative equity value are measured at DKK 0.

Upon distribution of profit or loss, net revaluation of investments in participating interests is transferred to the reserve for net revaluation according to the equity method in equity.

Other investments

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.