

Third Ear Productions ApS

Refshalevej 163A
1432 København K

CVR No. 36982268

Annual Report 2022

7. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 13 June 2023

Timothy John Hinman
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Third Ear Productions ApS for the financial year 1 January 2022 - 31 December 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 assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 13 June 2023

Executive Board

Anders Krister Moltzen Frandsen
Manager

Timothy John Hinman
Manager

Auditors' Report on Compilation of Financial Statements

To the day-to-day management of Third Ear Productions ApS

We have compiled the Financial Statements of Third Ear Productions ApS for the financial year 1 January 2022 - 31 December 2022 based on the Company's bookkeeping and other information provided by it.

The financial statements comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We have completed the engagement of Compiling Financial Information in accordance with The International Standards on Related Services, ISRS 4410 (Revised), Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of these Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions in the Danish Act on Auditors and Audit Firms as well as Danish Auditors' (FSR) ethical rules for auditors, including principles of integrity, objectivity, professional competence and due care.

The Financial Statement and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement regarding financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you have given us in order for us to compile the Financial Statements. Accordingly, we do not express an audit or review opinion on whether the Financial Statements are prepared in accordance with the Danish Financial Accounts Act.

Copenhagen, 13 June 2023

HARBOE CONSULT ApS - GODKENDT REVISIONSVIRKSOMHED

CVR-no. 35649417

Michael Harboe
Registered Public Accountant
mne661

Company details

Company	Third Ear Productions ApS Refshalevej 163A 1432 København K
CVR No.	36982268
Date of formation	10 August 2015
Registered office	Copenhagen
Executive Board	Anders Krister Moltzen Frandsen, Manager Timothy John Hinman, Manager
Auditors	HARBOE CONSULT ApS - GODKENDT REVISIONSVIRKSOMHED Grønningen 17 1270 København K CVR-no.: 35649417

Management's Review

The Company's principal activities

The Company's principal activities consist in media production.

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK -565.200 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 2.160.451 and an equity of DKK 1.093.958.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The annual report of Third Ear Productions ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other external expenses

Other external expenses include expenses for sales, administration and premises.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Amortisation and impairment of tangible and intangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	5 years	0%

Profit or loss resulting from the sale of intangible assets or property, plant and equipment is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

Financial expenses

Financial expenses are recognised in the income statement based at the amounts that concern the financial year. Financial expenses include interest revenue.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Deposits

Deposits are measured at cost.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and involve only an insignificant risk of value changes.

Accounting Policies

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2022 kr.	2021 kr.
Gross profit		1.415.993	1.161.568
Employee benefits expense	1	-1.742.084	-1.396.119
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-42.163	-68.786
Profit from ordinary operating activities		-368.254	-303.338
Finance expences		-198.109	-33.143
Profit from ordinary activities before tax		-566.363	-336.481
Tax expense on ordinary activities	2	1.163	5.537
Profit		-565.200	-330.944
 Proposed distribution of results			
Retained earnings		-565.200	-330.944
Distribution of profit		-565.200	-330.944

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Assets			
Fixtures, fittings, tools and equipment	3	19.808	45.315
Leasehold improvements	4	49.973	66.630
Property, plant and equipment		69.781	111.945
Deposits	5	78.375	75.000
Investments		78.375	75.000
Fixed assets		148.156	186.945
Short-term trade receivables		0	54.510
Short-term receivables from group enterprises		0	960.000
Current deferred tax		8.987	7.824
Short-term tax receivables		6.000	4.000
Other short-term receivables		111.092	0
Receivables		126.079	1.026.334
Cash and cash equivalents		1.886.216	456.633
Current assets		2.012.295	1.482.967
Assets		2.160.451	1.669.911

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		87.165	81.633
Share premium		1.688.636	0
Retained earnings		-681.843	-116.643
Equity		1.093.958	-35.010
Other payables		23.378	23.378
Long-term liabilities other than provisions	6	23.378	23.378
Prepayments received from customers		933.000	0
Trade payables		50.000	40.000
Other payables		58.834	139.409
Intercompany with owner		1.281	1.502.135
Short-term liabilities other than provisions		1.043.115	1.681.544
Liabilities other than provisions within the business		1.066.493	1.704.922
Liabilities and equity		2.160.451	1.669.911
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Third Ear Productions ApS

Statement of changes in Equity

	Contributed capital	Retained earnings	Share premium	Total
Equity 1 January 2022	81.633	-116.643	0	-35.010
Increase of capital	5.532	0	1.688.636	1.694.168
Profit (loss)	0	-565.200	0	-565.200
Equity 31 December 2022	87.165	-681.843	1.688.636	1.093.958

The share capital has developed as follows:

	2022	2021	2020	2019	2018
Balance at the beginning of the year	81.633	40.000	2	2	2
Addition during the year	5.532	41.633	39.998	0	0
Balance at the end of the year	87.165	81.633	40.000	2	2

Notes

	2022	2021
1. Employee benefits expense		
Wages and salaries	1.682.548	1.346.522
Social security contributions	23.768	22.162
Other employee expense	35.768	27.435
	1.742.084	1.396.119
Average number of employees	3	3
2. Tax expense		
Deferred tax adjustment	-1.163	-5.537
	-1.163	-5.537
3. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	178.196	138.155
Addition during the year, incl. improvements	0	40.042
Cost at the end of the year	178.196	178.197
Depreciation and amortisation at the beginning of the year	-132.882	-80.753
Amortisation for the year	-25.506	-52.129
Impairment losses and amortisation at the end of the year	-158.388	-132.882
Carrying amount at the end of the year	19.808	45.315
4. Leasehold improvements		
Cost at the beginning of the year	83.287	0
Addition during the year, incl. improvements	0	83.287
Cost at the end of the year	83.287	83.287
Depreciation and amortisation at the beginning of the year	-16.657	0
Amortisation for the year	-16.657	-16.657
Impairment losses and amortisation at the end of the year	-33.314	-16.657
Carrying amount at the end of the year	49.973	66.630
5. Deposits		
Cost at the beginning of the year	75.000	0
Addition during the year	3.375	75.000
Cost at the end of the year	78.375	75.000
Carrying amount at the end of the year	78.375	75.000

Notes

2022

2021

6. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Other payables	23.378	0	23.378
	<u>23.378</u>	<u>0</u>	<u>23.378</u>

7. Contingent liabilities

The company has rent obligations amounting to DKK 37K per status day.

8. Collaterals and securities

No securities or mortgages exist at the balance sheet date.