

Cherry Solutions A/S

c/o Innovationshuset lokale C11.08
Banegårdsgade 2
DK-8700 Horsens

CVR no. 42 21 87 66

Annual report 2023

The annual report was presented and approved at
the Company's annual general meeting on

8 July 2024

Anders Flensborg
Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for Cherry Solutions A/S for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

The general meeting has decided that the financial statement for the coming year will not be audited.

Management confirms that the Company fulfils the requirement to be exempt from audit.

Horsens, 8 July 2024

Executive Board:

Anders Flensborg
CEO

Board of Directors:

Choi Jang Rim
Chairman

ChangHyun Ryu

Jan Binderup

Independent auditor's report

To the shareholder of Cherry Solutions A/S

Opinion

We have audited the financial statements of Cherry Solutions A/S for the financial year 1 January - 31 December 2023, comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report.

We are independent of the Company 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.

Emphasis of matter regarding matters in the financial statements

We draw attention to note 1 in the financial statements, in which the accounting policies applied are described. It appears from this that the company is not submitting accounts subject to continued operations, which is why the annual accounts are not presented with continued operations in mind. Our conclusion has not been modified regarding this matter.

Management's responsibility 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 that 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 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 in preparing the financial statements unless Management either intends to liquidate the 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

Independent auditor's report

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 company 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 Company'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 Company'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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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.



Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Aarhus, 8 July 2024

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen
State Authorised Public Accountant
mne34459

Cherry Solutions A/S
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Management's review

Company details

Cherry Solutions A/S
c/o Innovationshuset lokale C11.08
Banegårdsgade 2
DK-8700 Horsens

CVR no.:	42 21 87 66
Established:	15 March 2021
Registered office:	Horsens
Financial year:	1 January - 31 December

Board of Directors

Choi Jang Rim, Chairman
ChangHyun Ryu
Jan Binderup

Executive Board

Anders Flensburg, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The company's purpose is to engage in the licensing and distribution of software products and delivery of maintenance services to end users of such products, and related business.

Development in activities and financial position

The Company's income statement for 2023 shows a loss of DKK 1,207,277 as against a loss of DKK 2,033,506 in 2022. The equity amounts to -6,193 tDKK and the share capital is lost. The company is therefore subject to the provisions of the Companies Act regarding capital loss. . The company is fully dependent on continued financing from ultimate parent company and shareholders.

The financial year was in line with forecast, and results for the year are not considered satisfactory.

The parent company has confirmed that they not request repayment of the payables to group entities, at least until next annual general meeting. Further the shareholders and management has confirmed that they will not request repayment of payables to shareholders and management at least until next annual general meeting.

It is the management assessment, that there is significant uncertain whether the company will be able to obtain the necessary financing from the ultimate parent company to carry out the activities in 2024. If not obtained they will start a liquidation process.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2023	2022
Gross loss		-320,769	-1,046,901
Staff costs	2	-712,382	-812,557
Loss before financial income and expenses		-1,033,151	-1,859,458
Other financial income		30	80
Other financial expenses		-174,156	-174,128
Loss before tax		-1,207,277	-2,033,506
Tax on loss for the year		0	0
Loss for the year		<u>-1,207,277</u>	<u>-2,033,506</u>

Proposed distribution of loss

Retained earnings		-1,207,277	-2,033,506
		<u>-1,207,277</u>	<u>-2,033,506</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2023	31/12 2022
ASSETS			
Current assets			
Receivables			
Trade receivables		0	14,280
Other receivables		18,369	0
		<u>18,369</u>	<u>14,280</u>
Cash at bank and in hand		<u>756</u>	<u>0</u>
Total current assets		<u>19,125</u>	<u>14,280</u>
TOTAL ASSETS		<u><u>19,125</u></u>	<u><u>14,280</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		600,000	600,000
Retained earnings		-6,793,774	-5,586,497
Total equity		-6,193,774	-4,986,497
Liabilities			
Current liabilities			
Debt to credit institutions		0	1,817
Trade payables		16,092	330,726
Payables to group entities		4,407,726	3,216,200
Other payables, including taxes payable		0	161,024
Payables to shareholders and management		1,789,081	1,291,010
		6,212,899	5,000,777
Total liabilities		6,212,899	5,000,777
TOTAL EQUITY AND LIABILITIES		19,125	14,280

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2023	600,000	-5,586,497	-4,986,497
Transferred over the distribution of loss	0	-1,207,277	-1,207,277
Equity at 31 December 2023	600,000	-6,793,774	-6,193,774

Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of Cherry Solutions A/S for 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes, with the adjustments prompted by management assessment, that there is significant uncertain whether the company will be able to obtain the necessary financing from the ultimate parent company to carry out the activities in 2024. If not obtained they will start a liquidation process.

Accordingly the financial statements have not been prepared on a going concern basis of accounting.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for administrative expenses, costs of premises, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding losses on payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 January – 31 December

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1 Accounting policies

Balance sheet

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Liabilities

Liabilities are measured at amortised cost.

2 Staff costs

DKK	2023	2022
Wages and salaries	707,826	805,191
Other social security costs	4,556	7,366
	<u>712,382</u>	<u>812,557</u>
Average number of full-time employees	<u>2</u>	<u>2</u>

3 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. The jointly taxed entities' total net liability to SKAT amounted to DKK 0 thousand at 31 December 2023. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

The Group's Danish entities are jointly and severally liable for the joint registration concerning VAT.