

Giritech A/S

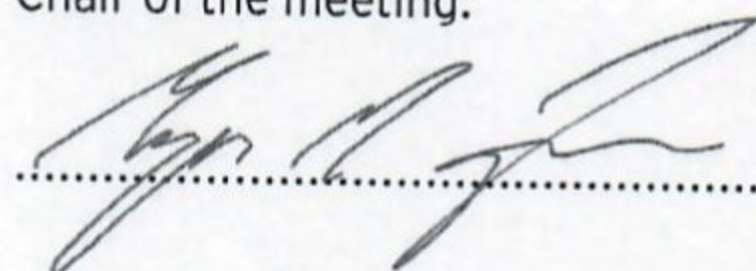
Frederiksberggade 16, 1459, København K

CVR no. 27 24 17 19

Annual report 2020

Approved at the Company's annual general meeting on 3 June 2021

Chair of the meeting:



A handwritten signature in black ink, written over a horizontal dotted line. The signature is stylized and appears to be 'Lars A. Jensen'.

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Giritech A/S for the financial year 1 January - 31 December 2020.


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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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

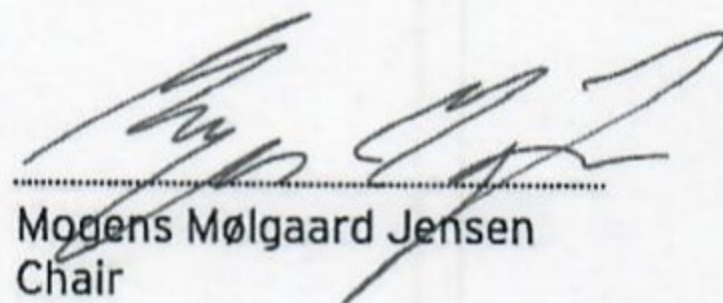
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 3 June 2021
Executive Board:



Pal Ujvarosi
CEO

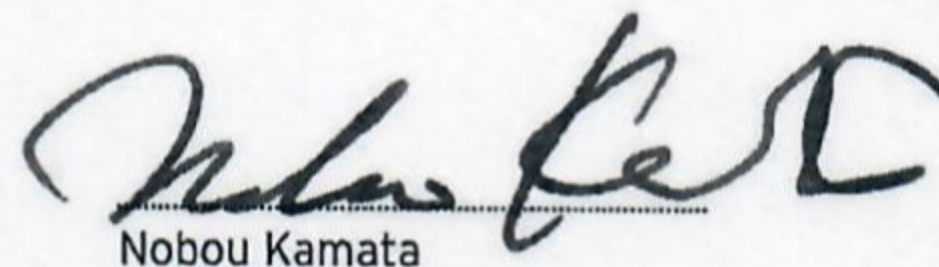
Board of Directors:



Mogens Mølgaard Jensen
Chair



Kensuke Kawai



Nobou Kamata

Independent auditor's report

To the shareholders of Giritech A/S

Opinion

We have audited the financial statements of Giritech A/S for the financial year 1 January - 31 December 2020, which comprise 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 financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 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 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 the 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- ▶ 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 note 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.

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.

Copenhagen, 3 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Hedemann
State Authorised Public Accountant
mne14949

Management's review

Company details

Name	Giritech A/S
Address, Postal code, City	Frederiksberggade 16, 1459, København K
CVR no.	27 24 17 19
Established	3 July 2003
Registered office	København
Financial year	1 January - 31 December
Website	www.solitonsystems.com
Board of Directors	Mogens Mølgaard Jensen, Chair Kensuke Kawai Nobou Kamata
Executive Board	Pal Ujvarosi, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

Giritech A/S develops and sells IT systems and related hardware.

Financial review

The income statement for 2020 shows a profit of DKK 0 against a loss of DKK 1 thousand last year, and the balance sheet at 31 December 2020 shows a negative equity of DKK 476 thousand.

Giritech A/S expects no activities in 2021, just like in 2020, and expects to enter into liquidation in the financial year 2021.

The Company has current liabilities of DKK 482 thousand and cash totaling to DKK 6 thousand. The Company has received a letter of support from the ultimate parent company, Soliton Systems K.K., which confirms that the ultimate parent company will provide all the support that may be needed in order for the Company to pay all liabilities until final liquidation.

The Company has lost more than 50 % of the share capital and is therefore subject to the rules on capital loss in the Danish Companies Act.

Events after the balance sheet date

There have been no other events after the balance sheet date that could have an impact on the Company's financial position at 31 December 2020.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	<u>2020</u>	<u>2019</u>
	Financial expenses	0	-1
	Profit/loss for the year	<u>0</u>	<u>-1</u>
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	<u>0</u>	<u>-1</u>
		<u>0</u>	<u>-1</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	<u>2020</u>	<u>2019</u>
	ASSETS		
	Non-fixed assets		
	Cash	<u>6</u>	<u>6</u>
	Total non-fixed assets	<u>6</u>	<u>6</u>
	TOTAL ASSETS	<u><u>6</u></u>	<u><u>6</u></u>
	EQUITY AND LIABILITIES		
	Equity		
4	Share capital	500	500
	Retained earnings	<u>-976</u>	<u>-976</u>
	Total equity	<u>-476</u>	<u>-476</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Payables to group enterprises	<u>482</u>	<u>482</u>
		<u>482</u>	<u>482</u>
		<u>482</u>	<u>482</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>6</u></u>	<u><u>6</u></u>

- 1 Accounting policies
- 2 Liquidity and capital resources
- 3 Staff costs
- 5 Contractual obligations and contingencies, etc.
- 6 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2019	500	-975	-475
Transfer through appropriation of loss	0	-1	-1
Equity at 1 January 2020	500	-976	-476
Equity at 31 December 2020	500	-976	-476

The Company has lost more than 50 % of the share capital and is therefore subject to the rules on capital loss in the Danish Companies Act. Management expects to enter the Company into liquidation during the financial year 2021.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Giritech A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Income statement

Gross profit

The items revenue have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Balance sheet

Cash

Cash comprise cash subject only to minor risks of changes in value.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value which is usually nominal value.

2 Liquidity and capital resources

The Company has lost more than 50 % of the share capital and is therefore subject to the rules on capital loss in the Danish Companies Act. Management expects to enter the Company into liquidation during the financial year 2021.

3 Staff costs

The Company has no employees.

Financial statements 1 January - 31 December

Notes to the financial statements

4 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK'000	2020	2019	2018	2017	2016
Opening balance	500	500	500	500	500
	500	500	500	500	500

5 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with the parent company Soliton Systems Development Center Europe A/S which is the administrative company. The Company has joint and several unlimited liability for Danish corporation taxes.

6 Related parties

Giritech A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Soliton Systems Development Center Europe A/S	Frederiksberggade 16, 1459 København K	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Soliton Systems K. K.	2-4-3 Shinjuku, Shinjuku-ku, Tokyo 160-0022 Japan	The ultimate mother company's financial statement is available at https://solitonsystems.com/