

# Cherwell Software ApS

c/o Plesner Advokatpartnerselskab, Amerika Plads 37, 2100 København Ø

CVR no. 38 98 82 04

## Annual report 2020

Approved at the Company's annual general meeting on 14 July 2021

Chair of the meeting:

.....  
Michael Ray McClellan





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## Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Cherwell Software ApS 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, 14 July 2021  
Executive Board:

.....  
Michael Ray McClellan  
director

.....  
Jeffrey Scott Abbott  
director

## Independent auditor's report

To the shareholder of Cherwell Software ApS

### Opinion

We have audited the financial statements of Cherwell Software ApS 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.

## Independent auditor's report

- ▶ 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 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, 14 July 2021  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Martin Alsbæk  
State Authorised Public Accountant  
mne28627



## Management's review

### Company details

Name	Cherwell Software ApS c/o Plesner Advokatpartnerselskab, Amerika Plads 37, 2100 København Ø
Address, Postal code, City	
CVR no.	38 98 82 04
Established	5 October 2017
Financial year	1 January - 31 December
Executive Board	Michael Ray McClellan, director Jeffrey Scott Abbott, director
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Business review

The Company's objective is to sell software and IT-solutions and related activities as defined by the Executive Board.

### Financial review

The income statement for 2020 shows a profit of DKK 159 thousand against a loss of DKK 1,165 thousand last year, and the balance sheet at 31 December 2020 shows a negative equity of DKK 4,444 thousand.

Management is aware of the capital loss provisions of the Danish Companies Act and expects to be able to restore the share capital through future operations.

The Company has negative equity at the balance sheet date. The Company's ability to continue operations and meet its obligations as they fall due depends on continued funding from the Parent Company. The Parent Company has guaranteed to provide the funding required to continue operations to year end 2021, against which background Management has presented the financial statements on a going concern assumption.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2020	2019
	Gross loss	-126,891	-353,008
2	Staff costs	-905	-527,118
	Profit/loss before net financials	-127,796	-880,126
3	Financial income	306,602	0
4	Financial expenses	-20,231	-284,935
	Profit/loss for the year	158,575	-1,165,061
	Recommended appropriation of profit/loss	158,575	-1,165,061
	Retained earnings/accumulated loss	158,575	-1,165,061



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Non-fixed assets		
	Receivables		
	Other receivables	78,321	77,234
		78,321	77,234
	Cash	754,313	772,686
	Total non-fixed assets	832,634	849,920
	TOTAL ASSETS	832,634	849,920

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	50,000	50,000
	Retained earnings	-4,494,088	-4,652,663
	Total equity	-4,444,088	-4,602,663
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	49,101	0
	Payables to group enterprises	5,227,621	5,403,834
	Other payables	0	48,749
		5,276,722	5,452,583
		5,276,722	5,452,583
	TOTAL EQUITY AND LIABILITIES	832,634	849,920

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral
- 7 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2020	50,000	-4,652,663	-4,602,663
Transfer through appropriation of profit	0	158,575	158,575
Equity at 31 December 2020	50,000	-4,494,088	-4,444,088

The Company has negative equity at the balance sheet date. The Company's ability to continue operations and meet its obligations as they fall due depends on continued funding from the Parent Company. The Parent Company has guaranteed to provide the funding required to continue operations to year end 2021, against which background Management has presented the financial statements on a going concern assumption.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Cherwell Software ApS 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).

#### Income statement

##### Gross loss

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

##### External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration, etc.

##### Staff costs

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

##### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Liabilities

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2020	2019
2 Staff costs		
Wages/salaries	0	501,608
Pensions	905	25,510
	<u>905</u>	<u>527,118</u>

The Company has no employees at yearend.

3 Financial income		
Exchange gain	306,602	0
	<u>306,602</u>	<u>0</u>
4 Financial expenses		
Exchange losses	0	29,916
Other financial expenses	20,231	255,019
	<u>20,231</u>	<u>284,935</u>

### 5 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company has no contingent liabilities at 31 December 2020.

### 6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2020.

### 7 Related parties

Cherwell Software ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Cherwell Software, LLC	Colorado, USA	Participating interest

### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Cherwell Software, LLC	Colorado, USA	<a href="https://www.cherwell.com/">https://www.cherwell.com/</a>