

Cherwell Software ApS

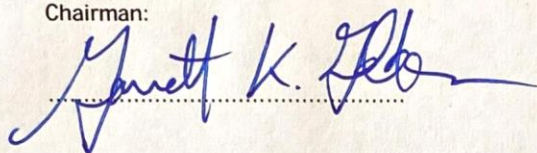
c/o Plesner Advokatpartnerselskab, Amerika Plads 37, 2100 København Ø

CVR no. 38 98 82 04

Annual report 2019

Approved at the Company's annual general meeting on 31 August 2020

Chairman:

A handwritten signature in blue ink, appearing to read "Gunnar K. Jørgensen", written over a dotted line.

Cherwell Software ApS

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

CVR no. 38 98 82 04

Annual report 2019

Approved at the Company's annual general meeting on 31 August 2020

Chairman:

.....





Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10



Cherwell Software ApS
Annual report 2019

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 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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, 31 August 2020
Executive Board:

DocuSigned by:
Timothy G. Pfeifer
56B27C1CDBA24E3.....
Timothy Gordon Pfeifer
CEO

DocuSigned by:
Garrett Golden
8D36262A2B17477.....
Garrett Koppel Golden
CEO

DocuSigned by:
J. Alison Alfors
028ADGE98B5F4F2.....
Jaye Alison Alfors
CEO



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 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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, 31 August 2020
EY GODKENDT REVISIONSPARTNERSELSKAB

CVR no. 30 70 02 28

Martin Alsbaek
State Authorised Public Accountant
mne28627



Cherwell Software ApS
Annual report 2019

Management's review

Company details

Name	Cherwell Software ApS
Address, Postal code, City	c/o Plesner Advokatpartnerselskab, Amerika Plads 37, 2100 København Ø

CVR no.	38 98 82 04
Established	5 October 2017
Financial year	1 January - 31 December

Executive Board	Timothy Gordon Pfeifer, CEO Garrett Koppel Golden, CEO Jaye Alison Alfors, CEO
-----------------	--

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 2019 shows a loss of DKK 1,165,061 against a loss of DKK 2,817,227 last year, and the balance sheet at 31 December 2019 shows a negative equity of DKK 4,602,663.

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 realised losses and 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 2020, 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	2019	2018
	Gross loss	-353,008	-784,938
2	Staff costs	-527,118	-1,966,584
	Profit/loss before net financials	-880,126	-2,751,522
3	Financial income	0	25,936
4	Financial expenses	-284,935	-91,641
	Profit/loss for the year	<u>-1,165,061</u>	<u>-2,817,227</u>
	Recommended appropriation of profit/loss	-1,165,061	-2,817,227
	Retained earnings/accumulated loss	<u>-1,165,061</u>	<u>-2,817,227</u>



Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2019	2018
	ASSETS		
	Fixed assets		
5	Investments	0	13,700
	Deposits	0	13,700
	Total fixed assets	0	13,700
	Non-fixed assets		
	Receivables	77,234	10,632
	Other receivables	0	6,850
	Prepayments	77,234	17,482
	Cash	772,686	777,412
	Total non-fixed assets	849,920	794,894
	TOTAL ASSETS	849,920	808,594
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	50,000	50,000
	Retained earnings	-4,652,663	-3,487,602
	Total equity	-4,602,663	-3,437,602
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	0	55,616
	Payables to group enterprises	5,403,834	3,739,595
	Other payables	48,749	450,985
		5,452,583	4,246,196
	Total liabilities other than provisions	5,452,583	4,246,196
	TOTAL EQUITY AND LIABILITIES	849,920	808,594

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



Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2019	50,000	-3,487,602	-3,437,602
Transfer through appropriation of loss	0	-1,165,061	-1,165,061
Equity at 31 December 2019	50,000	-4,652,663	-4,602,663

The Company has realised losses and 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 in the coming years, 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 2019 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.

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.

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.



Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

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.

	2019	2018
DKK		
2 Staff costs		
Wages/salaries	501,608	1,890,089
Pensions	25,510	76,495
	<u>527,118</u>	<u>1,966,584</u>
Average number of full-time employees	<u>0</u>	<u>1</u>
3 Financial income		
Other financial income	0	25,936
	<u>0</u>	<u>25,936</u>
4 Financial expenses		
Exchange losses	29,916	75,483
Other financial expenses	255,019	16,158
	<u>284,935</u>	<u>91,641</u>
5 Investments		
DKK		Deposits
Cost at 1 January 2019		13,700
Disposals		<u>-13,700</u>
Carrying amount at 31 December 2019		<u>0</u>

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company has no contingent liabilities at 31 December 2019.



Financial statements 1 January - 31 December

Notes to the financial statements

7 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2019.

8 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	https://www.cherwell.com/