

Cherry Solutions Holding A/S

Banegårdsgade 2, C/O Cherry Solutions A/S, Innovationshuset
DK-8700 Horsens

CVR no. 42 21 86 50

Annual report for the period 1 January – 31 December 2022

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

10 July 2023

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 of Cherry Solutions Holding A/S for the financial year 1 January – 31 December 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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.

Horsens, 10 July 2023
Executive Board:

Anders Flensburg

Board of Directors:

Choi Jang Rim
Chairman

Jan Binderup

Changhyun Ryu

Independent auditor's report

To the shareholders of Cherry Solutions Holding A/S

Opinion

We have audited the financial statements of Cherry Solutions Holding A/S for the financial year 1 January – 31 December 2022 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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 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.

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 Statements Act. We did not identify any material misstatement of the Management's review.



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Independent auditor's report

Aarhus, 10 July 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen

State Authorised

Public Accountant

mne34459

Cherry Solutions Holding A/S
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Management's review

Company details

Cherry Solutions Holding A/S
Banegårdsgade 2
C/O Cherry Solutions A/S, Innovationshuset
8700 Horsens

CVR no.:	42 21 86 50
Established:	15 March 2021
Registered office:	Horsens
Financial year:	1 January – 31 December

Board of Directors

Choi Jang Rim, Chairman
Jan Binderup
Changhyun Ryu

Executive Board

Anders Flensborg

Auditor

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

Management's review

Operating review

Principal activities

The company's purpose is to manage and invest in subsidiaries throughout the European region, and related business.

Development in activities and financial position

The Company's income statement for 2022 shows a profit of DKK -1,757,239. Equity in the Company's balance sheet at 31 December 2022 stood at DKK -3,311,202.

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

Material uncertainties regarding going concern

It is management assessment, that there is significant uncertain whether the company will be able to obtain the necessary financing, which is why there is considerable doubt about the company's ability to continue operations.

The management therefore does not submit financial statement with continued operations(Going concern) in mind.

This has led to a change in the classification of assets and liabilities in 2022 measured value to realization values. Liabilities are measured correspondingly at realizable value, where this is higher than amortized cost.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2022	2021
Gross loss		-23,366	-138,061
Loss before financial income and expenses		-23,366	-138,061
Income from equity investments in group entities		-1,627,093	-2,211,233
Other financial income	2	136,624	22,126
Other financial expenses	3	-243,404	-66,795
Loss before tax		-1,757,239	-2,393,963
Tax on loss for the year		0	0
Loss for the year		-1,757,239	-2,393,963
Proposed distribution of loss			
Retained earnings		-1,757,239	-2,393,963

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2022	31/12 2021
ASSETS			
Fixed assets			
Investments	4		
Equity investments in group entities		<u>0</u>	<u>0</u>
Current assets			
Receivables			
Other receivables		<u>1,252</u>	<u>1,252</u>
Cash at bank and in hand		<u>88</u>	<u>321</u>
Total current assets		<u>1,340</u>	<u>1,573</u>
TOTAL ASSETS		<u>1,340</u>	<u>1,573</u>
EQUITY AND LIABILITIES			
Equity			
Contributed capital		620,000	620,000
Retained earnings		<u>-3,931,202</u>	<u>-2,173,963</u>
Total equity		<u>-3,311,202</u>	<u>-1,553,963</u>
Liabilities			
Non-current liabilities			
Payables to group entities		<u>3,312,542</u>	<u>0</u>
Current liabilities			
Payables to group entities		<u>0</u>	<u>1,555,536</u>
Total liabilities		<u>3,312,542</u>	<u>1,555,536</u>
TOTAL EQUITY AND LIABILITIES		<u>1,340</u>	<u>1,573</u>
Disclosure of material uncertainties regarding going concern			
Contractual obligations, contingencies, etc.	5		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2022	620,000	-2,173,963	-1,553,963
Transferred over the distribution of loss	0	-1,757,239	-1,757,239
Equity at 31 December 2022	620,000	-3,931,202	-3,311,202

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Cherry Solutions Holding A/S for 2022 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.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Material uncertainties regarding going concern

It is management assessment, that there is significant uncertain whether the company will be able to obtain the necessary financing, which is why there is considerable doubt about the company's ability to continue operations.

The management therefore does not submit financial statement with continued operations(Going concern) in mind.

This has led to a change in the classification of assets and liabilities in 2022 measured value to realization values. Liabilities are measured correspondingly at realizable value, where this is higher than amortized cost.

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Other external costs

Other external costs comprise costs related to administration, office premises, operating leases, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Liabilities

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

2 Other financial income

DKK	2022	2021
Interest income from group entities	136,624	22,126
	<u>136,624</u>	<u>22,126</u>

3 Other financial expenses

Interest expense to group entities	125,147	19,352
Other financial costs	1,354	370
Exchange rate adjustments costs	23	0
Exchange losses	116,880	47,073
	<u>243,404</u>	<u>66,795</u>

4 Investments

	Equity investments in group entities
DKK	
Cost at 1 January 2022	600,000
Cost at 31 December 2022	600,000
Revaluations at 1 January 2022	-600,000
Net profit/loss for the year	-1,627,093
Equity investments with negative net asset value written down over receivables	1,627,093
Revaluations 31 December 2022	-600,000
Carrying amount at 31 December 2022	<u>0</u>

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
Subsidiaries:			DKK	DKK
Cherry Solutions A/S	Horsens	100%	-4,986,497	-2,033,506
			<u>-4,986,497</u>	<u>-2,033,506</u>

Financial statements 1 January – 31 December

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5 Contractual obligations, contingencies, etc.

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 2021. 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.