BUUS JENSEN
Statsautoriserede
Revisorer

Webproof A/S

Rådhuspladsen 16, 1550 København V

Company reg. no. 25 45 29 76

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 6 July 2022.

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Richard William Chmura
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the board of directors and the managing director have presented the annual report of Webproof A/S for the financial year 1 January - 31 December 2021.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company’s assets, equity and liabilities, and financial position at 31 December 2021 and of the company’s results of activities in the financial year 1 January – 31 December 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

København V, 30 June 2022

Managing Director

Richard William Chmura

Board of directors

Melissa Marie Soulliere	Richard William Chmura

Independent auditor's report

To the Shareholder of Webproof A/S

Opinion

We have audited the financial statements of Webproof A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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.

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 about 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

- 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management’s Review and, in doing so, consider whether 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 Management’s Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management’s Review.

Copenhagen, 30 June 2022

BUUS JENSEN
State Authorised Public Accountants
Company reg. no. 16 11 90 40

Arne Sørensen
State Authorised Public Accountant
mne27757

Company information

The company	Webproof A/S Rådhuspladsen 16 1550 København V	
	Company reg. no.	25 45 29 76
	Established:	19 June 2000
	Financial year:	1 January - 31 December
Board of directors	Melissa Marie Soulliere Richard William Chmura	
Managing Director	Richard William Chmura	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	

Management´s review

The principal activities of the company

WebProof A/S has developed an ISO 27001 certified cloud SaaS graphics proofing service for advertising agencies, newspapers, publishers, printing houses and large organizations with in-house graphic production. The service is used for collaboration around proofreading in magazines, brochures, websites, advertisements, newspapers, fliers, and approval documents. Customers gain significant resource savings by using WebProof through process optimization based on lean principles. WebProof provides many features for making it more efficient to work with different media, with InDesign, and automated processes.

Development in activities and financial matters

The results from ordinary activities after tax are DKK -143.356 against DKK 186.373 last year. The management consider the results unsatisfactory.

The management expect to recover the capital by positive income in the years to come.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Gross profit	**399.826**	**2.677.114**
1	Staff costs	-506.396	-2.274.579
	Depreciation and impairment of property, land, and equipment	0	-159.169
	Operating profit	**-106.570**	**243.366**
2	Other financial expenses	-36.786	-5.051
	Pre-tax net profit or loss	**-143.356**	**238.315**
	Tax on net profit or loss for the year	0	-51.942
	Net profit or loss for the year	**-143.356**	**186.373**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	0	186.373
	Allocated from retained earnings	-143.356	0
	Total allocations and transfers	**-143.356**	**186.373**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2021	2020
	Non-current assets		
3	Deposits	2.400	2.400
	Total investments	2.400	2.400
	Total non-current assets	**2.400**	**2.400**
	Current assets		
	Trade receivables	1.444.990	500.092
	Receivables from group enterprises	11.000	0
	Other receivables	148.938	109.169
	Prepayments	28.570	121.066
	Total receivables	1.633.498	730.327
	Cash and cash equivalents	439.495	987.488
	Total current assets	**2.072.993**	**1.717.815**
	Total assets	**2.075.393**	**1.720.215**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	500.000	500.000
	Retained earnings	-736.497	-593.141
	Total equity	**-236.497**	**-93.141**
	Long term labilities other than provisions		
	Trade payables	361.930	183.082
	Payables to group enterprises	1.217	0
	Debt to shareholders and management	336	0
	Income tax payable	0	51.942
	Other payables	929.730	769.320
	Deferred income	1.018.677	809.012
	Total short term liabilities other than provisions	2.311.890	1.813.356
	Total liabilities other than provisions	**2.311.890**	**1.813.356**
	Total equity and liabilities	**2.075.393**	**1.720.215**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2020	500.000	1.288.526	-880.396	908.130
Adjustment due to changed procedures	0	-778.477	0	-778.477
Profit or loss for the year brought forward	0	-510.049	287.255	-222.794
Equity 1 January 2021	500.000	0	-593.141	-93.141
Profit or loss for the year brought forward	0	0	-143.356	-143.356
	500.000	**0**	**-736.497**	**-236.497**

Notes

All amounts in DKK.

		2021	2020
1.	**Staff costs**		
	Salaries and wages	429.061	1.934.369
	Pension costs	65.890	317.751
	Other costs for social security	11.445	22.459
		506.396	**2.274.579**
	Average number of employees	1	2
2.	**Other financial expenses**		
	Other financial costs	36.786	5.051
		36.786	**5.051**
3.	**Deposits**		
	Cost 1 January 2021	2.400	2.400
	Cost 31 December 2021	**2.400**	**2.400**
	Carrying amount, 31 December 2021	**2.400**	**2.400**

Accounting policies

The annual report for Webproof A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Changes in accounting policies for IAS 38 of development cost

Changes in accounting policies for development costs has been made in order to achieve consistency with policies in group enterprises.

Up until 2020 the company has recognized development costs as intangible assets where as from 2021 it is recognize as a cost in the profit and loss account.

The enterprise has chosen to implement the changed impairment model in accordance with IFRS 9 retrospectively, as the accumulated effect of the initial application is recognised in equity at the beginning of the comparative year.

As of 31 December 2021, the accumulated effects of the changes in accounting policies are:

- Profit for the year before tax is improved by DKK 674,153.
- Tax for the year of the change in accounting policies amounts to DKK 148,314.
- Profit for the year after tax is improved by DKK 525,839.
- The total of the statement of financial position is reduced by DKK 778,477.
- Equity is reduced by DKK 778,477.

For 2020, profit for the year after tax was improved by DKK 409,167, the total of the statement of financial position reduced by DKK 998,047, and equity reduced by DKK 778,477.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

To counter expected losses, writedown is done to net realisable value. The enterprise will be applying IFRS 9 as the basis of interpretation for the recognition of impairment of financial assets, meaning that an expected loss must be included at initial recognition of the receivable.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.