

WEXER VIRTUAL - DENMARK ApS

Diskovej 12,

7100 Vejle

CVR No. 34732574

Annual Report 2022

10. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 1 June 2023

Paul Benjamin Bowman
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of WEXER VIRTUAL - DENMARK ApS for the financial year 1 January 2022 - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In my opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Vejle, 1 June 2023

Executive Board

Paul Benjamin Bowman
Manager

WEXER VIRTUAL - DENMARK ApS

Company details

Company	WEXER VIRTUAL - DENMARK ApS Diskovej 12, 7100 Vejle
CVR No.	34732574
Date of formation	1 November 2012
Registered office	Vejle
Financial year	1 January 2022 - 31 December 2022
Executive Board	Paul Benjamin Bowman

Management's Review

The Company's principal activities

The Company's principal activities consist in trade, industry and associated activities.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK 136.430 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 10.922.650 and an equity of DKK -216.544.

Uncertainties relating to going concern

The company's ability to service all liabilities as they mature depends on continuing support from group enterprises. The company expects payables to group enterprises only to be payable if necessary liquidity is at hand or necessary credit lines to be available from group enterprises. As a consequence Management assess, that necessary funds are available to continue the operations on going concern basis for the upcoming year.

Accounting Policies

Reporting Class

The annual report of WEXER VIRTUAL - DENMARK ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Accounting Policies

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Change in inventories of finished goods and work in progress

The changes in inventories of finished goods and work in progress consist a shift in inventories.

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs subcontractors and change in inventories for the year.

Other external expenses

Other external expenses include expenses for administration, etc.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Amortisation and impairment of tangible and intangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

Financial income and expenses

Financial income are recognised in the income statement based at the amounts that concern the financial year. Financial income include interest revenue, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Tax on net profit for the year/ loss of the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Accounting Policies

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 10 years. Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Deposits

Deposits are measured at cost.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2022 kr.	2021 kr.
Gross profit		2.241.244	2.163.948
Employee benefits expense		-2.232.257	-2.012.029
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-593.300	-542.512
Profit from ordinary operating activities		-584.313	-390.593
Other finance income	3	759.223	0
Finance expenses		0	-4.383
Profit from ordinary activities before tax		174.910	-394.976
Tax expense on ordinary activities		-38.480	86.168
Profit		136.430	-308.808
Proposed distribution of results			
Retained earnings		136.430	-308.808
Distribution of profit		136.430	-308.808

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Assets			
Completed development projects	5	3.782.468	3.821.577
Intangible assets		3.782.468	3.821.577
Fixtures, fittings, tools and equipment	6	13.944	18.086
Property, plant and equipment		13.944	18.086
Deposits		48.000	0
Investments		48.000	0
Fixed assets		3.844.412	3.839.663
Short-term receivables from group enterprises		6.494.830	7.632.032
Prepayments for goods		156.663	100.877
Other short-term receivables		41.700	208.257
Receivables		6.693.193	7.941.166
Cash and cash equivalents		385.045	283.106
Current assets		7.078.238	8.224.272
Assets		10.922.650	12.063.935

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		80.000	80.000
Reserve for development expenditure		2.950.325	2.980.830
Retained earnings		-3.246.869	-3.413.804
Equity	1	-216.544	-352.974
Provisions for deferred tax		96.079	57.599
Provisions		96.079	57.599
Other payables		299.099	299.099
Non-current liabilities other than provisions	7	299.099	299.099
Debt to banks		30.854	63.067
Trade payables		715.923	631.832
Payables to group enterprises		9.555.893	11.029.470
Other payables		441.346	335.842
Short-term liabilities other than provisions		10.744.016	12.060.211
Liabilities other than provisions within the business		11.043.115	12.359.310
Liabilities and equity		10.922.650	12.063.935
Contingent liabilities	8		
Collaterals and assets pledges as security	9		

Statement of changes in Equity

	Contributed capital	Retained earnings	Development expenditure	Total
Equity 1 January 2022	80.000	-3.413.804	2.980.830	-352.974
Transfer to reserves	0	30.505	-30.505	0
Profit (loss)	0	136.430	0	136.430
Equity 31 December 2022	80.000	-3.246.869	2.950.325	-216.544

The share capital has remained unchanged since the foundation.

Notes

1. Uncertainties relating to going concern

The company's ability to service all liabilities as they mature depends on continuing support from group enterprises. The company expects payables to group enterprises only to be payable if necessary liquidity is at hand or necessary credit lines to be available from group enterprises. As a consequence Management assess, that necessary funds are available to continue the operations on going concern basis for the upcoming year.

	2022	2021
2. Employee benefits expense		
Wages and salaries	2.742.636	2.752.150
Other social security costs	25.621	5.808
Other staff costs	0	58.071
	2.768.257	2.816.029
Staff costs classified as assets	-536.000	-804.000
	2.232.257	2.012.029
Average number of employees	8	5
3. Other finance income		
Exchange gain/loss	759.223	0
	759.223	0

4. Development projects

The company's development projects comprises software development. All development projects will add to the Company's SAAS business. They are expected to improve the long run competitiveness of the products and to benefit the company and future sales significantly. The company expects continuing rising demands for the company's products. The expectations is based on existing understanding of market conditions and sale of existing products

5. Completed development projects

Cost at the beginning of the year	5.486.309	4.682.309
Addition during the year, incl. improvements	536.000	804.000
Cost at the end of the year	6.022.309	5.486.309
Depreciation and amortisation at the beginning of the year	-1.664.732	-1.156.001
Amortisation for the year	-575.109	-508.731
Impairment losses and amortisation at the end of the year	-2.239.841	-1.664.732
Carrying amount at the end of the year	3.782.468	3.821.577

Notes**6. Fixtures, fittings, tools and equipment**

Cost at the beginning of the year	108.907	87.996
Addition during the year, incl. improvements	14.049	20.911
Cost at the end of the year	122.956	108.907
Depreciation and amortisation at the beginning of the year	-90.821	-57.040
Amortisation for the year	-18.191	-33.781
Impairment losses and amortisation at the end of the year	-109.012	-90.821
Carrying amount at the end of the year	13.944	18.086

7. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Other payables	299.099	0	299.099
	299.099	0	299.099

8. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where REI Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

9. Collaterals and securities

No securities or mortgages exist at the balance sheet date.