

# **I-SEC Aviation Security Denmark A/S**

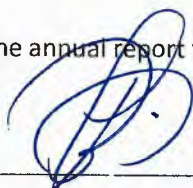
**Kystvejen 32, 2770 Kastrup**

**Company reg. no. 33 78 46 94**

## **Annual report**

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on the 12 July 2022.

A handwritten signature in blue ink, appearing to be 'Barry Engels', written over a horizontal line.

**Barry Engels**  
Chairman of the meeting

## Contents

---

	<u>Page</u>
<b>Reports</b>	
Management's statement	1
Independent auditor's report on extended review	2
<b>Management's review</b>	
Company information	4
Management's review	5
<b>Financial statements 1 January - 31 December 2021</b>	
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes	10
Accounting policies	11

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 I-SEC Aviation Security Denmark 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.


Kastrup, 12 July 2022

**Managing Director**

  
Barry Engels

**Board of directors**

  
Barry Engels

  
Ulrich Hejle

  
Rom Shaked

## Independent auditor's report on extended review

---

### To the Shareholders of I-SEC Aviation Security Denmark A/S

#### Opinion

We have performed an extended review of the financial statements of I-SEC Aviation Security Denmark 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,. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position 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 extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 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 extended review of the Financial Statements

Our responsibility is to express a opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

## **Independent auditor's report on extended review**

---

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

### **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 opinion thereon.

In connection with our extended review 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 extended review, 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 in the Management's Review.

Copenhagen, 12 July 2022

**Redmark**

Godkendt Revisionspartnerselskab  
Company reg. no. 29 44 27 89

**Kent Nymark Christensen**

Registered Accountant  
mnr. 6281

## Company information

---

<b>The company</b>	I-SEC Aviation Security Denmark A/S Kystvejen 32 2770 Kastrup
	Company reg. no. 33 78 46 94 Financial year: 1 January - 31 December
<b>Board of directors</b>	Barry Engels Ulrich Hejle Rom Shaked
<b>Managing Director</b>	Barry Engels
<b>Auditors</b>	Redmark Godkendt Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg

## **Management's review**

---

### **The principal activities of the company**

In common with previous years, the company's principal activities has been private guard and security services and related activities.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 16.5 mio. against DKK 16.9 mio. last year. Income or loss from ordinary activities after tax totals DKK 1.449.144 against DKK 1.450.875 last year. Management considers the net profit or loss for the year satisfactory.

### **Events occurring after the end of the financial year**

No events have occurred after the end of the financial year that will significantly affect the assessment of the company's circumstances.

## Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross profit</b>	<b>16.492.163</b>	<b>16.914.847</b>
1 Staff costs	-14.539.020	-14.992.280
Depreciation and impairment of property, land, and equipment	-74.286	-37.065
<b>Operating profit</b>	<b>1.878.857</b>	<b>1.885.502</b>
Other financial income	0	46
Other financial expenses	-20.725	-21.294
<b>Pre-tax net profit or loss</b>	<b>1.858.132</b>	<b>1.864.254</b>
Tax on net profit or loss for the year	-408.988	-410.379
<b>Net profit or loss for the year</b>	<b>1.449.144</b>	<b>1.453.875</b>
<b>Proposed appropriation of net profit:</b>		
Dividend for the financial year	1.000.000	1.000.000
Transferred to retained earnings	449.144	453.875
<b>Total allocations and transfers</b>	<b>1.449.144</b>	<b>1.453.875</b>



## Balance sheet at 31 December

---

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>		
Other fixtures and fittings, tools and equipment	236.835	108.108
Total property, plant, and equipment	<u>236.835</u>	<u>108.108</u>
Deposits	19.656	19.656
Total investments	<u>19.656</u>	<u>19.656</u>
<b>Total non-current assets</b>	<b><u>256.491</u></b>	<b><u>127.764</u></b>
<b>Current assets</b>		
Trade receivables	3.020.532	2.816.143
Group receivables	341.400	0
Deferred tax assets	46.251	62.693
Other receivables	44.125	125.040
Prepayments	109.393	26.845
Total receivables	<u>3.561.701</u>	<u>3.030.721</u>
Cash and cash equivalents	<u>3.516.519</u>	<u>4.316.854</u>
<b>Total current assets</b>	<b><u>7.078.220</u></b>	<b><u>7.347.575</u></b>
<b>Total assets</b>	<b><u>7.334.711</u></b>	<b><u>7.475.339</u></b>

## Balance sheet at 31 December

---

All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity</b>		
Share capital	500.000	500.000
Share premium	211.399	211.399
Retained earnings	2.633.804	2.184.660
Proposed dividend for the financial year	1.000.000	1.000.000
<b>Total equity</b>	<b><u>4.345.203</u></b>	<b><u>3.896.059</u></b>
<b>Liabilities other than provisions</b>		
Trade payables	122.230	135.578
Group payables	463.150	487.778
Income tax payable	8.546	92.708
Other payables	2.395.582	2.863.216
Total short term liabilities other than provisions	<u>2.989.508</u>	<u>3.579.280</u>
<b>Total liabilities other than provisions</b>	<b><u>2.989.508</u></b>	<b><u>3.579.280</u></b>
<b>Total equity and liabilities</b>	<b><u>7.334.711</u></b>	<b><u>7.475.339</u></b>

**2 Charges and security**

**3 Contingencies**

## Statement of changes in equity

---

All amounts in DKK.

	<u>Share capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Proposed dividend for the financial year</u>	<u>Total</u>
Equity 1 January 2021	500.000	211.399	2.184.660	1.000.000	3.896.059
Distributed dividend	0	0	0	-1.000.000	-1.000.000
Retained earnings for the year	<u>0</u>	<u>0</u>	<u>449.144</u>	<u>1.000.000</u>	<u>1.449.144</u>
	<b><u>500.000</u></b>	<b><u>211.399</u></b>	<b><u>2.633.804</u></b>	<b><u>1.000.000</u></b>	<b><u>4.345.203</u></b>

## Notes

---

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
<b>1. Staff costs</b>		
Salaries and wages	12.939.501	13.312.347
Pension costs	1.285.730	1.364.314
Other costs for social security	313.789	315.619
	<u><b>14.539.020</b></u>	<u><b>14.992.280</b></u>
Average number of employees	<u>31</u>	<u>33</u>

## 2. Charges and security

The company has no contingent assets, liabilities or other financial obligations.

## 3. Contingencies

### Contingent liabilities

The company has a lease agreement for a car with residual term of 16 months, and a total remaining obligation of approx DKK 90,000 on 31 December 2021.

The Company has leases regarding office and warehouse space, which can be terminated with 1 month's notice. The total remaining obligation regarding these leases amounts is approx DKK 10,000 on 31 December 2021

## Accounting policies

---

The annual report for I-SEC Aviation Security Denmark 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.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

## Accounting policies

---

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

### 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.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

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.

## Accounting policies

---

### Statement of financial position

#### 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:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

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.

## Accounting policies

---

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

### **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.

### **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 concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.