

Grazper Technologies ApS
Frederiksgade 7, 1. sal, 1265 København K

Annual report
1 April 2022 - 31 March 2023

Company reg. no. 36 71 82 85

The annual report was submitted and approved by the general meeting on the 18 September 2023.

Yasser Kilde Bajwa
Chairman of the meeting

Contents

Page

Reports

- 1 Management's statement
- 2 Independent auditor's report

Management's review

- 5 Company information
- 6 Management's review

Financial statements 1 April 2022 - 31 March 2023

- 7 Accounting policies
- 12 Income statement
- 13 Balance sheet
- 15 Statement of changes in equity
- 16 Notes

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 approved the annual report of Grazper Technologies ApS for the financial year 1 April 2022 - 31 March 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023.

Further, in our opinion, the Management's review gives a true and 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, 18 September 2023

Managing Director

Yasser Kilde Bajwa

Board of directors

Chiharu Nakabayashi
Chairman

Daisuke Ikegami
Vice chairman

Yasser Kilde Bajwa

Independent auditor's report

To the Shareholders of Grazper Technologies ApS

Opinion

We have audited the financial statements of Grazper Technologies ApS for the financial year 1 April 2022 - 31 March 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, 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 March 2023, and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023 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.

Independent auditor's report

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, 18 September 2023

KPMG

Godkendt Revisionspartnerselskab
Company reg. no. 25 57 81 98

Jesper Bo Pedersen
State Authorised Public Accountant
mne42778

Company information

| | |
|---------------------------|--|
| The company | Grazper Technologies ApS Frederiksgade 7, 1. sal 1265 København K |
| | Company reg. no. 36 71 82 85 Established: 20 April 2015 Domicile: Copenhagen Financial year: 1 April - 31 March 8th financial year |
| Board of directors | Chiharu Nakabayashi, Chairman Daisuke Ikegami, Vice chairman Yasser Kilde Bajwa |
| Managing Director | Yasser Kilde Bajwa |
| Auditors | KPMG Dampfærgevej 28 København Ø |
| Parent company | Yokogawa Electric Corporation |

Management´s review

The principal activities of the company

Like previous years, the activities are development of facial recognition software.

Development in activities and financial matters

The gross profit for the year totals DKK 10.561.858 against DKK 10.855.432 last year. Income or loss from ordinary activities after tax totals DKK 1.626.140 against DKK 2.811.190 last year. Management considers the net profit or loss for the year satisfactory.

Adjustment of material error

In the financial year 2020/21, Management issued retention bonus for some employees. The purpose of issuing retention bonus was to keep employees in the Company. Management forgot to book this provision in 2020/21 when they entered into the agreement. The provision should have been made in 2020/21, as it was very likely that there was an obligation to pay the retention bonus. Adjusted for discounting, the provision should have been DKK 6,427 thousand. The payroll was understated in the amount DKK 6,427 thousand and a provision of DKK 6,427 thousand should have been made. As the Company operates with a cost+ agreement on revenue, the revenue was understated in the amount of DKK 7,070 thousand. The intercompany receivables with group was also understated with the same amount. The tax adjustment of above should have been DKK 141 thousand. The equity was understated in the amount of DKK 501 thousand.

In 2021/22, one employee left the Company, but the retention bonus was paid out on a prorata agreement. This prorata bonus and related cost+ revenue was included in the financial year 2021/22. However, this should have been adjusted, for the provision as not made 2020/21. The impact of this adjustment is that the staff costs in 2021/22 were overstated in the amount of DKK 1,666 thousand and revenue overstated in the amount of DKK 1,832 thousand. The tax effect was DKK 37 thousand. At 31 March 2022, the net effect on the balance of above adjustment was that the intercompany receivables were understated in the amount of DKK 5,237 thousand. The provision of bonus was understated in the amount of DKK 4,761 thousand. The deferred tax was overstated in the amount of DKK 105 thousand. The equity was understated in the amount of DKK 371 thousand.

Above adjustments have been corrected in the financial statements

Accounting policies

The annual report for Grazper Technologies ApS 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.

Adjustment of material error

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In 2021/22, one employee left the Company, but the retention bonus was paid out on a prorata agreement. This prorata bonus and related cost+ revenue was included in the financial year 2021/22. However, this should have been adjusted, for the provision as not made in 2020/21. The impact of this adjustment is that the staff costs in 2021/22 were overstated in the amount of DKK 1,666 thousand and revenue overstated in the amount of DKK 1,832 thousand. The tax effect was DKK 37 thousand. At 31 March 2022, the net effect on the balance of above adjustment was that the intercompany receivables were understated in the amount of DKK 5,237 thousand. The provision of bonus was understated in the amount of DKK 4,761 thousand. The deferred tax was overstated in the amount of DKK 105 thousand. The equity was understated in the amount of DKK 371 thousand.

Above adjustments have been corrected in the financial statements as follow:

| | 2021/22 | Adjustment | Updated comparative figures |
|---|---------|------------|-----------------------------|
| Gross profit | 12.688 | -1.832 | 10.855 |
| Staff costs | -9.907 | 1.666 | -8.241 |
| Tax for the year | 294 | 37 | 331 |
| Receivables from sales (incl. intercompany sales) | 0 | 5.237 | 5.237 |
| Equity | 12.400 | 371 | 12.771 |
| Provision | 0 | 4.761 | 4.761 |
| Deferred tax | 503 | -105 | 399 |

Income statement

Gross profit

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

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

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

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.

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.

Accounting policies

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

Property, plant, and equipment

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

The depreciable amount is cost. 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.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under 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.

Accounting policies

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.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

On the acquisition of entities, provisions for restructuring within the acquired entity are included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been recognised in the financial statements of the acquired entity in advance of the acquisition. Provisions for restructuring are included to the extent that they have been decided at the date of acquisition at the latest and that the process have been commenced.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

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.

Income statement 1 April - 31 March

All amounts in DKK.

| <u>Note</u> | <u>2022/23</u> | <u>2021/22</u> |
|--|-------------------------|-------------------------|
| Gross profit | 10.561.858 | 10.855.432 |
| 1 Staff costs | -8.261.702 | -8.240.857 |
| Depreciation and impairment of property, land, and equipment | <u>-142.208</u> | <u>-31.609</u> |
| Profit before net financials | 2.157.948 | 2.582.966 |
| Other financial expenses | <u>-50.540</u> | <u>-102.524</u> |
| Pre-tax net profit or loss | 2.107.408 | 2.480.442 |
| Tax on net profit or loss for the year | <u>-481.268</u> | <u>330.748</u> |
| Net profit or loss for the year | <u>1.626.140</u> | <u>2.811.190</u> |
| Proposed distribution of net profit: | | |
| Extraordinary dividend distributed during the financial year | 1.513.000 | 0 |
| Dividend for the financial year | 2.941.000 | 1.742.452 |
| Transferred to retained earnings | 0 | 1.068.738 |
| Allocated from retained earnings | <u>-2.827.860</u> | <u>0</u> |
| Total allocations and transfers | <u>1.626.140</u> | <u>2.811.190</u> |

Balance sheet at 31 March

All amounts in DKK.

| Assets | | |
|--|--------------------------|--------------------------|
| <u>Note</u> | <u>2023</u> | <u>2022</u> |
| Non-current assets | | |
| 2 Other fixtures and fittings, tools and equipment | 279.248 | 373.002 |
| Total property, plant, and equipment | <u>279.248</u> | <u>373.002</u> |
| 3 Deposits | 387.037 | 347.811 |
| Total investments | <u>387.037</u> | <u>347.811</u> |
| Total non-current assets | <u>666.285</u> | <u>720.813</u> |
| Current assets | | |
| Trade receivables from intercompany | 0 | 5.237.100 |
| Deferred tax assets | 12.732 | 398.712 |
| Other receivables | 138.825 | 2.506.654 |
| Prepayments | 36.101 | 16.175 |
| Total receivables | <u>187.658</u> | <u>8.158.641</u> |
| Cash and cash equivalents | <u>12.208.295</u> | <u>10.109.057</u> |
| Total current assets | <u>12.395.953</u> | <u>18.267.698</u> |
| Total assets | <u>13.062.238</u> | <u>18.988.511</u> |

Balance sheet at 31 March

All amounts in DKK.

| <u>Note</u> | <u>2023</u> | <u>2022</u> |
|--|--------------------------|--------------------------|
| Equity and liabilities | | |
| Equity | | |
| Contributed capital | 125.008 | 125.008 |
| Retained earnings | 8.075.761 | 10.903.620 |
| Proposed dividend for the financial year | 2.941.000 | 1.742.452 |
| Total equity | <u>11.141.769</u> | <u>12.771.080</u> |
| Provisions | | |
| Other provisions | 0 | 4.761.000 |
| Total provisions | <u>0</u> | <u>4.761.000</u> |
| Liabilities other than provisions | | |
| Bank debts | 110.774 | 0 |
| Income tax payable | 90.288 | 0 |
| Other payables | 1.719.407 | 1.456.431 |
| Total short term liabilities other than provisions | <u>1.920.469</u> | <u>1.456.431</u> |
| Total liabilities other than provisions | <u>1.920.469</u> | <u>1.456.431</u> |
| Total equity and liabilities | <u>13.062.238</u> | <u>18.988.511</u> |

4 Contingencies

Statement of changes in equity

All amounts in DKK.

| | <u>Contributed capital</u> | <u>Retained earnings</u> | <u>Proposed dividend for the financial year</u> | <u>Total</u> |
|--|----------------------------|--------------------------|---|-------------------|
| Equity 1 April 2021 | 125.008 | 9.333.582 | 0 | 9.458.590 |
| Adjustment of material error | 0 | 501.300 | 0 | 501.300 |
| Profit or loss for the year brought forward | 0 | 1.068.738 | 1.742.452 | 2.811.190 |
| Equity 1 April 2022 | 125.008 | 10.903.620 | 1.742.452 | 12.771.080 |
| Distributed dividend | 0 | 0 | -1.742.452 | -1.742.452 |
| Profit or loss for the year brought forward | 0 | -2.827.859 | 2.941.000 | 113.141 |
| Extraordinary dividend adopted during the financial year | 0 | 1.513.000 | 0 | 1.513.000 |
| Distributed extraordinary dividend adopted during the financial year. | 0 | -1.513.000 | 0 | -1.513.000 |
| | <u>125.008</u> | <u>8.075.761</u> | <u>2.941.000</u> | <u>11.141.769</u> |

Notes

All amounts in DKK.

| | <u>2022/23</u> | <u>2021/22</u> |
|---|------------------|------------------|
| 1. Staff costs | | |
| Salaries and wages | 4.732.754 | 6.982.072 |
| Pension costs | 3.436.032 | 1.166.208 |
| Other costs for social security | 92.916 | 92.577 |
| | <u>8.261.702</u> | <u>8.240.857</u> |
| | | |
| Average number of employees | <u>11</u> | <u>12</u> |
| | | |
| 2. Other fixtures and fittings, tools and equipment | | |
| Cost 1 April 2022 | 520.304 | 150.304 |
| Additions during the year | 48.454 | 370.000 |
| Cost 31 March 2023 | <u>568.758</u> | <u>520.304</u> |
| | | |
| Amortisation and writedown 1 April 2022 | -147.302 | -119.443 |
| Depreciation for the year | -142.208 | -27.859 |
| Amortisation and writedown 31 March 2023 | <u>-289.510</u> | <u>-147.302</u> |
| | | |
| Carrying amount, 31 March 2023 | <u>279.248</u> | <u>373.002</u> |
| | | |
| 3. Deposits | | |
| Cost 1 April 2022 | 347.811 | 339.300 |
| Additions during the year | 39.226 | 8.511 |
| Cost 31 March 2023 | <u>387.037</u> | <u>347.811</u> |
| | | |
| Carrying amount, 31 March 2023 | <u>387.037</u> | <u>347.811</u> |
| | | |
| 4. Contingencies | | |
| Contingent liabilities | | |
| Lease liabilities | | |
| The company has entered into lease agreements, where the rent commitments amount to approx. DKK 643.000 in the notice period. | | |