

**Grazper Technologies ApS**

**Frederiksgade 7, 1. sal, 1265 København K**

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**Annual report**

**1 April 2021 - 31 March 2022**

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**Company reg. no. 36 71 82 85**

The annual report was submitted and approved by the general meeting on the 26 September 2022.

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**Thomas Westergaard Jakobsen**  
Chairman of the meeting

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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**

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Today, the Board of Directors and the Managing Director have approved the annual report of Grazper Technologies ApS for the financial year 1 April 2021 - 31 March 2022.

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 2022 and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 2022.

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, 20 September 2022

### **Managing Director**

Thomas Westergaard Jakobsen

### **Board of directors**

Chiharu Nakabayashi  
Chairman

Toshiaki Takahashi  
Vice chairman

Thomas Westergaard Jakobsen

## Independent auditor's report

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### To the Shareholders of Grazper Technologies ApS

#### Opinion

We have audited the financial statements of Grazper Technologies ApS for the financial year 1 April 2021 - 31 March 2022, 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 2022, and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 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.

#### 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

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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**

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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, 20 September 2022

### **Martinsen**

State Authorised Public Accountants  
Company reg. no. 32 28 52 01

### **Leif Tomasson**

State Authorised Public Accountant  
mne25346

## Company information

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<b>The company</b>	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 7th financial year
<b>Board of directors</b>	Chiharu Nakabayashi, Chairman Toshiaki Takahashi, Vice chairman Thomas Westergaard Jakobsen
<b>Managing Director</b>	Thomas Westergaard Jakobsen
<b>Auditors</b>	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
<b>Parent company</b>	Yokogawa Electric Corporation

## **Management´s review**

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### **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 12.688.000 against DKK 15.988.000 last year. Income or loss from ordinary activities after tax totals DKK 2.941.000 against DKK 1.844.000 last year. Management considers the net profit or loss for the year satisfactory.

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

On august 26, 2022, an interim dividend of DKK 1.513.000 was declared.



## Accounting policies

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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.

### Changes in the accounting policies

The accounting policies are unchanged from the previous year, and the annual report is presented in DKK. The accounting period had been changed in the previous financial year and the comparative figures in the income statement comprises the period 1 January 2020 - 31 March 2021.

## 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 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.

## Accounting policies

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### 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

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.

## Accounting policies

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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.

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.

## Accounting policies

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### 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.

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.

## Income statement 1 April - 31 March

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All amounts in DKK.

<u>Note</u>	<u>2021/22</u>	<u>2020/21</u>
<b>Gross profit</b>	<b>12.687.923</b>	<b>15.988.338</b>
1 Staff costs	-9.906.757	-16.563.454
Depreciation, amortisation, and impairment	-31.609	-6.582
<b>Profit before net financials</b>	<b>2.749.557</b>	<b>-581.698</b>
Other financial expenses	-102.524	-52.881
<b>Pre-tax net profit or loss</b>	<b>2.647.033</b>	<b>-634.579</b>
Tax on net profit or loss for the year	294.098	2.478.123
<b>Net profit or loss for the year</b>	<b>2.941.131</b>	<b>1.843.544</b>
<b>Proposed appropriation of net profit:</b>		
Dividend for the financial year	1.742.452	0
Transferred to retained earnings	1.198.679	1.843.544
<b>Total allocations and transfers</b>	<b>2.941.131</b>	<b>1.843.544</b>

**Balance sheet at 31 March**

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>		
2 Development projects	0	3.750
Total intangible assets	0	3.750
3 Other fixtures and fittings, tools and equipment	373.002	30.861
Total property, plant, and equipment	373.002	30.861
4 Deposits	347.811	339.300
Total investments	347.811	339.300
<b>Total non-current assets</b>	<b>720.813</b>	<b>373.911</b>
<b>Current assets</b>		
Receivables from subsidiaries	0	5.347.500
Deferred tax assets	503.454	735.671
Income tax receivables	0	1.758.929
Other receivables	2.506.654	87.242
Prepayments	16.175	50.566
Total receivables	3.026.283	7.979.908
Cash and cash equivalents	10.109.057	8.683.838
<b>Total current assets</b>	<b>13.135.340</b>	<b>16.663.746</b>
<b>Total assets</b>	<b>13.856.153</b>	<b>17.037.657</b>

**Balance sheet at 31 March**

All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Equity</b>		
Contributed capital	125.008	125.008
Retained earnings	10.532.262	9.333.583
Proposed dividend for the financial year	1.742.452	0
<b>Total equity</b>	<b><u>12.399.722</u></b>	<b><u>9.458.591</u></b>
 <b>Liabilities other than provisions</b>		
Other payables	1.456.431	7.579.066
Total short term liabilities other than provisions	<u>1.456.431</u>	<u>7.579.066</u>
 <b>Total liabilities other than provisions</b>	<b><u>1.456.431</u></b>	<b><u>7.579.066</u></b>
 <b>Total equity and liabilities</b>	<b><u>13.856.153</u></b>	<b><u>17.037.657</u></b>

**5 Contingencies**

## Statement of changes in equity

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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 2020	125.008	7.490.039	0	7.615.047
Warrants	0	-7.920.236	0	-7.920.236
Profit or loss for the year brought forward	0	1.843.544	0	1.843.544
Warrants, paid out	0	7.920.236	0	7.920.236
Equity 1 April 2021	125.008	9.333.583	0	9.458.591
Profit or loss for the year brought forward	0	1.198.679	1.742.452	2.941.131
	<u>125.008</u>	<u>10.532.262</u>	<u>1.742.452</u>	<u>12.399.722</u>



## Notes

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All amounts in DKK.

	<u>2021/22</u>	<u>2020/21</u>
<b>1. Staff costs</b>		
Salaries and wages	8.647.972	15.911.476
Pension costs	1.166.208	545.756
Other costs for social security	92.577	106.222
	<u>9.906.757</u>	<u>16.563.454</u>
Average number of employees	<u>12</u>	<u>12</u>
<b>2. Development projects</b>		
Cost 1 April 2021	<u>100.000</u>	<u>100.000</u>
<b>Cost 31 March 2022</b>	<u>100.000</u>	<u>100.000</u>
Amortisation and writedown 1 April 2021	-96.250	-95.000
Amortisation for the year	-3.750	-1.250
<b>Amortisation and writedown 31 March 2022</b>	<u>-100.000</u>	<u>-96.250</u>
<b>Carrying amount, 31 March 2022</b>	<u>0</u>	<u>3.750</u>
<b>3. Other fixtures and fittings, tools and equipment</b>		
Cost 1 April 2021	150.304	150.304
Additions during the year	<u>370.000</u>	<u>0</u>
<b>Cost 31 March 2022</b>	<u>520.304</u>	<u>150.304</u>
Amortisation and writedown 1 April 2021	-119.443	-114.111
Depreciation for the year	-27.859	-5.332
<b>Amortisation and writedown 31 March 2022</b>	<u>-147.302</u>	<u>-119.443</u>
<b>Carrying amount, 31 March 2022</b>	<u>373.002</u>	<u>30.861</u>

## Notes

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All amounts in DKK.

	<u>31/3 2022</u>	<u>31/3 2021</u>
<b>4. Deposits</b>		
Cost 1 April 2021	339.300	339.300
Additions during the year	<u>8.511</u>	<u>0</u>
<b>Cost 31 March 2022</b>	<u><b>347.811</b></u>	<u><b>339.300</b></u>
<b>Carrying amount, 31 March 2022</b>	<u><b>347.811</b></u>	<u><b>339.300</b></u>

## 5. Contingencies

### Contingent liabilities

#### Lease liabilities

The company has entered into lease agreements, where the rent commitments amount to approx. DKK 368.000 in the notice period.