

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

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**Annual report**

**2019**

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

The annual report was submitted and approved by the general meeting on the 27 February 2020.

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Thomas Jakobsen  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British 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 report

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Today, the board of directors and the executive board have presented the annual report of Grazper Technologies ApS for the financial year 2019 of Grazper Technologies ApS.

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 2019 and of the company's results of activities in the financial year 1 January - 31 December 2019.

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 by the general meeting.

København, 25 February 2020

### Executive board

Thomas Jakobsen

David Guldbrandsen

### Board of directors

Thomas Jakobsen

Janos Flösser

David Guldbrandsen

## 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 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

## **Independent auditor's report**

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In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 25 February 2020

### **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: Financial year: 1 January - 31 December 5th financial year
<b>Board of directors</b>	Thomas Jakobsen Janos Flösser David Gulbrandsen
<b>Executive board</b>	Thomas Jakobsen David Gulbrandsen
<b>Auditors</b>	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
<b>Parent company</b>	Grounder ApS

## **Management commentary**

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

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

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

The gross loss for the year totals DKK -343.000 against DKK 550.000 last year. Income or loss from ordinary activities after tax totals DKK -5.567.000 against DKK -3.727.000 last year. Management considers the net profit or loss for the year satisfactory.



## 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 item “Staff costs” has been reclassified so that certain types of expenses previously recognised under “Staff costs” will, in the future, be recognised under the item “Other external charges”.

The change in classification has no effect on the net profit or loss for the year, nor on the statement of financial position, neither for the current financial year, nor the previous financial year. The comparative figures have been adjusted in accordance with the reclassification.

Except for the above, the accounting policies for the financial statements remain unchanged from last year.

### 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.

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.

## Income statement

### Gross loss

Gross loss comprises the revenue, work in progress, work performed for own account and capitalised, other operating income, and external costs.

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

## Accounting policies

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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 operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

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, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

### Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

### 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.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Accounting policies

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### 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.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under amortisation and writedown for impairment.

#### 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.

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	0-20 %

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 under depreciation.

## **Accounting policies**

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### **Investments**

#### **Deposits**

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

#### **Receivables**

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

#### **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.

#### **Liabilities other than provisions**

Other liabilities other than provisions 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.

**Income statement 1 January - 31 December**

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Gross loss</b>	<b>-342.866</b>	<b>549.893</b>
1 Staff costs	-6.550.855	-4.897.518
Depreciation, amortisation, and impairment	-53.785	-57.448
<b>Profit before net financials</b>	<b>-6.947.506</b>	<b>-4.405.073</b>
Other financial costs	-16.909	-10.452
<b>Pre-tax net profit or loss</b>	<b>-6.964.415</b>	<b>-4.415.525</b>
Tax on net profit or loss for the year	1.397.876	688.737
<b>Net profit or loss for the year</b>	<b>-5.566.539</b>	<b>-3.726.788</b>
<b>Proposed appropriation of net profit:</b>		
Allocated from retained earnings	-5.566.539	-3.726.788
<b>Total allocations and transfers</b>	<b>-5.566.539</b>	<b>-3.726.788</b>

## Statement of financial position at 31 December

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All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Non-current assets</b>		
2 Development projects	5.000	25.000
Total intangible assets	5.000	25.000
3 Other fixtures and fittings, tools and equipment	36.193	34.354
Total property, plant, and equipment	36.193	34.354
Deposits	339.300	287.224
Total investments	339.300	287.224
<b>Total non-current assets</b>	<b>380.493</b>	<b>346.578</b>
<b>Current assets</b>		
Trade receivables	4.500	133.501
4 Tax receivables from group enterprises	2.176.613	778.737
Other receivables	1.378.123	671.469
Claims for payment of contributed capital	0	5.000.000
Prepayments and accrued income	0	64.589
Total receivables	3.559.236	6.648.296
Cash on hand and demand deposits	5.271.043	1.840.929
<b>Total current assets</b>	<b>8.830.279</b>	<b>8.489.225</b>
<b>Total assets</b>	<b>9.210.772</b>	<b>8.835.803</b>

## Statement of financial position at 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>		<u>2019</u>	<u>2018</u>
<u>Note</u>			
<b>Equity</b>			
5	Contributed capital	125.008	116.079
6	Retained earnings	<u>7.490.039</u>	<u>8.065.507</u>
	<b>Total equity</b>	<b><u>7.615.047</u></b>	<b><u>8.181.586</u></b>
 <b>Liabilities other than provisions</b>			
	Trade payables	508.150	74.050
	Other payables	957.060	580.167
	Accruals and deferred income	<u>130.515</u>	<u>0</u>
	Total short term liabilities other than provisions	<u>1.595.725</u>	<u>654.217</u>
	<b>Total liabilities other than provisions</b>	<b><u>1.595.725</u></b>	<b><u>654.217</u></b>
	<b>Total equity and liabilities</b>	<b><u>9.210.772</u></b>	<b><u>8.835.803</u></b>

## 7 Contingencies

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2019	116.079	8.065.507	8.181.586
Cash capital increase	8.929	4.991.071	5.000.000
Profit or loss for the year brought forward	<u>0</u>	<u>-5.566.539</u>	<u>-5.566.539</u>
	<u><b>125.008</b></u>	<u><b>7.490.039</b></u>	<u><b>7.615.047</b></u>



## Notes

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All amounts in DKK.

	<u>2019</u>	<u>2018</u>
<b>1. Staff costs</b>		
Salaries and wages	6.395.524	4.833.325
Pension costs	65.000	0
Other costs for social security	90.331	64.193
	<u>6.550.855</u>	<u>4.897.518</u>
Average number of employees	<u>11</u>	<u>9</u>
<b>2. Development projects</b>		
Cost 1 January 2019	100.000	100.000
<b>Cost 31 December 2019</b>	<u>100.000</u>	<u>100.000</u>
Amortisation 1 January 2019	-75.000	-55.000
Amortisation for the year	-20.000	-20.000
<b>Amortisation 31 December 2019</b>	<u>-95.000</u>	<u>-75.000</u>
<b>Carrying amount, 31 December 2019</b>	<u>5.000</u>	<u>25.000</u>
<b>3. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2019	114.680	114.680
Additions during the year	35.624	0
<b>Cost 31 December 2019</b>	<u>150.304</u>	<u>114.680</u>
Amortisation and writedown 1 January 2019	-80.326	-42.878
Depreciation for the year	-33.785	-37.448
<b>Amortisation and writedown 31 December 2019</b>	<u>-114.111</u>	<u>-80.326</u>
<b>Carrying amount, 31 December 2019</b>	<u>36.193</u>	<u>34.354</u>
<b>4. Tax receivables from group enterprises</b>		
Tax receivable is taxcredit from LL8 X.		

The company also has a tax loss with a value of 0,6 mio. DKK, which is not included in the accounts due to an uncertainty of when it will be used.

## Notes

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All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
<b>5. Contributed capital</b>		
Contributed capital 1 January 2019	116.079	107.150
Cash capital increase	<u>8.929</u>	<u>8.929</u>
	<u><b>125.008</b></u>	<u><b>116.079</b></u>

The company can issue up to 36.066 warrants who gives right to the warrantholders to subscribe 36.066 shares of 1 DKK each. The board has as the end of 2019 issued 14.109 warrants who gives right to the warrantholders to subscribe 14.109 shares at a price of 50 DKK per share.

<b>6. Retained earnings</b>		
Retained earnings 1 January 2019	8.065.507	6.801.224
Cash capital increase	4.991.071	4.991.071
Profit or loss for the year brought forward	<u>-5.566.539</u>	<u>-3.726.788</u>
	<u><b>7.490.039</b></u>	<u><b>8.065.507</b></u>

## 7. Contingencies

### Contingent liabilities

#### Lease liabilities

The company has entered into lease agreements, where the rent commitments amount to approx. DKK 339.000 in the notice period.

#### Joint taxation

With Acorn Invest ApS, company reg. no 29 69 03 67 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The total tax payable under the joint taxation scheme totals DKK 0.

## Notes

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All amounts in DKK.

### 7. Contingencies (continued)

#### Joint taxation (continued)

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.