

Adaptive Recognition Nordic A/S

Ørestads Boulevard 73, 2300 København S

CVR no. 40 34 32 29

**Annual report for the period
1 March 2022 to 28 February 2023**

Prepared without audit or review

Adopted at the annual general meeting on 16 June
2023

Alan Tofte
chairman



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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Adaptive Recognition Nordic A/S for the financial year 1 March 2022 - 28 February 2023.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 28 February 2023 and of the results of the company's operations for the financial year 1 March 2022 - 28 February 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen S, 16 June 2023

Executive board

Alan Tofte

Supervisory board

Viktor Kertesz
chairman

Attila Kertesz

Alan Tofte

Auditor's report on compilation of the financial statements

To the shareholders of Adaptive Recognition Nordic A/S

We have compiled the financial statements of Adaptive Recognition Nordic A/S for the financial year 1 March 2022 - 28 February 2023 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 16 June 2023

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Anne Cathrine Nielsen
statsautoriseret revisor
MNE no. mne41368

Company details

The company	Adaptive Recognition Nordic A/S Ørestads Boulevard 73 2300 København S CVR no.: 40 34 32 29 Reporting period: 1 March 2022 - 28 February 2023 Incorporated: 1 March 2019 Domicile: Copenhagen
Supervisory board	Viktor Kertesz, chairman Attila Kertesz Alan Tofte
Executive board	Alan Tofte
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby

Management's review

Business review

The company's purpose is to conduct business in connection with the manufacture and sale of IT security equipment, ANPR, automatic number plate recognition, speed measurement equipment, Biometric scanners, ID scanners and related business.

Financial review

The company's income statement for the year ended 28 February 2023 shows a profit of DKK 2.266.234, and the balance sheet at 28 February 2023 shows equity of DKK 3.185.058.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 March - 28 February

	Note	2022/23 DKK	2021/22 DKK
Gross profit		3.773.695	2.186.673
Staff costs	1	-814.243	-714.414
Profit/loss before net financials		2.959.452	1.472.259
Financial income	2	26.986	0
Financial costs	3	-66.320	-46.594
Profit/loss before tax		2.920.118	1.425.665
Tax on profit/loss for the year	4	-653.884	-318.758
Profit/loss for the year		2.266.234	1.106.907
Recommended appropriation of profit/loss			
Proposed dividend for the year		1.800.000	600.000
Retained earnings		466.234	506.907
		2.266.234	1.106.907

Balance sheet 28 February

Note	2022/23 DKK	2021/22 DKK
Assets		
Finished goods and goods for resale	50.930	0
Stocks	50.930	0
Trade receivables	452.925	325.926
Other receivables	1.941.072	80.733
Receivables	2.393.997	406.659
Cash at bank and in hand	4.231.317	2.088.724
Total current assets	6.676.244	2.495.383
Total assets	6.676.244	2.495.383

Balance sheet 28 February

Note	2022/23 DKK	2021/22 DKK
Equity and liabilities		
Share capital	400.000	400.000
Retained earnings	985.058	518.824
Proposed dividend for the year	1.800.000	600.000
Equity	3.185.058	1.518.824
Other payables	16.010	15.681
Total non-current liabilities	16.010	15.681
Prepayments received from customers	488.284	0
Trade payables	111.432	33.750
Payables to shareholders and management	836	836
Corporation tax	627.884	304.758
Other payables	2.246.740	621.534
Total current liabilities	3.475.176	960.878
Total liabilities	3.491.186	976.559
Total equity and liabilities	6.676.244	2.495.383

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 March	400.000	518.824	600.000	1.518.824
Ordinary dividend paid	0	0	-600.000	-600.000
Net profit/loss for the year	0	466.234	1.800.000	2.266.234
Equity at 28 February	400.000	985.058	1.800.000	3.185.058

Notes

	2022/23	2021/22
	DKK	DKK
1 Staff costs		
Wages and salaries	559.574	536.956
Pensions	59.159	73.070
Other social security costs	7.102	5.978
Other staff costs	188.408	98.410
	814.243	714.414
Average number of employees	1	1
2 Financial income		
Other financial income	4.357	0
Exchange gains	22.629	0
	26.986	0
3 Financial costs		
Other financial costs	23.691	45.219
Exchange loss	42.629	1.375
	66.320	46.594
4 Tax on profit/loss for the year		
Current tax for the year	653.884	318.758
	653.884	318.758

Accounting policies

The annual report of Adaptive Recognition Nordic A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B and C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2022/23 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue less costs of consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Expenses for consumables

Costs of consumables include the consumables used in generating the year's revenue.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Accounting policies

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

The compensated absence commitment which the company's employees earn during the transitional period from 1 September 2019 to 31 August 2020, is administered by the company and is paid in to the Danish Holiday Fund before the employee reaches the pensionable age. Other debt is measured at amortised cost, which usually corresponds to the nominal value.