

Adaptive Recognition Nordic A/S

Ørestads Boulevard 73, 2300 København S

CVR no. 40 34 32 29

**Annual report for the period
1 March 2020 to 28 February 2021**

Prepared without audit or review

Adopted at the annual general meeting on 2 July
2021

Alan Tofte
chairman



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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Adaptive Recognition Nordic A/S for the financial year 1 March 2020 - 28 February 2021.

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 2021 and of the results of the company's operations for the financial year 1 March 2020 - 28 February 2021.

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, 2 July 2021

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 2020 - 28 February 2021 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 Audit Firms and FSR - Danish Auditors' Code of Ethics for Professional Accountants, 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, 2 July 2021

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

Henrik Sadolin Jørgensen
statsautoriseret revisor
MNE no. mne33281

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 2020 - 28 February 2021 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 2021 shows a profit of DKK 252.163, and the balance sheet at 28 February 2021 shows equity of DKK 411.917.

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	2020/21 DKK	2019/20 DKK
Gross profit		1.125.896	136.252
Staff costs	2	<u>-831.881</u>	<u>-2.318</u>
Profit/loss before amortisation/depreciation and impairment losses		294.015	133.934
Financial income	3	42.440	7.999
Financial costs	4	<u>-9.888</u>	<u>-411</u>
Profit/loss before tax		326.567	141.522
Tax on profit/loss for the year	5	<u>-74.404</u>	<u>-31.768</u>
Profit/loss for the year		<u>252.163</u>	<u>109.754</u>
Retained earnings		<u>252.163</u>	<u>109.754</u>
		<u>252.163</u>	<u>109.754</u>

Balance sheet 28 February

Note	2020/21 DKK	2019/20 DKK
Assets		
Trade receivables	142.274	44.310
Prepayments	0	768
Receivables	142.274	45.078
Cash at bank and in hand	2.926.745	160.449
Total current assets	3.069.019	205.527
Total assets	3.069.019	205.527

Balance sheet 28 February

Note	2020/21 DKK	2019/20 DKK
Equity and liabilities		
Share capital	400.000	50.000
Retained earnings	11.917	109.754
Equity	411.917	159.754
Other payables	15.188	0
Total non-current liabilities	15.188	0
Prepayments received from customers	155.265	0
Trade payables	57.142	0
Payables to shareholders and management	836	836
Corporation tax	74.404	31.768
Other payables	2.354.267	13.169
Total current liabilities	2.641.914	45.773
Total liabilities	2.657.102	45.773
Total equity and liabilities	3.069.019	205.527
Contingent liabilities	6	

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 March	50.000	109.754	159.754
Cash capital increase	350.000	-350.000	0
Net profit/loss for the year	0	252.163	252.163
Equity at 28 February	400.000	11.917	411.917

Notes

1 Special items

In the gross profit for 2020/21, the company has included COVID-19 salary compensation on the amount of TDKK 83.

	2020/21 DKK	2019/20 DKK
2 Staff costs		
Wages and salaries	780.511	0
Other social security costs	13.004	0
Other staff costs	38.366	2.318
	831.881	2.318
Average number of employees	1	0
3 Financial income		
Exchange gains	42.440	7.999
	42.440	7.999
4 Financial costs		
Other financial costs	4.874	411
Percentage surcharge, corporation tax	5.014	0
	9.888	411
5 Tax on profit/loss for the year		
Current tax for the year	74.404	31.768
	74.404	31.768

Notes

6 Contingent liabilities

The company has entered into rent obligations, where the total obligation in the non-cancellable period is DKK 3 thousand.

Accounting policies

The annual report of Adaptive Recognition Nordic A/S for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities.

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

The annual report for 2020/21 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, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

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.

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.

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. The item is net of refunds made by public authorities.

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

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks.

Accounting policies

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.