

**INTERIM REPORT FOR SIX MONTH  
PERIOD ENDED 30 JUNE 2020**

(UNAUDITED)

**reporting period:** 01.01.2021 - 30.06.2021

**financial year:** 01.01.2021 - 31.12.2021

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## Management report

AS Bercman Technologies (hereinafter: the company or Bercman) is a deep-tech company founded in 2016 which focuses on developing and selling products and services that improve traffic safety. The company's mission is to eliminate all traffic related fatalities. We would also like to contribute to the deployment of self-driving vehicles. Considering the future prospects of deploying automatic and autonomous vehicles, the company believes that the sector's development has high potential and provides great opportunities for a rapid global expansion of the company.

### New investors

In June 2021 the company carried out the initial public offering (IPO) of its shares on the Nasdaq Tallinn AS operated multilateral trading system First North. The offering was a success – a total of 4,110 investors participated and the offering was oversubscribed by 14.48 times which is a record in the history of Nasdaq Tallinn. In total 240,000 shares of the company were distributed to new investors and 816,000 euros of additional capital was raised.

### Team

The company's personnel increased by 4 persons during the reporting period. Machine vision specialist Niyi Adebayo joined, with the task to develop the company's internal competence on machine vision and deploy the developed algorithms in the company's own-production. Mechanical engineer Mohamed Abdelmomen joined, being responsible for organising the company's engineering activities and developing own products. Mikk Kinisveer joined the team, taking responsibility for the sales activities in Estonia as well as export markets. Reio Orasmäe joined the team, tasked with leading the management and the sales team in business development matters. The management board intends to continue growing the team in the following areas: sales, communication, engineering and software development. As at 30.06.2021 the company has 10 employees, 1 management board member and 3 supervisory board members.

### New business model

The company's business model was updated – instead of direct sales, distributors are now used for export markets. So, for example, there are ongoing negotiations with Croatia's largest telecom company A1 Hrvatska d.o.o. who wishes to expand its product and service portfolio in the smart city sector and with whom the company intends to sign a cooperation agreement already in October this year. During the reporting period A1 Hrvatska d.o.o. already ordered one Smart Pedestrian Crosswalk which was sent to Croatia at the end of June. The installation and integration tests are currently ongoing.

### New markets

For the first half-year, the company has implemented the sales strategy that was established in the first quarter of the year. The sales team has focused on finding international distributors and concluding contracts, with initial results expected in the second half of the financial year. In the first half-year the focus regarding export markets was on Croatia, Austria, Switzerland, Spain and Greece. In the course of this, several preliminary orders have been made for Bercman's Smart Pedestrian Crosswalks. Additionally, negotiations are ongoing with possible distributors in Slovenia, Slovakia, the Czech Republic, Belgium, Bosnia and Herzegovina, Iceland and Latvia. There is also a plan to enter the Nordic markets at the beginning of the 2022 financial year. The intention for this financial year is to conclude 4 more international partnership agreements, install crosswalks in 4 different countries and install up to 10 new generation Smart Crosswalks in Estonia. Two of these Smart Pedestrian Crosswalks in Estonia include integration with traffic lights which is the first real-life development and use for the Smart Intersection Control. This own product will be launched at the beginning of the 2022 financial year after real life tests in Estonia.

### Sales model

Own production will be sold to clients so that hardware is sold as a non-recurring capital expense and for the use of a non-exclusive license for the hardware to enable software updates, multi-year maintenance agreements with monthly payments are concluded. The development of own-products in the last quarters has enabled to considerably reduce the price of the Smart Pedestrian Crosswalks.

With regard to the product development done for Operail AS, the delivery of elements has begun, and the developments should be completed within this financial year.

### Development activity and source of coverage

During the reporting period, the company concluded a contract to become a member of Impulse Partners. Impulse Partners brings together major French companies who wish to cooperate with new growth-companies. The company also applied for funding from the H2020 EIC Accelerator instrument. Bercman is applying for funding for the implementation of product development in accordance with the European Union directives with a total budget of 2.15 million euros of which own financing rate is 30%.

During the reporting period Bercman also started preparations regarding Enterprise Estonia's applied research programme instrument. The company intends to apply for funding from the applied research programme to prototype an automatic emergency call device to improve the security of vulnerable road users. During the reporting period, the company wrote a cooperation project for funding the project "Smartwalk" with project partners Hamburg University of Technology, ARIC and Natix. The project funding is approved during September and the start time of the project is the beginning of October.

**Intellectual property**

In cooperation with Stellbrink & Partner Patentanwälte mbB, the company also completed the patent application for the protection of the intellectual property of the Smart Pedestrian Crosswalk solution. The patent application was filed with the European Patent Office on 15.06.2021 which is also the start date of the priority protection.

**Economic results**

The reporting period ended with a loss of 209,658 euros. The loss is due to the expenses paid for the company's growth and development, further development of own production, recruiting additional employees to improve the company's internal competence, investments into intangible assets and non-recurring costs related to the initial public offering and admission to trading of the shares. The company is in development stage and losses are inevitable, but the new sales strategy promises to expect reduced losses in the following reporting periods.

**Management board is optimistic**

According to the management board, the IPO carried out in June has supported the company's economic activity and the plan is to realise the new possibilities that have come about during the reporting period in the following financial years. Considering the market situation, the management board believes that the general market environment is continuing to grow. Based on this, the management board believes that the goals set for this financial year are feasible and active work is done on managing the premises to enable quick growth in the coming financial years.

## The interim report accounts

### Statement of financial position

(In Euros)

	30.06.2021	30.06.2020	Note
Assets			
Current assets			
Cash and cash equivalents	820 215	3 350	
Receivables and prepayments	17 986	46 502	2
Inventories	74 966	113 072	3
<b>Total current assets</b>	<b>913 167</b>	<b>162 924</b>	
Non-current assets			
Property, plant and equipment	26 434	36 694	5
Intangible assets	145 811	119 008	6
<b>Total non-current assets</b>	<b>172 245</b>	<b>155 702</b>	
<b>Total assets</b>	<b>1 085 412</b>	<b>318 626</b>	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	42 891	113 044	7
Payables and prepayments	243 603	190 535	8
Provisions	4 168	4 168	9
<b>Total current liabilities</b>	<b>290 662</b>	<b>307 747</b>	
Non-current liabilities			
Loan liabilities	0	82 748	7
Government grants	23 310	23 310	10
<b>Total non-current liabilities</b>	<b>23 310</b>	<b>106 058</b>	
<b>Total liabilities</b>	<b>313 972</b>	<b>413 805</b>	
Equity			
Issued capital	119 847	75 000	11
Share premium	1 097 788	0	
Other reserves	156	0	
Retained earnings (loss)	-236 693	-168 044	
Annual period profit (loss)	-209 658	-2 135	
<b>Total equity</b>	<b>771 440</b>	<b>-95 179</b>	
<b>Total liabilities and equity</b>	<b>1 085 412</b>	<b>318 626</b>	

## Income statement

(In Euros)

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020	Note
Revenue	3 115	43 424	12
Other income	19 868	45 705	13
Raw materials and consumables used	-12 602	-7 479	
Other operating expense	-95 106	-15 031	14
Employee expense	-99 640	-42 677	15
Depreciation and impairment loss (reversal)	-20 589	-20 130	5, 6
Other expense	-1 456	-771	
<b>Operating profit (loss)</b>	<b>-206 399</b>	<b>3 427</b>	
Interest expenses	-2 463	-4 367	
Other financial income and expense	-785	-809	
<b>Profit (loss) before tax</b>	<b>-209 658</b>	<b>-2 135</b>	
<b>Annual period profit (loss)</b>	<b>-209 658</b>	<b>-2 135</b>	

## Statement of cash flows

(In Euros)

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
Cash flows from operating activities		
Operating profit (loss)	-206 399	3 427
Adjustments		
Depreciation and impairment loss (reversal)	20 589	20 130
Other adjustments	81 425	-24 000
<b>Total adjustments</b>	<b>102 014</b>	<b>-3 870</b>
Changes in receivables and prepayments related to operating activities	-6 673	3 215
Changes in inventories	-6 082	-7 439
Changes in payables and prepayments related to operating activities	42 189	26 289
Interest paid	-1 400	-4 287
<b>Total cash flows from operating activities</b>	<b>-76 351</b>	<b>17 335</b>
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-12 719	-18 380
<b>Total cash flows from investing activities</b>	<b>-12 719</b>	<b>-18 380</b>
Cash flows from financing activities		
Loans received	130 300	48 220
Repayments of loans received	-96 716	-52 182
Proceeds from issuing shares	865 985	
<b>Total cash flows from financing activities</b>	<b>899 569</b>	<b>-3 962</b>
<b>Total cash flows</b>	<b>810 499</b>	<b>-5 007</b>
Cash and cash equivalents at beginning of period	9 727	8 743
<b>Change in cash and cash equivalents</b>	<b>810 499</b>	<b>-5 007</b>
Effect on exchange rate changes on cash and cash equivalents	-11	-386
Cash and cash equivalents at end of period	820 215	3 350

## Statement of changes in equity

(In Euros)

						Total
	Issued capital	Unregistered equity	Share premium	Other reserves	Retained earnings (loss)	
<b>30.06.2020</b>	75 000	0	0	0	-170 179	-95 179
Annual period profit (loss)	0	0	0	0	-66 513	-66 513
Issue of equity	0	100 592	0	0	0	100 592
Other changes in equity	0	0	0	0	0	-1
<b>31.12.2020</b>	75 000	100 592	0	0	-236 693	-61 101
Annual period profit (loss)	0	0	0	0	-209 658	-209 658
Issue of equity	44 847	-100 592	1 097 788	0	0	1 042 043
Changes in reserves	0	0	0	156	0	156
<b>30.06.2021</b>	119 847	0	1 097 788	156	-446 351	771 440

## Notes

### Note 1 Accounting policies

#### General information

The financial statements of AS Bercman Technologies have been prepared in accordance with the Estonian Financial Reporting Standard, which is based on internationally recognized accounting and reporting standards.

Based on the category it belongs to, the company has prepared the abridged financial statements of a small undertaking.

Period of statements is 2021.01.01-2021.06.30.

The income statement of AS Bercman Technologies has been prepared using format 1 in Annex 2 to the Estonian Accounting Act.

The financial statements have been prepared in euros.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand as well as bank account balances.

#### Foreign currency transactions and assets and liabilities denominated in a foreign currency

The company's functional currency is the euro. Transactions denominated in foreign currency are recorded on the basis of the foreign currency exchange rates of the European Central Bank officially valid on the transaction date. Assets and liabilities denominated in foreign currency have been translated into Euros on the basis of the currency exchange rates of the European Central Bank officially valid on the balance sheet date.

Foreign exchange gains and losses resulting from revaluation are recorded in the income statement of the reporting period.

#### Receivables and prepayments

Accrued income and other current and non-current receivables are recognized at amortized cost. An assessment is made at each balance sheet date to determine whether there is any indication that these financial assets may be impaired. If any such indication exists, the financial assets carried at amortized cost are written down to the present value of future payments expected to be received. Impairment losses are recognized as an expense in the income statement.

#### Inventories

Inventories are initially recorded at their acquisition cost, which consists of purchase costs, production costs and other costs necessary to bring the inventories to their existing location and condition. The cost of inventories is calculated using the FIFO method. Inventories are valued at the lower of the acquisition cost or net realisable value. Net realisable value is the selling price forecast in the ordinary course of business, less the costs of completion, marketing and distribution.

#### Plant, property and equipment and intangible assets

When recognizing property, plant and equipment in the balance sheet, accumulated depreciation and impairment losses are deducted from their acquisition cost. Based on the materiality principle, assets with an acquisition cost exceeding 1000 euros and a useful life of more than one year are recorded as property, plant and equipment in the balance sheet. Assets with a lower acquisition cost or shorter useful life are expensed as they are taken into use. If an item of property, plant and equipment consists of distinguishable significant components that have different useful lives, those components are accounted as separate assets, with separate depreciation rates based on the useful lives of the components. The company uses the straight-line method to depreciate property, plant and equipment.

Intangible assets are initially recorded at their acquisition cost, which consists of the purchase price and expenses directly related to the acquisition. Intangible assets are recognised in the balance sheet at their acquisition cost, less accumulated depreciation and possible write-downs resulting from impairment. Assets are depreciated from the time they are taken into use and until the depreciable portion is fully depreciated or the asset is retired. If a fully depreciated asset is still in use, both the cost and accumulated depreciation are recognized in the balance sheet until the asset is permanently withdrawn from use. Depreciation of fixed assets is generally calculated on the basis of the following ranges of depreciation rates:

Buildings: 2-5% per year;

Machinery and equipment: 20-30% per year;

Computer technology: 20-30% per year;

Other tangible fixed assets: 20-30% per year.

Intangible assets are amortized on a straight-line basis over their estimated useful lives of up to 20 years.

Changes are made in the depreciation of assets on a prospective basis if there are signs that the life or residual value of an item of assets has changed significantly.

### **Financial liabilities**

Financial liabilities (trade payables and short- and long-term borrowings) are recognized at adjusted cost. The adjusted acquisition cost of short-term financial liabilities is generally equal to their nominal value, therefore short-term financial liabilities are recognized in the amount payable in the balance sheet. A financial liability is derecognised when it is discharged, canceled or expires.

### **Government grants**

Government grants are not recognized as income until there is reasonable assurance that the enterprise will comply with the conditions attaching to the grant and the grant will be received. Government grants are recognized as income in the same periods like the related costs. If the conditions for recognition of the government grant under income have not been met, the grant will be recorded under liabilities in the balance sheet. The corresponding liability is recorded under current or non-current liabilities in the balance sheet, depending on when the conditions related to the government grant are met. The gross method has been applied to government grants, according to which the reimbursable expense and the received government grants are recognized both separately in the income statement.

### **Revenue recognition**

Revenue from the sale of services is recognized based on the stage of completion method, revenue and profit from the provision of services are recognized proportionately in the same periods as the costs of providing the service.

### **Expense recognition**

Expenses are recognized on an accrual basis in the period in which they are incurred or to which they have been substantially related.

### **Related parties**

A related party is a person or a company that is related to AS Bercman Technologies (the Company) to such an extent that transactions between them may be conducted on terms not equivalent to those used in arm's length transactions. A person or a close member of that person's family (i.e. a family member who may be associated with significant influence such as the spouse or the domestic partner or a child) is a related party for the Company if that person:

(a) is a member of the management of the Company or its parent company (i.e. a person having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly); or  
(b) has control of or significant influence over the Company (e.g. through an ownership interest).

A company is a related party for the Company if any of the following conditions apply:

- (a) the other company and the Company are under common control (i.e. they are members of the same group or controlled by the same person (or a close family member of that person));
- (b) one is under the control of a third party (that may be a company or a person) and the other is under the significant influence of that third party (if the third party is a person, then that person or a close family member of that person);
- (c) the other company has control of or significant influence over the Company;
- (d) the other company is under the control or significant influence of the Company;
- (e) a member of the management of the Company or the Company's parent company (i.e. a person having the authority and responsibility AS Bercman Technologies 2021 annual report for planning, directing and controlling the activities of the Company, directly or indirectly or its direct family member) has control of or significant influence over the other company;
- (f) the other company's management includes persons (or close family members of those persons) that have control of or significant influence over the Company.

## Note 2 Receivables and prepayments

(In Euros)

	30.06.2021	Within 12 months	Note
Receivables from related parties	5 979	5 979	16
Tax prepayments and receivables	11 076	11 076	4
Other receivables	390	390	
Prepayments	541	541	
Other paid prepayments	541	541	
<b>Total receivables and prepayments</b>	<b>17 986</b>	<b>17 986</b>	
	30.06.2020	Within 12 months	Note
Receivables from related parties	43 932	43 932	16
Tax prepayments and receivables	0	0	4
Prepayments	2 570	2 570	
Other paid prepayments	2 570	2 570	
<b>Total receivables and prepayments</b>	<b>46 502</b>	<b>46 502</b>	

## Note 3 Inventories

(In Euros)

	30.06.2021	30.06.2020
Raw materials	53 203	68 963
Finished goods	21 654	44 000
Inventory prepayments	109	109
<b>Total Inventories</b>	<b>74 966</b>	<b>113 072</b>

## Note 4 Tax prepayments and liabilities

(In Euros)

	30.06.2021		30.06.2020	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	10 123	0	0	1 652
Personal income tax	0	7 858	0	5 879
Fringe benefit income tax	0	111	0	0
Social tax	0	13 631	0	11 913
Contributions to mandatory funded pension	0	826	0	728
Unemployment insurance tax	0	932	0	873
Interest	0	0	0	474
Prepayment account balance	953		0	
<b>Total tax prepayments and liabilities</b>	<b>11 076</b>	<b>23 358</b>		<b>21 519</b>

## Note 5 Property, plant and equipment

(In Euros)

				Total
	Computers and computer systems	Other property, plant and equipment	Prepayments	
<b>30.06.2019</b>				
Carried at cost	0	34 374	51	34 425
Accumulated depreciation	0	-12 174	0	-12 174
<b>Residual cost</b>	0	22 200	51	22 251
Acquisitions and additions	0	24 000	0	24 000
Depreciation	0	-9 557	0	-9 557
<b>30.06.2020</b>				
Carried at cost	0	58 374	51	58 425
Accumulated depreciation	0	-21 731	0	-21 731
<b>Residual cost</b>	0	36 643	51	36 694
Acquisitions and additions	1 119	0	0	1 119
Depreciation	-149	-11 230	0	-11 379
<b>30.06.2021</b>				
Carried at cost	1 119	58 374	51	59 544
Accumulated depreciation	-149	-32 961	0	-33 110
<b>Residual cost</b>	970	25 413	51	26 434

**Note 6 Intangible assets**

(In Euros)

					Total
	Development expenditures	Computer software	Concessions, patents, licences, trademarks	Other intangible assets	
<b>30.06.2019</b>					
Carried at cost	67 411	22 405	3 955	3 327	97 098
Accumulated depreciation	-7 669	-3 427	-713	-555	-12 364
<b>Residual cost</b>	<b>59 742</b>	<b>18 978</b>	<b>3 242</b>	<b>2 772</b>	<b>84 734</b>
Acquisitions and additions	36 759	23 946	0	0	60 705
Depreciation	-20 231	-5 140	-396	-664	-26 431
<b>30.06.2020</b>					
Carried at cost	104 170	46 351	3 955	3 327	157 803
Accumulated depreciation	-27 900	-8 567	-1 109	-1 219	-38 795
<b>Residual cost</b>	<b>76 270</b>	<b>37 784</b>	<b>2 846</b>	<b>2 108</b>	<b>119 008</b>
Acquisitions and additions	44 790	0	7 300	5 420	57 510
Depreciation	-20 165	-9 270	-456	-816	-30 707
<b>30.06.2021</b>					
Carried at cost	148 960	46 351	11 255	8 747	215 313
Accumulated depreciation	-48 065	-17 837	-1 565	-2 035	-69 502
<b>Residual cost</b>	<b>100 895</b>	<b>28 514</b>	<b>9 690</b>	<b>6 712</b>	<b>145 811</b>

## Note 7 Loan commitments

(In Euros)

	30.06.2021	Allocation by remaining maturity			Interest rate	Base currency	Due date	Note
		Within 12 months	1 - 5 years	Over 5 years				
Current loans								
Credit institutions	42 891	42 891			5% + euribor	EUR	15.09.2022	
<b>Current loans total</b>	42 891	42 891						
<b>Loan commitments total</b>	42 891	42 891						
	30.06.2020	Allocation by remaining maturity			Interest rate	Base currency	Due date	Note
		Within 12 months	1 - 5 years	Over 5 years				
Current loans								
Credit institutions	75 111	75 111			5,95% + euribor	EUR	11.07.2020	
Related parties	3 000	3 000			5%	EUR	17.10.2020	16
Related parties	300	300			5%	EUR	01.09.2020	16
Related parties	2 020	2 020			5%	EUR	10.07.2020	16
<b>Current loans total</b>	80 431	80 431						
Non-current loans								
Credit institutions	67 361	32 613	34 748	0	5% + euribor	EUR	15.09.2022	
Related parties	48 000	0	48 000	0	0%	EUR	20.09.2022	16
<b>Non-current loans total</b>	115 361	32 613	82 748	0				
<b>Loan commitments total</b>	195 792	113 044	82 748	0				

The loan from the credit institution is secured by a guarantee from KredEx, the amount of which is 80% of the outstanding loan amount to the bank and a personal guarantee from the members of the Management Board and the Supervisory Board in the amount of 45 000 euros.

**Note 8 Payables and prepayments**

(In Euros)

	30.06.2021	Within 12 months	Note
Trade payables	185 901	185 901	
Employee payables	33 871	33 871	
Tax payables	23 358	23 358	4
Other payables	473	473	
Interest payables	473	473	
<b>Total payables and prepayments</b>	<b>243 603</b>	<b>243 603</b>	
	30.06.2020	Within 12 months	Note
Trade payables	156 348	156 348	
Employee payables	11 831	11 831	
Tax payables	21 519	21 519	4
Other payables	837	837	
Interest payables	837	837	
<b>Total payables and prepayments</b>	<b>190 535</b>	<b>190 535</b>	

**Note 9 Provisions**

(In Euros)

	30.06.2019	Establishing/ Adjustments	30.06.2020
<b>Total provisions</b>	<b>4 168</b>	<b>0</b>	<b>4 168</b>
<b>Including:</b>			
<b>Current</b>	<b>4 168</b>	<b>0</b>	<b>4 168</b>
Tax provision	4 168	0	4 168
	30.06.2020	Establishing/ Adjustments	30.06.2021
<b>Total provisions</b>	<b>4 168</b>	<b>0</b>	<b>4 168</b>
<b>Including:</b>			
<b>Current</b>	<b>4 168</b>	<b>0</b>	<b>4 168</b>
Tax provision	4 168	0	4 168

## Note 10 Grants

(In Euros)

Assets at cost

	30.06.2019		Received	Recognized in the income statement	30.06.2020	
	Receivables	Liabilities			Receivables	Liabilities
Grants for acquisition of non-current assets						
EU51732	0	19 390	0	0	0	19 390
<b>Total grants for acquisition of non-current assets</b>	0	19 390	0	0	0	19 390
Grants for operating expenses						
EU52657	0	3 920	0	0	0	3 920
SPECK	0	0	45 705	45 705	0	0
EU49324	635	0	635	0	0	0
<b>Total grants for operating expenses</b>	635	3 920	46 340	45 705	0	3 920
<b>Total grants</b>	635	23 310	46 340	45 705	0	23 310
	30.06.2020		Received	Recognized in the income statement	30.06.2021	
	Receivables	Liabilities			Receivables	Liabilities
Grants for acquisition of non-current assets						
EU51732	0	19 390	0	0	0	19 390
<b>Total grants for acquisition of non-current assets</b>	0	19 390		0	0	19 390
Grants for operating expenses						
EU52657	0	3 920	0	0	0	3 920
Green ICT	0	0	0	19 811	0	0
<b>Total grants for operating expenses</b>	0	3 920	0	19 811	0	3 920
<b>Total grants</b>	0	23 310	0	19 811	0	23 310

Within the framework of the Enterprise Estonia development project (EU51732) program, a decision was made in 2017 to support the realization and testing of a prototype of Bercman Technologies AS in the amount of 19 390 euros through government grants. The project involved cooperation with Tallinn University of Technology (TalTech). The deadline for the project control period is 31.12.2022.

Within the framework of the Smart City Cluster (EU49324), funding was provided to cover operating costs.

Within the framework of the Innovation Unit measure (EU52657), co-operation was established with the University of Tartu to test the product. The end of the project control period is 31.12.2023.

The European Commission (SPECK) funded an applied study examining the possibilities of increasing the traffic safety of the Smart Pedestrian on unregulated pedestrian crossings.

The aim of the Estonian-Norwegian cooperation program "Green ICT" is to support the sustainable development of Estonian entrepreneurs. The program focuses on the development of three areas: industry and green technologies, ICT and health technologies.

## Note 11 Share capital

(In Euros)

	30.06.2021	30.06.2020
Share capital	119 847	75 000
Number of shares (pcs)	119 847	75 000
Nominal value of shares	0.10	1

## Note 12 Net sales

(In Euros)

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
Net sales by geographical location		
Net sales in European Union		
Estonia	0	43 424
Latvia	3 115	0
United Kingdom	0	0
<b>Total net sales in European Union</b>	<b>3 115</b>	<b>43 424</b>
<b>Total net sales</b>	<b>3 115</b>	<b>43 424</b>
Net sales by operating activities		
Sales of goods	2 990	20 350
Sales of services	125	23 074
<b>Total net sales</b>	<b>3 115</b>	<b>43 424</b>

## Note 13 Other operating income

(In Euros)

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020	Note
Revenue from grants	19 811	45 705	30
Other	57	0	
<b>Total other operating income</b>	<b>19 868</b>	<b>45 705</b>	

**Note 14 Miscellaneous operating expenses**

(In Euros)

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
Miscellaneous office expenses	1 771	2 832
Travel expense	682	75
Training expense	3 550	520
State and local taxes	487	18
Accounting services	11 688	450
Legal services	41 475	0
Consulting services	3 145	4 611
IT services	1 450	92
Advertising and marketing expenses	381	53
Car related expenses	710	3 558
Other services	21 610	1 752
Audit services	7 920	0
Other	237	1 070
<b>Total miscellaneous operating expenses</b>	<b>95 106</b>	<b>15 031</b>

**Note 15 Labor expense**

(In Euros)

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
Wage and salary expense	74 493	32 368
Social security taxes	24 434	10 065
Unemployment insurance	557	244
Other	156	0
<b>Total labor expense</b>	<b>99 640</b>	<b>42 677</b>
Average number of employees in full time equivalent units	9	5
Average number of employees by types of employment:		
Person employed under employment contract	9	5

**Note 16 Related parties**

(In Euros)

**Balances with related parties by categories**

	30.06.2021		30.06.2020	
	Receivables	Liabilities	Receivables	Liabilities
Management, higher supervisory body and individuals with material ownership interest and the entities under their control or significant influence	5 966	4 210	43 932	76 413

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### Loans

01.01.2020 - 30.06.2020	Loans received	Repayments of loans received	Interest paid	Interest rate	Base currency
Management, higher supervisory body and individuals with material ownership interest and the entities under their control or significant influence					
	7 220	1 900	0	5% + euribor	EUR
	48 000	0	0	0%	EUR

### Purchases and sales of goods and services

	01.01.2021 - 30.06.2021		01.01.2020 - 30.06.2020	
	Purchases of goods and services	Sales of goods and services	Purchases of goods and services	Sales of goods and services
Management, higher supervisory body and individuals with material ownership interest and the entities under their control or significant influence	930	0	5 053	0

### Purchases and sales of non-current assets

	01.01.2021 - 30.06.2021		01.01.2020 - 30.06.2020	
	Purchases of non-current assets	Sales of non-current assets	Purchases of non-current assets	Sales of non-current assets
Management, higher supervisory body and individuals with material ownership interest and the entities under their control or significant influence	0	0	22 000	0

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
Remuneration	25 285	4 833

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## Signatures

The management has prepared the AS Bercman Technologies unaudited Interim Report for the six month period ended 30 June 2021 and confirms that the Report provides a true and fair view of the business operations.

Report completion date: 29.09.2021

Mart Suurkask  
CEO

