MultiQ Denmark A/S

Fabrikvej 11B, 8260 Viby J

Company reg. no. 25 49 38 77

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 24 May 2024.

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Mads Henrik Hansen
Chairman of the meeting

Contents

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

Today, the Board of Directors and the Managing Director have approved the annual report of MultiQ Denmark A/S for the financial year 1 January - 31 December 2023.

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 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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.

Viby J, 24 May 2024

Managing Director

Mads Henrik Hansen
Managing Director

Board of directors

Russel Craig Singleton Chairman	Mads Henrik Hansen	Nicholas William Lowe

Independent auditor's report

To the Shareholders of MultiQ Denmark A/S

Opinion

We have audited the financial statements of MultiQ Denmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, 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 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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.

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

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.

Aarhus C, 24 May 2024

KPMG
KPMG P/S
Company reg. no. 25 57 81 98

Mikkel Trabjerg Knudsen
State Authorised Public Accountant
mne34459

Dennis Valdeck Hansen
State Authorised Public Accountant
mne49092

Company information

The company	MultiQ Denmark A/S Fabrikvej 11B 8260 Viby J
	Company reg. no. 25 49 38 77 Financial year: 1 January - 31 December
Board of directors	Russel Craig Singleton, Chairman Mads Henrik Hansen Nicholas William Lowe
Managing Director	Mads Henrik Hansen, Managing Director
Auditors	KPMG P/S Frederiks Plads 42, 7. tv. 8000 Aarhus C

Principal activities

The company's activity is to deliver and operate integrated information services for public transport including hardware, software, and services.

Development in activities and financial position

The Company's income statement for 1 January - 31 December 2023 shows a profit of DKK 2,305,378. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 10,387,823.

This year, our company has continued to excel in delivering and operating integrated information services for public transport, encompassing hardware, software, and associated services.

We are pleased to see significant progress, highlighted by the successful separation of our digital signage business from our Intelligent Transportation Solution (ITS) business. This strategic move has allowed us to sharpen our focus, streamline operations, and better align our resources with our core competencies.

Throughout the year, our refined strategy has yielded positive outcomes, notably an increase in our gross profit and improvement in earnings. These achievements underscore our commitment to operational excellence and strategic growth.

In short management believes it’s been a good year, and we remain dedicated to deliver innovative solutions and maintaining our leadership in the industry.

Outlook

Looking ahead, we are well-positioned to sustain our growth trajectory within the Nordic markets. Our partnership with our new owners, Journeo plc, has further strengthened our capabilities and market presence, setting the stage for continued success.

Income statement 1 Januar - 31 December

All amounts in DKK.

Note		2023	2022
	Revenue	30.495.492	38.206.123
	Other operating income	159.872	192.341
	Costs of raw materials and consumables	-17.904.802	-22.886.343
	Other external expenses	-3.522.364	-6.472.250
	Gross profit	**9.228.198**	**9.039.871**
1	Staff costs	-6.414.996	-8.232.446
	Depreciation and impairment of non-current assets	-1.840.302	-1.744.492
	Operating profit	**972.900**	**-937.067**
	Other financial income	1.046.634	874.640
2	Other financial expenses	-9.597	-209.882
	Pre-tax net profit or loss	**2.009.937**	**-272.309**
3	Tax on net profit or loss for the year	295.441	239.411
	Net profit or loss for the year	**2.305.378**	**-32.898**
	Proposed distribution of net profit:		
	Transferred to retained earnings	2.305.378	0
	Allocated from retained earnings	0	-32.898
	Total allocations and transfers	**2.305.378**	**-32.898**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	31/12 2023	31/12 2022
	Non-current assets		
4	Completed development projects	3.196.450	3.320.638
5	Development projects in progress	1.580.650	1.699.156
	Total intangible assets	4.777.100	5.019.794
6	Other fixtures, fittings, tools and equipment	30.577	47.533
	Total property, plant, and equipment	30.577	47.533
7	Deposits	177.038	164.892
	Total investments	177.038	164.892
	Total non-current assets	**4.984.715**	**5.232.219**
	Current assets		
	Manufactured goods and goods for resale	8.999.156	5.967.683
	Prepayments for goods	678.870	820.669
	Total inventories	9.678.026	6.788.352
	Trade receivables	7.431.543	4.939.498
	Receivables from group enterprises	356.159	0
8	Deferred tax assets	2.105.000	2.105.000
	Other receivables	279.468	200.000
	Prepayments	632.138	285.249
	Total receivables	10.804.308	7.529.747
	Cash and cash equivalents	614.904	899.480
	Total current assets	**21.097.238**	**15.217.579**
	Total assets	**26.081.953**	**20.449.798**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		31/12 2023	31/12 2022
	Equity		
	Contributed capital	11.419.359	11.419.359
	Reserve for development costs	3.726.138	3.915.440
	Retained earnings	-4.757.674	-7.252.354
	Total equity	**10.387.823**	**8.082.445**
	Liabilities other than provisions		
9	Other payables	605.375	605.375
	Total long term liabilities other than provisions	605.375	605.375
	Trade payables	2.992.920	2.678.822
	Payables to group enterprises	9.335.623	6.957.617
	Other payables	2.176.139	1.519.515
	Deferred income	584.073	606.024
	Total short term liabilities other than provisions	15.088.755	11.761.978
	Total liabilities other than provisions	**15.694.130**	**12.367.353**
	Total equity and liabilities	**26.081.953**	**20.449.798**

10 Contingent liabilities

11 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2023	11.419.359	3.915.440	-7.252.354	8.082.445
Transferred from reserves	0	-189.302	189.302	0
Retained earnings for the year	0	0	2.305.378	2.305.378
	11.419.359	**3.726.138**	**-4.757.674**	**10.387.823**

Notes

All amounts in DKK.

		2023	2022
1.	**Staff costs**		
	Salaries and wages	5.965.205	7.641.458
	Pension costs	359.108	425.053
	Other costs for social security	90.683	165.935
		6.414.996	**8.232.446**
	Average number of employees	12	16
2.	**Other financial expenses**		
	Financial costs, group enterprises	0	189.164
	Other financial costs	9.597	20.718
		9.597	**209.882**
3.	**Tax on net profit or loss for the year**		
	Adjustment of tax for previous years	-295.441	-239.411
		-295.441	**-239.411**

All amounts in DKK.

		31/12 2023	31/12 2022
4.	**Completed development projects**		
	Cost 1 January 2023	23.935.458	22.635.834
	Transfers	1.699.156	1.299.624
	Cost 31 December 2023	**25.634.614**	**23.935.458**
	Amortisation and write-down 1 January 2023	-20.614.820	-18.888.752
	Depreciation, amortisation and impairment loss for the year	-1.823.344	-1.726.068
	Amortisation and write-down 31 December 2023	**-22.438.164**	**-20.614.820**
	Carrying amount, 31 December 2023	**3.196.450**	**3.320.638**

Completed development projects

Completed development projects comprise the development and test of an update to MultiQ's ITS (Intelligent Transportation Solutions) platform, named IBI, and future bus solutions.

The IBI ITS platform for vehicles, primarily buses, is depreciated over a period of 5 years.

Management has not identified indications of impairment relative to the carrying amount.

All amounts in DKK.

		31/12 2023	31/12 2022
5.	**Development projects in progress**		
	Cost 1 January 2023	1.699.156	1.299.624
	Additions during the year	1.580.650	1.699.156
	Transfers	-1.699.156	-1.299.624
	Cost 31 December 2023	**1.580.650**	**1.699.156**
	Carrying amount, 31 December 2023	**1.580.650**	**1.699.156**

Development projects in progress

Development projects in progress comprise the development and test of MultiQ's ITS (Intelligent Transportation Solutions) platform. Costs are in all material respects comprised of internal costs in the form of wages and salaries and indirect production costs registered in the enterprise's internal project module.

The carrying amount at 31 December 2023 totals TDKK 1.581. The system is expected to be fully developed during 2024 after which marketing and sales work can start.

In 2023, management carried out an impairment test of the carrying amount of development projects in progress. It is estimated that the recoverable value of the value in use exceeds the carrying amount.

		31/12 2023	31/12 2022
6.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January 2023	12.331.501	12.297.330
	Additions during the year	0	34.171
	Cost 31 December 2023	**12.331.501**	**12.331.501**
	Depreciation and write-down 1 January 2023	-12.283.968	-12.267.011
	Depreciation for the year	-16.956	-16.957
	Depreciation and write-down 31 December 2023	**-12.300.924**	**-12.283.968**
	Carrying amount, 31 December 2023	**30.577**	**47.533**

All amounts in DKK.

		31/12 2023	31/12 2022
7.	**Deposits**		
	Cost 1 January 2023	164.892	161.911
	Additions during the year	12.146	2.981
	Cost 31 December 2023	**177.038**	**164.892**
	Carrying amount, 31 December 2023	**177.038**	**164.892**

8. Deferred tax assets

Deferred tax totals 2.105 t.DKK. Deferred tax assets that arise from tax loss 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. The settlement against tax of future earnings is based on an estimation of the probability and timeline of future earnings.

The measurement of deferred tax assets that arise from tax loss is based on and estimation performed by the management based on the expected earnings the next 5 years.

		31/12 2023	31/12 2022
9.	**Other payables**		
	Holiday pay obligations, salaried staff	605.375	605.375
		605.375	**605.375**

10. Contingent liabilities

Lease liabilities

The company has operational rental and leasing agreements with a remaining duration ranging from 6 to 19 months, and incurring a cumulative leasing payment of DKK 482 thousand.

11. Related parties

The related parties of MultiQ Denmark A/S include the following:

Controlling interest

MultiQ Denmark A/S is included in the consolidated financial statements of Journeo Plc. The ownership is 100%.

Accounting policies

The annual report for MultiQ Denmark A/S 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.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Foreign currency translation
Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Revenue
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.

Revenue from sales of goods is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can de determined reliably and inflow is anticipated.

Revenue is measered at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales

Cost of sales comprises costs incurred directly or indirectly to generate revenue for the year.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses

Other external expenses comprise expenses 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.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down 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, 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

Development costs consist of expenses, wages and depreciation cost, that is directly or indirectly related to development activities.

Profit and loss from the sale of development projects are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

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.

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.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment of fixed assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

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.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the 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 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

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Liabilities are measured at amortised cost.

Deferred income

Payments received concerning future income are recognised under deferred income.