

Veovo Holdings Denmark ApS

Hækken 2
9310 Vodskov

CVR no. 38 52 25 90

Annual report 2019/20

The annual report was presented and approved at the
Company's annual general meeting

on _____ 20 ____

chairman of the annual general meeting

Veovo Holdings Denmark ApS

Annual report 1 October 2019 – 30 September 2020

CVR no. 38 52 25 90

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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Veovo Holdings Denmark ApS for the financial year 1 October 2019 – 30 September 2020.

The annual report has been 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 assets, liabilities and financial position at 30 September 2020 and of the results of the Company's operations for the financial year 1 October 2019 – 30 September 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Vodskov, 31 March 2021
Executive Board:

Gary Keith Miles

Alastair James Spence

James Francis Williamson



Independent auditor's report

To the shareholders of Veovo Holdings Denmark ApS

Opinion

We have audited the financial statements of Veovo Holdings Denmark ApS for the financial year 1 October 2019 – 30 September 2020, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 assets, liabilities and financial position at 30 September 2020 and of the results of the Company's operations and cash flows for the financial year 1 October – 30 September 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding matters in the financial statements

We draw attention to note 2 to the financial statements setting out that there is material uncertainty as to the valuation of the Company's investments in subsidiaries.

Our opinion is not modified in respect of this matter.

Management's responsibility 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 that 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 as to 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 may 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 financial statement 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the Company's 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Aalborg, 31 March 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Steffen S. Hansen
State Authorised
Public Accountant
MNE no. 32737

Veovo Holdings Denmark ApS

Annual report 2019/20

CVR no. 38 52 25 90

Management's review

Company details

Veovo Holdings Denmark ApS

Hækken 2

9310 Vodskov

Denmark

CVR no.	38 52 25 90
Established:	27 March 2017
Registered office:	Aalborg
Financial year:	1 October – 30 September

Executive Board

Gary Keith Miles

Alastair James Spence

James Francis Williamson

Auditor

KPMG

Statsautoriseret Revisionspartnerselskab

Østre Havnegade 22D

9000 Aalborg

Annual general meeting

The annual general meeting will be held on 31 March 2021.

Management's review

Operating review

Principal activities

The Company's principal activity is to hold equity investments.

Financial development and position

The Company is the parent company of Veovo A/S (former Blip Systems A/S), an innovative supplier of passenger tracking solutions principally for airports acquired by Gentrack Group in 2017.

During the six months from 1 October to 31 March 2020, expected sales growth of the subsidiary was not delivered. Further, the subsidiary is impacted by COVID-19 with uncertainty regarding when the business will return to "business as usual".

In view of the recent performance and the uncertainties regarding future performance of the subsidiary in a COVID-19 environment, Management considered a significant impairment of the investment.

At Group level, goodwill and intangible assets are fully written down. Consequently, the investment is valued to carrying amount of net assets. Furthermore, the deferred tax asset is written down.

Gentrack Group will continue to leverage the Blip Systems intellectual property, which remains an important part of the overall Veovo product offering. At present, there is a pipeline of potential opportunities as airports globally look to technology to address crowd management and social distancing requirements essential to the COVID-19 recovery.

Through intercompany funding, the shareholder, Gentrack Group Limited, has committed to maintaining the intercompany loan and providing the required liquidity, which, according to Management, will suffice to carry through operations in 2020/21. It is Management's opinion that the shareholder has the required funding to finance this commitment. Accordingly, the annual report is presented on a going concern basis.

The Company has lost more than 50% of its contributed capital and is thus subject to the provisions on loss of capital under the Danish Companies Act. It is Management's expectation that the contributed capital will be restored through contribution of additional capital

Events after the balance sheet date

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial statements 1 October – 30 September

Income statement

DKK'000	Note	2019/20	2018/19
Gross loss		-52	-46
Operating loss		-52	-46
Other financial income		40	0
Impairment of financial assets	4	-49,648	0
Other financial expenses	3	-1,572	-1,209
Profit/loss before tax		-51,232	-1,255
Tax on profit/loss for the year		-446	276
Profit/loss for the year		<u>-51,678</u>	<u>-979</u>
Proposed profit appropriation/distribution of loss			
Retained earnings		-51,678	-979
		<u>-51,678</u>	<u>-979</u>

Financial statements 1 October – 30 September

Balance sheet

DKK'000	Note	2020	2019
ASSETS			
Investments			
Equity investments in group entities	4	3,500	42,417
		3,500	42,417
Total fixed assets		3,500	42,417
Current assets			
Receivables			
Other receivables		0	0
Deferred tax assets	4	0	446
		0	446
Cash at bank and in hand		85	106
Total current assets		85	552
TOTAL ASSETS		3,585	42,969

Financial statements 1 October – 30 September

Balance sheet

DKK'000	Note	30 September 2020	30 September 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50	50
Retained earnings		-53,360	-1,682
Total equity		-53,310	-1,632
Current liabilities other than provisions			
Bank debt		0	0
Payables to group entities		56,849	44,560
Accrued purchase price		0	0
Other payables, including taxes payable		46	41
		56,895	44,601
Total liabilities other than provisions		56,895	44,601
TOTAL EQUITY AND LIABILITIES		3,585	42,969
Related parties			
	5		
Events after the balance sheet date	6		

Financial statements 1 October – 30 September

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividend	Total
Equity at 1 October 2019	50	-1,682	0	-1,632
Transferred over the distribution of loss	0	-51,678	0	-51,678
Equity at 30 September 2020	50	-53,360	0	-53,310

Financial statements 1 October – 30 September

Notes

1 Accounting policies

The annual report of Veovo Holdings Denmark ApS for 2019/20 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

With reference to section 32 of Danish Financial Statements Act, revenue and other external costs are aggregated in the financial statement caption "Gross loss".

Other external costs

Other external costs comprise administrative expenses, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in group entities measured at cost are recognised as income in the parent company's income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Financial statements 1 October – 30 September

Notes

1 Accounting policies (continued)

Balance sheet

Investments

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 October – 30 September

Notes

1 Accounting policies (continued)

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

Financial statements 1 October – 30 September

Notes

2 Material uncertainty related to valuation of investments in subsidiaries

In the financial year, the Company's subsidiary Veovo A/S saw a significant shortfall in activity as well as earnings, primarily attributable to the effects of COVID-19 on the travelling and airlight industry. The situation with COVID-19 and the question of when things will get back to "normal" makes it difficult to assess the long-term consequences for Veovo A/S, as its services are mainly within crowd management.

Historical financial performance has been unstable and fluctuating, and 2020/21 seems to be another year with negative results for Veovo A/S. As explained in note 4, Management has found it fair to write down the investment to an amount corresponding to the net asset value but highlights that there is material uncertainty related to the valuation, given the current situation.

3 Financial expenses

DKK'000	2019/20	2018/19
Interest expense to group entities	1,570	1,178
Other interest expense	2	31
	<u>1,572</u>	<u>1,209</u>

4 Investments

DKK'000	Equity invest- ments in subsidiaries
Cost at 1 October 2019	<u>42,417</u>
Additions	<u>10,731</u>
Cost at 30 September 2020	<u>53,148</u>
Impairments at 1 October 2019	<u>0</u>
Impairments during the year	<u>-49,648</u>
Impairments at 30 September 2020	<u>-49,648</u>
Carrying amount at 30 September 2020	<u><u>3,500</u></u>

Due to recent performance and the uncertainties regarding the future performance of the subsidiary in a COVID-19 environment, and based on an impairment test, Management has found it fair to write down the investment to an amount corresponding to the net asset value of the subsidiary.

Furthermore, Management has found it fair to write down the deferred tax asset, as utilisation is dependent on earnings from the subsidiary.

Financial statements 1 October – 30 September

Notes

5 Related parties

Control

Veovo Holdings Denmark ApS is part of the consolidated financial statements of Gentrack Group Limited, 17 Hargreaves Street, St.Marys Bay, Auckland 1011, New Zealand, which is the smallest group in which the Company is included as a subsidiary.

6 Events after the balance sheet date

No events have occurred after the end of the financial year of material importance for the Company's financial positions.