BEIERHOLM
VI SKABER BALANCE

Advanced Traffic Systems ApS

Slotsgade 27, 2., 9000 Aalborg

CVR no. 39 14 70 76

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 28.05.24

Andreas Berre Eriksen
Dirigent

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Company information etc.

The company

Advanced Traffic Systems ApS
Secondary firm name: Intelli-Go ApS
c/o Ambolt ApS
Slotsgade 27, 2.
9000 Aalborg
Registered office: Aalborg
CVR no.: 39 14 70 76
Financial year: 01.01 - 31.12

Executive Board

Andreas Berre Eriksen

Board of Directors

Steen Palle Petersen
John Stefan Sytmen
Kim Guldstrand Larsen
Erik Hougaard

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Advanced Traffic Systems ApS.

The annual report is presented 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 as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Aalborg, May 15, 2024

Executive Board

Andreas Berre Eriksen

Board of Directors

Steen Palle Petersen Chairman	John Stefan Sytmen
Kim Guldstrand Larsen	Erik Hougaard

To the capital owners of Advanced Traffic Systems ApS

Opinion

We have audited the financial statements of Advanced Traffic Systems ApS for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant 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 financial position at 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 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.

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, it is 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 the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

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 scepticism 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.

Aalborg, May 15, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jesper Lundtoft Sandal
State Authorized Public Accountant
MNE-no. mne35822

Primary activities

The objective of the company is to develop and optimize advanced traffic systems and to carry out any related business.

Uncertainty concerning recognition and measurement

In the financial statements for the financial year 01.01.23 - 31.12.23, it is important to note the following uncertainty with regard to recognition and measurement, as it has had a significant influence on the assets and liabilities recognised in the financial statements:

Activated development costs regarding design and development of an algorithm to control traffic signals. The company measures the project at cost based on number of hours spent. The project is included based on the assumption that the project can be completed and afterwards generate sales income.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK -224,937 against DKK -528,661 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 2,934,855.

During 2023 the company converted loans from shareholders to share capital and also secured a new investor. In total the equity was increased with DKK 2,946,652.

Subsequent events

After the balance sheet date the company has carried out a capital inrease and the equity has been increased with DKK 1,190,383.

Income statement

Note		2023 DKK	2022 DKK
	Gross result	**-323,917**	**76,851**
3	Staff costs	-138,529	-1,023,265
	Loss before depreciation, amortisation, write-downs and impairment losses	**-462,446**	**-946,414**
4	Financial income	0	2,384
5	Financial expenses	-45,039	-160,175
	Loss before tax	**-507,485**	**-1,104,205**
	Tax on loss for the year	282,548	575,544
	Loss for the year	**-224,937**	**-528,661**

Proposed appropriation account		
Retained earnings	-224,937	-528,661
Total	**-224,937**	**-528,661**

Balance sheet

ASSETS

Note		31.12.23 DKK	31.12.22 DKK
	Development projects in progress	3,913,956	2,629,646
6	**Total intangible assets**	**3,913,956**	**2,629,646**
	Total non-current assets	**3,913,956**	**2,629,646**
	Manufactured goods and goods for resale	266,499	92,342
	Total inventories	**266,499**	**92,342**
	Trade receivables	18,873	83,307
	Deferred tax asset	12,266	12,266
	Income tax receivable	282,548	364,377
	Other receivables	356,613	14,248
	Prepayments	13,018	0
	Total receivables	**683,318**	**474,198**
	Cash	**448,681**	**0**
	Total current assets	**1,398,498**	**566,540**
	Total assets	**5,312,454**	**3,196,186**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.23 DKK	31.12.22 DKK
	Share capital	2,016,552	59,000
	Reserve for development costs	3,052,886	2,051,724
	Retained earnings	-2,134,583	-1,893,296
	Total equity	**2,934,855**	**217,428**
7	Payables to other credit institutions	644,760	798,260
	Total long-term payables	**644,760**	**798,260**
7	Short-term part of long-term payables	179,172	117,772
	Payables to other credit institutions	0	448,253
	Prepayments received from customers	130,000	130,000
	Trade payables	951,215	13,218
	Other payables	472,452	1,471,255
	Total short-term payables	**1,732,839**	**2,180,498**
	Total payables	**2,377,599**	**2,978,758**
	Total equity and liabilities	**5,312,454**	**3,196,186**

8 Contingent assets
9 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Share premium	Reserve for develop-ment costs	Retained earnings
Statement of changes in equity for 01.01.22 - 31.12.22				
Balance as at 01.01.22	59,000	0	2,051,724	-1,364,635
Net profit/loss for the year	0	0	0	-528,661
Balance as at 31.12.22	59,000	0	2,051,724	-1,893,296
Statement of changes in equity for 01.01.23 - 31.12.23				
Balance as at 01.01.23	59,000	0	2,051,724	-1,893,296
Capital increase	1,957,552	984,812	0	0
Tax on changes in equity	0	0	-282,379	282,379
Transfers to/from other reserves	0	-984,812	1,283,541	-298,729
Net profit/loss for the year	0	0	0	-224,937
Balance as at 31.12.23	2,016,552	0	3,052,886	-2,134,583

1. Uncertainty concerning recognition and measurement

In the financial statements for 2023, it is important to note the following uncertainty as regards recognition and measurement as it has had a significant influence on the assets and liabilities recognised in the financial statements:

Activated development costs regarding design and development of an algortim to control traffic signals. The company measures the project at cost based on number of hours spent. The project is included based on the assumption that the project can be completed and afterwards generate sales income.

2. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	2023 DKK	2022 DKK
Adjustment of tax in respect of previous years	Tax on profit or loss for the year	0	575,544
Other operating income	Other operating income	21,200	19,880
Total		21,200	595,424

3. Staff costs

Wages and salaries	137,224	968,265
Pensions	0	32,131
Other social security costs	284	5,396
Other staff costs	1,021	17,473
Total	138,529	1,023,265
Average number of employees during the year	0	2

	2023 DKK	2022 DKK

4. Financial income

	2023 DKK	2022 DKK
Interest, group enterprises	0	2,384
Total	0	2,384

5. Financial expenses

	2023 DKK	2022 DKK
Other interest expenses	40,809	159,808
Foreign currency translation adjustments	1,553	0
Other financial expenses	2,677	367
Total	45,039	160,175

6. Intangible assets

Figures in DKK	Development projects in progress
Cost as at 01.01.23	2,629,646
Additions during the year	1,284,310
Cost as at 31.12.23	3,913,956
Carrying amount as at 31.12.23	3,913,956

The company's development projects comprise of costs related to design of an algorithm to control traffic signals and development of software to implement and incorporate the algorithm with various providers of signals and sensors.

7. Long-term payables

Figures in DKK	Repayment first year	Total payables at 31.12.23	Total payables at 31.12.22
Payables to credit institutions	153,500	798,260	890,360
Other payables	25,672	25,672	25,672
Total	179,172	823,932	916,032

8. Contingent assets

The company has a deferred tax asset of DKK 38k, which has not been recognised in the balance sheet. The tax asset can be attributed to tax losses carried forward which are not expected to be utilised within the next 3-5 years. The tax asset can be carried forward indefinitely.

9. Charges and security

As security for debt to credit institutions of DKK 798k, a company charge has been provided comprising goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventories and agricultural stock, trade receivables as well as fuels and other ancillary materials. The total carrying amount of the comprised assets is DKK 4.199.

10. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

10. Accounting policies - continued -

INCOME STATEMENT

Gross result

Gross result comprises revenue, work performed for own account and capitalised, other operating income and raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Work performed for own account and capitalised

Work performed for own account and capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of self-constructed or self-produced intangible assets.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise’s activities, including gains on the sale of equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

10. Accounting policies - continued -

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising, administration and premises.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Intangible assets

Development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

10. Accounting policies - continued -

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

10. Accounting policies - continued -

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Equity

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Current and deferred tax

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

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

10. Accounting policies - continued -

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.