
Trackunit America ApS

Gasværksvej 24, 4., DK-9000 Aalborg

Annual Report for 1 January - 31 December 2020

CVR No 35 84 88 43

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
17/5 2021

Thomas Christiansen
Chairman of the General
Meeting



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Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Trackunit America ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aalborg, 17 May 2021

Executive Board

Søren Brogaard
CEO

Peter Vekslund
CFO

Independent Auditor's Report

To the Shareholder of Trackunit America ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Trackunit America ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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

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.

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Independent Auditor's Report

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 judgement 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.

Independent Auditor's Report

- 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, 17 May 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Henrik Berring Rasmussen
State Authorised Public Accountant
mne34157

Company Information

The Company

Trackunit America ApS
Gasværksvej 24, 4.
DK-9000 Aalborg

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CVR No: 35 84 88 43
Financial period: 1 January - 31 December
Incorporated: 12 May 2014
Municipality of reg. office: Aalborg

Executive Board

Søren Brogaard
Peter Vekslund

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The purpose for Trackunit America ApS is to hold shares in Trackunit Inc.

Development in the year

The income statement of the Company for 2020 shows a profit of DKK 7,210,362, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 5,155,945.

The implications of COVID-19 where many governments across the world decided to "close down their countries" have a great impact on the global economy. Management is monitoring the development closely. Activities and financial results in 2020 were impacted by the COVID-19 but nevertheless the financial result for 2020 is considered satisfactory.

Subsequent events

After the balance sheet date Trackunit America ApS' ultimate danish parent company, M-tec Holding Danmark ApS, has been acquired by HG Capital.

Except for the above mentioned, no materially events affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Gross profit/loss		-28,600	-12,836
Income from investments in subsidiaries		7,245,922	3,015,389
Financial income	1	4,559	18,022
Financial expenses	2	-21,549	-5,728
Profit/loss before tax		7,200,332	3,014,847
Tax on profit/loss for the year	3	10,030	-13
Net profit/loss for the year		7,210,362	3,014,834

Distribution of profit

Proposed distribution of profit

Reserve for net revaluation under the equity method	5,442,485	0
Retained earnings	1,767,877	3,014,834
	7,210,362	3,014,834

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Investments in subsidiaries	4	5,661,161	0
Fixed asset investments		5,661,161	0
Fixed assets		5,661,161	0
Other receivables		0	75
Corporation tax receivable from group enterprises		10,030	0
Receivables		10,030	75
Cash at bank and in hand		75,644	105,139
Currents assets		85,674	105,214
Assets		5,746,835	105,214

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		50,000	50,000
Reserve for net revaluation under the equity method		5,007,931	0
Retained earnings		98,014	-1,669,863
Equity		5,155,945	-1,619,863
Provisions relating to investments in group enterprises		0	1,150,208
Provisions		0	1,150,208
Trade payables		23,100	21,999
Payables to group enterprises		567,790	552,857
Corporation tax payables to group enterprises		0	13
Short-term debt		590,890	574,869
Debt		590,890	574,869
Liabilities and equity		5,746,835	105,214
Subsequent events	6		
Contingent assets, liabilities and other financial obligations	5		
Related parties	7		
Accounting Policies	8		

Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	0	-1,669,863	-1,619,863
Exchange adjustments relating to foreign entities	0	-434,554	0	-434,554
Net profit/loss for the year	0	5,442,485	1,767,877	7,210,362
Equity at 31 December	50,000	5,007,931	98,014	5,155,945

Notes to the Financial Statements

	2020 DKK	2019 DKK
1 Financial income		
Interest received from group enterprises	0	16,911
Other financial income	0	1,111
Exchange gains	4,559	0
	<u>4,559</u>	<u>18,022</u>
2 Financial expenses		
Interest paid to group enterprises	19,493	2,228
Other financial expenses	2,056	2,744
Exchange loss	0	756
	<u>21,549</u>	<u>5,728</u>
3 Tax on profit/loss for the year		
Current tax for the year	-10,030	13
	<u>-10,030</u>	<u>13</u>

Notes to the Financial Statements

	2020 DKK	2019 DKK
4 Investments in subsidiaries		
Cost at 1 January	653,230	653,230
Cost at 31 December	653,230	653,230
Value adjustments at 1 January	-1,803,438	-4,818,827
Exchange adjustment	-434,554	27,038
Net profit/loss for the year	7,245,923	2,988,351
Value adjustments at 31 December	5,007,931	-1,803,438
Equity investments with negative net asset value transferred to provisions	0	1,150,208
Carrying amount at 31 December	5,661,161	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Trackunit Inc.	USA	USD 100.000	100%

5 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Danish jointly taxed incomes etc of the Danish group. The total amount of corporation tax payable is disclosed in the Annual Report of M-Tec Holding Danmark ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

6 Subsequent events

After the balance sheet date Trackunit America ApS' ultimate danish parent company, M-tec Holding Danmark ApS, has been acquired by HG Capital.

Except for the above mentioned, no materially events affecting the assessment of the Annual Report have occurred after the balance sheet date.

7 Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

Trackunit America ApS is included in the consolidated financial statement of the ultimate parent company.

Name	Place of registered office
M-Tec Holding Danmark ApS	Amaliegade 49, 1., 1256 København K

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Trackunit America ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of M-Tec Holding Danmark ApS, Amaliegade 49, 1., 1256 København K, the Company has not prepared consolidated financial statements.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

8 Accounting Policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income statements of foreign subsidiaries that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income Statement

Other external expenses

Other external expenses comprise expenses for office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish entities. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

8 Accounting Policies (continued)

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.