
Trackunit America ApS

Gasværksvej 24, 4., DK-9000 Aalborg

Annual Report for 1 January - 31 December 2021

CVR No 35 84 88 43

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
27/6 2022

Thomas Christiansen
Chairman of the General
Meeting



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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 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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, 27 June 2022

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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' 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 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, 27 June 2022

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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Facsimile: + 45 96737407

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 Canada and USA.

Development in the year

The income statement of the Company for 2021 shows a loss of DKK 44,243,985, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 1,002,624,490.

During the year Trackunit America ApS' parent company, M-tec Holding Danmark ApS has been acquired by HG Capital. The acquisition did not change the key activities for Trackunit America ApS.

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit/loss		-65,780	-28,600
Income from investments in subsidiaries		-44,171,042	7,245,922
Financial income	1	0	4,559
Financial expenses	2	-23,935	-21,549
Profit/loss before tax		-44,260,757	7,200,332
Tax on profit/loss for the year	3	16,772	10,030
Net profit/loss for the year		-44,243,985	7,210,362

Distribution of profit

Proposed distribution of profit

Reserve for net revaluation under the equity method		0	5,442,485
Retained earnings		-44,243,985	1,767,877
		-44,243,985	7,210,362

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Investments in subsidiaries	4	1,003,202,649	5,661,161
Fixed asset investments		1,003,202,649	5,661,161
Fixed assets		1,003,202,649	5,661,161
Corporation tax receivable from group enterprises		16,773	10,030
Receivables		16,773	10,030
Cash at bank and in hand		29,849	75,644
Currents assets		46,622	85,674
Assets		1,003,249,271	5,746,835

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		50,000	50,000
Reserve for net revaluation under the equity method		0	5,007,931
Retained earnings		<u>1,002,574,490</u>	<u>98,014</u>
Equity		<u>1,002,624,490</u>	<u>5,155,945</u>
Trade payables		48,750	23,100
Payables to group enterprises		<u>576,031</u>	<u>567,790</u>
Short-term debt		<u>624,781</u>	<u>590,890</u>
Debt		<u>624,781</u>	<u>590,890</u>
Liabilities and equity		<u>1,003,249,271</u>	<u>5,746,835</u>
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Statement of Changes in Equity

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	0	5,007,931	98,014	5,155,945
Cash payment concerning formation of entity	0	1,038,137,573	0	0	1,038,137,573
Exchange adjustments relating to foreign entities	0	0	0	3,574,957	3,574,957
Other equity movements	0	0	-5,007,931	5,007,931	0
Net profit/loss for the year	0	0	0	-44,243,985	-44,243,985
Transfer from share premium account	0	-1,038,137,573	0	1,038,137,573	0
Equity at 31 December	50,000	0	0	1,002,574,490	1,002,624,490

Notes to the Financial Statements

	<u>2021</u> DKK	<u>2020</u> DKK
1 Financial income		
Exchange gains	<u>0</u>	<u>4,559</u>
	<u>0</u>	<u>4,559</u>
2 Financial expenses		
Interest paid to group enterprises	18,270	19,493
Other financial expenses	<u>5,665</u>	<u>2,056</u>
	<u>23,935</u>	<u>21,549</u>
3 Tax on profit/loss for the year		
Current tax for the year	<u>-16,772</u>	<u>-10,030</u>
	<u>-16,772</u>	<u>-10,030</u>

Notes to the Financial Statements

	2021 DKK	2020 DKK
4 Investments in subsidiaries		
Cost at 1 January	653,230	653,230
Additions for the year	1,038,137,573	0
Cost at 31 December	<u>1,038,790,803</u>	<u>653,230</u>
Value adjustments at 1 January	5,007,931	-1,803,438
Exchange adjustment	3,574,957	-434,554
Net profit/loss for the year	<u>-44,171,042</u>	<u>7,245,923</u>
Value adjustments at 31 December	<u>-35,588,154</u>	<u>5,007,931</u>
Carrying amount at 31 December	<u>1,003,202,649</u>	<u>5,661,161</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Trackunit Inc.	USA	USD 100.000	100%	593,388,370	8,132,194
Trackunit Canada Inc.	Canada	CAN 89.431.241	100%	417,328,252	-44,825,285
				<u>1,010,716,622</u>	<u>-36,693,091</u>

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 Galaxy Holdco 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 Related parties

Basis

Controlling interest

Trackunit ApS

Parent Company

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

Galaxy Holdco ApS

Gasværksvej 24, 4., 9000 Aalborg

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Trackunit America ApS for 2021 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 2021 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 Galaxy Holdco ApS, Gasværksvej 24, 4., 9000 Aalborg, 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

7 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

7 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.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

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.