M-Tec Danmark ApS

Amaliegade 49, 1. sal, DK-1256 København K

Annual Report for 1 January - 31 December 2017

CVR No 36 95 74 17

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 11/6 2018

Thomas Christiansen
Chairman

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of M-Tec Danmark ApS for the financial year 1 January - 31 December 2017.

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 2017 of the Company and of the results of the Company operations for 2017.

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

Aalborg, 11 June 2018

Executive Board

Jørgen Raguse CEO	Mikael Kristiensen CFO

Board of Directors

Lars Dybkjær Chairman	Gunnar Evensen	Michael Specht Bruun

Independent Auditor's Report

To the Shareholder of M-Tec Danmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of M-Tec Danmark ApS for the financial year 1 January - 31 December 2017, 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.

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.

- 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, 11 June 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Marianne Fog Jørgensen
State Authorised Public Accountant
mne21405

Company Information

The Company	M-Tec Danmark ApS Amaliegade 49, 1. sal DK-1256 København K CVR No: 36 95 74 17 Financial period: 1 January - 31 December Incorporated: 8 July 2015 Financial year: 2nd financial year Municipality of reg. office: København
Board of Directors	Lars Dybkjær, Chairman Gunnar Evensen Michael Specht Bruun
Executive Board	Jørgen Raguse Mikael Kristiensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Skelagervej 1A DK-9000 Aalborg

Management's Review

Financial Statements of M-Tec Danmark ApS for 2017 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.

Key activities

Trackunit is among the world's leading companies in the Industrial Internet of Things with a focus on innovative solutions to players within building, construction and industry. Trackunit develops and provides solutions for the entire value chain, from machine manufacturers, machine dealers, machine landlords, contractors for operators.

Development in the year

The income statement of the Company for 2017 shows a profit of DKK 9,395,473, and at 31 December 2017 the balance sheet of the Company shows equity of DKK 454,282,796.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December 2017

	Note	2017	2015/16
		DKK	DKK
Gross profit/loss		**2,529,926**	**-4,155,015**
Staff expenses	2	-2,718,415	-3,914,442
Profit/loss before financial income and expenses		**-188,489**	**-8,069,457**
Income from investments in subsidiaries	1	15,000,000	0
Financial expenses	3	-6,996,802	-9,474,328
Profit/loss before tax		**7,814,709**	**-17,543,785**
Tax on profit/loss for the year	4	1,580,764	2,377,069
Net profit/loss for the year		**9,395,473**	**-15,166,716**

Distribution of profit

Proposed distribution of profit

Retained earnings	9,395,473	-15,166,716
	9,395,473	**-15,166,716**

Balance Sheet 31 December

Assets

	Note	2017	2016
		DKK	DKK
Investments in subsidiaries	5	583,504,109	583,504,109
Fixed asset investments		**583,504,109**	**583,504,109**
Fixed assets		**583,504,109**	**583,504,109**
Deferred tax asset		439,768	326,137
Corporation tax receivable from group enterprises		1,333,812	2,390,497
Prepayments		0	5,437
Receivables		**1,773,580**	**2,722,071**
Cash at bank and in hand		**0**	**37,367**
Currents assets		**1,773,580**	**2,759,438**
Assets		**585,277,689**	**586,263,547**

Balance Sheet 31 December

Liabilities and equity

	Note	2017	2016
		DKK	DKK
Share capital		100,001	100,001
Retained earnings		454,182,795	444,314,643
Equity		**454,282,796**	**444,414,644**
Mortgage loans		117,368,750	125,543,750
Long-term debt	6	**117,368,750**	**125,543,750**
Mortgage loans	6	8,175,000	7,175,000
Credit institutions		1,457,204	0
Trade payables		0	53,377
Payables to group enterprises		2,388,268	6,105,433
Other payables		1,605,671	2,971,343
Short-term debt		**13,626,143**	**16,305,153**
Debt		**130,994,893**	**141,848,903**
Liabilities and equity		**585,277,689**	**586,263,547**
Key activities			
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	100,001	444,314,643	444,414,644
Fair value adjustment of hedging instruments, beginning of year	0	1,543,476	1,543,476
Fair value adjustment of hedging instruments, end of year	0	-937,474	-937,474
Tax on adjustment of hedging instruments for the year	0	-133,323	-133,323
Net profit/loss for the year	0	9,395,473	9,395,473
Equity at 31 December	**100,001**	**454,182,795**	**454,282,796**

Notes to the Financial Statements

		2017	2015/16
		DKK	DKK
1	**Income from investments in subsidiaries**		
	Dividend	15,000,000	0
		15,000,000	**0**

		2017	2015/16
2	**Staff expenses**		
	Wages and salaries	2,335,994	3,768,746
	Pensions	363,580	141,932
	Other social security expenses	18,841	3,764
		2,718,415	**3,914,442**
	Average number of employees	**2**	**2**

		2017	2015/16
3	**Financial expenses**		
	Interest paid to group enterprises	0	24,280
	Interest expenses	6,171,803	8,281,298
	Other financial expenses	824,999	1,168,750
		6,996,802	**9,474,328**

		2017	2015/16
4	**Tax on profit/loss for the year**		
	Current tax for the year	-1,467,135	-2,050,932
	Deferred tax for the year	-113,629	-326,137
		-1,580,764	**-2,377,069**

Notes to the Financial Statements

		2017	2016
		DKK	DKK
5	**Investments in subsidiaries**		
	Cost at 1 January	583,504,109	0
	Additions for the period	0	583,504,109
	Carrying amount at 31 December	**583,504,109**	**583,504,109**

6 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2017	2016
	DKK	DKK
Mortgage loans		
After 5 years	90,000,000	90,000,000
Between 1 and 5 years	27,368,750	35,543,750
Long-term part	117,368,750	125,543,750
Within 1 year	8,175,000	7,175,000
	125,543,750	**132,718,750**

The company is measured on financial covernants against the Facility agreement with Nordea Bank.

7 Derivative financial instruments

Derivative financial instruments contracts in the form of interest rate swaps have been concluded to swap variable interest to a fixed interest for a mortgage loan amounting to DKK 140,000,000. The interest has been fixed at 0.43% for the Facility A loan and 0.47% for the Facility B loan. At the balance sheet date, the fair value of derivative financial instruments amounts to DKK -937.474.

Notes to the Financial Statements

8 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of M-tec Holding Danmark ApS, which is the administation 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.

The Company has borrowing facilities of DKK 25,000,000 that may be available for future operating activities.

9 Related parties

	Basis
Controlling interest	
M-Tec Holding Danmark ApS	Parent Company

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

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

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of M-Tec Danmark ApS for 2017 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 Financial Statements for 2017 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, the Company has not prepared consolidated financial statements.

Recognition and measurement

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. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

10 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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Income Statement

Revenue

Revenue consist of management services.

Revenue is measured at the consideration received and is recognised exclusive of VAT.

Other external expenses

Other external expenses comprise administration expences, office expenses, etc.

Notes to the Financial Statements

10 Accounting Policies (continued)

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

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 wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

The item 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.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Notes to the Financial Statements

10 Accounting Policies (continued)

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

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

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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