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BDO Statsautoriseret revisionsaktieselskab
Nørrebro 15
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KEATECH APS
SPROGØVEJ 2, 9800 HJØRRING
ANNUAL REPORT
1 JULY 2022 - 30 JUNE 2023
6TH FINANCIAL YEAR

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 28 August 2023

Martin Mikaelson

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
The Independent Auditor's Report.....	5-6
Management Commentary	
Management Commentary.....	7
Financial Statements 1 July 2022 - 30 June 2023	
Income Statement.....	8
Balance Sheet.....	9
Equity.....	10
Notes.....	11-12
Accounting Policies.....	13-15

COMPANY DETAILS**Company**

Keatech ApS
Sprogøvej 2
9800 Hjørring

Website: keatech.com
E-mail: mm@keatech.com

CVR No.: 38 44 73 78
Established: 24 February 2017
Municipality: Hjørring
Financial Year: 1 July 2022 - 30 June 2023

Executive Board

Martin Mikaelson

Auditor

BDO Statsautoriseret revisionsaktieselskab
Nørrebro 15
9800 Hjørring

Bank

Spar Nord Bank
Østergade 8
9800 Hjørring

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Keatech ApS for the financial year 1 July 2022 - 30 June 2023.

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

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

Hjørring, 28 August 2023

Executive Board

Martin Mikaelsen

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Keatech ApS

Conclusion

We have performed an extended review of the Financial Statements of Keatech ApS for the financial year 1 July 2022 - 30 June 2023, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management Commentary

Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management Commentary 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 the Management Commentary.

Hjørring, 28 August 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Claus Muhlig
State Authorised Public Accountant
MNE no. mne26711

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise rental of tracking devices.

Development in activities and financial and economic position

Keatech have also this year had a massive growth in number of new customers and GPS devices connected. The company currently operates on the danish market only. The result is as expected and satisfying.

Management expects to continue to see double percentage growth rates in ARR the years to come.

Significant events after the end of the financial year

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

INCOME STATEMENT 1 JULY - 30 JUNE

	Note	2022/23 DKK	2021/22 DKK '000
GROSS PROFIT		5.479.382	3.525
Staff costs.....	1	-3.402.662	-2.059
Depreciation, amortisation and impairment losses.....		-1.076.402	-830
Other operating expenses.....		-215.139	-154
OPERATING PROFIT		785.179	482
Other financial income.....		-169	0
Other financial expenses.....		-105.012	-104
PROFIT BEFORE TAX		679.998	378
Tax on profit/loss for the year.....	2	-155.000	-21
PROFIT FOR THE YEAR		524.998	357
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		524.998	357
TOTAL		524.998	357

BALANCE SHEET AT 30 JUNE

ASSETS	Note	2023 DKK	2022 DKK '000
Development projects completed.....		2.135.851	2.637
Intangible assets	3	2.135.851	2.637
Other plant, machinery, tools and equipment.....		3.360.896	2.059
Property, plant and equipment	4	3.360.896	2.059
Rent deposit and other receivables.....		69.275	49
Financial non-current assets	5	69.275	49
NON-CURRENT ASSETS		5.566.022	4.745
Finished goods and goods for resale.....		1.317.466	1.553
Inventories		1.317.466	1.553
Trade receivables.....		136.840	106
Prepayments.....		165.847	40
Receivables		302.687	146
Cash and cash equivalents		77.576	49
CURRENT ASSETS		1.697.729	1.748
ASSETS		7.263.751	6.493
EQUITY AND LIABILITIES			
Share capital.....		50.000	50
Reserve for development costs.....		1.665.964	2.057
Retained profit.....		-1.434.205	-2.350
EQUITY		281.759	-243
Provision for deferred tax.....		196.000	41
PROVISIONS		196.000	41
Payables to group enterprises.....		1.200.000	1.200
Non-current liabilities	6	1.200.000	1.200
Bank debt.....		2.189.534	2.074
Trade payables.....		104.259	339
Payables to group enterprises.....		1.922.565	1.923
Other liabilities.....		1.023.430	996
Accruals and deferred income.....		346.204	163
Current liabilities		5.585.992	5.495
LIABILITIES		6.785.992	6.695
EQUITY AND LIABILITIES		7.263.751	6.493
Contingencies etc.	7		
Charges and securities	8		

EQUITY

	Share capital	Reserve for development costs	Retained profit	Total
Equity at 1 July 2022.....	50.000	2.057.480	-2.350.719	-243.239
Proposed profit allocation.....			524.998	524.998
Other legal bindings				
Capitalized development costs.....		-391.516	391.516	0
Equity at 30 June 2023.....	50.000	1.665.964	-1.434.205	281.759

NOTES

	2022/23 DKK	2021/22 DKK '000	Note
Staff costs			1
Average number of employees	5	4	
Wages and salaries.....	3.025.882	1.847	
Pensions.....	149.312	12	
Social security costs.....	19.063	9	
Other staff costs.....	208.405	191	
	3.402.662	2.059	
Tax on profit/loss for the year			2
Adjustment of deferred tax.....	155.000	21	
	155.000	21	
Intangible assets			3
		Development projects completed	
Cost at 1 July 2022.....		3.513.615	
Cost at 30 June 2023.....		3.513.615	
Amortisation at 1 July 2022.....		875.820	
Amortisation for the year.....		501.944	
Amortisation at 30 June 2023.....		1.377.764	
Carrying amount at 30 June 2023.....		2.135.851	
The Company's development projects relate to the development of a software platform for GPS tracking. The development phase was finished in 2021/22 according to the development plan. Current sales results and market research shows a demand for the product and service.			
Property, plant and equipment			4
		Other plant, machinery, tools and equipment	
Cost at 1 July 2022.....		2.789.086	
Additions.....		2.092.135	
Disposals.....		-365.781	
Cost at 30 June 2023.....		4.515.440	
Depreciation and impairment losses at 1 July 2022.....		730.728	
Reversal of depreciation of assets disposed of.....		-150.642	
Depreciation for the year.....		574.458	
Depreciation and impairment losses at 30 June 2023.....		1.154.544	
Carrying amount at 30 June 2023.....		3.360.896	

NOTES

					Note
Financial non-current assets					5
				Rent deposit and other receivables	
Cost at 1 July 2022.....				49.499	
Additions.....				69.275	
Disposals.....				-49.499	
Cost at 30 June 2023.....				69.275	
Carrying amount at 30 June 2023.....				69.275	
 Long-term liabilities					6
	30/6 2023	Repayment	Debt	30/6 2022	
	total liabilities	next year	outstanding	total liabilities	
			after 5 years		
Payables to group enterprises.....	1.200.000	0	0	1.200.000	
	1.200.000	0	0	1.200.000	
 Contingencies etc.					7
Contingent liabilities					
The company is committed to carleasing contracts with a residual maturity of 1-34 months. The remaining leasing obligation constitutes 191,000 DKK on June 30th, 2023.					
The company is committed to rent of office property with a residual maturity of 11 months. The remaining rent obligation constitutes 300,000 DKK on June 30th, 2023.					
Joint liabilities					
The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the Group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.					
Tax payable on the Group's joint taxable income is stated in the annual report of Oliver Mikaelson Invest ApS, which serves as management company for the joint taxation.					
 Charges and securities					8
The company has not pledged any of its assets.					

ACCOUNTING POLICIES

The Annual Report of Keatech ApS for 2022/23 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles used last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of merchandise and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, premisses, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Financial non-current assets

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash includes bankdeposits.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.