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Nørrebro 15  
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CVR no. 20 22 26 70

**KEATECH APS**  
**PARALLELVEJ 13, 9800 HJØRRING**  
**ANNUAL REPORT**  
**1 JULY 2019 - 30 JUNE 2020**  
**3RD FINANCIAL YEAR**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 15 September 2020**

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**Martin Mikaelson**

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**COMPANY DETAILS**

<b>Company</b>	Keatech ApS Parallelvej 13 9800 Hjørring  CVR No.: 38 44 73 78 Established: 24 February 2017 Registered Office: Hjørring Financial Year: 1 July 2019 - 30 June 2020
<b>Board of Executives</b>	Martin Mikaelson
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Nørrebro 15 9800 Hjørring
<b>Bank</b>	Spar Nord Bank Østergade 8 9800 Hjørring

## STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of Keatech ApS for the financial year 1 July 2019 - 30 June 2020.

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 financial position at 30 June 2020 and of the results of the Company's operations for the financial year 1 July 2019 - 30 June 2020.

The Management's Review includes in my opinion a fair presentation of the matters dealt with in the Review.

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

Hjørring, 15 September 2020

Board of Executives

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Martin Mikaelsen

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Keatech ApS

### Opinion

We have audited the Financial Statements of Keatech ApS for the financial year 1 July 2019 - 30 June 2020, which comprise income statement, balance sheet, notes and a summary of 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 assets, liabilities and financial position of the Company at 30 June 2020 and of the results of the Company's operations for the financial year 1 July 2019 - 30 June 2020 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' 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 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 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 skepticism 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.

### 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 Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Hjørring, 15 September 2020

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Claus Muhlig  
State Authorised Public Accountant  
MNE no. mne26711

## MANAGEMENT'S REVIEW

### **Principal activities**

The principal activities comprise rental of tracking devices.

### **Development in activities and financial position**

Keatech have had a massive growth in number of new customers and GPS devices connected. Company currently operates on the danish market only. The result is as expected and satisfying. Management expects to continue to see tripple 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	2019/20 DKK	2018/19 DKK '000
<b>GROSS PROFIT</b> .....		<b>536.336</b>	<b>-406</b>
Staff costs.....	1	-246.334	-449
Depreciation, amortisation and impairment losses.....		-287.600	-119
Other operating expenses.....		-15.693	0
<b>OPERATING LOSS</b> .....		<b>-13.291</b>	<b>-974</b>
Other financial income.....		2.534	0
Other financial expenses.....		-15.202	-4
<b>LOSS BEFORE TAX</b> .....		<b>-25.959</b>	<b>-978</b>
Tax on profit/loss for the year.....	2	38.672	188
<b>PROFIT FOR THE YEAR</b> .....		<b>12.713</b>	<b>-790</b>
<b>PROPOSED DISTRIBUTION OF DIVIDEND</b>			
Retained earnings.....		12.713	-790
<b>TOTAL</b> .....		<b>12.713</b>	<b>-790</b>



## BALANCE SHEET AT 30 JUNE

ASSETS	Note	2020 DKK	2019 DKK '000
Development projects completed.....		1.641.200	1.036
<b>Intangible fixed assets</b> .....	3	<b>1.641.200</b>	<b>1.036</b>
Other plant, machinery, tools and equipment.....		845.577	291
<b>Tangible fixed assets</b> .....	4	<b>845.577</b>	<b>291</b>
Rent deposit and other receivables.....		15.000	15
<b>Fixed asset investments</b> .....	5	<b>15.000</b>	<b>15</b>
<b>FIXED ASSETS</b> .....		<b>2.501.777</b>	<b>1.342</b>
Finished goods and goods for resale.....		524.801	224
<b>Inventories</b> .....		<b>524.801</b>	<b>224</b>
Trade receivables.....		16.076	0
Corporation tax receivable.....		0	308
Prepayments.....		5.450	0
<b>Receivables</b> .....		<b>21.526</b>	<b>308</b>
<b>Cash and cash equivalents</b> .....		<b>0</b>	<b>236</b>
<b>CURRENT ASSETS</b> .....		<b>546.327</b>	<b>768</b>
<b>ASSETS</b> .....		<b>3.048.104</b>	<b>2.110</b>

## BALANCE SHEET AT 30 JUNE

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK '000
Share capital.....		50.000	50
Reserve for development costs.....		1.280.136	808
Retained profit.....		-1.992.375	-1.533
<b>EQUITY.....</b>	<b>6</b>	<b>-662.239</b>	<b>-675</b>
Provision for deferred tax.....		42.000	226
<b>PROVISION FOR LIABILITIES.....</b>		<b>42.000</b>	<b>226</b>
Payables to group enterprises.....		1.200.000	1.200
<b>Long-term liabilities.....</b>	<b>7</b>	<b>1.200.000</b>	<b>1.200</b>
Bank debt.....		142.498	0
Trade payables.....		32.979	10
Payables to group enterprises.....		1.924.183	1.286
Other liabilities.....		368.683	63
<b>Current liabilities.....</b>		<b>2.468.343</b>	<b>1.359</b>
<b>LIABILITIES.....</b>		<b>3.668.343</b>	<b>2.559</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>3.048.104</b>	<b>2.110</b>
Contingencies etc.	8		
Charges and securities	9		

## NOTES

	2019/20 DKK	2018/19 DKK '000	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees 1 (2018/19: 2)			
Wages and salaries.....	237.740	428	
Social security costs.....	4.892	4	
Other staff costs.....	3.702	17	
	<b>246.334</b>	<b>449</b>	
<b>Tax on profit/loss for the year</b>			<b>2</b>
Calculated tax on taxable income of the year.....	0	-308	
Adjustment of tax in previous years.....	0	-10	
Adjustment of deferred tax.....	-38.672	130	
	<b>-38.672</b>	<b>-188</b>	
<b>Intangible fixed assets</b>			<b>3</b>
		Development projects completed	
Cost at 1 July 2019.....		1.129.603	
Additions.....		766.773	
<b>Cost at 30 June 2020.....</b>		<b>1.896.376</b>	
Amortisation at 1 July 2019.....		93.804	
Amortisation for the year.....		161.372	
<b>Amortisation at 30 June 2020.....</b>		<b>255.176</b>	
<b>Carrying amount at 30 June 2020.....</b>		<b>1.641.200</b>	
<p>The Company's development projects relate to the development of a software platform for GPS tracking. The development progresses according to plan and has been finished in the financial year. Market research shows a demand for the product.</p>			
<b>Tangible fixed assets</b>			<b>4</b>
		Other plant, machinery, tools and equipment	
Cost at 1 July 2019.....		320.274	
Additions.....		709.761	
Disposals.....		-56.264	
<b>Cost at 30 June 2020.....</b>		<b>973.771</b>	
Depreciation and impairment losses at 1 July 2019.....		28.762	
Reversal of depreciation of assets disposed of.....		-26.796	
Depreciation for the year.....		126.228	
<b>Depreciation and impairment losses at 30 June 2020.....</b>		<b>128.194</b>	
<b>Carrying amount at 30 June 2020.....</b>		<b>845.577</b>	

## NOTES

					Note
<b>Fixed asset investments</b>					<b>5</b>
				Rent deposit and other receivables	
Additions.....				15.000	
Cost at 30 June 2020.....				<b>15.000</b>	
<b>Carrying amount at 30 June 2020.....</b>				<b>15.000</b>	
 <b>Equity</b>					 <b>6</b>
	Share capital	Reserve for development costs	Retained profit	Total	
Equity at 1 July 2019.....	50.000	807.924	-1.532.876	-674.952	
Proposed distribution of profit.....			12.713	12.713	
Transferred to reserve for development costs.....		472.212	-472.212		
<b>Equity at 30 June 2020.....</b>	<b>50.000</b>	<b>1.280.136</b>	<b>-1.992.375</b>	<b>-662.239</b>	
 <b>Long-term liabilities</b>					 <b>7</b>
	30/6 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	30/6 2019 total liabilities	Current portion at the beginning of the year
Payables to group enterprises..	1.200.000	0	0	1.200.000	0
	<b>1.200.000</b>	<b>0</b>	<b>0</b>	<b>1.200.000</b>	<b>0</b>
 <b>Contingencies etc.</b>					 <b>8</b>
<b>Joint liabilities</b>					
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.					
 <b>Charges and securities</b>					 <b>9</b>
None.					

## ACCOUNTING POLICIES

The Annual Report of Keatech ApS for 2019/20 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 and services 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. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Income and expenses from subscriptions have been accrued to cover the period up to the end of the financial year.

### 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 raw materials and consumables.

### Other external expenses

Other external expenses include cost of sales, advertising, administration, office, 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. Repayments are deducted from staff costs.

### 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.

## BALANCE SHEET

### Intangible fixed assets

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

**ACCOUNTING POLICIES**

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 7 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

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. Land is not depreciated.

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.

**Fixed asset investments**

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 as well as raw materials 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 reduced by impairment losses to meet expected losses.

### 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.