GSGroup DK ApS

Høgevej 19, DK-6705 Esbjerg Ø

Annual Report for 2022

CVR No. 41 55 15 26

The Annual Report was presented and adopted at the Annual General Meeting of the company on 24/5 2023

Morten Berntsen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of GSGroup DK ApS for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Esbjerg, 24 May 2023

Executive Board

Espen Ranvik
CEO

Board of Directors

Morten Berntsen Chairman	Espen Ranvik

Independent Auditor's report

To the shareholder of GSGroup DK ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company´s operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of GSGroup DK ApS for the financial year 1 January - 31 December 2022, 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 Financial 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.

Independent Auditor's report

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.

Esbjerg, 24 May 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jannick Kjersgaard
State Authorised Public Accountant
mne29440

Company information

The Company	GSGroup DK ApS Høgevej 19 DK-6705 Esbjerg Ø CVR No: 41 55 15 26 Financial period: 1 January - 31 December Municipality of reg. office: Esbjerg
Board of Directors	Morten Berntsen, chairman Espen Ranvik
Executive board	Espen Ranvik
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Esbjerg Brygge 28, 2. 6700 Esbjerg

Management's review

Key activities

The company's purpose is to sell solutions within GPS tracking, data capture and visualization on different customer platforms to different segments in Denmark.

Development in the year

The income statement of the Company for 2022 shows a loss of DKK 4,340,534, and at 31 December 2022 the balance sheet of the Company shows negative equity of DKK 821,602.

Management considers the financial results for 2022 unsatisfactory.

Management expects a positive result for 2023.

On 31 December the company has lost the entire share capital. The management expects to re-establish the company's share capital through future positive earnings.

A letter of support has been received from the parent company in relation to providing the necessary liquidity etc. The letter of support is valid up to and including 30 June 2024.

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

	Note	2022	2021
		DKK	DKK
Gross profit		**4,607,591**	**6,690,926**
Staff expenses	1	-9,958,542	-6,128,144
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-214,396	-92,576
Profit/loss before financial income and expenses		**-5,565,347**	**470,206**
Financial income		23,555	95,046
Financial expenses		-21,819	-54,848
Profit/loss before tax		**-5,563,611**	**510,404**
Tax on profit/loss for the year	2	1,223,077	-127,011
Net profit/loss for the year		**-4,340,534**	**383,393**

Distribution of profit

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-4,340,534	383,393
	-4,340,534	**383,393**

Balance sheet 31 December

Assets

	Note	2022	2021
		DKK	DKK
Other fixtures and fittings, tools and equipment		573,474	372,090
Leasehold improvements		14,177	19,332
Property, plant and equipment	3	**587,651**	**391,422**
Deposits	4	79,734	78,071
Fixed asset investments		**79,734**	**78,071**
Fixed assets		**667,385**	**469,493**
Raw materials and consumables		113,467	187,327
Finished goods and goods for resale		540,430	688,693
Inventories		**653,897**	**876,020**
Trade receivables		6,636,481	2,266,472
Receivables from group enterprises		125,961	2,238,339
Other receivables		55,211	0
Deferred tax asset	5	1,212,741	0
Prepayments		140,829	74,521
Receivables		**8,171,223**	**4,579,332**
Current assets		**8,825,120**	**5,455,352**
Assets		**9,492,505**	**5,924,845**

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		500,000	500,000
Retained earnings		-1,321,602	3,018,932
Equity		**-821,602**	**3,518,932**
Provision for deferred tax	5	0	10,336
Provisions		**0**	**10,336**
Other payables		438,397	438,397
Long-term debt	6	**438,397**	**438,397**
Trade payables		263,376	368,047
Payables to group enterprises		2,993,374	27,431
Payables to group enterprises relating to corporation tax		0	122,497
Other payables	6	2,083,211	594,969
Deferred income		4,535,749	844,236
Short-term debt		**9,875,710**	**1,957,180**
Debt		**10,314,107**	**2,395,577**
Liabilities and equity		**9,492,505**	**5,924,845**

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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	500,000	3,018,932	3,518,932
Net profit/loss for the year	0	-4,340,534	-4,340,534
Equity at 31 December	**500,000**	**-1,321,602**	**-821,602**

Notes to the Financial Statements

1. Staff Expenses

	2022	2021
	DKK	DKK
Wages and salaries	8,487,495	5,273,905
Pensions	801,203	412,649
Other social security expenses	199,260	153,625
Other staff expenses	470,584	287,965
	9,958,542	**6,128,144**
Average number of employees	**17**	**13**

2. Income tax expense

	2022	2021
	DKK	DKK
Current tax for the year	0	122,497
Deferred tax for the year	-1,223,077	4,514
	-1,223,077	**127,011**

3. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	467,604	25,778
Additions for the year	410,619	0
Cost at 31 December	878,223	25,778
Impairment losses and depreciation at 1 January	95,514	6,446
Depreciation for the year	209,235	5,155
Impairment losses and depreciation at 31 December	304,749	11,601
Carrying amount at 31 December	**573,474**	**14,177**

Notes to the Financial Statements

4. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	78,071
Additions for the year	1,663
Cost at 31 December	79,734
Carrying amount at 31 December	**79,734**

Consists of deposits relating to leases.

5. Deferred tax asset

	2022	2021
	DKK	DKK
Deferred tax asset at 1 January	-10,336	-5,822
Amounts recognised in the income statement for the year	1,223,077	-4,514
Deferred tax asset at 31 December	**1,212,741**	**-10,336**

The deferred tax asset comprises primarily from tax loss carry-forwards. Based on operating budgets, Management expects the recognized tax asset to be utilized within the next three to four years.

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:

	2022	2021
	DKK	DKK
Other payables		
After 5 years	0	0
Between 1 and 5 years	438,397	438,397
Long-term part	438,397	438,397
Within 1 year	0	0
Other short-term payables	2,083,211	594,969
	2,521,608	**1,033,366**

Notes to the Financial Statements

	2022	2021
	DKK	DKK

7. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	2022	2021
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	436,000	330,000
Between 1 and 5 years	200,000	407,000
	636,000	**737,000**
Rental obligations, term of notice is 42 months	909,000	1,168,000

Other contingent liabilities

The 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 Flextrack 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.

The company was founded on July 6, 2020 by a demerger. As a result, the company is jointly and severally liable for debts that existed in Flextrack ApS at this time, however, maximized by the added or remaining net value in each company at this time.

Including to group enterprises

	2022	2021
Rental and lease obligations	909,000	1,168,000

8. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
GSGroup AS	Norway

The group report of GSGroup AS can be obtained at the following address:

Nordre Kullerød 5B, 3241 Sandefjord

Notes to the Financial Statements

9. Accounting policies

The Annual Report of GSGroup DK ApS for 2022 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 2022 are presented in DKK.

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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.

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.

Notes to the Financial Statements

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, change in inventories of finished goods, work in progress and goods for resale, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

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 Flextrack ApS og GSGroup Danmark A/S. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Notes to the Financial Statements

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums, subscriptions and sales value of active tracking units.

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, including the tax base of tax loss carry-forwards, 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.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.