GSGroup DK ApS

Høgevej 19, DK-6705 Esbjerg Ø

Annual Report for 2023

CVR No. 41 55 15 26

The Annual Report was presented and adopted at the Annual General Meeting of the company on 17/6 2024

Morten Berntsen
Chairman of the general meeting

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Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of GSGroup DK ApS for the financial year 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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

Esbjerg, 17 June 2024

Executive Board

Per Waldemar Simonsen
Manager

Board of Directors

Morten Berntsen
Chairman

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 2023 and of the results of the Company´s operations for the financial year 1 January - 31 December 2023 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 2023, 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.

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.

Esbjerg, 17 June 2024

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 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
Executive Board	Per Waldemar Simonsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Esbjerg Brygge 28, 2. DK-6700 Esbjerg

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit		**15,615,336**	**4,607,591**
Staff expenses	3	-16,707,628	-9,958,542
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-1,495,128	-214,396
Profit/loss before financial income and expenses		**-2,587,420**	**-5,565,347**
Financial income		190,344	23,555
Financial expenses		-378,760	-21,819
Profit/loss before tax		**-2,775,836**	**-5,563,611**
Tax on profit/loss for the year	4	13,702	1,223,077
Net profit/loss for the year		**-2,762,134**	**-4,340,534**

Distribution of profit

	2023	2022
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-2,762,134	-4,340,534
	-2,762,134	**-4,340,534**

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Completed development projects		2,963,549	0
Acquired patents		113,452	0
Development projects in progress		7,770,165	0
Intangible assets	5	**10,847,166**	**0**
Plant and machinery		11,667	0
Other fixtures and fittings, tools and equipment		960,361	573,474
Leasehold improvements		60,741	14,177
Property, plant and equipment	6	**1,032,769**	**587,651**
Deposits	7	419,304	79,734
Fixed asset investments		**419,304**	**79,734**
Fixed assets		**12,299,239**	**667,385**
Raw materials and consumables		11,725,902	113,467
Finished goods and goods for resale		1,991,156	540,430
Inventories		**13,717,058**	**653,897**
Trade receivables		14,563,568	6,636,481
Receivables from group enterprises		7,418,019	125,961
Other receivables		0	55,211
Deferred tax asset	8	2,935,229	1,212,741
Corporation tax		78,000	0
Prepayments		468,228	140,829
Receivables		**25,463,044**	**8,171,223**
Current assets		**39,180,102**	**8,825,120**
Assets		**51,479,341**	**9,492,505**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		600,000	500,000
Reserve for development costs		8,372,297	0
Retained earnings		-6,292,119	-1,321,602
Equity		**2,680,178**	**-821,602**
Other payables		1,047,618	438,397
Long-term debt	9	**1,047,618**	**438,397**
Trade payables		5,602,843	263,376
Payables to group enterprises		28,558,831	2,993,374
Other payables	9	3,232,462	2,083,210
Deferred income		10,357,409	4,535,750
Short-term debt		**47,751,545**	**9,875,710**
Debt		**48,799,163**	**10,314,107**
Liabilities and equity		**51,479,341**	**9,492,505**

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Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	500,000	0	-1,321,602	-821,602
Net effect from merger and acquisition under the uniting of interests method	100,000	7,393,896	-1,229,982	6,263,914
Adjusted equity at 1 January	600,000	7,393,896	-2,551,584	5,442,312
Development costs for the year	0	978,401	-978,401	0
Net profit/loss for the year	0	0	-2,762,134	-2,762,134
Equity at 31 December	**600,000**	**8,372,297**	**-6,292,119**	**2,680,178**

Notes to the Financial Statements

1. Uncertainty relating to recognition and measurement

Deferred tax asset

The Management has chosen to recognize deferred tax asset at the full value. The tax asset is recognized on the basis of the next 5 years' expected results, and is therefore subject to a significant degree of uncertainty

2. 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.

The company has been involved in 2 restructurings in 2023. First, a partial demerger with the sister company GSGroup Danmark A/S, where the company took over activities from GSGroup Danmark A/S corresponding to an equity capital of DKK 465,560. After that a merger with the sister company Flextrack ApS (discontinued). Both restructurings have accounting effect on 1 January 2023.

3. Staff Expenses

	2023	2022
	DKK	DKK
Wages and salaries	14,101,154	8,487,495
Pensions	1,669,072	801,203
Other social security expenses	276,680	199,260
Other staff expenses	660,722	470,584
	16,707,628	**9,958,542**
Average number of employees	**31**	**17**

4. Income tax expense

	2023	2022
	DKK	DKK
Deferred tax for the year	-601,698	-1,223,077
Adjustment of tax concerning previous years	587,996	0
	-13,702	**-1,223,077**

Notes to the Financial Statements

5. Intangible fixed assets

	Completed development projects	Acquired patents	Develop-ment projects in progress
	DKK	DKK	DKK
Cost at 1 January	0	0	0
Net effect from merger and acquisition	4,019,367	1,840,872	5,762,154
Additions for the year	0	0	3,503,031
Disposals for the year	0	0	-1,495,020
Transfers for the year	77,300	0	0
Cost at 31 December	4,096,667	1,840,872	7,770,165
Impairment losses and amortisation at 1 January	0	0	0
Net effect from merger and acquisition	302,167	1,488,358	0
Amortisation for the year	819,354	239,062	0
Transfers for the year	11,597	0	0
Impairment losses and amortisation at 31 December	1,133,118	1,727,420	0
Carrying amount at 31 December	**2,963,549**	**113,452**	**7,770,165**

Flextrack/ GSGroup DK ApS completed upgrade of Spotguard, Lommy Eye and Lommy PRO product families into new 4G versions. This investment supports the continued business into the 4G technology and fully prepares to support customers for the upcoming sundown of 2G networks in the coming years. Client cooperation initiative on temperature monitoring and control is contributing positively to new sales volume and recurring revenue.

Notes to the Financial Statements

6. Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	DKK	DKK	DKK
Cost at 1 January	0	900,030	25,778
Net effect from merger and acquisition	71,090	620,246	161,098
Additions for the year	0	718,458	0
Transfers for the year	0	-77,300	0
Cost at 31 December	71,090	2,161,434	186,876
Impairment losses and depreciation at 1 January	0	305,681	11,601
Net effect from merger and acquisition	52,757	514,295	77,158
Depreciation for the year	6,666	392,694	37,376
Transfers for the year	0	-11,597	0
Impairment losses and depreciation at 31 December	59,423	1,201,073	126,135
Carrying amount at 31 December	**11,667**	**960,361**	**60,741**

7. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	79,734
Net effect from merger and acquisition	176,777
Additions for the year	162,793
Cost at 31 December	419,304
Carrying amount at 31 December	**419,304**

Consists of deposits relating to leases.

	2023	2022
	DKK	DKK

8. Deferred tax asset

	2023	2022
Deferred tax asset at 1 January	1,212,741	-10,336
Flextrack ApS (merger)	1,120,790	0
Amounts recognised in the income statement for the year	601,698	1,223,077
Deferred tax asset at 31 December	**2,935,229**	**1,212,741**

Notes to the Financial Statements

	2023	2022
	DKK	DKK

9. 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:

	2023	2022
Other payables		
After 5 years	0	0
Between 1 and 5 years	1,047,618	438,397
Long-term part	1,047,618	438,397
Other short-term payables	3,232,462	2,083,210
	4,280,080	**2,521,607**

	2023	2022
	DKK	DKK

10. Contingent assets, liabilities and other financial obligations

	2023	2022
Rental and lease obligations		
Rental obligations, term of notice is 6-30 (2023) / 6-42 (2022) months	2,319,000	3,233,000

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 by the Group amounts to DKK 0. 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 Group’s liability.

Notes to the Financial Statements

11. 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
GSG Handyman AS	Norway

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

Lilleakerveien 2C, 0283 Oslo

Notes to the Financial Statements

12. Accounting policies

The Annual Report of GSGroup DK ApS for 2023 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 2023 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.

Business combinations

Pooling of interests

Intragroup business combinations are accounted for under the book value method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The book value method is applied at the date of acquisition, and comparative figures have not been restated.

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. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

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.

Notes to the Financial Statements

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

Income statement

Revenue

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 indirect production costs and 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, other operating income, 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.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment and compensation from government compensation schemes in relation to COVID-19.

Government grants

Government grants, such as economic stimulus packages, are recognised when it is reasonably certain that the Company complies with the conditions for receiving the grant, and it is reasonably certain that the Company will receive the grant. The grant is systematically recognised in the income statement over the period to which it relates, or immediately if the grant is not conditional upon incurrence of future costs or investments. Government grants are recognised as other operating income, or in the balance sheet if the purpose of the grant is investment in an asset.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

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.

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.

Other intangible fixed assets

are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

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.

Notes to the Financial Statements

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.

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 liabilities

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.