Trackunit®

Building the platform. Changing construction.

Annual Report 2023

Technology is becoming ever more central to business, ushering in a new data-led era that will underpin the transition to data operating platforms and change the face of construction

Trackunit ApS

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The Annual Report was presented and adopted at the Annual General Meeting of the Company on:
21 March 2024

Chairman of the AGM
Thomas Christiansen

Our Purpose

Together, we eliminate downtime to build the most useful industry for the world

Our approach is human, collaborative and based on openness and co-creation. We are driven by a design thinking approach, being empathetic, iterative and always striving for an ecosystem-wide impact.

Downtime is the core of all problems in the construction industry. We address it through five key areas, looking at downtime through the lens of machines, humans, companies, our industry as a whole and society at large. Eliminating Downtime is the contribution made to create an impact beyond the industry because it exists in the world, for the world.

We are builders and doers by heart and committed to turn every relevant idea into a catalyst for change.

Being useful is the core DNA of our company. We always strive to walk on two legs, driving a highly commercial and impact-focused agenda at the same time.

Construction is a very big player in the world, and we have at least the same aspirations so that the industry can consciously create an impact for the world. By doing so, we deliberately balance an inwards focus with an outwards outlook because long-term relevance for any ambitious company will also be measured in the contribution outside of the industry.

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Renta • Joel Särkkä, CIO

"We needed a provider that has similar ambitions to us. Trackunit is also very ambitious, and that has led to the creation of valuable solutions for us, that we turn into valuable solutions for our customers."

01

The big picture

"There has been an industry-wide consensus steadily growing that, allied to technological breakthroughs, has put eliminating downtime firmly at the top of everyone's agenda"

Søren Brogaard, CEO at Trackunit

Our story

Trackunit is the global leader in brand-agnostic, SaaS-based IoT solutions connecting off-highway vehicles and equipment in construction with a data-driven approach predicated on delivering actionable insights across a connected and secure ecosystem. Adaptable and scalable, Trackunit is the cornerstone of a connected industry seeking to eliminate downtime and propel construction towards a better, more efficient future.

1998

- M-Tec A/S established

2003–2015

- Trackunit brand established
- Trackunit subsidiaries established across Western Europe
- Trackunit acquired by investment group of Goldman Sachs and GRO Capital

2016–2019

- Organic entry into the North American market
- Trackunit acquires Dreyer+Timm
- Trackunit Iris platform launched to market
- Trackunit acquires Satrak
- Introduction of mobile applications (Trackunit On & Trackunit Go)
- Eliminate Downtime movement launched

2021

- Trackunit Kin and bluetooth Mesh Network introduced to market
- Organic entry into APJ market
- Trackunit acquired by Hg Capital
- Trackunit acquires Industrial IoT division of ZTR

2022

- Circa DKK 1 billion net revenue
- Launches 5G, second-generation Spot connecting high-value, non-powered assets to ecosystem
- Signs deal for acquisition of German ConTech startup Flexcavo
- Stages first-ever Trackunit NEXT event
- Trackunit Kin wins Rental Awards Editor's Choice 2022

2023

- Boosts on-year net revenue to DKK1.17b
- Launches new generation of Access Management solution to help strengthen position as market leader in off-highway safety and ease-of-access innovation on jobsites
- Launches Emissions Reporting solutions to establish base line in CO_2 reporting and enable industry to improve performance in line with UN 2030 targets
- Annual Recurring Revenue (DKK) **1.2b**
- Completes acquisition of Germany's ConTech startup Flexcavo in January
- Completes acquisition of US deployment specialist OEM Solutions Inc. in September
- Initial launch of Marketplace and Platform SDK to facilitate ecosystem co-creation and empower partners

Connecting construction

We connect our customers. With a presence in more than 120 countries, our customer success teams are there whenever they need our support in local time. That's underpinned by our secure global platform which delivers insights that are actionable around the world in real-time. It means that, as the home of global connectivity, we cover all bases in our constant and relentless focus on the industry-wide battle to eliminate downtime.

17

Global hubs ↑

120+

Countries in the global ecosystem ↑

60+

Platform integrations ↑

26k

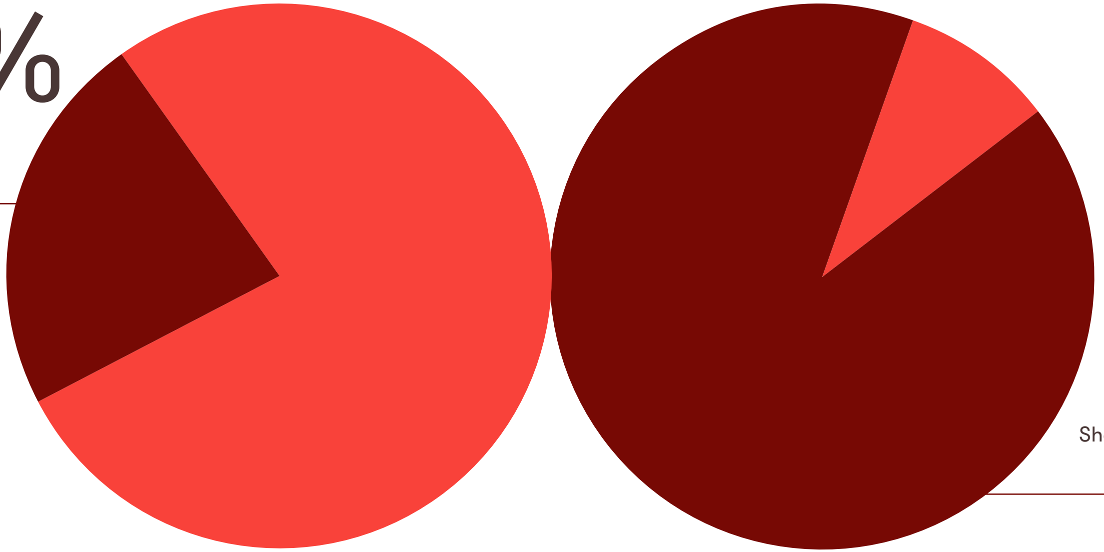
Monthly active users ↑

Building for scale

We’ve built a platform for long-term growth predicated on profitable recurring revenue. We are product driven and believe innovation is the key to unlocking new opportunities to alleviate long-standing customer pain points. With net revenue increasing by 32% over the 2019-23 period, we're committed to solving the problems of today and creating the solutions for tomorrow.

23%

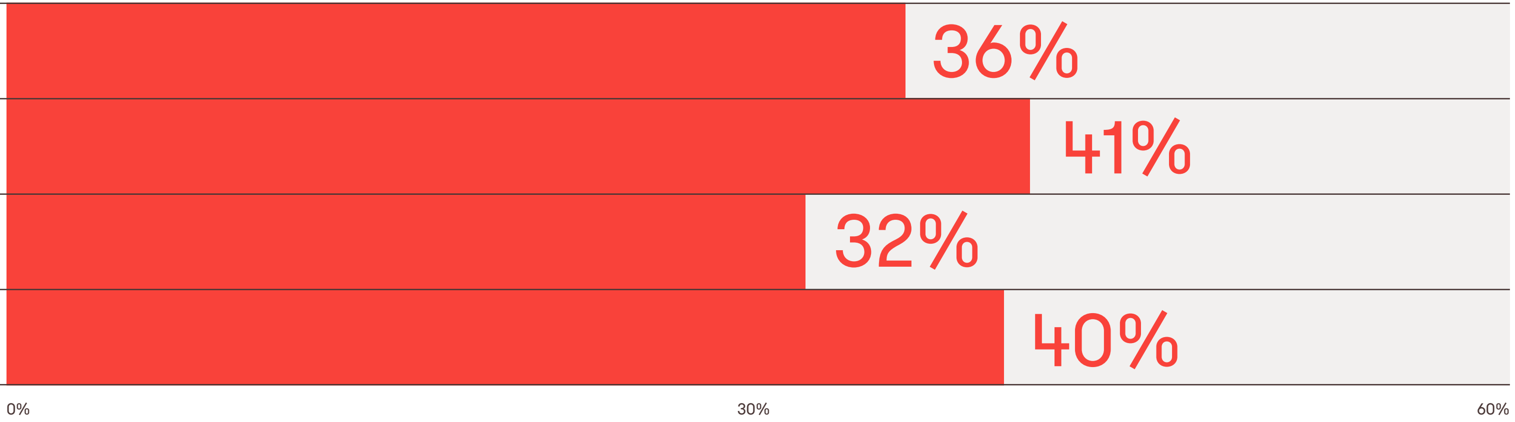
EBITDA as % of revenue



92%

Share of recurring revenue (as % of net revenue)

2023		Compound Annual Growth Rate (CAGR) 2019-2023
1.2b	Annualized recurring revenue (ARR) in DKK	36%
1.51m	Number of subscriptions	41%
1.17b	Net revenue in DKK	32%
264m	EBITDA in DKK	40%



Five-year overview

000' DKK	**2023**	2022	2021	2020	2019
Recurring revenue % of net revenue (non IFRS measure)[1]	92.1%	91.3%	90.7%	92.8%	90.2%
Annualized recurring revenue (non IFRS measure)[1]	1,208,801	988,225	823,720	382,750	349,535
No of subscriptions - End of year (non IFRS measure)[1]	1,511,922	1,243,999	1,082,208	453,502	383,060
Net revenue	1,168,020	990,963	506,016	382,552	381,523
Adjusted Earnings before special items, depreciation, amortisation and impairment (Adj. EBITDA)[2]	309,253	228,665	127,206	113,708	89,899
Earnings before special items, depreciation, amortisation and impairment (EBITDA)	264,070	177,739	105,182	101,956	69,224
Earnings from financial items, net	19	(10,297)	(8,901)	(15,767)	(7,053)
Profit for the period	33,661	(13,537)	(29,404)	12,850	(17,054)
Investments in PPE	6,489	7,000	3,239	4,862	1,930
Total assets	3,174,295	2,953,703	2,792,802	897,683	830,794
Equity	1,405,097	1,379,428	1,367,018	439,373	428,263
Average number of employees	408	379	350	185	193
Ratios					
Return on equity (%)	3.7	(1.8)	(2.3)	3.9	(4.2)
Equity ratio (%)	44,3%	46.7%	48.9%	48.9%	51.5%

1 Non IFRS measure are unaudited.
2 Adjusted EBITDA = EBITDA before non-recurring items - Non IFRS measure are unaudited. Management considers items totalling DKK45.1m (2022 DKK50.9m) as non-recurring. This includes costs for sharebased payments of DKK11.3m, longer term growth initiatives of DKK24.7m as well as IoT device replacement of DKK9.2m. However for External Financial Reporting these items have been expensed as ordinary.

The key figures and financial ratios have been prepared on a consolidated basis. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

- Equity ratio is calculated as the equity divided by total assets.
- Return on equity is calculated as the profit or loss for the year before tax divided by the average equity.

The additional key figures (non IFRS measures) have been prepared on a consolidated basis. The additional key figures are calculated in accordance with customs within the industry.

- Recurring revenue % of total revenue is calculated as the revenue recognized over time in percentage of the total revenue.
- Annualized recurring revenue is calculated as the recurring revenue in the last month of the reporting period times 12.

The acquisition of the Industrial IOT division from ZTR Control Systems, LLC, ZTR Holdings LLC and Trac Rail Inc. (ZTR IIOT) was completed on 18th of November 2021 and consolidated from this date.

Figures for 2019 have not been adjusted to the IFRS adoption made from 1 January 2020.

000' USD	2023	2022	2021	2020	2019
Recurring revenue % of total revenue (non IFRS measure)[1]	92.1%	91.3%	90.7%	92.8%	90.2%
Annualized recurring revenue (non IFRS measure)[1]	176,756	140,687	125,213	62,594	51,987
No of subscriptions - End of year (non IFRS measure)[1]	1,511,922	1,243,999	1,082,208	453,502	383,060
Net revenue	169,515	139,975	80,481	58,482	57,195
Adjusted Earnings before special items, depreciation, amortisation and impairment (Adj. EBITDA)[2]	44,882	32,299	20,232	17,383	13,477
Earnings before special items, depreciation, amortisation and impairment (EBITDA)	38,324	25,106	16,729	15,586	10,378
Earnings from financial items, net	3	(1,454)	(1,416)	(2,410)	(1,057)
Profit for the period	4,885	(1,912)	(4,677)	1,964	(2,557)
Investments in PPE	961	1,008	493	802	290
Total assets	469,939	425,140	425,357	148,039	124,917
Equity	208,018	198,547	208,203	72,458	64,393
Average number of employees	408	379	350	185	193
Ratios					
Return on equity (%)	3.7	(1.8)	(2.3)	3.9	(4.2)
Equity ratio (%)	44,3%	46.7%	48.9%	48.9%	51.5%

1 Non IFRS measure are unaudited.
2 Adjusted EBITDA = EBITDA before non-recurring items - Non IFRS measure are unaudited. Management considers items totalling USD6.6m (2022 USD5.2m) as non-recurring. This includes costs for sharebased payments of USD1.6m, longer term growth initiatives of USD3.6m as well as IoT device replacement of USD1.3m. However for External Financial Reporting these items have been expensed as ordinary.

2019–2023

3.9×

Subscriptions

3.8×

EBITDA

2.1×

Employee number

The key figures are translated from DKK to USD as follows:

- Assets, liabilities, and equity are translated at the closing rate at the date of the balance sheet.
- Income and expenses are translated at average exchange rate for the year; except for annual recurring revenue which is translated at average exchange rate for the last month of the year.

The pace of learning

Our Annual Report for 2023 may read like a roll call of key milestones and breakthroughs, but beneath the headlines, it was also the year when the 'pace of learning' began to crystallize as a dominant theme in business and construction.

The impact of generative AI has already been well-documented as the business story of 2023, but an underlying and related theme crystallized through the year that we believe will dominate for the foreseeable future.

The 'pace of learning' may not be an expression on everyone's lips, but it soon will be. At its core, it's a change from a 'know-it-all' to a 'learn-it-all' mentality that will increasingly center on how we incorporate AI in an often challenging and unpredictable macro environment, to ensure we keep pace with the rapid development of technology.

We've already been factoring this in at Trackunit by ensuring the workforce is as good as it can be, a key prerequisite for adapting to that new pace. It is after all, only because of what our teams do that we can be useful and we are truly grateful they continue to come to the workplace with fresh ideas, incredible energy and a great work ethic.

We are therefore thoroughly invested in our diversity program TIDE (Trackunit, Inclusivity, Diversity, Equity), and through 2023, made sure we are attracting as wide a pool of talent as possible to align with those fundamental principles.

We also implemented a Mindful Leadership initiative for management to make sure we are continuously developing a values-aligned, growth-based, psychologically safe culture. We are immensely proud that Trackunit's industry-standard, employee-engagement score stands up to comparison and, by putting autonomy in the hands of the Trackunit teams, we have fostered a nimble, can-do approach to doing business.

Trackunit's net revenues subsequently increased 18% to DKK 1.17 billion, and EBITDA to DKK 264 million from DKK 178m in 2022, strengthening our position ahead of the major shifts we expect in construction over the next few years.

That financial success is a reflection of the products our teams work so diligently to build. Our Emissions Reporting software released in October caught the imagination of customers and the international media because it signalled a key development in the way construction companies can take full responsibility for their own emissions.

Those actions might seem minor set against the climate-change tightrope highlighted so vividly at the latest COP meeting at the end of the year. But it is only through aggregated, 'on-the-ground' actions aligned with overarching regulatory and societal influences at the macro level that we have any hope of bringing about the changes that might enable our industry to successfully play its part in meeting the UN's 2030 emissions targets.

We are just as proud of the September release of our Access Management solution which not only has incredibly important, on-site safety implications, but is a big step towards the sharing economy as it opens up much bigger opportunities for equipment pooling and sharing.

Some of our other big product moves in 2023 include the Iris platform-powered Marketplace where we have more than 60 new out-of-the-box integrations and apps. There was also Sites, a data structure that allows specific insights on projects, depots and at site level, utilizing our bluetooth networks and complemented by products like Trackunit Kin. That makes sure we are creating a data-rich environment that filters through from heavy equipment right down to non-powered tools.

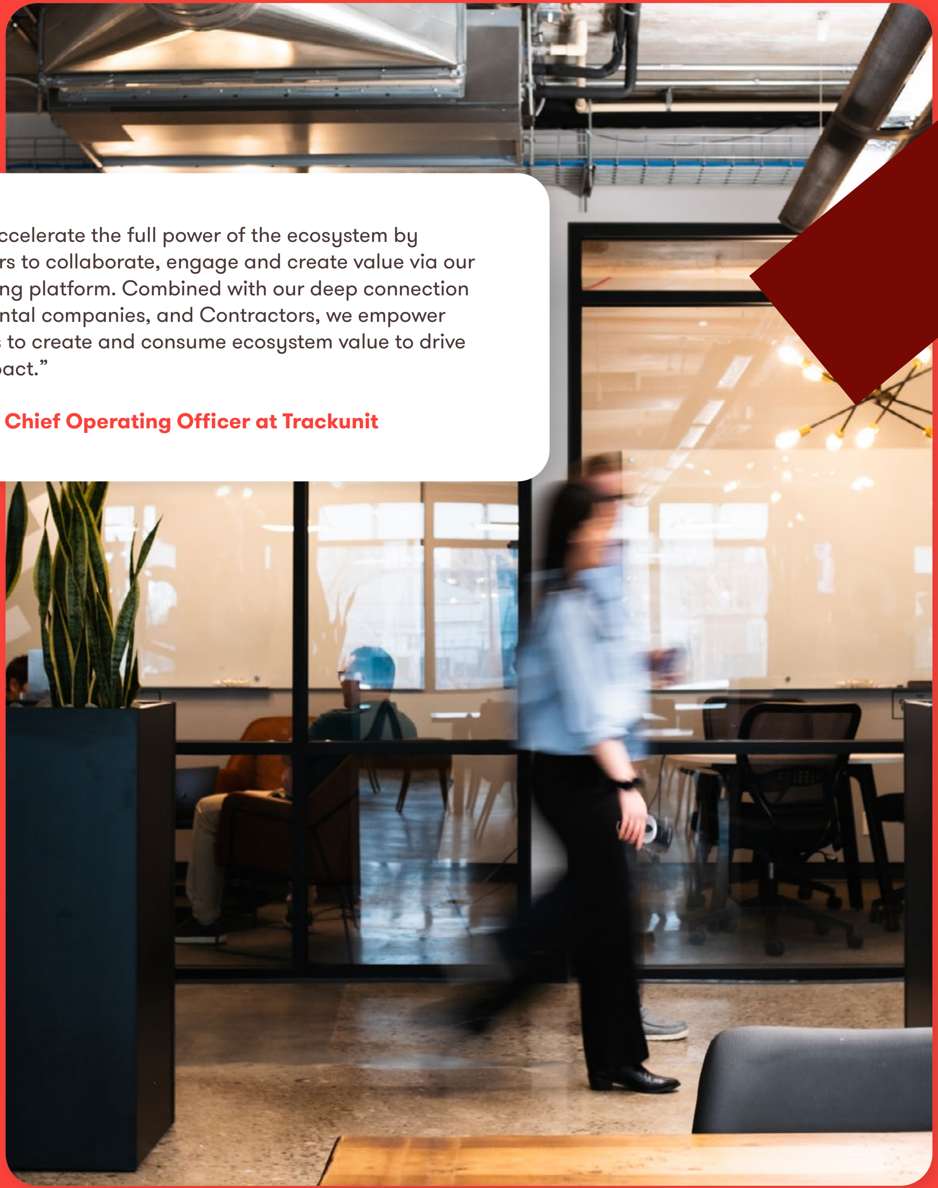
This should as ever be seen through the lens of a wider ecosystem that has set the foundations for connectivity throughout construction with Trackunit hooking up more than two million visible assets enabling the industry-wide battle against downtime to gather momentum. And it's in that spirit that closing deals to acquire German contractor-focused Flexcavo in January 2023 and North American deployment specialists OEMSI in September should be viewed as part of an effort to close the circle, make construction more efficient and be ready for the new pace of learning.

That's what we're geared up for. And that's where we want to be headed in 2024. Welcome to the Annual Report for 2023.

Soeren Brogaard, CEO

02

We are Trackunit



"We seek to accelerate the full power of the ecosystem by enabling others to collaborate, engage and create value via our industry-leading platform. Combined with our deep connection into OEMs, Rental companies, and Contractors, we empower our customers to create and consume ecosystem value to drive a broader impact."

Evan Barnes, Chief Operating Officer at Trackunit

What we do

We've built a platform that enables our customers to grow through the delivery of powerful, actionable insights that are tailored to their needs and creates the framework for the ecosystem to grow organically.

Trackunit collects machine and equipment data in real-time to proactively deliver actionable insights across the ecosystem. It empowers customers with data-driven intelligence across all of their visible assets to improve critical business drivers such as fleet and machine health & utilization, operator safety and fuel management.

Our industry-leading IoT solutions and operating data platform benefit the everyday operations of our customers, supported worldwide from our offices in the USA, UK, Germany, France, Japan, Australia, Denmark, Canada, Singapore, Sweden, Norway, and The Netherlands.

Our core Iris platform harmonizes data from our proprietary IoT devices as well as third-party devices, making it easy to access, analyze and act on data insights. Access to our Cloud and operating data platform is provided via tiered customer subscriptions and add-on applications, regulating the scope, depth, and access to game-changing insights.

We are a purpose-driven organization with highly-engaged employees and are on a mission to tackle long-standing challenges with digital innovation to help eliminate downtime in construction. This mission is not only to help the industry to recover from budget and schedule overruns, but also to re-establish the reputation of the industry for innovation and leadership.

People power

We continued to empower the Trackunit team to be autonomous, responsible and flexible through 2023 while putting in place important parameters to safeguard mental health, strengthen compassion and create as healthy a diverse work environment as possible.

We take our responsibilities to the workforce at Trackunit seriously because, in the end, our success is dependent on our collective efforts. Without that, we simply can't do what we want to do.

We are immensely proud then to see Trackunit is consistently in the top ten among our tech peers in employee engagement. It shines a light on the organization's efforts to strengthen a whole host of initiatives including gender ratios (30% of the current workforce is made up of women) and the diversity strategy embodied by TIDE (Trackunit, Inclusivity, Diversity, Equity) which we put in place in Q4 of 2022. See 'Diverse. Inclusive. Empowered.', page 30 for more.

We have a set of clear guiding principles embodied by The Trackunit Way where the triple-focus model also effectively places the individual within the wider needs of the organizational ecosystem and drives impact by person, by team and by the company as a whole. It brings everyone together on a strategy-driven, bigger-picture approach with rapid learning and feedback loops coming together to ensure eliminating downtime is at the heart of everything we do.

We are also passionate about embedding compassion in the organization and both the Mindful Leadership program and partnership with the Lighthouse Construction Industry Charity for handling mental health issues are integral to making it a cornerstone of everything we do. See 'Diverse. Inclusive. Empowered.', page 30 for more.

That translates into a workforce that is empowered to be useful, adaptable and open to new ways of learning. Designed to fit with their life, it creates an environment where they can give their best within the parameters we set as an organization.

We will continue to make the triple focus a pillar of all people-focused initiatives going forward and will in 2024 look to strengthen what we believe works and make sure we're giving the staff all the tools it needs to strengthen The Trackunit Way and strengthen Trackunit.

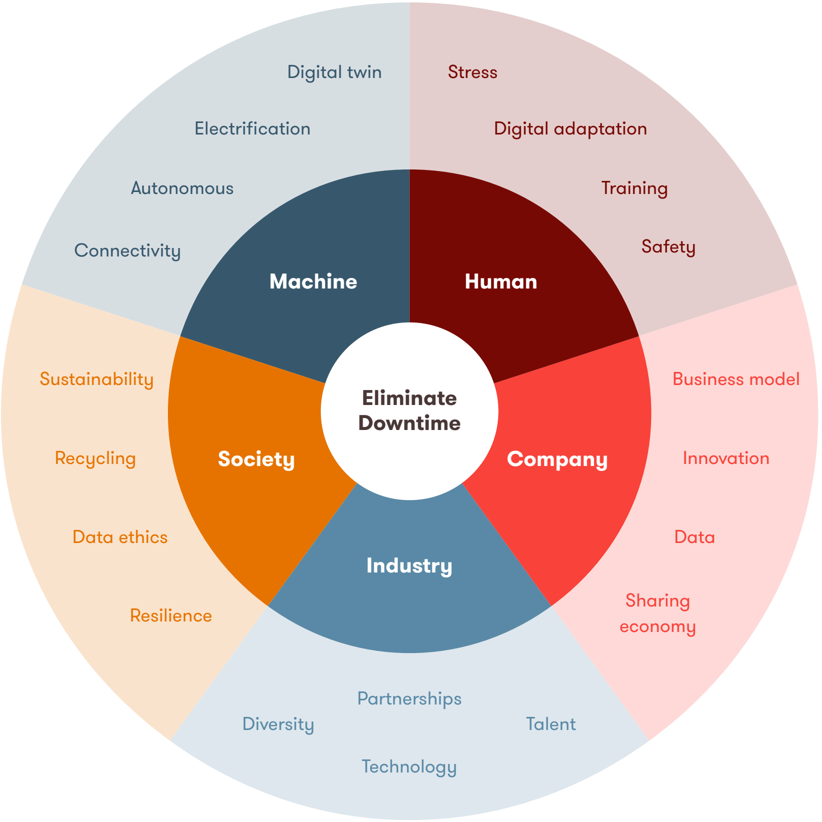
Great Plains Rental Equipment

Leslie Mendoza

"One of the things that made Trackunit stand out has been the level of customer service along every step of the process."

Eliminate downtime. Strengthen construction.

Life is rarely black and white but we truly believe that if we can eliminate downtime, construction will strengthen automatically. It's zero sum and it's the overarching task that faces us all.



The Eliminate Downtime model is the essential DNA of Trackunit enabling an ecosystem that is intent on addressing inefficiency in construction, connecting stakeholders and addressing society's challenges together.

We've never wavered one step from our aim of eliminating downtime and, with our industry colleagues, believe we're getting closer to that goal.

We're proud to be part of an industry-wide movement that has done the groundwork to eliminate downtime in construction and is ready to make big strides going forward. We and our like-minded peers are firmly united in the belief it is the fundamental issue facing the industry and only its successful resolution will re-establish construction as a force for global progress.

That's a reputation the industry enjoyed for a long time but which has been gradually eroded over the last few decades. Instead of earning praise for the schools, the roads, the hospitals and other vital infrastructure that underpin modern life, budget overruns, pollution-heavy processes and the pressures of building for an ever-rising global population have allowed downtime to grip the sector, resulting in low productivity growth and creating the need for a technological spark.

It shows in many ways. Construction contributes 38% of all global CO_2 emissions, according to the World Business Council for Sustainable Development. Digitalization remains an ambition for many rather than an actual fact. The sector's safety record is good, but it could be better. And a stark gender imbalance continues to permeate the workforce.

That's why we're convinced that by tackling downtime, the industry can begin to immediately enjoy benefits that will address these fault lines and reposition construction in the eyes of the world. Indeed, it's happening already.

Emissions reporting breakthroughs now enable fleet owners to control and reduce their CO_2 emissions without resorting to guesswork. Digitalization is already creating significant bottom-line efficiencies. New access management developments have greatly strengthened safety on-site through limiting risk-taking behavior and restricting access to certified operators. And automated processes are replacing burdensome manual tasks.

That pushes us to think not just in terms of being successful but in being useful. To becoming a positive catalyst for change. And using the ecosystem to filter those positive benefits throughout the industry. It's the bigger picture. It's one the industry is actively engaged in. And it's one we can all win together.

Data-driven impact

Data drives the modern business world. But without insight, it means nothing. That's why we've worked hard to make sure we have the filters in place so users can make impactful business decisions.

We like to deliver impact at Trackunit and we have the data to do that. But data alone does not cut it. Without the analytics in place to turn that data into actionable insight that helps our customers make their business better, those numbers will simply be overwhelming.

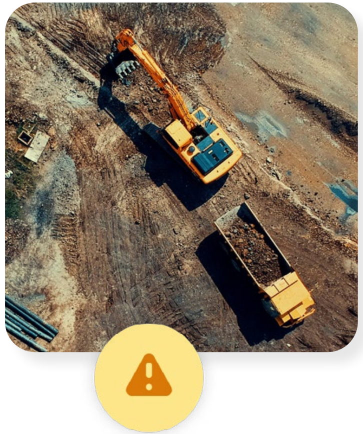
That's why we've built a secure ecosystem predicated on taking every individual number and, bit by bit, synthesizing them so our customers can access the insights they need. It means that as our connectivity grows, our ability to harmonize data and provide solutions to very human problems grows, opening opportunities for new business and new ways of thinking.

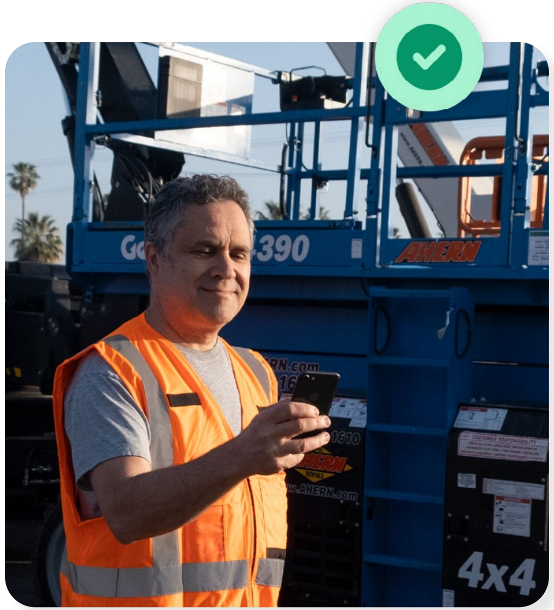
At the micro level, that enables better operation control over assets and sites, smarter decisions and safer choices through our new Access Management system, strengthening the bottom line and helping the battle against downtime. We take fuel data in over 120 different formats and break it down into clear numbers so fleet owners can, in tandem with our new Emissions Reporting solution, make responsible machine usage decisions across their fleet and establish more accurate CO_2 numbers.

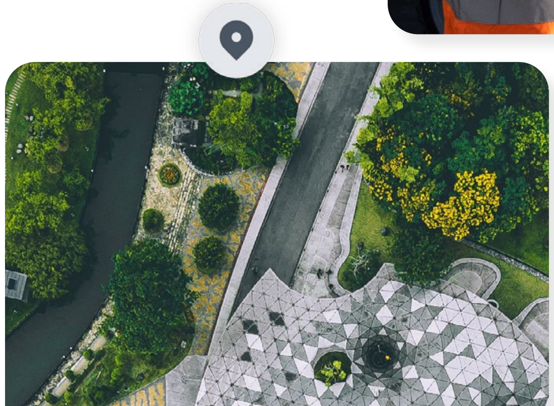
At the macro level, it's a game changer. Those thousands of decisions on the ground driven by those insights add up to a potential tidal wave of collaborative, positive developments that can collectively help to restore the industry's reputation as a force for good.

That's a value-chain proposition that, through our secure and extendible platform Iris, creates a virtuous circle of strong, cost-effective solutions that can change the culture and ultimately help the industry eliminate downtime and help it get into line with 2050 carbon targets.

We recognize it's ambitious, but without ambition we simply won't get to where we want to get to. Everything we do is predicated on the need to be useful. And that's why we're relentless in our drive for better, richer and more impactful insights that makes business better and makes construction better.







Expanding the ecosystem

We're at the core of an ecosystem that becomes wider day-by-day as the business case for connectivity and data-driven insights, based on core principles of transparency and data sharing, becomes overwhelming.

That matters to us as, without the ecosystem, we cannot optimize our efforts to eliminate downtime. A strong ecosystem is predicated on a consistent and relentless drive to connect equipment, people, processes and stakeholders, and we're confident that we have the vehicle for tackling downtime head on.

It's validation for a business model that has built-in resilience based on the strength of our insight-focused product development that enables it to withstand harsh macro environments.

Contractors, OEMs, dealers, and rentals trust us because we deliver efficiency gains and protect customer margins in a secure environment despite spiraling energy and logistics costs. That's why they continue to not only work with us, but deepen their ties to us.

That has, for example, seen the likes of Hilti deepen their links with Trackunit to put 500,000 On!Track tags on the platform and led to more than 60 customer integrations and apps taking a presence on Marketplace.

OEMs and Dealers

Drive business impact through:
- Informed aftermarket visibility on equipment usage for commercial efforts
- Improve R&D efforts by providing real-time machine performance data
- Over-the-air connection for aftermarket services e.g. tech applications
- Improved profitability on lower-priced machines

Boost bottom-line performances by:
- Up to a 20% improvement in aftermarket sales
- Up to a 5% reduction in equipment R&D costs
- Up to a 10% increase in sales and marketing performance

Fleet owners – Rental and Contractors

Improve operations and efficiencies through:
- Depot optimization driving higher fleet availability and revenue
- Digital workflows connecting teams across locations
- Theft/loss prevention and improved recovery rates
- Limiting downtime with predictive maintenance efforts

Reduce downtime and project costs by:
- Up to 5% through identifying under-utilized equipment Predictive maintenance initiatives
- Improving core sales by up to 20%
- Up to 15% through improving aftermarket services
- Improving safety through digital access control and operator integration

Core-customer value is delivered via tailored subscription tiers regulating the access to data and insights with add-on solutions enabling a bespoke approach to suit every customer need.

Our subscription-only model drives a high share of recurring revenue at 92,1% in 2023 with deep integrations in customer enterprise IT solutions via APIs.

In 2023, our direct sales channel accounted for the majority of revenue development, while we continue to expand and develop our indirect channels and partner ecosystem.

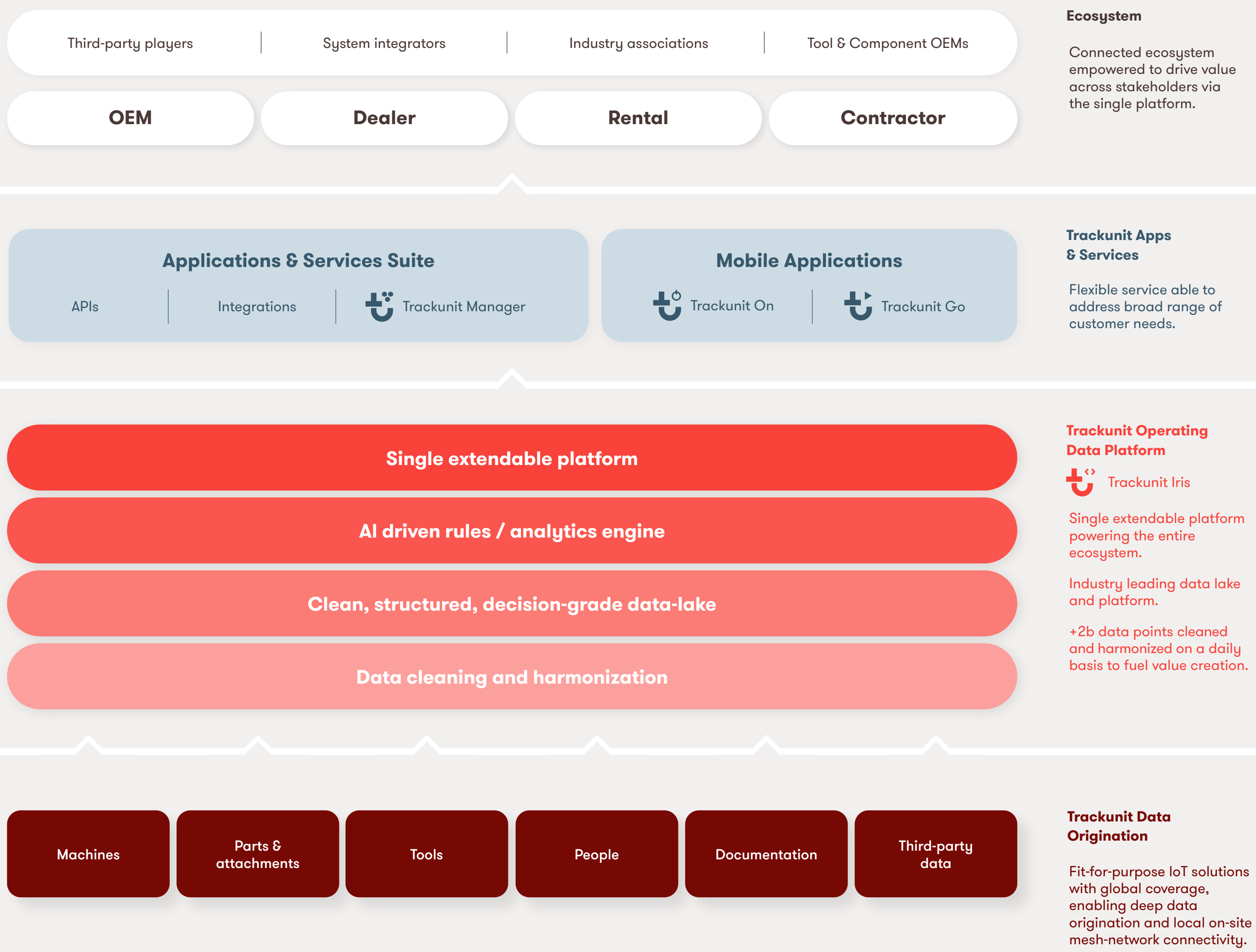
Our Works With ambition seeks to engage and facilitate ecosystem collaboration. Spanning a broad range of partnership archetypes, the Works With program provides access to both create and consume ecosystem services and value.

We play a supporting role in facilitating this exchange to amplify the broader impact of others by providing common access to a single, secure, platform-based ecosystem engaged across all players in particular, our focus remains on our OEM partners who factory-fit Trackunit's IoT solutions to deliver connectivity and value to our joint customers straight from the factory.

The 'Works with Trackunit' partnership facilitates both a common connectivity platform, and a channel for partners to accelerate their own digital services.

Premised on the conviction that partnerships make the most successful digital ecosystems, we believe this can become a critical dynamic in eliminating downtime.

Business impact from the edge to cloud



Strategy

A framework for impact

We focus our resources within the framework of delivering value and growth across four key areas.

We don't just want to drive impact ourselves, we want to be a cornerstone for others to create value as part of the ongoing industry battle to eliminate downtime. That enables us to help build industry momentum to solve long-standing challenges that will change the face of construction and incubate the progress that works for society.

01

Expansion of asset class connectivity

02

Geographic expansion

03

Create value-adding services

04

Unlock ecosystem value

Our core is grounded in the deep understanding of off-highway vehicles and other industrial assets, both enabling and leveraging data-driven insights to fuel change and impact for our ecosystem. From data origination to value creation and delivery, our strategy is centered on four core focus areas:

01

Expansion of asset class connectivity

Connected assets are actionable assets. Customer value creation is enabled by the upstream origination of clean structured data and ensuring integrated connectivity across all assets to unlock new insights and value.

We've previously launched Kin and strengthened our focus on deeper integrations and the capability of our on-site mesh network. But in 2023, our new Sites and Access Management software took those layers of connectivity to the next level, catalyzing the development of a single connected ecosystem across all assets classes in different terrains.

On site, that means all machines, including light equipment and non-powered tools, are integrated into an ecosystem that makes them trackable in real-time. *See 'Unleashing value', p 21 for more.*

Our platform continues to serve as the cornerstone of a safe, connected ecosystem, enabling 100% connectivity via our own network, IoT devices, partner devices, and industry data feeds.

02

Geographic expansion

Significant runway remains to drive growth and impact within our core European and North American markets. As we continue to connect the disconnected and welcome new customers into the ecosystem, our ability to drive impact and enable others will only grow.

Furthermore, our presence in Asia-Pacific-Japan continues to build the foundation for the next wave of connectivity growth. Representing a huge market with enormous future potential, our APJ commitment has served to solidify our contribution to the industry-wide mission to Eliminate Downtime.

03

Create value-adding services

Construction may be relatively immature in digital terms, but there is an evolution in place and once we hit a tipping point, it will accelerate quickly. With a common understanding of the importance of data-driven insights, enabling customers to securely convert insights into impact is becoming paramount.

While our ability to expand the breadth and depth of domain-specific insights and services generated via our ecosystem platform continues to accelerate, we place customer impact front and center to guide our innovation efforts. Supporting customers on their digital journey allows them to unlock new opportunities to drive impact across their business, the industry and society.

04

Unlock ecosystem value

The challenges confronting our industry are vast. We are determined to play our part in overcoming them, but recognize it requires collaboration and transparen-cy to take on the full scope of the tasks that lie ahead.

Investment in the extendability and ability to build value on top of a common ecosystem platform via our Software Development Kit continues to unlock new vectors for growth and impact.

Serving as the stewards of our ecosystem, we seek to accelerate the full power of the ecosystem by enabling others to collaborate, engage and create value via our industry-leading platform. Combined with our deep connection into OEMs, Rental companies, and Contractors, we empower our customers to create and consume ecosystem value to drive a broader impact.

Herc bolsters customer trust with Trackunit

Florida-headquartered Herc Rentals has diligently built its position in the North America market with a mission to help customers achieve optimal performance safely, efficiently and effectively. It's just one of the reasons it partners with Trackunit

When Herc Rentals was weighing its options some years ago for an IoT-solutions partner, it wasn't long before Trackunit came into view leading to a five-year agreement signed in August 2021. It's proved fruitful.

The $2.7 billion Florida-headquartered rentals service provider then spent the best part of two years working on its ProControl NextGen solution before rolling it out to the market in 2023.

"We have been going through a two-year digital transformation, with internal IT experts and external software consultants," COO Aaron Birnbaum told the Trackunit NEXT conference in January 2023. "Trackunit was there to develop our telematics programme, and we are really excited about taking this solution to market. It will allow customers to take care of their fleet's needs and ensure we are a more effective supplier."

That's evident in the results. Herc has used ProControl NextGen while also leveraging Digital Key and the Trackunit Iris platform to deliver a data-driven, insight-strong, market-facing solution. On a practical level, that has helped Herc in partnership with its customers to reduce the incidence of theft and also control who has access to machines at any given site and at any given moment, helping to make businesses processes smoother and battle downtime by ironing out unnecessary inefficiencies.

And it hasn't stopped there. Herc, which has an approximate 4% share of the North American market, collaborates closely with Trackunit to take advantage of its API suite. Additionally, the well-documented labor shortage in North America's deployment industry has in one swift move been solved by Trackunit's acquisition to buy Chicago-based deployment leaders OEMSI in October bringing benefits to Herc on the installation side and which will over time bring even stronger levels of professionalism to that key service segment to the off-highway sector.

All this has enabled Herc to offer its customers a level of service on both the physical and digital side that helps them stand out from their competition. With Emissions Reporting and Access Management insights now also available, that will enable them to continue to keep users locked in and create further value for both Herc and its customers down the line.

Herc is at the cutting edge of technology and, as its customers increasingly demand insights across a wide variety of areas and applications that are reliant on innovation-led IoT platforms like Trackunit, it's become something of a self-fulfilling prophecy. And while Trackunit will never rest on its laurels, the strength of the partnership between the two is such that it is very hopeful this relationship will be extended when it comes to its contractual end in 2026.

Products

Opening doors

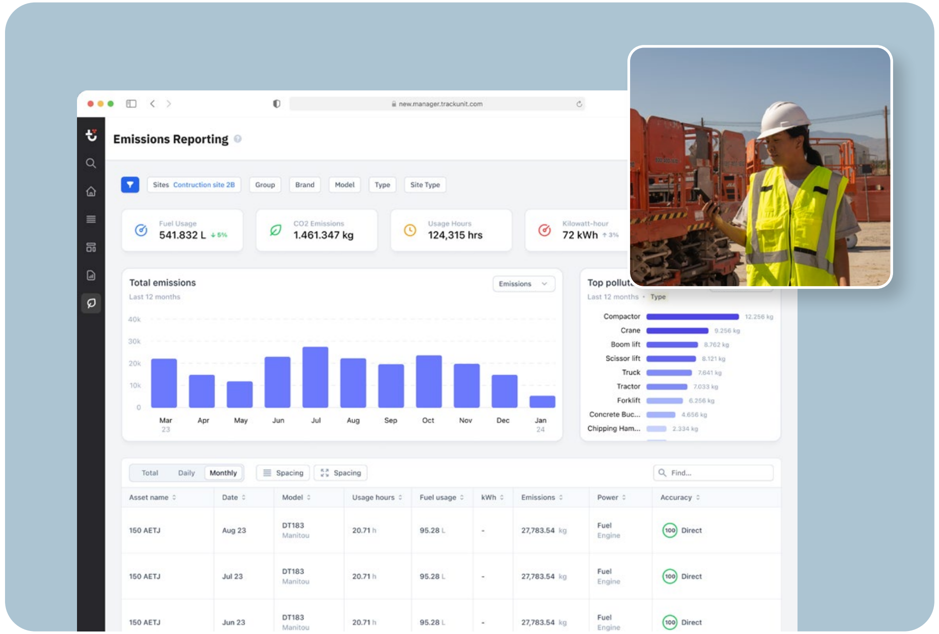
We set a marker in 2023 for innovation that not only opens new frontiers for our customers, but can also enable construction to make significant steps forward to assuming its rightful position as a force for progress and good.

We don't set limits on what we can achieve at Trackunit. Instead, we ask the team to be inquisitive, to have a 'what if…' mentality, and to aim for the improbable.

In many ways, 2023 has embodied that spirit more than any other year as we made significant innovation breakthroughs that will help define off-highway construction over the coming decade.

Our pivotal Emissions Reporting software release in October delivered for the first time a truly viable technological complement to the regulatory and societal pressures needed to bring emissions in line with the UN's 2030 targets. The industry previously relied on estimates to piece together their emissions data but this software is based on hard numbers and real insight meaning an end to that practice through delivering a bottom-line benchmark for all machines going forward. See page 23 for more.

We've also raised the standard on access management that has not just made the typical construction job site a safer place to be, but has also energized the battle



It was a breakthrough year for innovation as our Access Management and Emissions Reporting solutions led the way in driving market impact.

against downtime by creating better equipment usage such as the pooling of tools, and the standardization of training and education on all machine operators in high-risk categories.

That feeds into the overall effort to make construction more connected via the Sites release in early 2023 that has in conjunction with Beam helped create an ecosystem where efficiencies are fostered, and utilization is the name of the game. See page 23 for more. It means our users can track everything on site and between sites enabling benchmarking and site-performance assessments, a development enhanced by our acquisition of contractor-focused Flexcavo as the vehicle for enabling contractors to schedule and plan on site and better serve client demands.

An underlying principle here is the harmonization and purification of data from our data lake to make all those numbers useful, insightful and accessible. The extendability of the Iris operating data platform is at the heart of this revolution offering a suite of APIs on Marketplace that can deliver various and extensive solutions integrated into the Trackunit ecosystem.

What that means is total overview, something we've also endeavoured to deliver on the physical side of the equation with the acquisition of deployment specialists OEMSI in the fall of 2023. It has helped engineer an integrated ecosystem that via Bluetooth, has proved attractive to our OEM partners to deepen their links with Trackunit and leverage the network opportunities to deliver better solutions for its customers.

Add these to previous product breakthroughs and the clear strategy to piece together the jigsaw and build the links becomes evident. We like to join the dots and believe we're getting there. And that only happens when we harmonize people, products and processes in the interests of making construction more transparent and better.

Unleashing value

We build our products for one purpose and for one purpose only. If it delivers value to the customer, then we're serving the industry. And if it doesn't, we think again, reassemble, and move on.

We're committed to innovation, but not for innovation's sake. If it doesn't make things better or easier for our partners then it's no longer serving its purpose. This fundamental principle underpins everything we do on the product-building front.

That's why we deliberately invest significant resource in products because we believe in the enormous potential of IoT and are committed to maintaining our position as the leader in providing software and IoT devices to the off-highway construction sector.

Our core solutions help our partners manage their fleets to ensure the correct and efficient use of machinery and non-powered equipment, reduce CO_2 emissions and offer timely, actionable insights on health & safety. With a tailored and flexible approach, customers can adapt solutions to their requirements leveraging the Trackunit platform as part of their digital journey.

Continuous advancement in ecosystem digitalization enables Trackunit to become a key partner on the customer journey, building the relationship with the introduction of ever-more sophisticated products at their pace. For OEMs, Contractors, and Rental customers, it means a flexible suite of solutions that can allow their business to develop in new and exciting ways and help them play their role in eliminating downtime. Here's a taste of some of what we do.

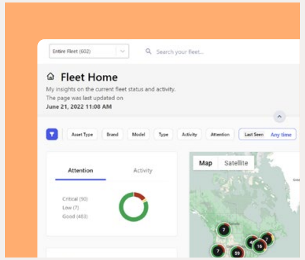
Software Enabling Devices

Trackunit Iris

Trackunit Iris is our operating data platform that is at the heart of everything we do and will do for years to come. Designed to be safe, secure, and scalable, Iris is also ISO 27001 certified and delivers impactful insights via our customer-facing Marketplace and its extensive API suite. With circa 2 million connected assets and more than 2.0bn data points added daily, Iris's ability to aggregate mixed-fleet data on a single platform, provides a single source of data to foster new businesses and accelerate connectivity.

Software Enabling Devices

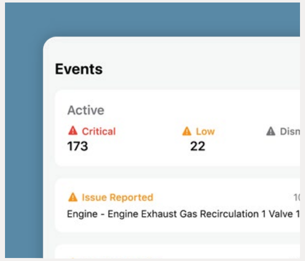
Trackunit Manager



Trackunit Manager is the purpose-built fleet manager solution for construction, connecting, collecting, and presenting real-time mixed-fleet and site-data to customers on a single interface. It is total overview. Total control. And complete focus. Trackunit manager allows customers to solve daily pain points by (1) monitoring machines at all times and preventing unauthorized access, (2) Receiving intelligent notifications about location, maintenance, and damages, (3) Remotely diagnosing machines by using live data, and (4) pinpointing and addressing irregularities in fleet-wide and site performance.

Software Enabling Devices

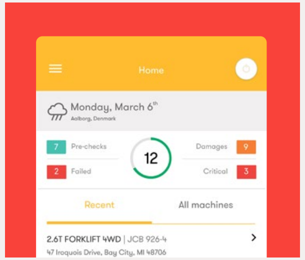
Trackunit Go



Trackunit Go allows seamless communication between the operator, service technician and site administrator, delivered via a mobile interface regardless of location. Because the data is at their fingertips, Go enables on-the-spot reporting, remote diagnostics, and on-site, management-of-fleet capabilities. For users, it is a complete tool for fleet management at their disposal.

Software Enabling Devices

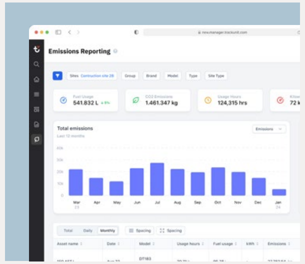
Trackunit On



Trackunit On is the mobile application that connects people to machines, creating an on-site interface allowing operators to conduct checklists and inspections, report and log machine issues, and improve job-site safety. It is the perfect conduit for our access-management software release allowing users to know exactly what is happening on their job site via a smartphone.

Software Enabling Devices

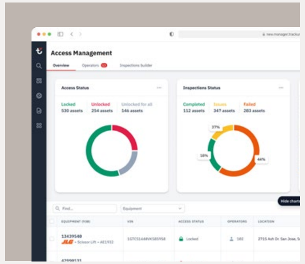
Emissions Reporting



Emissions Reporting is the game-changing software that puts ownership of emissions firmly in the hand of every machine operator and which will eventually end the practice of 'guesstimating'. With a 'no-machine-left-behind' mantra, it makes data instantly accessible delivering far more accurate CO_2 numbers and puts the off-highway sector into a position to meet UN 2030 emissions targets. *See 'Ending guestimations', page 28 for more.*

Software Enabling Devices

Access Management



Our second-generation, **access-management** solution enhances fleet-owner control by opening up the road to standardized digital access control by negating the need for 'no permission' keys while simultaneously making construction sites safer. It will also digitalize workflows and give site operators full overview of everything related to access that happens under their watch.

Software Enabling Devices

Trackunit Raw

Market bestseller **Trackunit Raw** is a compact cellular IoT device, which delivers stable, secure, and reliable connectivity. Coverage serves all major markets and as an industry-trusted performer, it is the ideal piece of IoT kit for future-proofing fleets and growing businesses. Robust, versatile, and secure, Raw is fit for all kinds of weather and made to seamlessly connect all types of equipment to the Iris platform. Built-in Bluetooth technology also creates a local mesh network, serving as a gateway for non-cellular IoT devices such as Kin and third-party Bluetooth tags.

Software Enabling Devices

Trackunit Spot

The second-generation **Trackunit Spot** is a 5G-ready solution that is easy to install and has transformed the non-powered construction equipment sector. A 'slap-and-track' device, it bridges the gap between Trackunit Raw and Trackunit Kin and has helped complete the circle on the connectivity loop.

Software Enabling Devices

Trackunit Kin

Trackunit Kin is a Bluetooth 5.2 IoT device that leverages our Bluetooth mesh network across all asset classes. It is simple yet powerful, enabling activation requiring less than a minute with a vastly extended ecosystem reach. Connecting to either the Trackunit Go app or a Trackunit Raw gateway, Kin-enabled equipment can be located up to a 400-meter range enabling operators to guard against theft and eliminate downtime through the real-time localization of smaller tools and equipment.

Software Enabling Devices

Trackunit Beam

Trackunit Beam solutions help you grow and build new digital processes to bridge the connections between equipment, fleets, and sites for every project phase. It is designed to withstand the rigors of harsh site environments and is industry-certified and ratified.

Australian rental Botany gets bottom-line boost from Trackunit

When Australia's Botany Access wanted to have a rethink on its IoT partner with a view to raising the bottom line, a scour of the market quickly put Trackunit at the top of its wanted list

When you're in the business of renting out elevated work platforms, safety is by definition a non-negotiable and for Australia's Botany Access, it's no different. It's why it offers all users EWP training in Sydney and as an organization, it is at pains to make sure it gives its clients clear guidance to get the most out of its machines.

While the safety element is integral to that, there is also a bottom-line consideration as the better trained Botany's customers are, the more likely they are to use its equipment in a cost-effective, risk-reducing way.

That line of thought was very much present when Botany wanted to make its Enterprise Resource Planning system work better for the business. Sydney-headquartered Botany approached Trackunit in early 2023 because, although it was already using IoT solutions to analyze data, it wasn't delivering the results it had hoped for.

Trackunit demonstrated how it could hook up all of Botany's fleet to the ERP so that it could immediately begin to see how that automation would significantly cut back on time-consuming, manual checks and make an immediate impact on cost considerations.

More significantly, Botany was able to build a picture of how it could ensure it was using its fleet more efficiently, understand why machines were sometimes idle and take steps to utilize the fleet better to get more rent.

"We could see almost straightaway the unrealized rental values as well as the impact on manual processes," said John Medland, Director at Botany. "What it has enabled us to do is to make sure that equipment is ready to be rented, depending on whether it might need some service or maintenance.

"In essence, it's given us much greater insight into the life cycle of our machines and take action accordingly."

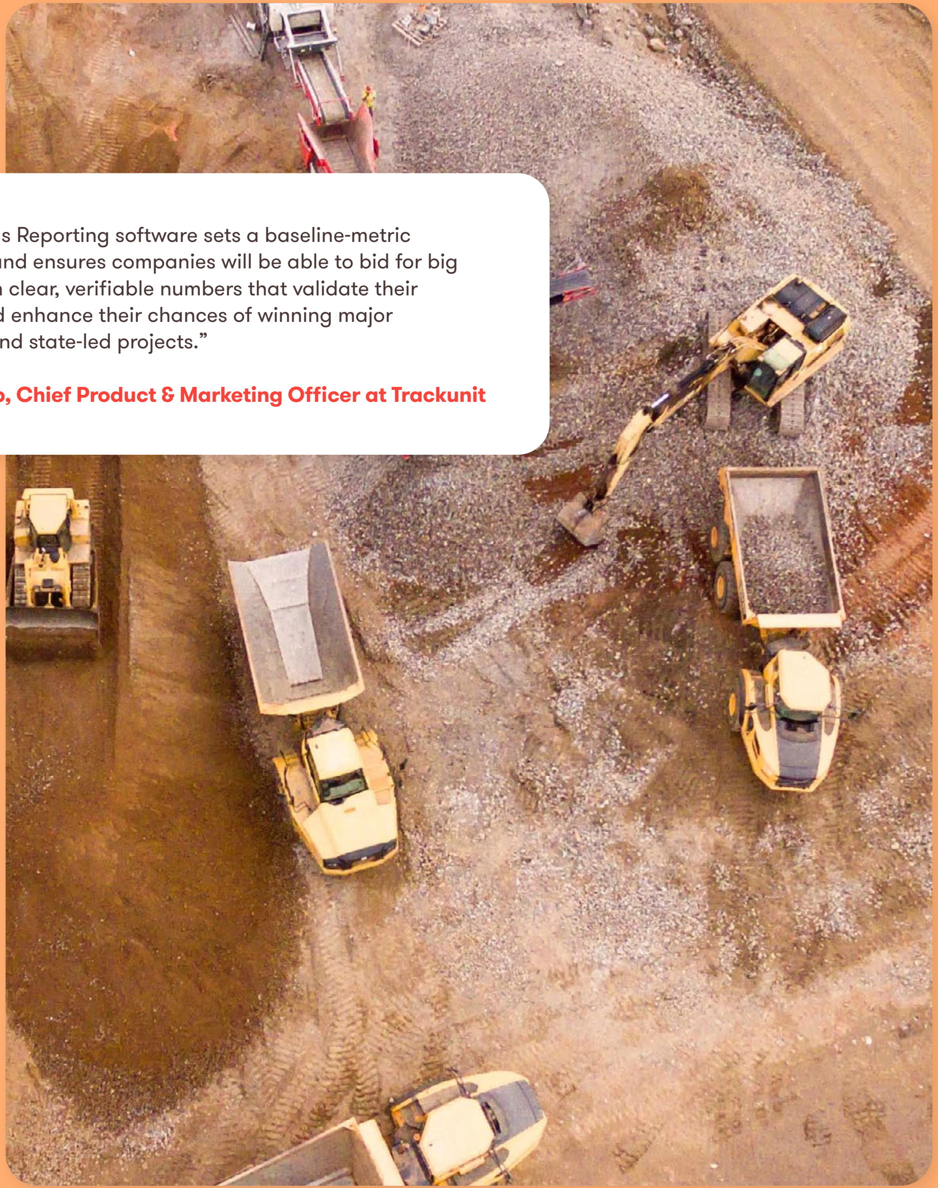
That in turn has enabled Botany to service its customers in New South Wales, Victoria and Queensland armed with data and insights that directly benefit their businesses and strengthen the relationship between Botany and its partners.

"We can give customers actionable data that means they can always keep their project running like letting them know if fuel levels are low or if their battery needs charging," said Medland.

Botany is also excited by the other insights Trackunit offers. As a safety-obsessed organization, Trackunit's new generation Access Management could in time become a very significant source of insight for Botany and the Emissions Reporting software could also become an integral part of its business when it bids for big government- or state-mandated projects with rigorous sustainability criteria.

But for now, Botany remains fixated on the bottom-line improvements as it works with the Trackunit ecosystem and builds its knowledge slowly but surely of how to get the best out of the partnership. With circa 65% of the fleet connected, the next step will be to hook up the rest of its machines and adapt accordingly.

"It's been nearly a year and we're really seeing the benefits of working with Trackunit," said Medland. "We work in lots of different terrains including tunnels and we've started using Trackunit there too to pinpoint more accurately where our machines are."



"Our Emissions Reporting software sets a baseline-metric on reporting and ensures companies will be able to bid for big contracts with clear, verifiable numbers that validate their credibility and enhance their chances of winning major government-and state-led projects."

Lærke Ullerup, Chief Product & Marketing Officer at Trackunit

03

ESG

Vision in practice

Trackunit has taken big steps through 2023 to strengthen its ESG targets and initiatives across the board with clear direction on diversity and inclusion, emissions and energy, and compliance and security. It's part of an ongoing, rigorous reinforcement of the company vision and strategy allied to practice, bolstering Trackunit's reputation as a responsible and progressive, ESG-compliant partner.

Environmental: Trackunit delivers IoT solutions to customers including its flagship Emissions Reporting software release in October, enabling users to record and monitor carbon emissions to a far greater degree than ever before. That means Trackunit can enable our customers to address their scope 1 and 2 emissions of the Greenhouse Gas Protocol framework while taking important steps on its scope 1 and 2 outputs to mitigate emissions. *See 'Ending guestimations', page 28 for more.*

Societal: Trackunit has in 2023 implemented its Mindful Leadership program encouraging more compassionate leaders and better mental-health awareness. We continue to push hard on addressing gender imbalances at mid- and senior-management level, our well-established diversity and inclusion program TIDE (Trackunit Inclusivity, Diversity and Equity), and employee engagement. We want to play our part in making construction a more attractive, more diverse industry open to all. *See 'Diverse. Inclusive. Empowered.', page 30 for more.*

Governance: Trackunit seeks to be a trustworthy business that follows all relevant privacy restrictions in respect of national and international law to enable safe and secure data sharing with customers. We have significantly strengthened our compliance training to instil a high level of risk understanding and mitigation among employees and on cyber security, we are ISO/IEC 27001 certified. *See 'Aligned. Compliant. Sustainable', page 32 for more.*

Environment

Looking inwards. Going outwards.

This was the year we formalized our commitment as a company to making our contribution to reducing carbon emissions as part of the Greenhouse Gas Protocol framework.

We've been steadily building our environmental credentials ever since we joined the UN Global Compact initiative and switched the Trackunit headquarters in Aalborg to green energy in 2019.

But we really initiated a gear change in 2023 by committing to the Greenhouse Gas Protocol framework. We are now working with Normative, a standard setter for sustainable practice in technology companies, and will this year commit to the stipulations of the UN's Science Based Targets Initiative which helps set goals as part of the vision to create a net-zero world by 2050.

That means we are fully dedicated to reducing scope 1, 2 and 3 emissions measuring these in a variety of metrics including per revenue, per employee and per customer. On a practical level, we've taken quick action to manage our scope 2 target with a 100% renewable energy target in place for 2025 from a current 43%, a commitment to using recycled IT equipment, and a travel policy that is efficient, smart and measurable.

It's the breakthrough we've worked incredibly hard to get to and the one that we believe will be transformative in construction. It's the game changer.
See 'Ending guestimations', page 28 for more.

Commitment **2023:** 43%

100% renewable energy for scope 2 by 2025

Commitment

Using recycled IT equipment

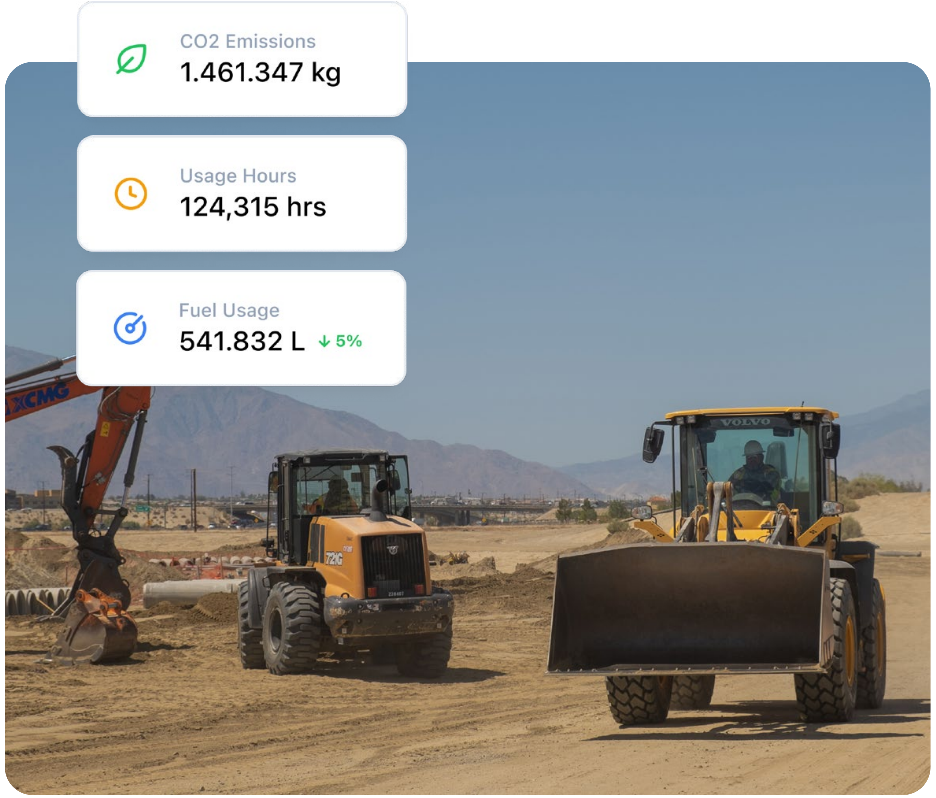
Commitment

Set up a travel policy that is efficient, smart and measurable

Environment

Ending ‘guestimations’

Establishing a methodology that enables the off-highway sector to accurately measure its carbon emissions has proved an immensely difficult task. But the introduction of Trackunit’s Emissions Reporting software has changed that and will eventually spell the end of ‘guestimations’.



Our **Emissions Reporting software** release in October harnesses synthesized machine metadata and individual equipment to unlock comprehensive total fleet emissions for every machine.

We set a goal of giving the off-highway sector in construction a methodology that would enable it to measure carbon emissions with accuracy and in virtual real time long ago, and have been relentless in driving that mission.

And after many years of trials, testing, retesting and adapting, we’ve finally got there. Our Emissions Reporting software release in October harnesses synthesized machine metadata and individual equipment to unlock comprehensive total fleet emissions for every machine.

It’s not for nothing that we say ‘no machine left behind’ and fleet owners and the individual machine operators now have in their hands the data and insight to read exactly what is happening with any given machine on emissions and take action accordingly.

As well as delivering a far greater degree of accuracy than ever before, it sets a baseline-metric on emissions reporting and ensures companies will be able to bid for big contracts with clear, verifiable numbers that validate their credibility and enhance their chances of winning major government-and state-led projects with strict environmental criteria.

It means that as the technology gains traction, the practice of ‘guestimating’ emissions should gradually diminish until it becomes obsolete. For customers, that matters as they strengthen their credentials when bidding for those big state-mandated projects with strict emissions-reporting criteria.

It also helps put the off-highway sector on the right side of the debate as construction looks to make its contribution to meeting the UN’s 2030 reduction in emissions targets and helps incubate a culture of ownership and responsibility throughout the industry on individual emissions output.

It’s measurement of greenhouse gases to scale and it puts the scope 1 and 2 elements of the Greenhouse Gas Protocol within reach of the logistics chain, breaking down one of the most difficult barriers to measuring emissions for our customers. And now that we’ve got to here, we’ll be working consistently and relentlessly to test, refine and improve the model so we can continue to raise that bar higher and higher. It’s what this industry deserves.

The fusion of regulatory pressure, societal drives, technology and the cultural shift towards accountability is driving this change. With the Emissions Reporting software release, we have now given our customers a critical piece of the jigsaw.

Environment

Building the narrative

Building an industry consensus that puts construction on the right side of the narrative is a central pillar of our strategy. We believe collective action is essential to delivering outcomes that put the environment at the top of everyone's agenda.

Voices matter. And every voice helps. But put those voices together as one collective and then we suddenly create a volume and clarity that can make a real difference at the macro level.

That's something we have worked very hard to achieve in 2023. We've been active in driving the agenda forward with like-minded industry colleagues to strengthen the battle on downtime and as one very significant element of that, put the environment at the head of everyone's to-do list.

That is embodied in our flagship Trackunit NEXT conference which helps to kickstart every year in January and sets the focus for the year ahead, downtime events including the Tokyo Downtime Talks in November, and our continued membership of industry bodies like the Committee for European Construction Equipment.

These events are not about Trackunit. They are about the industry and we pull in key influencers to make sure we're fueling the debate in a way that is constructive and potentially decisive using every channel at our disposal such as podcasts, keynote speaking slots and interviews with industry players to spark the conversation.

We have also rigorously pursued our thought-leadership position across a wide variety of topics including sustainability, working hard with international media to ensure we're flavoring the conversation and reaching an audience that vastly expands our scope beyond our own channels.

That has meant numerous article pickups in key media titles through North America, Europe and Asia because they trust what we say and, having carefully cultivated those editorial relationships, we have established a gravitas that means we can infuse the narrative and galvanize colleagues into action. It's a consistent and constant element in what we do and something we will strengthen through 2024.

Magni • Alessandro Pastorelli, Global Service Manager

"Trackunit is able to manage the relationship with our customers very well meaning that they often resolve their issues directly and without us having to support too much. Our customers really see Trackunit as a plus."

Social

Diverse. Inclusive. Empowered.

It may be a cliché to say any venture cannot succeed without people, but that doesn't make it any less true. And we are rigorous on our 'social' requirements to ensure the Trackunit team has the very best platform to deliver.

We take pride in the care and consideration for the wellbeing of our people, society and the environment using the Danish corporate culture as a starting point for all our global colleagues supported by Danish law and under the jurisdiction of Danish authorities.

Trackunit supports and respects internationally proclaimed human rights and makes sure that we are not complicit in violations of such rights underpinned by the belief that we are all born free and equal in dignity and rights regardless of nationality, race, religion, class, or political opinions. This is backed up by the employee initiative TIDE implemented in 2022 and which we have strengthened through 2023.

Inclusive
We promote social interaction between people and cultures and have recruitment guidelines in place with inclusive language at its core that deliberately aim for a mix of culture and gender in our organization.

We had as of December 31, 2023, 408 employees at Trackunit made up of more than 40 different nationalities. That's quite a diverse crew and it's not surprising then that we will allocate even more resource to this area in 2024.

We use a variety of tools including masterclasses on Unconscious Bias and the Develop Diverse initiative that detects non-inclusive language. Both go hand-in-hand in their efforts to address language and minimize the risk of prejudice.

This is very much about creating safe spaces for the workforce and being mindful of how language can impact colleagues. So, while we are always wary of language that could make any employee uncomfortable, we are also well aware that there is an opportunity here to actively encourage dialog that incubates a sense of wellbeing among staff.

Mindful
That's very much our mindset too in the Mindful Leadership program that through seven rigorous modules has become a cornerstone of the strategy going forward. We believe in compassion and if we can't sow that seed at the top, then the chances of making it a fundamental element of Trackunit's DNA are limited. That's why we've put all top

408
Employees

40+
Nationalities

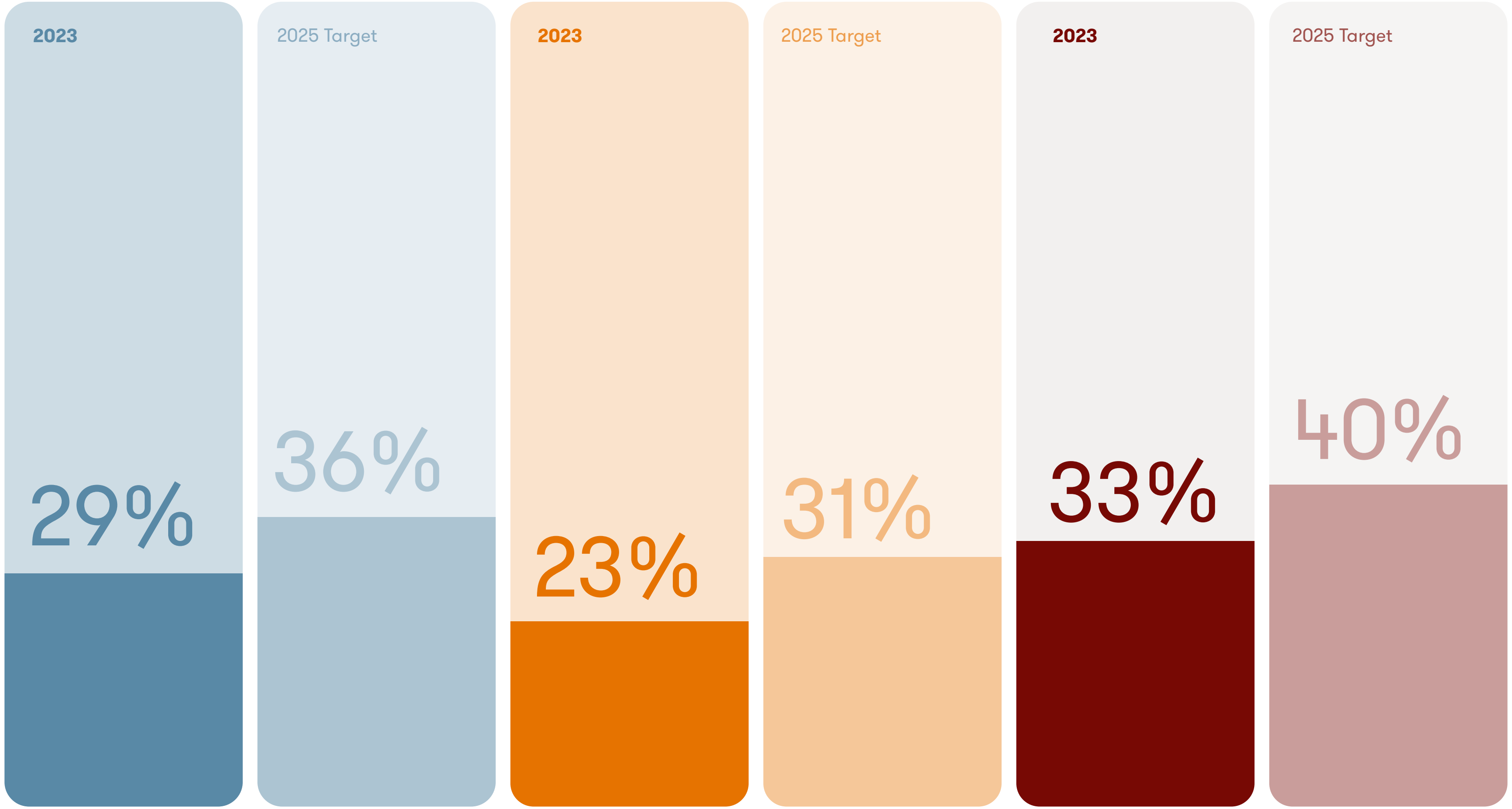
	2023
C-level	
Total	9
Female representation in %	11%
Goal	2
Goal in %	20%
Goal to be reached in	2025
Management (2 levels below C-level)	
Total	73
Female representation in %	23%
Goal	23
Goal in %	31%
Goal to be reached in	2025

The above schedule reflects the current female representation in accordance with the Danish Annual Accounting Act, further granular target per year will be added in the future. For a full understanding of Trackunit ESG targets as it pertains to underrepresented gender, please see page 31.

Overall female representation at Trackunit

Female representation in **management roles** at Trackunit

Female **applicants** for Trackunit jobs



Trackunit have an ambitious ESG Strategy in place for the entire Trackunit Group (including all companies including and below the ultimate Parent Company GALAXY UK Topco Ltd.). Above actuals and targets are for the entire Trackunit Group. Due to Danish accounting requirements, certain targets are to be set and measured differently from above. Female representation at Trackunit C-level with a 2025 target of 20% and actual 2023 of 11%, Female representation at Trackunit Management roles with a 2025 target of 31% and actual 2023 of 23%.

leadership and many managers on the program to ensure they can make decisions that are underpinned by empathy, a willingness to listen and a genuine desire to promote a work/life balance that is workable and effective.

We believe this is reflected well in employment engagement and it's an enormous source of satisfaction that we sit comfortably in the top ten among our tech peers as demonstrated both by Trackunit's Peakon results with a Net Promoter Score of 55 and a rolling attrition of just 7% over the last 12 months.

Trackunit is striving to set a standard for our industry, we want our female representation to go beyond the current average. Currently Trackunit employs 29% women, but in 2025 we plan to have 36% of our global workforce be female and have 31% female representation in management roles.

Health

It's a similar story too on mental health where we have partnered with the Lighthouse Construction Industry Charity to train mental health first aiders. We've so far added circa 20 staff members with the skills to help anyone who may be having issues.

In our supercharged, switched-on, modern-day working environment, it's probably as important now as at any time to make sure we're taking every step to look after one another whenever and wherever we can.

This is not about ticking the boxes. It's about making sure we are a lean and healthy organization where people are able to give their best. And we'll continue to refine, assess and improve to make sure that ethos underpins everything we do going forward.

Governance

Aligned. Compliant. Sustainable.

We are fully aligned and committed to UN Sustainable Development Goals and have made significant progress through 2023 on various initiatives.

We have highlighted 2023 as a big year already and Trackunit also took significant steps with its commitment to sustainability goals embodied in the Science-Based Targets as outlined by the UN Global Compact. See 'Looking inwards. Going outwards.', page 27 for more.

With the considerable challenge of COVID-19 receding into the background, our commitment has been unwavering and the goals we have outlined to 2025 continue to provide a framework for everything we do towards mitigating against environmental pollution in the future.

Building the culture
We have taken clear steps to ensure the health of our workforce and build a culture that is fit for purpose and supports our key UN-aligned goals.

Trackunit also focuses on how to affect human rights externally. During the year we have screened our customers and suppliers for illicit activity multiple times. No illicit activity has been discovered during 2023.

Trackunit will continue to have full focus on current initiatives during 2024 together with new relevant initiatives added.

Fair working environment
Trackunit supports and respects the protection of internationally proclaimed labor rights, ensuring there is no violation of such rights. That includes a commitment to a proper work-life balance with flexible work hours that align with family requirements and an aim to keep staff mentally and physically fit.

We offer mindfulness and meditation courses and foster an environment where workers can continue their education. We use monthly employee surveys as a vital tool to stay on message with staff sentiment, engage our employees in one-to-one conversations at least once a year, and act accordingly on recommendations that come our way.

Proactively promoting sustainability
Trackunit supports a proactive approach to environmental challenges and undertakes initiatives to promote greater environmental responsibility.

This is embedded into our purpose statement to eliminate downtime within the construction industry incubating efficiencies that will filter through work and external environments. That ranges from improvements to health and safety, fewer delays in the construction process implying less energy consumption, and longer machine-lifetime expectancy implying less consumption of raw materials for machine manufacturing.

Anti-corruption
Trackunit supports the work against corruption in all its forms, including extortion and bribery and will neither participate in nor accept in any form of fraud or corruption. We have a whistleblower program in place if someone needs to come forward with evidence of corruption. We have not had any reporting to this program during 2023.

We define bribery as an act on offering or receiving money, goods, or other forms of recompense from a business associate in exchange for an alteration of their behavior to the benefit or interest of the giver that the recipient would otherwise not alter. We are determined to prevent, detect, and deter any form thereof.

Data ethics
We generate enormous amounts of data and our customers rightly expect us to handle their data in a correct and appropriate manner in line with international regulations. Data ethics is an integral part of the way Trackunit engages with customers, suppliers, employees, and our other partners and we have taken steps to tighten our security even more on access to data including becoming ISO 27001-certified in 2023.

Trackunit is dedicated to providing our employees and customers with the right level of privacy and safeguards necessary for processing data in general. Therefore, Trackunit has implemented industry-standard technical and organizational measures relating to the usage and processing of data. Trackunit only processes data when the appropriate measures are taken, and on a legitimate basis to ensure the common interest of all involved parties.

All decision-making in Trackunit is done on a non-discriminatory and unbiased basis. There is no circumstance in which the violation of a person's fundamental rights is tolerated in Trackunit.

Governance

Serious. Ethical. Secure.

We are serious about corporate governance at Trackunit premised on providing a secure platform for data sharing and putting ethics at the center of everything we do

Trackunit wants to be recognized as a trustworthy business that delivers business-critical applications, is ethical in its behavior and is accountable at all levels.

As gatekeepers of the Iris platform, we have stringent measures in place to protect against all forms of criminality including cybercrime to ensure the safeguarding of business-sensitive, customer data.

Consent
Trackunit respects and adheres to all regulatory privacy directives at national and international level including GDPR requirements in the handling of data that it collects from customers.

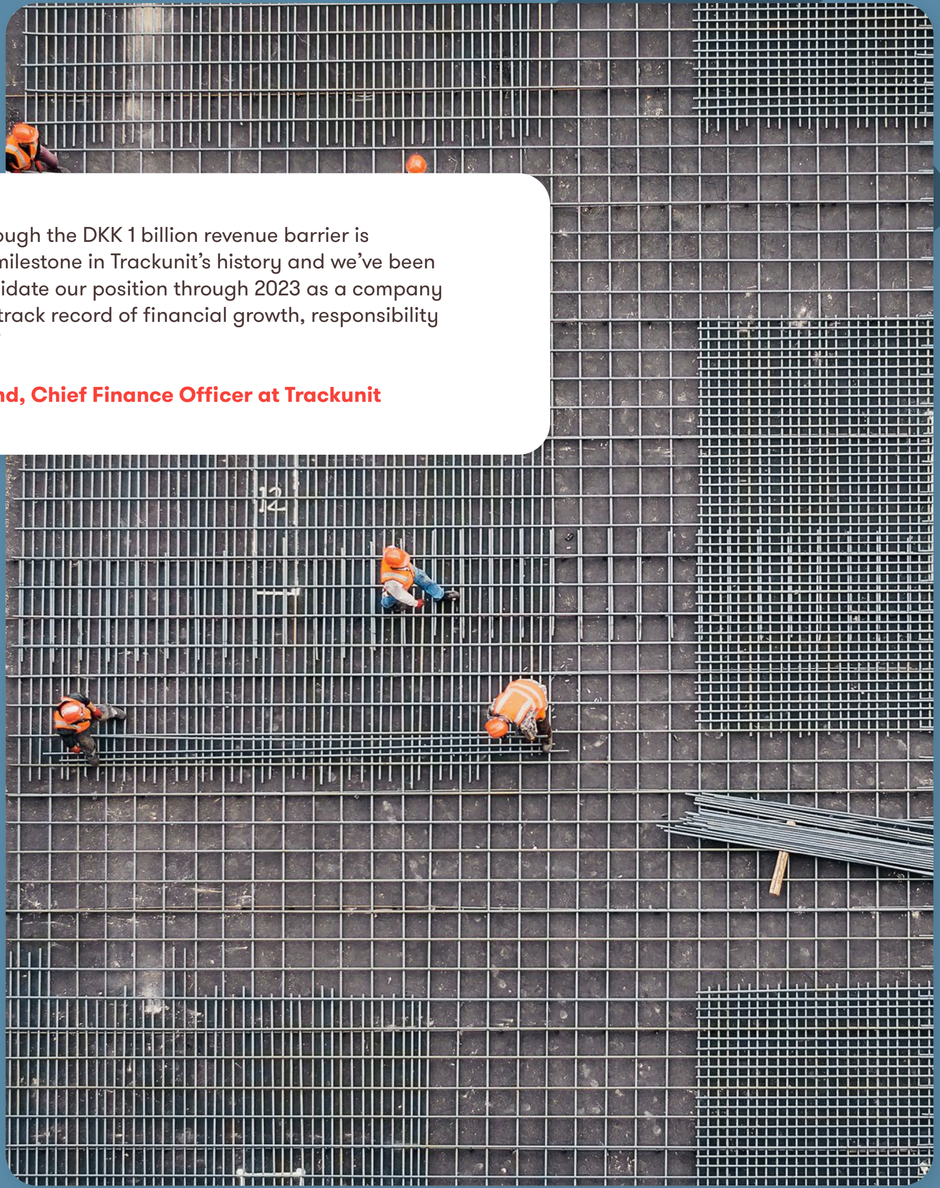
Trackunit does not buy data from other companies or data brokers nor use data from social media without consent from the owners.

When Trackunit develops solutions, it conducts a process of testing, application and outcomes to ensure our innovations cannot harm our customers' businesses in any way. Evaluations are thorough and take into account users, society and overall environmental factors.

As a part of any such process, privacy requirements are respected and deeply entrenched in the process of design and innovation.

Rigorous
The ultimate parent company of Trackunit ApS is Galaxy UK Topco Ltd and a two-tier governance structure has been established covering all entities in the group consisting of an Advisory Board and a Management Board.

The Advisory Board is made up of six members, of which four have been registered with Companies House, and a Management Board consisting of eight members. In each legal entity of the group, selected members of the Advisory Board and Management Board have been appointed as legal representatives registered with local authorities.



“Breaking through the DKK 1 billion revenue barrier is a significant milestone in Trackunit’s history and we’ve been able to consolidate our position through 2023 as a company with a strong track record of financial growth, responsibility and stability.”

Peter Vekslund, Chief Finance Officer at Trackunit

04

Financial review

Developments in activities and financial affairs 2023

Trackunit began 2023 with the acquisition of the German Con-Tech company Flexcavo GmbH. Flexcavo offers a unique software solution to the contractor segment within machine connectivity which therefore provides a perfect fit for the Trackunit product suite.

In September, Trackunit acquired North American field services expert OEM Solutions LLC which strengthens Trackunit's global IoT enablement and deployment capabilities. After the acquisition, Trackunit can offer the customers a complete service throughout the lifecycle of connected equipment.

In 2023, Trackunit reached the milestone of exceeding DKK 1 billion in revenue through a continuous focus on profitable growth. Further, Trackunit added net 29 employees and the group now employs more than 400 people globally.

Work on the simplification of the legal structure began in 2022 and in 2023, the consolidation of the UK entities was completed, resulting in one operating company.

The income statement shows a positive EBITDA of DKK264 million and a positive net profit of DKK34m. The profit is materially influenced by costs related to the acquisitions above and by high inflation during 2022 and 2023, that have affected cost prices. Also management considers items totalling DKK45.2m as non-recurring. This includes costs for sharebased payments of DKK11.3m, longer term growth initiatives of DKK24,7m as well as IoT device replacement of DKK9.2m. However, for external reporting, the items have been expensed as ordinary.

Profit for the period are further impacted by significant amortization of intangible assets primarily related to the acquisition of the IIOT division of ZTR.

The financial result for 2023 is in line with expectations. In the financial statement for 2022, Trackunit expected revenue to be in the range of DKK1.1-1.3bn and EBITDA in the range of DKK250-350m. The financial result for 2023 is considered satisfactory.

Significant changes in operations and financial matters
There are no other significant changes in operations and financial matters that have affected recognition and measurement of the Groups results and financial status.

Unusual conditions that affect recognition and measurement
There are no unusual factors that have affected recognition and measurement of the Groups results and financial status.

Outlook
Management is positive going into 2024 and by delivering on the corporate strategy, revenue for 2024 is expected in the range of DKK1.2-1.4bn and EBITDA in the range DKK300-400m.

Significant assumptions and uncertainties
There are no material conditions and uncertainties that affect the Group's results and balance sheet.

Risk factors
Activities in foreign countries and hereby earnings, exchange rates and interest rates of various currencies affect cash flows and equity. Adjustment of investments in subsidiaries and associates that are independent entities, are recognized directly in equity. Currency risks related to sales in transactional currencies different from DKK are not hedged while overall cashflow in different currencies are to some degree aligned (natural hedge).

Development activities
The development activities primarily include development of next generation Trackunit services, which includes continued development of features to the software platform, incorporating reporting, streaming API (real time data) and an improved administration module. Also in development is Next generation access control and Update of Machines Over The Air – all described in the Product Roadmap.

Significant events after the balance sheet date
There are no significant events after the balance sheet date.

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Consolidated financial statements

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Consolidated statement of profit and loss 1 January – 31 December

000' DKK	Notes	2023	2022
Revenue from contracts with customers	2	1,168,020	990,963
Cost of providing services		(435,971)	(405,211)
Gross Profit		**732,049**	**585,752**
External costs	5	(108,751)	(108,871)
Other operating expenses		(28)	(57)
Employee costs	3	(359,200)	(299,086)
Earnings before depreciation, amortization and impairment (EBITDA), and before special items		**264,070**	**177,739**
Special non-recurring items	6	(53,491)	(31,245)
Depreciation, amortization costs and impairment loss of property, plant and equipment and intangible assets	10, 11, 12	(159,118)	(160,254)
Earnings before interest and tax (EBIT)		**51,462**	**(13,761)**
Finance income	7	12,490	9,018
Finance costs	7, 12	(12,472)	(19,314)
Earnings before tax (EBT)		**51,480**	**(24,058)**
Income tax expense	8	(17,819)	10,521
Profit/(Loss) for the period	**9**	**33,661**	**(13,537)**

Consolidated statement of comprehensive income 1 January – 31 December

000' DKK	Notes	2023	2022
Profit/(loss) for the period		33,661	(13,537)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences regarding subsidiaries in another currency		(19,318)	20,130
Other comprehensive income for the period, net of tax		**(19,318)**	**20,130**
Total comprehensive income for the period		**14,343**	**6,593**

Consolidated balance sheet – 31 December
Assets

000' DKK	Notes	2023	2022
Non-current assets			
Intangible assets	10	1,889,279	1,997,074
Property, plant and equipment	11	9,867	9,520
Right-of-use assets	12	30,339	38,539
Deferred tax assets	8	46,525	42,781
Connected devices	15	177,655	217,605
Deposits		2,344	2,226
Total non-current assets		**2,156,009**	**2,307,745**
Current assets			
Inventories	13	37,469	40,449
Trade receivables	14, 15	176,587	181,957
Receivables from group enterprises	15	389,210	171,468
Connected devices	15	208,460	153,614
Other financial assets at amortised cost	15	21,892	13,650
Other current assets	15	26,072	47,402
Cash and cash equivalents	15	158,596	37,418
Total current assets		**1,018,286**	**645,958**
Total assets		**3,174,295**	**2,953,703**

Consolidated balance sheet – 31 December
Equity and liabilities

000' DKK	Notes	2023	2022
Share capital	16	500	500
Share premium		1,140,938	1,140,938
Other reserves		1,447	20,765
Retained earnings		262,212	217,225
Total equity		**1,405,097**	**1,379,428**
Lease liabilities	12, 15	20,561	28,343
Deferred tax liabilities	8	169,462	189,083
Deferred revenue	2	553,459	454,022
Total non-current liabilities		**743,482**	**671,448**
Lease liabilities	12, 15	10,597	10,591
Trade and other payables	15	125,841	116,908
Payables to group enterprises	15	329,674	310,988
Current income tax liabilities	8	41,855	17,912
Deferred revenue	2	517,750	446,428
Total current liabilities		**1,025,717**	**902,827**
Total liabilities		**1,769,199**	**1,574,275**
Total equity and liabilities		**3,174,295**	**2,953,703**

Consolidated statement of changes in equity January 1 – December 31

000' DKK	Share capital	Share premium	Other reserves – Foreign currency translation	Retained earnings	Total equity
Balance at 1 January 2023	**500**	**1,140,938**	**20,765**	**217,225**	**1,379,428**
Profit for the period	0	0	0	33,661	33,661
Other comprehensive income	0	0	(19,318)	0	(19,318)
Total comprehensive income for the period	**0**	**0**	**(19,318)**	**33,661**	**14,343**
Transactions with owners in their capacity as owners					
Share-based payment	0	0	0	11,326	11,326
Balance at 31 December 2023	**500**	**1,140,938**	**1,447**	**262,212**	**1,405,097**

000' DKK	Share capital	Share premium	Other reserves – Foreign currency translation	Retained earnings	Total equity
Balance at 1 January 2022	**500**	**1,140,938**	**635**	**224,945**	**1,367,018**
Profit for the period	0	0	0	(13,537)	(13,537)
Other comprehensive income	0	0	20,130	0	20,130
Total comprehensive income for the period	**0**	**0**	**20,130**	**(13,537)**	**6,593**
Transactions with owners in their capacity as owners					
Share-based payment	0	0	0	5,817	5,817
Balance at 31 December 2022	**500**	**1,140,938**	**20,765**	**217,225**	**1,379,428**

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Consolidated cash flow statement 1 January – 31 December

000' DKK	Notes	2023	2022
Earnings before interest and tax (EBIT)		51,462	(13,761)
Depreciations and amortizations		159,118	160,254
Non-cash items		11,354	5,874
Change in net working capital	22	172,945	56,379
Cash flows from primary operating activities		**394,878**	**208,745**
Received interests		11,896	7,176
Paid interests		(21,113)	(26,433)
Paid income taxes		(20,460)	(17,315)
Cash flow from operating activities		**365,201**	**172,173**
Purchase of property, plant and equipment		(6,486)	(7,023)
Sale of property, plant and equipment		22,188	75
Purchase of intangible assets		(17,843)	(22,762)
Change in deposits		936	(467)
Business acquisitions (net of cash acquired)		(19,038)	0
Cash flow from investing activities		**(20,243)**	**(30,177)**

000' DKK	Notes	2023	2022
Cash flow from investing activities		**(20,243)**	**(30,177)**
Repayments to credit institutions		(22,327)	0
Other financing to/from Group enterprises		(200,901)	(201,809)
Lease principal payments		(10,754)	(9,626)
Cash flow from financing activities		**(233,982)**	**(211,435)**
Net cash flow for the year		**110,977**	**(69,439)**
Cash and cash equivalents, beginning of the period		37,418	94,964
Unrealized exchange rate gains and losses		10,202	11,894
Cash and cash equivalents, end of the year		**158,596**	**37,418**
The cash flow statement cannot be derived from the published financial information only.			
Cash and cash equivalents		158,596	37,418
		158,596	**37,418**

1. Critical accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified a number of areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described and highlighted separately with the associated accounting policy note within the related qualitative and quantitative note, as described below.

Revenue recognition

Revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

The Group determine revenue recognition through the following steps:

1. identification of the contract, or contracts, with a customer;
2. identification of the performance obligations in the contract;
3. determination of the transaction price;
4. allocation of the transaction price to the performance obligations in the contract; and
5. recognition of revenue when, or as, we satisfy a performance obligation.

The Group offer subscriptions to access our Cloud and IoT platforms. Customers subscribe to one or more Applications which includes data that is primarily provided by various proprietary connected device access points, including connectivity sensors. Our Cloud and IoT platforms and the related connected device access points are highly interdependent and interrelated and represent a combined performance obligation.

The combined performance obligation is satisfied over time, as we continually provide access to and fulfill our obligation to the customer over the subscription term. Accordingly, the fixed consideration related to the combined performance obligation is recognized on a straight-line basis over the contract term, beginning on the date that access to the Cloud and IoT platforms or specified application and connected device is provided.

Connected devices

The Group capitalize connected devices associated with subscription contracts. These contract fulfillment cost are directly related to customers, and the costs are amortized over a period of benefit of three years. The Group determined the period of benefit by taking into consideration the expected life of the connected device, the connected device's warranty period, past experience with customers, the duration of our relationships with our customers and other available information.

Acquisition of enterprises and activities

In connection with acquisition of enterprises and activities the fair value of identifiable assets, liabilities and contingent liabilities is measured. Estimation of fair value mainly applies to intangible and tangible assets, inventories, and deferred tax hereof. The estimation of fair value is related to Management estimates which are based on the expected future earnings of the assets. For a significant portion of the assets and liabilities there is no active market that can be used for determining the fair value. This applies particularly to intangible assets acquired such as customer relations and trademarks. The estimation of fair value is based on an estimate and may therefore be subject to uncertainty and may subsequently be adjusted up to one year after the end of the year of the acquisition.

Impairment of goodwill and customer relations

Determining whether goodwill and customer relations are impaired requires an estimation of the value in use of the cash generating units to which goodwill and customer relations have been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The key assumptions used in the impairment tests of goodwill and customer relations are disclosed in note 10.

Deferred tax

Management's judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Judgement is based on factors such as historical profits and approved budgets.

2. Revenue from contracts with customers

§ Accounting policy

Revenue recognition

The Group generates revenue from subscriptions to access its cloud-hosted platform whereby the customer is charged a subscription fee for access for a specified term. Subscription agreements contain multiple service elements for one or more of Trackunit's cloud-based Applications via mobile app(s) or website that enable data collection and provide access to the cellular network, one or more wireless gateways and other devices (collectively, "connected devices" or "IoT devices"), support services delivered over the term of the arrangement and warranty coverage. The Group's arrangements are generally sold as non-cancelable subscriptions and have contract terms typically for three to five years in length. The Group determines revenue recognition through the following steps:

Identification of the contract, or contracts, with a customer
A contract with a customer exists when

- The Group enters into an enforceable contract with a customer that defines each party's rights regarding the goods or services to be transferred and identifies the payment terms related to these goods or services,
- The contract has commercial substance, and
- The Group determines that collection of substantially all consideration for goods or services that are transferred is probable based on the customer's intent and ability to pay the promised consideration.

Identification of the performance obligations in the contract
Performance obligations promised in a contract are identified based on the goods or services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the goods or services either on their own or together with other resources that are readily available from third parties or from Trackunit, and are distinct in the context of the contract, whereby the transfer of the goods or services is separately identifiable from other promises in the contract. To the extent a contract includes multiple promised goods or services, Trackunit applies judgment to determine whether promised goods or services are capable of being distinct in the context of the contract. If these criteria are not met, the promised goods or services are accounted for as a combined performance obligation. Trackunit has determined that its integrated solution represents a combined performance obligation as the cloud-based Applications and connected devices, individually, are not distinct within the context of customer contracts because they are highly interdependent and interrelated.

Trackunit has certain accessories sold in connection with its integrated sensor solution, which have been determined to be separate performance obligations. Also, consultancy services and installation of the IoT devices are considered to be separate performance obligations.

Determination of the transaction price
The transaction price is determined based on the consideration to which Trackunit will be entitled in exchange for transferring goods or services to the customer. Such amounts are stated within the customer contracts.

Allocation of the transaction price to the performance obligations in the contract
If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price (SSP) basis. The Group determines SSP based on the price at which the performance obligation is sold separately. If the SSP is not observable through past transactions, Trackunit estimates the SSP taking into consideration available information, such as market conditions and internally approved pricing guidelines related to the performance obligations.

Recognition of revenue when or as Trackunit satisfies a performance obligation
Trackunit satisfies substantially all of its performance obligations over time. Specifically, the combined cloud-based application and connected device performance obligation and related support services and warranty coverage represent stand-ready performance obligations provided throughout the term the customer has access to the platform. Revenue recognition commences ratably when control of the services is transferred to the customers, in an amount that reflects the consideration that Trackunit expects to receive in exchange for those services over the contractual term. Other revenue is earned through the sale of replacement devices, as well as related shipping and handling fees and professional services fees for consulting or installation services.

§ Accounting policy

Deferred revenue
Deferred revenue represents amounts billed to customers or payments received from customers for which revenue has not yet been recognized. Deferred revenue consists of prepayments made by customers for future periods. A portion of customer contracts is paid in advance for the full, multi-year term. Additionally, Trackunit enables its customers to prepay all, or part, of their contractual obligations monthly, quarterly, or annually. As a result, the deferred revenue balance does not represent the total contract value of all multi-year, non-cancelable subscription agreements. The current portion of deferred revenue represents the amount that is expected to be recognized within one year of the consolidated balance sheet date.

Cost of revenue
Cost of revenue consists primarily of the amortization of the cost of capitalized connected devices, software hosting-related costs as well as connectivity cost for telecom services.

Costs to obtain and fulfill a contract
For typical sales arrangements, Trackunit capitalizes the cost of connected devices sold to customers upon shipment and the capitalized cost is recorded as connected devices on Trackunit's consolidated balance sheet. Connected devices are amortized over a period of benefit of three years. Trackunit determined the period of benefit by taking into consideration the expected life of the connected device, the connected device's warranty period, past experience with customers, the duration of Trackunit's relationships with its customers, and other available information. Amortization of these costs is included in cost of revenue on the consolidated statements of operations and comprehensive loss.

000' DKK	EMEA	US	APJ	**Total 2023**
Timing of revenue recognition				
At a point in time	12,812	77,267	1,694	91,773
Over time	457,118	606,188	12,941	1,076,247
Total revenue	**469,930**	**683,455**	**14,635**	**1,168,020**

000' DKK	EMEA	US	APJ	**Total 2022**
Timing of revenue recognition				
At a point in time	18,892	66,856	649	86,397
Over time	350,998	551,289	2,279	904,566
Total revenue	**369,890**	**618,145**	**2,928**	**990,963**

Liabilities related to contracts with customers

The group has recognised the following assets and liabilities related to contracts with customers:

000' DKK	**2023**	2022
Non-current contract liabilities – Deferred revenue	553,459	454,022
Current contract liabilities – Deferred revenue	517,750	446,428
	1,071,209	**900,451**

Revenue recognized in relation to deferred revenue

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

000' DKK	**2023**	2022
Deferred revenue beginning of period	**900,451**	**704,099**
Acquired deferred revenue	300	0
Deferred revenue beginning of period, herof recognized in the period	(446,428)	(431,645)
Deferred revenue invoiced in the period	1,246,705	1,100,918
Revenue recognized and billed in the period	(629,819)	(472,921)
Deferred revenue end of period	**1,071,209**	**900,451**

3. Staff costs

§ Accounting policy

Salary costs comprise of salaries, social security contributions, pension contributions and other staff related costs. Staff costs are recognized in the financial year during which the employees performed the related work.

000' DKK	2023	2022
Wages and salaries	322,506	267,808
Termination benefits	419	281
Social security costs	15,289	13,477
Pension costs, defined contribution plans	2,354	4,422
Other employee costs	18,632	13,098
Total staff cost	**359,200**	**299,086**
Average number of full time employees	408	379

Key management compensation

Key Management includes Board of Directors, Executive management as well as executive management in key affiliates. The compensation paid or payables to key management for employee services is shown to the right:

000' DKK	2023	2022
Salaries and other short-term employee benefits	19,444	19,481
Post-employment benefits	916	1,072
Total staff cost for Key Management	**20,360**	**20,553**
Compensation to the Board of Directors and Executive Management		
Compensation to the Board of Directors	400	200
Compensation to the Executive Management	4,793	4,691
	5,193	**4,891**

4. Share-based payment

§ Accounting policy

The group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (warrants) of the group.

The fair value of the employee services received in exchange for the grant of the warrants is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the warrants granted including any market performance conditions excluding the impact of any service and non-market performance vesting conditions and including the impact of any non-vesting conditions.

The fair value of the warrants is determined using a Black Scholes valuation model.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the group revises its estimates of the number of warrants that are expected to vest based on the non-market vesting conditions and service conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

	2023	2022
Outstanding warrants 1 January	1,520,000	0
Granted during the year	684,660	1,520,000
Forefeited during the year	(117,500)	0
Outstanding warrants 31 December	**2,087,160**	**1,520,000**

To attract and retain employees Trackunit has established an incentive program for all non-executive employees in 2022. The purpose is to share the value creation eventually to be realised at the time of an exit with employees and support retention until then.

The warrant program is an equity settled programme established in March 2022. The vesting period is expected to be 4 years starting from the grant date. The programme comprises a total of 2,087,160 warrants at 31 December 2023 (2022: 1,520,000). Each warrant gives the holder right to share capital of DKK 0.01 nominal value in the ultimative parent company Galaxy UK Topco Ltd.

The total number of warrants granted in 2023 was 684,660 (2022 1,520,000). The total fair value of the progamme is DKK 17.1m, (2022 DKK5.8m).

The valuation is based on the following assumptions:

- Vesting period: 4 years
- Expected volatility: 44%
  – based on peer group analysis
- Risk free interest rate: 2,5%

Total expenses arising from the incentive programme is DKK 11.3m (2022 DKK5.8m) and is recognized as staff cost.

5. Audit Fees

Group elected auditor – PwC

000' DKK	**2023**	2022
Statutory audit	1,123	1,241
Audit-related services	0	160
Tax advisory services	34	47
Other services	0	25
Total audit fees	**1,157**	**1,547**

Non-group elected auditor

000' DKK	**2023**	2022
Statutory audit	694	222
Audit-related services	0	0
Tax advisory services	65	0
Other services	300	210
Total audit fees	**1,059**	**432**

6. Special non-recurring items

000' DKK	**2023**	2022
Consultancy	3,406	15,827
Restructuring	3,186	4,222
M&A	46,899	11,196
Total special non-recurring items	**53,491**	**31,245**

§ Accounting policy

Special non-recurring items consist of costs and income of a one-off nature in relation to the Group's primary activities. Special items relate to M&A activities, restructuring costs, consultancy cost for systems implementations, costs regarding integration and significant non-recurring items including cost related to change of members to the board and executive management.

M&A – includes external cost for lawyers, advisors and auditors related to M&A activities, as well as cost regarding integration (end of life products and termination of office lease etc.)

Consultancy – includes cost for implementation of a new ERP system and a new HR-IS system. The ERP implementation has been completed in 2023 while the HR-IS implementation has been ongoing during 2023.

Restructuring – includes costs (Servance payments and recruitment cost) related to change of members of the Board of Directors and the Executive Management.

Also management considers items totalling DKK45.1m as non-recurring. This includes costs for sharebased payments of DKK11.3m, longer term growth initiatives of DKK24.7m as well as IoT device replacement of DKK9.2m. However for External Financial Reporting these items have been expensed as ordinary.

7. Financial income and expenses

§ Accounting policy

Financial income and expenses comprise interest income and expense, realized and unrealized exchange gains and losses on transactions in foreign currencies, amortization of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme. Financial income and expenses are recognized at the amounts relating to the financial year.

000' DKK	**2023**	2022
Interest income, banks	3,058	286
Exchange rate adjustments	9,206	8,623
Other interest income	226	109
Total financial income	**12,490**	**9,018**
Interest expenses, mortgage debt and borrowings	5	84
Interest and finance charges for lease liabilities	1,434	1,008
Interest paid from Group enterprises	9,426	16,818
Other financial expenses, including bank fees	1,606	1,404
Total financial cost	**12,472**	**19,314**

8. Income tax

§ Accounting policy

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, based on amounts expected to be paid to the tax authorities.

000' DKK	**2023**	2022
Current tax on profits for the year	47,214	15,515
Current tax on profits for prior years	457	482
Total current tax	**47,672**	**15,996**
Origination and reversal of temporary differences	(29,852)	(26,517)
Total deferred tax	**(29,852)**	**(26,517)**
Income tax expenses for the period	**17,819**	**(10,521)**
Profit before tax	51,480	(24,058)
Computed 22%	(11,326)	5,293
Tax effects of:		
Effect of income/expenses that is exempt from taxation	(2,353)	(2,527)
Effect of not recognized tax assets	0	0
Effect of different tax rates of subsidiaries operating in other jurisdictions	(9,290)	442
Effect of opening balance adjustment to deferred tax	5,367	5,380
Effect of tax on profit for prior years	(457)	(482)
Other	240	2,414
Tax charge	**(17,819)**	**10,521**
Income tax expenses for the period	**(17,819)**	**10,521**

§ Accounting policy

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, only to the extent that it is probable that the temporary difference will reverse in the future and that there is sufficient taxable profit available, against which the temporary difference can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

000' DKK	**2023**	2022
Deferred tax assets		
Deferred tax at 1 January	42,781	20,643
Deferred tax prior period	2,578	2,530
Deferred tax recognized in the income statement	6,008	(2,975)
Deferred tax recognized in other comprehensive income	0	0
Reclassifications	(3,807)	22,975
Currency exchange	(1,035)	(392)
Deferred tax at 31 December	**46,525**	**42,781**
Deferred tax relates to:		
Intangible assets	(27,644)	(10,624)
Property, plant and equipment	424	(17)
Current assets	74,178	52,707
Provisions	10	1,338
Other liabilities	(443)	(623)
	46,525	**42,781**

Tax loss carry forwards are recognized to the extent that they are expected to be used in the future. If the result of expected future earnings gives a reasonable probability that the losses will be realized in a foreseeable future, the deferred tax assets has been recognized.

000' DKK	**2023**	2022
Deferred tax liabilities		
Deferred tax at 1 January	189,083	195,802
Addition on acquisition of subsidiaries	2,364	0
Deferred tax prior period	0	158
Deferred tax recognized in the income statement	(21,262)	(29,492)
Deferred tax recognized in other comprehensive income	0	0
Reclassifications	0	22,975
Currency exchange	(723)	(360)
Deferred tax at 31 December	**169,462**	**189,083**
Deferred tax relates to:		
Intangible assets	176,973	178,927
Property, plant and equipment	(864)	22,778
Current assets	(28,008)	12,695
Tax loss carry forward	0	(6,846)
Other liabilities	21,360	(18,471)
	169,462	**189,083**

Of the deferred tax liability DKK 115.8m is expected to be recovered after more than 12 months.

9. Distribution of profit/loss

000' DKK	**2023**	2022
Proposed dividend for the year	0	0
Retained earnings	33,661	(13,537)
	33,661	**(13,537)**

10. Intangible assets

§ Accounting policy

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the group's interest in net fair value of the net identifiable assets, liabilities, and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, which is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Trademarks, customer relations, technology platform and order backlog

Separately acquired trademarks, customer relations, technology platform and order backlog acquired at the acquisition of subsidiaries are shown at historical cost and fair value, respectively. Trademarks, customer relations, technology platform and order backlog have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives as follows:

- Trademarks 2 - 15 years
- Customer relations 6 - 18 years
- Technology platform 3 - 4 years
- Order backlog 3 years

Software

Externally acquired software is recognized as intangible assets if the costs are expected to generate future economic benefits. Externally acquired software is recorded at historical cost.

Costs associated with maintaining software programmes are recognized as an expense as incurred.

Amortization is based on the straight-line method over the expected useful lives of 5 years.

The amortization begins when the software is at a stage where its commercial potentials can be utilized in the manner intended by Management.

Development projects

Research expenses are recognized as an expense as they are incurred. Development costs are recognized as intangible assets if the costs are expected to generate future economic benefits and the criteria below are meet.

Development costs that are directly attributable to the design and testing of identifiable and unique software controlled by the group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial, and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point when the development project is at a stage where its commercial potentials can be utilized in the manner intended by Management.

Amortization is based on the straight-line method over the expected useful lives of 3-5 years.

Research expenditure and development expenditure that do not meet the criteria above are recognized as an expense in the income statement as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life (Goodwill) are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortization are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows from other assets or groups of assets (cash-generating units). Prior impairment of non-financial assets (other than goodwill) is reviewed for possible reversal at each reporting date.

000' DKK	Goodwill	Trademarks	Customer relations	Software	Software order book	Technology platform	Completed development projects	Development projects in progress	**Total**
2023									
Cost:									
At 1 January	1,251,191	46,340	802,417	6,773	41,498	141,019	38,775	22,770	2,350,783
Exchange differences	(16,282)	(41)	(1,398)	0	(220)	(738)	0	0	(18,678)
Addition acquisition of subsidiary	21,396	1,021	373	0	0	12,760	0	0	35,549
Additions during the year	0	0	0	0	0	0	2,232	15,343	17,575
Disposals	0	0	0	(4,870)	0	0	(3,113)	(66)	(8,049)
Reclassifications	0	0	0	0	0	0	34,758	(34,758)	0
As at 31 December	**1,256,305**	**47,320**	**801,392**	**1,903**	**41,278**	**153,041**	**72,652**	**3,290**	**2,377,181**
Amortization and impairment:									
At 1 January	0	22,931	250,882	6,250	15,562	39,662	18,422	0	353,709
Exchange differences	0	(33)	584	0	(117)	(298)	0	0	137
Amortization charge	0	6,005	65,358	424	13,794	36,453	19,903	0	141,938
Disposals	0	0	0	(4,870)	0	0	(3,012)	0	(7,882)
As at 31 December	**0**	**28,904**	**316,825**	**1,804**	**29,239**	**75,818**	**35,313**	**0**	**487,902**
Carrying amount 31 December	**1,256,305**	**18,417**	**484,567**	**99**	**12,040**	**77,223**	**37,339**	**3,290**	**1,889,279**

000' DKK	Goodwill	Trademarks	Customer relations	Software	Software order book	Technology platform	Completed development projects	Development projects in progress	**Total**
2022									
Cost:									
At 1 January	1,224,967	46,402	808,492	6,773	41,877	142,307	53,153	8,292	2,332,263
Exchange differences	26,224	(62)	(6,075)	0	(379)	(1,288)	0	0	18,420
Additions during the year	0	0	0	0	0	0	7,424	15,339	22,763
Disposals	0	0	0	0	0	0	(22,663)	0	(22,663)
Reclassifications	0	0	0	0	0	0	861	(861)	0
As at 31 December	**1,251,191**	**46,340**	**802,417**	**6,773**	**41,498**	**141,019**	**38,775**	**22,770**	**2,350,783**
Amortization and impairment:									
At 1 January	0	16,925	178,177	4,903	1,745	4,447	31,459	0	237,656
Exchange differences	0	(214)	(3,244)	0	(875)	(2,231)	0	0	(6,564)
Amortization charge	0	6,220	75,949	1,347	14,692	37,446	9,626	0	145,280
Disposals	0	0	0	0	0	0	(22,663)	0	(22,663)
As at 31 December	**0**	**22,931**	**250,882**	**6,250**	**15,562**	**39,662**	**18,422**	**0**	**353,709**
Carrying amount 31 December	**1,251,191**	**23,409**	**551,535**	**523**	**25,936**	**101,357**	**20,353**	**22,770**	**1,997,074**

Research and development cost included in the income statement amounts to DKK34.8m (2022: DKK45.5m).

Impairment test for goodwill

Impairment test was performed at the end of 2023. The impairment test was based on the cash-generating-units (CGU's) to which goodwill can be allocated. The basis for determining the recoverable amount is value-in-use for the CGU's. Acquired companies and/or activities are integrated into the Trackunit business as quickly as possible in order to obtain the optimum synergies. Consequently, soon after an acquisition, it is no longer possible to allocate goodwill to individual acquisitions. Trackunit as a group is evaluated to be one cash-generating unit (Trackunit). This is also sustained by our business model where all subsidiaries are sales companies with access to the same software portfolio. No special software is made for one subsidiary alone. We act as one company.

The impairment test compares the recoverable amount, equivalent to the present value of the expected future cash flows, with the invested capital of the individual CGU. The expected future cash flow is based on budget for 2024 and business plans for 2025-2026. Budget and business plans are approved by group management and the board of directors. Primary variables are sales, EBIT, and investments.

The construction industry is one of the least digitalized industries and the market for connectivity will continue to expand for many years. Therefore expected growth rates on revenue is high. Trackunit is expecting growth rates between 10%-19% during the budget and strategy period.

The growth rate beyond the budget and forecast periods (the terminal period) is considered to be 2%. All growth rates is based on management expectation to the underlying market growth and further supported by historic performance. Revenue and EBIT margin is in line with the overall business plan and forecasted in a detailed model including volume of new subscriptions, churn, price mix, license mix and expectations to the development in gross profit margins. Sales expectations and EBIT margin used in the impairment test is therefore considered reasonable taking the initiatives in the business plan and general market outlook into consideration. Investments are assumed to be level with depreciations and amortizations in the terminal period. The pre-tax discount rate used to calculate the recoverable amount is 12,0%.

Determination of fair value is considered a level 3 measurement due to application of a discount compared to the observable multiples.

The performed impairment test did not show any need for impairment. Therefore, impairment will not be required. In relation to sensitivity analysis, a simultaneous 1 percentage point increase in WACC and 1 percentage point decrease in the terminal period growth rate does not lead to an impairment charge.

Further the majority of the booked value of goodwill can all be allocated to the acquisition made in 2021. As there have been no significant changes in the business model and profit is in line with expectations the booked value therefore indicated the market value at the balance date and no impairment is needed.

Impairment test for customer relations

The customer relations are amortized and tested if there are indications of impairment. Customer relations are amortized over 6-18 years. Customer relations valuation is performed on the time of the acquisition and based on a multi-period excess earnings method (MEEM), considering the customers present at that time. Management has analyzed whether the main prerequisites of the MEEM calculation are still present. Further the majority of the booked value of customer relations can be allocated to the acquisition made in 2021. As there have been no significant changes to the customer base since the acquisition impairment will not be required.

11. Property, plant and equipment

§ Accounting policy

Tangible assets are mainly comprised of plant and machinery and other equipment, which are measured at cost less accumulated depreciation, and any impairment losses. The cost comprises the acquisition cost and other directly attributable expenses of preparing the asset for its intended use.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

- Plant and machinery 3-7 years
- Other equipment 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in profit or loss.

An asset is impaired to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The impairment loss is recognized in profit and loss when the impairment is identified.

000' DKK	Plant and machinery	Other equipment	**Total**
2023			
Cost:			
At 1 January	3,764	16,795	20,559
Exchange differences	(6)	(36)	(42)
Addition on acquisition of subsidiary	22,593	0	22,593
Additions during the year	3,600	2,890	6,489
Disposals during the year	(23,913)	(1,876)	(25,789)
As at 31 December	**6,038**	**17,773**	**23,811**
Amortization and impairment:			
At 1 January	1,714	9,325	11,039
Exchange differences	2	(17)	(15)
Depreciation for the year	1,844	4,177	6,021
Depreciation of disposed assets	(1,311)	(1,790)	(3,101)
As at 31 December	**2,249**	**11,695**	**13,944**
Carrying amount 31 December	**3,789**	**6,078**	**9,867**

000' DKK	Plant and machinery	Other equipment	**Total**
2022			
Cost:			
At 1 January	4,632	11,653	16,285
Exchange differences	(36)	(69)	(105)
Additions during the year	1,123	5,877	7,000
Disposals during the year	(1,955)	(666)	(2,621)
As at 31 December	**3,764**	**16,795**	**20,559**
Amortization and impairment:			
At 1 January	2,608	6,084	8,692
Exchange differences	(12)	(62)	(74)
Depreciation for the year	1,073	3,837	4,910
Depreciation of disposed assets	(1,955)	(534)	(2,489)
As at 31 December	**1,714**	**9,325**	**11,039**
Carrying amount 31 December	**2,050**	**7,470**	**9,520**

12. Leases as lessee

§ Accounting policy

The lessee is required to recognize all leases as a lease liability and a lease asset in the balance sheet with two exceptions: short-term leases (less than 12 months) and leases relating to low-value assets. It must furthermore be considered whether the agreement is a lease or a service arrangement.

The group leases various vehicles, offices, and other equipment. From 1 January 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date the leased asset is available for use by the group. In general, all lease contracts are recognized as a lease liability and a lease asset in the balance sheet with two exceptions: short-term leases (less than 12 months) and leases relating to low-value assets (< DKK35.000).

When determining the present value of lease assets and lease liabilities the Group make estimations regarding amortization period based on expected useful lives and internal interest.

Cars

Lease contracts could be separated between a leasing contract and a service arrangement. The group has decided not to separate lease and non-lease components and instead recognize each car as one contract.

Assets and liabilities arising from a lease are initially measured on a present value basis. To find the present value of a lease contract several factors must be determined. Leasing period and fixed payments appears in the lease contract which means only interest rate must be determined. Here the groups incremental borrowing rate to obtain an asset of similar value is used (4,5%).

Variable lease payments as extra miles beyond the lease contract, damages, bridge tolls etc. is not measured as a lease liability and a lease asset in the balance sheet. Instead, these costs are recognized in the profit and loss when they occur.

Offices

Assets and liabilities arising from a lease are initially measured on a present value basis. To find the present value of a lease contract several factors must be determined. Fixed payments appear in the lease contract. The leasing period for all offices is set the same date as the headquarter in Aalborg office expires even though different terms of condition may occur. The groups incremental borrowing rate to obtain an asset of similar value of 4,5% have been applied.

Other equipment

Assets and liabilities arising from a lease are initially measured on a present value basis. To find the present value of a lease contract several factors must be determined. Leasing period and fixed payments appears in the lease contract which means only interest rate must be determined. Here the groups incremental borrowing rate to obtain an asset of similar value is used (4,5%).

This note provides information for leases where the group is a lessee. **The following amounts relating to leases are recognized in the balance sheet:**

000' DKK	**2023**	2022
Right-of-use assets		
Premises	27,656	35,850
Vehicles	2,664	2,647
Others	20	42
	30,339	**38,539**
Lease liabilities		
Current	10,597	10,591
Non-current	20,561	28,343
	31,157	**38,934**

Overview of the lease liabilities are included in note 20.

Amounts recognized in the statement of profit or loss

The following amounts relating to leases are recognized in the statement of profit or loss:

000' DKK	**2023**	2022
Depreciation charge of right-of-use assets		
Premises	9,142	7,697
Vehicles	2,062	2,308
Others	22	51
	11,226	**10,056**
Interest expense (included in finance cost)	1,434	1,008
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	0	0
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	0	0
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	776	256
Total cash outflow for leases	12,820	11,202
Additions to right-of-use assets[1]	8,293	20,651

1 This is mainly due to a new agreements on premies.

13. Inventories

§ Accounting policy

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of raw materials and consumables comprises purchase price and other direct costs. Finished goods are recognized at manufacturing cost including materials consumed and labor costs plus allowance for production overheads including operating costs, maintenance, and depreciation of production plant. It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

000' DKK	**2023**	2022
Raw materials and supplies	33,570	22,982
Finished goods	12,583	23,094
Total inventories	**46,153**	**46,076**
Less: provision for inventory reserves	8,684	5,627
Total net inventories	**37,469**	**40,449**
Inventories recognized as an expense and included in ‘Cost of providing services’	361,145	343,332

14. Trade Receivables

§ Accounting policy

Receivables are measured at amortized cost. Receivables are written down for expected credit losses based on the simplified approach to providing for expected credit losses, which requires expected lifetime losses to be recognized from initial recognition of receivables. Impairment losses are calculated as the difference between carrying amount and present value of expected cash flows, including the expected realizable value of any collateral provided. The discount rate is the effective interest rate used at the time of initial recognition of the receivable.

000' DKK	Current	0-30 days past due	31-60 days past due	61-90 days past due	More than 90 days past due	Total
December 31 2023						
Gross carrying amount	112,022	39,298	8,286	3,842	28,441	191,888
Loss allowance	(5,249)	(341)	(745)	(671)	(8,296)	(15,301)
Trade receivables	**106,773**	**38,957**	**7,540**	**3,171**	**20,146**	**176,587**
Expected loss rate	5%	1%	9%	17%	29%	8%
December 31 2022						
Gross carrying amount	102,473	47,599	9,939	5,765	24,716	190,492
Loss allowance	(603)	(901)	(490)	(795)	(5,746)	(8,535)
Trade receivables	**101,870**	**46,698**	**9,449**	**4,970**	**18,970**	**181,957**
Expected loss rate	1%	2%	5%	14%	23%	4%

000' DKK	2023	2022
Movement on the Group provision for impairment of trade receivables are as follows:		
Opening balances	**8,535**	**5,027**
Change in provision	6,857	3,786
Write-offs during the year	(91)	(278)
At 31 December	**15,301**	**8,535**

According to IFRS 9 a provision matrix for the group is applied. The provision matrix is based on historical loss rate and management's expectations to future losses. The historical loss rate is calculated based on the 2022 data. The matrix provision is applied after adjusting for any specific provisions and is based on the Groups expectations to the industry in which it operates.

15. Financial assets and liabilities

§ Accounting policy

Financial assets

Classification

The group classifies its financial assets in the following measurement category; those to be measured at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Amortized cost

The group classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the assets are held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Recognition and Measurement

Regular purchases and sales of financial assets are recognized on the trade date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value, plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities and equity instruments

Classification

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities are initially measured at fair value less transaction costs incurred. Subsequently, the loans are measured at amortized cost. Amortized cost is calculated as original cost less installments plus/less the accumulated amortization of the difference between cost and nominal value. Losses and gains on loans are thus allocated over the term so that the effective interest rate is recognized in the income statement over the loan period. Financial liabilities are derecognized when settled.

Deferred revenue

Deferred revenue are prepayments received from customers, comprising of payments received regarding income in subsequent years.

000' DKK	2023	2022
Financial assets at amortised cost:		
Trade receivables	176,942	181,957
Receivables from group enterprises	389,210	171,468
Other financial assets at amortised costs	21,892	13,650
Cash and cash equivalents	158,596	37,418
Other current assets	26,072	47,402
Total	**772,357**	**451,895**
Financial liabilities at amortised cost:		
Lease liabilities	31,157	38,934
Trade and other payables	125,841	116,908
Payables to group enterprises	329,674	310,988
Financial liabilities at fair value:		
Derivative financial instruments:		
Fair value through other comprehensive income	0	0
Total	**486,673**	**466,830**

Fair values are approximately the same as the carrying amounts.

16. Share capital

§ Accounting policy

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Other reserves include:

- Foreign currency translation – movements in other comprehensive income from retranslation of foreign operations.
- Other undistributable reserve – movement in share warrants
- Reserve for hedging – movements in other comprehensive income from fair value adjustments of cash flow hedging

The share capital comprises 500,000 shares of a nominal value of DKK1 each.

All shares are fully issues and paid. One share holds one vote.

Dividends
The dividends paid in 2023 were DKK0 (2022: DKK0).

Capital management
The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The management and the owners monitor the share and capital structure to ensure that Trackunit ApS' capital resources support the strategic goals.

Consistent with others in the industry, the group monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During 2023, the group's strategy was to maintain the gearing ratio below 10%. The gearing ratio at 31 December 2023 was -10.0% (2022: 0.1%).

17. Related parties

The group is owned by Galaxy Bidco ApS, who owns 100% of the shares.

Galaxy UK Topco Limited is the ultimate parent of the Trackunit in the Group. Majority shareholder of Galaxy UK Topco Limited is Hg Genesis 9 Nominess Limited. The directors of Hg Genesis 9 Nominess Limited deem there not to be an ultimate controlling party as none of the limited partners in the limited partnerships managed by Hg Pooled Management Limited has an ownership of more than 25% of the issued share capital of the company.

Trackunit ApS Group is included in the consolidated annual report for Galaxy Holdco ApS and the consolidated annual report for Galaxy UK Topco Limited.

Transactions with parent companies have been management fee, financing, and interest.

Trackunit's interests in subsidiaries are shown in note 23, Group companies. No transactions were carried out during the year with subsidiaries with the exception of intra-group transactions eliminated in the consolidated financial statements.

The disclosure of "Key management compensation" is presented in note 3. No other transactions where carried out during the year with Key management.

The disclosure of shares issued during the period is presented in note 16.

Transactions with related parties have all been on arm's-length.

18. Commitments and contingent liabilities

Subject to customary legal provisions, the Group and subsidiaries act as guarantors of loans for the Group entity Galaxy Bidco ApS.

The Danish companies are jointly and severally liable for tax on the Group's jointly taxed income. The jointly taxed amount is stated in the financial statement of the management company for the joint taxation, Galaxy Holdco ApS. The Group's Danish companies are also jointly and severally liable for withholding taxes, royalty taxes and interest taxes. Any subsequent adjustments to corporation and withholding taxes may result in the company's liability amounting to a larger amount.

19. Business combinations

§ Accounting policy

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the
- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

Acquisition in 2023

On January 1 2023 Trackunit acquired the German Con-Tech company Flexcavo GmbH. Flexcavo offers a unique software solution to the contractor segment within Machine connectivity which therefore provides a perfect fit for the Trackunit product suite.

On September 29 2023 Trackunit acquired the North American field service expert OEM Solutions LLC. OEM Solutions LLC is a deployment specialist operating across North America with a network of certified technicians. The acquisition enables Trackunit to respond to the increasing customer demands for scaled installation services and give the opportunity to offer customers a complete service throughout the life cycle of connected equipment.

Acquisition of Flexcavo GmbH

The acquisition of Flexcavo GmbH was completed with an acquisition date on January 1 2023. The total consideration paid amounts to a cash consideration of DKK9.7m. No equity instruments have been issued and there is no contingent consideration in the business combination.

Fair value of the assets and liabilities acquired is summarized in the following table, which discloses recognized amounts of identifiable assets acquired and liabilities assumed. Goodwill covers the acquisition of know-how and employees, which do not qualify for recognition as a separate asset.

000' DKK	2023
Net assets acquired	
Intangible assets	13,417
Tangible assets	22,548
Other non-current assets	4,718
Cash	4,468
Current assets	920
Other non-current liabilities	(23,307)
Deferred tax liabilities	(2,289)
Other current liabilities	(17,303)
Net assets	**3,171**
Consideration paid	9,700
Goodwill	**6,529**

Acquisition-related costs of DKK0.5m have been charged to special items in the consolidated income statement for the year ended 31 December 2023 (2022 DKK1.5m).

The revenue included in the consolidated statement of comprehensive income since 1 January 2023 contributed by Flexcavo GmbH was DKK1.9m.

Of the total profit in the consolidated statement of profit and loss amounting to DKK32.2m Flexcavo GmbH contributed with a loss of DKK-17m.

20. Financial risk management

Acquisition of OEM Solutions LLC

The acquisition of OEM Solutions LLC was completed with an acquisition date on September 29 2023. The total consideration paid amounts to a cash consideration of DKK21.1m. No equity instruments have been issued and there is no contingent consideration in the business combination. On December 29 2023 OEM Solutions LLC was merged with Trackunit Inc. with Trackunit Inc. as the continuing company.

Fair value of the assets and liabilities acquired is summarized in the following table, which discloses recognized amounts of identifiable assets acquired and liabilities assumed. Goodwill covers the acquisition of know-how and employees, which do not qualify for recognition as a separate asset.

Acquisition-related costs of DKK3.2m have been charged to special items in the consolidated income statement for the year ended 31 December 2023.

The revenue included in the consolidated statement of comprehensive income since 29 September 2023 contributed by OEM Solutions LLC was DKK7.6m.

Had OEM Solutions LLC been consolidated from 1 January 2023, the consolidated statement of income would include proforma revenue of DKK30.4m and profit of DKK12.2m.

Of the total profit in the consolidated statement of profit and loss amounting to DKK32.2m OEM Solutions LLC contributed with a profit of DKK3.3m.

000' DKK	**2023**
Net assets acquired	
Intangible assets	270
Cash	1,246
Current assets	6,937
Deferred tax liabilities	(70)
Other current liabilities	(1,821)
Net assets	**6,563**
Consideration paid	21,125
Goodwill	**14,562**

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (currency and interest risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance.

The Financial risks of the group are managed centrally. The overall risk management guidelines and policies have been approved by the board of directors. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Increases or decreases in the exchange rate of such foreign currencies against the functional currency, the DKK, can affect the group's results and cash position negatively or positively.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Groups sales, cost of goods sold, and expenses are mainly incurred in DKK, EUR, USD, CAD, or GBP. The Group has transactions in other currencies, but the foreign exchange risks related to this are not considered material. The group's debt is denominated in EUR, GBP, and USD. All loan facilities is placed on a higher level in the Group.

The group is primarily exposed to changes in DKK/GBP, DKK/USD and DKK/CAD exchange rate.

Sensitivity analysis – foreign exchange risk

The following table details the group's sensitivity to a 10% decrease in USD, GBP and CAD exchange rates. The analysis includes impact to the profit and loss and total equity by translating the profit and loss accounts and balance sheet with USD, GBP and CAD exchange rates 10% lower than actual balance sheet ending rates. All other variables are held constant.

000' DKK	**2023 Net Profit**	**2023 Equity**	2022 Net Profit	2022 Equity
USD	(6,155)	(65,574)	(1,987)	(83,292)
GBP	407	1,313	942	1,431
CAD	(1,994)	(40,117)	(5,459)	(51,068)

Interest rate risk

The Groups interest rate risk arises from long-term borrowings related to acquisition facilities. Borrowings issued at variable rates expose the group to cash flow interest rate risk. A group hedging policy, to mitigate the interest risk, is being developed.

All Senior Loan facilities were settled in connection with the acquisition by Hg, and the new loan facilities have been placed at a higher level in the Group. Therefore, no sensitivity analysis is needed for 2023 and 2022.

Credit risks

Credit risk is managed on group basis. Standard terms and conditions apply for the Group and changes are subject to central approval.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. For customers individual risk limits are set based on internal or external ratings.

The maximum exposure corresponds to the carrying amount.

Liquidity risk

Cash flow forecasting is performed by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while always maintaining sufficient headroom on its undrawn committed borrowing facilities so that the group does not breach borrowing limits or covenants (where applicable) or any of its borrowing facilities. Such forecasting takes into consideration the group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

Financial covenants

The table below analyses the group's non-derivative and derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

000' DKK	Less than 1 year	1 to 5 years	More than 5 years	**Total**
31 December 2023				
Lease liabilities	10,597	20,561	0	31,157
Trade and other payables	125,841	0	0	125,841
	136,438	**20,561**	**0**	**156,999**
31 December 2022				
Lease liabilities	10,591	28,343	0	38,934
Trade and other payables	116,908	0	0	116,908
	127,499	**28,343**	**0**	**155,841**

21. Events after the balance sheet date

No subsequent events have occurred after the balance sheet date that required adjustment to or disclosure in the consolidated financial statements.

22. Changes in net working capital

000' DKK	**2023**	2022
Changes in inventories	2,455	(3,054)
Changes in trade receivables and other receivables	(3,989)	(120,491)
Changes in trade and other payables	174,479	179,923
	172,945	**56,379**

23. Group companies

Name and registered office	Country	Direct Group holding (pct.)
Trackunit Pty Ltd	Australia	100%
Trackunit KK	Japan	100%
Trackunit Asia Pacific Pte Ltd	Singapore	100%
Trackunit AB	Sweden	100%
Trackunit AS	Norway	100%
Trackunit America ApS	Denmark	100%
– Trackunit Inc	USA	100%
– Trackunit Canada Inc	Canada	100%
Trackunit SAS	France	100%
Trackunit Ltd	United Kingdom	100%
Trackunit GmbH	Germany	100%
– Flexcavo GmbH	Germany	100%
Trackunit BV	Netherlands	100%

24. Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes. These policies have been consistently applied throughout the financial year presented, unless otherwise stated.

General

The Consolidated Financial Statements for Trackunit ApS have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to entities of reporting class C.

The annual report is prepared according to standards and interpretations effective for financial years beginning on 1 January 2023. No standards or interpretations other than those mentioned below have been adopted early.

General information on recognition and measurement

The Financial Statements have been prepared under the historical cost method, except for the measurement of certain financial instruments at fair value.

Implementation of new standards, amendments, and interpretations

The group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – amendments to IAS 8
- International Tax Reform – Pillar Two Model Rules – amendments to IAS 12.

The group also elected to adopt the following amendments early:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Amendments to IAS 1 – Non-current Liabilities with Covenants.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New standards, amendments and interpretations adopted but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances, and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Foreign currency translation

Functional and presentation currency

Items in the financial statements of each of the reporting companies of the Group are measured in the currency of the primary economic environment in which the company operates (the functional currency).

The financial statements are presented in Danish Kroner (DKK), which is Trackunit ApS' functional and presentation currency. The financial statements have been rounded to the nearest thousand.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses are presented in the income statement within “finance income or costs”.

Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each statement of profit and loss are translated at average exchange rates; and
- All resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

Statement of cash flow

The Statement of Cash Flows is presented using the indirect method. The Statement of Cash Flows shows cash flows used in operating activities, cash flows used in investing activities, cash flows from financing activities, and the group's cash and cash equivalents at the beginning and end of the year.

Cash flows used in operating activities is comprised of net profit or loss for the year adjusted for non-cash items, such as share based payment expense, fair value revaluations of shareholder warrants, depreciations, paid financial items, corporate tax paid, and change in working capital. Cash flows used in investing activities is comprised of payments relating to property, plant, and equipment.

Cash flows from financing activities is comprised of proceeds from borrowings, such as interest-bearing convertible loans, and proceeds from share issuances and related transaction costs.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and other short-term highly liquid investments with original maturities of three months or less.

06

Parent company financial statements

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Parent statement of profit and loss 1 January – 31 December

000' DKK	Notes	2023	2022
Net revenue		689,604	488,759
Cost of goods sold		(335,185)	(191,644)
Gross Profit/ (Loss)		**354,419**	**297,115**
External costs	1	(72,006)	(73,191)
Staff expenses		(159,898)	(140,199)
Profit/ loss before depreciations		**122,515**	**83,725**
Depreciation, amortization costs and impairment of intangible assets and property, plant and equipment	3	(57,094)	(46,659)
Other operating expenses	4	(16,139)	(21,278)
Profit before depreciations		**49,283**	**15,788**
Finance income	5	21,935	18,123
Finance costs	5	(7,673)	(6,173)
Earnings before tax		**63,545**	**27,739**
Income tax expense	6	(15,472)	(1,936)
Profit/(Loss) for the period	**14**	**48,072**	**25,803**

Parent balance sheet – 31 December
Assets

000' DKK	Notes	2023	2022
Completed development projects	7	36,884	19,899
Acquired licenses	7	99	523
Goodwill	7	279,346	283,731
Trademarks		17,820	20,460
Customer relations		85,916	106,956
Development projects in progress	7	3,744	23,224
Intangible assets		**423,808**	**454,793**
Land and buildings	8	12,662	14,805
Other fixtures and fittings, tools and equipment	8	7,203	5,977
Leasehold improvements	8	732	1,122
Property, plant and equipment		**20,597**	**21,904**
Investments in subsidaries	9	1,044,550	1,044,550
Deposits	10	1,693	1,604
Fixed assets investments		**1,046,243**	**1,046,154**
Total non-current assets		**1,490,648**	**1,522,851**

000' DKK	Notes	2023	2022
Inventories	11	2,703	8,019
Trade receivables		54,181	33,550
Receivables from group enterprises		201,053	131,641
Connected device costs		94,845	57,987
Other receivables		7,542	5,078
Prepayments	12	27,427	44,444
Receivables		**385,048**	**272,700**
Cash and cash equivalents		**64,287**	**10,947**
Total current assets		**452,038**	**291,666**
Total assets		**1,942,686**	**1,814,517**

Parent balance sheet – 31 December
Equity and liabilities

000' DKK	Notes	2023	2022
Share capital		500	500
Reserve for development cost		30,570	32,386
Retained earnings		1,504,765	1,454,876
Total equity	13	**1,535,835**	**1,487,762**
Provision for deferred tax	15	23,833	31,105
Provision		**23,833**	**31,105**
Lease obligations	16	9,056	11,823
Deferred income	16, 17	142,933	94,114
Total non-current liabilities		**151,989**	**105,937**

000' DKK	Notes	2023	2022
Lease obligations	16	4,669	4,172
Trade payables		36,980	41,124
Payables to group enterprises		16,894	12,167
Corporation tax payables to group enterprises		22,709	9,543
Other payables	16	21,388	27,520
Deferred income	16, 17	128,390	95,187
Total current liabilities		**231,030**	**189,713**
Total liabilities		**408,254**	**295,650**
Total equity and liabilities		**1,942,686**	**1,814,517**

Share-based payment	2
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Parent statement of changes in equity January 1 – December 31

000' DKK	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total equity
Balance at 1 January 2023	**500**	**0**	**32,386**	**1,454,876**	**1,487,762**
Development costs for the year	0	0	13,708	(13,708)	0
Amortization for the year	0	0	(15,524)	15,524	0
Net profit/loss for the year	0	0	0	48,072	48,072
Balance at 31 December 2023	**500**	**0**	**30,570**	**1,504,765**	**1,535,835**
Balance at 1 January 2022	**500**	**(47,690)**	**22,139**	**1,435,233**	**1,410,182**
Accumulated effect of change in accounting policy	0	51,685	0	0	51,685
Balance at 1 January 2022	**500**	**3,995**	**22,139**	**1,435,233**	**1,461,867**
Exchange adjustment relating to foreign entities	0	(3,995)	0	3,995	0
Development cost for the year	0	0	17,755	(17,755)	0
Amortization for the year	0	0	(7,508)	7,508	0
Net profit/loss for the year	0	0	0	25,803	25,803
Other equity movements	0	0	0	92	92
Balance at 31 December 2022	**500**	**0**	**32,386**	**1,454,876**	**1,487,762**

1. Staff costs

000' DKK	**2023**	2022
Wages and salaries	129,019	116,930
Pensions	12,073	10,648
Other social security costs	1,364	778
Other employee costs	17,441	11,844
Total staff cost	**159,898**	**140,199**
Including remuneration to the Executive Management and Board of Directors of:		
Executive Management	4,793	4,691
Board of Directors	400	200
	5,193	**4,891**
Average number of full time employees	186	186

2. Share-based payment

	2023	2022
Outstanding warrants 1 January	777,000	0
Granted during the year	217,720	777,000
Forefeited during the year	(54,600)	0
Outstanding warrants 31 December	**940,120**	**777,000**

To attract and retain employees Trackunit has established an incentive program for all non-executive employees in 2022. The purpose is to share the value creation eventually to be realized at the time of an exit with employees and support retention until then.

The warrant program is an equity settled programme established in March 2022. The vesting period is expected to be 4 years starting from the grant date. The programme comprises a total of 940,120 warrants at 31 December 2023 (2022: 777,000). Each warrant gives the holder right to share capital of DKK 0.01 nominal value in the ultimate parent company Galaxy UK Topco Ltd.

The total number of warrants granted in 2023 was 217,720. The total fair value of the progamme is DKK8.0m.

The valuation is based on the following assumptions:

- Vesting period: 4 years
- Expected volatility: 44% – based on peer group analysis
- Risk free interest rate: 2,5%

Total expenses arising from the incentive programme in 2023 is DKK5.0m (2022 DKK 3.0m).

3. Depreciation, amortization and impairment of intangible assets and property, plant and equipment

000' DKK	**2023**	2022
Amortization of intangible assets	48,394	39,040
Depreciation of property, plant and equipment	8,700	7,619
	57,094	**46,659**

4. Other operating expenses

000' DKK	**2023**	2022
M&A activities	11,230	3,160
Restructuring	1,472	2,569
Consultancy	3,406	15,491
Other expenses	31	58
	16,139	**21,278**

5. Financial income and expenses

000' DKK	**2023**	2022
Financial income		
Exchange rate adjustments	3,612	8,107
Interest received from Group enterprises	15,283	9,690
Other financial income	3,040	327
	21,935	**18,123**
Financial cost		
Interest expenses, bank debt	1	80
Interest and finance charges for lease liabilities	649	437
Interest paid from Group enterprises	6,369	4,959
Other financial expenses, including bank fees	654	697
	7,673	**6,173**

6. Tax on profit/loss for the year

000' DKK	2023	2022
Current tax for the year	22,744	9,690
Current tax on profits for prior years	(0)	970
Deferred tax for the year	(7,272)	(8,724)
	15,472	**1,936**

7. Intangible assets

000' DKK	Goodwill	Trademarks	Customer relations	Software	Completed development projects	Development projects in progress	Total
2023							
Cost:							
At 1 January	318,816	39,600	259,500	6,731	38,321	23,224	686,192
Addition during the year	0	0	0	0	2,232	15,343	17,575
Disposals	0	0	0	(4,870)	(3,113)	(66)	(8,049)
Reclassifications	0	0	0	0	34,758	(34,758)	0
As at 31 December	**318,816**	**39,600**	**259,500**	**1,861**	**72,198**	**3,744**	**695,719**
Amortization and impairment:							
At 1 January	35,086	19,140	152,544	6,208	18,422	0	231,399
Disposals	0	0	0	(4,870)	(3,012)	0	(7,882)
Amortisation charge	4,385	2,640	21,041	424	19,903	0	48,393
As at 31 December	**39,471**	**21,780**	**173,584**	**1,762**	**35,313**	**0**	**271,911**
Carrying amount 31 December	**279,346**	**17,820**	**85,916**	**99**	**36,884**	**3,744**	**423,808**

Completed development projects relate to development of products and services that are ready for sale.

8. Property, plant and equipment

000' DKK	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements
2023			
Cost:			
At 1 January	23,731	13,982	3,891
Additions during the year	2,576	5,941	136
Disposals during the year	(932)	(3,885)	(296)
As at 31 December	**25,375**	**16,038**	**3,731**
Amortization and impairment:			
At 1 January	8,926	8,005	2,769
Depreciation for the year	3,917	4,256	(296)
Depreciation of disposed assets	(130)	(3,426)	526
As at 31 December	**12,713**	**8,836**	**2,999**
Carrying amount 31 December	**12,662**	**7,203**	**732**
Including assets under finance leases amounting to	12,662	701	0

9. Investments in subsidiaries

000' DKK	**2023**	2022
Cost at 1 January	1,044,550	1,044,061
Additions for the year	0	489
Cost af 31 December	**1,044,550**	**1,044,550**

Investment in subsidiaries are specified as follows:

Name and registered office	Country	Direct Group holding (pct.)
Trackunit Pty Ltd	Australia	100%
Trackunit KK	Japan	100%
Trackunit Asia Pacific Pte Ltd	Singapore	100%
Trackunit AB	Sweden	100%
Trackunit AS	Norway	100%
Trackunit America ApS	Denmark	100%
– Trackunit Inc	USA	100%
– Trackunit Canada Inc	Canada	100%
Trackunit SAS	France	100%
Trackunit Ltd	United Kingdom	100%
Trackunit GmbH	Germany	100%
– Flexcavo GmbH	Germany	100%
Trackunit BV	Netherlands	100%

10. Other fixed investments

000' DKK	2023	2022
Cost at 1 January	1,604	1,288
Additions for the year	131	380
Disposals for the year	(42)	(64)
Cost af 31 December	**1,693**	**1,604**
Carrying amount at 31 December	**1,693**	**1,604**

11. Inventories

000' DKK	2023	2022
Raw materials and consumables	1,720	6,754
Finished goods and goods for resale	983	1,265
	2,703	**8,019**

12. Prepayments

Prepayments amounts to DKK27.4m for 2023 (2022: DKK44.4m) and consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

13. Share capital

The share capital consists of 500,000 shares of a nominal value of DKK 1. No shares carry any special rights.

14. Distribution of profit/loss

000' DKK	2023	2022
Retained earnings	48,072	25,803
	48,072	**25,803**

15. Provision for deferred tax

	2023	2022
Provision for deffered tax at 1 January	31,105	39,671
Amounts recognized in the income statement for the year	(7,272)	(8,724)
Amounts recognized prior year	0	158
Provision for deferred tax at 31 December	**23,833**	**31,105**

16. Long-term debt

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

The debt falls due for payment as specified below:

000' DKK	Less than 1 year	1 to 5 years	More than 5 years	**Total**
31 December 2023				
Lease obligations	4,669	9,056	0	13,725
Other payables	21,388	0	0	21,388
Deferred income	128,390	142,933	0	271,323
	154,447	**151,989**	**0**	**306,435**
31 December 2022				
Lease obligations	4,172	11,823	0	15,995
Other payables	27,520	0	0	27,520
Deferred income	95,187	94,114	0	189,301
	126,880	**105,937**	**0**	**232,817**

17. Deferred revenue

Deferred revenue consists of payments received in respect of income subsequent years. The total deferred revenue amounts to DKK271.3m in 2023 (2022: DKK189.3m)

18. Contingent assets, liabilities, and financial obligations

The Danish group companies are jointly and severally liable for tax on the Danish jointly taxed incomes etc. of the Danish Group. The total amount of corporation tax payable is disclosed in the Annual Report of Galaxy Holdco ApS, which is the administration company of the jointly taxation purpose. Moreover, the Danish 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.

19. Events after the balance sheet date

No subsequent events have occurred after the balance sheet date that required adjustment to or disclosure in the financial statements.

20. Related parties

Transactions with related parties have been on arm's-length.

Refer to the consolidated financial statement regarding the company's ownership structure.

21. Accounting policies

The Annual Report of Trackunit ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class C (large).

Recognition and measurement of financial instruments are made in accordance with International Financial Reporting Standards (IFRS), cf. the Danish Financial Statements Act, §37 section 5.

Additionally revenue is measured in accordance with International Financial Reporting Standards (IFRS 15), and leasing is measured in accordance International Financial Reporting Standards (IFRS 16).

The Financial Statements for 2023 are presented in 000' DKK.

Change in accounting policy

Recognition and measurement of investments in subsidiaries has been changed.

Before the change investment in subsidiaries were recognized and measured under the equity method. To align with Group policy Investments in subsidiaries are now recognized and measured at cost in the balance sheet and dividend from subsidiaries are recognized as income in the financial year in which the dividend is declared.

The change in recognition and measurement of investment in subsidiaries has affected last year result with DKK19.5m. The change in accounting policy have had no effect on the calculated tax. Comparative figures in the balance sheet have been restated in accordance with the new accounting policy.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Trackunit ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized 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 recognized 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.

Leases as lessor

The lessee is required to recognize all leases as a lease liability and a lease asset in the balance sheet with two exceptions: short-term leases (less than 12 months) and leases relating to low-value assets. It must furthermore be considered whether the agreement is a lease or a service arrangement.

The company leases various vehicles, offices, and other equipment. From 1 January 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date the leased asset is available for use by the group. In general, all lease contracts are recognized as a lease liability and a lease asset in the balance sheet with two exceptions: short-term leases (less than 12 months) and leases relating to low-value assets (< USD 5.000).

Cars

Lease contracts could be separated between a leasing contract and a service arrangement. The group has decided not to separate lease and non-lease components and instead recognize each car as one contract according to IFRS 16.15.

Assets and liabilities arising from a lease are initially measured on a present value basis. To find the present value of a lease contract several factors must be determined. Leasing period and fixed payments appears in the lease contract which means only interest rate has to be determined. Here the groups incremental borrowing rate to obtain an asset of similar value is used. In accordance with the Senior facilities agreement the interest rate for cars is 4.5%.

Variable lease payments as extra miles beyond the lease contract, damages, bridge tolls etc. is not measures as a lease liability and a lease asset in the balance sheet. Instead, these costs are recognized in the profit and loss when they occur.

Offices

Assets and liabilities arising from a lease are initially measured on a present value basis. To find the present value of a lease contract several factors must be determined. Fixed payments appear in the lease contract. The leasing period for all offices is set the same date as the HQ office expires even though different terms of condition may occur. To find the groups incremental borrowing rate to obtain an asset of similar value, the interest rate is set to 4.5% for Offices in accordance with the Senior facilities agreement.

Other equipment

Assets and liabilities arising from a lease are initially measured on a present value basis. To find the present value of a lease contract several factors must be determined. Leasing period and fixed payments appears in the lease contract which means only interest rate has to be determined. Here the groups incremental borrowing rate to obtain an asset of similar value is used. In accordance with the Senior facilities agreement the interest rate for other equipment is 4.5%.

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 recognized 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 transaction date rates are recognized in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognized directly in equity.

Derivative financial instruments

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

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

Hedge accounting

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

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

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognized directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognized in the income statement.

Revenue

Revenue recognition

Revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

We determine revenue recognition through the following steps:

1. identification of the contract, or contracts, with a customer;
2. identification of the performance obligations in the contract;
3. determination of the transaction price;
4. allocation of the transaction price to the performance obligations in the contract; and
5. recognition of revenue when, or as, we satisfy a performance obligation.

We offer subscriptions to access our Cloud and IoT platforms. Customers subscribe to one or more Applications which includes data that is primarily provided by various proprietary connected device access points, including connectivity sensors. Our Cloud and IoT platforms and the related connected device access points are highly interdependent and interrelated and represent a combined performance obligation.

Deferred revenue

Deferred revenue represents amounts billed to customers or payments received from customers for which revenue has not yet been recognized. Deferred revenue consists of prepayments made by customers for future periods. A portion of customer contracts is paid in advance for the full, multi-year term. Additionally, the Group enables its customers to prepay all, or part, of their contractual obligations monthly, quarterly, or annually. As a result, the deferred revenue balance does not represent the total contract value of all multi-year, non-cancelable subscription agreements. The current portion of deferred revenue represents the amount that is expected to be recognized within one year of the consolidated balance sheet date.

Connected devices

Trackunit capitalize connected devices associated with subscription contracts. These costs are directly related to customer. These contract fulfillment costs are amortized over a period of benefit of three years. Trackunit determined the period of benefit by taking into consideration the expected life of the connected device, the connected device’s warranty period, past experience with customers, the duration of our relationships with our customers and other available information.

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

Gross profit/loss
With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

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

Amortization, depreciation, and impairment losses
Amortization, depreciation, and impairment losses comprise amortization, 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.

Financial income and expenses
Financial income and expenses are recognized 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 recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Intangible assets
Development projects, patents, and licenses
Costs of development projects comprise salaries, amortization, 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 recognized 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 recognized as expenses in the income statement as incurred.

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

As of the date of completion, capitalized development costs are amortized on a straight-line basis over the period of the expected economic benefit from the development work. The amortization period is 3-5 years.

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

Software licenses are amortized over the period of the agreement, which is 3-5 years.

Goodwill
Goodwill is amortized on a straight-line basis over the estimated useful life of 10 years determined on the basis of Management's experience with the individual business areas.

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 buildings	4 years
Plant and machinery	3-7 years
Other fixtures and fittings, tools and equipment	3-5 years

Depreciation period and residual value are reassessed annually.

Assets with a useful life less than 1 year are expensed in the year of acquisition.

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

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries
Investments in subsidiaries are recognized and measured at cost. If the cost exceeds the recoverable amount, it is written down.

Dividend from subsidiaries are recognized as income in the financial year in which the dividend is declared.

Other fixed asset investments
Other fixed asset investments consist of deposit.

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

The net realizable 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. The net realizable 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.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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

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

Equity – Dividend
Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities
Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realized, 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 crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Current tax receivables and liabilities
Current tax liabilities and receivables are recognized 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 recognized in the income statement in financial income and expenses.

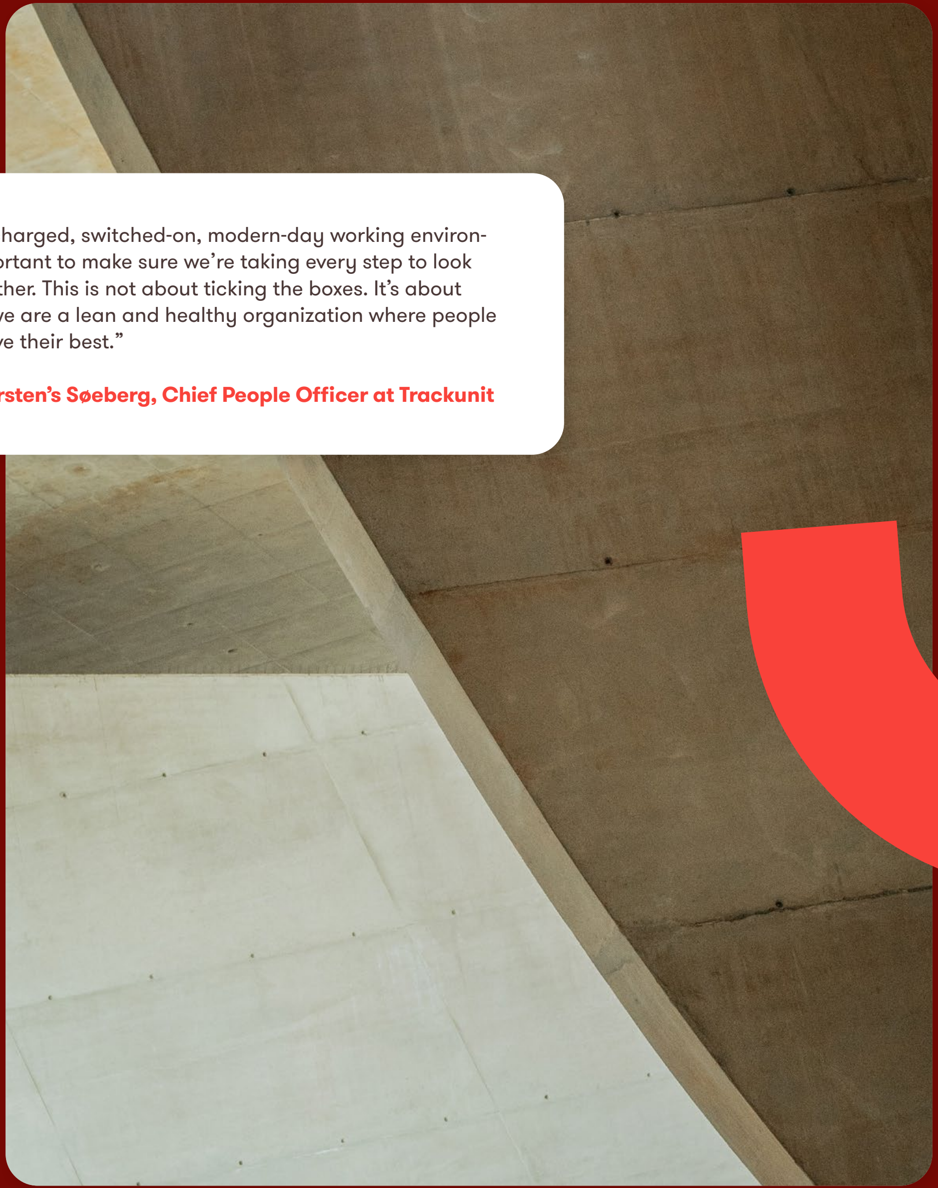
Financial debts
Loans, such as loans from credit institutions, are recognized initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortized cost; the difference between the proceeds and the nominal value is recognized as an interest expense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

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

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

"In our supercharged, switched-on, modern-day working environment, it's important to make sure we're taking every step to look after one another. This is not about ticking the boxes. It's about making sure we are a lean and healthy organization where people are able to give their best."

Flemming Karsten's Søeberg, Chief People Officer at Trackunit



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Statements

Management statement

The Executive Boards have today considered and adopted the Annual Report of Trackunit ApS for the financial year 1 January 2023 - 31 December 2023.

The Consolidated Financial Statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU, and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act. Moreover, the Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with additional disclosure requirements of the Danish Financial Statements Act. Management's Review is also prepared in accordance with disclosures requirements of the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company's Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January 2023 - 31 December 2023.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the period and of the financial position of the Group and the Parent Company.

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

Aalborg 21 March 2024
Executive Board

Soeren Brogaard

Peter Vekslund

Independent auditor's report

To the Shareholders of Trackunit ApS

Opinion
In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2023 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2023 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Trackunit ApS Group 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, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("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 Group 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement 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 Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company 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 Group's and the Parent 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 Group or the Parent 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aalborg 21 March 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Søren Ørjan Jensen
State Authorized Public Accountant
mne33226

Henrik Berring Rasmussen
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