

# Abridged Financial Statements

## Orbcomm Ireland Limited

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For the financial year ended 31 December 2022

## Company Information

<b>Directors</b>	Christian Le Brun (United States of America) (resigned 19 December 2022) Rudi Puts (Netherlands) (appointed 10 November 2022) Peter Kuijt (Netherlands) (Resigned 17 August 2023) Christian Allred (United States of America)
<b>Company secretary</b>	Maple Secretaries Limited
<b>Registered number</b>	222184
<b>Registered office</b>	Galway Business Park Dangan Galway Co. Galway
<b>Independent auditor</b>	Grant Thornton Chartered Accountants & Statutory Audit Firm Mill House Henry Street Limerick
<b>Bankers</b>	Bank of Ireland Mervue Industrial Estate Galway  Bank of Ireland Global Markets Colvill House Talbot Street Dublin 1  J.P Morgan Chase Fort Worth Texas
<b>Solicitors</b>	Alastair Purdy & Co. Solicitors Corrib Castle 1 Waterside Woodquay Galway

# Contents

	Page
<b>Special Auditor's report</b>	1 - 6
<b>Abridged statement of financial position</b>	7
<b>Notes to the abridged financial statements</b>	8 - 24

# Independent auditor's special report to the directors of Orbcomm Ireland Limited pursuant to section 356 of the Companies Act 2014

## **Opinion**

In our opinion, the directors are entitled under section 352 of the Companies Act 2014 to annex abridged financial statements to the annual return of Orbcomm Ireland Limited ("the Company") and those abridged financial statements have been properly prepared pursuant to the provisions of section 353 of that Act (exemptions available to small companies).

## **Basis of opinion**

We have examined:

- (i) the abridged financial statements for the financial year ended 31 December 2022 on pages 7 to 24 which the directors of Orbcomm Ireland Limited propose to annex to the Annual return of the Company; and
- (ii) the financial statements to be laid before the Annual general meeting which form the basis for those abridged financial statements.

The scope of our work for the purpose of this report was limited to confirming that the directors are entitled to annex abridged financial statements to the annual return and that those abridged financial statements have been properly prepared, pursuant to section 353 of the Companies Act 2014, from the financial statements to be laid before the Annual General Meeting.

The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

## **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's directors in accordance with section 356 of the Companies Act 2014. Our work has been undertaken so that we might state to the directors those matters we are required to state to them in our report under section 356 and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors for our audit work, for this report, or for the opinions we have formed.

## **Other information**

On 22 August 2024 we reported, as auditor of the Company, to the members on the financial statements for the financial year ended 31 December 2022, and the full text of our audit report is reproduced below.

Damian Gleeson FCCA  
for and on behalf of

### **Grant Thornton**

Chartered Accountants & Statutory Audit Firm

Statutory Audit Firm

Mill House

Date: Thursday 22 August 2024

# Independent auditor's special report to the directors of Orbcomm Ireland Limited pursuant to section 356 of the Companies Act 2014

## "Independent auditor's report to the members of Orbcomm Ireland Limited

### Opinion

We have audited the financial statements of Orbcomm Ireland Limited, which comprise the Statement of comprehensive income and the Statement of financial position for the financial year, ended 31 December 2022, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland).

In our opinion, Orbcomm Ireland Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities, and the responsibilities of the directors, with respect to going concern are described in the relevant sections of this report.

# Independent auditor's special report to the directors of Orbcomm Ireland Limited pursuant to section 356 of the Companies Act 2014 (continued)

## **Other information**

Other information comprises information included in the Annual Report, other than the financial statements and our auditor's report thereon, including the Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

## **Matters on which we are required to report by exception**

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Under the Companies Act 2014, we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

# Independent auditor's special report to the directors of Orbcomm Ireland Limited pursuant to section 356 of the Companies Act 2014 (continued)

## **Responsibilities of the management and those charged with governance for the financial statements**

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

# Independent auditor's special report to the directors of Orbcomm Ireland Limited pursuant to section 356 of the Companies Act 2014 (continued)

## **Responsibilities of the auditor for the audit of the financial statements**

The auditor's 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 (Ireland) 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 in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will 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 of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The Auditor shall 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 may be identified during the audit.

# Independent auditor's special report to the directors of Orbcomm Ireland Limited pursuant to section 356 of the Companies Act 2014 (continued)

## **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Damian Gleeson FCCA

for and on behalf of

**Grant Thornton**

Chartered Accountants & Statutory Audit Firm  
Statutory Audit Firm

22 August 2024

# Abridged statement of financial position

As at 31 December 2022

	Note	2022 €	2021 €
<b>Fixed assets</b>			
Intangible assets	10	-	7
Tangible assets	11	177,398	186,798
		<u>177,398</u>	<u>186,805</u>
<b>Current assets</b>			
Stocks	12	947,888	1,313,104
Debtors: amounts falling due within one year	13	2,026,665	2,013,257
Cash at bank and in hand	15	97,195	132,745
		<u>3,071,748</u>	<u>3,459,106</u>
Creditors: amounts falling due within one year	16	(6,141,352)	(5,139,797)
		<u>(3,069,604)</u>	<u>(1,680,691)</u>
<b>Net current liabilities</b>			
		<u>(3,069,604)</u>	<u>(1,680,691)</u>
<b>Total assets less current liabilities</b>		<u>(2,892,206)</u>	<u>(1,493,886)</u>
		<u>(2,892,206)</u>	<u>(1,493,886)</u>
<b>Capital and reserves</b>			
Called up share capital presented as equity	17	317,625	317,625
Capital redemption reserve		6,947,553	6,947,553
Profit and loss account		(10,157,384)	(8,759,064)
		<u>(2,892,206)</u>	<u>(1,493,886)</u>
<b>Shareholders' funds</b>		<u>(2,892,206)</u>	<u>(1,493,886)</u>

The full financial statements from which these abridged financial statements have been extracted, have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A for small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Rudi Puts**  
Director

**Christian Allred**  
Director

Date: 22 August 2024

Date: 22 August 2024

The notes on pages 8 to 24 form part of these financial statements.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 1. General information

Orbcomm Ireland Limited (the "Company") is a private company limited by shares which is registered and incorporated in the Republic of Ireland. The Company's registered office is at Galway Business Park, Dangan, Galway and the registration number is 222184.

The Company provides fleet management software for the trucking and transportation industries. It aims to provide the most innovative, game-changing, driver-friendly, reliable telematics solution to the transportation industry to help create the safe, legally compliant, fuel-efficient truck fleets for customers worldwide.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The full financial statements from which these abridged financial statements have been extracted, have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The Company qualifies as a small company as defined in section 280A of the Companies Act, in respect of the financial period and has applied the rules of the 'Small Companies Regime' in accordance with section 280C of the Companies Act and section 1A of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see Note 3).

The financial statements are presented in Euro (€).

The following principal accounting policies have been applied:

### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Orbcomm Technology Limited as at 31 December 2022 and these financial statements may be obtained from [www.cro.ie](http://www.cro.ie).

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.3 Going concern

The financial statements have been prepared on a going concern basis. Included in creditors amounts falling due within one year in the Statement of financial position are amounts due to group companies amounting to €5,085,202 (2021: €4,051,458), which the Company expects will show forbearance, if required, in demanding payment.

Orbcomm Ireland Limited is part of the Orbcomm Group and gets the Group support to survive in these difficult times. The position of the Blue Tree product line on the Northern American market is still on a high level. To the Orbcomm Group it is important that development and support for the Blue Tree product line remains at the same high level. A letter of comfort has been provided by Orbcomm Inc to confirm that it will provide financial support to the Company to allow it to meet its liabilities as they become due for a period of at least 12 month. The directors are satisfied that the financial statements have been appropriately prepared under the going concern basis.

### 2.4 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of an EEA State and is therefore exempt from the requirement to prepare consolidated financial statements under section 299 of the Companies Act 2014.

### 2.5 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentational currency is Euro (€).

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.6 Revenue

The Company's revenue is derived from its principal activity, which is to provide fleet management technology solutions to the transport industry. Revenue is recognised as follows:

#### Hardware

Turnover represents the fair value of goods, excluding value added tax, delivered to third party customers in the accounting period. Goods are deemed to have been delivered to customers, when the customer has access to the significant benefits inherent in the goods and exposure to the risks inherent in those benefits.

#### Software and other services rendered

Turnover from software and other services rendered is recognised when provided to the third party customers in accordance with the stage of completion of the contract or when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and the costs incurred and the costs to complete the contract can be measured reliably.

### 2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

### 2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.9 Pensions

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure:	-	3 years
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### 2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Machinery & Equipment	-	33% Straight line
Leasehold improvements	-	10% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

### 2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

### 2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

### 2.19 Financial instruments

The Company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

#### Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

#### Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.19 Financial instruments (continued)

amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

#### Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

#### Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

#### Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

#### Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.20 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

## 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the directors have had to make the following judgments and estimates.

### Going concern

The directors have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

### Useful lives of tangible assets

The Company estimates the useful lives of its tangible assets based on the period over which the assets are expected to be available for use. The Company reviews annually the estimated useful lives of tangible assets based on factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in the Company's estimates brought about by changes in the factors mentioned. The carrying value of the tangible assets is as €177,398 (2021: €186,798).

### Recoverability of trade and other debtors

The Company has made judgments when assessing the impairment of its debtors. Outstanding balances have been grouped on the basis of similar risk characteristics such as past-due status, and impairment has been reviewed with reference to historical loss experience updated for current conditions. The carrying value of trade debtors is €1,646,133 (2021: €1,762,101). The carrying value of other debtors is €251,156 (2021: €1,762,101)

### Recoverability of stocks

The Company has made judgments when assessing the impairment of its stock. Slow moving stock, overstocked and obsolete items are reviewed regularly, and impairment has been reviewed with reference to historical loss experience updated for current conditions. Stock balance at the year end is €947,888 (2021: €1,313,104).

# Notes to the financial statements

For the financial year ended 31 December 2022

## 4. Turnover

An analysis of turnover by class of business is as follows:

	2022 €	2021 €
Hardware	6,693,721	5,172,260
Software and supports	1,519,616	1,968,472
	<u>8,213,337</u>	<u>7,140,732</u>

Analysis of turnover by region, was as follows:

	2022 €	2021 €
Republic of Ireland	4,058,784	3,437,973
Rest of Europe	3,054,252	3,350,740
Rest of the world	1,100,301	352,019
	<u>8,213,337</u>	<u>7,140,732</u>

## 5. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	2022 €	2021 €
Research & development charged as an expense	1,130	8,812
Depreciation of tangible fixed assets	51,262	112,763
Amortisation of intangible assets, including goodwill	7	38,820
Exchange differences	(570,293)	(22,260)
Rent- operating leases	90,707	90,744
	<u>90,707</u>	<u>90,744</u>

# Notes to the financial statements

For the financial year ended 31 December 2022

## 6. Employees

Staff costs were as follows:

	2022 €	2021 €
Wages and salaries	3,854,563	3,884,966
Social insurance costs	445,028	459,119
Cost of defined contribution scheme	115,112	130,870
	<u>4,414,703</u>	<u>4,474,955</u>

The average monthly number of employees, including the directors, during the financial year was as follows:

	2022 No.	2021 No.
Software development	19	19
Management	3	3
Sales and administration	39	39
Directors	3	3
	<u>64</u>	<u>64</u>

## 7. Directors' remuneration

The directors of the Company did not receive any remuneration in respect of their services from the Company during the financial year or 2021. The directors are remunerated by other group companies.

Any further required disclosures in Section 305 and 306 of the Companies Act 2014 are €Nil, for both the current financial year and the preceding financial year.

## 8. Interest payable and similar expenses

	2022 €	2021 €
Bank interest payable	676	1,793
	<u>676</u>	<u>1,793</u>

# Notes to the financial statements

For the financial year ended 31 December 2022

## 9. Taxation

	2022 €	2021 €
<b>Corporation tax</b>		
Current tax on profits for the year	10,174	11,484
	<u>10,174</u>	<u>11,484</u>
<b>Total current tax</b>	10,174	11,484
	<u>-</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>10,174</u>	<u>11,484</u>

### Factors affecting tax charge for the financial year

The tax assessed for the financial year is lower than (2021 - lower than) the (loss)/profit for the year multiplied by the standard rate of corporation tax in Ireland of 12.5% (2021 - 12.5%). The differences are explained below:

	2022 €	2021 €
Loss on ordinary activities before tax	<u>(1,388,146)</u>	<u>(1,995,999)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2021 - 12.5%)	(173,518)	(249,500)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	4,106
Depreciation in excess of capital allowances	-	4,934
Utilisation of tax losses	173,518	240,460
Income tax withheld	10,174	11,484
<b>Total tax charge for the financial year</b>	<u>10,174</u>	<u>11,484</u>

### Factors that may affect future tax charges

A potential deferred tax asset exists amounting to €1,044,922 (2021: €961,467) which has not been recognised in these financial statements on the grounds that there is insufficient evidence that the asset will be recoverable. The deferred tax asset is based on the Company's tax losses and research and development tax credits carried forward and will be recoverable in the event that there are sufficient future taxable trading profits against which the losses and credits can be offset.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 10. Intangible assets

	Development expenses €	Total €
<b>Cost</b>		
At 1 January 2022	347,045	347,045
At 31 December 2022	<u>347,045</u>	<u>347,045</u>
<b>Amortisation</b>		
At 1 January 2022	347,038	347,038
Charge for the financial year on owned assets	7	7
At 31 December 2022	<u>347,045</u>	<u>347,045</u>
<b>Net book value</b>		
At 31 December 2022	<u>-</u>	<u>-</u>
At 31 December 2021	<u>7</u>	<u>7</u>

The amortisation charge on development costs is recognised within administrative expenses in the Statement of comprehensive income.

## Notes to the financial statements

For the financial year ended 31 December 2022

**11. Tangible fixed assets**

	Leasehold improvement €	Machinery and equipment €	Total €
<b>Cost or valuation</b>			
At 1 January 2022	2,970	611,382	614,352
Additions	-	41,862	41,862
At 31 December 2022	<u>2,970</u>	<u>653,244</u>	<u>656,214</u>
<b>Depreciation</b>			
At 1 January 2022	372	427,182	427,554
Charge for the financial year on owned assets	74	51,188	51,262
At 31 December 2022	<u>446</u>	<u>478,370</u>	<u>478,816</u>
<b>Net book value</b>			
At 31 December 2022	<u>2,524</u>	<u>174,874</u>	<u>177,398</u>
At 31 December 2021	<u>2,598</u>	<u>184,200</u>	<u>186,798</u>

**12. Stocks**

	2022 €	2021 €
Raw materials and consumables	133,980	145,570
Work in progress (goods to be sold)	34,704	34,350
Finished goods and goods for resale	779,204	1,133,184
	<u>947,888</u>	<u>1,313,104</u>

Finished goods recognised as cost of sales in the year amounted to €3,204,343 (2021: €2,605,533).

An impairment loss of €261,858 (2021: €110,560) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 13. Debtors

	2022 €	2021 €
Trade debtors	1,646,133	1,762,101
Amounts owed by group undertakings	289,450	94,899
Research and development tax credits receivable	6,493	36,454
Prepayments	83,498	108,541
Tax recoverable	1,091	11,262
	<u>2,026,665</u>	<u>2,013,257</u>

The amounts owed by group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

An impairment allowance amounting to €393,472 (2021: €237,469) was recognised against trade debtors.

## 14. Financial Assets

The following was a subsidiary undertaking of the company which is held at a nil value:

Name	Registered office	Country of Incorporation	Nature of business	Class of shares	Holdings
Blue Tree Systems Inc	101 Centreport Drive Suite 140 Greensboro NC 27409 USA	United States of America	Service company	Ordinary	100%

## 15. Cash and cash equivalents

	2022 €	2021 €
Cash at bank and in hand	97,195	132,745
	<u>97,195</u>	<u>132,745</u>

# Notes to the financial statements

For the financial year ended 31 December 2022

## 16. Creditors: Amounts falling due within one year

	2022 €	2021 €
Trade creditors	456,551	425,229
Amounts owed to group companies	5,085,202	4,051,458
Taxation & social insurance	133,220	130,467
VAT	48,978	22,752
Other creditors	3,866	1,856
Accruals	413,535	508,035
	<u>6,141,352</u>	<u>5,139,797</u>

Trade and other creditors (including accruals) are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Payroll taxes, VAT and other taxes including social insurance are payable at various dates over the coming months in accordance with the applicable statutory provisions.

The amounts owed to group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

## 17. Share capital

	2022 €	2021 €
<b>Authorised</b>		
100,000 (2021 - 100,000) Ordinary shares of €1.269738 each	126,974	126,974
900,000 (2021 - 900,000) Ordinary "A" shares of €1.269738 each	1,142,764	1,142,764
	<u>1,269,738</u>	<u>1,269,738</u>
<b>Allotted, called up and fully paid</b>		
150 (2021 - 150) Ordinary shares of €1.269738 each	190	190
250,000 (2021 - 250,000) Ordinary "A" shares of €1.269738 each	317,435	317,435
	<u>317,625</u>	<u>317,625</u>

Ordinary shares have one vote for each share held and are entitled to dividends as and when such are declared by the board. "A" ordinary shares have no voting rights.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 18. Reserves

### Capital contribution

Capital contributions at 1 January 2018 of €6,485,692 represent contributions from the Company's shareholders prior to the acquisition of the Company on 2 October 2017 by Orbcomm Inc.

In 2016, the Company entered into an interest free, fixed term loan with its previous parent company (Blue Tree Systems Investments Limited), for a duration of ten years. Management determined the fair value of the loan by discounting the future cash payments using an appropriate discount rate. This gave rise to a difference of €1,979,086 between the amount received and its present value, which was accounted for as capital contribution. Interest imputed at the discount rate to the date of repayment amounted to €107,734.

On October 2017, the Company acquired by Orbcomm Inc. On acquisition, Orbcomm settled various debts of the Company, including the loan with Blue Tree Systems Investments Limited of €2,555,000, which gave rise to a reserve of a previously received capital contribution of €1,979,086.

### Profit and loss account

Profit and loss includes all current and prior period retained profits and losses.

## 19. Lease for Company's offices

The Company is party to operational leases. The future minimum lease payments in this regard are as follows:

	2022 €	2021 €
Less than one year	81,900	81,900
Between one and five years	81,900	163,800
	<u>163,800</u>	<u>245,700</u>

During the year €90,707 (2021: €90,744) was recognised as an expense in the profit and loss account in respect of operating leases.

## 20. Appropriation of Profit and loss account

	2022 €	2021 €
Profit and loss account brought forward at the beginning of the financial year	(8,759,064)	(6,751,581)
Other movement in the profit and loss account	(1,398,320)	(2,007,483)
<b>Profit and loss account carried forward at the end of the financial year</b>	<u>(10,157,384)</u>	<u>(8,759,064)</u>

## 21. Pension commitments

The Company operates a defined contribution pension scheme for employees. During the financial year, the Company contributed €115,112 (2021: €130,870) to the scheme. Amounts outstanding at the financial year end 31 December 2022 were €29,134 (2021: €20,302).

# Notes to the financial statements

For the financial year ended 31 December 2022

## **22. Related party transactions**

The Company has availed of the exemption in FRS 102 Section 33, Paragraph 33.1A which allows non-disclosure of transactions between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

## **23. Post balance sheet events**

There are no events since the financial year end that would require disclosure in the financial statements.

## **24. Controlling party**

The Company's immediate parent undertaking is Orbcomm Technology Ireland Limited, a company registered in Ireland. Consolidated financial statements are prepared by Orbcomm Technology Ireland Limited and are publicly available from the Companies Registration Office.

The ultimate controlling party is GI DI Orion GP LLC, a private company registered in the US. There is no shareholders owning a beneficial ownership in this company.

## **25. Approval of financial statements**

The board of directors approved these financial statements and authorised for issue on 22 August 2024.