

**ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON****Enheten**

Organisasjonsnummer: 918 965 556  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ABAX GROUP AS  
Forretningsadresse: Hamnergata 20  
3264 LARVIK

**Regnskapsår**

Årsregnskapets periode: 01.01.2022 - 31.12.2022

**Konsern**

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

**Regnskapsregler**

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

**Årsregnskapet fastsatt av kompetent organ**

Bekreftet av representant for selskapet: Linda Tangedal Pedersen  
Dato for fastsettelse av årsregnskapet: 26.04.2023

**Grunnlag for avgivelse**

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 02.08.2024



### Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2		323 606 414
<b>Sum inntekter</b>			<b>323 606 414</b>
<b>Kostnader</b>			
Other expenses	3	6 362 385	5 883 574
<b>Sum kostnader</b>		<b>6 362 385</b>	<b>5 883 574</b>
<b>Driftsresultat</b>		<b>-6 362 385</b>	<b>317 722 840</b>
<b>Finansinntekter og finanskostnader</b>			
Income from other group companies		61 432 543	31 093 300
Renteinntekt fra foretak i samme konsern		11 424 379	8 773 029
Other financial income	9	29 714 021	13 830 312
<b>Sum finansinntekter</b>		<b>102 570 943</b>	<b>53 696 641</b>
Rentekostnad til foretak i samme konsern	9	4 425 962	3 311 000
Annen rentekostnad	9	83 900 510	67 036 975
Other financial expenses	9	11 625 195	4 302 727
<b>Sum finanskostnader</b>		<b>99 951 667</b>	<b>74 650 702</b>
<b>Netto finans</b>		<b>2 619 276</b>	<b>-20 954 061</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-3 743 109</b>	<b>296 768 779</b>
Income tax expense	11	22 512 931	10 289 131
<b>Ordinært resultat etter skattekostnad</b>		<b>-26 256 040</b>	<b>286 479 648</b>
<b>Årsresultat</b>		<b>-26 256 040</b>	<b>286 479 648</b>
<b>Overføringer og disponeringer</b>			
Transferred to retained earnings	8	-26 256 040	286 479 648
<b>Sum overføringer og disponeringer</b>		<b>-26 256 040</b>	<b>286 479 648</b>



### Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	11		10 443 274
<b>Sum immaterielle eiendeler</b>			<b>10 443 274</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	7	2 667 818 625	2 667 818 625
Lån til tilknyttet selskap og felles kontrollert virksomhet	4	180 937 285	232 900 824
Other non-current assets		20 696 076	13 983 612
<b>Sum finansielle anleggsmidler</b>		<b>2 869 451 986</b>	<b>2 914 703 061</b>
<b>Sum anleggsmidler</b>		<b>2 869 451 986</b>	<b>2 925 146 335</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Other current receivables	11	188 443	166 057
Konsernfordringer	4	61 432 543	31 093 300
<b>Sum fordringer</b>		<b>61 620 986</b>	<b>31 259 357</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents		9 597 418	230 408 156
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>9 597 418</b>	<b>230 408 156</b>
<b>Sum omløpsmidler</b>		<b>71 218 404</b>	<b>261 667 513</b>
<b>SUM EIENDELER</b>		<b>2 940 670 390</b>	<b>3 186 813 848</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	6,8	42 959 051	42 959 051



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Overkurs	8	1 817 820 726	1 817 820 726
<b>Sum innskutt egenkapital</b>		<b>1 860 779 777</b>	<b>1 860 779 777</b>
<b>Opptjent egenkapital</b>			
Retained earnings	8	222 546 953	248 802 993
<b>Sum opptjent egenkapital</b>		<b>222 546 953</b>	<b>248 802 993</b>
<b>Sum egenkapital</b>		<b>2 083 326 730</b>	<b>2 109 582 770</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld		83 602 387	79 176 425
Interest bearing non-current liability	5,9,10	758 773 308	985 820 391
<b>Sum annen langsiktig gjeld</b>		<b>842 375 695</b>	<b>1 064 996 816</b>
<b>Sum langsiktig gjeld</b>		<b>842 375 695</b>	<b>1 064 996 816</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		1 081 638	286 469
Skyldige offentlige avgifter	11	12 069 657	10 159 866
Other current liabilities		1 816 670	1 787 927
<b>Sum kortsiktig gjeld</b>		<b>14 967 965</b>	<b>12 234 262</b>
<b>Sum gjeld</b>		<b>857 343 660</b>	<b>1 077 231 078</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>2 940 670 390</b>	<b>3 186 813 848</b>



### Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operational Revenue		717 021 000	641 555 000
One-time insurance payment			321 981 000
<b>Sum inntekter</b>	4	<b>717 021 000</b>	<b>963 536 000</b>
<b>Kostnader</b>			
Cost of hardware and services		88 298 000	73 891 000
Employee benefit expenses	5,26	252 489 000	231 036 000
Depreciation	9	62 281 000	56 496 000
Amortisation	10	303 340 000	280 788 000
Other operating expenses		126 101 000	123 064 000
Impairment loss on trade and other		8 081 000	4 280 000
<b>Sum kostnader</b>		<b>840 590 000</b>	<b>769 555 000</b>
<b>Driftsresultat</b>		<b>-123 569 000</b>	<b>193 981 000</b>
<b>Finansinntekter og finanskostnader</b>			
Finance income	7	45 546 000	18 061 000
<b>Sum finansinntekter</b>		<b>45 546 000</b>	<b>18 061 000</b>
Finance expenses	7	103 616 000	87 134 000
<b>Sum finanskostnader</b>		<b>103 616 000</b>	<b>87 134 000</b>
<b>Netto finans</b>		<b>-58 070 000</b>	<b>-69 073 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-181 639 000</b>	<b>124 908 000</b>
Income Tax	9	-26 936 000	-34 588 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-154 703 000</b>	<b>159 496 000</b>
<b>Årsresultat</b>		<b>-154 703 000</b>	<b>159 496 000</b>



### Konsernets balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Intangible assets and goodwill	10,11	2 212 914 000	2 424 890 000
Utsatt skattefordel	8	32 300 000	32 568 000
<b>Sum immaterielle eiendeler</b>		<b>2 245 214 000</b>	<b>2 457 458 000</b>
<b>Varige driftsmidler</b>			
Property, plant and equipment	9,2	219 904 000	207 967 000
<b>Sum varige driftsmidler</b>		<b>219 904 000</b>	<b>207 967 000</b>
<b>Finansielle anleggsmidler</b>			
Other investments, including deriva	23	26 623 000	19 911 000
Non-current interest-bearing receiva	12	14 634 000	4 730 000
<b>Sum finansielle anleggsmidler</b>		<b>41 257 000</b>	<b>24 641 000</b>
<b>Sum anleggsmidler</b>		<b>2 506 375 000</b>	<b>2 690 066 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	13	21 566 000	26 613 000
<b>Sum varer</b>		<b>21 566 000</b>	<b>26 613 000</b>
<b>Fordringer</b>			
Trade and other receivables	14	166 904 000	167 590 000
Current tax assets	8	2 776 000	4 407 000
Contract assets	4	1 523 000	17 245 000
<b>Sum fordringer</b>		<b>171 203 000</b>	<b>189 242 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	16	160 753 000	397 489 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>160 753 000</b>	<b>397 489 000</b>
<b>Sum omløpsmidler</b>		<b>353 522 000</b>	<b>613 344 000</b>
<b>SUM EIENDELER</b>		<b>2 859 897 000</b>	<b>3 303 410 000</b>



### Konsernets balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	17	42 959 000	42 959 000
Other reserves	17		
Overkurs	17	1 817 821 000	1 817 821 000
<b>Sum innskutt egenkapital</b>		<b>1 860 780 000</b>	<b>1 860 780 000</b>
<b>Opptjent egenkapital</b>			
Other reserves	17	-71 797 000	-69 688 000
Retained earnings	17	-439 765 000	-284 917 000
<b>Sum opptjent egenkapital</b>		<b>-511 562 000</b>	<b>-354 605 000</b>
<b>Sum egenkapital</b>		<b>1 349 218 000</b>	<b>1 506 175 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	8	194 391 000	236 323 000
<b>Sum avsetninger for forpliktelser</b>		<b>194 391 000</b>	<b>236 323 000</b>
<b>Annen langsiktig gjeld</b>			
Loans and borrowings	18	841 358 000	1 081 633 000
Non-current derivatives	23		
Other non-current liabilities, not int	10	22 889 000	20 997 000
<b>Sum annen langsiktig gjeld</b>		<b>864 247 000</b>	<b>1 102 630 000</b>
<b>Sum langsiktig gjeld</b>		<b>1 058 638 000</b>	<b>1 338 953 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	19	199 235 000	210 097 000
Current tax liabilities	8	13 307 000	12 773 000
Contract liabilities	4	129 167 000	129 650 000
Loans and borrowings	18	110 332 000	105 762 000
<b>Sum kortsiktig gjeld</b>		<b>452 041 000</b>	<b>458 282 000</b>
<b>Sum gjeld</b>		<b>1 510 679 000</b>	<b>1 797 235 000</b>



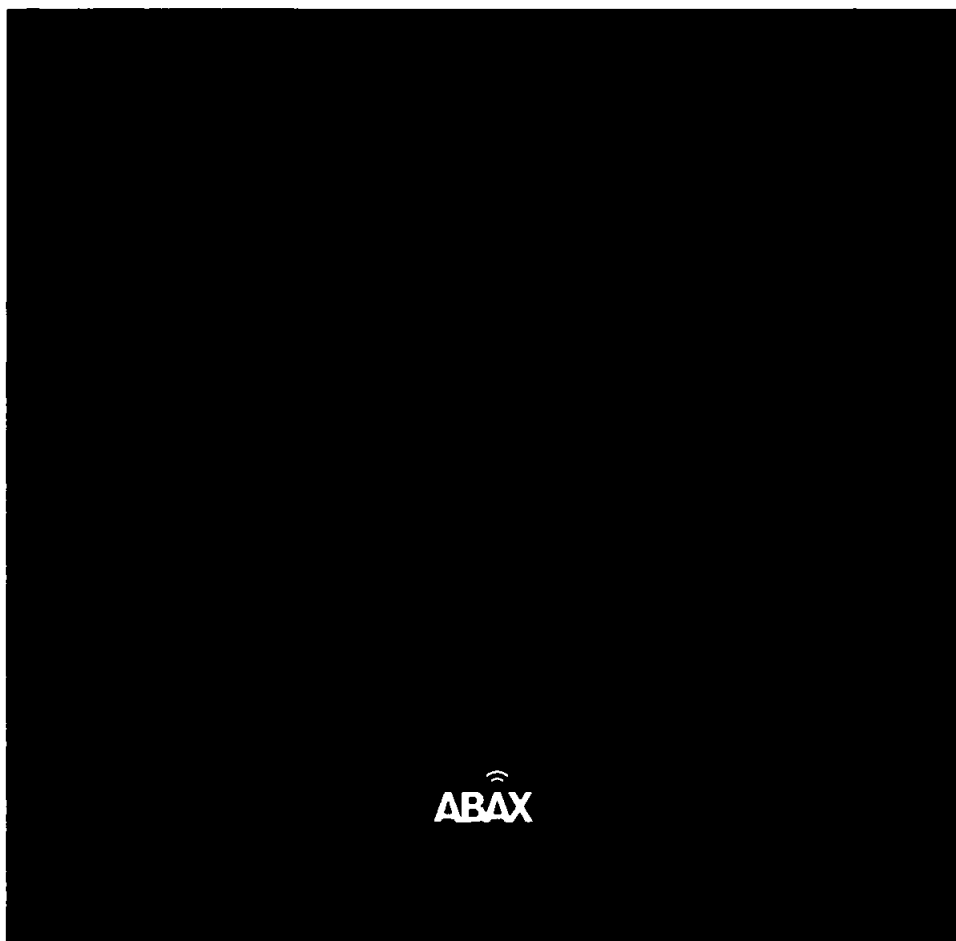
## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>2 859 897 000</b>	<b>3 303 410 000</b>



# ABAX Group AS

## IFRS Consolidated Financial Statements 2022





## **DIRECTORS REPORT 2022 – ABAX Group AS**

**For the period 01/01/2022 – 31/12/2022**

### **THE NATURE OF THE BUSINESS AND LOCALIZATION**

Founded in 2003, ABAX Group AS (“ABAX” or the “Company”) is a leading telematics IoT platform in Europe that offers connected mobility solutions for vehicle tracking, tool tracking, and equipment control. With over 500,000 tracked mobile assets, ABAX has demonstrated its expertise in translating customer needs into advanced technology solutions.

ABAX’s solutions enable businesses to run smarter and more sustainably by providing insights that improve efficiency, ensure regulatory compliance, and increase profitability. By partnering with leading players in industries such as insurance and leasing, ABAX is committed to continuously delivering greater value to its customers and becoming the leading data-driven smart mobility platform in Europe.

The ABAX Group operates from the headquarter in Larvik, Norway. The visiting address is Hammergata 20, 3264 Larvik. ABAX Company has established operations across the Nordic region as well as in the United Kingdom, the Netherlands, Poland, Belgium, and the USA.

### **OPERATIONS IN 2022**

#### **Our loyal customer base contributes to the revenue growth in a difficult year.**

The macroeconomic environment in 2022 was imprinted by many headwinds like the war in Ukraine, continued supply chain bottlenecks, increasing energy prices, increasing inflation and interest rates. In this environment, ABAX has proven its resilience with its subscription business model with 90% recurring revenue. ABAX’s loyal customer base contributes to the revenue growth by tracking more assets with the ABAX solutions and by adding additional services to their existing subscriptions. ABAX has shown its ability to pass most of the increased cost through to its customers in 2022.

ABAX’s has an unrelenting focus on putting the customer front and center of our data driven strategy, adding value to the operations of our customers through value added features and data insights. A large new software releases was done to strengthening the platform to cater for future growth along with providing new features and functionality to its users. A new Telematics interface, ABAX 2.0 was created. Also growing our Smart Mobility Platform, all customers can now avail of our new MobiSense service. ABAX MobiSense is a new service that analyses vehicle data with the use of our AI engine. The two current insights provided are company risk score and environmental score, giving customers full access to new ways to manage their fleet. Our analysis will help customers understand their data, recognise trends, uncover value and take timely action providing them with greater efficiency.

Further improvements to our ABAX Admin Mobile App have also been done in 2022. These allow our customers to better manage their fleets & businesses on the go rather than waiting to complete once back at the office. Our OpenAPI has been further extended, increasing the number of data points available to external partners to unlock the power of our data and provide easy to use, integrated solutions to our common customers.

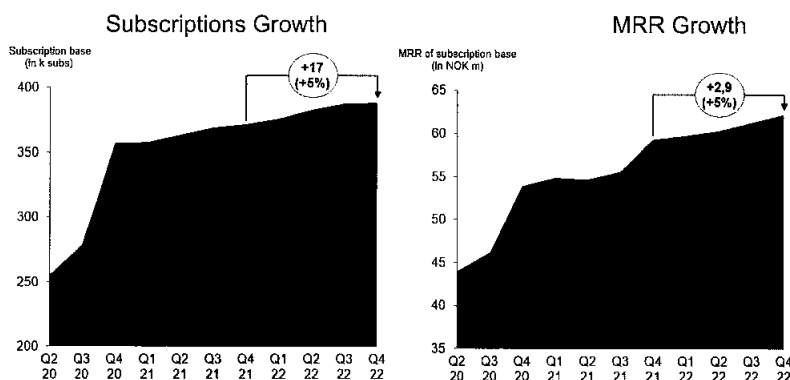
In 2022, ABAX took a major step into data monetization with a usage-based car insurance (UBI) product developed together with the leading Nordic insurance company Tryg. The vehicle data of ABAX customers helps Tryg to precisely assess the insurance risk and offer a unique, attractive, and individualized insurance product. With this service, ABAX can help fleet



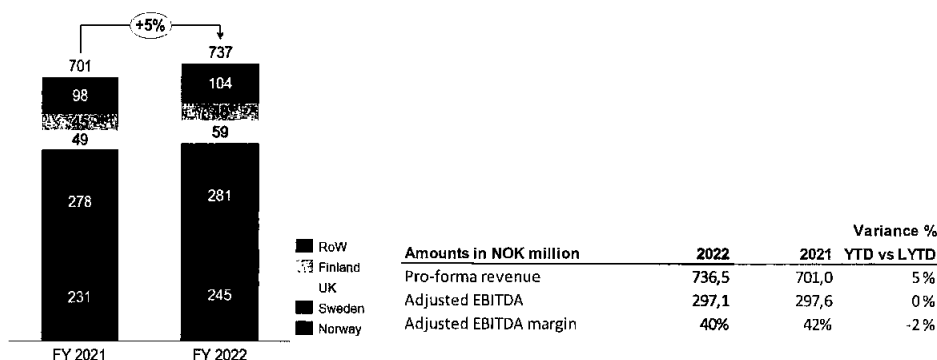
owners save cost for their car insurance and improve safety on the roads through feedback and advise on better and safer driving. In a first phase, UBI is available in Norway, but the plan is to roll-out to other countries throughout 2023.

ABAX took the first steps in investing in a strategic relationship with Connected Cars in Denmark, which will bring renewed focus to our Danish operation. This is part of our strategy to bring business value from data to not only our customers, but to those of others. In addition, Abax has won an equipment tracking tender of Kubota in 2022.

Subscriptions continue to grow (5%) across the company, highlighting the company's unrelenting focus on the customer, and helping them empower and connect their own businesses. The growing customer base results in increasing MRR (Monthly Recurring Revenue) which adds predictability to the company's revenue and cash generation, which is a key financial focus / objective of ABAX. MRR has increased by 5% since end of December 2021.



Pro-forma<sup>1</sup> revenue and financial results:



<sup>1</sup> ABAX constitutes the operating entities under ABAX Group AS. All figures in ( ) refer to the comparable figures from previous year. The pro-forma revenue for FY2021 and FY2022 is reported under SaaS revenue recognition policy adopted starting on January 1, 2020. All figures are shown under IFRS



Adjusted EBITDA declined by 2% - this is due to higher COGS from hosting fees because of migration to the cloud and upfront investments for the launch of the UBI offering. ABAX continues to have good focus on controlling cost during half of 2022, and it continues to be a core focus of the business, to provide the best value for service to our customers.

To make decision making more agile, increase process efficiency and to focus resources on the largest growth opportunities, ABAX has undertaken a reorganization during Q4 2022. This organizational change was finalized before year end and the teams are now working in the new setup under a leaner leadership structure.

Having begun our sustainability journey some years ago, we are now at a point where we can measure improvements in our environmental impact and how our efficiently our supply chain operates, making us a more sustainable entity than when we began in 2020. 2022 was a year for consolidating our carbon data into digestible insights that can be used across the value chain.

ABAX is always working towards greener and more regenerative own operations, towards becoming a net positive emitter of CO2 and other damaging pollutants, and towards creating a framework where our suppliers are also asked to become better, for the sake of all of us. Working on a more sustainable mobility future is a key element in this, and we are taking the first, budding steps towards being able to report on how our products positively impact our customers and the planet – this work will be a cornerstone in our business moving forward. Please see our Sustainability report 2022 for further details. The report is available on the company's webpages.

## **FUTURE DEVELOPMENT**

In the coming years, the Board expects the Group to accelerate its growth in its existing markets, as well as further developing the products and services to strengthen the Group's market position. Selected add-on acquisitions are considered an attractive opportunity to further accelerate this growth. The Board stresses that there is uncertainty related to the assessment of future conditions

## **ANNUAL ACCOUNTS**

### **Profit and loss**

Full year EBITDA was 242.1 M NOK, compared to 209.2 M NOK (excluding the W&I arbitration award 322 M NOK) in the period ending on December 31, 2021.

The Group revenue for 2022 was at 717 M NOK. Operating Group profit for 2022 was at -123.6 M NOK. Depreciation, amortization, and impairment accounted for 365.6 M NOK.

### **Balance Sheet and Liquidity**

In FY2022, the Group reduced its cash by 236,7 M NOK compared to generating 253.5 M NOK in 2021.

Cashflow from operating activities amounted to 261 M NOK at the 31 December 2022, compared to 538,3 M NOK on 31 December 2021. Cashflow from operating activities is derived from the operating result for the year, adjusted for various items as detailed in the cashflow, for both operational expenses and gains, and working capital adjustments. The difference between the operating result of the year and the cash flow from operating activities are mainly due to amortisation 303,3 M NOK and depreciation 62,3 M NOK.

The Group's cash liquidity was 160.8 M NOK per 31 December 2022. Liquidity forecasts ahead are satisfactory. The Group's ability to finance its investments is good. The Group currently has available additional facilities of 39 M NOK, should they be required.



In 2022, the Group invested substantial amounts in research and development, of which 51,5 M NOK was capitalized internal hours on the balance sheet.

The Group's long-term debt amounted to 1 059 M NOK as of 31 December 2022. During 2022, ABAX purchased 233.8 M NOK of its own bond, which is reflected as a marketable security in the financial statements and shown as a reduction in debt.

Total asset value at the end of 2022 was 2 860 M NOK for the Group. The equity in the Group at end of 2022 was 1 349 M NOK (47 % equity ratio).

## **ABAX GROUP AS (NGAAP)**

### **Financial Review**

ABAX Group AS (the Company) prepares its financial statements according to NGAAP. In 2022, ABAX Group AS reported a profit before tax of -3.743 M NOK.

Total equity for the parent Company was 2 083.3 M NOK on 31 December 2022 compared to 2 109.6 M NOK on 31 December 2021.

### **Organization**

ABAX Group AS had no employees at the end of 2022.

## **RISK FACTORS**

### **Financial risk**

The Group is exposed to financial risk in various areas, including currency risk, more specifically in SEK, Euro, DKK, and British pounds. A substantial proportion of ABAX' revenues are in foreign currencies. The Group has not made contractual arrangements to reduce or negate the risk of exchange rate fluctuations, a risk that may have an impact on its operations in the market.

The risk of FX fluctuations with the British pound continues. The Group continues to monitor the British Pound post Brexit and its impact on UK operations and will continue to safeguard its interests in its UK operations.

Since ABAX Group AS in June 2020 issued a senior secured bond for a total amount of 1,000 MNOK, the company is exposed to interest rate trends. The bond terms give the investors a yield of NIBOR 3M + 6.15%. In order to reduce that exposure ABAX Group AS has entered into an Interest Rate Hedge Transaction with SEB.

### **Credit risk**

The risk of bad debts is assessed on an on-going basis, and all customers in all countries are reviewed, to ensure credit terms are not exceeded beyond acceptable practice, as a result this risk has been assessed as being moderate.

There are no netting agreements that may reduce the overall credit risk for the Group.

### **Liquidity risk**

The liquidity going forward is assessed as good. Most of the Group's revenue is coming from subscriptions with standard contract length of three years. Combined with a low customer churn, it provides a high degree of accuracy in revenue forecasting and liquidity forecasting.



## **GOING CONCERN**

The Board of Directors confirms that the Financial Statements have been prepared under the assumption that the Group is a going concern and that this assumption was realistic at the date of the accounts. This assumption is based on profit forecasts for the year 2023 plus ABAX' long-term strategic plans. We can therefore conclude that ABAX is in a healthy financial position.

## **CORPORATE GOVERNANCE**

ABAX is committed to principles of good Corporate Governance, and this is imprinted in everything we do. This includes equal treatment of shareholders, related parties transactions on arm length basis, and General Meetings are done within good corporate governance, laws and regulations. In addition, we were recertified in ISO 9001 Quality Management, 14001 Environmental Management and 27001 Information Security Management for the 10th consecutive year. The elected auditors participates at meetings where it is deemed necessary by the Board.

The Board is responsible for ensuring that the company's risk management and internal control systems are adequate in relation to the regulations governing the business. The company's systems and procedures for risk management and internal control are intended to ensure efficient operations, timely and correct financial reporting, as well as compliance with the legislation and regulations to which the company is subject. The core management has been delegated the responsible for the internal control, and has a continuous focus on improving and develop in accordance with best practice and our learning. A monthly financial reporting deck provides detailed information of the status of our business operations and the strategic goals. The capital structure is adapted to reflected our goal, strategi and risk profile.

An Audit Committee was established when the bond was listed on Oslo Stock Exchange.

The Board and the Audit Committee performs an annual review of the company's risk management/corporate governance.

Equality policy outlined in separate section below.

## **WORKING ENVIRONMENT AND PERSONNEL**

In 2022 sick leaves accounted for only 3.5% of total working hours at ABAX Group and 3.1 % for ABAX AS. This is significantly less than the national average in Norway of 6.69 % (Q4 2022). ABAX has therefore reaped the benefits of introducing and maintaining on-going measures to reduce absenteeism. ABAX will continue to work to reduce the number of sick days. Examples of some of those measures include regular medical check for all employees, exercise during work hours and task sharing and swapping.

To date no accidents have occurred that have caused personal injury or damage to property. The working environment is considered good and healthy, and there are ongoing measures to improve it even further.

ABAX' various working environment committees have held regular meetings during the period.

## **EQUALITY POLICY**

ABAX is an equal opportunity employer, and the Group seeks to allow for the best possible ways to accommodate for different life situations and individual needs among its employees. ABAX' internal policies ensures that there is no gender discrimination in matters such as salary, promotion and recruitment. Information about our work and implemented measures related to equality can be found in the "ABAX Sustainability Report 2022" available on the company's webpages. In this report, topics such as gender pay gap analysis, diversity of management



and inclusion are presented. ABAX encourage our employees to utilize the parental leave that the local laws allow for.

Out of ABAX' 309 employees December 2022, 89 (29 %) employees are females. 23 % of all leadership positions are filled by females. ABAX has three main level of leadership positions, "C Suite", "Head of" and "Directors". Those leadership positions may have different remunerations due to different factors. Those factors may be operating in different countries, seniority, responsibilities, and qualifications. Females represent 17% of "C Suite", 57% of "Head of" and 11% of "Directors". 8 employees are temporary employees, where 25% is females. 15 employees are part time employees, where 47% is females. The Board is not aware of any involuntary part time positions. Working hours in ABAX are dependent on employment position and are independent of gender.

The Group employs a climate survey to capture and record employee feedback with regards to specific subjects, for instance promotion, training, and internal affairs.

ABAX plans to continue with the equality measures as detailed above.

## **DISCRIMINATION**

The purpose of the Discrimination Act is to promote equality, ensure equal opportunities and rights and prevent discrimination based on ethnicity, national origin, race, color, language, sexual orientation, religion, and belief. ABAX is working actively, purposefully, and systematically to promote equal opportunity ethics within our business. The activities include recruitment, pay and working conditions, promotion, development, and protection against harassment.

ABAX is committed to meeting its obligations under the law by providing a workplace that insures full inclusion and participation of staff as well as job applicants with disabilities.

## **EXTERNAL ENVIRONMENT**

ABAX emphasizes environmental and resource efficiency throughout its value chain. ABAX' products contain no components or substances in quantities that are classified as environmentally hazardous. The products have no significant environmental impact in use. Decommissioned units are collected and recycled through an approved recycling company. An external supplier certified in ISO 14001 manufactures the hardware products used by the Group. ABAX also makes sure that its suppliers are environmentally accredited.

The Group is located in a modern, environmentally friendly building, and office operations have no greater environmental impact than what is considered normal for typical office activities. The management works diligently to reduce CO2 emissions from transport associated with products and employees. ABAX' environmental management system is certified according to ISO 14001.

## **ENVIRONMENTAL REPORTING**

ABAX business is not regulated by licenses or restrictions.

## **TRANSPARENT ACT**

The Norwegian Transparency Act came into effect in June 2022. It requires that companies carry out due diligence activities that will ensure they are operating responsibly, respecting human rights and decent working conditions. As part of ABAX's continuous improvement governance policy, we updated the procurement policy during the year. This was a first step on the road to the public declaration of our due diligence results in June 2023. The report will be published on our webpage.



## RESPONSIBILITY STATEMENT

Today, the board of directors and the chief executive officer reviewed and approved the board of directors' report and the consolidated and separate annual financial statements of Abax Group AS, consolidated and parent company for the year ending and as of 31 December 2022.

Abax Group AS's consolidated financial statements have been prepared in accordance with IFRSs and IFRICs adopted by the EU as well as additional disclosure requirements in the Norwegian Accounting Act and as such are to be applied per 31 December 2022.

The separate financial statements of Abax Group AS and the parent company have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as at 31 December 2022. The board of directors' report for the group and the parent company satisfy with the requirements of the Norwegian Accounting Act and Norwegian accounting standard no. 16, as at 31 December 2022.

## DIRECTORS INSURANCE

ABAX has purchased insurance for the Board of directors and the general manager with QBE Europe SA/NV. The insurance covers all directors and officers of the Group, and policy is governed by and interpreted by the laws of Norway.

## SUBSEQUENT EVENTS

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

Larvik, April 26<sup>th</sup>, 2023

Andrea Davis  
Chairman

Yanlin Li  
Board member

Morten Strand  
Board member

Juergen Heilmann  
Board member

Bjørn Erik B. Helgetand  
Board member



## ABAX Group AS CONSOLIDATED STATEMENT OF PROFIT AND LOSS

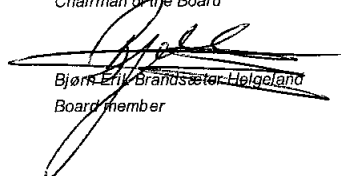
Amounts in NOK thousand	Note	Audited	
		January-December	
		2022	2021
Operational Revenue		717 021	641 555
One-time insurance payment			321 981
<b>Total Revenue</b>	<b>4</b>	<b>717 021</b>	<b>963 536</b>
<b>OPERATING EXPENSES</b>			
Cost of hardware and services		88 298	73 891
Employee benefit expenses	5,26	252 489	231 036
Other operating expenses	6	126 101	123 064
Impairment loss on trade and other receivables	22	8 081	4 280
Depreciation	9	62 281	56 496
Amortisation	10	303 340	280 788
<b>OPERATING PROFIT(+)/LOSS(-)</b>		<b>(123 569)</b>	<b>193 981</b>
<b>FINANCIAL ITEMS</b>			
Finance income	7	45 546	18 061
Finance expenses	7	(103 616)	(87 134)
<b>TOTAL NET FINANCIAL ITEMS</b>		<b>(58 070)</b>	<b>(69 073)</b>
<b>PROFIT(+)/LOSS(-) BEFORE TAX</b>		<b>(181 639)</b>	<b>124 908</b>
Tax income (+) / expense (-)	8	26 936	34 588
<b>PROFIT(+)/LOSS(-) FOR THE PERIOD</b>		<b>(154 703)</b>	<b>159 496</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

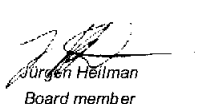
	January-December	
	2022	2021
<b>PROFIT(+)/LOSS(-) FOR THE PERIOD</b>	<b>(154 703)</b>	<b>159 496</b>
<b>ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS</b>		
Foreign currency translation differences	(2 109)	(45 552)
<b>TOTAL ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS</b>	<b>(2 109)</b>	<b>(45 552)</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>(2 109)</b>	<b>(45 552)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(156 812)</b>	<b>113 944</b>

ABAX Group AS  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	Audited		
	31.12.2022	31.12.2021	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9,20	219 904	207 967
Intangible assets and goodwill	10,11	2 212 914	2 424 890
Deferred tax assets	8	32 300	32 568
Other investments, including derivatives	23	26 623	19 911
Non-current interest-bearing receivables	12	14 634	4 730
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2 506 376</b>	<b>2 690 066</b>	
<b>CURRENT ASSETS</b>			
Inventories	13	21 566	26 613
Current tax assets	8	2 776	4 407
Trade and other receivables	14,22	166 904	167 590
Contract assets	4	1 523	17 245
Cash and cash equivalents	16	160 753	397 489
<b>TOTAL CURRENT ASSETS</b>	<b>353 521</b>	<b>613 344</b>	
<b>TOTAL ASSETS</b>	<b>2 859 897</b>	<b>3 303 410</b>	
<b>EQUITY</b>			
Share capital	17	42 959	42 959
Share premium	17	1 817 821	1 817 821
Retained earnings	17	(439 765)	(284 917)
Other reserves	17	(71 797)	(69 688)
<b>TOTAL EQUITY</b>	<b>1 349 217</b>	<b>1 506 174</b>	
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	18,7	841 358	1 081 633
Deferred tax liabilities	8	194 391	236 323
Non-current derivatives	23	-	-
Other non-current liabilities, not interest bearing	10	22 889	20 997
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1 058 638</b>	<b>1 338 954</b>	
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	199 235	210 097
Contract liabilities	4	129 167	129 650
Current tax liabilities	8	13 307	12 773
Loans and borrowings	18	110 332	105 762
<b>TOTAL CURRENT LIABILITIES</b>	<b>452 042</b>	<b>458 282</b>	
<b>TOTAL LIABILITIES</b>	<b>1 510 680</b>	<b>1 797 236</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 859 897</b>	<b>3 303 410</b>	

Andrea Davis  
Chairman of the BoardBjørn Erik Brandstøer Helgeland  
Board member

Larvik, 26 April 2023

Morten Strand  
Board memberJürgen Heilman  
Board memberYanlin Li  
Board member



ABAX Group AS

## CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in NOK thousand	Note	Audited	
		2022	2021
		Jan-Dec	Jan-Dec
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
PROFIT(+)/LOSS(-) FOR THE PERIOD		(154 703)	159 496
<b>Adjustments for:</b>			
- Depreciation	9	62 281	56 496
- Amortisation	10	303 340	280 788
- Net finance costs	7	58 070	69 073
- Tax income (-) / expense (+)	8	(26 936)	(34 588)
<b>Cash flow before changes in working capital, interest and tax</b>		<b>242 052</b>	<b>531 265</b>
<b>Changes in:</b>			
- Inventories	13	5 047	(14 979)
- Trade and other receivables	14	(5 200)	(33 900)
- Trade and other payables	19	1 100	6 700
- Contract assets/liabilities	4	15 239	46 235
- Other movements		5 675	(3 724)
<b>Cash flow before interest and tax</b>		<b>263 912</b>	<b>531 597</b>
Income taxes paid	8	(2 876)	6 728
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>261 036</b>	<b>538 325</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of property plant and equipment, and intangible assets	9,20	(60 286)	(61 808)
Acquisition of intangible assets	10	(90 410)	(100 329)
Shares in Reen		-	(5 427)
Upstream to related companies			1 600
Proceeds to/from loans from related companies	18	(10 000)	(1 600)
Earn-out RAM		(10 335)	(10 514)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(171 031)</b>	<b>(178 078)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Interest paid	18	(81 156)	(74 277)
Interest received	18	14 398	-
Repayment of borrowings	18	(233 800)	
Payment of lease liabilities	20	(26 183)	(32 758)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(326 741)</b>	<b>(107 036)</b>
<b>NET INCREASE (+)/DECREASE (-) IN CASH AND CASH-EQUIVALENTS</b>		<b>(236 736)</b>	<b>253 535</b>
Cash and cash-equivalents beginning of period		397 489	143 954
<b>CASH AND CASH-EQUIVALENTS END OF PERIOD</b>		<b>160 753</b>	<b>397 489</b>



**ABAX Group AS**  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year 2021	Attributable to shareholders of ABAX Group AS					Total equity
	Share capital	Share premium	Total paid-in capital	Retained earnings	Translation reserve	
Amounts in NOK thousand						
Ingoing balance 1 January 2021	42 959	1 817 821	1 860 780	(445 161)	(24 136)	1 391 483
Total comprehensive income for the period 01.01.21 - 31.12.21						
Loss for the period				159 496		159 496
Changes to previous years				749		749
Other comprehensive income for the period					(45 552)	(45 552)
				160 245	(45 552)	114 693
<b>Balance as of 31 December 2021</b>	<b>42 959</b>	<b>1 817 821</b>	<b>1 860 780</b>	<b>(284 917)</b>	<b>(69 688)</b>	<b>1 506 174</b>

Year 2022	Attributable to shareholders of ABAX Group AS					Total equity
	Share capital	Share premium	Total paid-in capital	Retained earnings	Translation reserve	
Amounts in NOK thousand						
Ingoing balance 1 January 2022	42 959	1 817 821	1 860 780	(284 917)	(69 688)	1 506 174
Total comprehensive income for the period 01.01.22 - 31.12.22						
Loss for the period				(154 703)		(154 703)
Other comprehensive income for the period					(2 109)	(2 109)
				(154 703)	(2 109)	(156 812)
Transactions with owners of the Company						
Group contribution to ABAX M&Co AS				(45)		(45)
Group contribution to ABAX Invest AS				(100)		(100)
<b>Balance as of 31 December 2022</b>	<b>42 959</b>	<b>1 817 821</b>	<b>1 860 780</b>	<b>(439 765)</b>	<b>(71 797)</b>	<b>1 349 217</b>



## Notes to the financial statements

### Note 1 | General Information

ABAX Group AS ("the Company") and its subsidiaries (together "the Group") has its headquarters and registered office at Hammergata 20, 3264 Larvik, Norway.

The Group's operations are focused on vehicle, equipment management solutions through its main products ABAX Equipment Control and ABAX Trip log.

The Group has operations in the Nordics, UK, Netherlands, Belgium, US and Poland.

The financial statements have been prepared by the Management Board and authorised for issue on 19. April 2023. The financial statements will be submitted for approval at the General Meeting on 26 April 2023.

### Note 2 | Significant accounting policies

#### Basis of preparation

The financial statements are prepared on the historical cost basis, with certain exceptions as detailed in the accounting policies below. The policies described have been applied consistently to all periods presented in these consolidated financial statements.

#### Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

#### Functional and presentation currency

The consolidated financial statements are presented in Norwegian kroner (NOK), which is also the functional currency of the parent company.

All amounts have been rounded to the nearest thousand, unless otherwise indicated. As a result of rounding differences, numbers or percentages may not add up to the total.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled either directly or indirectly by the company.

A subsidiary is consolidated as of the date at which control is acquired. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights result in control.

The consolidated financial statements have been prepared in accordance with uniform accounting principles for similar transactions for the companies included in the consolidated accounts, and are prepared based on the same accounting period as used for the parent company.

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated when preparing the consolidated financial statements.

#### Foreign currency transactions

Transactions in foreign currency are translated to the respective functional currency of group entities using the exchange rate prevailing on the dates of the transaction.



Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated by using the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities measured at fair value denominated in foreign currency are translated to the exchange rate at the time fair value was determined. The effects of changes in exchange rate are generally recognized in profit and loss as 'Other financial items', except for gains and losses that arise from intercompany receivables that form part of net investment in subsidiaries which are recognised in 'Other comprehensive income'. No intercompany receivables are considered as part of net investment as of 31 December 2022.

## Foreign operations

Items included in the financial statements of each group entity are measured using the entity's functional currency, being the currency of the primary economic environment in which the entity operates. The financial position and results of group entities with a non-NOK functional currency are translated to the Group's presentation currency of NOK as follows:

- Assets and liabilities, including any goodwill and fair value adjustments arising on acquisition, are translated into NOK at the exchange rates at the reporting date; and
- Results are translated based on the average exchange rate on a monthly basis.
- Foreign exchange differences arising from this translation are recognised in other comprehensive income, and presented as a separate component in equity.

Exchange differences arising from the translation of the net investment in foreign operations are included in other comprehensive income as a translation reserve. These translation differences are reclassified to the income statement upon disposal or liquidation of the related operations. No intercompany receivables are considered as part of net investment as of 31 December 2022.

Exchange differences arising from non-current monetary receivable or payable by a foreign operation where settlement is neither planned nor likely in the foreseeable future, forms part of the net investment in that entity and are recognised in other comprehensive income. These translation differences are reclassified to the statement of profit or loss when settled.

## Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

If the acquisition cost exceeds the fair value of the net assets acquired, goodwill arises. Goodwill is allocated to the cash generating unit ("CGU") or groups of CGUs that are expected to benefit from synergies associated with the acquisition.

The estimation of fair values and goodwill may be adjusted up to 12 months after the acquisition date if new information emerges regarding the conditions at the time of the acquisition and which, had they been known, would have affected the estimates of fair values and goodwill.

Acquisition-related costs associated with business combinations are expensed as incurred, except if related to the issue of debt or equity securities.

## Fair value measurement

The fair values of non-financial assets and liabilities may be required to be determined e.g. when the Group acquires a business or when the recoverable amount of an asset or CGU for impairment testing purposes is determined using the fair value less cost of disposal methodology. Fair value is the price that an asset or liability would be transferred at in an orderly transaction between market participants.



When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Where there is no quoted price for an asset or liability in an active market, fair value is determined using valuation techniques which include discounted cash flow analysis.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques:

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices that are directly or indirectly observable

Level 3: inputs that are not based on observable market data

## **Revenue**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

The group principally generates revenue from providing cloud based vehicle-tracking systems for vans, digital mileage claim for cars and protection technology for equipment and tools. In order to provide the services, the customer needs a hardware device. The device is either leased to the customer or sold.

## **ABAX Access**

The main revenue stream is a subscription based, recurring revenue from software as a service (SaaS). The deliverable consists of a hardware component and the SaaS service. The hardware component is either leased or sold to the customer. The hardware component is not a distinct as the customer cannot benefit from this on its own. The delivery is assessed to being a single performance obligation and the revenue is recognised on a straight line bases over the contract period.

The transaction price is identified in the contract and is recognised over the contract period in accordance with the deliveries of the SaaS service. The typical length of a service contract is 36 months. No significant financing component exists within the customer contracts.

In 2021 ABAX transitioned from a hardware and software provider to a Software as a Service organisation. ABAX will as part of its service offering retain title to its hardware, instead of selling as a stand-alone item to its customers.

## **Other services**

This includes other services such as consultancy and are recognised upon delivery.

## **Contract assets and contract liabilities**

If recognised revenue exceeds amounts received or receivable from a customer, a contract asset is recognised. Contract liabilities primarily relate to advance consideration received from customers, for which revenue is recognised as subscription services are provided. Contract assets and contract liabilities are expected to be realised within in the Group's normal operating cycle, and are classified as current within trade and other receivables and trade and other payables respectively. Contract assets are adjusted for

provision for impairment in accordance with the expected credit loss model.



## **Employee benefits**

### Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

## **Financial income and finance cost**

The Group's finance income and finance costs include interest income, interest expense, foreign currency gains or losses and the net gain or loss on hedging instruments that are recognised in profit or loss.

Interest income or expense is recognised using the effective interest method.

## **Taxes**

### Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss, or items recognised directly in equity or in Other Comprehensive income (OCI).

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.



## **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based weighted average principle. All inventories are finished goods items.

## **Property plant and equipment**

### Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Costs that occur subsequently to the asset being put in use, such as maintenance, are expensed, while costs expected to provide future economic benefits by prolonging useful life of the asset, are capitalised. Assets that are taken out of service are expensed.

### Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation is recorded on a straight-line basis over the estimated useful lives

of the assets as follows:

- Fixtures, hardware boxes and office machinery: 3-5 years;
- Leasehold improvements: 5-15 years (Remaining rental period is upper basis for useful life);

Right of Use assets recognised have the following estimated useful lives, though these are never longer than the estimated lease term:

- Right to use Motor vehicles: 3-5 years.
- Right of use Fixtures and office machinery: 3-5 years;
- Right of use land and buildings: 5-15 years;

## **Leases (As a lessee)**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.



The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

#### Short-term leases and leases of low-value assets

The Group has elected to recognize all right-of-use assets and lease liabilities for short-term including those leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment.

### **Intangible assets and goodwill**

#### Recognition and measurement

##### *Goodwill*

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

##### *Research and development*

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

##### *Other intangible assets*

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.



## *Government grants*

Government grants are recognised when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. ABAX Group receives government grant on certain R&D projects in Norway. The grants are initially classified as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset as a reduction of amortisation expenses.

## **Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill and brand name are not amortised.

The amortisation of other intangible assets is recorded on a straight-line basis over the estimated useful lives as follows:

- Development of telematic solutions: 3-7 years;
- Purchased customer portfolios: 10 - 15 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## **Financial instruments**

A financial instrument is a contract that gives rise to both a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments are generally recognized as soon as the group becomes a party to the terms of the financial instrument.

The Group classifies non-derivative financial assets into the following categories: financial assets at FVTPL, FVOCI and amortised cost.

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at FVTPL and other financial liabilities at amortised cost.

### **Financial assets**

Financial assets include, in particular, cash and cash equivalents, trade receivables and other loans and receivables. Financial instrument classification is based on the business model in which the instruments are held as well as the structure of the contractual cash flows.

### **Financial assets measured at amortized cost**

Financial assets measured at amortized cost are non-derivative financial assets with contractual payments that consist exclusively of payments of interest and principal on the outstanding nominal amount and are held with the objective of collecting the contractually agreed cash flows, such as loans and receivables, trade receivables or cash and cash equivalents (the "hold" business model).

After initial recognition, these financial assets are measured at amortized cost using the effective interest method less impairment. Gains and losses are recognized in profit or loss when the loans and receivables are impaired or derecognized. Interest effects from the application of the effective interest method and effects from currency translation are also recognized through profit or loss.

### **Cash and cash equivalents**

Cash and cash equivalents include bank deposits.

### **Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 14 days and are therefore all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized



cost using the effective interest method. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

#### **Financial assets measured at fair value through profit or loss**

Financial assets measured at fair value through profit or loss comprise financial assets whose cash flows do not relate solely to payments of interest and repayments of principal on the outstanding nominal amount. Gains or losses on these financial assets are recognized through profit or loss.

#### **Financial liabilities**

Financial liabilities regularly give rise to a redemption obligation in cash or another financial asset. These include in particular bonds and other securitized liabilities, trade payables, liabilities to banks, liabilities to affiliated companies and derivatives designated as hedges. Financial liabilities are classified into the following categories:

- Financial liabilities measured at fair value through profit or loss, and
- Financial liabilities measured at amortized cost.

Upon initial recognition, financial liabilities are measured at fair value. The transaction costs directly attributable to the acquisition are also recognized for all financial liabilities that are subsequently measured at fair value not through profit or loss. Trade payables and other non-derivative financial liabilities are generally measured at amortized cost using the effective interest method. A financial liability is derecognized when the obligation underlying the liability is discharged, canceled or expires.

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the duration of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. If Abax repurchases a part of a financial liability, the entity shall allocate the previous carrying amount of the financial liability between the part that continues to be recognised and the part that is derecognised based on the relative fair values of those parts on the date of the repurchase. The difference between (a) the carrying amount allocated to the part derecognised and (b) the consideration paid, including any non-cash assets transferred or liabilities assumed, for the part derecognised shall be recognised in profit or loss.

#### **Impairment**

##### **Non-derivative financial assets**

Financial assets not classified as at FVTPL are assessed at each reporting date to determine whether there is objective evidence of impairment. The loss allowance is measured at an amount equal to lifetime expected credit losses.

Objective evidence that financial assets are impaired includes:

default or delinquency by a debtor;

indications that a debtor or issuer will enter bankruptcy;

adverse changes in the payment status of borrowers or issuers;



## Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends. The group has identified the credit worthiness and segment development in which it sells its services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. The process of write offs is enforced when the debt is more than 271 days past due and at least 3 reminders are issued in addition to the debtor being considered insolvent by the debt collector. The debt collections agency will still have the debtor on surveillance and will, in case of financial improvement, enforce payment of the debt. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

## Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and brand name are tested at least annually for impairment.

For the purpose of assessing impairment, assets are grouped at the lowest level for which cash inflows that are largely independent from the cash inflows from other assets can be identified (cash generating units). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Long term provisions are measured at the net present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

## **Adoption of new and revised reporting standards and interpretations**

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.



The amendments which are effective from 1 January 2022 that do not have material impact on the consolidated financial statements:

- Amendments to IFRS 3 Business combinations – reference to Conceptual Framework; Effective 1 January 2022;
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use; Effective 1 January 2022;
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract; Effective 1 January 2022;
- Annual improvements to the standards: Improvement cycle 2018 – 2020; Effective 1 January 2022.

Amendments which are effective for the financial periods starting from and after 1 January 2023 and which are not expected to have a material impact on the financial statements:

- IFRS 17 Insurance Contracts (including amendments); Effective 1 January 2023;
- Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current; Effective 1 January 2024;
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies; Effective 1 January 2023;
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates; Effective 1 January 2023;
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction; Effective 1 January 2023;
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Lease back (issued on 22 September 2022); Effective 1 January 2024.

The standards will be adopted at the effective dates.

### **Note 3 | Estimates**

#### **Critical judgements in applying accounting policies**

The following are critical judgements, apart from those involving estimates (see below), that the Group has made when applying the accounting policies and that have the most significant effect on amounts recognised in the financial statements:

#### **Key sources of estimation uncertainty**

Information about assumptions and estimation uncertainties is included in the following notes:

Note 11 – Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs.

Note 8 – Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.



## Note 4 Revenue

ABAX has business areas as operating segments. The operating segments correspond to the way in which the business areas report figures to the Group executive management (key decision maker). ABAX is currently reporting its figures to key decision maker as one operating segment, the telematics solutions.

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition.

Amounts in NOK thousand	January-December	
	2022	2021
<b>Primary geographical markets</b>		
Norway	236 932	207 119
Sweden	273 542	255 376
Finland	46 297	40 338
Denmark	15 039	17 031
UK	57 612	45 302
Other	87 598	76 388
<b>Revenue</b>	<b>717 021</b>	<b>641 555</b>
<b>Major products/service lines</b>		
Trip logs	663 244	596 646
Equipment control	53 777	44 909
<b>Revenue</b>	<b>717 021</b>	<b>641 555</b>
<b>Timing of revenue recognition</b>		
Products transferred at a point in time	-	-
Products and services transferred over time	717 021	641 555
<b>Revenue</b>	<b>717 021</b>	<b>641 555</b>
<b>Revenue type</b>		
Operational revenue	717 021	641 555
One-time insurance payment *)	-	321 981
<b>Total revenue</b>	<b>717 021</b>	<b>963 536</b>

\*) On 8 April 2021, a Tribunal in an Arbitration Case administered by the Dispute Resolution Institute of the Oslo Chamber of Commerce, rendered to the benefit of ABAX Group AS, an arbitral award concerning a claim against the insurance provider under the insurance and indemnity policy which ABAX Group AS had taken out in connection with the Company's acquisition of ABAX Holding AS in 2017. The claim related to an adjustment in the revenues of ABAX Holding for a period of time prior to completion of the acquisition. Pursuant to the award, the Company has received payments of insurance proceeds during 2021.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Amounts in NOK thousand	31.12.2022	31.12.2021
Receivables, which are included in "Trade and other receivables"	83 661	92 780
Contract assets	1 523	17 245
Contract liabilities	129 167	129 650

Contract assets are transferred to receivables according to invoice plan. Contract liabilities primarily relate to advance consideration received from customers, for which revenue is recognised as subscription services are provided.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

Amounts in NOK thousand	2021	
	Contract assets	Contract liabilities
Balance at 1 January	54 216	120 386
Decrease due to cash received, excluding amounts recognised as revenue during the period	(36 971)	9 264
<b>Balance as at 31 December</b>	<b>17 245</b>	<b>129 650</b>

\*) Refer to Note 26 Business combinations

Amounts in NOK thousand	2022	
	Contract assets	Contract liabilities
Balance at 1 January	17 245	129 650
Decrease due to cash received, excluding amounts recognised as revenue during the period	(15 722)	(483)
<b>Balance as at 31 December</b>	<b>1 523</b>	<b>129 167</b>

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

Reporting date 31 December 2021	2022						Total
	2022	2023	2024	2025	2026	2027->	
Amounts in NOK thousand							
Trip logs	490 699	193 810	58 197	6 765	-	-	749 471
Equipment control	48 157	21 221	6 617	1 265	-	-	77 260
<b>Total future revenue</b>	<b>538 856</b>	<b>215 031</b>	<b>64 815</b>	<b>8 029</b>	<b>-</b>	<b>-</b>	<b>826 731</b>
Reporting date 31 December 2022	2023						Total
	2023	2024	2025	2026	2027	2028->	
Amounts in NOK thousand							
Trip logs	530 418	204 835	68 755	5 200	-	-	809 208
Equipment control	58 635	27 606	12 130	1 230	-	-	99 601
<b>Total future revenue</b>	<b>589 053</b>	<b>232 441</b>	<b>80 885</b>	<b>6 430</b>	<b>-</b>	<b>-</b>	<b>809 609</b>

No consideration from contracts with customers is excluded from the amounts above. There are no capitalised costs relating fulfilling contracts as at 31 December 2022 or 31 December 2021. Sales commission that qualifies as a cost to obtain a contract under IFRS 15 are capitalised in 2022.



## Note 5 | Employee benefit expenses

	01.01.22	01.01.21
<i>Amounts in NOK thousand</i>	- 31.12.22	- 31.12.21
Salaries and holiday pay	231 914	233 418
Social security tax	36 239	36 645
Pension cost including social security tax	9 433	9 204
Other personnel costs and benefits	12 296	7 393
<b>Total</b>	<b>289 882</b>	<b>286 660</b>
Restructuring cost salaries	14 077	-
Own work capitalised	(51 471)	(55 624)
<b>Total Employee benefit expenses</b>	<b>252 489</b>	<b>231 036</b>
Number of full-time equivalent in ABAX Group	327	343

### Pension plans

Norwegian companies are required to have occupational pension schemes according to the law on compulsory occupational pension. The Group's pension agreement is a defined contribution plan for all employees, also including those employed outside of Norway. The pension cost of the year was NOK 9,4 million including social security tax, and is equal to the group's contribution to the employee's pension savings during the financial year.

### Management remuneration

The Group's CEO, Morten Strand, is employed by ABAX AS, subsidiary of ABAX Group AS. Remuneration disclosed below includes the cost charged the group for Morten Strand in 2022.

<i>Amounts in NOK thousand</i>	2022	2021
Salaries and holiday pay	3 089	2 982
Bonus payments	5	-
Other benefits	272	245
Pension cost	62	60

The CEO is part of the standard employee pension and insurance plan applicable to all employees in the Group. There is no established bonus-program separately for the CEO, with bonuses paid to management during the year being determined by the Board of Directors. In 2022 all employees received a bonus of NOK 5,200 including the CEO. There have not been established any severance agreement with the current CEO. The current CEO has no loans from the Group.

In 2022 there was no compensation to the board members. None of the members of the Board received compensation from any other company within the Group, except for the employee representatives. None of the members of the Board of Directors has loans to or from the Group.

### Loans and guarantees to employees

Employees were given the opportunity to receive a loan in order to invest in shares in ABAX Invest AS (ultimate norwegian parent company) at market value by the time of the ABAX Group AS formation in 2017. ABAX Invest AS has given the employees the opportunity to invest in previous years and some of the employees has financed the shares with loan. The loans are issued from the company where the employee works, and are on ordinary market terms and conditions. Outstanding debt from employees related to this is NOK 2,340 million at 31 December 2022. Besides this there are no other loans, prepayments, credits or guarantees from the company to board members, CEO or other employees within the Group.

## Note 6 | Other operating expenses

The operating cost is split into each main groups:

	01.01.22-	01.01.21-
<i>Amounts in NOK thousand</i>	31.12.22	01.01.21-31.12.21
IT licences, equipment and cost	22 174	23 803
Consultancy and other professional fees	35 405	46 058
Travel and vehicle costs	12 362	11 525
Marketing and sponsorships	31 138	26 722
Other operational cost	25 023	14 956
<b>Total operating expenses</b>	<b>126 101</b>	<b>123 064</b>

Audit fees and fees for audit related services incurred by the group during 2022 and 2021 are summarized in the table below. Fees include both Norwegian and foreign subsidiaries. Fees to auditors are reported exclusive of VAT.

	01.01.22-	01.01.21-
<i>Amounts in NOK thousand</i>	31.12.22	01.01.21-31.12.21
Statutory audit fee	4 269	4 868
Technical assistance related to preparation of financial statements and tax papers	-	-
Other assurance services	30	228
<b>Total audit fees</b>	<b>4 299</b>	<b>5 096</b>



## Note 7 | Finance income and expenses

Amounts in NOK thousand	01.01.22-	
	31.12.22	01.01.21-31.12.21
<b>Interest income</b>		
Cash and cash equivalents	979	4
<b>Financial liabilities measured at FVTPL:</b>		
Change in fair value of interest rate swap	6 712	7 882
<b>Other finance income</b>		
Other finance income <sup>1)</sup>	9 550	7 807
Interest refund bond buy back	14 398	-
Net foreign exchange gains (loss)	13 906	2 368
<b>Total finance income</b>	<b>45 546</b>	<b>18 061</b>

1) Reclassification of interest swap refund 2021 numbers

<b>Finance cost - other</b>		
Financial liabilities measured at amortised cost - interest expense	(83 901)	(67 035)
Other interest expenses	(187)	(161)
Interest on lease liabilities	(5 789)	(6 292)
Other finance expenses <sup>1)</sup>	(13 740)	(13 645)
<b>Total finance expenses</b>	<b>(103 616)</b>	<b>(87 134)</b>

1) Other financial expenses includes finance costs related to buy back of the bond and amortization expenses on the financial bond arrangement

During the second quarter of 2022, ABAX Group AS purchased 233,8 MNOK of it's own bond, which is reflected as a marketable security in the financial statements and shown as a reduction in debt.

<b>Net finance income (expense) recognised in profit and loss</b>	<b>(58 070)</b>	<b>(69 073)</b>
---	-----------------	-----------------

## Note 8 | Income tax

Amounts in NOK thousand	31.12.2022	31.12.2021
Profit before tax	(181 639)	124 908
Current taxes	(15 152)	(11 879)
Deferred taxes	42 088	46 467
<b>Income tax</b>	<b>26 936</b>	<b>34 588</b>

### Effective tax rate

The table below reconciles the reported income tax expense to the expected income tax expense according to the Norwegian corporate income tax rate of 22% in 2022 and 22% in 2021. It also discloses the main elements of the tax expense. Selected line items are commented below the table.

		01.01.22		01.01.21
	%	- 31.12.22	%	- 31.12.21
Profit / loss (-) before tax		(181 639)		124 908
Income tax income / expense (-) at corporate income tax rate in Norway <sup>1)</sup>	22 %	39 961	22 %	(27 521)
<b>Tax effects of:</b>				
Effect of differing tax rates in foreign jurisdictions	-0,3 %	(552)	0,6 %	(744)
Non-deductible expenses	2,1 %	3 788	-40,3 %	50 461
Current-year losses for which no deferred tax asset is recognised	-8,9 %	(16 215)	-9,8 %	12 325
Changes in tax rates <sup>2)</sup>	0,0 %	-	0,0 %	-
Previous year tax adjustment	0,0 %	(26)	-0,1 %	67
<b>Total taxes</b>	<b>14,8 %</b>	<b>26 936</b>	<b>-27,7 %</b>	<b>34 588</b>

1) As most of the Group's activities are based in Norway, the effective tax rate reconciliation is based on the applicable tax rate in Norway



Deferred tax assets and deferred tax liabilities (-)	31.12.2022	31.12.2021
Property, plant, equipment and Intangible assets	(222 529)	(273 561)
Accounts receivable	2 214	(13)
Provisions	23 650	26 484
Other differences	(22)	(465)
Tax losses to carry forward	62 395	63 980
Disallowed internal interest expenses carried forward	23 055	10 160
<b>Deferred tax assets (liabilities)</b>	<b>(111 237)</b>	<b>(173 415)</b>
Unrecognised deferred tax assets relating to tax losses carried forward and Skattefunn	(50 855)	(30 340)
<b>Net deferred tax assets (liabilities) recognised</b>	<b>(162 091)</b>	<b>(203 755)</b>

Change in net deferred tax assets and deferred tax liabilities (-)	31.12.2022	31.12.2021
Balance at 1 January	(203 755)	(251 608)
Recognised in profit and loss during the year	42 088	46 467
Foreign currency exchange differences	(424)	1 586
<b>31 December</b>	<b>(162 091)</b>	<b>(203 755)</b>

Deferred taxes	31.12.2022	31.12.2021
Deferred tax asset	32 300	32 568
Deferred tax liabilities	(194 391)	(236 323)
<b>Net deferred tax assets (liabilities)</b>	<b>(162 091)</b>	<b>(203 755)</b>

#### Tax losses carried forward

Tax losses carried forward in selected countries expire as follows as of 31 December 2021:

Amounts in NOK thousand	Netherlands	Denmark	Sweden	UK	Other	Total
2022					4 417	4 417
2023					2 529	2 529
2024					-	-
2025					-	-
2026					634	634
2027 and later					-	-
Never expire	10 468	12 260	14 033	10 937	9 684	57 383
<b>Total tax loss carried forward</b>	<b>10 468</b>	<b>12 260</b>	<b>14 033</b>	<b>10 937</b>	<b>17 264</b>	<b>64 963</b>
Set-off against deferred tax					(8 649)	(8 649)
Unrecognized deferred tax assets	(3 679)	(10 149)	(5 352)	(2 417)	(2 150)	(23 746)
<b>Tax losses recognised</b>	<b>6 789</b>	<b>2 111</b>	<b>8 682</b>	<b>8 521</b>	<b>6 465</b>	<b>32 568</b>

Tax losses carried forward in selected countries expire as follows as of 31 December 2022:

Amounts in NOK thousand	Norway	Netherlands	Denmark	Sweden	UK	Other	Total
2023						2 160,0	2 160
2024						5 523,0	5 523
2025						-	-
2026						-	-
2027						527,0	527
2028 and later						-	-
Never expire	1 461	10 673	10 582	12 791	13 608	6 531	55 646
<b>Total tax loss carried forward</b>	<b>1 461</b>	<b>10 673</b>	<b>10 582</b>	<b>12 791</b>	<b>13 608</b>	<b>14 741</b>	<b>63 856</b>
Set-off against deferred tax	(1 461)	-	0	-	0	-	(1 461)
Unrecognized deferred tax assets		(9 432)	(7 977)	(1 827)	(2 066)	(8 793)	(30 095)
<b>Tax losses recognised</b>	<b>-</b>	<b>1 241</b>	<b>2 605</b>	<b>10 964</b>	<b>11 542</b>	<b>5 948</b>	<b>32 300</b>

In 2022 and 2021, selected ABAX subsidiaries have achieved its planned profitability; therefore, management continues to consider it probable that future taxable profits would be available against which the tax losses can be recovered for most of the entities. For these companies there are also deferred tax liabilities that more than offset the deferred tax asset, and the temporary differences related to the deferred tax will reverse before the tax losses carried forward expire. There are some foreign subsidiaries within the group with tax losses carried forward that do not have offsetting deferred tax liabilities, and it is not possible to utilise the tax loss carried forward by group contributions. There is not convincing evidence for probable future taxable profit sufficient to fully utilise the tax loss carried forward for these entities.

In 2022 the Group prepaid corporate tax of 2,8. ( 2021: 4,4)



Note 9 | Property, plant and equipment

	Owned		Right of use		Total
	Fixtures and office machinery	Land and buildings	Fixtures and office machinery	Motor vehicles	
<i>Amounts in NOK thousand</i>					
<i>Historical cost</i>					
Balance as of 1 January 2021	70 350	146 603	46 587	27 086	290 607
Corrections ingoing balance	1 416	(2 997)	-	-	(1 581)
Additions 1)	61 808	13 193	1 764	6 310	85 075
Disposals and balance changes	(22 539)	(1 124)	(17)	(984)	(24 674)
Currency translation	(2 663)	(1 185)	(97)	(147)	(4 092)
<b>Balance as of 31 December 2021</b>	<b>108 371</b>	<b>154 490</b>	<b>46 217</b>	<b>34 255</b>	<b>345 334</b>
<i>Accumulated depreciation and impairment</i>					
Balance as of 1 January 2021	(15 465)	(41 480)	(28 630)	(18 187)	(103 773)
Corrections ingoing balance	(1 398)	-	-	-	(1 398)
Depreciation for the period	(22 370)	(21 265)	(6 677)	(6 183)	(56 496)
Disposals and balance changes	22 615	-	-	-	22 615
<b>Accumulated depreciations as at 31 December 2021</b>	<b>(16 618)</b>	<b>(62 755)</b>	<b>(35 307)</b>	<b>(24 370)</b>	<b>(139 052)</b>
Currency translation	1 685	-	-	-	1 685
<b>Balance as of 31 December 2021</b>	<b>93 438</b>	<b>91 734</b>	<b>12 910</b>	<b>9 884</b>	<b>207 967</b>
Useful life	3 - 5 years	5 - 15 years	3 - 5 years	3 - 5 years	
Depreciation plan	Straight line	Straight line	Straight line	Straight line	

<sup>1)</sup> Including additions due to new leases in the period. See note 20 for details.

	Owned		Right of use		Total
	Fixtures and office machinery	Land and buildings	Fixtures and office machinery	Motor vehicles	
<i>Amounts in NOK thousand</i>					
<i>Historical cost</i>					
Balance as of 1 January 2022	108 371	154 490	46 217	34 255	345 334
Additions 1)	61 823	2 028	2 156	4 449	70 456
Disposals and balance changes	(2 929)	5 728	180	(1 286)	1 683
Currency translation	(1 537)	254	(29)	(5)	(1 317)
<b>Balance as of 31 December 2022</b>	<b>165 727</b>	<b>162 500</b>	<b>50 524</b>	<b>37 403</b>	<b>416 155</b>
<i>Accumulated depreciation and impairment</i>					
Balance as of 01.01.22	(16 618)	(62 755)	(35 307)	(24 370)	(139 052)
Depreciation for the period	(34 687)	(16 365)	(6 409)	(4 820)	(62 281)
Disposals and balance changes	1 075	-	-	-	1 075
<b>Accumulated depreciations as at 31 December 2022</b>	<b>(50 230)</b>	<b>(79 120)</b>	<b>(41 716)</b>	<b>(29 190)</b>	<b>(200 258)</b>
Currency translation	4 006	-	-	-	4 006
<b>Balance as of 31 December 2022</b>	<b>119 504</b>	<b>83 380</b>	<b>8 808</b>	<b>8 213</b>	<b>219 904</b>
Useful life	3 - 5 years	5 - 15 years	3 - 5 years	3 - 5 years	
Depreciation plan	Straight line	Straight line	Straight line	Straight line	

<sup>1)</sup> Including additions due to new leases in the period. See note 20 for details.

**Commitments**

The Group has no commitments to fulfill contracts of which is not recorded in the statement of financial position as of 31 December 2022 and 31 December 2021.

**Assets pledged as security**

See note 18 for information.



Note 10 Intangible assets and goodwill

<i>Amounts in NOK thousand</i>	Brand name	Goodwill	Development of telematic solutions	Customer portfolio	Total
<i>Historical cost</i>					
Historical cost	74 615	1 075 416	909 697	1 171 030	3 230 757
Additions			85 778	14 551	100 329
Currency translation	-3 689	(31 595)	(1 394)	(10 669)	(47 367)
<b>Balance as of 31 December 2021</b>	<b>70 926</b>	<b>1 043 821</b>	<b>994 081</b>	<b>1 174 892</b>	<b>3 283 719</b>
<i>Accumulated depreciation and impairment</i>					
Balance as of 1 January 2021	-	-	(278 402)	(299 099)	(577 501)
Amortisation for the period*			(190 970)	(95 165)	(286 134)
Disposals			-	-	-
Currency translation			1 020	3 787	4 807
<b>Accumulated depreciations as at 31 December 2021</b>	<b>-</b>	<b>-</b>	<b>(468 352)</b>	<b>(390 477)</b>	<b>(858 828)</b>
<b>Balance as of 31 December 2021</b>	<b>70 926</b>	<b>1 043 821</b>	<b>525 729</b>	<b>784 415</b>	<b>2 424 890</b>
*Amortisation for the period			(190 970)	(95 165)	(286 134)
Government grants cost reductions			5 346		5 346
<b>Net amortisation in profit and loss</b>			<b>(185 624)</b>	<b>(95 165)</b>	<b>(280 788)</b>

1) Additions in 2021 include the acquisition of Heltipen subscriptions base in ABAX Finland Oy.

Useful life	Indefinite	Indefinite	3 - 7 years	15 years
Amortisation	None	None	Straight line	Straight line

<i>Amounts in NOK thousand</i>	Brand name	Goodwill	Development of telematic solutions	Customer portfolio	Total
<i>Historical cost</i>					
Balance as of 1 January 2022	70 926	1 043 821	994 081	1 174 892	3 283 719
Additions			73 721	11 604	85 325
Write down			(5 665)	-	(5 665)
Currency translation	-1 561	11 431	(357)	5 442	14 955
<b>Balance as of 31 December 2022</b>	<b>69 365</b>	<b>1 055 252</b>	<b>1 061 780</b>	<b>1 191 938</b>	<b>3 378 333</b>
<i>Accumulated depreciation and impairment</i>					
Balance as of 1 January 2022	-	-	(468 352)	(390 477)	(858 828)
Amortisation for the period*			(208 386)	(95 759)	(304 145)
Currency translation			(53)	(2 393)	(2 446)
<b>Accumulated depreciations as at 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>(676 791)</b>	<b>(488 630)</b>	<b>(1 165 420)</b>
<b>Balance as of 31 December 2022</b>	<b>69 365</b>	<b>1 055 252</b>	<b>384 989</b>	<b>703 309</b>	<b>2 212 914</b>
*Amortisation for the period			(208 386)	(95 759)	(304 145)
Write down			(5 665)	-	(5 665)
Government grants cost reductions			6 470	-	6 470
<b>Net amortisation in profit and loss</b>			<b>(207 581)</b>	<b>(95 759)</b>	<b>(303 340)</b>

Useful life	Indefinite	Indefinite	3 - 7 years	10 -15 years
Amortisation	None	None	Straight line	Straight line



#### Amortisation

Goodwill and brand names have indefinite useful life, and so are not amortised. Other intangible assets with finite life are amortised over the period of the expected useful life as detailed above.

#### Research and development costs

During 2022, NOK 85,3 million has been capitalised related to development activities. In addition, research and development cost of NOK 37,4 million were expensed during the year as the criteria for capitalisation is not met. During 2021, NOK 100,3 million was capitalised related to development activities. In addition, research and development cost of NOK 14,1 million were expensed during the year as the criteria for capitalisation was not met.

#### Government grant liability

ABAX Group receives government grant on certain R&D projects in Norway. The grants are initially classified as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset as a reduction of amortisation expenses.

Changes in government grant:

	Development of telematic solutions	Total
Remaining grant acquired in business combination as at 01.01.21	17 281	17 281
New government grants during the period	9 005	9 005
Reduction of grant liability in the period recognised in profit or loss	(5 289)	-5 289
<b>Net government grant liability as at 31 December 2021</b>	<b>20 997</b>	<b>20 997</b>

	Development of telematic solutions	Total
Remaining grant acquired in business combination as at 01.01.22	20 997	20 997
New government grants during the period	8 362	8 362
Reduction of grant liability in the period recognised in profit or loss	(6 470)	(6 470)
<b>Net government grant liability as at 31 December 2022</b>	<b>22 889</b>	<b>22 889</b>

Progress and status on government grant projects are reported on a yearly basis.



**Note 11 | Impairment testing of goodwill and brandname**

Goodwill originates from the purchase of ABAX Holding AS (later merged with ABAX AS) in 2017 and the acquisition of RAM and Autotile during 2020 and other minor acquisitions. For the purpose of impairment testing goodwill is monitored at the level of an operating segment, which for ABAX represent the whole group. The impairment test is therefore performed for a group of CGUs. There is an ongoing integration process for the acquired companies, which also involves moving customer contracts between entities, and using the different brands in different markets. This will impact the future CGU structure of the group.

<i>Amounts in NOK thousand</i>	<b>2022</b>	<b>2021</b>
ABAX	1 124 617	1 114 746
<b>Total goodwill and brandname</b>	<b>1 124 617</b>	<b>1 114 746</b>

The Group identifies brand names as an identifiable intangible asset associated with prior acquisitions. The Group performs an analysis at each acquisition date of these brand names and has determined that there are no regulatory, contractual, competitive, economic, or other factors that limited the useful life of the brand name to the Group, as a result the Group determined that its existing brand names have an indefinite life and are not subject to impairment.

**Impairment test ABAX**

Management only monitors goodwill at the level of an operating segment. The entire group is considered to represent one operating segment, that consist of more than one CGU. Impairment testing is based on value-in-use calculations, determined by discounting the estimated future cash flows to be generated by the group of CGUs. The recoverable amount of the group of CGUs was determined to be higher than its carrying amount per date of testing.

Management has made cash flow projections based on budget and strategic forecast for the periods 2023-2027. Beyond the explicit forecast period of five years, the cash flows are extrapolated using a constant growth rate.

The key assumptions used in the estimation of value in use were as follows:

<i>In percentage</i>	<b>2022</b>	<b>2021</b>
Discount rate pre-tax	10,3 %	8,9 %
Discount rate post-tax	8,9 %	7,6 %
Average EBITDA growth rate	13,4 %	10,1 %
Terminal value growth rate	3,0 %	2,0 %

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry, and have been based on historical data from both external and internal sources.

EBIT and EBITDA used in the value-in-use calculation is based on management's assumptions on the expected revenue developments, gross margin and operating margin after allocation of operating expenses from shared units, taking into account management's expectation of market size and market share development. Assumptions are based on historical experience as well as assessment of future market development and conditions.

The cash flow projections included specific estimates for five years and a terminal value growth rate thereafter. The terminal growth rate has been determined in accordance with the market's broad long-term inflation expectations of 3%.

Discount rate used are post-tax and reflect specific risks relating to the group of CGUs, calculated as the weighted average cost of capital (WACC). The risk free rate is determined based on the 10-year Norwegian government bond of approximately 3%.

CAPEX is based on the assumptions that the groups R&D department will require approx. 55 MNOK each year for development of new products and features in addition to capitalized hardware cost and box swap cost.

**Sensitivity to changes in assumptions**

Impairment test of goodwill is performed on an annual basis or when there are indicators of impairment. No impairment loss were recognised during 2022, as the recoverable amounts are higher than the carrying amounts based on the value-in-use analysis.

The group has performed sensitivity calculations to identify any reasonably possible change in key assumptions that could cause the carrying amount to exceed the recoverable amount.

The following changes in key assumptions will change the value-in-use to equal the carrying amount of goodwill, all else equal:

<i>In percentage</i>	<b>2022</b>	<b>2021</b>
Decline in average EBITDA growth rate	-13,1 %	-14,7 %
Decline in average terminal value growth rate	-9,9 %	-10,1 %
Increase in discount rate post-tax	6,1 %	7,4 %



## Note 12 | Other non-current interest-bearing receivables

<i>Amounts in NOK thousand</i>	2022	2021
Deposits for rent and cars	3 720	4 220
Other non-current receivables	48	58
Receivable Reen AS	484	452
Receivable Triplog Holdings	10 381	-
<b>Total non-current interest-bearing receivables</b>	<b>14 634</b>	<b>4 730</b>

## Note 13 | Inventories

<i>Amounts in NOK thousand</i>	2022	2021
Finished goods (trip log units)	21 566	26 613
<b>Total inventories</b>	<b>21 566</b>	<b>26 613</b>

Inventories expensed in the period	88 298	73 891
Write-down of inventories from cost to net realisable value	-	-

## Note 14 | Trade and other receivables

<i>Amounts in NOK thousand</i>	2022	2021
Trade receivables	83 661	92 780
Other current receivables	58 399	55 158
Prepaid expenses	22 481	18 969
Loans to employees <sup>1)</sup>	2 362	683
<b>Total trade and other receivables</b>	<b>166 904</b>	<b>167 590</b>

<sup>1)</sup> Refer to Note 5 Employee benefit expenses for details on loan terms

### Credit and market risks, and impairment losses

For information about the Group's exposure to credit and market risks and impairment losses for trade and other receivables refer to Note 22 Financial risk management.

## Note 15 | Other current assets and receivables

<i>Amounts in NOK thousand</i>	2022	2021
Contract assets <sup>1)</sup>	1 523	17 245
<b>Total other current receivables</b>	<b>1 523</b>	<b>17 245</b>

<sup>1)</sup> See note 4 Revenue and other income



## Note 16 | Cash and cash equivalents

<i>Amounts in NOK thousand</i>	2022	2021
Cash at bank	154 107	390 979
Restricted cash	6 646	6 510
<b>Total cash and cash equivalents</b>	<b>160 753</b>	<b>397 489</b>

The Group maintains bank accounts in various foreign currencies for business activities and transactions. The carrying amount of the foreign currency bank account is as follows:

	2022	2021
GBP	-19	-13
DKK	-85	-54
EUR	-15	-11
SEK	389	121

The bank accounts are carried at the prevailing exchange rates on the balance sheet date. The company has established internal control procedures to ensure the proper handling and recording of the foreign currency bank accounts, and responsibilities for the bank accounts are segregated among different employees with appropriate authority and authorization. Transactions on the foreign currency bank accounts include ongoing operating activities, purchase and sale of goods and services, as well as payment of interest and principal on debt.

### 31.12.2022

Additional undrawn committed current bank revolving credit facilities amount to NOK 39 million, that together with cash and cash equivalents gives a total liquidity reserve of NOK 199,8 million as of December 31, 2022. See also note 18 Loans and borrowings.

### 31.12.2021

Additional undrawn committed current bank revolving credit facilities amount to NOK 39 million, that together with cash and cash equivalents gives a total liquidity reserve of NOK 436,5 million as of December 31, 2021. See also note 18 Loans and borrowings.

The Group has a cash pool owned by ABAX group AS  
Restricted cash relates to tax deductions from the employees.

## Note 17 | Capital and reserves

### Shareholder information

ABAX MidCo AS is the parent entity of ABAX Group AS. The entity owns 100 % of the shares in ABAX Group AS

### Share capital

ABAX Group AS has one class of shares, ordinary shares, with equal rights for all shares.

The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at General Meetings. Total outstanding shares are 1 431 968 378 at par value NOK 0.03 per share. All issued shares are fully paid.

The company has no changes to share capital in 2022.

<i>Amounts in NOK thousand</i>	2022	2021
Share capital	42 959	42 959
Par value	0,03	0,03
Number of shares	1 431 968	1 431 968
Paid in share capital	42 959	42 959
Share premium	1 817 821	1 817 821



**Note 18** Loans and borrowings

<i>Amounts in NOK thousand</i>	2022	2021
<b>Non-current liabilities</b>		
Loans from related parties <sup>1)</sup>	280	242
Secured bank loans / Bond	758 773	985 820
Other long-term debt	122	122
Lease liabilities <sup>2)</sup>	82 183	95 448
<b>Total</b>	<b>841 358</b>	<b>1 081 633</b>

**Current liabilities**

Loans from related parties <sup>1)</sup>	83 648	79 209
Lease liabilities <sup>2)</sup>	25 316	24 800
Accrued interest	1 369	1 753
<b>Total</b>	<b>110 332</b>	<b>105 762</b>

<sup>1)</sup> See note 25 Related party transactions

<sup>2)</sup> See note 20 Leases

Information about the Group's exposure to interest rate, foreign currency and liquidity risk is included in Note 22.

**Terms and repayment schedule**

The terms and conditions of outstanding loans are as follows:

<i>Amounts in NOK thousand</i>	Currency	Nominal Interest rate	Year of maturity	2021	
				Face value	Carrying amount
Nordic Bond	NOK	7,01 %	2025	1 000 000	987 573
Revolving Facility	NOK	4,11 %	2025	50 000	-
<b>Total secured bank loans</b>				<b>1 050 000</b>	<b>987 573</b>
Loans from group companies	NOK	4,00 %	(n.a.)	79 209	79 209
Lease liabilities				149 112	120 248
Other long-term debt					364
<b>Total interest-bearing liabilities</b>				<b>228 321</b>	<b>199 822</b>
<i>Outstanding debt</i>				1 278 321	1 187 395
Less current portion					(105 762)
<b>Total</b>				<b>1 278 321</b>	<b>1 081 633</b>

<i>Amounts in NOK thousand</i>	Currency	Nominal Interest rate	Year of maturity	2022	
				Face value	Carrying amount
Nordic Bond	NOK	9,36 %	2025	1 000 000	994 863
Nordic Bond bought back	NOK	9,36 %	2025	-233 750	-234 441
Revolving Facility	NOK	6,46 %	2025	50 000	-
<b>Total secured bank loans</b>				<b>816 250</b>	<b>760 422</b>
Loans from related parties	NOK	5,59 %	(n.a.)	83 648	83 648
Lease liabilities				123 885	107 499
Other debt					122
<b>Total interest-bearing liabilities</b>				<b>207 532</b>	<b>191 269</b>
<i>Outstanding debt</i>				1 023 782	951 691
Less current portion					(110 332)
<b>Total</b>				<b>1 023 782</b>	<b>841 358</b>



## Bank debt

Net interest bearing debt include the senior secured floating rate bond of 1 billion NOK and additionally a super senior RCF facility provided by SEB.

As of 31 December 2022 the Group has 1 billion NOK in a senior secured bond and additionally 50 MNOK of RCF facilities of which 11 MNOK have been committed as a security of office facilities. In June 2022 the Group bought back part of the bond for a total value of NOK 233.750. This is presented net in the accounts. In total the Group holds a nominal value of 766 MNOK in corporate bonds at year end. The difference between the carrying amount allocated to the part derecognised and the consideration paid, including any non-cash assets transferred or liabilities assumed, for the part derecognised is recognised under financial items as loss of 8,9 MNOK.

## Loan covenants

The Group has not any applicable covenants as per 31.12.2022. Covenants for the RCF facilities will only imply when more than 40% of the facilities have been utilized.

## Reconciliation of movements of liabilities to cash flows arising from financing activities

<i>Amounts in NOK thousand</i>	Note	Secured bank loans	Other long-term loans	Lease liabilities	Other short-term loans	Total
<b>Balance as of 01.01.21</b>		983 422	79 274	136 147		<b>1 198 844</b>
<b>Changes from financing cash flows</b>						
Payment of lease liabilities	20			(32 758)		(32 758)
<b>Total changes from financing cash flows</b>		-	-	(32 758)	-	<b>(32 758)</b>
The effect of changes in foreign exchange rates				(1 457)		(1 457)
<b>Liability-related</b>						
Operational financing from Group companies			(3 376)			(3 376)
New lease liabilities	20			20 686		20 686
Change in lease liabilities				(2 370)		(2 370)
Amortisation		4 051				4 051
Interest expense		66 247	3 311	6 292		75 850
Interest paid		(66 147)		(6 292)		(72 439)
Total liability-related other changes		4 151	(65)	16 859	-	20 945
Total equity-related other changes		-	-	-	-	-
<b>Balance as of 31 December 2021</b>		<b>987 573</b>	<b>79 209</b>	<b>120 248</b>	-	<b>1 187 031</b>

## Reconciliation of movements of liabilities to cash flows arising from financing activities

<i>Amounts in NOK thousand</i>	Note	Bond	Other long-term loans	Lease liabilities	Other short-term loans	Total
<b>Balance as of 01.01.22</b>		987 573	79 209	120 248	-	<b>1 187 031</b>
<b>Changes from financing cash flows</b>						
Repayment of borrowings *)		(233 750)				(233 750)
Payment of lease liabilities	20			(26 183)		(26 183)
<b>Total changes from financing cash flows</b>		<b>-233 751</b>	<b>-</b>	<b>-26 183</b>	<b>-</b>	<b>-259 933</b>
The effect of changes in foreign exchange rates				188		188
<b>Liability-related</b>						
Operational financing from Group companies			13			13
New lease liabilities	20			8 633		8 633
Change in lease liabilities				4 613		4 613
Amortisation		6 983				6 983
Interest income bond buyback		(9 335)				(9 335)
Interest refund bond buyback		9 882				9 882
Interest expense		78 189	4 426	5 789		88 404
Interest paid		(79 119)		(5 789)		(84 908)
Total liability-related other changes		6 599	4 439	13 434	-	24 472
Total equity-related other changes		-	-	-	-	-
<b>Balance as of 31 December 2022</b>		<b>760 422</b>	<b>83 648</b>	<b>107 499</b>	<b>-</b>	<b>951 570</b>
Current portion						110 332
Non-current portion						841 358



## Note 19 Trade and other payables

Amounts in NOK thousand	2022	2021
Trade payables	34 842	50 958
<b>Total trade payables</b>	<b>34 842</b>	<b>50 958</b>
Public duties payables	32 566	35 242
Payables to Bro & Tunnel 1)	25 468	27 956
Other current payables including holiday pay	106 359	95 941
<b>Total trade and other payables</b>	<b>199 235</b>	<b>210 097</b>

1) Bro & Tunnel is our partner in delivering our Toll Road Admin product.

## Note 20 Leases

The Group leases various assets including land and building, vehicles, machinery and IT equipment. Information about leases for which the group is a lessee is presented below. Note 9 specifies information about the assets recognised in the statement of financial position.

### Right-of-use assets

Amounts in NOK thousand	Property	Vehicles	IT and machinery	Total
Balance as of 1 January 2021	105 113	8 889	17 937	131 949
Changes to ingoing balance	(2 997)	-	-	(2 997)
Additions to right-of-use assets during the financial year	13 193	8 310	1 764	23 267
Depreciation charge for the year	(21 265)	(6 183)	(6 677)	(34 125)
Disposals/lease contracts cancelled	(1 124)	(994)	(17)	(2 135)
Currency translations	(1 185)	(147)	(97)	(1 430)
<b>Balance at 31 December 2021</b>	<b>91 734</b>	<b>9 884</b>	<b>12 910</b>	<b>114 528</b>

### Lease liabilities

#### Maturity analysis – contractual undiscounted cash flows

	Property	Vehicles	IT and machinery	Total
2022	19 755	4 993	6 647	31 396
2023	19 840	3 987	4 661	28 489
2024	18 227	2 000	3 285	23 512
2025	15 379	405	57	15 841
2026	13 005	-	-	13 005
2027----->	36 869	-	-	36 869
Total undiscounted lease liabilities at 31 December	123 076	11 386	14 650	149 112
<b>Balance at 31 December 2021</b>	<b>96 749</b>	<b>9 787</b>	<b>13 712</b>	<b>120 248</b>

Current	19 755	4 993	6 647	31 396
Non-current	76 993	4 794	7 065	88 853

#### Amounts recognised in profit or loss 01.01.21 - 31.12.21

Depreciation of right-of-use assets	21 265	6 183	6 677	34 125
Interest on lease liabilities	5 175	400	717	6 292
<b>Total recognised in profit or loss</b>	<b>26 441</b>	<b>6 583</b>	<b>7 394</b>	<b>40 418</b>

#### Total cash outflow related to leases during the financial statement period 01.01.21 - 31.12.21

	Property	Vehicles	IT and machinery	Total
Cash outflow	25 222	6 492	7 389	39 103
<b>Total</b>	<b>25 222</b>	<b>6 492</b>	<b>7 389</b>	<b>39 103</b>

### Right-of-use assets

	Property	Vehicles	IT and machinery	Total
Balance as of 1 January 2022	91 734	9 884	12 910	114 528
Additions to right-of-use assets during the financial year	2 028	4 449	2 156	8 633
Depreciation charge for the year	(16 365)	(4 820)	(6 409)	(27 594)
Disposals/lease contracts cancelled	5 728	(1 296)	180	4 613
Currency translations	256	(5)	(30)	222
<b>Balance at 31 December 2022</b>	<b>83 380</b>	<b>8 213</b>	<b>8 808</b>	<b>100 401</b>



## Lease liabilities

### Maturity analysis – contractual undiscounted cash flows

	Property	Vehicles	IT and machinery	Total
2023	20 213	4 680	5 324	30 218
2024	18 554	2 921	3 997	25 473
2025	15 629	1 178	392	17 200
2026	13 163	178		13 341
2027	12 815	33		12 848
2028----->	24 805	-		24 805
Total undiscounted lease liabilities at 31 December	105 180	8 992	9 714	123 885
Balance at 31 December 2022	89 814	8 464	9 221	107 499
Current	20 213	4 680	5 324	30 218
Non-current	69 601	3 784	3 896	77 281

### Amounts recognised in profit or loss 01.01.22 - 31.12.22

	Property	Vehicles	IT and machinery	Total
Depreciation of right-of-use assets	16 365	4 820	6 409	27 594
Interest on lease liabilities	4 872	412	505	5 789
Total recognised in profit or loss	21 237	5 232	6 914	33 383

### Total cash outflow related to leases during the financial statement period 01.01.22 - 31.12.22

	Property	Vehicles	IT and machinery	Total
Cash outflow	19 835	5 236	6 985	32 056
Total	19 835	5 236	6 985	32 056

The leases represents future cash outflows. These cash flows are exposed to financial risk from credit risk, liquidity risk, interest risk and market risk. The Groups exposure is presented in note 22, and related capital management in note 21.

## Note 21 Capital management

ABAX Group monitors constantly liquidity/credit and market risk, in order to ensure the group is maximising cash generation, and minimising costs, through a number of initiatives and policies, within the relevant risk elements of capital management.

Through the effective management of capital, ABAX Group ensures that it has sufficient funding to cover existing and on-going obligations, whilst building additional reserves of capital to fuel future undertakings, that will grow the business for the benefit of all shareholders.

### Ratios used in monitoring of capital / covenants

ABAX Group has no applicable covenant obligations as per 31.12.2022. The covenants related to the RCF facilities will first be applicable if we utilize more than 40% of the total facilities. The actual covenant levels are still monitored on a monthly basis as part of our fixed management reporting. In addition, we send SEB a condensed version of the management report also on a monthly basis. And lastly, we monitor cash inflow development for the Group and per subsidiary on a daily basis.



## Note 22 | Financial risk management and exposures

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's receivables from customers and contract assets.

The carrying amount of financial assets and contract assets represents the maximum credit exposure.

<i>Amounts in NOK thousand</i>	2022	2021
Impairment loss on trade and other receivables including contract assets	8 081	4 280
<b>Total</b>	<b>8 081</b>	<b>4 280</b>

### Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group monitors closely the development in the age distributed balance of the trade receivables, in order to cater for a as healthy accounts receivable as possible. All invoicing are prepayments for monthly fees for the next year or quarter and no credit checks being executed in advance of a new sale.

At 31 December 2022 and 31 December 2021, the exposure to credit risk for trade receivables and contract assets by geographic region was as follows:

<i>Amounts in NOK thousand</i>	Carrying amount 2022	Carrying amount 2021
Norway	29 220	34 624
Sweden	30 872	41 996
UK	15 397	10 517
Other regions	30 796	22 888
<b>Total</b>	<b>106 286</b>	<b>110 025</b>

ABAX Group only sells to end-user customers. The entire account receivables portfolio has end-user counterparties.

ABAX Group has a variety of small customers, and not one single customer accounting for more than 1% of trade receivables and contract assets.

A summary of the Group's exposure to credit risk for trade receivables is as follows:

### 31 December 2021

<i>Amounts in NOK thousand</i>	Not credit- impaired	Credit- impaired	Total
- Four or more years' trading history with the Group*	48 461	-	48 461
- Less than four year's trading history with the Group*	48 840	9 606	58 446
- Higher risk	-	-	-
<b>Total loss carrying amount</b>	<b>97 301</b>	<b>9 606</b>	<b>106 907</b>
Loss allowance	4 521	9 606	14 127
<b>Total</b>	<b>92 780</b>	<b>0</b>	<b>92 780</b>

\*excluding higher risk

### 31 December 2022

<i>Amounts in NOK thousand</i>	Not credit- impaired	Credit- impaired	Total
- Four or more years' trading history with the Group*	40 905	-	40 905
- Less than four year's trading history with the Group*	49 334	14 524	63 858
- Higher risk	-	-	-
<b>Total loss carrying amount</b>	<b>90 238</b>	<b>14 524</b>	<b>104 763</b>
Loss allowance	6 577	14 524	21 102
<b>Total</b>	<b>83 661</b>	<b>-</b>	<b>83 661</b>

\*excluding higher risk

The Group considers the credit risk on contract assets, loans to employees and other receivables to be immaterial.



## Expected credit loss assessment for customers

The Group uses a loss allowance matrix to measure the ECLs of trade receivables from customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable processing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region, age of customer relationship and credit risk rates. Credit risk rates are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from customers as at 31 December 2022.

31 December 2021	Weighted- average loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Credit- impaired
<i>Amounts in NOK thousand</i>					
Current (not past due)	1,0 %	65 512	(710)	64 802	No
1-90 days past due	2,7 %	23 698	(1 547)	22 151	No
91-180 days past due	25,0 %	3 459	(985)	2 473	No
181-270 days past due	50,0 %	2 774	(1 278)	1 496	No
More than 271 days past due	100,0 %	11 484	(9 806)	1 657	Yes
<b>Total</b>		<b>106 907</b>	<b>(14 127)</b>	<b>92 780</b>	

31 December 2022	Weighted- average loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Credit- impaired
<i>Amounts in NOK thousand</i>					
Current (not past due)	1,0 %	43 354	(998)	42 356	No
1-90 days past due	2,7 %	32 220	(1 154)	31 066	No
91-180 days past due	25,0 %	7 396	(2 055)	5 342	No
181-270 days past due	50,0 %	5 394	(2 371)	3 013	No
More than 271 days past due	100,0 %	16 408	(14 524)	1 884	Yes
<b>Total</b>		<b>104 763</b>	<b>(21 102)</b>	<b>83 661</b>	

Loss rates are based on actual credit loss experience over the past 2 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

## Movements in the allowance for impairment in respect to trade receivables and contract assets

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

<i>Amounts in NOK thousand</i>	2022	2021
Balance at 01.01		14 127
Amounts written off	(1 107)	(17 861)
Net remeasurement of loss allowance	8 031	4 280
<b>Balance at 31 December</b>	<b>21 102</b>	<b>14 127</b>

## Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities. ABAX Group policy and approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the reputation of the Group. ABAX Group, utilises a rolling 13- week cashflow, and trading result analysis to constantly monitor the liquidity of all companies within the group.

As at 31 December 2022 the group has unrestricted cash of NOK 154,1 million. In addition, senior secured RCF facilities amount to NOK 50 million of which NOK 39 million is undrawn (11 MNOK committed as a guarantee for office location, however the Group has not received the cash, it's only a guarantee)

The table below analyses the group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 December 2021	Book value	Total cash flow <sup>1)</sup>	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
<i>Amounts in NOK thousand</i>							
Borrowings	987 573	1 242 312	-	74 258	75 440	1 082 613	-
Leasing	120 248	149 890	6 438	25 751	51 996	41 503	24 212
Loans from group companies	79 209	79 209	377	1 886	4 886	5 088	67 191
Trade and other payables	210 097	210 097	56 367	153 730	-	-	-
<b>Total</b>	<b>1 397 128</b>	<b>1 681 507</b>	<b>63 182</b>	<b>255 625</b>	<b>132 112</b>	<b>1 139 185</b>	<b>91 403</b>

<sup>1)</sup> Nominal currency value including interest

31 December 2022	Book value	Total cash flow <sup>1)</sup>	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
<i>Amounts in NOK thousand</i>							
Borrowings	760 422	1 223 412	-	99 340	99 148	1 024 924	-
Leasing	107 489	123 885	3 370	26 848	25 473	43 389	24 806
Loans from group companies	83 848	83 648	399	1 982	4 949	5 353	70 956
Trade and other payables	199 235	199 235	41 319	157 915	-	-	-
<b>Total</b>	<b>1 150 804</b>	<b>1 630 179</b>	<b>45 088</b>	<b>286 095</b>	<b>129 569</b>	<b>1 073 666</b>	<b>95 761</b>

<sup>1)</sup> Nominal currency value including interest



## Market risk

### Currency risk - transactions in foreign currency

ABAX Group cash flows from operating activities deriving from sales are in various currencies, while operating expenses, capital expenditures and inventory cost are mainly in NOK. The Group does not hedge its exposure to currency risk, but monitors the fluctuations carefully and takes measures as

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

#### 31 December 2021

Amounts in NOK thousand	GBP	SEK	DKK	EUR	Other	Total
Trade receivables	9 285	33 905	3 031	15 346	2 406	63 954
Trade payables	(250)	(5 518)	(83)	(3 869)	(1 804)	(11 524)
<b>Net statement of financial position exposure</b>	<b>9 015</b>	<b>28 387</b>	<b>2 948</b>	<b>11 477</b>	<b>602</b>	<b>52 429</b>
Next six months' forecasted sales	31 719	146 565	8 856	61 622	133 444	382 207
Next six months' forecasted purchases	(18 714)	(86 474)	(5 225)	(36 357)	(207 582)	(354 352)
<b>Net forecast transaction exposure</b>	<b>13 005</b>	<b>60 092</b>	<b>3 631</b>	<b>25 265</b>	<b>(74 138)</b>	<b>27 855</b>
<b>Net exposure</b>	<b>22 020</b>	<b>88 478</b>	<b>6 579</b>	<b>36 742</b>	<b>(73 536)</b>	<b>80 284</b>

#### 31 December 2022

Amounts in NOK thousand	GBP	SEK	DKK	EUR	Other	Total
Trade receivables	12 903	25 595	4 008	14 918	2 114	59 537
Trade payables	(417)	(2 574)	(115)	(3 189)	(1 563)	(7 858)
<b>Net statement of financial position exposure</b>	<b>12 486</b>	<b>23 021</b>	<b>3 893</b>	<b>11 728</b>	<b>552</b>	<b>51 679</b>
Next six months' forecasted sales	35 338	138 187	9 983	60 931	138 712	383 150
Next six months' forecasted purchases	(32 828)	(128 371)	(9 274)	(56 603)	(128 859)	(355 935)
<b>Net forecast transaction exposure</b>	<b>2 510</b>	<b>9 816</b>	<b>709</b>	<b>4 328</b>	<b>9 853</b>	<b>27 216</b>
<b>Net exposure</b>	<b>14 996</b>	<b>32 837</b>	<b>4 602</b>	<b>16 056</b>	<b>10 404</b>	<b>78 895</b>

### Sensitivity analysis

A reasonably possible weakening (strengthening) of SEK, DKK, EUR or GBP against NOK at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit and loss by the amounts shown below.

Amounts in NOK thousand	2022		2021	
	Profit (loss) before tax	Equity increase (decrease) (before tax)	Profit (loss) before tax	Equity increase (decrease) (before tax)
SEK (15 % weakening of NOK)	28 734	130 814	23 784	133 179
DKK (15 % weakening of NOK)	663	(11 026)	578	(10 587)
EUR (15 % weakening of NOK)	4 458	(12 820)	2 120	(12 982)
GBP (15 % weakening of NOK)	2 856	(7 735)	3 055	(8 181)

A 15 percent strengthening of the NOK against the above currencies as of December 31 would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant. The sensitivity analysis does not include effects on the consolidated result and equity from changed exchange rates used for consolidation of foreign subsidiaries.



## Interest risk

The Group's interest rate risk arises from borrowings from external financial institutions (Senior secured bond issue) and financing from parent entities. The Group's liabilities are mainly denominated in NOK. The Group's interest rate is all variable (NIBOR+margin according to the Nordic Bond agreement). The Group uses interest rate derivatives, primarily interest rate swap, to manage the interest rate risk on the long-term debt portfolio.

## Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

31 December 2021		Floating	Fixed rate	Total
<i>Amounts in NOK thousand</i>		rate		
Interest-bearing liabilities		1 000 000	-	1 000 000
<b>Net exposure</b>		<b>1 000 000</b>		<b>1 000 000</b>

31 December 2022		Floating	Fixed rate	Total
<i>Amounts in NOK thousand</i>		rate		
Interest-bearing liabilities *)		766 250	-	766 250
<b>Net exposure</b>		<b>766 250</b>		<b>766 250</b>

\*) Presented net including buy back bond of value NOK 233.750

## Sensitivity analysis

The following interest rate risk sensitivity has been calculated assuming a change of 1,0 percentage points as a reasonably possible changes in the NIBOR interest rates as of the end of 2022.

<i>Amounts in NOK thousand</i>	2022	2021
Cash and cash equivalents	1 608	3 975
Borrowings	(7 663)	(10 000)
<b>Cash flow sensitivity</b>	<b>(6 055)</b>	<b>(6 025)</b>

The Group has entered into an interest swap agreement with its debt counterparty for part of the outstanding debt balance. The derivative is not designated as a hedging instrument.

## Overview Incl fair value (FV) of currency and interest swaps as of December 31 2021:

SEB Ref no	Trade date	Start date	Maturity date	CCY	Principal am.	Rate Code	Rate	Net Present value
1389436/47516552OS	01.12.2020	23.12.2020	23.12.2023	NOK	750 000 000	3MNOKNI	0,88000	13 983 612
1389436/47516552OS	01.12.2020	23.12.2020	23.12.2023	NOK	-750 000 000	NOKFX	0,57900	-

## Overview Incl fair value (FV) of currency and interest swaps as of December 31 2022:

SEB Ref no	Trade date	Start date	Maturity date	CCY	Principal am.	Rate Code	Rate	Net Present value
1389436/47516552OS	01.12.2020	23.12.2020	23.12.2023	NOK	750 000 000	3MNOKNI	3,21000	20 696 076
1389436/47516552OS	01.12.2020	23.12.2020	23.12.2023	NOK	-750 000 000	NOKFX	0,57900	-

## Price risk

ABAX Group's products are sold on long-term fixed price contracts, normally with a maturity of 36 months. The group's exposure to price risk is low, and prices follow general consumer price growth in the different countries which the group operates. Cost of goods and services are expected to fluctuate in the same matter as sales prices.



**Note 23 | Financial Instruments**

Carrying amounts shown in the statement of financial position, presented together with fair value per category  
The table below lists the group's financial instruments, both assets and liabilities. Financial instruments measured at fair value are classified by the levels in the fair value hierarchy. All other financial instruments are classified by the main group of instruments as defined in IFRS 9. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. For financial instruments measured at fair value, the levels in the fair value hierarchy are as shown below.

31 December 2021

Amounts in NOK thousand	Notes	Financial instruments at amortised cost	Financial instruments at FVTPL	Financial assets at FVOCI	Other financial liabilities at amortised cost	Total	Level in fair value hierarchy
<b>Non-current assets</b>							
Other non-current receivables	12	4 730				4 730	
Other investments, including derivatives			13 984			13 984	Level 2
<b>Current assets</b>							
Trade receivables	14	92 780				92 780	
Other receivables	14	55 841				55 841	
Contract assets	4					-	
Cash and cash equivalents	16	397 489				397 489	
<b>Non-current liabilities</b>							
Liabilities to credit institutions	18				1 067 089	1 067 089	
Other long term liabilities					364	364	
<b>Current liabilities</b>							
Trade payables	19				50 958	50 958	
Loans from group companies	18				79 209	79 209	
Other current liabilities					123 897	123 897	
Contingent liabilities			7 991			7 991	Level 3
Current portion of long-term debt	18					-	
<b>Total</b>		<b>850 841</b>	<b>21 975</b>	<b>-</b>	<b>1 321 517</b>	<b>1 894 333</b>	

31 December 2022

Amounts in NOK thousand	Notes	Financial instruments at amortised cost	Financial instruments at FVTPL	Financial assets at FVOCI	Other financial liabilities at amortised cost	Total	Level in fair value hierarchy
<b>Non-current assets</b>							
Other non-current receivables	12	14 634				14 634	
Other investments, including derivatives		0	0			-	
Fair value interest rate swap			20 696			20 696	Level 2
<b>Current assets</b>							
Trade receivables	14	83 661				83 661	
Other receivables	14	80 761				80 761	
Cash and cash equivalents	16	160 753				160 753	
<b>Non-current liabilities</b>							
Liabilities to credit institutions	18				833 479	833 479	
Other long term liabilities					402	402	
<b>Current liabilities</b>							
Trade payables	19				34 842	34 842	
Loans from group companies	18				83 648	83 648	
Other current liabilities					78 683	78 683	
<b>Total</b>		<b>319 810</b>	<b>20 696</b>	<b>-</b>	<b>1 030 984</b>	<b>1 371 470</b>	

**Level 1**

Fair values are based on prices quoted in an active market for identical assets or liabilities.

**Level 2**

Fair values are based on price inputs other than quoted prices derived from observable market transactions in an active market for identical assets or liabilities.

Level 2 includes interest derivatives which are computed as the sum of the value of a fixed leg and the value of a floating leg. The fixed leg is computed as a sum of cash flows, where each cash flow is computed as the notional x fixed rate x length of the period (in year) x discounting factor. The floating leg is computed as a sum of cash flows, where each cash flow is computed as the notional x the projected rate x length of the period (in year) x discounting factor.

**Level 3**

Fair values are based on unobservable inputs, mainly based on internal assumptions used in the absence of quoted prices from an active market or other observable price inputs.

	2022	2021
Ingoing balance FVTPL	7 991	20 941
This years payment	(10 335)	(10 514)
Adjustment of the estimate	2 344	(2 183)
Unrealized currency effects	-	(253)
<b>Outgoing balance FVTPL</b>	<b>-0</b>	<b>7 991</b>



## Note 24 Group companies

This note gives an overview of entities that are subsidiaries of ABAX Group AS. The Group holds all shares in all subsidiaries. If not stated otherwise, ownership equals the percentage of voting rights.

Company	Location	Country	2022	2021
			Ownership %	Ownership %
ABAX AS	Larvik	Norway	100	100
ABAX Performance AS	Larvik	Norway	100	100
ABAX Technology AS	Larvik	Norway	100	100
ABAX Sweden AB	Västerås	Sweden	100	100
ABAX Danmark A/S	Aalborg	Denmark	100	100
Fleetfinder ApS	Aalborg	Denmark	100	100
ABAX Finland OY	Helsinki	Finland	100	100
ABAX Nederland BV	Diemen	Netherlands	100	100
ABAX UK Ltd	Petersborough	United Kingdom	100	100
ABAX China Co., Ltd	Nantong	China	100	100
ABAX Poland sp. Z.o.o	Gdansk	Poland	100	100
ABAX Deutschland GmbH	Berlin	Germany	100	100
Automile Holding AB	Stockholm	Sweden	100	100
Automile AB	Stockholm	Sweden	100	100
Automile AS	Larvik	Norway	100	100
Automile Inc	Utah	US	100	100
RAM Track & Trace (Netherlands) B.V	Diemen	Netherlands	100	100
RAM Mobile Data (Belgium) BVBA	Diegem	Belgium	100	100

## Note 25 Related party transactions

### Parent and ultimate controlling party

ABAX Group AS is owned by ABAX Midco AS. Ultimate controlling party is Triplog Holdings Ltd.

### Related party transactions

#### Short term debt to related parties

Amounts in NOK thousand	2022	2021
ABAX Invest AS	-	-
ABAX MidCo AS	83 648	79 209
<b>Balance at 31 December</b>	<b>83 648</b>	<b>79 209</b>

#### Long term debt to related parties

Amounts in NOK thousand	2022	2021
ABAX Invest AS	280	242
<b>Balance at 31 December</b>	<b>280</b>	<b>242</b>

### Transactions with related parties

#### Related party Shareholding

Related party	Shareholding
Triplog Holdings Ltd	Ow ns indirectly 80,24 % of shares in ABAX Group AS
ABAX Invest AS	Ultimate norwegian parent company
Investcorp	Manager of investment in ABAX Group AS on behalf of its owners in which no person or institutions holds more than 25%

#### Transactions with related parties

The Group has carried out several different transactions with related parties. All transactions are carried out as part of normal business operations and according to the arm's length principle. The most significant transactions carried out are as follows:

- Monitoring fees from Investcorp of NOK 2,5 million invoiced through Triplog Holdings Ltd in 2022.
- Monitoring fees from Investcorp of NOK 2,5 million invoiced through Triplog Holdings Ltd in 2021.
- Given loan from ABAX AS to Triplog Holdings Ltd of NOK 10 million in 2022



## Note 26| Provisions for restructuring costs

Amounts in NOK thousand	2022	2021
Balance at 01.01	-	-
Provisions made during the year	14 077	-
Provisions used during the year	-	-
<b>Balance at 31 December</b>	<b>14 077</b>	<b>-</b>

The restructuring of the ABAX headcount started in November 2022 and was a one-time cost that was required in order to ensure that the business operations are streamlined and set up for further future success. The amounts are calculated from the month in which discussions started with the affected employees, which impacted their work and covered that period up to their last payment. The period for each employee will be different, due to length of service, and existing specific employment conditions in existing contracts.

## Note 27| Gains / Losses from divestments

There is no divestments in 2022.

## Note 28| Subsequent events

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

## Note 29| Covid-19

The main influence of the business from Covid-19 is predominantly visible in our supply chain. However, Covid-19 is not the only factor impacting the supply chain and the availability of electronic components.

Other than that ABAX has little exposure to industries that have been severely affected by the Covid-19 pandemic.

## Note 30| Segment reporting

The Group recognizes only a single segment in the accordance with the definition of operating segment in IFRS 8. The starting point for identifying operating segments on which separate information can be provided are the internal reports to and monitoring by the group management. The group management monitors operating income for the entire business as one operating segment.

## Alternative Performance Measures

### Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)

Management has presented the performance measure adjusted EBITDA because it monitors this performance measure at a consolidated level and it believes that this measure is relevant to an understanding of the Group's financial performance. Adjusted EBITDA is calculated by adjusting profit from continuing operations to exclude the impact of taxation, net finance costs, depreciation, gains and losses from divestments, amortisation related to goodwill, intangible assets, property, plant and equipment and the Adjusted EBITDA is not a defined performance measure in IFRS. The Group's definition of adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

### Earnings before interest and tax (EBIT)

EBIT, also known as operating profit, is a measure of the Group's profitability that is calculated by subtracting operating expenses, such as cost of goods sold, operating expenses, and depreciation, from the Group's total revenue. EBIT is a key financial metric used to assess the Group's operating performance and profitability before accounting for interest expenses and income taxes.

### Capital expenditures (CAPEX)

CAPEX refers to the funds the Group invest in acquiring, upgrading or maintaining its long-term tangible or intangible assets, such as property, plant, equipment, hardware boxes, technology infrastructure or intellectual property.

CAPEX represents the Group's investment in its future growth and expansion and is capitalized on the balance sheet and depreciated or amortized over the useful life of the assets. See note 9,10 and 11.

Amounts in NOK thousand	2022	2021
Gain ( + ) / Loss ( - ) for the period	(154 703)	159 496
Income tax expense	(26 936)	(34 588)
<b>Loss before tax</b>	<b>(181 639)</b>	<b>124 908</b>
Adjustments for:		
- Net finance costs	58 070	69 073
- Depreciation	62 281	56 496
- Amortisation	303 340	280 788
<b>Adjusted EBITDA</b>	<b>242 052</b>	<b>531 265</b>



## ABAX GROUP AS

Financial Statements 2022

Income statement

	Note	2022	2021
<b>Operating expenses</b>			
Other income	2	0	323 606 414
<b>Total income</b>		<b>0</b>	<b>323 606 414</b>
Operating expenses	3	6 362 385	5 883 574
<b>Total expenses</b>		<b>6 362 385</b>	<b>5 883 574</b>
<b>Operating profit</b>		<b>-6 362 385</b>	<b>317 722 840</b>
<b>Financial income and expenses</b>			
Income from other group companies	4	61 432 543	31 093 300
Interest income from group companies	4	11 424 379	8 773 029
Other financial income	4	29 714 021	13 830 312
Interest expense to group companies	4	4 425 962	3 311 000
Other interest expenses	4	83 900 510	67 036 975
Other financial expenses	4	11 625 195	4 302 727
<b>Net financial items</b>		<b>2 619 276</b>	<b>-20 954 062</b>
Net profit before tax		-3 743 109	296 768 779
Income tax expense	5	22 512 931	10 289 131
<b>Net profit or loss for the period</b>		<b>-26 256 040</b>	<b>286 479 648</b>
<b>Net profit or loss</b>	<b>6</b>	<b>-26 256 040</b>	<b>286 479 648</b>
<b>Allocation of the result</b>			
Transferred from retained earnings		-26 256 040	286 479 648
<b>Net allocation of the result</b>		<b>-26 256 040</b>	<b>286 479 648</b>



**ABAX GROUP AS**

Financial Statements 2022

Balance sheet

<b>Assets</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Non-current assets</b>			
Deferred tax assets	5	0	10 443 274
<b>Total intangible assets</b>		<b>0</b>	<b>10 443 274</b>
<b>Financial non-current assets</b>			
Investments in subsidiaries	7	2 667 818 625	2 667 818 625
Loan to group companies	8	180 937 285	232 900 824
Other non-current assets		20 696 076	13 983 612
<b>Total non-current financial assets</b>		<b>2 869 451 986</b>	<b>2 914 703 062</b>
<b>Total non-current assets</b>		<b>2 869 451 986</b>	<b>2 925 146 336</b>
<b>Current assets</b>			
<b>Receivables</b>			
Other current receivables		188 443	166 057
Receivables from group companies	8	61 432 543	31 093 300
<b>Total current receivables</b>		<b>61 620 986</b>	<b>31 259 357</b>
Cash and cash equivalents	10, 11	9 597 418	230 408 156
<b>Total current assets</b>		<b>71 218 404</b>	<b>261 667 513</b>
<b>Total assets</b>		<b>2 940 670 390</b>	<b>3 186 813 849</b>



## ABAX GROUP AS

Financial Statements 2022

Balance sheet

<b>Equity and liabilities</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Equity</b>			
<b>Paid in equity</b>			
Share capital	6, 9	42 959 051	42 959 051
Share premium	6	1 817 820 726	1 817 820 726
<b>Total paid in equity</b>		<b>1 860 779 778</b>	<b>1 860 779 778</b>
Retained earnings	6	222 546 953	248 802 993
<b>Total retained earnings</b>		<b>222 546 953</b>	<b>248 802 993</b>
<b>Total equity</b>	<b>6</b>	<b>2 083 326 731</b>	<b>2 109 582 770</b>
<b>Liabilities</b>			
<b>Other non-current liabilities</b>			
Liabilities to group companies	8	83 602 387	79 176 425
Interest bearing non-current liabilities	4, 10, 11	758 773 308	985 820 391
<b>Total non-current liabilities</b>		<b>842 375 695</b>	<b>1 064 996 816</b>
<b>Current liabilities</b>			
Trade payables		1 081 638	286 469
Tax payable	5	12 069 657	10 159 866
Other current liabilities		1 816 670	1 787 927
<b>Total current liabilities</b>		<b>14 967 965</b>	<b>12 234 262</b>
<b>Total liabilities</b>		<b>857 343 660</b>	<b>1 077 231 078</b>
<b>Total equity and liabilities</b>		<b>2 940 670 390</b>	<b>3 186 813 849</b>




**ABAX GROUP AS**


Financial Statements 2022

Balance sheet


Larvik, 26.04.2023

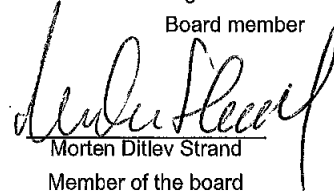
The board of ABAX GROUP AS

  
\_\_\_\_\_  
Andrea Jayne Davis  
Chairman of the board

  
\_\_\_\_\_  
Bjørn Erik Brandsæter Helgeland  
Board member

  
\_\_\_\_\_  
Jürgen Hellmann  
Board member

  
\_\_\_\_\_  
Yanlin Li  
Board member

  
\_\_\_\_\_  
Morten Ditlev Strand  
Member of the board



## Cash flow statement

ABAX GROUP AS

	Note	2022	2021
<b>Cash flows from operating activities</b>			
Profit/loss before tax		-3 743 109	296 768 779
Taxation paid	5	-10 159 866	0
Change in accounts payable		795 169	-2 844 419
Items classified as investment/financing		60 969 590	67 985 460
Change in other accrual items		-3 191	3 574 932
Amortised interest		-6 929 804	2 876 682
<b>Net cash flows from operating activities</b>		<b>40 928 789</b>	<b>368 361 434</b>
<b>Cash flows from financing activities</b>			
Change in loans to group companies	8	32 980 062	-75 968 308
Interest paid	4	-75 367 291	-67 985 460
Payments for repayment of long-term debt	10	-233 750 000	0
Interest received	4	14 397 701	0
<b>Net cash flows from financing activities</b>		<b>-261 739 528</b>	<b>-143 953 768</b>
<b>Net change in cash and cash equivalents</b>		<b>-220 810 741</b>	<b>224 407 666</b>
Cash and cash equivalents at the start of the period		230 408 156	6 000 490
<b>Cash and cash equivalents at the end of the period</b>		<b>9 597 418</b>	<b>230 408 156</b>



## Abax Group AS

### Financial Statements 2022

#### Notes to the financial statements

##### Note 1 Accounting principles

The financial statements have been prepared in compliance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP) in effect at December 31, 2022.

##### Classification and valuation of current assets

Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

##### Subsidiaries and associated companies

Subsidiaries and associated companies are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

##### Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables. In addition an unspecified provision is made to cover expected losses on claims in respect of customer receivables.

##### Tax

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax increasing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net. Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes). Deferred tax is reflected at nominal value.

##### Cash flow statement

ABAX GROUP AS

Page 7



## Abax Group AS

### Financial Statements 2022

#### Notes to the financial statements

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

#### The bond loan

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If Abax repurchases a part of a financial liability, the entity shall allocate the previous carrying amount of the financial liability between the part that continues to be recognised and the part that is derecognised based on the relative fair values of those parts on the date of the repurchase. The difference between (a) the carrying amount allocated to the part derecognised and (b) the consideration paid, including any non-cash assets transferred or liabilities assumed, for the part derecognised shall be recognised in profit or loss.

#### Note 2 Other income

	2022	2021
Other income	0	323 606 414
<b>Total income</b>	<b>0</b>	<b>323 606 414</b>

In 2021 a Tribunal in an Arbitration Case rendered to the benefit of ABAX Group AS.

The claim was against the insurance provider under the insurance and indemnity policy which ABAX Group AS had taken out in the connection with the Company's acquisition of ABAX Holding AS in 2017.

The claim related to an adjustment in the revenues of ABAX Holding prior to the completion of the acquisition.

#### Note 3 Salary costs and benefits

ABAX GROUP AS do not have any employees, there are no obligations related to salary costs in 2022.

Auditor

The following have been recognised as audit fees and related services during the period:	2022	2021
Statutory audit fee	1 735 275	2 115 453
Other assurance services	30 000	0
<b>Total</b>	<b>1 765 275</b>	<b>2 115 453</b>



Abax Group AS

Financial Statements 2022

Notes to the financial statements

Note 4 Specification of financial income and expenses

<b>Financial income and expenses from group companies:</b>	<b>2022</b>	<b>2021</b>
<b>Financial income</b>		
Interest income from group companies	11 424 379	8 773 029
Income from subsidiaries (Group contributions)	61 432 544	31 093 300
<b>Total financial income from group companies</b>	<b>72 856 923</b>	<b>39 866 329</b>

<b>Financial expenses</b>		
Interest expenses to group companies	4 425 962	3 311 000
<b>Total financial expenses to group companies</b>	<b>4 425 962</b>	<b>3 311 000</b>

<b>Other financial income and expenses:</b>	<b>2022</b>	<b>2021</b>
<b>Financial income</b>		
Agio	6 714 892	6 717 590
Interest swap	8 054 452	7 112 721
Other financial income	14 944 676	0
<b>Total other financial income</b>	<b>29 714 021</b>	<b>13 830 312</b>

<b>Financial expenses</b>		
Disagio	11 205	5 602
Other financial expenses	4 911 073	245 818
Interest amortization	6 702 917	4 051 308
<b>Total other financial expenses</b>	<b>11 625 195</b>	<b>4 302 727</b>

<b>Other interest expenses:</b>	<b>2022</b>	<b>2021</b>
Interest expense bond	83 900 510	66 352 222
Other interest expenses	0	684 753
<b>Total other interest expenses</b>	<b>83 900 510</b>	<b>67 036 975</b>



**Abax Group AS**

**Financial Statements 2022**

**Notes to the financial statements**

**Note 5 Tax**

<b>This year's tax expense</b>	<b>2022</b>	<b>2021</b>
Entered tax on ordinary profit/loss:		
Payable tax	12 069 657	10 159 866
Changes in deferred tax assets	10 443 274	129 265
<b>Tax expense on ordinary profit/loss</b>	<b>22 512 931</b>	<b>10 289 131</b>
Taxable income:		
Result before tax	-3 743 109	296 768 779
Permanent differences	-61 432 543	-281 093 300
Changes in temporary differences	-9 547	-11 017 929
Received intra-group contribution	61 432 543	31 093 300
Cut interest deduction	58 614 734	46 181 210
Allocation of loss to be brought forward	0	-35 750 850
<b>Taxable income</b>	<b>54 862 078</b>	<b>46 181 210</b>
Payable tax in the balance:		
Payable tax on this year's result	-1 445 502	3 319 340
Payable tax on received Group contribution	13 515 159	6 840 526
<b>Total payable tax in the balance</b>	<b>12 069 657</b>	<b>10 159 866</b>

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	<b>2022</b>	<b>2021</b>	<b>Difference</b>
Other differences	28 172 768	28 163 221	-9 547
<b>Total</b>	<b>28 172 768</b>	<b>28 163 221</b>	<b>-9 547</b>
Accumulated loss to be brought forward	-29 451 438	-29 451 438	0
Cut interest deduction	-104 795 943	-46 181 210	58 614 734
Not included in the deferred tax calculation	106 074 613	0	-106 074 613
<b>Basis for deferred tax assets</b>	<b>0</b>	<b>-47 469 427</b>	<b>-47 469 427</b>
<b>Deferred tax assets (22 %)</b>	<b>0</b>	<b>-10 443 274</b>	<b>-10 443 274</b>



**Abax Group AS**

**Financial Statements 2022**

**Notes to the financial statements**

**Note 6 Equity capital**

	Share capital	Share premium	Retained earnings	Total equity capital
Pr. 31.12.2021	42 959 051	1 817 820 726	248 802 993	2 109 582 770
Result of the year			-26 256 040	-26 256 040
<b>Pr 31.12.2022</b>	<b>42 959 051</b>	<b>1 817 820 726</b>	<b>222 546 953</b>	<b>2 083 326 731</b>

**Note 7 Subsidiaries**

	Municipality	Owner share	Purchase cost	Carrying amount	Share of equity	Share of result
ABAX AS	Larvik	100 %	1 893 724 224	2 667 818 625	1 188 090 402	44 466 002

**Note 8 Inter-company items between companies in the same group**

	2022	2021
<b>Receivables</b>		
Loans to companies in the same group	180 937 285	232 900 824
Current receivables group contribution	61 432 543	31 093 300
Other current receivables within the group	0	0
<b>Total</b>	<b>242 369 828</b>	<b>263 994 124</b>
<b>Liabilities</b>		
Loans from companies in the same group	83 602 387	79 176 425
<b>Total</b>	<b>83 602 387</b>	<b>79 176 425</b>



## Abax Group AS

### Financial Statements 2022

#### Notes to the financial statements

##### Note 9 Shareholders

The share capital in ABAX GROUP AS as of 31.12 consists of:

	Number of shares	Face value	Share capital
Ordinary shares	1 431 968 378	0,03	42 959 051
<b>Total</b>			<b>42 959 051</b>

##### Ownership structure

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Abax Midco AS	1 431 968 378	100,0	100,0
<b>Total number of shares</b>	<b>1 431 968 378</b>	<b>100,0</b>	<b>100,0</b>

##### Note 10 Other non-current liabilities

Liabilities with maturity more than 5 years subsequent to the end of the fiscal year	2022	2021
Liabilities to financial institutions	1 000 000 000	1 000 000 000
Bought back bond	-233 750 000	0
Unamortized fees	-7 476 692	-14 179 609
<b>Net liability to financial institutions</b>	<b>758 773 308</b>	<b>985 820 391</b>

ABAX GROUP AS has successfully raised a Nordic Bond in June 2020.

By the end of June 2022 ABAX GROUP AS purchased 233,8 MNOK of it's own bond which is reflected as a marketable security in the financial statements and shown as a reduction in debt.

##### Note 11 Cash credit etc.

	2022	2021
Unused part of rapid credit facilities	39 000 000	39 000 000

Net interest bearing debt include the senior secured floating rate bond of 1 billion NOK and additionally a super senior RCF facility provided by SEB.

As of 31 December 2022 the Group has 1 billion NOK in a senior secured bond and additionally 50 MNOK of RCF facilities of which 11 MNOK have been committed as a security of office facilities.  
By the end of June 2022 ABAX GROUP AS purchased 233,8 MNOK of it's own bond.



To the General Meeting of ABAX Group AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of ABAX Group AS, which comprise:

- the financial statements of the parent company ABAX Group AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of ABAX Group AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2022, the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 3 years from the election by the general meeting of the shareholders on 17 November 2020 for the accounting year 2020.

PricewaterhouseCoopers AS, Tassebekkveien 354, 3160 Stokke, Postboks 211 Sentrum, 0103 Oslo  
T: 02316, org. no.: 987 009 713 MVA, [www.pwc.no](http://www.pwc.no)  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Company's and the Group's business activities have remained largely unchanged during 2022. As *Change of ERP system and revenue recognition* was a one-off-event in 2021, it has not been a key audit matter during this year's audit. *Valuation of Goodwill and intangible assets* has approximately the same characteristics as last year and continues to be in our focus.

Key Audit Matters	How our audit addressed the Key Audit Matter
-------------------	--

Valuation of goodwill and intangible assets	
---	--

The Group has recognized goodwill of NOK thousand 1 055 252, brand name of NOK thousand 69 365, development of telematic solutions of NOK thousand 384 989 and customer relationship of NOK thousand 703 309 in the balance sheet on 31 December 2022.	
--	--

Goodwill with an indefinite useful life and other intangible assets are subject to impairment assessments at least annually. Management has carried out an impairment assessment on 31 December and concluded with no recognition of impairment loss in the income statement for 2022.	
--	--

We focused on valuation of goodwill and intangible assets due to the magnitude of the amounts in the balance sheet, and due to the level of judgement required by management during the impairment assessment, specifically as the judgement relates to determining assumptions such as future cash flows and discount rates.	
---	--

See further information about management's assessment in note 11 to the financial statements.	
---	--

We obtained and reviewed management's impairment assessment of goodwill and intangible assets. The documentation contained an assessment of the cash generating units and assumptions applied by management. We considered whether the model contained the elements and methodology required by IFRS, and found the model to be reasonable and in accordance with our expectations.	
---	--

Our procedures to evaluate management's impairment assessment included challenging assumptions such as future revenue, operating margins, and changes in net working capital through meetings with management. We assessed the reasonableness of the prognosis for the segment compared to historical performance, budgets approved by the Board, management forecast and long-term strategic plans.	
--	--

We also considered external available information relevant to the industry and our own knowledge of the industry. We evaluated the discount rate used by management by comparing its composition to empirical data for future interest rates, relevant risk premium and debt ratio. Key assumptions used were benchmarked against external data and our own internal data.	
--	--

All together, we found management's assumptions to be within a reasonable range.	
--	--

Finally, we evaluated the adequacy of the disclosures to the financial statements and found them to appropriately explain management's valuation process and the uncertainties inherent in some of management's assumptions.	
--	--



## Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Governance and Corporate Social Responsibility.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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, we exercise professional judgment 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. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group'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 and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group 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.
- 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 the Board of Directors 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Vestfold, 26 April 2023  
**PricewaterhouseCoopers AS**

Tom Nilsen  
State Authorised Public Accountant  
(This document is signed electronically)



 Securely signed with Brevio

## Revisjonsberetning

### Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Nilsen, Tom	BANKID	2023-04-26 19:21

#### This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

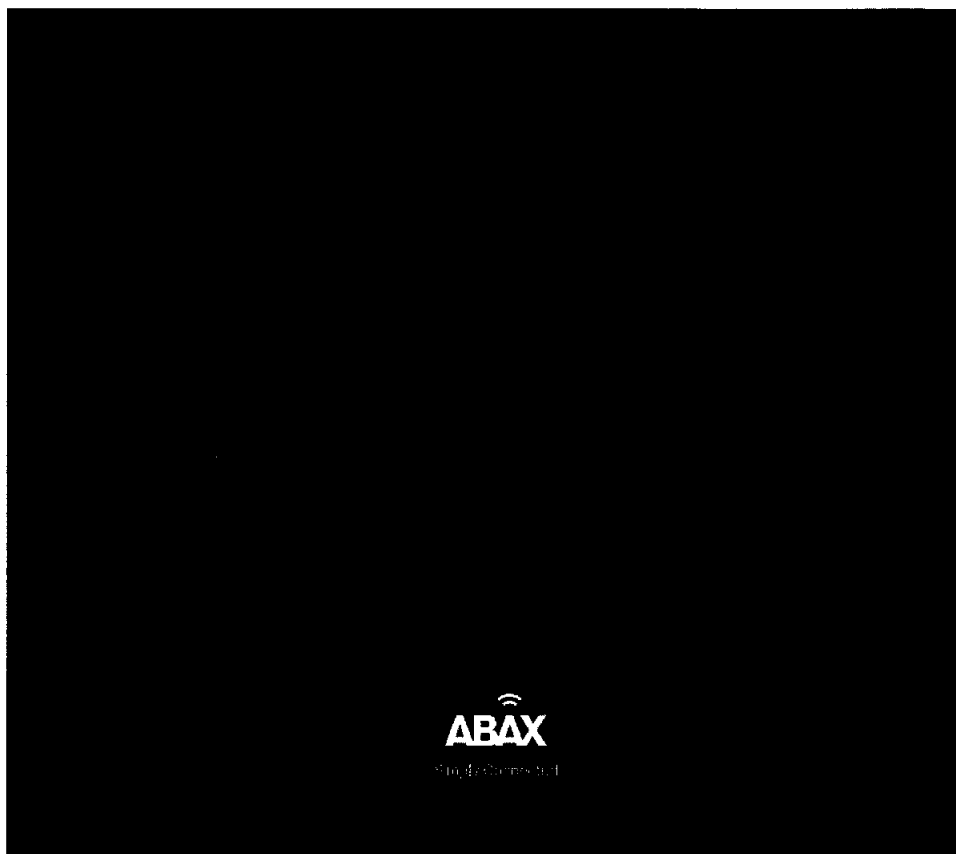


**ABAX**

Hammergata 20, NO-3264 LARVIK

+47 22 22 22 99

[www.abax.com](http://www.abax.com)





## Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 18.10.2017	Vår dato 25.10.2017
Telefon 22078139	Deres referanse Petter Quinsgaard	Vår referanse 2017/1123064

ABAX AS  
Hammergata 24  
3264 LARVIK

## Tillatelse til å utarbeide årsregnskap og årsberetning på norsk språk

Vi viser til deres brev av 18. oktober 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

Antelope Bidco AS	org.nr. 918 965 556
Antelope Midco AS	org.nr. 818 965 532
Antelope Topco AS	org.nr. 919 042 885

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskap dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

### Bakgrunn

Selskapene inngår i Abax gruppen. Totalt eies ca. 89 % av aksjene i Abax gruppen av et profesjonelt britisk investeringsselskap, resterende er i all hovedsak ansatte i selskapet (både norske og utenlandske). Abax er et internasjonalt konsern med virksomhet i flere land og med profesjonelle kontraktspartnerer. Det forventes vekst i utland, og Abax' konkurrenter er i all hovedsak utenlandske. Det interne og eksterne arbeidsspråk er engelsk. Alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse: Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> Org.nr: 996250318 E-post: <a href="mailto:skatteetaten.no/sendepost">skatteetaten.no/sendepost</a>	Sentrallbord 800 80 000 Telefaks 22 17 08 60
--	--	---



*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at morselskapet er et utenlandsk selskap. Eierkretsen er begrenset. Selskapene opererer i en internasjonal bransje. Arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*