Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	918 965 556
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ABAX GROUP AS
Forretningsadresse:	Hammergata 24 3264 LARVIK

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021

Konsern

Morselskap 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 Pedersen
Dato for fastsettelse av årsregnskapet:	28.04.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 21.07.2023

Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Other income	2	323 606 414	
Sum inntekter		**323 606 414**	
Kostnader			
Other expenses	3	5 883 574	7 995 242
Sum kostnader		**5 883 574**	**7 995 242**
Driftsresultat		**317 722 840**	**-7 995 242**
Finansinntekter og finanskostnader			
Income from subsidiaries	9		24 978 042
Income from other group companies		31 093 300	
Renteinntekt fra foretak i samme konsern	9	8 773 029	5 923 605
Annen renteinntekt			19 727
Other financial income	9	13 830 312	3 599 985
Sum finansinntekter		**53 696 641**	**34 521 359**
Rentekostnad til foretak i samme konsern	9	3 311 000	1 888 175
Annen rentekostnad	9	67 036 975	51 191 849
Other financial expenses	9	4 302 727	25 593 315
Sum finanskostnader		**74 650 702**	**78 673 339**
Netto finans		**-20 954 061**	**-44 151 980**
Ordinært resultat før skattekostnad		**296 768 779**	**-52 147 222**
Income tax expense	11	10 289 131	-10 995 329
Ordinært resultat etter skattekostnad		**286 479 648**	**-41 151 893**
Årsresultat		**286 479 648**	**-41 151 893**
Overføringer og disponeringer			
Udekket tap			-37 676 665
Transferred to retained earnings	8	286 479 648	-3 475 240
Sum overføringer og disponeringer		**286 479 648**	**-41 151 905**

Resultatregnskap

Beløp i: NOK	Note	2021	2020

Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	11	10 443 274	10 572 539
Sum immaterielle eiendeler		**10 443 274**	**10 572 539**
Finansielle anleggsmidler			
Investering i datterselskap	7	2 667 818 625	2 667 818 625
Lån til tilknyttet selskap og felles kontrollert virksomhet	4	232 900 824	
Other non-current assets		13 983 612	
Sum finansielle anleggsmidler		**2 914 703 061**	**2 667 818 625**
Sum anleggsmidler		**2 925 146 335**	**2 678 391 164**
Omløpsmidler			
Varer			
Fordringer			
Other current receivables	11	166 057	3 490 246
Konsernfordringer	4	31 093 300	202 009 428
Sum fordringer		**31 259 357**	**205 499 674**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		230 408 156	6 000 490
Sum bankinnskudd, kontanter og lignende		**230 408 156**	**6 000 490**
Sum omløpsmidler		**261 667 513**	**211 500 164**
SUM EIENDELER		**3 186 813 848**	**2 889 891 328**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	6,8	42 959 051	42 959 051

Balanse

Beløp i: NOK	Note	2021	2020
Overkurs	8	1 817 820 726	1 817 820 726
Sum innskutt egenkapital		**1 860 779 777**	**1 860 779 777**
Opptjent egenkapital			
Retained earnings	8	248 802 993	
Udekket tap	8		37 676 655
Sum opptjent egenkapital		**248 802 993**	**-37 676 655**
Sum egenkapital		**2 109 582 770**	**1 823 103 122**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	4	79 176 425	79 265 425
Interest bearing non-current liabilities	5,9,10	985 820 391	982 854 708
Sum annen langsiktig gjeld		**1 064 996 816**	**1 062 120 133**
Sum langsiktig gjeld		**1 064 996 816**	**1 062 120 133**
Kortsiktig gjeld			
Leverandørgjeld		286 469	3 130 888
Tax payable	11	10 159 866	
Other current liabilities		1 787 927	1 537 186
Sum kortsiktig gjeld		**12 234 262**	**4 668 074**
Sum gjeld		**1 077 231 078**	**1 066 788 207**
SUM EGENKAPITAL OG GJELD		**3 186 813 848**	**2 889 891 329**

Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operational Revenue		641 555 000	512 061 000
One-time insurance payment		321 981 000	
Sum inntekter	4	**963 536 000**	**512 061 000**
Kostnader			
Cost of hardwre and services		73 891 000	52 184 000
Employee benefit expenses	5,26	231 036 000	214 801 000
Depreciation	9	56 496 000	38 807 000
Amortisation	10	280 788 000	209 889 000
Other operating expenses	6	123 064 000	106 242 000
Impairment loss on trade and other receivables	23	4 280 000	5 505 000
Sum kostnader		**769 555 000**	**627 428 000**
Driftsresultat		**193 981 000**	**-115 367 000**
Finansinntekter og finanskostnader			
Finance income	7	18 061 000	13 836 000
Sum finansinntekter		**18 061 000**	**13 836 000**
Finance expenses	7	87 134 000	79 603 000
Sum finanskostnader		**87 134 000**	**79 603 000**
Netto finans		**-69 073 000**	**-65 767 000**
Ordinært resultat før skattekostnad		**124 908 000**	**-181 134 000**
Income tax	8	-34 588 000	-38 835 000
Ordinært resultat etter skattekostnad		**159 496 000**	**-142 299 000**
Årsresultat		**159 496 000**	**-142 299 000**
Foreign currency translation differences			

Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets and goodwill	10,11	2 424 890 000	2 652 924 000
Utsatt skattefordel	8	32 568 000	34 000 000
Sum immaterielle eiendeler		**2 457 458 000**	**2 686 924 000**
Varige driftsmidler			
Property, plant and equipment	9,2	207 967 000	186 903 000
Sum varige driftsmidler		**207 967 000**	**186 903 000**
Finansielle anleggsmidler			
Other investments, including derivatives	23	19 911 000	500 000
Non-current interest-bearing receivables	12	4 730 000	6 568 000
Sum finansielle anleggsmidler		**24 641 000**	**7 068 000**
Sum anleggsmidler		**2 690 066 000**	**2 880 895 000**
Omløpsmidler			
Varer			
Inventories	13	26 613 000	10 846 000
Sum varer		**26 613 000**	**10 846 000**
Fordringer			
Trade and other receivables	14	167 590 000	133 084 000
Current tax assets	8	4 407 000	5 800 000
Contract assets	4	17 245 000	54 216 000
Sum fordringer		**189 242 000**	**193 100 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	16	397 489 000	143 955 000
Sum bankinnskudd, kontanter og lignende		**397 489 000**	**143 955 000**
Sum omløpsmidler		**613 344 000**	**347 901 000**
SUM EIENDELER		**3 303 410 000**	**3 228 796 000**

Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	17	42 959 000	42 595 000
Other reserves	17		
Overkurs	17	1 817 821 000	1 817 821 000
Sum innskutt egenkapital		**1 860 780 000**	**1 860 416 000**
Opptjent egenkapital			
Other reserves	17	-69 688 000	-24 136 000
Retained earnings	17	-284 917 000	-445 161 000
Sum opptjent egenkapital		**-354 605 000**	**-469 297 000**
Sum egenkapital		**1 506 175 000**	**1 391 119 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	8	236 323 000	285 808 000
Sum avsetninger for forpliktelser		**236 323 000**	**285 808 000**
Annen langsiktig gjeld			
Loans and borrowings	18	1 081 633 000	1 085 499 000
Non-current derivatives	23		1 086 000
Other non-current liablitities, not interest bearing	10	20 997 000	17 282 000
Sum annen langsiktig gjeld		**1 102 630 000**	**1 103 867 000**
Sum langsiktig gjeld		**1 338 953 000**	**1 389 675 000**
Kortsiktig gjeld			
Leverandørgjeld	19	210 097 000	210 704 000
Current tax liabilities	8	12 773 000	2 989 000
Contract liabilities	4	129 650 000	120 386 000
Loans and borrowings	18	105 762 000	113 558 000
Sum kortsiktig gjeld		**458 282 000**	**447 637 000**
Sum gjeld		**1 797 235 000**	**1 837 312 000**

Konsernets balanse

Beløp i: NOK	Note	2021	2020
SUM EGENKAPITAL OG GJELD		**3 303 410 000**	**3 228 431 000**

ABAX GROUP AS

IFRS

CONSOLIDATED

FINANCIAL

STATEMENTS

2021

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 2021, 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 2021, the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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 laws and regulations 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.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Independent Auditor's Report - Abax Group AS

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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 2 years from the election by the general meeting of the shareholders on 17 November 2020 for the accounting year 2020.

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 as a whole, 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 2021. We have not identified regulatory changes that qualify as new Key Audit Matters for 2021. *Valuation of Goodwill and intangible assets* has approximately the same characteristics as last year and continues to be in our focus. In addition, the Group has changed its ERP system during the year. Consequently, *Change of ERP system and revenue recognition* has been an additional key focus area during this year's audit.

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group's total revenue for the year ended 31 December 2021 amounts to NOK thousand 963 536. During 2021, Abax changed its ERP system from Microsoft Dynamics NAV to Microsoft Business Central. A change of ERP system required management to ensure a complete and accurate transfer of transactions from the old system to the new system. Further, management needed to obtain a clear understanding of the transaction flow within the new system and verify the correct recognition of transactions. The complexity of the change of ERP system introduced a risk of incorrect revenue recognition as the general ledger of Abax contains a high number of transactions and the Group's main revenue stream is subscription-based. We refer to note 2 where management describes their principle for revenue recognition.	We obtained and reviewed documentation supporting a complete and accurate transfer of data from Microsoft Dynamics NAV to Microsoft Business Central. The documentation included a reconciliation between the two systems. We obtained reports as per date of transfer directly from the old ERP system and compared the numbers with the opening balances in the new ERP system. We found the transfer of data to be in accordance with our expectations. In our audit of revenue recognition, we evaluated and tested the IT general controls (ITGCs). We also tested the design and effectiveness of several internal controls related to revenue recognition. Furthermore, we tested transactions at subscription level using substantive audit procedures. Common for our testing of controls and substantive audit procedures is that we tested whether the transaction flow through the ERP system was in line with our expectations. We identified a direct link between the order system, general ledger, associated invoice, underlying contract, and actual payment from the customer. As revenues are subscription based, we have also tested the recognition is in line with the contract

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period through both test of control and substantive audit procedures.

On the basis of evidence obtained from our audit, we considered the transaction flow to be appropriate and consistent with our expectations. Further, we evaluated the adequacy of the disclosures to the financial statement, and found them to appropriately reflect the Group's principles for revenue recognition.

Abax Group AS («Group") has recognized goodwill of NOK thousand 1 043 821, brand name of NOK thousand 70 926, development of telematic solutions of NOK thousand 525 729 and customer relationship of NOK thousand 784 415 in the balance sheet as of 31 December 2021. 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 as of 31 December 2021 and concluded with no recognition of impairment loss in the income statement for 2021. The valuations require management to apply judgement related to, among other, future cash flows and discount rate applied. We focus on this area due to the magnitude of the amount of goodwill and other intangible assets in the balance sheet and due to judgements made by management when determining the assumptions applied to support the valuation of goodwill and other intangible assets. See further information about management's assessment in note 11 to the financial statements.	We obtained and reviewed management's impairment assessment of goodwill. The documentation contained an assessment of the cash generating units and key assumptions applied by management. We considered whether the model contained the elements and methodology required by IFRS. We found the model to be reasonable and in accordance with our expectations. Our procedures to evaluate management's impairment assessment included challenging key 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. We found the applied discount rate to be within a range of reasonable outcomes. All together, we found management's conclusion and 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

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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 appears 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 legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements 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.

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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 or 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 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.

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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, 28 April 2022
PricewaterhouseCoopers AS

Tom Nilsen
State Authorised Public Accountant

DIRECTORS REPORT 2021 – ABAX Group AS

For the period 01/01/2021 – 31/12/2021

THE NATURE OF THE BUSINESS AND LOCALIZATION

Founded in 2003, ABAX Group AS ("ABAX" or the "Company") is a leading telematics solution provider in the Nordic countries developing and delivering sophisticated telematics and "Internet of Things" solutions and services. Headquartered in Norway, the Company has established operations across the Nordic region as well as in the United Kingdom, the Netherlands, Poland, Belgium and the USA.

The ABAX Group operates from the headquarter in Larvik, Norway. The visiting address is Hammergata 20, 3264 Larvik. In addition, the Group has sales offices and some back-office functions in Stavanger, Västerås, Copenhagen, Vantaa, Oulu, Amsterdam, Peterborough, Gdynja, Berlin, Stockholm, Utah, and Diegem.

The CEO of ABAX Group AS is Morten Strand

OPERATIONS IN 2021

A year of growth and solid financial and operational performance

2021 continued to be a challenging year for most businesses with the Covid-19 pandemic changing markets and business outlook sometimes overnight. ABAX and its attractive business model continued to be very resilient across all our geographies throughout the year, including the new territories acquired during 2020.

In July, we completed the acquisition of the subscription base of Helpten OY in Finland, adding another 6,000 subscriptions to our base which, combined with Abax Finland, firmly cements our position as a market leader in Finland, and in the wider Nordics.

Throughout the year, we made progress in the constant evolution of our technology platform into a leading IoT network, resulting in new partnerships as well as new and groundbreaking innovations in the IoT marketspace. Our Zego partnership, which commenced in October 2020, continues to grow month over month, and by the end of 2021 we had connected more than 15,000 vehicles to data-enabled pay-as-you-go insurance. This important growth engine will lead us into more markets in the coming years, as we expand beyond the UK. Following the successful launch of our flagship product, ABAX Access, an innovative integrated IoT solution that enables customers to track and manage vehicles, machines and tools in one single solution. We commenced a mass automated program of upgrading our customer base to the new product during December and have experienced strong support from our customers for ABAX Access.

Today, ABAX is an innovative, market oriented IoT technology company in a market that increasingly requires easy-to-use IoT solutions to comply with regulations and to satisfy the digitalization demands of customers.

Our well established ESG work and dedication is a point of pride for the company. Our solutions support our customers to consume less resources, reduce their carbon footprint, and help them comply with legislations such as emission reports based on ABAX' advanced data collection and analytics of vehicle and machine utilisation. Our latest ESG report can be found at https://static.abax.com/sites/default/files/2022-03/ABAX%20Sustainability%20Report%202021_0.pdf.

As the Group operates in several local technological markets, the most important risk factors for the Group are changes in technology and the competitive landscape. These risk factors are monitored and addressed by leaders at all levels in the organization.

ABAX' adjusted Group EBITDA increased by 57% in the financial period from 133.3 M NOK in 2020 to 209.2 M NOK in 2021 (excluding the W&I arbitration award 322 M NOK).

The Group's reported operating profit after depreciation and amortization was 194 M NOK (-115.4 M NOK 2020) and profit before tax was 124.8 M NOK (-181.1 M NOK 2020).

The development teams in ABAX AS continued to grow during 2021 to further exploit a wide range of market opportunities with the objective of automating and simplifying solutions for the Group´s customer segments. ABAX endeavors to ensure that their customers receive the highest quality products and services. The Group therefore continuously invests in R&D resources, with a spend of 62.9 M NOK on R&D projects in 2021. This has resulted in numerous new products and services, both for customers and for automating internal operations. In 2021 the Group continued to make investments to digitize its processes to support future growth in the geographical footprint and increased scope of the ABAX service offering. This includes upgrades of the IT Infrastructure, the quality management system, and the upgraded ERP system.

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.

ANNUAL ACCOUNTS

Profit and loss

Full year, adjusted EBITDA (excluding the W&I arbitration award 322 M NOK) was 209.2 M NOK, compared to 133.3 M NOK in the period ending on December 31, 2020. This represents an adjusted EBITDA growth of 57%.

The Group revenue for 2021 was at 963.5 M NOK (of which sales in ABAX AS amounted for 398 M NOK). Operating Group profit for 2021 was at 194 M NOK. Depreciation, amortization and impairment accounted for 337.3 M NOK.

Balance Sheet and Liquidity

In FY2021, the Group generated 253.5 M NOK of cash compared to 97.4 M NOK in 2020.

Cashflow from operating activities amounted to 464 M NOK at the 31 December 2021, compared to 156.6 M NOK at 31 December 2020. 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 Group's cash liquidity was 397.5 M NOK per 31 December 2021. 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 2021, the Group invested substantial amounts in research and development, of which 62.9 M NOK was capitalized internal hours on the balance sheet.

The Group's long-term debt amounted to 1 339 M NOK as at 31 December 2021.

Total asset value at the end of 2021 was 3 303 M NOK for the Group. The equity in the Group at end of 2021 was 1 506.2 M NOK (46 % equity ratio).

ABAX GROUP AS (NGAAP)

Financial Review

ABAX Group AS (the Company) prepares its financial statements according to NGAAP. In 2021, ABAX Group AS reported a profit before tax of 296.8 M NOK.

Total equity for the parent Company was 2 109.6 M NOK at 31 December 2021 compared to 1 823.1 M NOK at 31 December 2020.

Organisation

ABAX Group AS had no employees at the end of 2021.

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 continue. 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. The majority 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 2022 plus ABAX' long-term strategic plans. We can therefore conclude that ABAX is in a healthy financial position.

CORPORATE GOVERNANCE

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

WORKING ENVIRONMENT AND PERSONNEL

In 2021 sick leaves accounted for just below 3.7 % of total working hours at ABAX Group and 3.9 % for ABAX AS. This is significantly less than the national average in Norway of 6.75 % (Q4 2021). 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 2021” available on the company’s webpages. In this report, topics such as gender pay gap analysis, diversity of management and inclusion are presented.

Out of ABAX' 344 employees December 2021, 94 employees are females. 25% of all leadership positions are filled by females.

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

Working hours in ABAX are dependent on employment position and are independent of gender.

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 CO_2 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.

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 28th, 2022

Andrea Davis *Chairman*	Yanlin Li *Board member*	Morten Strand *Board member/CEO*
Juergen Heilmann *Board member*	Bjørn Erik B. Helgeland *Board member*	

ABAX Group AS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Amounts in NOK thousand	Note	01.01.21-31.12.21	01.01.20-31.12.20
Operational Revenue		641 555	512 061
One-time insurance payment		321 981	-
Total Revenue	*4*	**963 536**	**512 061**
OPERATING EXPENSES			
Cost of hardware and services		73 891	52 184
Employee benefit expenses	*5,26*	231 036	214 801
Other operating expenses	*6*	123 064	106 242
Impairment loss on trade and other receivables	*23*	4 280	5 505
Depreciation	*9*	56 496	38 807
Amortisation	*10*	280 788	209 889
OPERATING PROFIT(+)/LOSS(-)		**193 981**	**(115 367)**
FINANCIAL ITEMS			
Finance income	*7*	18 061	13 836
Finance expenses	*7*	(87 134)	(79 603)
TOTAL NET FINANCIAL ITEMS		**(69 073)**	**(65 767)**
PROFIT(+)/LOSS(-) BEFORE TAX		**124 908**	**(181 135)**
Income tax income	*8*	34 588	38 835
PROFIT(+)/LOSS(-) FOR THE PERIOD		**159 496**	**(142 300)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.21-31.12.21	01.01.20-31.12.20
PROFIT(+)/LOSS(-) FOR THE PERIOD	**159 496**	**(142 300)**
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS		
Foreign currency translation differences	**(45 552)**	(19 462)
TOTAL ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	**(45 552)**	**(19 462)**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**113 944**	**(161 762)**

ABAX Group AS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	Note	31.12.2021	31.12.2020
NON-CURRENT ASSETS			
Property, plant and equipment	*9,2*	207 967	186 903
Intangible assets and goodwill	*10,11*	2 424 890	2 652 924
Deferred tax assets	*8*	32 568	34 000
Other investments, including derivatives	*23*	19 911	500
Non-current interest-bearing receivables	*12*	4 730	6 568
TOTAL NON-CURRENT ASSETS		**2 690 066**	**2 880 894**
CURRENT ASSETS			
Inventories	*13*	26 613	10 846
Current tax assets	*8*	4 407	5 800
Trade and other receivables	*14*	167 590	133 084
Contract assets	*4*	17 245	54 216
Cash and cash equivalents	*16*	397 489	143 955
TOTAL CURRENT ASSETS		**613 344**	**347 900**
TOTAL ASSETS		**3 303 410**	**3 228 794**
EQUITY			
Share capital	*17*	42 959	42 959
Share premium	*17*	1 817 821	1 817 821
Retained earnings	*17*	(284 917)	(445 161)
Other reserves	*17*	(69 688)	(24 136)
TOTAL EQUITY		**1 506 174**	**1 391 483**
CURRENT LIABILITIES			
Trade and other payables	*19*	210 097	210 704
Contract liabilities	*4*	129 650	120 386
Current tax liabilities	*8*	12 773	2 989
Loans and borrowings	*18*	105 762	113 558
TOTAL CURRENT LIABILITIES		**458 282**	**447 637**
NON-CURRENT LIABILITIES			
Loans and borrowings	*18*	1 081 633	1 085 499
Deferred tax liabilities	*8*	236 323	285 808
Non-current derivatives	*23*	-	1 086
Other non-current liablitities, not interest bearing	*10*	20 997	17 282
TOTAL NON-CURRENT LIABILITIES		**1 338 954**	**1 389 674**
TOTAL LIABILITIES		**1 797 236**	**1 837 312**
TOTAL EQUITY AND LIABILITIES		**3 303 410**	**3 228 794**

Larvik, 28 April 2022

Andrea Davis
Chairman of the Board

Morten Strand
Board member/CEO

Yanlin Li
Board member

Bjørn Erik Brandsæter Helgeland
Board member

Jürgen Heilman
Board member

ABAX Group AS

CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in NOK thousand	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT(+)/LOSS(-) FOR THE PERIOD	159 496	(142 300)
Adjustments for:		
- Depreciation	56 496	38 807
- Amortisation	280 788	209 889
- Net finance costs	69 073	65 767
- Tax expense	(34 588)	(38 835)
Cash flow before changes in working capital, interest and tax	**531 265**	**133 328**
Changes in:		
- Inventories	(14 979)	6 450
- Trade and other receivables	(33 900)	33 028
- Trade and other payables	6 700	(37 168)
- Contract assets/liabilities	46 235	68 745
- Other movements	(3 724)	6 452
Cash flow before interest and tax	**531 597**	**210 836**
Interest paid	(74 277)	(50 806)
Income taxes paid	6 728	(3 460)
CASH FLOW FROM OPERATING ACTIVITIES	**464 048**	**156 570**
CASH FLOW FROM INVESTING ACTIVITIES		
Aquisition of property plant and equipment, and intangible assets	(145 398)	(105 657)
Aquisition of RAM		(37 741)
Aquisition of Automile		(523 717)
Aquisition of Helpten	(16 416)	
Shares in Reen	(5 427)	
Cash from acquisition RAM		1 107
Cash from acquisition Automile		72 103
Deposit refund claim	1 600	
Earn-out RAM	(10 514)	
CASH FLOW FROM INVESTING ACTIVITIES	**(176 155)**	**(593 905)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital		151 350
Proceeds from loans from group companies	(1 600)	300
Proceeds from loans and borrowings		1 046 083
Repayment of borrowings		(625 328)
Payment of lease liabilities	(32 758)	(28 927)
CASH FLOW FROM FINANCING ACTIVITIES	**(34 358)**	**543 478**
NET INCREASE (+)/DECRESE (-) IN CASH AND CASH-EQUIVALENTS	253 535	106 144
Cash and cash-equivalents beginning of period	143 954	46 560
Currency effect of cash and cash equivalents		(8 749)
CASH AND CASH-EQUIVALENTS END OF PERIOD	**397 489**	**143 954**

ABAX Group AS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year 2020	Attributable to shareholders of ABAX Group AS					
Amounts in NOK thousand	**Share capital**	**Share premium**	**Total paid-in capital**	**Retained earnings**	**Translation reserve**	**Total equity**
Ingoing balance 1 January 2020	**14 320**	**1 417 506**	**1 431 826**	**(304 379)**	**(4 674)**	**1 122 773**
Total comprehensive income for the period 01.01.20 - 31.12.20						
Loss for the period				(142 300)		**(142 300)**
Other comprehensive income for the period					(19 462)	**(19 462)**
				(142 300)	**(19 462)**	**(161 762)**
Transactions with owners of the Company						
Capital increase debt conversion	14 320	263 284	277 604			**277 604**
Capital increase cash contribution	14 320	137 031	151 351			**151 351**
Group contribution Abax Midco				(26)		**(26)**
Group contribution Abax Invest			-	1 543		**1 543**
	28 639	400 315	428 954	1 517	-	430 471
Balance as of 31 December 2020	**42 959**	**1 817 821**	**1 860 780**	**(445 161)**	**(24 136)**	**1 391 483**

Year 2021	Attributable to shareholders of ABAX Group AS					
Amounts in NOK thousand	**Share capital**	**Share premium**	**Total paid-in capital**	**Retained earnings**	**Translation reserve**	**Total equity**
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**
Transactions with owners of the Company						
Capital increase debt conversion						**-**
Capital increase cash contribution						**-**
Group contribution Abax Midco						**-**
Group contribution Abax Invest			-			**-**
	-	-	-	-	-	-
Balance as of 30 September 2021	**42 959**	**1 817 821**	**1 860 780**	**(284 917)**	**(69 688)**	**1 506 174**

The notes on page 18 to 38 are an integral part of these financial statements.

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 24, 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 21. April 2022. The financial statements will be submitted for approval at the General Meeting on 28 April 2022.

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 2021.

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 2021.

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.

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

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 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.

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.

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 180 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

At the date of these Consolidated financial statements, there are no standards, amendments to standards or interpretations of standards applicable to the Group - which have been issued but were not yet effective - which are expected to have significant impact on the Group.

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.

	January-December	
Amounts in NOK thousand	2021	2020
Primary geographical markets		
Norway	207 119	192 761
Sweden	255 376	196 337
Finland	40 338	33 535
Denmark	17 031	19 519
UK	45 302	32 594
Other	76 388	37 314
Revenue	**641 555**	**512 061**
Major products/service lines		
Trip logs	596 646	482 521
Equipment control	44 909	29 540
Revenue	**641 555**	**512 061**
Timing of revenue recognition		
Products transferred at a point in time	-	-
Products and services transferred over time	641 555	512 061
Revenue	**641 555**	**512 061**
Revenue type		
Operational revenue	641 555	512 061
One-time insurance payment *)	321 981	-
Total revenue	**963 536**	**512 061**

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 arbitrational 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	31.12.2021	31.12.2020
Receivables, which are included in "Trade and other receivables"	92 780	61 385
Contract assets	17 245	54 216
Contract liabilities	129 650	120 386

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:

	2020	
Amounts in NOK thousand	Contract assets	Contract liabilities
Balance at 1 January	102 044	100 024
Decrease due to cash received, excluding amounts recognised as revenue during the period	(47 828)	20 362
Balance as at 31 December	**54 216**	**120 386**

[1] Refer to Note 26 Business combinations

	2021	
Amounts in NOK thousand	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
Balance as at 31 December	**17 245**	**129 650**

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 2020

Amounts in NOK thousand	2021	2022	2023	2024	2025	2026->	Total
Trip logs	267 381	94 377	33 886	1 819	497	98	**398 059**
Equipment control	23 476	11 219	4 932	509	217	94	**40 446**
Worker	-	-	-	-	-	-	-
Total future revenue	**290 857**	**105 596**	**38 818**	**2 328**	**714**	**191**	**438 505**

Reporting date 31 December 2021

Amounts in NOK thousand	2022	2023	2024	2025	2026	2027->	Total
Trip logs	490 699	193 810	58 197	6 765			**749 471**
Equipment control	48 157	21 221	6 617	1 265			**77 260**
Total future revenue	**538 856**	**215 031**	**64 815**	**8 029**	-	-	**826 731**

No consideration from contracts with customers is excluded from the amounts above. There are no capitalised costs relating fulfilling contracts as at 31 December 2021 or 31 December 2020. Sales commission that qualifies as a cost to obtain a contract under IFRS 15 are capialised in 2021.

Note 5 | Employee benefit expenses

Amounts in NOK thousand	01.01.21 - 31.12.21	01.01.20 - 31.12.20
Salaries and holiday pay	233 418	213 985
Social security tax	36 645	28 579
Pension cost including social security tax	9 204	7 610
Other personnel costs and benefits	7 393	7 359
Total	**286 660**	**257 533**
Own work capitalised	(55 624)	(42 732)
Total Employee benefit expenses	**231 036**	**214 801**
Number of full-time equivalent in ABAX Group AS	343	303

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 9,2 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 2021.

Amounts in NOK thousand	2021	2020
Salaries and holiday pay	2 982	2 942
Bonus payments		-
Other benefits	245	152
Pension cost	60	59

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 for the CEO, with bonuses paid to management during the year being determined by the Board of Directors.
There have not been established any severance agreement with the current CEO. The current CEO has no loans from the Group.

In 2021 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 0,418 million at 31 December 2021. 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:

Amounts in NOK thousand	01.01.21-31.12.21	01.01.20-31.12.20
IT licences, equipment and cost	23 803	20 528
Consultancy and other professional fees	46 058	36 345
Travel and vehicle costs	11 525	10 858
Marketing and sponsorships	26 722	11 366
Acquisition-related costs[1)]	-	10 420
Other operational cost	14 956	16 726
Total operating expenses	**123 064**	**106 242**

Audit fees and fees for audit related services incurred by the group during 2021 and 2020 are summarized in the table below. Fees include both Norwegian and foreign subsidiaries. Fees to auditors are reported exclusive of VAT.

Amounts in NOK thousand	01.01.21-31.12.21	01.01.20-31.12.20
Statutory audit fee	4 868	5 575
Technical assistance related to preparation of financial statements and tax papers	-	230
Other assurance services	228	1 131
Total audit fees	**5 096**	**6 936**

Note 7 | Finance income and expenses

Amounts in NOK thousand	01.01.21-31.12.21	01.01.20-31.12.20
Interest income		
Cash and cash equivalents	4	133
Financial liabilities measured at FVTPL:		
Change in fair value of interest rate swap	15 069	-
Other finance income		
Other interest income	620	601
Net foreign exchange gains (loss)	2 368	13 102
Total finance income	**18 060**	**13 836**
Financial liabilities measured at FVTPL:		
Change in fair value of interest rate swap	-	(1 952)
Finance cost - other		
Financial liabilities measured at amortised cost - interest expense	(67 035)	(50 334)
Other interest expenses	(161)	(194)
Interest on lease liabilities	(6 292)	(6 604)
Other finance expenses1)	(13 645)	(20 519)
Total finance expenses	**(87 134)**	**(79 603)**

1)Other financial expenses 2020 mainly relates remaining amortization expenses on the financing arrangement that was early settled in 2020.

Net finance income (expense) recognised in profit and loss	**(69 073)**	**(65 767)**

Note 8 | Income tax

Amounts in NOK thousand	31.12.2021	31.12.2020
Profit before tax	124 908	(181 135)
Current taxes	(11 879)	(2 933)
Deferred taxes	46 467	41 768
Income tax	**34 588**	**38 835**

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 2021 and 22% in 2020. It also discloses the main elements of the tax expense. Selected line items are commented below the table.

	%	01.01.21-31.12.21	%	01.01.20-31.12.20
Profit / loss (-) before tax		124 908		(181 135)
Income tax income / expense (-) at corporate income tax rate in Norway[1]	22 %	(27 521)	22 %	39 850
Tax effects of:				
Effect of differing tax rates in foreign jurisdictions	0,6 %	(744)	0,1 %	119
Non-deductable expenses	-40,3 %	50 461	-1,1 %	(1 911)
Current-year losses for which no deferred tax asset is recognised	-9,8 %	12 325	0,1 %	176
Changes in tax rates[2]	0,0 %	-	1,0 %	1 833
Previous year tax adjustment	-0,1 %	67	0,0 %	-
Total taxes	**-27,7 %**	**34 588**	**21,4 %**	**38 835**

1) As most of the Group's activites 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 (-)	31.12.2021	31.12.2020
Property, plant, equipment and intangible assets	(273 561)	(330 150)
Accounts receivable	(13)	(585)
Provisions	26 484	29 952
Other differences	(465)	2 903
Tax losses to carry forward	63 980	74 767
Disallowed internal interest expenses carried forward	10 160	1 836
Deferred tax assets (liabilities)	**(173 415)**	**(221 279)**
Unrecognised deferred tax assets relating to tax losses carried forward and Skattefunn	(30 340)	(30 529)
Net deferred tax assets (liabilities) recognised	**(203 755)**	**(251 808)**

Change in net deferred tax assets and deferred tax liabilities (-)	31.12.2021	31.12.2020
Balance at 1 January	(251 808)	(265 430)
Balance acquired through purchase transaction[1]		(28 011)
Recognised in profit and loss during the year	46 467	41 544
Foreign currency exchange differences	1 586	89
31 December	**(203 755)**	**(251 808)**

[1] Refer to Note 26 Business combinations

Deferred taxes	31.12.2021	31.12.2020
Deferred tax asset	32 568	34 000
Deferred tax liabilities	(236 323)	(285 808)
Net deferred tax assets (liabilities)	**(203 755)**	**(251 808)**

Tax losses carried forward

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

Amounts in NOK thousand	Norway	Netherlands	Denmark	Sweden	UK	Other	Total
2022		-	-	-	-	4 417,0	**4 417**
2023		-	-	-	-	2 529,0	**2 529**
2024		-	-	-	-	-	-
2025		-	-	-	-	-	-
2026						634	**634**
2027 and later							-
Never expire		10 468	12 260	14 033	10 937	9 684	57 383
Total tax loss carried forward	-	**10 468**	**12 260**	**14 033**	**10 937**	**17 264**	**64 963**
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)
Tax losses recognised	-	**6 789**	**2 112**	**8 682**	**8 521**	**6 465**	**32 568**

Tax losses carried forward in selected countries expire as follows as of 31 December 2020:

Amounts in NOK thousand	Norway	Netherlands	Denmark	Sweden	UK	Other	Total
2024		-	-	-	-	1 126	**1 126**
2025 and later		-	-	-	-	3 212	**3 212**
Never expire	14 345	10 095	12 260	15 549	11 242	6 937	**70 429**
Total tax loss carried forward	**14 345**	**10 095**	**12 260**	**15 549**	**11 242**	**11 275**	**74 767**
Set-off against deferred tax	(14 345)	0	0	0	0		**(14 345)**
Unrecognized deferred tax assets		(4 822)	(10 173)	-	(5 768)	(5 659)	**(26 422)**
Tax losses recognised	-	**5 273**	**2 087**	**15 549**	**5 474**	**5 616**	**34 000**

In 2021 and 2020, 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 forwards 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 2021 the Group prepaid corporate tax of 4,4. (2020: 5,8)

Note 9 Property, plant and equipment

	Owned	Right of use	Right of use	Right of use	
Amounts in NOK thousand	Fixtures and office machinery	Land and buildings	Fixtures and office machinery	Motor vehicles	Total
Historical cost					
Balance as of 1 January 2020	18 058	123 792	33 339	19 115	**194 304**
Business Combinations 1)	26 083				**26 083**
Additions 1)	33 339	18 715	13 710	7 421	**73 185**
Disposals and balance changes	(7 374)	2 888	(673)	327	**(4 832)**
Currency translation	244	1 207	192	223	**1 867**
Balance as of 31 December 2020	**70 350**	**146 603**	**46 567**	**27 086**	**290 607**
Accumulated depreciation and impairment					
Balance as of 1 January 2020	(7 448)	(25 098)	(19 709)	(12 711)	**(64 966)**
Depreciation for the period	(8 017)	(16 392)	(8 921)	(5 476)	**(38 807)**
Disposals and balance changes	-	-	-	-	-
Accumulated depreciations as at 31 December 2020	**(15 465)**	**(41 490)**	**(28 630)**	**(18 187)**	**(103 773)**
Currency translation	70	-	-	-	**70**
Balance as of 31 December 2020	**54 955**	**105 113**	**17 937**	**8 899**	**186 903**
Useful life	3 - 5 years	5 - 15 years	3 - 5 years	3 - 5 years	
Depreciation plan	Straight line	Straight line	Straight line	Straight line	

[1] Including additions due to new leases in the period. See note 20 for details.

	Owned	Right of use			
Amounts in NOK thousand	Fixtures and office machinery	Land and buildings	Fixtures and office machinery	Motor vehicles	Total
Historical cost					
Balance as of 1 January 2021	70 350	146 603	46 567	27 086	**290 607**
Correction ingoing balance	1 415	-2997	0	0	**(1 582)**
Additions 1)	61 808	13 193	1 764	8 310	**85 075**
Disposals and balance changes	(22 539)	(1 124)	(17)	(994)	**(24 674)**
Currency translation	(2 663)	(1 185)	(97)	(147)	**(4 092)**
Balance as of 31 December 2021	**108 371**	**154 490**	**48 217**	**34 255**	**345 334**
Accumulated depreciation and impairment					
Balance as of 01.01.20	(15 465)	(41 490)	(28 630)	(18 187)	**(103 773)**
Correction 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**
Accumulated depreciations as at 31 December 2021	**(16 618)**	**(62 755)**	**(35 307)**	**(24 370)**	**(139 052)**
Currency translation	1 685				**1 685**
Balance as of 31 December 2021	**93 438**	**91 734**	**12 910**	**9 884**	**207 967**
Useful life	3 - 5 years	5 - 15 years	3 - 5 years	3 - 5 years	
Depreciation plan	Straight line	Straight line	Straight line	Straight line	

[1] Including additions due to new leases in the period. See note 20 for details.

Commitments

The Group has no commitments to fulfil contracts of which is not recorded in the statement of financial position as of 31 December 2021 and 31 December 2020.

Assets pledged as security

See note 18 for information.

Note 10 | Intangible assets and goodwill

Amounts in NOK thousand	Brand name	Goodwill	Development of telematic solutions	Customer portfolio	Total
Historical cost					
Historical cost	**18 820**	**453 410**	**815 109**	**1 045 361**	**2 332 698**
Business Combinations1)	56 512	633 443	22 703	119 603	**832 261**
Additions			72 243		**72 243**
Currency translation	-716	(11 437)	(358)	6 066	**(6 445)**
Balance as of 31 December 2020	**74 615**	**1 075 416**	**909 697**	**1 171 030**	**3 230 757**
Accumulated depreciation and impairment					
Balance as of 1 January 2020	-	-	(146 847)	(209 060)	(355 907)
Amortisation for the period*			(131 556)	(87 002)	(218 559)
Currency translation		(333)	2	(3 037)	(3 368)
Accumulated depreciations as at 31 December 2020	-	**(333)**	**(278 402)**	**(299 099)**	**(577 834)**
Balance as of 31 December 2020	**74 615**	**1 075 083**	**631 295**	**871 931**	**2 652 924**
*Amortisation for the period			(131 556)	(87 002)	**(218 559)**
Government grants cost reductions			8 670		**8 670**
Net amortisation in profit and loss			**(122 887)**	**(87 002)**	**(209 889)**

1) Final PPA adjustments done for the acquisition of Automile in 2020.

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

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

1) Additions in 2021 includ the acquisition of Helpten subscription base in Abax Finland Oy.

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 2021, NOK 100,3 million has been 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 is not met. During 2020, NOK 72,2 million was capitalised related to development activities. In addition, research and development cost of NOK 25,1 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 01.01.20	**17 872**	**17 872**
New government grants during the period	8 137	**8 137**
Reduction of grant liability in the period recognised in profit or loss	(8 728)	**-8 728**
Net government grant liability as at 31 December 2020	**17 281**	**17 281**

	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)**
Net government grant liability as at 31 December 2021	**20 997**	**20 997**

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 Automile during 2020 (see note 31 for further information) 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.

Amounts in NOK thousand	**2021**	**2020**
ABAX	1 114 746	1 149 698
Total goodwill and brandname	**1 114 746**	**1 149 698**

The Groups 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 it's carrying amount per date of testing.

Management has made cash flow projections based on budget and strategic forecast for the periods 2022-2026. 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:

In percentage	**2021**	**2020**
Discount rate pre-tax	7,8 %	8,0 %
Discount rate post-tax	7,6 %	7,8 %
Average EBITDA growth rate	10,1 %	15,0 %
Terminal value growth rate	2,0 %	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 was determined based on management's estimates of the long-term annual compound EBITDA growth rate of approx. 2 % inflation.

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). Risk free rate of return (Rf) is set to 2%, in line with the terminal growth factor. This is a normalized ratio since the long-term rates in the markets now in 2020/2021 are lower than normal and not considered a sustainable level on a long-term basis

CAPEX is based on the assumptions that the groups R&D department will require approx. 65 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 2021, 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:

In percentage point	**2021**	**2020**
Decline in average EBITDA growth rate	-14,7 %	-10,1 %
Decline in average terminal value growth rate	-10,1 %	-5,5 %
Increase in discount rate post-tax	7,4 %	3,8 %

Note 12 | Other non-current interest-bearing receivables

Amounts in NOK thousand	**2021**	**2020**
Deposits for rent and cars	**4 220**	**4 198**
Other non-current receivables	**510**	**2 370**
Total non-current interest-bearing receivables	**4 730**	**6 568**

Note 13 | Inventories

Amounts in NOK thousand	**2021**	**2020**
Finished goods (trip log units) 1)	**26 613**	**10 846**
Total inventories	**26 613**	**10 846**
Inventories expensed in the period	73 891	52 184
Write-down of inventories from cost to net realisable value	-	-

1) Inventory 2020 changed due to revised Automile acquisition numbers.

Note 14 Trade and other receivables

Amounts in NOK thousand	2021	2020
Trade receivables	92 780	61 385
Other current receivables	55 158	54 016
Prepaid expenses	18 969	16 902
Loans to employees[1]	683	598
VAT and sales related taxes		184
Total trade and other receivables	**167 590**	**133 084**

[1] 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

Amounts in NOK thousand	2021	2020
Contract assets[1]	17 245	54 216
Total other current receivables	**17 245**	**54 216**

[1] See note 4 Revenue and other income

Note 16 Cash and cash equivalents

Amounts in NOK thousand		2021	2020
Cash at bank		390 979	136 932
Restricted cash		6 510	7 023
Total cash and cash equivalents	-	**397 489**	**143 955**

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.

31.12.2020
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 183 million as of December 31, 2020. 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 increased it's share capital in 2020. There is no increase in number of shares but the par value is increase from 0,01 to 0,03.
The company has no changes to it's share capital in 2021.

Amounts in NOK thousand	2021	2020
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	1 817 963	1 817 963

Note 18 Loans and borrowings

Amounts in NOK thousand	2021	2020
Non-current liabilities		
Loans from related parties[1]	242	-
Secured bank loans / Bond	985 820	981 769
Other long-term debt	122	215
Lease liabilities[2]	95 448	103 516
Total	**1 081 633**	**1 085 499**
Current liabilities		
Current portion of secured bank loans	-	-
Loans from related parties [1]	79 209	79 274
Lease liabilities[2]	24 800	32 632
Accrued interest	1 753	1 653
Total	**105 762**	**113 558**

[1] See note 25 Related party transactions
[2] 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:

				2020	
Amounts in NOK thousand	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Nordic Bond	NOK	6,61 %	2025	1 000 000	983 422
Revolving Facility	NOK	3,43 %	2025	50 000	-
Total secured bank loans				**1 050 000**	**983 422**
Loans from related parties	NOK	4,00 %	(n.a.)	79 274	79 274
Lease liabilities				161 403	136 147
Other long-term debt					215
Total interest-bearing liabilities				**240 677**	**215 636**
Outstanding debt				1 290 677	1 199 058
Less current portion					(113 558)
Total				**1 290 677**	**1 085 499**

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

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 2021 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. The bonds are jointly and severally guaranteed by material companies within the Group

Loan covenants

The Group has not any applicable covenants as per 31.12.2021. 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

Amounts in NOK thousand	Note	Bond	Other long-term loans	Lease liabilities	Other short-term loans	Total
Balance as of 01.01.20		544 746	77 580	120 903		**743 230**
Changes from financing cash flows						
Proceeds from loans from group companies			-			-
Proceeds from loans and borrowings		1 066 340				**1 066 340**
Transaction costs related to loans and borrowings		(20 257)				**(20 257)**
Repayment of borrowings		(625 328)	300			**(625 028)**
Payment of lease liabilities	20			(28 927)		**(28 927)**
Total changes from financing cash flows		420 756	300	(28 927)	-	**392 128**
The effect of changes in foreign exchange rates		1 028		1 775		**2 803**
Liability-related						
Operational financing from Group companies			1 394			**1 394**
New lease liabilities	20			39 846		**39 846**
Change in lease liabilities				2 551		**2 551**
Amorfisation		18 164				**18 164**
Interest expense		48 760		6 604		**55 364**
Interest paid		(50 032)		(6 604)		**(56 636)**
Total liability-related other changes		17 920	1 394	44 172	-	**63 486**
Total equity-related other changes		-	-	-	-	-
Balance as of 31 December 2020		**983 422**	**79 274**	**136 147**	-	**1 198 844**

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

Amounts in NOK thousand	Note	Bond	Other long-term loans	Lease liabilities	Other short-term loans	Total
Balance as of 01.01.21		983 422	79 274	136 147	-	**1 198 844**
Changes from financing cash flows						
Proceeds from issue of share capital						-
Proceeds from loans and borrowings						-
Transaction costs related to loans and borrowings						-
Repayment of borrowings						-
Payment of lease liabilities	20			(32 758)		**(32 758)**
Total changes from financing cash flows		-	-	-32 758	-	-32 758
The effect of changes in foreign exchange rates				(1 457)		**(1 457)**
Liability-related						
Proceeds from issue of share capital						
Business combination						
Operational financing from Group companies			(3 376)			**(3 376)**
New lease liabilities				20 686		**20 686**
Change in lease liabilities				(2 370)		**(2 370)**
Amorfisation		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		-	-	-	-	-
Balance as of 31 December 2021		**987 573**	**79 209**	**120 248**	-	**1 187 031**

Note 19 | Trade and other payables

Amounts in NOK thousand	2021	2020
Trade payables	50 958	36 870
Total trade payables	**50 958**	**36 870**
Public duties payables	35 242	32 624
Payables to Bro & Tunnel 1)	27 956	37 140
Other current payables including holiday pay	95 941	104 070
Total trade and other payables	**210 097**	**210 704**

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 2020	98 694	6 404	13 630	**118 728**
Additions to right-of-use assets during the financial year	18 715	7 421	13 710	**39 846**
Depreciation charge for the year	(16 392)	(5 476)	(8 921)	**(30 790)**
Disposals/lease contracts cancelled	2 888	327	(673)	**2 542**
Currency translations	1 207	223	192	**1 623**
Balance at 31 December 2020	**105 113**	**8 899**	**17 937**	**131 949**

Lease liabilities

Maturity analysis – contractual undiscounted cash flows

	Property	Vehicles	IT and machinery	Total
2021	25 893	5 950	7 195	**39 038**
2022	16 675	2 722	6 132	**25 530**
2023	16 233	1 667	4 159	**22 059**
2024	15 905	392	3 010	**19 307**
2025	13 333	258	57	**13 647**
2026——>	41 822			**41 822**
Total undiscounted lease liabilities at 31 December	129 861	10 989	20 553	**161 403**
Balance at 31 December 2020	**108 720**	**9 123**	**18 305**	**136 147**
Current	**25 893**	**5 950**	**7 195**	**39 038**
Non-current	**82 827**	**3 173**	**11 110**	**97 109**
Amounts recognised in profit or loss 01.01.20 - 31.12.20				
Depreciation of right-of-use assets	16 392	5 476	8 921	**30 790**
Interest on lease liabilities	5 262	369	973	**6 604**
Total recognised in profit or loss	**21 654**	**5 846**	**9 894**	**37 394**

Total cash outflow related to leases during the financial statement period 01.01.20 - 31.12.20

	Property	Vehicles	IT and machinery	Total
Cash outflow	19 653	5 925	9 876	**35 454**
Total	**19 653**	**5 925**	**9 876**	**35 454**

Right-of-use assets

	Property	Vehicles	IT and machinery	Total
Balance as of 1 January 2021	105 113	8 899	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)**
Balance at 31 December 2021	**91 734**	**9 884**	**12 910**	**114 528**

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**
Balance at 31 December 2021	**96 749**	**9 787**	**13 712**	**120 248**
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

	Property	Vehicles	IT and machinery	Total
Depreciation of right-of-use assets	21 265	6 183	6 677	**34 125**
Interest on lease liabilities	5 175	400	717	**6 292**
Total recognised in profit or loss	**26 441**	**6 583**	**7 394**	**40 418**

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**
Total	**25 222**	**6 492**	**7 389**	**39 103**

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.

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Note 21 | Capital management

Abax Group AS, 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 polices, within the relevant risk elements of capital management.

Through the effective management of capital, Abax Group AS 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 AS has no applicable covenant obligations as per 31.12.2021. 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 instruments 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.

Amounts in NOK thousand	2021	2020
Impairment loss on trade and other receivables including contract assets	4 280	5 505
Total	**4 280**	**5 505**

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 2021 and 31 December 2020, the exposure to credit risk for trade receivables and contract assets by geographic region was as follows:

	Carrying amount	Carrying amount
Amounts in NOK thousand	2021	2020
Norway	34 624	32 563
Sweden	41 996	42 048
UK	10 517	16 330
Other regions	22 888	24 661
Total	**110 025**	**115 601**

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 2020

Amounts in NOK thousand	Not credit-impaired	Credit-Impaired	Total
- Four or more years' trading history with the Group'	20 938		**20 938**
- Less than four year's trading history with the Group'	46 715	21 441	**68 155**
- Higher risk	-	-	-
Total loss carrying amount	67 652	21 441	**89 093**
Loss allowance	6 268	21 441	**27 708**
Total	61 385	-	**61 385**

'excluding 'higher risk'

31 December 2021

Amounts in NOK thousand	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			-
Total loss carrying amount	97 301	9 606	**106 907**
Loss allowance	4 521	9 606	**14 127**
Total	92 780	-	**92 780**

'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 2021.

31 December 2020 *Amounts in NOK thousand*	Weighted-average loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Credit-impaired
Current (not past due)	1,0 %	36 347	(507)	35 840	NO
1-90 days past due	2,7 %	23 308	(2 326)	20 982	NO
91-180 days past due	50,0 %	5 492	(3 435)	2 057	NO
181-270 days past due	100,0 %	5 009	(4 732)	277	YES
271-360 days past due	100,0 %	2 412	(2 305)	107	YES
More than 361 days past due	100,0 %	16 525	(14 404)	2 122	YES
Total		**89 093**	**(27 708)**	**61 385**	

31 December 2021 *Amounts in NOK thousand*	Weighted-average loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Credit-impaired
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 %	11 464	(9 606)	1 857	YES
Total		**106 907**	**(14 127)**	**92 780**	

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:

Amounts in NOK thousand	**2021**	**2020**
Balance at 01.01	27 708	6 488
Balance acquired through purchase transaction	-	31 236
Amounts written off	(17 861)	(15 522)
Net remeasurement of loss allowance	4 280	5 505
Balance at 31 December	**14 127**	**27 708**

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities. Abax Group AS' 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 Abax AS. Abax Group AS, utilises a 3 months roling cashflow forecast, and trading result analysis to constantly monitor the liquidity for the group.

As at 31 December 2021 the group has a cash bank balance of NOK 398 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 2020 *Amounts in NOK thousand*	Book value	Total cash flow [*1]	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	983 422	1 308 664	-	66 352	74 258	1 168 053	-
Leasing	136 147	161 403	6 506	32 532	25 530	55 013	41 822
Loans from group companies	79 274	79 274	377	1 887	4 690	5 073	67 246
Net derivative financial instruments	-	-		-	-		
Trade and other payables	206 584	206 584	43 512	163 071			-
Total	**1 405 427**	**1 755 925**	**50 396**	**263 843**	**104 478**	**1 228 140**	**109 068**

[*1] Nominal currency value including interest

31 December 2021 *Amounts in NOK thousand*	Book value	Total cash flow [*1]	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	987 573	1 242 312	-	74 258	75 440	1 092 613	-
Leasing	120 248	149 890	6 438	25 751	51 986	41 503	24 212
Loans from group companies	79 209	79 209	377	1 886	4 686	5 069	67 191
Trade and other payables	210 097	210 097	56 367	153 730			-
Total	**1 397 128**	**1 681 507**	**63 182**	**255 625**	**132 112**	**1 139 185**	**91 403**

[*1] Nominal currency value including interest

Market risk

Currency risk - transactions in foreign currency
ABAX Group AS' 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 necessary.

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 2020 *Amounts in NOK thousand*	GBP	SEK	DKK	EUR	Other	Total
Trade receivables	6 082	24 623	3 267	8 789	942	**43 703**
Trade payables	(240)	(3 680)	(141)	(3 701)	(2 983)	**(10 745)**
Net statement of financial position exposure	**5 843**	**20 943**	**3 126**	**5 088**	**(2 041)**	**32 957**
Next six months' forecasted sales	24 021	154 119	10 130	53 505	9 930	**251 706**
Next six months' forecasted purchases	(11 843)	(36 861)	(3 871)	(26 967)	(14 431)	**(93 973)**
Net forecast transaction exposure	**12 178**	**117 258**	**6 259**	**26 538**	**(4 501)**	**157 733**
Net exposure	**18 020**	**138 201**	**9 385**	**31 626**	**(6 542)**	**190 689**

31 December 2021 *Amounts in NOK thousand*	GBP	SEK	DKK	EUR	Other	Total
Trade receivables	9 265	33 905	3 031	15 346	2 406	**63 954**
Trade payables	(250)	(5 518)	(83)	(3 869)	(1 804)	**(11 524)**
Net statement of financial position exposure	**9 015**	**28 387**	**2 948**	**11 477**	**602**	**52 429**
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)**
Net forecast transaction exposure	**13 005**	**60 092**	**3 631**	**25 265**	**(74 138)**	**27 855**
Net exposure	**22 020**	**88 478**	**6 579**	**36 742**	**(73 536)**	**80 284**

Sensitivity analysis

A reasonably possible weakening (strenghtening) 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.

	2021		2020	
Amounts in NOK thousand	Profit (loss) before tax	Equity increase (decrease) (before tax)	Profit (loss) before tax	Equity increase (decrease) (before tax)
SEK (15 % weakening of NOK)	23 784	133 179	20 275	141 614
DKK (15 % weakening of NOK)	578	(10 587)	2 033	(3 100)
EUR (15 % weakening of NOK)	2 120	(12 982)	2 571	(14 071)
GBP (15 % weakening of NOK)	3 055	(8 181)	1 405	(8 216)

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 2020 *Amounts in NOK thousand*	Floating rate	Fixed rate	Total
Interest-bearing liabilities	1 000 000		**1 000 000**
Net exposure	**1 000 000**	-	**1 000 000**

31 December 2021 *Amounts in NOK thousand*	Floating rate	Fixed rate	Total
Interest-bearing liabilities	1 000 000	-	**1 000 000**
Net exposure	**1 000 000**	-	**1 000 000**

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 2021.

Amounts in NOK thousand	2021	2020
Cash and cash equivalents	3 975	1 441
Borrowings	(10 000)	(10 000)
Cash flow sensitivity	**(6 025)**	**(8 559)**

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 2020:

SEB Ref no	Trade date	Start date	Maturity date	CCY	Principal am.	Rate Code	Rate	Net Present value
1389436/475165520S	01.12.2020	23.12.2020	23.12.2023	NOK	750 000 000	3MNOKNI	0,46000	1 169 080
1389436/475165520S	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 2021:

SEB Ref no	Trade date	Start date	Maturity date	CCY	Principal am.	Rate Code	Rate	Net Present value
1389436/475165520S	01.12.2020	23.12.2020	23.12.2023	NOK	750 000 000	3MNOKNI	0,86000	13 983 612
1389436/475165520S	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 2020

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
Non-current assets							
Other non-current receivables	12	6 568				6 568	
Other investments, including derivatives						-	
Current assets							
Trade receivables	14	61 385				61 385	
Other receivables	14	54 614				54 614	
Contract assets	4	-				-	
Cash and cash equivalents	16	143 955				143 955	
Non-current liabilities							
Liabilities to credit institutions	18				1 067 054	1 067 054	
Loans from group companies	18				-	-	
Fair value interest rate swap			1 086			1 086	Level 2
Other long term liabilities					215	215	
Current liabilities							
Trade payables	19				36 870	36 870	
Tax payables	8				-	-	
Public duties payable	19				-	-	
Loans from group companies	18				79 274	79 274	
Other current liabilities			20 941		115 762	136 703	Level 3
Current portion of long-term debt	18				-	-	
Total		**266 521**	**22 027**	-	**1 299 174**	**1 587 724**	

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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
Non-current assets							
Other non-current receivables	12	4 730				4 730	
Other investments, including derivatives						-	
Fair value interest rate swap			13 984			13 984	Level 2
Current assets							
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	
Non-current liabilities							
Liabilities to credit institutions	18				1 067 089	1 067 089	
Loans from group companies	18				-	-	
Fair value interest rate swap						-	
Other long term liabilities					364	364	
Current liabilities							
Trade payables	19				50 958	50 958	
Tax payables	8				-	-	
Public duties payable	19				-	-	
Loans from group companies	18				79 209	79 209	
Other current liabilities			7991		123 897	131 888	Level 3
Current portion of long-term debt	18				-	-	
Total		**550 841**	**21 975**	**-**	**1 321 517**	**1 894 333**	

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. The discount factors and projected rate are computed from the interest rate curve. The notional is scaled according to the amortizing structure of the deal.

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.

Ingoing balance FVTPL	20941
This years payment	(10 514)
Adjustment of the estimate	(2 183)
Unrealized currency effects	(253)
Outgoing balance FVTPL	**7 991**

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.

			2021	**2020**
Company	Location	Country	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	Västeras	Sweden	100	100
ABAX Danmark A/S	Copenhagen	Denmark	100	100
Fleetfinder ApS	Copenhagen	Denmark	100	100
ABAX Finland OY	Helsinki	Finland	100	100
ABAX Nederland BV	Amsterdam	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	Gdynia	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	Oslo	Norway	100	100
Automile Inc	Utah	US	100	100
RAM Track & Trace (Netherlands) B.V	Utrecht	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	2021	2020
ABAX Invest AS	-	-
ABAX MidCo AS	79 209	79 265
Balance at 31 December	**79 209**	**79 265**

Long term debt to related parties

Amounts in NOK thousand	2021	2020
ABAX Invest AS	242	-
Balance at 31 December	**242**	**-**

Transactions with related parties

Related party	Shareholding
Triplog Holdings Ltd	Owns 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 2021.
- Monitoring fees from Investcorp of NOK 2,5 million invoiced through Triplog Holdings Ltd in 2020.

Note 26 | Gains / Losses from divestments

There is no divestments in 2021.

Note 27 | 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 28 | Covid-19

During 2021 we have seen a slow return to stability across our core Nordic markets and increasing business activity in markets such as the UK.
Abax continues to support its customers with connectivity of assets to their businesses and increasing their ROI in these uncertain times.

The Abax leadership team continues to monitor the development of the COVID 19 pandemic across the Group and will take adequate actions if required.

Note 29 | 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 wheih 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.

Note 30 | Business Combinations

Automile Group
The purchase price allocation for Automile was finalized during 2021. Adjustments are made in the 2020 comparables. The changes in net identifiable assets acquired (Inventory and other fixed assets) of 19.662 mnok increased the goodwill correspondingly. No other changes were made, for more information and details see the annual accounts for 2020.

Amounts in NOK thousand	Automile as of 31/12/2020	Adjustments	Final purchase price allocation
Purchase consideration			
Customer relationship, technology and trademark	172 123		172 123
Other non-current assets	27 934	(7 374)	20 560
Current assets	40 753	(12 287)	28 466
Cash and cash equivalents	72 103		72 103
Deferred tax liability	(36 793)		(36 793)
Trade payables and other current labilites	(67 951)		(67 951)
Total net identifiable assets acquired at fair value	**208 169**	**(19 662)**	**188 508**
Consideration	801 321		801 321
Goodwill	**593 152**	**19 662**	**612 813**

Note 31 | Proforma numbers

Abax Group has not acquired companies in 2021, however when comparing 2021 financials towards 2020, it's relevant to still show the 2020 Pro-forma calculations. Pro-forma 2020 financials shows the profit or loss of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period. Additionally, the two acquisitions during 2020, RAM and Automile have been shown with pro-forma 12 months financials

Amounts in NOK thousand	Abax Group (financials from date of acquisition)	2020 RAM pre-acquisition (1.1.20-31.7.20)	2020 Automile pre-acquisition (1.1.20-19.10.20)	Pro-Forma Financials Abax Group (1.1.20-31.12.20)
REVENUE	641 555	26 593	93 649	761 796
OPERATING PROFIT (+) LOSS (-)	193 981	4 120	5 422	203 523
PROFIT (+) LOSS (-) BEFORE TAX	124 908	4 015	4 795	133 718
PROFIT (+) LOSS (-) FOR THE PERIOD	159 496	2 515	4 680	166 692

Amounts in NOK thousand	2020 RAM pre-acquisition (1.1.20-31.7.20)	2020 RAM post-acquisition (1.8.20-31.12.20)	2020 RAM Pro-Forma Full year (1.1.20-31.12.20)
REVENUE	26 593	34 519	61 112
OPERATING PROFIT (+) LOSS (-)	4 120	1 290	5 410
PROFIT (+) LOSS (-) BEFORE TAX	4 015	1 147	5 162
PROFIT (+) LOSS (-) FOR THE PERIOD	2 515	713	3 228

Amounts in NOK thousand	2020 Automile pre-acquisition (1.1.20-19.10.20)	2020 Automile post-acquisition (20.10.20-31.12.20)	2020 Automile Pro-Forma Full year (1.1.20-31.12.20)
REVENUE	93 649	99 632	193 280
OPERATING PROFIT (+) LOSS (-)	5 422	2 947	8 369
PROFIT (+) LOSS (-) BEFORE TAX	4 795	3 232	8 027
PROFIT (+) LOSS (-) FOR THE PERIOD	4 680	2 694	7 374

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.

Other non GAAP measures used to present the numbers are EBIT and CAPEX. EBIT is earnings before interest and tax. CAPEX is capital expenditures used to acquire, upgrade ands maintain physical assets such as property, plants, technology and equipment.

Amounts in NOK thousand	**2021**	**2020**
Loss for the period	159 496	(142 300)
Income tax expense	(34 588)	(38 835)
Loss before tax	124 908	(181 135)
Adjustments for:		
– Net finance costs	69 073	65 767
– Depreciation	56 496	38 807
– Amortisation	280 788	209 889
Adjusted EBITDA	**531 265**	**133 328**

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ABAX GROUP AS

Revenue statement
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Notes to the Accounts

Org.no.: 918 965 556

ABAX GROUP AS

Financial Statements 2021
Income statement

Operating expenses	Note	2021	2020
Other income	2	323 606 414	0
Total income		**323 606 414**	**0**
Other expenses	3	5 883 574	7 995 242
Total expenses		**5 883 574**	**7 995 242**
Operating profit		**317 722 840**	**-7 995 242**
Financial income and expenses			
Income from subsidiaries	9	0	24 978 042
Income from other group companies		31 093 300	0
Interest income from group companies	9	8 773 029	5 923 605
Other interest income		0	19 727
Other financial income	9	13 830 312	3 599 985
Interest expense to group companies	9	3 311 000	1 888 175
Other interest expenses	9	67 036 975	51 191 849
Other financial expenses	9	4 302 727	25 593 315
Net financial items		**-20 954 062**	**-44 151 981**
Net profit before tax		296 768 779	-52 147 224
Income tax expense	11	10 289 131	-10 995 329
Net profit or loss for the period		**286 479 648**	**-41 151 895**
Net profit or loss	**8**	**286 479 648**	**-41 151 895**
Allocation of the result			
Transferred from retained earnings	8	286 479 648	-3 475 240
Uncovered loss		0	-37 676 655
Net allocation of the result		**286 479 648**	**-41 151 895**

ABAX GROUP AS

Financial Statements 2021
Balance sheet

Assets	Note	2021	2020
Non-current assets			
Deferred tax assets	11	10 443 274	10 572 539
Total intangible assets		**10 443 274**	**10 572 539**
Financial non-current assets			
Investments in subsidiaries	7	2 667 818 625	2 667 818 625
Loan to group companies	4	232 900 824	0
Other non-current assets		13 983 612	0
Total non-current financial assets		**2 914 703 062**	**2 667 818 625**
Total non-current assets		**2 925 146 336**	**2 678 391 164**
Current assets			
Receivables			
Other current receivables	11	166 057	3 490 246
Receivables from group companies	4	31 093 300	202 009 428
Total current receivables		**31 259 357**	**205 499 675**
Cash and cash equivalents		230 408 156	6 000 490
Total current assets		**261 667 513**	**211 500 165**
Total assets		**3 186 813 849**	**2 889 891 329**

ABAX GROUP AS

Financial Statements 2021
Balance sheet

Equity and liabilities	Note	2021	2020
Equity			
Paid in equity			
Share capital	6, 8	42 959 051	42 959 051
Share premium	8	1 817 820 726	1 817 820 726
Total paid in equity		**1 860 779 778**	**1 860 779 778**
Retained earnings	8	248 802 993	0
Uncovered loss	8	0	37 676 655
Total retained earnings	**8**	**248 802 993**	**-37 676 655**
Total equity	**8**	**2 109 582 770**	**1 823 103 123**
Liabilities			
Other non-current liabilities			
Liabilities to group companies	4	79 176 425	79 265 425
Interest bearing non-current liabilities	5, 9, 10	985 820 391	982 854 708
Total non-current liabilities		**1 064 996 816**	**1 062 120 133**
Current liabilities			
Trade payables		286 469	3 130 888
Tax payable	11	10 159 866	0
Other current liabilities		1 787 927	1 537 186
Total current liabilities		**12 234 262**	**4 668 074**
Total liabilities		**1 077 231 078**	**1 066 788 207**
Total equity and liabilities		**3 186 813 849**	**2 889 891 329**

ABAX GROUP AS

Financial Statements 2021
Balance sheet

Larvik, 28.04.2022
The board of ABAX GROUP AS

Andrea Jayne Davis Chairman of the board	Bjørn Erik Brandsæter Helgeland Board member	Jürgen Heilmann Board member
Yanlin Li Board member		Morten Ditlev Strand Member of the board

Cash flow statement

ABAX GROUP AS

	Note	2021	2020
Cash flows from operating activities			
Profit/loss before tax		296 768 779	-52 147 224
Change in accounts payable		-2 844 419	-4 414 072
Change in other accrual items		3 574 932	-52 138 296
Amortised interest		2 876 682	-4 445 020
Net cash flows from operating activities		**300 375 974**	**-113 144 611**
Cash flows from investment activities			
Payments to buy shares		0	496 490 835
Net cash flows from investment activities		**0**	**-496 490 835**
Cash flows from financing activities			
Proceeds from loans and borrowings		0	1 068 340 000
Change in loans to group companies		-75 968 308	0
Repayment of non-current liability		0	604 590 000
Proceeds from issue of share capital	8	0	151 350 333
Net cash flows from financing activities		**-75 968 308**	**615 100 333**
Net change in cash and cash equivalents		224 407 666	5 464 887
Cash and cash equivalents at the start of the period		6 000 490	535 603
Cash and cash equivalents at the end of the period		**230 408 156**	**6 000 490**

Abax Group AS

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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, 2021.

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
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.

Abax Group AS

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Note 2 Other income

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 arbitrational 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.

Note 3 Salary costs and benefits

ABAX GROUP AS hasn´t had any salary costs or benefits in 2021 and there are no such obligations.

Auditor

The following have been recognised as audit fees and related services during the period:	**2020**	**2021**
Statutory audit fee	2 405 701	2 115 453
Other assurance services	747 480	0
Total	**3 153 181**	**2 115 453**

Note 4 Inter-company items between companies in the same group

	2021	**2020**
Receivables		
Current receivables ABAX AS	232 900 824	177 031 386
Current receivables group contribution	31 093 300	24 978 042
Other current receivables within the group	0	0
Total	**263 994 124**	**202 009 428**
Liabilities		
Non-current liability ABAX Invest AS	0	0
Non-current liability ABAX Midco AS	79 176 425	79 265 425
Total	**79 176 425**	**79 265 425**

Abax Group AS

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Note 5 Other non-current liabilities

Liabilities with maturity more than 5 years subsequent to the end of the fiscal year	2021	2020
Liabilities to financial institutions	1 000 000 000	1 000 000 000
Unamortized fees	-14 179 609	-18 230 917
Net liability to financial institutions	**985 820 391**	**981 769 083**

ABAX GROUP AS has successfully raised a Nordic Bond in June 2020. The Bond has replace the non-current loan to credit facilities. The bond is jointly and severally guaranteed by material companies within the Group.

Abax Group AS

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Notes

Note 6 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
Total			**42 959 051**

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
Total number of shares	**1 431 968 378**	**100,0**	**100,0**

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	1 199 119 348	13 827 070

Note 8 Equity capital

	Share capital	Share premium	Retained earnings	Uncovered loss	Total equity
As at 31.12.2020	42 959 051	1 817 820 726		-37 676 655	1 823 103 123
Capital increase					0
Profit for the year			248 802 993	37 676 655	286 479 648
As at 31.12.2021	**42 959 051**	**1 817 820 726**	**248 802 993**	**0**	**2 109 582 770**

Abax Group AS

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Note 9 Specification of financial income and expenses

Financial income and expenses from group companies:	**2021**	**2020**
Financial income		
Interest income from group companies	8 773 029	5 923 605
Income from subsidiaries (Group contributions)	31 093 300	24 978 042
Total financial income from group companies	**39 866 329**	**30 901 647**
Financial expenses		
Interest expenses to group companies	3 311 000	1 888 175
Total financial expenses to group companies	**3 311 000**	**1 888 175**

Other financial income and expenses:	**2021**	**2020**
Financial income		
Agio	6 717 590	
Interest swap	7 112 721	0
Total other financial income	**13 830 312**	**0**
Financial expenses		
Disagio	5 602	6 470 748
Other financial expenses	245 818	155 601
Interest hedge	0	802 485
Interest amortization	4 051 308	18 164 482
Total other financial expenses	**4 302 729**	**25 593 315**

Other interest expenses:	**2021**	**2020**
Interest expense bond	66 352 222	
Other interest expenses	684 753	0
Total other interest expenses	**67 036 975**	**0**

Note 10 Cash credit etc.

	2021	**2020**
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 2021 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.

Abax Group AS

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Note 11 Tax

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	10 289 131	-232 124
Changes in deferred tax assets	0	-10 763 205
Tax expense on ordinary profit/loss	**10 289 131**	**-10 995 329**
Taxable income:		
Ordinary result before tax	296 768 779	-52 147 224
Permanent differences	-281 093 300	-22 809 589
Changes in temporary differences	-11 017 929	-16 278 627
Received intra-group contribution	31 093 300	24 978 042
Cut interest deduction	46 181 210	0
Allocation of loss to be brought forward	-35 750 850	0
Taxable income	**46 181 210**	**-66 257 398**
Payable tax in the balance:		
Payable tax on this year's result	3 319 340	-5 495 169
Payable tax on received Group contribution	6 840 526	5 495 169
Tax on reversed losses	0	-232 124
Total payable tax in the balance	**10 159 866**	**-232 124**

Negative tax payable applies to the right to return losses for 2020 against taxable profits in 2018 and 2019

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

	2021	2020	Difference
Other differences	28 163 221	17 145 292	-11 017 929
Total	**28 163 221**	**17 145 292**	**-11 017 929**
Accumulated loss to be brought forward	-29 451 438	-65 202 288	-35 750 850
Cut interest deduction	-46 181 210	0	46 181 210
Basis for deferred tax assets	**-47 469 427**	**-48 056 996**	**-587 569**
Deferred tax assets (22 %)	**-10 443 274**	**-10 572 539**	**-129 265**

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	18.10.2017	25.10.2017
Telefon	Deres referanse	Vår referanse
22078139	Petter Quinsgaard	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 kontraktsmotparter. 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	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post: skatteetaten.no/sendepost	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