



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	989 112 007
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	FARA AS
Forretningsadresse:	Falkenborgvegen 36A 7044 TRONDHEIM

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Josef Salpeter
Dato for fastsettelse av årsregnskapet:	31.07.2023

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 29.12.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	6,7,8	152 984 000	182 477 000
Sum inntekter		152 984 000	182 477 000
Kostnader			
Varekostnad	10	26 892 000	36 303 000
Lønnskostnad	12,13	42 582 000	43 705 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	14,24	17 328 000	16 951 000
Annen driftskostnad	11	92 573 000	88 916 000
Sum kostnader		179 375 000	185 875 000
Driftsresultat		-26 391 000	-3 398 000
Finansinntekter og finanskostnader			
Annen renteinntekt	15	350 000	802 000
Annen finansinntekt	15	0	0
Sum finansinntekter		350 000	802 000
Annen rentekostnad	15	1 867 000	1 478 000
Annen finanskostnad	15	1 872 000	1 801 000
Sum finanskostnader		3 739 000	3 279 000
Netto finans		-3 389 000	-2 477 000
Ordinært resultat før skattekostnad		-29 780 000	-5 875 000
Skattekostnad på ordinært resultat	20	0	0
Ordinært resultat etter skattekostnad		-29 780 000	-5 875 000
Årsresultat		-29 780 000	-5 875 000
Overføringer og disponeringer			
Overføring til/fra fond		-29 779 000	-5 875 000
Sum overføringer og disponeringer		-29 779 000	-5 875 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Immaterielle eiendeler	13,18	29 892 000	30 076 000
Right of use assets	14	13 567 000	10 950 000
Goodwill	13	0	0
Sum immaterielle eiendeler		43 459 000	41 026 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	14,18	466 000	641 000
Sum varige driftsmidler		466 000	641 000
Finansielle anleggsmidler			
Investering i datterselskap	3,18	27 932 000	27 846 000
Investeringer i aksjer og andeler		1 844 000	1 844 000
Sum finansielle anleggsmidler		29 776 000	29 690 000
Sum anleggsmidler		73 701 000	71 357 000
Omløpsmidler			
Varer			
Varer	10,18	5 074 000	6 987 000
Sum varer		5 074 000	6 987 000
Fordringer			
Kundefordringer	9,18	28 239 000	23 463 000
Accrued income	8,18	11 502 000	15 801 000
Other short-term receivables	18	4 295 000	6 576 000
Konsernfordringer	5	8 895 000	6 113 000
Sum fordringer		52 931 000	51 953 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	17	4 548 000	4 488 000
Sum bankinnskudd, kontanter og lignende		4 548 000	4 488 000
Sum omløpsmidler		62 553 000	63 428 000



Balanse

Beløp i: NOK	Note	2022	2021
SUM EIENDELER		136 254 000	134 785 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	1,21	2 119 000	2 119 000
Annen innskutt egenkapital	21	34 234 000	34 234 000
Sum innskutt egenkapital		36 353 000	36 353 000
Opptjent egenkapital			
Udekket tap	1,4	40 417 000	10 638 000
Sum opptjent egenkapital		-40 417 000	-10 638 000
Sum egenkapital		-4 064 000	25 715 000
Gjeld			
Langsiktig gjeld			
Long-term leasing commitment	14	9 465 000	7 118 000
Sum avsetninger for forpliktelser		9 465 000	7 118 000
Annen langsiktig gjeld			
Langsiktig konserngjeld	5	33 792 000	11 521 000
Sum annen langsiktig gjeld		33 792 000	11 521 000
Sum langsiktig gjeld		43 257 000	18 639 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		0	14 508 000
Leverandørgjeld		10 475 000	8 774 000
Skyldige offentlige avgifter		11 603 000	8 761 000
Kortsiktig konserngjeld	5	45 628 000	33 560 000
other short-term debt	23	24 009 000	18 815 000
Provisions	19	419 000	419 000
Short-term leasing commitment	14	4 927 000	5 594 000
Sum kortsiktig gjeld		97 061 000	90 431 000



Balanse

Beløp i: NOK	Note	2022	2021
Sum gjeld		140 318 000	109 070 000
SUM EGENKAPITAL OG GJELD		136 254 000	134 785 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	6,7,8	163 567 000	184 899 000
Sum inntekter		163 567 000	184 899 000
Kostnader			
Varekostnad	10	27 145 000	36 417 000
Lønnskostnad	12,13	68 379 000	67 210 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	14,24	19 250 000	19 607 000
Annen driftskostnad	11	97 002 000	59 435 000
Sum kostnader		211 776 000	182 669 000
Driftsresultat		-48 209 000	2 230 000
Finansinntekter og finanskostnader			
Annen renteinntekt	15	350 000	823 000
Annen finansinntekt	15	366 000	1 292 000
Sum finansinntekter		716 000	2 115 000
Annen rentekostnad	15	2 378 000	1 622 000
Annen finanskostnad	15	171 000	5 472 000
Sum finanskostnader		2 549 000	7 094 000
Netto finans		-1 833 000	-4 979 000
Ordinært resultat før skattekostnad		-50 042 000	-2 749 000
Skattekostnad på ordinært resultat	20	2 194 000	1 566 000
Ordinært resultat etter skattekostnad		-52 236 000	-4 315 000
Årsresultat		-52 236 000	-4 315 000



Konsernets balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	13,18	29 892 000	30 076 000
Utsatt skattefordel	20	2 298 000	1 468 000
Goodwill	13	10 711 000	10 711 000
Sum immaterielle eiendeler		42 901 000	42 255 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	14,18	1 352 000	1 693 000
Right-of-use assets	14	14 509 000	12 594 000
Sum varige driftsmidler		15 861 000	14 287 000
Finansielle anleggsmidler			
Investeringer i aksjer og andeler		1 844 000	1 844 000
Sum finansielle anleggsmidler		1 844 000	1 844 000
Sum anleggsmidler		60 606 000	58 386 000
Omløpsmidler			
Varer			
Varer	10,18	5 074 000	6 987 000
Sum varer		5 074 000	6 987 000
Fordringer			
Kundefordringer	9,18	28 377 000	31 525 000
Accrued income	8,18	11 502 000	15 801 000
Other short-term receivables	18	10 228 000	6 576 000
Sum fordringer		50 107 000	53 902 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	17	5 527 000	5 881 000
Sum bankinnskudd, kontanter og lignende		5 527 000	5 881 000
Sum omløpsmidler		60 708 000	66 770 000



Konsernets balanse

Beløp i: NOK	Note	2022	2021
SUM EIENDELER		121 314 000	125 156 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	1,21	2 119 000	2 119 000
Annen innskutt egenkapital	21	35 048 000	35 048 000
Sum innskutt egenkapital		37 167 000	37 167 000
Opptjent egenkapital			
Annen egenkapital			10 817 000
Udekket tap	1,4	41 420 000	
Sum opptjent egenkapital		-41 420 000	10 817 000
Sum egenkapital		-4 253 000	47 984 000
Gjeld			
Langsiktig gjeld			
Long-term leasing commitment	14	10 627 000	7 118 000
Sum avsetninger for forpliktelser		10 627 000	7 118 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		0	
Langsiktig konserngjeld	5	50 104 000	3 775 000
Sum annen langsiktig gjeld		50 104 000	3 775 000
Sum langsiktig gjeld		60 731 000	10 893 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		0	14 508 000
Leverandørgjeld		11 829 000	17 974 000
Skyldige offentlige avgifter		13 537 000	7 181 000
Other short-term debt	23	34 124 000	18 815 000
Provisions	19	419 000	419 000
Short-term leasing commitment	14	4 927 000	7 382 000
Sum kortsiktig gjeld		64 836 000	66 279 000



Konsernets balanse

Beløp i: NOK	Note	2022	2021
Sum gjeld		125 567 000	77 172 000
SUM EGENKAPITAL OG GJELD		121 314 000	125 156 000



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2022 Annual Report

FARA AS





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FARA Annual Report 2022

Leadership Corner January 2022

2022 was a positive and very eventful year for FARA. After a change of management, reorganization and updated commercial focus, we are proud that we managed to achieve turnover of MNOK 164 (2021: MNOK 185). This is to the credit of the entire organization that adjusted to the needed changes quickly and with good team work and common mission ensured we deliver better services, products and customer support. FARA's employees are our most important asset.

FARA has now proven itself, and we have built ourselves up to become one of the best public transport competence houses in Europe. This is the result of our focus on Intelligent Transrt Systems (ITS) for public transport over many years and our vision to "Make Travel Easy!".

We are pleased with the turn around we achieved in the business, yet at the same time we will not rest on our laurels – we will continue to move on!

There is a great range of different mobility solutions, but public transport as we know it will take an important part in any passenger transport solution. Important elements or principles in future solutions are:

- New technology and solutions must be able to operate together – new investments should not force the customer to write off previous investments.
- Solutions must be able to interact with deliveries from other suppliers
- Solutions must provide passengers a comprehensive echosystem to plan their journey, get real-time information, and buy a tickets on their own devices
- Solutions must be based on open industry standards
- Customers and passengers must be able to choose a business model in both opex and capex

FARA provides services and products that are important factors in improving the environment. If we look only at what the consequences of urbanization are for the climate, and what this means for the environment, it is quite obvious that public transport is a particularly important social task that will have a far greater focus going forward. This industry will be a fast growing industry. with the logistics of moving people from their starting point to their destination in an enviromentaly friendly way are very important to our society.

There is a way to go and many challenges leading up to a seamless mobility platform for passengers, but the industry is on its way. And FARA is ready to take a central role in supporting public transport authorities and operators provide the best public transport solutions and servies to the travelers..

Our experienced leaders and hard working employees make a powerful team. Together we will further develop a strong market presence in our home markets in the Nordic countries and look towards growing our presence in new markets building on our proven success in the Baltics, Spain and Israel.

Do not hesitate to contact us or visit our home page www.fara.no for more information about FARA.

Have a good trip and a good 2023 public transport year!

Directors



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WITHOUT Annual Report 2022

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FARA Annual Report 2022

ANNUAL REPORT 2022

The main points of FARA's journey in 2022 were:

- We continued further development, integration and introduction of the product portfolio
- We concluded important deliveries, such as the RTI solution for AtB in Trondheim and transfer to our new ABT solution for 6 of our long term customers in Sweden
- We returned to profitability through decisive reorganization actions mid-year
- The company continued implementation of the future platform on board vehicles
- We successfully initiated a process of moving our legacy ticketing customers in Norway to our new vehicle platform extending the horizon and up sale opportunities for many more years

System deliveries

Throughout 2022, FARA delivered products from our extensive modern product portfolio. These deliveries were for customers in Norway, Sweden, Finland, Latvia and Denmark. The company won a contract to deliver our mobile application that integrates planning, ticket purchases and real-time information to 6 more customers in Sweden, we also signed with these customers Phase two of the upgrade to our new Account Based Ticketing solution which includes a solution for drivers and sales channels, based on cloud-based services on the existing hardware, which will be delivered in 2023. FARA is experiencing increased interest and need for control, reporting and online follow-up of vehicles, and concluded this year the delivery of one of the first full-scale projects in Europe that conform to the EU standard for ITxPT – a standard that defines a new platform on board buses, and provides FARA a strong reference for future. FARA has also proven the ability to transfer our existing legacy ticketing SW to our new ITxPT vehicle platform with its light expandable HW solution, starting a transition of our existing customers to the new ITxPT vehicle platform, ready for the changes in the market

FARA bases its development on using recognized national and international standards, as well as open interfaces. The company sees that this is becoming the trend in the market.

Market

In recent years FARA has focused on growth and profitable operations in the domestic market, defined as the Nordic region. Through a focused strategy process FARA have defined a roadmap to strengthen our position in our home markets, while at the same time charting a growth roadmap through expansion into new markets, based on lessons learned from our past experience in select focus markets outside of Scandinavia.

The market is now characterized by pressure on the old solutions for margins and functionality, and FARA has therefore maintained the pace of moving functionality to cloud-based solutions that cater to technological developments. The company's solutions can now be run on virtually any hardware platform and can interact with most other solutions. Technological developments including ITxPT will open up increased competition which FARA is looking at very positively as a key to enter new markets and get an advantage over legacy incumbents.

Statement for the financial statements 2022

FARA maintains the accounts according to the principles that apply to the international accounting standard IFRS (simplified IFRS).

In total, FARA's turnover for 2022 was 164 MNOK (185), which implies a decrease of 19%. The corresponding figure for the parent company FARA AS is 153 MNOK (182).

For 2022, earnings before interest, amortisation, depreciation, and exceptional cost are -8.9 MNOK (14). The corresponding figure for the parent company FARA AS is 10.9 MNOK (22). The capitalized product and development in the company's balance sheet is 10 MNOK (10) in line with criteria set out in Note 2. Capitalization is related to the development of new solutions and products.

Net financial items were MNOK -1.8 (-4.9). FARA AS: -3.4 MNOK (-2.5).

The Group's net profit was -52.2 MNOK (-4.3). And FARA AS net loss was -29.8 MNOK (-5.9).



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FARA Annual Report 2022

Continued operation

In accordance with Section 3-3a of the Norwegian Accounting Act, it is confirmed that the assumptions about continued operation are present. The basis for this is the profit forecasts for the year 2023 and the Group's forecasts for the years ahead. The forecasts are based on updating the strategy established in 2023, order reserves and the market outlook for the years ahead. Of course, there will be uncertainty about this, but the board's assessment is that it is within the acceptable framework.

As of 31.12.2022, FARA group has a cash balance of 5.5 MNOK on account (2021: 5.9 MNOK).

FARA focuses on follow-up capital use and capital bonding. Since the customer portfolio is mainly publicly owned and/or managed, there is little risk associated with loss on claims.

The equity is -4.3 MNOK (48) which gives an equity ratio of -4% (38%). The corresponding figure for FARA AS is -4.1 MNOK (25.7), which gives an equity ratio of -3% (19%).

Staff

After a restructuring that enabled a right sizing process FARA employed an average of 72 persons (90) in 2022. For FARA AS, the corresponding figure was 47 (62).

FARA put strong focus on improving efficiency and commercial approach allowing us to focus on building a strong core employee team, with good ability to scale to support our growth plans and adapt the organization to FARA's needs.

The board sends big thank you to all employees who have demonstrated their hard work and ability to adapt throughout the years challenges.

Social responsibility

As of 31.12.2022, at the end of 2022 there were many different nationalities employed by FARA, which in many areas is a major strength for the group going forward. The working environment is considered good, and ongoing measures are being implemented for improvements. According to the Equality and Anti-Discrimination Act §26, no employees are discriminated against in relation to the opportunities, training/learning or distribution of tasks. FARA continuously works to promote an equal working environment, where discrimination does not occur. This applies regardless of gender and ethnicity.

The board is not aware of FARA directly polluting the external environment. FARA has no own production, and FARA's products, as well as packaging, are mainly based on recyclable material. The company has routines for processing waste and has established return schemes with external suppliers. FARA does not have any products that under normal use are hazardous to health to consumers. FARA complies with the environmental requirements faced by the company.

FARA's scope is deliveries of ITS solutions to public transport. One of FARA's goals, which the company has in common with its customers, is to get more passengers on board public transport, thereby reducing the burden on the community in terms of better environment and an efficient journey for passengers. FARA aims to stay ahead of technological developments in solutions, thereby helping to ensure that new technologies are adopted early, which benefits the environment. FARA is actively working with the various actors, from governing bodies to customers, to influence a necessary focus on public transport, thereby reducing the negative consequences of the transport industry on the environment.

Corporate governance, quality system and internal control

The Board of Directors sees the development and implementation of routines and control bodies that support good corporate governance, as one of the mainstays for creating a forward-looking, competitive and trustworthy company. The Board of Directors has prepared guidelines for reporting financial information and separate instructions for the CEO. The Board of Directors has further defined authority for the CEO and the rest of the organization. The company has established a risk management regime that will help the board be informed and, if necessary, make a decision on significant matters for FARA.



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FARA Annual Report 2022

FARA is ISO 9001 certified. This means that the company works in accordance with the guidelines provided in the ISO 9001:2015 standard. The company works continuously and systematically with the development and improvement of its quality management system and has in recent years focused heavily on quality work and increased customer satisfaction. This focus will continue in 2023. FARA was recertified in 2021. The company has got an insurance coverage for the Board members.

Ownership structure

In December 2019, shares in FARA were taken over by Ticketer, the UK's most distributed ticket system provider for bus operators, with electronic ticketing machines (ETM) on buses across the UK, since this acquisition FARA is a company within the Ticketer group.

The outlook ahead

FARA had a strong end to 2022 and achieved turnover of 164 MNOK (185 MNOK in 2021). This is a result that must be considered very good when seen in relation to the situation that has prevailed in the first half of 2022. The reorganization of the company, efficiency actions and focused strategy for profitable growth and further development of the company in the middle of the year was followed with a clear improvement in sales and profitability, building a strong backlog and confidence in the business plans and forecasts for 2013 .

The Board believes that the company's ability to win through with its solutions both in small and large customers shows that the solutions and commercial strategy form a good foundation for further growth.

The board is very positive about the growth prospects for FARA in the years to come. With proven success of our updated commercial strategy within our home markets and long term customers and good indications of the potential growth into new markets the expected trend is continued growth in both revenue and profit.

Disposal of losses

The Board proposes that the deficit of 29,779k NOK for FARA AS is transferred as follows:

Transfer to accumulated losses: -29,779k NOK

Trondheim, July 28, 2023

Lisa Jane Stone – Chairperson

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Lisa Stone
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Josef Salpeter – CEO

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Andrew Philip Monshaw – Board member

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Andy Monshaw
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FARA Annual Report 2022

INCOME STATEMENT

(NOK 1000)

FARA - Group				FARA AS	
2022	2021		Note	2022	2021
163,567	184,899	Operating revenue	6, 7, 8	152,984	182,477
27,145	36,417	Cost of goods	10	26,892	36,303
136,423	148,482	Gross profit		126,092	146,174
68,379	67,210	Personnel expenses	12, 13	42,582	43,705
19,250	19,607	Depreciation	14, 24	17,328	16,951
97,002	59,435	Other operating expenses	11	92,573	88,916
-48,209	2,230	Operating result		-26,390	-3,399
350	823	Interest income	15	350	802
366	1,292	Other financial income	15	-	-
2,378	1,622	Interest paid	15	1,867	1478
171	5,472	Other finance costs	15	1,872	1,801
1,833	4,980	Total finance items		3,389	2,477
-50,042	-2,749	Result before tax		-29,779	-5,875
2,194	1,566	Taxes	20	-	-
-52,236	-4,315	Result after tax		-29,779	-5,875
-52,236	-4,315	Annual profit/loss		-29,779	-5,875
		Carry forward		-4,763	7,802
		Carried forward to accumulated losses		-29,779	-12,565
		Total carried forward losses		-34,542	-4,763
Total comprehensive income (NOK 1000)					
-52,236	-4,315	Total profit/loss		-29,779	-5,875
		Other result items			
-4,315		Conversion difference			
-56,551	-4,315	Total comprehensive income		-29,779	-5,875



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FARA Annual Report 2022

BALANCE SHEET

(NOK 1000)

FARA - Group				FARA AS	
31.12.2022	31.12.2021		Note	31.12.2022	31.12.2021
ASSETS					
Fixed assets					
10,711	10,711	Goodwill	13	-	-
29,892	30,076	Intangible assets	13, 18	29,892	30,076
2,298	1,468	Deferred tax assets	20	-	-
14,509	12,594	Right-of-use assets	14	13,567	10,950
1,352	1,693	Office equipment	14, 18	466	641
-	-	Investments in subsidiaries	3, 18	27,932	27,846
1,844	1,844	Investments in shares		1,844	1,844
60,606	58,386	Total fixed assets		73,701	71,357
Current assets					
5,527	5,881	Cash and cash equivalent	17	4,548	4,487
5,074	6,987	Inventory	10, 18	5,074	6,987
28,377	31,525	Trade and other receivables	9, 18	28,239	23,463
11,502	15,801	Accrued Income	8, 18	11,502	15,801
10,228	6,576	Other short-term receivables	18	4,295	6,576
-	-	Accounts receivable within group	5	8,895	6,113
60,708	66,770	Total current assets		62,553	63,427
121,314	125,156	Total assets		136,254	134,784
LIABILITY AND EQUITY					
Equity					
Paid-up equity					
2,119	2,119	Share capital	1, 21	2,119	2,119
35,048	35,048	Other paid-up equity	21	34,234	34,234
37,166	37,166	Total paid-up equity		36,352	36,352
Retained earnings					
-41,420	10,817	Accumulated losses/Other equity	1, 4	- 40,417	- 10,638
-41,420	10,817	Total retained earnings		- 40,417	- 10,638
-4,253	47,983	Total equity		-4,064	25,714



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Non-current liability					
50,104	3,775	LT group and related parties debt	5	33,792	11,521
10,627	7,118	Long-term leasing commitment	14	9,465	7,118
-	-	Long-term interest-bearing debt		-	-
60,730	10,894	Total Non-current liability		43,257	18,639
Current liability					
-	14,508	Credit facility		-	14,508
11,829	17,974	Current trade and other payables		10,475	8,774
		Unpaid government charges & special taxes		11,603	8,761
13,537	7,181				
4,928	7,382	Short-term leasing commitment	14	4,928	5,593
-	-	Short-term group debt	5	45,628	33,560
34,124	18,815	Other short-term debt	23	24,009	18,815
419	419	Provisions	19	419	419
64,837	66,279	Total short-term liability		97,062	90,431
125,567	77,173	Total Liability		140,318	109,070
121,314	125,156	Total debt and equity		136,254	134,785

Trondheim, July 28, 2023

Lisa Jane Stone – Chairperson

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Lisa Stone
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Josef Salpeter – CEO

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Josef Salpeter
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Andrew Philip Monshaw – Board member

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Andy Monshaw
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CASH FLOW STATEMENT

FARA - Group			Note	FARA AS	
2022	2021			2022	2021
Cash flows from operations activities					
-52,236	-4,315	Net profit for the year		-29,779	-5,875
19,250	19,607	Add back depreciation and amortisation		17,328	16,951
-578	-654	+/- Changes in interests		-503	-535
3,148	-15,819	+/- Changes to customers		-4,776	-13,870
1,913	-315	+/- Changes to stock		1,913	-315
-4,299	4,923	+/- Changes to accrued income		-4,299	4,923
211	13,200	+/- Changes to accounts payable		4,543	7,563
-0	-225	+/- Changes to other accruals		-0	-225
-32,591	16,402	= Net liquidity changes from operations		-15,573	8,617
Cash flows from investments activities					
341	-10,231	- Investment in tangible fixed assets		- 175	- 9,804
-	-	+/- Changes to other investments		-	-
341	-10,231	= Net liquidity changes from investments		-175	-9,804
Cash flows from financing activities					
-	-	Acquisition of new debt		-	-
- 14,508	14,508	+ Changes in overdraft facility		- 14,508	14,508
-8,822	-8,945	+ Changes to leasing commitments		-8,120	-6,718
52,545	-6,879	- Changes in debt (short-term and long-term)		39,532	-6,414
-	-	- Buyback of shares / repayment of share capital		-	-
29,215	-1,315	= Net liquidity changes from financing		16,904	1,377
2,681	- 5,472	Foreign exchange rate movement		- 1,096	- 1,801
- 354	- 616	Net change in liquidity during the year		61	- 1,612
5,881	6,497	+ Liquidity holdings per 01.01		4,487	6,099
5,527	5,881	= Liquidity holdings per 31.12	17	4,548	4,487



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Equity Statement

Equity statement FARA Group (NOK 1000)

	Share capital	Other invested equity	Accumulated losses	Conversion differences	Total equity
Equity at 31.12.2021:	2,119	35,048	11,803	3,328	52,298
Comprehensive income for the year			-52,236	-4,315	-56,551
Equity at 31.12.2022:	2,119	35,048	-40,433	-987	-4,253

Equity statement FARA AS (NOK 1000)

	Share capital	Other invested equity	Accumulated losses	Conversion Differences	Total equity
Equity at 31.12.2021:	2,119	34,234	-10,637	-	25,715
Comprehensive income for the year			-29,779		-29,779
Equity at 31.12.2022:	2,119	34,234	-40,417	-	-4,064

Note 1: General

The parent company FARA AS is a limited liability company headquartered at Falkenborgvegen 36 in Trondheim, Norway. With offices in Høvik/Norway, Sweden, Denmark, Finland and Poland, FARA is present in several markets.

FARA is a leading provider of innovative technology and communication solutions for the Nordic public transport sector and provides solutions for electronic ticketing, passenger information, infotainment, as well as traffic and fleet management systems. This includes everything from deliveries of individual products to being able to act as the customer's main supplier and system integrator. The products offered include cloud services, vehicle application and machinery, as well as other associated products and services.

The group FARA's consolidated accounts for 2022 were approved by the parent company's board of directors.

Consolidation

The consolidated financial statements include FARA AS and companies over which FARA AS has a controlling interest. Controlling interest is achieved when the Group owns more than 50% of the shares in the company, and the Group is able to exercise actual control over the company.

The subsidiaries are consolidated according to the acquisition method. All intercompany transactions and group balances have been eliminated in the consolidated financial statements. Reference is also made to Note 4 on the effects of exchange rate changes and Note 5 for the account of transactions within the Group.

The consolidated and company accounts have been prepared in simplified IFRS.



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Note 2: Summary of key accounting principles

Basis for preparation

These annual financials have been prepared in accordance with simplified IFRS pursuant to the Norwegian Accounting Act § 3-9, and regulations on simplified application of IFRS as issued by the Norwegian Ministry of Finance on 7 February 2022 (simplified IFRS). This mainly means that calculation and measurement follow international accounting standards (IFRS), and that presentation and note information are in accordance with Norwegian accounting law and generally accepted accounting practice. The annual accounts have been approved by the Company's Board of Directors.

The consolidated financial statements include FARA AS and companies over which FARA AS has a controlling interest. Controlling interest is normally achieved when the Group owns more than 50% of the shares in the company, and the Group is able to exercise actual control over the company. The acquisition method is used when accounting for associates. Companies purchased or sold during the year are included in the consolidated financial statements from the time control is achieved and until control ceases.

Intercompany transactions and group balances, including internal profits and unrealized gains and losses, have been eliminated.

All figures are presented in NOK 1,000 unless otherwise stated.

The accounting principles applied are consistent with the principles applied in the previous accounting period.



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Simplified IFRS

The company has applied the following simplifications from the IFRS calculation and assessment rules:

- IAS 10 nos. 12 and 13 and IAS 18 no. 30 are waived so that dividends and group contributions are recognized in accordance with the provisions of the Accounting Act.

Use of estimates in the preparation of the annual accounts

Management has used estimates and assumptions that have influenced assets, liabilities, revenues, costs and information about potential liabilities. This applies in particular to the income recognition of long-term projects, deferred tax assets and the recognition of self-developed intangible assets. Future events may cause estimates to change. Estimates and the underlying assumptions are assessed on an ongoing basis. Changes in accounting estimates are recognised in the period in which the changes occur.

1. Principles of income recognition. The company uses percentage of completion to recognise long-term delivery projects in progress. Using the method of percentage of completion requires management to estimate the degree of completion of the contract at the time of balance sheet and also the outcome of the contracts. The underlying estimates that underlie income recognition depend on various variables such as salary level, cost of components, ability to complete according to the schedule, and agreed completion guarantees. Events and changes in assumptions and management's assessments will affect the calculation of revenues in the current period.
2. Write-down intangible assets. Intangible assets with an undefined economic lifetime are not amortised but are assessed annually for impairment. Intangible assets that are amortised are considered for impairment when there are indicators that these may have a reduced value. Estimation of the recoverable amount of assets is based in part on assessments made by management, which include estimates of the assets' ability to generate income. Changes in management's assessments and assumptions may result in impairment requirements in the relevant periods. At 31 December 2022, the carrying amount of intangible assets for the Group was 59,228 TNOK. As part of this, goodwill is 10,711 TNOK, Balancing is assessed on the basis of future earnings. If future earnings cannot justify balancing, the intangible assets will be written down at fair value.
3. Deferred tax assets. The basis for the listing of deferred tax assets is based on the utilisation of the deficit made through future taxable income in FARA AS and the rest of the FARA Group. The assessment is based on management's estimate of future profits, and the estimates include assessments concerning strategy, economic development in the markets in which the Group operates, and the ability to deliver forecasted profits. When the accounts are published, management has assessed the future taxable income sufficiently to exploit the book tax benefit. Reference is made to Note 20 for further information.

Functional currency and presentation currency

The parent company's functional currency is Norwegian Kroner (NOK). The Group's presentation currency is Norwegian Krone (NOK). The subsidiaries have euro (EUR), Swedish krona (SEK), Danish krona (DKK) and Polish zloty (PLN) as functional currencies respectively. Functional currency other than the presentation currency used in the subsidiaries is re-calculated in the income statement at an average exchange rate as published by BCE, as an approach to the transaction exchange rate, while the balance sheet is converted at the exchange rate of the balance sheet date. See note 4.

Revenue recognition principles

Operating income from the sale of goods is recognised in the income statement when most of the risk and benefits of ownership have been passed to the buyer.

FARA's activities consist of project-oriented execution of system deliveries within the company's basic areas, with duration from 0 – 1 year. The system deliveries are recognised according to the current percentage of completion method. The completion rate is calculated from actual costs as a percentage of expected total project costs. When the transaction's outcome cannot be reliably estimated, only revenues corresponding to actual project



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costs is recognised as income. During the period in which it is identified that a project will produce a negative result, the estimated loss on the contract will be recognised in the profit and loss account in full.

Invoicing in the projects takes place mainly by passing contractual milestones. The difference in time between invoicing and revenue periodization is expressed as earned not invoiced income in the company's balance sheet. Accrued revenue from customers are presented in the balance sheet under current assets. Project revenues are classified as operating revenues in the income statement.

Revenue recognition of licenses related to central system occurs when the customer start using the license. These licenses are a connection fee and will not be refunded if the customer no longer wishes to use the system. Maintenance licenses are billed and recognized annually.

Interest income is recognised in income based on the effective interest method as they are earned.

Assessment and classification of assets and liabilities

Assets that are due within 12 months are classified as current assets. Other assets are classified as fixed assets. Debt that has maturity within 12 months is classified as short-term debt. Other liabilities are classified as long-term. Long-term debt is recognised at amortised cost.

Tangible fixed assets

Fixed assets are valued at acquisition cost less depreciation, or at fair value if lower. The need for write-down of the carrying amount of facilities and equipment is taken up for consideration when the situation or circumstances indicate that the value cannot be recovered. If the recoverable amount of the fixed assets is lower than the book value and the fall in value is not expected to be temporary, a write-down has been made to the recoverable amount. The recoverable amount is the highest of the net sales value and value in use. Value in use is the present value of the future cash flows that the asset will generate. Fixed assets with a limited financial life are depreciated on a straight-line line.

Direct maintenance of fixed assets is expensed on an ongoing basis under operating costs. The depreciation period and method are considered a minimum in connection with the year-end close.

Foreign currency transactions

Transactions in foreign currency are converted at the exchange rate at the time of the transaction. Monetary items in foreign currency are translated into NOK using the exchange rate of the balance sheet date. Non-monetary items that are measured at historical rates expressed in foreign currencies are translated into NOK using the exchange rate at the time of transaction. Non-monetary items that are measured at fair value expressed in foreign currency are translated at the exchange rate determined at the time of the balance sheet. Exchange rate changes are recognised in the income statement on an ongoing basis during the accounting period.

Activities abroad

Assets and liabilities in foreign entities, including intangible assets and fair value adjustments, which are reflected in the consolidation, are converted to NOK using the exchange rate of the balance sheet date. Income and costs from foreign entities are translated into NOK using the average exchange rate. Exchange rate differences are recognised in financial revenues and costs.

Translation differences resulting from conversion of net investment in foreign operations, and from related hedging objects, are specified as conversion differences in equity. Translation differences in equity are recognised in the profit and loss account in the event of divestment of foreign activities.

Intangible assets

Intangible assets acquired separately are recognised in the balance sheet at cost. The cost of intangible assets acquired by acquisition is recognised in the balance sheet at fair value at the time of acquisition. Recognised intangible assets are recognised at costs reduced for any depreciation and write-downs. Internally generated intangible assets are recognised in the balance sheet if the criteria for recognition are met.



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FARA has the following criteria for balancing development costs:

- a. There are proven grounds for profitable operation in the event of new operations or more profitable operation of existing operations.
- b. FARA intends, and is able to complete, the investments needed to take advantage of these new opportunities, or intend to - and can - sell the results of the work.
- c. Utilisation of the new opportunities will add significant and lasting value to the business.

Acquisition cost includes all expenses that can be directly or indirectly attributed to the development of the intangible asset. If the criteria for balancing are satisfied, the following cost elements shall be included in the assessment:

- a. Salaries and other personnel costs of employees and costs for consultants directly engaged in the development work.
- b. Materials and services consumed during the development work.
- c. The proportionate share of indirect costs that can be related to the development work.

These costs are delimited and distributed accordingly as other projects.

In the event of a long project, i.e. more than one year, borrowing expenses during the project period shall be included in the measurement of the acquisition cost.

Assets, such as goods, machinery and buildings, used in research and development activities will usually have alternative applications. Acquisition costs for such assets are included in measuring expenditures for their own research and development as they are consumed. Machines must be identifiable and directly attributable. The individual's laptop is not included in such an assessment.

Furthermore, expenses shall only be included from the time when the criteria are met. Expenses that are expensed in a fiscal year cannot be reversed and recognised in the balance sheet in later fiscal years. Expenses for maintenance, customer support, as well as improvements to the product to extend life or streamline operations are expensed on an ongoing basis.

Intangible assets with a limited lifetime are amortised over the estimated economic life of the asset and are assessed with regard to possible impairments if there are indications of a fall in value. The amortisation period and method for an intangible asset with a limited service life is considered a minimum in connection with each year-end close. Changes to the expected fiscal life are recognised by changing the depreciation period or method and are treated as changes to an accounting estimate.

Goodwill is not amortised, but is tested annually for impairments, cf. note 13.

Research and development

The company has no significant activities related to research. The company's activity in research shall be minimal and only carried out if it has great commercial value in a customer relationship. Thus, the company's revenues and expenditure on research will be minimal. Any such costs will be expensed in accordance with IAS 38.126-127. Expenses related to development activities are recognised in the balance sheet to the extent that the product or process is technically and commercially feasible and the company has sufficient resources to complete the development. The cost price of an internally generated intangible asset includes all the necessary costs that are directly related to creating, producing and being able to use the asset according to management's intentions.



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Public subsidies

Public grants are recognised when there is reasonable assurance that the company will meet the conditions related to the grants, and the grants will be received. Grants are recognised as a reduction in the costs the grant is linked to. Investment grants are recognised in the balance sheet and recognised in a systematic manner over the asset's useful life. Investment grants are recognised either by recognising the grant as deferred income or by deducting the grant when determining the asset's carrying amount.

Inventory

Inventory is recognised at the lowest of acquisition cost and net sales price. The net sales price is the estimated sales price for ordinary operations less estimated expenses for completion, marketing and distribution. Acquisition costs are allocated using the FIFO method and include expenses incurred when acquiring the items and costs to bring the items to their current state and put-away. Self-produced items include variable and fixed costs that can be allocated based on normal capacity utilization.

Trade receivables and other receivables

Trade receivables and other receivables are recognised at acquisition cost less any impairment. The assessment of impairment is made on the basis of an individual assessment of the individual receivables. Losses on trade receivables are assessed on case by case basis, depending on age comparison.

Cash and cash equivalents

Cash and cash equivalents include cash holdings, bank deposits, other short-term and highly liquid investments to be redeemed within 3 months. Cash and cash equivalents are posted to nominal values in the balance sheet. Bound funds are included in cash and cash equivalents.

Cash flow statement

The cash flow statement is prepared according to the indirect method. Liquidity reserves consist of cash funds. As cash funds, sight deposits are considered in banks or equivalent financial institutions. Granted, undrawn credit is not considered liquid.

Accruals

A provision is recognised when the company has an obligation (legal or self-imposed) as a result of a previous incident, it is likely (more likely than not) that a financial settlement will occur as a result of this obligation and the size of the amount can be measured reliably.

A provision for warranty obligations is incorporated when the underlying products or services are sold. The provision is based on historical information on guarantees and a weighting of possible outcomes against their likelihood of occurring. Provisions for loss-making contracts are recognised when the Group's expected revenues from a contract are lower than the inevitable costs that will be incurred in order to fulfil the obligations under the contract.

Pension

The companies offer their employees defined contribution pension schemes. A defined contribution scheme is a pension agreement in which the company makes contributions to the employee's pension savings. The company has no obligation to pay additional contributions even if the Fund does not have sufficient assets to pay the employees full pension amounts in the relevant or previous periods. The company pays subsidies to an insurance company that administers the pension scheme. Payments are recognised in the income statement as pension costs when they are due. Prepayments are posted as an asset if the amount will be repaid or can be used to cover future pension payments.

Leases (as a lessee)

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, where the interest rate implicit in the lease cannot be readily determined the lease payments are discounted using the Company's incremental



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borrowing rate. The lease term is estimated as the non-cancellable period of a lease, plus any option to extend or terminate the lease which is expected to be exercised.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the future lease payments or lease term. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Group is not exposed to potential future increases in variable lease payments.

Tax

Deferred tax or deferred tax assets arise as a result of temporary differences between the tax value of an asset or liability and its carrying amount on the balance sheet date. Assets and liabilities in the event of deferred tax shall be assessed at the tax rates that are expected to apply to the period in which the asset is realised or the obligation is met, based on tax rates and tax rules that have been adopted or essentially adopted, on the balance sheet date. Deferred tax assets substantiated through future earnings, and which can be offset against tax-increasing temporary differences, are recognised as intangible assets.

When assessing probability, historical earnings and the size of contract reserves will be used as a basis. Deferred tax and deferred tax assets are recognised at nominal value and classified as financial assets (long-term liabilities) in the balance sheet.

Shares in subsidiaries

Subsidiaries are assessed according to the cost method in the company accounts. The investment is valued at the acquisition cost of the shares unless impairment has been necessary. Write-downs have been made to fair value when impairments are due to reasons that cannot be assumed to be temporary. Write-downs are reversed when the basis for write-downs is no longer present.

Events after the balance sheet date

New information after the balance sheet date about the company's financial position on the balance sheet date is taken into account in the annual accounts. Events after the balance sheet date that do not affect the company's financial position on the balance sheet date, but which will affect the company's financial position in the future, are stated if this is significant.



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Note 3: Subsidiaries

Company	Location/Country	Owner share	Voting rights	Discounted price	Annual profit 2022 after tax	Equity 31.12. 22	Book value 01.01.2022	Book value 31.12.2022
FARAPolska Sp.Zo.o	Warsaw Poland	100%	100%	9	19,025	3,778	9	9
FARAFinland LTD	Oulu Finland	100%	100%	11 939	4,258	5,116	11 306	11 306
FARADanmark AS	Sonderborg, Denmark	100%	100%	17 908	-782	32 259	16 530	16 530
FARASweden AB	Nässjö, Sweden	100%	100%	88	2,687	374	-	86
Total				29,944	25,188	41,527	27,845	27,932

The companies are consolidated in the consolidated financial statements.

FARA AS owns all IP rights related to the product portfolio.

Note 4: Exchange rates

Company	Functional currency	Valuation 01.01.2022	Average exchange rates 2022	Valuation 31.12.2022
FARA Finland Oy	Euro	10.1366	10.2391	10.5138
FARA Denmark AS	Danish kroner	1.3631	1.3764	1.4138
FARA Sweden AB	Swedish Krona	0.9870	0.9516	0.9453
FARA Polska Sp.Zo.o	Polish Zloty	2.1972	2.1661	2.2462

In the case of consolidated consolidation throughout the year, average monthly rates are assumed for the income statement. The balance sheet has been prepared on the basis of the current month's closing price.



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Note 5: Transactions with group and related parties

All transactions between companies in the Group and other defined related parties take place at market price based on the "arm's length distance principle". FARA has prepared principles for intercompany trade based on tax legislation and the OECD Guidelines for Transfer Pricing. The transactions between the companies include the purchase of administrative services, as well as the development of products and the delivery of projects.

FARA Group			FARA AS	
2022	2021		2022	2021
-	-	FARA Polska Sp.Z.o.o	8,895	6,113
-	-	Accounts receivable within group	8,895	6,113
-	-	FARA Danmark AS	24,886	18,171
-	-	FARA Finland LTD	8,365	1,338
-	-	FARA Polska Sp.Z.o.o	4,118	0.00
-	-	FARA Sweden AB	6,991	4,626
-	-	Ticketer group	694	871
-	-	Agio	574	8,553
-	-	Short-term group debt	45,628	33,560
50,104	3,775	Ticketer group	69,213	3,775
-	-	FARA Danmark AS	7,493	8,258
-	-	FARA Finland LTD	- 8,090	- 988
-	-	FARA Polska Sp.Z.o.o	- 26,341	324
-	-	FARA Sweden AB	- 8,482	152
50,104	3,775	Long-term group debt	33,792	11,521



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Note 6: Revenue

The Group mainly has revenues from projects, new sales to existing customers and service and maintenance contracts.

FARA Group			FARA AS	
2022	2021		2022	2021
6,253	65,358	Projects	6,253	65,358
21,507	-	New sales to existing customers	21,507	-
108,596	105,300	Service and maintenance	107,106	101,390
17,644	10,468	Transaction revenue	17,561	10,468
9,567	3,773	Other income	558	5,262
163,567	184,899	Total revenue	152,984	182,477

Note 7: Segment information

Corporation

FARA has one segment. The segment generates ticketing and RTI revenue from projects, new sales to existing-end customers, as well as service and maintenance contracts

Geographical information

The distribution per company in the FARA Group is as follows

	FARA AS		FARA Finland		FARA Denmark		FARA Poland		FARA Sweden		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from external customers	152,902	182,477	0	0	1,574	2,422	0	0	0	0	154,475	184,899

The distribution of revenues is based on the location of the company.



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Note 8: Accrued Income

FARA Group			FARA AS	
2022	2021		2022	2021
11,502	15,801	Earned, unbilled revenue	11,502	15,801
11,502	15,801	Total earned, not invoiced revenue	11,502	15,801

Projects revenue is recognised according to the completion rate. The projects are invoiced according to milestones achieved.

2022	2021		2022	2021
6,253	65,358	Project turnover in the period	6,253	65,358

Note 9: Accounts receivable

FARA Group			FARA AS	
2022	2021		2022	2021
28,377	31,525	Accounts receivable	28,239	23,463
-	-	Provision for loss	-	-
28,377	31,525	Total Accounts receivable	28,239	23,463

Provisions for loss on claims are classified under other operating costs in the profit and loss statement.

As part of the agreement on financing, the company's banking connection has established collateral in trade receivables. See note 18.

Note 10: Inventory

FARA Group			FARA AS	
2022	2021		2022	2021
373	3,294	Raw materials	373	3,294
6,392	3,993	Finished goods	6,392	3,993
6,765	7,287	Total finished goods	6,765	7,287
-	1,691	Inventory provision	-	1,691
5,074	6,987	Total inventory	5,074	6,987



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Note 11: Other operating expenses

FARA Group			FARA AS	
2022	2021		2022	2021
79,636	46,111	External services	79,160	78,290
1,262	839	Rent	342	142
1,394	1,394	Travel expenses	647	930
1,399	2,248	Operating materials/office expenses	879	1,289
4,144	3,632	Renting machines and applications	4,086	3,261
44	75	Marketing	24	75
-	626	Freight	-	612
9,124	4,510	Other operating expenses	7,434	4,316
97,002	59,435	Other operating expenses	92,573	88,916

2022	2021	Specification audit fee:	2022	2021
1,250	467	Tax & Audit Fees	1,036	366
730	440	Accountancy Fees	361	51
1,980	907	Total	1,397	417



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Note 12: Costs of employee benefits and benefits to senior executives

FARA Group			FARA AS	
2022	2021		2022	2021
58,337	64,876	Salary	38,168	46,636
2,470	2,095	Bonus/	1,825	1,691
8,098	8,943	Employer's National Insurance contributions	6,212	7,230
2,812	4,939	Pension cost subsidy plans / insurance	2,228	2,717
3,196	1,301	Other social costs	684	376
-6,534	-14,944	Other personnel costs	-6,534	-14,944
68,379	67,210	Total payroll costs	42,582	43,705

Number of employees			2022	2021
2022	2021			
72	90	Total	47	62

Benefits for senior executives

Numbers in whole LCY

2021	Board remuneration	Salary	Bonus	Benefits	Pension premium paid	Total remuneration
Senior executives						
CEO		2,000,000	-	8,400	89 443	2,097,843
CFO		1,207,500	-	8,400	89 335	1,305,255
Board						
Chairman of the Board	442,503					442,503
Total remuneration	442,503	3,207,500	-	16 800	178 798	3 845 601

2022	Board remuneration	Salary	Bonus	Benefits	Pension premium paid	Total remuneration
Senior executives						
CEO		2,000,000	-	-	89,412	2,097,843
Board						
Chairman of the Board	442,503					442,503
Total remuneration	442,503	2,000,000	-	-	89,412	2,531,915

The company is obliged to have an occupational pension scheme pursuant to the Act relating to compulsory occupational pensions.

The company's pension schemes satisfy the requirements of this Act.



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Note 13: Tangible fixed assets/intangible assets

FARA AS

Depreciation and amortization in income statement 2021

	Proprietary intangible assets	Fixtures and fittings	Office machinery and computer equipment	Total
Acquisition cost	57 128	1 035	1 709	59 872
Additions	10 017		258	10 275
Disposals				-
Historical acquisition cost 31.12	67 145	1 035	1 967	70 147
Accumulated depreciation 01.01	- 26 756	- 692	- 1 196	-28 644
Depreciations throughout the year	- 10 186	- 142	- 331	-10 658
Write-downs throughout the year	-127			-127
Depreciation on issue				-
Net book value at 31.12.	30 076	201	440	30 717

Depreciation and amortization in income statement 2022

	Proprietary intangible assets	Fixtures and fittings & Unibuss	Office machinery and computer equipment	Total
Acquisition cost	67,145	1,035	1,967	70,147
Additions	10,005	8	146	10,203
Disposals				-
Historical acquisition cost 31.12	77,150	1043	2,113	79,724
Accumulated depreciation 01.01	- 37,069	- 834	- 1,196	- 39,430
Depreciations throughout the year	-10,189	662	-331	-9,699
Write-downs throughout the year				-
Depreciation on issue	-47,258	-850	-1839	-
Net book value at 31.12.	29,892	193	274	30,359

FARA Group

Depreciation and classification in income statement 2021

	Proprietary intangible assets	Other intangible assets	Goodwill	Total intangible assets	Inventory and office machiner y	Total intangible assets and inventories
Acquisition cost 01.01	57 128	-	10 711	67 839	4 394	72 233
Additions	10 017			10 017	1 111	11 128
Disposals				-	-	-
Historical acquisition cost 31.12	67 128	-	10 711	77 856	5 505	83 361
Accumulated depreciation 01.01	-26,756	-	-	-26,756	-2,914	-29 670



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Depreciations throughout the year	-10,186	-	-	-10,186	-958	-11 144
Write-downs throughout the year	-127			-127	-	-127
Depreciation on issue				-	-	-
Accumulated depreciation as at 31.12	-37,069	-	-	-37,069	-3,872	-29 671
Net book value at 31.12.	30,076	-	10 711	40 787	1 755	42 542

Depreciation and amortization in income statement 2022

	Proprietary intangible assets	Other intangible assets	Goodwill	Total intangible assets	Inventory and office machinery	Total intangible assets and inventories
Acquisition cost 01.01	67,145	-	10,711	77,856	5,505	83,361
Additions	10,005			10,005	607	10,612
Disposals				-		-
Historical acquisition cost 31.12	77,150	-	10,711	87,861	6,112	93,974
Accumulated depreciation 01.01	-37,069	-	-	37,069	3872	40,941
Depreciations throughout the year	-10,189	-	-	-10,189	-888	-11,105
Write-downs throughout the year	-			-	-	-
Depreciation on issue				-		-
Accumulated depreciation as at 31.12	-47,258			-47,258	-4,760	-52,018
Net book value at 31.12.	29,892	-	10,711	40,603	1,352	41,955

In connection with the annual accounts for 2022, a write-down test was carried out of the goodwill relating to the acquisition of the shares in TNC Connect AS (FARA Danmark AS). The same methodology was used as in the original value-added allocation: Estimation of fair value cash flows adjusted for costs, which were discounted to present value. The time horizon is 5 years with the calculation of terminal value. The figures are based on the budget for 2023-2027. The calculations show that expected earnings exceed the book value. The cost side is adapted to the expected revenue.

The table below shows an overview of book values of the intangible assets tested in the consolidated financial statements.



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Note 14: Capitalized leases

Discount rate = 3,84%					
The implicit interest of the lease = 3.84%					
Included agreements in the IFRS calculation	Rent agreement Trondheim	Rent agreement Fjordveien	Rent agreement Poland	Rent appointment IT Sjeften	Rent agreement Leangen
Estimated rental period used (end date):	09.10.22	30.03.28	30.09.23	31.12.23	30.03.28

Amount in LCY 1000	Total	RIGHT TO USE PROPERTY				
		Rent agreement Trondheim	Rent agreement Fjordveien	Rent agreement Poland	Rent agreement IT Sjeften	Rent agreement Leangen
By 1 January 2022		2,163	1667	1,644	7,119	-
Addition						9,782
Depreciation		- 2,163	- 511	- 702	- 3,715	- 569
Interest cost						
Payments						
For 31. December 2022	14,716	-	1,157	942	3,405	9,213
Depreciation						
Depreciation of the right to use the asset		2,163	511	702	3,715	569
finance cost						
Amount included in the income statement		2,163	511	702	3,715	569
Total amount included in the income statement		7,659				



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Amount in LCY 1000	Cash/Total	LEASE LIABILITY				
		Rent agreement Trondheim	Rent agreement Fjordveien	Rent agreement Poland	Rent agreement IT Sjøfen	Rent agreement Leagen
By 1 January 2022		2,630	1,756	1,789	8,325	-
Addition		-485				9,782
Depreciation						
Interest cost		68	59	75	246	130
Payments	-8,822	- 2,213	- 506	- 703	- 5,254	-146
For 31.December 2022	15,552	-	1,309	1,161	3,317	9,765
Amount in LCY 1000						
Depreciation						
finance cost		68	59	75	246	130
Amount included in the income statement		68	59	75	246	130
Total amount included in the income statement		578				

Note 15: Financial income and financial costs

Financial revenues and financial costs consist mainly of interest costs related to the Group's total financing. In addition, unsecured currency effects of the Group's receivables and liabilities in foreign currency will be reported as exchange rate gain or loss.

FARA Group			FARA AS	
2022	2021		2022	2021
350	823	Interest income	350	802
366	1,292	Exchange rate gain	-	-
715	2,115	Total	350	802

Financial costs

FARA Group			FARA AS	
2022	2021		2022	2021
2,378	1,622	Interest costs	1,867	1,478
171	5,472	Other financial costs	1,872	1,801
2,548	8,861	Total	3,739	3,279



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Note 16: Financial instruments

FARA has established guidelines for risk management that include both financial and operational risk. The guidelines specify responsibilities, instruments, reporting, follow-up and frameworks for the various risks. FARA shall as a principle be financed over ordinary operations.

FARA's financial instruments consist solely of the receivables and liabilities created by the Group's operations, and as of 31 December 2021, these are exclusively trade receivables and accounts payable, as well as long-term liabilities. The instruments are valued at amortized cost, which is also approximately equal to fair value.

The management of the Group and the execution of the Group's strategy are subject to a number of risks. The principal risks affecting the Group's business are outlined below:

Liquidity risk

This is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation by regular review with its operations teams, applying cash collection targets throughout the Group and regular cash flow forecast management.

The table below summarizes the profile of the Group's financial liabilities as of December 31, based on contractual payments:

	1-3 months	3-6 months	6-12 months	TOTAL
31/12/2022				
Overdraft				
Accounts payable	11,829			11,829
Public taxes due	13,537			13,537
Other current liabilities	29,288	9,763		39,051
Accruals			419	419
31/12/2021				
Overdraft		14,598		14,598
Accounts payable	17,974			17,974
Public taxes due	7,181			7,181
Other current liabilities	14,065	4,750		18,815
Accruals			419	419

FARA's credit line follows developments in NIBOR, and the follow-up follows from the Group's liquidity management.

Market risk

The group currently has a significant focus on the UK and Nordics markets and as such may be affected by changes in the UK economic outlook.

Interest rate risk

The company has a group account system, where all liquidity is controlled from the parent company in Norway, and distributed to daughters if necessary. The interest rate risk for the Group will thus be equal to the interest rate risk for the parent company.



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Currency risk

Currency risk is the risk of changes in exchange rates. As of 31.12.2022, FARA has balanced currency exposure. Most of the contracts with customers and suppliers are entered into at national level, with national players in local currency. In the case of individual transactions in the future greater than the equivalent of MNOK 5, the administration makes an assessment together with a representative from the board of directors of the company. At the group level, one will be exposed to the currency of equity in foreign daughters.

Operational risk

Operational risk is the risk of technical or human failure of the company. This is handled by FARA's system for quality assurance and internal control. FARA is certified according to ISO 9001:2015, and undergoes periodic external audits of internal routines, as well as internal audits that follow a plan.

Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation resulting in financial loss. The Group's principal financial assets are trade receivables and bank balances. The Group's credit risks attributable to trade receivables is not subject to significant concentration of credit risks, with exposure spread over a large number of customers.

Financial risk

The Group activities expose it to a number of financial risks including costs, the nature of commercial contracts, borrowings, insurances and other financial risks. The Group's financial instrument comprises borrowings, cash and other items such as trade debtors and trade creditors arising from operations. The main risks arising from these financial instruments are credit risk and liquidity risk.

FARA is a growing company where it has been natural to have a capital structure that has a relative balance between equity and a drawdown facility from a financial institution. As the company grows and gains a more market share, long-term foreign capital will be a natural part of FARA's working capital base.

Note 17: Cash and cash equivalents

FARA Group			FARA AS	
2022	2021		2022	2021
5,527	5,881	Cash in bank and cash register	4,548	4,487
0	0	Accrued on tax deduction account	0	0
5,527	5,881	Cash and cash equivalents	4,548	4,487
	14,508	Overdraft		14,508
5,527	- 8,628	Total cash and cash equivalents	4,548	- 10,021

As of 31.12.21 TNOK 5,527 deposited in bank.

The company has established a bank guarantee to cover liabilities to tax deductions.



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Note 18: Pledges

The parent company has pledged inventories, trade receivables, accrued income, other current receivables, tangible and intangible assets as collateral for a deduction right. At the end of 2022, the drawing rights were not used.

Book value Assets FARA AS:	31/12/2022	31/12/2021
Inventory	5,074	6,987
Accounts receivable	28,239	23,463
Accrued Income	11,502	15,801
Other current receivables	2,477	6,576
Shares in subsidiaries	27,932	27,846
Tangible fixed assets	466	641
Intangible assets	29,892	30,076
Total	105,583	100,002

Note 19: Provisions

The parent company has allocated TNOK 419 to any future warranty obligations related to the delivery of hardware and software. The provisions are recognised under other operating costs in the income statement and as current liabilities in the balance sheet. The estimate of future warranty obligations is based on the remaining warranty period on FARA's deliveries.



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Note 20: Tax

FARA Group			FARA AS	
2022	2021		2021	2021
This year's tax expense is responded to by:				
2,194	1,204	Tax payable	-	-
-	362	Change in deferred tax	-	-
2,194	1,566	Total tax expense	0	0
Tax rate reconciliation of				
-28,734	-2,749	Profit before tax	-29,779	-5,875
110	-605	Tax calculated at tax rate	-	-1,293
2,194	1,566	Tax expense in the accounts	-	-
-2,084	-2,171	Difference between expected tax cost and tax expense in the accounts	-	-1,293
The difference consists of				
81	86	Permanent differences	-	-86
2,003	-	Incorrect previous years	-	-
-	-	Effect changes tax rate	-	-
-	-351	Balancing deferred tax assets	-	-
-	2,608	Change in unbalanced deferred tax assets	-	1,379
0	0	Difference	0	0
2022	2021		2022	2021
-28,734	-2,749	Profit before tax	-29,779	-5,875
-1,374	-392	Permanent differences	-1,374	-392
-1,803	8,614	Change in temporary differences	-1,803	6,267
33,591	-	Losses carried forward	32,955	-
1,680	5,473	Basis for tax payable	-	-
2,194	1,204	Payable tax on profit for the year	-	-
Overview of temporary differences				
2022	2021		2022	2021
Deferred tax assets				
205,441	38,573	Proceeds to performance deficit	204,806	37,959
-657	-	Receivables	-1,685	-
1,691	66	Inventory	1,691	66
403	131	Tangible fixed assets	403	122
-	-	Construction contracts	-	-
826	480	Balancing leases	826	388
-	92	Accruals	-	92
207,704	39,342	Deferred tax assets – gross	206,041	38,627
205,406	37,874	Gross deferred tax assets	206,041	38,627
2,298	1,468	Net recognised deferred tax assets	0	0

The parent company has a total of MNOK 206 in losses to be carried forward as of 31.12.2022 (2021: MNOK 173). The deferred tax assets have not been recognised in the balance sheet.

The Group has a total of MNOK 207 in losses to be carried forward as of 31st December 2022 (2021: 179 MNOK). The deferred tax assets have not been recognised in the balance sheet.



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Note 21: Share capital and other invested equity

	2022	2021
Ordinary shares with a nominal share of NOK 0.1	21 186	21 186
Total shares	21 186	21 186

Changes in share capital and premiums:

	Number of shares (1000)	Share capital (NOK 1000)	Other invested equity (NOK 1000)
Pr. 01.01.2021	21 186	2 119	34 234
Treasury shares at nominal	0	0	0
Pr. 31.12.2022	21 186	2 119	34 234

No dividend has been proposed for 2022.

Voting rights are always regulated by the applicable share laws.

Shares owned by directors or companies controlled by them, as at 31.12.2022:

None

Shares owned by senior executives as at 31.12.2022:

None

Shareholders 31.12.22		Share of total
ISHTAR Bidco Norway AS	21 186 049	100.0 %
Total	21 186 049	100.0 %



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Note 22: Continued operation and subsequent events

In the light of post year end events in Ukraine, the Directors have been monitoring its continual development and performed an assessment of the current exposure to the situation, Russia and Belarus (the "Region") and the potential impact on the Group. The Group has operations and business in countries neighboring the Region and the Group and its staff have been involved in a variety of humanitarian efforts. However, it does not conduct business or operations in the Region and thus there is no direct impact on the Group. The wider effects on the global economy are still emerging and so whilst there is still a level of uncertainty the Directors continue to actively monitor activities in the light of this situation.

The Directors have considered the above impacts on the Group and at the time of approving the financial statements the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Note 23: Other current liabilities

FARA Group			FARA AS	
2022	2021		2022	2021
7,174	-	Accrual salary	3,928	-
14,075	18,815	Prepaid invoiced revenue	14,075	18,815
12,875	-	Other current liabilities	6,006	-
34,124	18,815	Total current liabilities	24,009	18,815

Note 24: Investment in equities

FARA acquired 20% of the share capital in BobCat AB from Kirei AB in 2020. The investment is strategic in relation to the Swedish market as well as in relation to the product portfolio. FARA has a 4-year option to purchase the remainder of the share capital.



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LOCATIONS AND CONTACT

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Oulu Finland



Sønderborg Danmark



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Skatteetaten

Vår dato
09.09.2022

Din/Deres dato
05.09.2022

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
90833418

Org.nr
974761076

Vår referanse
2022/5753999

Postadresse
Postboks 9200 Grønland
0134 OSLO

ERNST & YOUNG ADVOKATFIRMA AS
Postboks 1299 Pirsenteret
7462 TRONDHEIM

Att. Martin Volden Mjøen

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev sendt inn 5. september 2022 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

Ishtar Bidco Norway AS	org.nr. 923 835 776
Fara AS	org.nr. 989 112 007

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Fara AS er eid av Ishtar Bidco Norway AS som igjen er eid av et utenlandsk selskap og er en del av et internasjonalt konsern. Ishtar Bidco Norway AS er et holdingselskap, mens Fara AS er et teknologiselskap som leverer IT-løsninger innen offentlig transport. Selskapet tilbyr billettsystemer og sanntidsinformasjon og leverer til kunder både i Norge, Norden og i andre land. Virksomheten er rettet mot bedriftsmarkedet, og kommunikasjon foregår i all hovedsak på engelsk. Styrelederen og styremedlemmene i begge selskapene er utenlandske.

Skattekontorets 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 mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"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 skattekontorets 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 skattekontoret lagt vekt på at selskapene direkte eller indirekte er eid av et utenlandsk selskap og er en del av et internasjonalt konsern. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



To the General Meeting of FARA AS

RSM Norge AS

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Pb 1312 Vika, 0112 Oslo
Org.nr: 982 316 588 MVA

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Independent Auditor's Report

www.rsmnorge.no

Opinion

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

- the financial statements of the parent company FARA AS (the Company), showing a loss of NOK 29 779 000 which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of FARA AS and its subsidiaries (the Group), showing a loss of NOK 52 236 000 which comprise the balance sheet as at 31 December 2022, the income statement, 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 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. 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.

THE POWER OF BEING UNDERSTOOD
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RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Norge AS er medlem av is a member of Den norske Revisorforening.

Pemneo Dokumentnøkkel: LQKGL-TAV28-86NK-MACOP-VHJBD-W8PVV



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

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

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

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 simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, 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 and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 31 July 2023
RSM Norge AS

Lars Løyning
State Authorised Public Accountant
(This document is signed electronically)



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Lars Løyning

Statsautorisert revisor

På vegne av: RSM Norge AS

Serienummer: 9578-5999-4-1140989

IP: 62.92.xxx.xxx

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