

**ABAX AS**  
**FINANCIAL**  
**STATEMENTS**  
**2021**



To the General Meeting of Abax AS

## *Independent Auditor's Report*

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### *Opinion*

We have audited the financial statements of Abax 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.

In our opinion

- the financial statements comply with applicable statutory requirements, and
  - 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.
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### *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 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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### *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.

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 legal requirements.

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### *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 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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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.

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

Vestfold, 28 April 2022

**PricewaterhouseCoopers AS**

A handwritten signature in blue ink, appearing to read 'Tom Nilsen', is written over a horizontal line.

Tom Nilsen  
State Authorised Public Accountant

## **DIRECTORS REPORT 2021 – ABAX AS**

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

ABAX AS is a wholly owned subsidiary of ABAX Group AS. The other subsidiaries in the Group are wholly-owned subsidiaries of ABAX AS. The subsidiaries of ABAX AS are ABAX Denmark AS, ABAX Sweden AB, ABAX Finland Oy, ABAX Technology AS, ABAX Netherlands BV, ABAX Performance AS, ABAX UK Ltd, ABAX China Ltd., ABAX Poland sp z.o.o, ABAX Deutschland GmbH, RAM T&T Netherlands and RAM T&T Belgium. The subsidiaries are 100 % owned by ABAX AS. ABAX Denmark A/S owns 100 % of the shares in Fleetfinder Aps. ABAX Sweden owns 100% of the shares in Automile AB

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

The CEO of ABAX AS is Morten Strand.

ABAX is the second-largest telematics company and one of the largest IoT companies in Europe. Telematics is the art of connecting mobile and distributed assets and is one of the fastest-growing IoT segments. We develop our own line of hardware, firmware and software; tied together in an open platform, that allows other sensors to connect and collect data through the ABAX Global Network.

ABAX provides an innovative end-to-end platform to support digitalisation and automation for our customers. Hosted and born in the cloud, we are always available.

### **OPERATIONS IN 2021**

The Group has a strong focus on growth, both domestically and internationally to build a leading international player in the telematics market. In 2021, the Group continued to execute its plan to meet the ever-changing demands of our customers and ensure the Group can continue to scale and grow.

ABAX AS has firmly established itself as the market leader in Norway for electronic triplogs and related fleet management services.

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.

The company's reported operating profit before depreciation and amortisation (EBITDA) was 86.1 M NOK (83.1M NOK in 2020) and profit before tax was 20.9 M NOK for the year (18.2 M NOK in 2020). The cash flow from operations was – 20.2 M NOK.

## **Business development and acquisitions**

During 2021 the Group acquired the customer base of Helpten OY in Finland which combined with Abax Finland, firmly cements our position as a market leader in Finland, and in the wider Nordics. The acquisition continues to highlight the company's commitment to consistently creating value for its customers and shareholders.

## **FUTURE DEVELOPMENT**

In the coming years, the Board expects the Group to grow 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 grow.

## **ANNUAL ACCOUNTS**

### **Profit and loss**

The revenue for the period ending 31 December 2021 was at 397.9 M NOK (374.3 M NOK in 2020). EBITDA for 2021 was at 86.1 M NOK (83.1 M NOK in 2020). Depreciation and amortization accounted for 62.9 M NOK (68,1 MNOK in 2020), resulting in an EBIT of 23.2 M NOK (15 M NOK in 2020).

### **Balance Sheet and Liquidity**

The company's cash liquidity was 66.1 M NOK per 31 December 2021, versus 32 M NOK in 2020. Liquidity forecasts ahead are satisfactory. The Company's ability to finance its investments is good.

The company's current liabilities amounted to 227.3 M NOK as at 31 December 2021 (193 M NOK in 2020).

Total asset value at the end of 2021 was 1 915.2 M NOK for the company (1 764 M NOK in 2020). The equity in the company at end of 2021 was 1 199.1 M NOK (62.6 % equity ratio).

## **RISK FACTORS**

### **Financial risk**

The company is exposed to financial risk in various areas, including some currency risk. The goal is to mitigate the financial risk to a satisfactory level. The company's current strategy does not include the use of financial instruments, however, this matter is to be reviewed by the Board.

The company has limited exposure to changes in exchange rate. The Company's revenues are mostly in NOK, but some cost elements are in foreign currencies. The Company 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 Board periodically reviews and will change if necessary the requirement for hedging.

#### **Credit risk**

The risk of bad debts is assessed as being moderate.

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

#### **Liquidity risk**

The liquidity going forward is assessed as good. The majority of the company'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 company 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.

### **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 ensure 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 ensures 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 professional body certified in ISO 14001 manufactures the hardware products used by the Group. ABAX also makes sure that its suppliers are environmentally accredited.

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

## **ENVIRONMENTAL REPORTING**

ABAX business is not regulated by licenses or restrictions.

## **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

There are no subsequent events, that effect ABAX AS post year end,

Larvik, 28<sup>th</sup> April, 2022



Andrea Davis

*Chairman*



Yanlin Li

*Board member*



Morten Strand

*Board member/CEO*



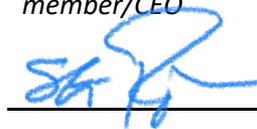
Juergen Heilmann

*Board member*



Bjørn Erik B.  
Helgeland

*Board member*



Stuart Phillips

*Board member*



Kjetil Lassen

*Board member*



Arild Ingebrigtsen

*Board member*



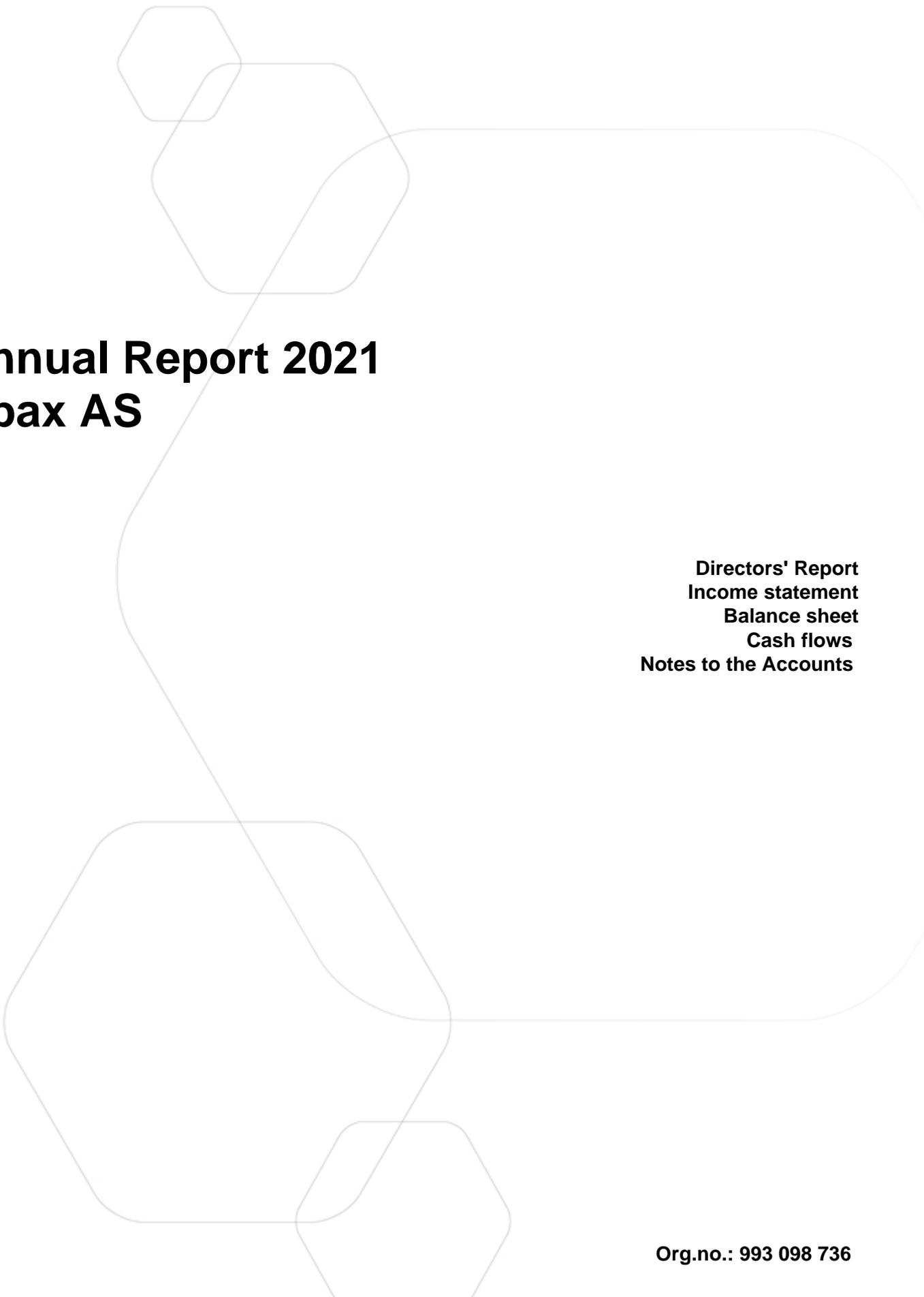
Karl Sebastian  
Inger

*Board member*



Maxime Geraudie

*Board member*



# **Annual Report 2021**

## **Abax AS**

**Directors' Report**  
**Income statement**  
**Balance sheet**  
**Cash flows**  
**Notes to the Accounts**

**Org.no.: 993 098 736**

## Abax AS

Financial statement 2021

Income statement

<b>Operating income and operating expenses</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Revenue	2, 12	397 949 993	373 624 407
Other income	2	0	768 576
<b>Total income</b>		<b>397 949 993</b>	<b>374 392 983</b>
Cost of hardware and services		104 062 694	77 448 740
Employee benefits expense	4	114 229 581	119 679 941
Depreciation and amortisation expenses	5, 6	62 967 223	68 074 350
Other expenses	4	93 490 405	94 095 366
<b>Total expenses</b>		<b>374 749 903</b>	<b>359 298 397</b>
<b>Operating profit</b>		<b>23 200 089</b>	<b>15 094 586</b>
<b>Financial income and expenses</b>			
Interest income from group companies	12	9 167 307	8 657 388
Other interest income		394 550	501 511
Other financial income	11	40 538 642	20 311 190
Write-down of financial assets		374 621	0
Interest expense to group companies	12	15 095 500	10 242 355
Other interest expenses		48 467	184 899
Other financial expenses	11	36 800 762	15 895 929
<b>Net financial items</b>		<b>-2 218 852</b>	<b>3 146 906</b>
<b>Net profit before tax</b>		<b>20 981 238</b>	<b>18 241 491</b>
Income tax expense	8	7 154 168	7 478 905
<b>Profit for period</b>		<b>13 827 070</b>	<b>10 762 586</b>
<b>Profit/loss from total operations</b>		<b>13 827 070</b>	<b>10 762 586</b>
<b>Allocation of the result</b>			
Group contribution	9	24 252 774	17 513 742
Transferred from retained earning	9	-10 425 704	-6 751 156
<b>Net profit for the period</b>		<b>13 827 070</b>	<b>10 762 586</b>

## Abax AS

Financial statement 2021

Balance sheet

Assets	Note	2021	2020
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Research and development	5	144 594 602	134 421 812
Customer portfolio	5	8 715 154	18 343 724
Goodwill	5	7 522 728	19 297 369
<b>Total intangible assets</b>		<b>160 832 484</b>	<b>172 062 904</b>
<b>Property, plant and equipment</b>			
Equipment and other movables	6	29 174 311	17 676 448
<b>Total property, plant and equipment</b>		<b>29 174 311</b>	<b>17 676 448</b>
<b>Financial non-current assets</b>			
Investments in subsidiaries	7	1 021 922 671	1 020 597 382
Loan to group companies	12	251 523 023	219 997 404
Investments in shares		5 927 153	500 000
Other non-current receivables		582 366	535 221
<b>Total financial non-current assets</b>		<b>1 279 955 213</b>	<b>1 241 630 007</b>
<b>Total non-current assets</b>		<b>1 469 962 008</b>	<b>1 431 369 358</b>
<b>Current assets</b>			
Inventories	3	12 985 748	3 173 066
<b>Receivables</b>			
Accounts receivables	13	27 962 342	16 488 039
Accounts receivables intra group	12	275 897 202	197 238 222
Other short-term receivables	12, 13	57 053 168	69 506 408
Accrued, not invoiced income		5 228 809	14 879 743
<b>Total receivables</b>		<b>366 141 521</b>	<b>298 112 412</b>
Cash and cash equivalents	10	66 125 870	32 041 383
<b>Total current assets</b>		<b>445 253 139</b>	<b>333 326 861</b>
<b>Total assets</b>		<b>1 915 215 147</b>	<b>1 764 696 219</b>

## Abax AS

Financial statement 2021

Balance sheet

<b>Equity and liabilities</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Paid in equity</b>			
Share capital	9	349 402 892	349 402 892
Share premium	9	775 266 982	775 266 982
<b>Total paid in equity</b>		<b><u>1 124 669 874</u></b>	<b><u>1 124 669 874</u></b>
<b>Retained earnings</b>			
Retained earnings	9	74 449 474	84 875 179
<b>Total retained earnings</b>		<b><u>74 449 474</u></b>	<b><u>84 875 179</u></b>
<b>Total equity</b>	9	<b><u>1 199 119 348</u></b>	<b><u>1 209 545 052</u></b>
<b>Non-current liabilities</b>			
Deferred tax	8	558 738	781 408
Loans from group companies	12, 13	476 680 353	309 043 248
Other non-current liabilities		11 518 017	10 106 387
<b>Total non-current liabilities</b>		<b><u>488 757 109</u></b>	<b><u>319 931 043</u></b>
<b>Current liabilities</b>			
Prepayment from customers		66 583 607	52 770 475
Trade payables	13	49 634 659	65 157 658
Public duties payable		16 492 773	14 456 196
Group contributions payable	12	33 531 081	28 424 445
Other current liabilities	13	61 096 570	74 411 350
<b>Total current liabilities</b>		<b><u>227 338 691</u></b>	<b><u>235 220 124</u></b>
<b>Total liabilities</b>		<b><u>716 095 800</u></b>	<b><u>555 151 167</u></b>
<b>Total equity and liabilities</b>		<b><u>1 915 215 147</u></b>	<b><u>1 764 696 219</u></b>

## ABAX AS

Financial statement 2021

Balance sheet

Larvik, 28.04.2022

The board of ABAX AS



Bjørn Erik Brandsæter Helgeland  
Member of the board



Andrea Jayne Davis  
Chairman of the board



Yanlin Li  
Member of the board



Arild Ingebrigtsen  
Member of the board



Karl Sebastian Inger  
Member of the board



Jürgen Heilmann  
Member of the board



Kjetil Lassen  
Member of the board



Stuart Phillips  
Member of the board



Morten Ditlev Strand  
Member of the board/General Manager



Maxime Geraudie  
Member of the board

## Cash flow statement

Abax AS

	Note	2021	2020
<b>Cash flows from operating activities</b>			
Profit/loss before tax		20 981 238	18 241 491
Ordinary depreciation		62 699 613	68 074 350
Change in inventory		-9 812 681	4 947 065
Change in accounts receivable		-90 133 283	-39 718 295
Change in accounts payable		-15 522 999	-28 064 797
Change in other accrual items		11 539 089	-16 997 148
<b>Net cash flows from operating activities</b>		<b>-20 249 023</b>	<b>6 482 667</b>
<b>Cash flows from investment activities</b>			
Payments to buy tangible and intangible assets		65 809 917	65 296 558
Payments to acquire shares		0	568 410 781
Payments to acquire other investments		5 427 153	500 000
<b>Net cash flows from investment activities</b>		<b>-71 237 070</b>	<b>-634 207 339</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term loans from group companies		125 570 580	141 862 172
Proceeds from capital raise		0	496 490 835
<b>Net cash flows from financing activities</b>		<b>125 570 580</b>	<b>638 353 007</b>
Net change in cash and cash equivalents		34 084 487	10 628 335
Cash and cash equivalents at the start of the period		32 041 383	21 413 048
<b>Cash and cash equivalents at the end of the period</b>		<b>66 125 870</b>	<b>32 041 383</b>

# ABAX AS

Financial statements 2021

Notes

## **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

Assets related to the circulation of goods and current business activities, are classified as current assets. The same applies for short term liabilities. If payable within one year of the closing of the accounts, receivables and liabilities are classified as current assets or liabilities. Current assets/short term liabilities are recorded at the lowest/highest of acquisition cost and fair value. The definition of fair value is the estimated future sales price reduced by expected sales costs. Other assets are classified as fixed assets. Fixed assets are entered in the accounts at original cost, with deductions for depreciation. In the event of a decrease in value which is not temporary, the fixed asset will be subject to a write down. These principles are correspondingly applied to liabilities. According to generally accepted accounting principles, there are exceptions from the general principles. These exceptions are commented on in the respective notes. In the application of accounting principles and presentation of transactions and other circumstances, the principle of substance over form is emphasized. Conditional losses which are probable and quantifiable, are expensed.

### **Use of estimates**

Company financial statements consist of profit or loss account, balance sheet, cash flow statement and note information. The annual accounts have been prepared in compliance with the Accounting Act and accounting principles.

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

### **Significant accounting policies**

#### **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.

#### **Mileage track and expense log for vehicles**

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

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

Moving into 2020, ABAX is transitioning from a hardware and software provider to a Software as a Service

# ABAX AS

Financial statements 2021

## Notes

organisation. ABAX will as part of its service offering retain title to its hardware, instead of selling as a stand-alone item to its customers.

### Other services

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

### Contract assets and contract liabilities

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

### Foreign currency

Transactions in foreign currency are translated using the exchange rate at the date 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 of measuring. Changes in exchange rate are recognized continuously during the accounting period under Other financial items. The presentation- and functional currency for the parent company are NOK. The presentation currency for the Group is NOK.

### Intangible assets

Expenditures related to maintenance of internally developed products and functions are recognized as an expense as incurred. Development costs that can be directly allocated to the design and testing of an identifiable and unique product and functionality that are controlled by the company, are capitalized as an intangible asset when the following criteria are met:

1. The costs must encompass development of a new product and must not show signs of maintenance and upgrading of existing products.
2. The product must be able to provide a probable economic advantage in the future
3. The product must be identifiable
4. The product must be controllable by the company
5. The product is subject to depreciation according to its definite useful life from the time of completion, and;
6. Expenses must be measured reliably

Expenses that can be definitively allocated as part of the self-developed system, include payments to employees who develops products and a proportional part of relevant joint expenses. Other development related expenses that do not meet these criteria, are expensed as incurred. Development expenses that were not initially capitalised, cannot be capitalised as an asset in any subsequent accounting periods. Capitalised self- developed systems are subject to straight line depreciation for their remaining useful life.

### Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated depreciation. Goodwill are subject to straight line depreciation for their remaining useful life.

# ABAX AS

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## **Fixed tangible assets**

Fixed assets are capitalised at the acquisition cost, less accumulated depreciation and impairment losses. If fair value of the fixed asset is lower than the book value in the balance sheet, and this is not due to temporary conditions, the asset will be written down to a value corresponding to fair value. 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 replaced, are expensed. An asset is considered permanent when its useful life exceeds 3 years and original cost exceeds NOK 15 000. Lease contracts are classified as operating leases if the risks and rewards incidental to ownership of the asset have not been substantially transferred. Lease payments under operating leases are classified as operating costs.

## **Depreciation**

Depreciation is calculated based on a straight-line method over the assets' estimated useful life. Corresponding principles are employed for intangible assets. Depreciation is classified as operating cost in the profit and loss sheet.

## **Inventory and cost of goods sold**

Inventories are valued at the lower of purchase cost (according to the FIFO principle) and fair value. Fair value is estimated sales costs less expenses for completion and sale.

## **Debtors**

Trade receivables and other receivables are initially recognised at fair value less any prospective losses. Prospective losses are calculated based on the invoiced amount multiplied by a percentage based on historical losses. Beyond this, provisions are made for substantial isolated receivables, based on assessments regarding late payment and other factors indicating the customer's difficulty in making payments.

## **Investments in subsidiaries and other shares**

Investments are recognised using the cost method in the parent company, and the shares are recognised at the acquisition cost, unless write downs have been performed. Write downs have been performed when decrease in value is due to conditions that are not temporary, and write downs are considered necessary according to generally accepted accounting principles. Write downs are reversed when the basis for the original write down is no longer prevailing.

## **Taxes**

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.

# **ABAX AS**

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## **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 AS

Financial statements 2021

Notes

## Note 2 - Segment information

	31.12.2021	31.12.2020
<b>Area of operations</b>		
Trip logs	145 956 815	141 306 088
Equipment control	18 001 934	12 056 762
Worker		7 047
Intercompany revenues	203 111 876	183 572 272
Other revenues	30 879 368	37 450 813
<b>Sum</b>	<b>397 949 993</b>	<b>374 392 983</b>
<b>Geographical area</b>		
Norway	202 042 156	196 276 754
Sweden	159 600 133	140 396 176
Denmark	4 609 060	8 071 031
Finland	9 929 015	14 801 577
Netherlands	2 577 495	5 384 257
Poland	-9 166 042	-6 303 826
UK	30 444 581	15 767 014
US	-7 947 108	0
Belgium	5 860 703	0
<b>Sum</b>	<b>397 949 993</b>	<b>374 392 983</b>

Revenues are distributed based on the customer's home country.

## Note 3 - Inventories

<b>Inventory trip log units and accessories</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Inventory trip log units and accessories	12 985 748	3 173 066	9 812 681
<i>Part of inventory value measured at acquisition cost</i>	12 985 748	3 173 066	
<i>Part of inventory measured at fair value</i>	-	-	

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## Note 4 - Salaries / Number of employees / Remuneration/ Employee loans etc

<b>Payroll and related costs 01.01 - 31.12:</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Wages	73 626 946	88 689 770
Social security tax	20 881 074	19 651 171
Pension cost	2 749 891	2 689 432
Other benefits	16 971 670	8 649 568
<b>Total payroll and related costs</b>	<b>114 229 581</b>	<b>119 679 941</b>

Average number of employees	159	164
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<b>Remuneration to executives:</b>	<b>General manager</b>	<b>Board of directors</b>
Wages	2 935 044	-
Bonus	14 000	-
Other remuneration	244 949	309 890

The CEO has no severance pay agreement. No loans to CEO have been issued.

The company is required to have an occupational pension scheme in accordance with the Norwegian Act on compulsory occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension schemes meet the requirements of the law on compulsory occupational pension.

### Audit fees

<b>The following have been recognised as audit fees and related services during the period:</b>	<b>2020</b>	<b>2021</b>
Statutory audit fee	650 000	1 033 222
Technical assistance related to preparation of financial statements and tax papers	120 000	0
Other assurance services	1 704 877	0
<b>Sum</b>	<b>2 474 877</b>	<b>1 033 222</b>

VAT is not included in the audit fee.

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### Note 5 - Intangible fixed assets

	<b>Research and development</b>	<b>Customer portfolio</b>	<b>Goodwill</b>	<b>Sum</b>
Cost at 01.01	291 464 183	54 117 818	68 131 876	<b>413 713 877</b>
Additions	<b>48 840 200</b>			48 840 200
<b>Cost at 31.12</b>	<b>340 304 383</b>	<b>54 117 818</b>	<b>68 131 876</b>	<b>462 554 077</b>
Acc. dep. 01.01	157 050 371	35 774 094	48 834 507	241 658 972
Dep. charge for the year	38 667 409	9 628 569	11 774 640	60 070 618
<b>Acc. dep. 31.12</b>	<b>195 717 780</b>	<b>45 402 663</b>	<b>60 609 147</b>	<b>301 729 590</b>
<b>Carrying amount 31.12</b>	<b>144 586 603</b>	<b>8 715 155</b>	<b>7 522 729</b>	<b>160 824 487</b>
Reduced depreciation Funding R&D projects	-2 842 915			-2 842 915
<b>Net Dep. charge for the year</b>	<b>35 824 494</b>	<b>9 628 569</b>	<b>11 774 640</b>	<b>57 227 703</b>
Useful life	3 years	Up to 10 years	Up to 10 years	
Dep. schedule	Straight Line	Straight Line	Straight Line	

Research and development consists of both internally and externally developed prototypes, software and database that is the basis for the company's operations. Total earnings are expected to generate income that exceeds the capitalised value in the balance sheet. The company is in a continual process of developing new and existing products.

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### Note 6 - Tangible assets

	<b>Fixtures and office machinery</b>	<b>Capitalised rented premises</b>	<b>Hardware boxes</b>	<b>Total</b>
Cost at 01.01	10 745 557	15 432 977	<b>9 688 330</b>	35 866 864
Additions	<b>517 615</b>		<b>16 719 767</b>	17 237 382
<b>Cost at 31.12</b>	<b>11 263 172</b>	<b>15 432 977</b>	<b>26 408 097</b>	<b>53 104 246</b>
Acc. dep. 01.01	9 689 292	7 557 614	<b>943 510</b>	18 190 416
Dep. charge for the year	602 259	1 184 452	<b>3 952 808</b>	5 739 519
<b>Acc. dep. 31.12</b>	<b>10 291 551</b>	<b>8 742 066</b>	<b>4 896 318</b>	<b>23 929 935</b>
<b>Carrying amount 31.12</b>	<b>971 621</b>	<b>6 690 911</b>	<b>21 511 779</b>	<b>29 174 311</b>
Useful life	3-5 years	Lease period	3 years	
Dep. schedule	Straight Line	Straight Line	Straight Line	
Annual rent for not capitalised assets				11 036 359
Lease period: varies from contractors that expires in 2021, to contractors that expire in 2025				

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## Note 7 - Shares in subsidiaries and other shares

Company name	Location	Share capital	Number of shares	Owner-ship / Voting rights	Carrying amount (TNOK)	EBT (TNOK)	Equity (TNOK)
ABAX Sweden AB	Västerås, Sweden	SEK 6 300 000	6 300 000	100%	882 296	7 476	822 054
ABAX Danmark A/S	Copenhagen, Denmark	DKK 500 001	500 001	100%	32 486	379	-73 194
ABAX Technology AS	Larvik, Norway	NOK 100 000	100 000	100%	2 705	1 281	6 927
ABAX Finland OY	Oulu, Finland	EUR 10 000	10 000	100%	84	1 289	-48 427
ABAX Nederland BV	Amsterdam, Netherlands	EUR 18 000	18 000	100%	12 896	694	-40 095
ABAX Performance AS	Larvik, Norway	NOK 30 000	1 000	100%	15 411	-4 514	2 510
ABAX UK Ltd	Peterborough, UK	GBP 100 000	100 000	100%	14 443	1 129	-54 539
ABAX China CO., Ltd	Nantong, China	CNY 6 450 208	400 000	100%	0	-103	-16
ABAX Poland sp.z.o.o	Gdynia, Poland	PLN 5 000	100	100%	4 806	-5	-7 684
ABAX Deutschland GmbH	Berlin, Deutschland	EUR 27 500	27 500	100%	271	-24	39
RAM Track & Trace (Netherlands) B.V	Utrecht, Netherlands	EUR 1 000	100	100%	1 792	345	-13
RAM Mobile Data (Belgium) BVBA	Diegem, Belgium	EUR 561 500	65 000	100%	54 732	833	1 990
<b>Total subsidiaries</b>					<b>1 021 922</b>	<b>8 780</b>	<b>609 552</b>

## Note 8 Tax

<b>This year's tax expense</b>	<b>2021</b>	<b>2020</b>
Entered tax on ordinary profit/loss:		
Payable tax	7 376 838	6 253 378
Changes in deferred tax	-222 670	1 225 527
<b>Tax expense on ordinary profit/loss</b>	<b>7 154 168</b>	<b>7 478 905</b>
Taxable income:		
Ordinary result before tax	20 981 238	18 241 491
Permanent differences	10 126 077	14 785 471
Changes in temporary differences	10 803 956	10 500 070
Provided intra-group contribution	-33 531 081	-28 424 445
Cut interest deduction	-8 363 538	-15 163 294
Allocation of loss to be brought forward	-60 706	0
<b>Taxable income</b>	<b>-44 055</b>	<b>-60 706</b>
Payable tax in the balance:		
Payable tax on this year's result	7 376 838	6 253 378
Payable tax on provided Group contribution	-7 376 838	-6 253 378
<b>Total payable tax in the balance</b>	<b>0</b>	<b>0</b>
Calculation of effective tax rate		
Profit before tax	20 981 238	18 241 491
Calculated tax on profit before tax	4 615 872	4 013 128
Tax effect of permanent differences	2 227 737	3 252 804
Tax effect of change in temporary difference not included in deferred tax calculation	310 559	212 973
<b>Total</b>	<b>7 154 168</b>	<b>7 478 905</b>
Effective tax rate	34,1 %	41,0 %

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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
Tangible assets	11 854 487	22 842 416	10 987 930
Accounts receivable	1 515 116	2 615 969	1 100 853
Profit and loss account	-10 785 828	-13 482 285	-2 696 457
Allocations and more	-11 518 017	-10 106 387	1 411 630
<b>Total</b>	<b>-8 934 242</b>	<b>1 869 713</b>	<b>10 803 955</b>
Accumulated loss to be brought forward	-44 055	-60 706	-16 651
Cut interest deduction	0	-8 363 538	-8 363 538
Not included in the deferred tax calculation	11 518 017	10 106 387	-1 411 630
<b>Basis for deferred tax assets</b>	<b>2 539 720</b>	<b>3 551 856</b>	<b>1 012 136</b>
<b>Deferred tax assets (22 %)</b>	<b>558 738</b>	<b>781 408</b>	<b>222 670</b>

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## Note 9 - Equity and shareholders

### Equity:

	Share capital	Share premium	Other equity	Total
<b>Equity 01.01.2021</b>	349 402 892	775 266 982	84 875 179	1 209 545 052
<b>This year's change in equity:</b>				
Profit after tax for the year			13 827 070	13 827 070
Submitted group contribution with tax effect			-24 252 774	-24 252 774
<b>Equity 31.12.2021</b>	349 402 892	775 266 982	74 449 474	1 199 119 348

### Share capital and shareholders at 31.12.:

	Number of shares	Nominal Value	Book Value on closing date
Share capital	17 918 097	19,50	349 402 892

Ownership structure / substantial shareholders:	Number of shares	Owner share	Voting share
ABAX Group AS	17 918 097	100%	100%

ABAX AS is included in the consolidated financial statements of ABAX Group AS. The Group Financial Statement can be obtained at Hamnergata 24, 3264 Larvik.

## Note 10 - Cash credit etc

Restricted cash relates to tax deductions from the employees. Total restricted cash as of 31.12.2021 is NOK 6 509 837.

## Note 11 - Other financial income and other financial expenses

Other financial income	2021	2020
Other financial income	38 656	0
Currency gains	40 499 987	20 311 190
<b>Sum</b>	<b>40 538 642</b>	<b>20 311 190</b>

Other financial expenses	2021	2020
Currency losses	34 483 327	15 658 887
Earn out	2 182 810	0
Other financial expenses	134 625	237 042
<b>Sum</b>	<b>36 800 762</b>	<b>15 895 929</b>

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## Note 12 - Intercompany balances and transactions with related parties

<b>Intercompany balances:</b>	<b>2021</b>	<b>2020</b>
<b>Trade receivables</b>		
ABAX Sweden AB	137 792 874	61 314 967
ABAX Danmark A/S	14 063 532	18 833 879
ABAX Finland Oy	13 722 613	15 219 877
ABAX Nederland B.V.	21 651 752	14 665 502
ABAX UK	37 152 574	26 977 549
ABAX Poland sp.z.o.o.	-12 797 161	0
ABAX Technology AS	45 110 273	49 115 673
ABAX Performance AS	0	10 347 587
Abax Fleetfinder	4 018 015	763 188
Ram BE	5 860 703	0
Ram NL	-2 594 925	0
Automile AS	6 865 699	0
Automile ab	12 998 388	0
Automile Inc	-7 947 108	0
<b>Sum</b>	<b>275 897 229</b>	<b>197 238 222</b>
<b>Trade payables- non-current</b>		
ABAX Danmark A/S	0	0
ABAX Netherlands B.V.	-1 540 116	-1 614 355
ABAX UK Ltd	0	0
ABAX Performance AS	-858 373	-11 310 434
ABAX Technology AS	0	-22 908 993
ABAX Poland sp.z.o.o.	-5 973 997	-6 363 692
Automile AB	-54 273	0
Ram NL	-2 265 720	0
<b>Sum</b>	<b>-10 692 479</b>	<b>-42 197 474</b>
<b>Other non-current receivable</b>		
ABAX Danmark A/S	65 970 637	64 765 161
ABAX Finland Oy	70 882 845	57 900 243
ABAX Sweden	0	1 390 802
ABAX UK Ltd	47 519 182	45 691 521
ABAX Poland sp.z.o.o.	32 406 285	17 752 165
ABAX Netherlands B.V.	31 313 226	30 656 909
ABAX Invest AS	0	1 840 604
RAM BE	3 469 821	0
ABAX Deutschland GmbH	-38 973	0
<b>Sum</b>	<b>251 523 023</b>	<b>219 997 404</b>
<b>Other current receivable</b>		
ABAX Technology AS	0	8 870 159
ABAX Performance AS	0	6 627 771
<b>Sum</b>	<b>0</b>	<b>15 497 930</b>
<b>Other current liabilities</b>		
ABAX Group AS (group contribution)	-31 093 300	-22 453 515
ABAX Performance AS (group contribution)	-1 264 791	-5 970 930

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ABAX Technology AS (group contribution)	-1 172 990	0
<b>Sum</b>	<b>-33 531 081</b>	<b>-28 424 445</b>

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### Note 12 - Intercompany balances and transactions with related parties (cont.)

#### Other non-current liabilities

ABAX Group AS	-232 900 824	-177 031 386
ABAX Invest AS	-241 846	0
ABAX Sweden AB	-198 864 823	-131 954 301
ABAX Deutschland GmbH	0	-57 560
Automile AS	-15 165 000	
Automile AB	-29 507 860	
<b>Sum</b>	<b>-476 680 353</b>	<b>-309 043 247</b>

Related party	Shareholding
ABAX Group AS	Parent company
ABAX Midco AS	Ownes 100 % of ABAX Group AS
ABAX Invest AS	Ownes 100 % of ABAX Midco AS
ABAX Sweden AB	100 % owned subsidiary
ABAX Danmark A/S	100 % owned subsidiary
ABAX Technology AS	100 % owned subsidiary
ABAX Finland Oy	100 % owned subsidiary
ABAX Netherlands B.V.	100 % owned subsidiary
ABAX Performance AS	100 % owned subsidiary
ABAX UK Ltd	100 % owned subsidiary
ABAX China Co. Ltd	100 % owned subsidiary
ABAX Poland sp.z.o.o.	100 % owned subsidiary
ABAX Deutschland GmbH	100 % owned subsidiary
Fleetfinder ApS	100 % owned by ABAX Danmark A/S
RAM Track & Trace (Netherlands) B.V	100 % owned subsidiary
RAM Mobile Data (Belgium) BVBA	100 % owned subsidiary

#### 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:

	2021	2020
Capitalised interest expense on loan from ABAX Sweden AB in NOK	5 778 688	4 034 538
Capitalised interest expense on loan from ABAX Group AS in NOK	8 769 000	5 891 794
Capitalised interest income from ABAX Danmark A/S in NOK	2 537 332	2 410 257
Capitalised interest income from ABAX Performance AS in NOK	0	254 373
Capitalised interest income from ABAX Poland AS in NOK	961 127	448 370
Capitalised interest income from ABAX Technology AS in NOK	0	279 605
Capitalised interest income from ABAX Finland OY in NOK	2 493 165	2 226 932
Capitalised interest income from ABAX Netherlands B.V. in NOK	1 204 352	1 179 225
Capitalised interest income from ABAX UK Ltd in NOK	1 827 661	1 692 126
Capitalised interest income from RAM BE in NOK	65 477	0
Capitalised interest expense on loan from ABAX Invest AS in NOK	1 577	96 668
Capitalised interest expense on loan from ABAX Deutschland in NOK	1 718	0
Capitalised interest expense on loan from Automile AB in NOK	272 860	0

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Capitalised interest expense on loan from Automile AS in NOK	165 000	0
Management fee from subsidiaries in NOK	165 658 837	159 050 332
Group contribution to subsidiaries in NOK	2 437 781	5 970 930
Group contribution to parent company in NOK	31 093 300	22 453 515
Licence fee to subsidiaries in NOK	21 393 228	18 448 248
Fee from sale of hardware to subsidiaries in NOK	37 453 039	24 521 940

### Note 13 Reclassification

Closure of business area	Signed Financial Statements 2020	Reclassified in Financial Statements 2021	Change
Accounts receivables	19 840 192	16 488 039	3 352 153
Other short-term receivables	66 154 256	69 506 408	-3 352 152
Loans from group companies	351 240 723	309 043 248	42 197 475
Trade payables	58 083 826	65 157 658	-7 073 832
Other current liabilities	39 287 708	74 411 350	-35 123 642

In 2021 the company has reclassified some balance sheet accounts to better present the use of the account. To ensure correct corresponding figures, the preceding annual accounts have been reclassified.