Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Linda Tangedal Pedersen
Dato for fastsettelse av årsregnskapet:	15.07.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert

År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

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, 31.01.2023

Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Kostnader			
Personnel expenses	2		
Other operating expenses	2	3 882 506	5 823 869
Sum kostnader		**3 882 506**	**5 823 869**
Driftsresultat		**-3 882 506**	**-5 823 869**
Finansinntekter og finanskostnader			
Income from subsidiaries	9	34 192 121	53 430 550
Renteinntekt fra foretak i samme konsern	9	6 691 017	5 800 817
Annen renteinntekt		5 730	1 032
Other financial income		-156 600	188 964
Sum finansinntekter		**40 732 268**	**59 421 363**
Rentekostnad til foretak i samme konsern	9	2 456 054	1 785 222
Annen rentekostnad		29 878 998	28 307 411
Other financial expenses		4 592 096	4 868 155
Sum finanskostnader		**36 927 148**	**34 960 788**
Netto finans		**3 805 120**	**24 460 575**
Ordinært resultat før skattekostnad		**-77 386**	**18 636 706**
Tax on ordinary result	8	-17 274	4 297 157
Ordinært resultat etter skattekostnad		**-60 112**	**14 339 549**
Årsresultat	7	**-60 112**	**14 339 549**
Årsresultat etter minoritetsinteresser		**-60 112**	**14 339 549**
Overføringer og disponeringer			
Brought forward from premium on shares	7		
Konsernbidrag	7		14 350 264
Reatined earnings	7	-60 112	-10 715
Sum overføringer og disponeringer		**-60 112**	**14 339 549**

Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8		227 373
Sum immaterielle eiendeler			**227 373**
Finansielle anleggsmidler			
Investering i datterselskap	6	1 893 724 224	1 893 724 224
Investering i annet foretak i samme konsern	6		
Lån til foretak i samme konsern	3		
Sum finansielle anleggsmidler		**1 893 724 224**	**1 893 724 224**
Sum anleggsmidler		**1 893 724 224**	**1 893 951 597**
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	3		
Other short-term receivables		1 300 000	50 000
Konsernfordringer	3	153 522 810	181 276 516
Sum fordringer		**154 822 810**	**181 326 516**
Investeringer			
Aksjer og andeler i foretak i samme konsern	6		
Bankinnskudd, kontanter og lignende			
Cash and bank deposits		535 603	118 343
Sum bankinnskudd, kontanter og lignende		**535 603**	**118 343**
Sum omløpsmidler		**155 358 413**	**181 444 859**
SUM EIENDELER		**2 049 082 637**	**2 075 396 456**

BALANSE - EGENKAPITAL OG GJELD

Balanse

Beløp i: NOK	Note	2019	2018
Egenkapital			
Innskutt egenkapital			
Share capital	5, 7	14 319 684	14 319 684
Beholdning av egne aksjer	5		
Overkurs	7	1 417 506 194	1 417 506 194
Annen innskutt egenkapital	7		
Sum innskutt egenkapital		**1 431 825 878**	**1 431 825 878**
Opptjent egenkapital			
Retained earnings	7	3 475 240	1 991 968
Sum opptjent egenkapital		**3 475 240**	**1 991 968**
Sum egenkapital	7	**1 435 301 118**	**1 433 817 846**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	3, 4		
Langsiktig konserngjeld	3	62 037 758	63 193 898
Other long term liabilities	4, 10	540 777 395	565 308 368
Utsatt skatt	8	190 666	
Sum annen langsiktig gjeld		**603 005 819**	**628 502 266**
Sum langsiktig gjeld		**603 005 819**	**628 502 266**
Kortsiktig gjeld			
Leverandørgjeld		7 544 960	3 750 000
Tax payable	8		242 675
Other current debt		3 230 741	9 083 669
Sum kortsiktig gjeld		**10 775 701**	**13 076 344**
Sum gjeld		**613 781 520**	**641 578 610**
SUM EGENKAPITAL OG GJELD		**2 049 082 638**	**2 075 396 456**

Konsernets resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4	529 960 000	543 871 000
Sum inntekter		**529 960 000**	**543 871 000**
Kostnader			
Varekostnad		74 283 000	85 831 000
Lønnskostnad	5,26	211 222 000	272 532 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	10	146 018 000	142 441 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	9	26 674 000	26 241 000
Annen driftskostnad	6	90 551 000	110 531 000
Impairment loss on trade and otjer receivables	22	9 328 000	7 593 000
losses from divestment	27	21 066 000	
Sum kostnader		**579 142 000**	**645 169 000**
Driftsresultat		**-49 182 000**	**-101 298 000**
Finansinntekter og finanskostnader			
Annen finansinntekt	7	1 375 000	6 159 000
Sum finansinntekter		**1 375 000**	**6 159 000**
Annen finanskostnad	7	43 505 000	42 668 000
Sum finanskostnader		**43 505 000**	**42 668 000**
Netto finans		**-42 130 000**	**-36 509 000**
Ordinært resultat før skattekostnad		**-91 312 000**	**-137 807 000**
Skattekostnad på ordinært resultat		-31 410 000	-29 538 000
Ordinært resultat etter skattekostnad		**-59 902 000**	**-108 269 000**
Årsresultat		**-59 902 000**	**-108 269 000**

Konsernets balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets and goodwill	10	1 976 791 000	2 110 891 000
Deferred tax assets	8	18 535 000	18 535 000
Other investments, including derivates	23	866 000	
non-current interest-bearing receivables	12	1 289 000	1 235 000
Sum immaterielle eiendeler		**1 997 481 000**	**2 130 661 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	9,20	129 337 000	103 516 000
Sum varige driftsmidler		**129 337 000**	**103 516 000**
Sum anleggsmidler		**2 126 818 000**	**2 234 177 000**
Omløpsmidler			
Varer			
Inventories	13	8 594 000	14 026 000
Current tax assets	8	5 274 000	5 932 000
Sum varer		**13 868 000**	**19 958 000**
Fordringer			
Trade and other receivables	14	140 977 000	121 496 000
Contract assets	4	102 044 000	230 657 000
Sum fordringer		**243 021 000**	**352 153 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	16	46 560 000	31 455 000
Sum bankinnskudd, kontanter og lignende		**46 560 000**	**31 455 000**
Sum omløpsmidler		**303 449 000**	**403 566 000**
SUM EIENDELER		**2 430 267 000**	**2 637 743 000**

BALANSE - EGENKAPITAL OG GJELD

Konsernets balanse

Beløp i: NOK	Note	2019	2018
Egenkapital			
Innskutt egenkapital			
Share capital	17	14 320 000	14 320 000
Share premium	17	1 417 506 000	1 417 649 000
Retained earnings	17	-304 379 000	-190 134 000
Other reserves	17	-4 674 000	-1 487 000
Sum innskutt egenkapital		**1 122 773 000**	**1 240 348 000**
Sum egenkapital		**1 122 773 000**	**1 240 348 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other non-current liabilities, not interest bearing	10	17 872 000	20 171 000
Loans and borrowings	18	636 116 000	651 997 000
Deferred tax liabilities	8	283 965 000	316 104 000
Non-current derivates	23		1 034 000
Sum annen langsiktig gjeld		**937 953 000**	**989 306 000**
Sum langsiktig gjeld		**937 953 000**	**989 306 000**
Kortsiktig gjeld			
Leverandørgjeld	19	161 426 000	145 655 000
Contract liabilities	4	100 024 000	171 622 000
Current tax liabilities	8	902 000	7 288 000
Loans and borrowings	18	107 190 000	83 524 000
Sum kortsiktig gjeld		**369 542 000**	**408 089 000**
Sum gjeld		**1 307 495 000**	**1 397 395 000**
SUM EGENKAPITAL OG GJELD		**2 430 268 000**	**2 637 743 000**

ABAX Group AS

Group financial statements 2019

DIRECTORS REPORT 2019 – ABAX Group AS

For the period 01/01/2019 – 31/12/2019

THE NATURE OF THE BUSINESS AND LOCALIZATION

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

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

The CEO of ABAX Group AS is Morten Strand

OPERATIONS IN 2019

The Group has a strong focus on growth, both domestically and internationally to build a leading international player in the telematics market. In 2019, 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.

During 2019 to allow Abax to grow its market leading position in the Nordics for electronic triplogs and related fleet management services, the decision was made to divest its Worker product portfolio. Whilst the impact to revenue in the year was a decrease of 2.6% compared to 2018, the operational and technological focus gains out-weighed the temporary decrease in revenue during the year.

ABAX's adjusted Group EBITDA more than doubled (+215%) in the financial period from 67.3 M NOK in 2018 to 144.5 M NOK in 2019. The Group's reported operating loss after depreciation and amortization, including divestment of Worker Product was NOK -49.2 million (-101.3 M NOK 2018) and loss before tax was NOK -91.3 million (-137.8 M NOK 2018).

The development teams in ABAX AS continued to be scaled up during 2019 to further exploit a wide range of market opportunities with the objective of automating and simplifying solutions for the Group´s customer segments. ABAX endeavors to ensure that their customers receive the highest quality products and services. The Group therefore continuously invests in R&D resources, with a spend of 64.4 M NOK on R&D projects in 2019. This has resulted in numerous new products and services, both for customers and for automating internal operations. In 2019 the Group continued to make large investments to digitize its processes to support future growth in the geographical footprint and increased scope of the ABAX service offering. This includes upgraded quality management system, upgraded ERP system, new business intelligence system, IT infrastructure upgrades, as well as a new HR system.

Business development and acquisitions

During 2019 the Group continued its focus on profitability and cash generation in order to lay the ground for scalability and an acceleration of growth in the future. The divestiture of its worker product and its consequent focus on the core business with releases of new product features and functionality highlights the company's commitment to consistently create value for its customers.

FUTURE DEVELOPMENT

In the coming years, the Board expects the Group to accelerate its growth in its existing markets while increasing its geographical footprint, as well as further developing the products and services to strengthen the Group's market position. Selected add-on acquisitions are considered an attractive opportunity to further accelerate this growth.

ANNUAL ACCOUNTS

Profit and loss

In FY2019, adjusted EBITDA was 144.5 M NOK, compared to 67.3 M NOK in the period ending on December 31 2018. This represents an adjusted EBITDA growth of 214.5%.

The Group revenue for 2019 was at NOK 530 million (of which sales in ABAX AS amounted for NOK 225.6 million). Operating Group loss for 2019 was at NOK – 49.2 million. Depreciation, amortization and impairment and loss on divestment accounted for NOK 193.8 million.

Balance Sheet and Liquidity

In FY2019, the Group generated NOK 15.1 million of cash compared to a net cash outflow of NOK 21.6 million in 2018. Cashflow from operating activities amounted to NOK 131.3 million at the 31 December 2019, compared to NOK 35.6 million at 31 December 2018. Cashflow from operating activities is derived from the operating result for the year, adjusted for various items as detailed in the cashflow, for both operational expenses and gains, and working capital adjustments.

The Group's cash liquidity was NOK 46.5 million per 31 December 2019. Liquidity forecasts ahead are satisfactory. The Group's ability to finance its investments is good. The Group currently has available additional facilities of 79.2 M NOK, should they be required.

In 2019, the Group invested substantial amounts in research and development, of which NOK 64.4 million was capitalized internal hours on the balance sheet.

The Group's long-term debt amounted to NOK 636 million as at 31 December 2019.

Total asset value at the end of 2019 was NOK 2 430.2 million for the Group. The equity in the Group at end of 2019 was NOK 1 122.7 million (46.1% equity ratio).

ABAX GROUP AS (NGAAP)

Financial Review

ABAX Group AS (the Company) prepares its financial statements according to NGAAP. In 2019, ABAX Group AS reported a net loss before tax of NOK -77.4 K.

Total equity for the parent Company was NOK 1,435.3 million at 31 December 2019 compared to NOK 1,433.8 at 31 December 2018.

Organization

ABAX Group AS had no employees at the end of 2019.

RISK FACTORS

Financial risk

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

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

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

The Group is also exposed to changes in interest rates, since the Group's debt has floating interest rates. Furthermore, changes in interest rates affect investment opportunities in the future.

Credit risk

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

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

Liquidity risk

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

GOING CONCERN

The Board of Directors confirms that the Financial Statements have been prepared under the assumption that the Group is a going concern and that this assumption was realistic at the date of the accounts. This assumption is based on profit forecasts for the year 2019 plus ABAX's long-term strategic plans. We can therefore conclude that ABAX is in a healthy financial position.

WORKING ENVIRONMENT AND PERSONNEL

In 2019 sick leaves accounted for just below 4,56% of total working hours at ABAX Group and 4,24% for Abax AS. This is significantly less than the national average in Norway of 6,6% (Q1 2019). 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. ABAX's internal policies ensures that there is no gender discrimination in matters such as salary, promotion and recruitment.

Out of ABAX's 310 employees December 2019, 93 employees are women. There are 10 women in senior positions. There is one woman in the corporate management team.

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

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

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

DISCRIMINATION

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

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

EXTERNAL ENVIRONMENT

ABAX emphasizes environmental and resource efficiency throughout its value chain. ABAX's 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 Group is located in a modern, environmentally friendly building, and office operations have no greater environmental impact than what is considered normal for typical office activities. The management works diligently to reduce CO_2 emissions from transport associated with products and employees. ABAX' environmental management system is certified according to ISO 14001.

ENVIRONMENTAL REPORTING

ABAX business is not regulated by licenses or restrictions.

SUBSEQUENT EVENTS

The Abax Group has successfully raised a Nordic Bond in June 2020. The Bond will replace the current long-term loan and credit facilities.

During the first half of 2020 we have seen a big challenge to all parts of the world due to COVID-19. In the short-term (first three to four weeks), we experienced like most firms across our industry and the globe, a decrease in new to new sales. We have throughout the pandemic continued to upsell and cross sell to our existing base of 252,000 subscriptions, which reflects the strength of our subscription base. As for the long-term effects, we will have to see what the wider effects on business across the globe will be, but ABAX has a very strong subscription base, and a lot of data, and the skilled personnel and leadership to be able to weather this pandemic.

Larvik, July 15th, 2020

Andrea Davis
Chairman

Yanlin Li
Board member

Morten Strand
Board member/CEO

Juergen Heilmann
Board member

Bjørn Erik B. Helgeland
Board member

Petter Quinsgaard
Board member

ABAX Group AS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in NOK thousand	Note	01.01.19 -31.12.19	01.01.18 -31.12.18
REVENUE	*4*	529,960	543,871
OPERATING EXPENSES			
Cost of hardware and services		74,283	85,831
Employee benefit expenses	*5, 26*	211,222	272,532
Other operating expenses	*6*	90,551	110,531
Impairment loss on trade and other receivables	*22*	9,328	7,593
Depreciation	*9*	26,674	26,241
Amortisation	*10*	146,018	142,441
Losses from divestment	*27*	21,066	-
OPERATING LOSS		**(49,182)**	**(101,298)**
FINANCIAL ITEMS			
Finance income	*7*	1,375	6,159
Finance expenses	*7*	(43,505)	(42,668)
TOTAL NET FINANCIAL ITEMS		**(42,130)**	**(36,509)**
LOSS BEFORE TAX		**(91,312)**	**(137,807)**
Income tax income	*8*	31,410	29,538
LOSS FOR THE PERIOD		**(59,903)**	**(108,269)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.19 -31.12.19	01.01.18 -31.12.18
Profit/loss (-) for the period	**(59,903)**	**(108,269)**
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS		
Foreign currency translation differences	(3,187)	(7,938)
TOTAL ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	**(3,187)**	**(7,938)**
OTHER COMPREHENSIVE INCOME, NET OF TAX	**(3,187)**	**(7,938)**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(63,090)**	**(116,208)**

The notes on page 8 to 41 are an integral part of these financial statements.

ABAX Group AS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	Note	31/12/2019	31/12/2018
NON-CURRENT ASSETS			
Property, plant and equipment	*9, 20*	129,337	103,516
Intangible assets and goodwill	*10*	1,976,791	2,110,891
Deferred tax assets	*8*	18,535	18,535
Other investments, including derivatives	*23*	866	-
Non-current interest-bearing receivables	*12*	1,289	1,235
TOTAL NON-CURRENT ASSETS		**2,126,819**	**2,234,177**
CURRENT ASSETS			
Inventories	*13*	8,594	14,026
Current tax assets	*8*	5,274	5,932
Trade and other receivables	*14*	140,977	121,496
Contract assets	*4*	102,044	230,657
Cash and cash equivalents	*16*	46,560	31,455
TOTAL CURRENT ASSETS		**303,449**	**403,566**
TOTAL ASSETS		**2,430,268**	**2,637,743**
EQUITY			
Share capital	*17*	14,320	14,320
Share premium	*17*	1,417,506	1,417,649
Retained earnings	*17*	(304,379)	(190,134)
Other reserves	*17*	(4,674)	(1,487)
TOTAL EQUITY		**1,122,773**	**1,240,348**
CURRENT LIABILITIES			
Trade and other payables	*19*	161,426	145,655
Contract liabilities	*4*	100,024	171,622
Current tax liabilities	*8*	902	7,288
Loans and borrowings	*18*	107,190	83,524
TOTAL CURRENT LIABILITIES		**369,542**	**408,089**
NON-CURRENT LIABILITIES			
Loans and borrowings	*18*	636,116	651,997
Deferred tax liabilities	*8*	283,965	316,104
Non-current derivatives	*23*	-	1,034
Other non-current liablitities, not interest bearing	*10*	17,872	20,171
TOTAL NON-CURRENT LIABILITIES		**937,952**	**989,305**
TOTAL LIABILITIES		**1,307,495**	**1,397,394**
TOTAL EQUITY AND LIABILITIES		**2,430,268**	**2,637,743**

Larvik, 15 July 2020

Andrea Davis
Chairman of the Board

Morten Strand
Board member/CEO

Yanlin Li
Board member

Bjørn Erik Brandsæter Helgeland
Board member

Jürgen Heilman
Board member

Petter Quinsgaard
Board member

The notes on page 8 to 41 are an integral part of these financial statements.

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ABAX Group AS

STATEMENT OF CHANGES IN EQUITY

Year 2018		Attributable to shareholders of ABAX Group AS					
Amounts in NOK thousand	**Note**	**Share capital**	**Share premium**	**Total paid-in capital**	**Retained earnings**	**Translation reserve**	**Total equity**
Ingoing balance 1 January 2018		**14,320**	**1,417,649**	**1,431,969**	**(74,012)**	**6,452**	**1,364,409**
Total comprehensive income for the period 01.01.18 - 31.12.18							
Loss for the period					(108,269)		**-108,269**
Other comprehensive income for the period						(7,938)	**-7,938**
					(108,269)	(7,938)	**(116,208)**
Transactions with owners of the Company							
Initial share capital upon incorporation	17						-
Capital decrease	17						-
Group contribution to ABAX MidCo AS	17				(7,853)		**(7,853)**
		-	-	-	(7,853)	-	**(7,853)**
Balance as of 31 December 2018		**14,320**	**1,417,649**	**1,431,969**	**(190,134)**	**(1,487)**	**1,240,348**

Year 2019		Attributable to shareholders of ABAX Group AS					
Amounts in NOK thousand	**Note**	**Share capital**	**Share premium**	**Total paid-in capital**	**Retained earnings**	**Translation reserve**	**Total equity**
Ingoing balance 1 January 2019 as previously reported	17	**14,320**	**1,417,649**	**1,431,969**	**(190,134)**	**(1,487)**	**1,240,348**
Impact of correction of errors		-	-	**0**	(41,543)		**(41,543)**
Restated balance at 1 January 2019		14,320	1,417,649	1,431,969	(231,677)	(1,487)	**1,198,805**
Total comprehensive income for the period 01.01.19 - 31.12.19							
Loss for the period					(59,903)		**(59,903)**
Other comprehensive income for the period						(3,187)	**(3,187)**
					(59,903)	(3,187)	**(63,090)**
Transactions with owners of the Company							
Capital decrease	17						-
Group contribution from ABAX Invest AS					1,408		**1,408**
Group contribution to ABAX Midco AS					(14,350)		**(14,350)**
Reclassification	17		(143)	(143)	143		-
		-	(143)	(143)	(12,799)	-	**(12,942)**
Balance as of 31 December 2019		**14,320**	**1,417,506**	**1,431,826**	**(304,379)**	**(4,674)**	**1,122,773**

During 2019 a prior period error of NOK 41.5m was identified. The error is a result of a large number of small differences identified in a detailed review of the subscription base. The accumulated effect has not been possible to accurately allocate back to prior years.
The error was considered to be material for the income statement for FY 2019. Consequently, a correction of 1 January 2019 equity opening balance has been made.

The notes on page 8 to 41 are an integral part of these financial statements.

ABAX Group AS

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in NOK thousand	Note	01.01.19 -31.12.19	01.01.18 -31.12.18
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for period		(59,903)	(108,269)
Adjustments for:			
- Depreciation	*9*	26,674	26,241
- Amortization	*10*	146,018	142,441
- Loss on sales of intangible assets	*10.27*	21,066	0
- Net finance costs	*7*	42,130	36,509
- Operational financing from Group companies	*18*		6,329
- Tax expense	*8*	(31,410)	(29,538)
Cash inflows before changes in working capital, interest and tax		**144,575**	**73,713**
Changes in:			
- Inventories	*13*	5,432	(106)
- Trade and other receivables	*14*	15,266	5,797
- Trade and other payables	*19*	1,674	(14,669)
- Contract assets/liabilities	*4*	13,969	(1,184)
- Other movements		(3,073)	257
Cash outflows before interest and tax		**177,844**	**63,809**
Interest paid		(40,792)	(22,212)
Income taxes paid	*8*	(5,728)	(5,900)
NET CASH USED IN OPERATING ACTIVITIES		**131,324**	**35,697**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property plant and equipment, and intangible assets	*9, 10*	(64,329)	(68,195)
Acquisition of Abax Poland (net of cash aquired)		-	(1,400)
Proceeds from sale of property, plant and equipment	*9, 10*	50	
Proceeds from sale of intangible assets	*9, 10*	17,376	
NET CASH USED IN INVESTING ACTIVITIES		**(46,902)**	**(69,595)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	
Proceeds from loans from group companies	*18*		
Proceeds from loans and borrowings	*18*		45,000
Repayment of short term debt	*18*	(12,500)	
Repayment of borrowings	*18*	(33,829)	(6,500)
Payment of lease liabilities	*20*	(22,986)	(26,236)
NET CASH FROM FINANCING ACTIVITIES		**(69,315)**	**12,264**
Currency effect of cash and cash equivalents			
NET INCREASE/DECRESE (-) IN CASH AND CASH-EQUIVALENTS		15,106	(21,634)
Cash and cash-equivalents at 1 January		31,455	53,089
CASH AND CASH-EQUIVALENTS AT 31 DECEMBER		**46,560**	**31,455**

The notes on page 19 to 41 are an integral part of these financial statements

Note 1 General information

ABAX Group AS ("the Company") and its subsidiaries (together "the Group") has its headquarters and registered office at Hammergata 24, 3264 Larvik, Norway.

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

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

As of the end of June 2019 we divested the Worker product.

The financial statements have been prepared by the Management Board and authorised for issue on 15 July 2020. The financial statements will be submitted for approval to on the General Meeting on 14 August 2020.

Note 2 Significant accounting policies

Basis of preparation

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

Statement of compliance

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

Functional and presentation currency

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

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

Basis of consolidation

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

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

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

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

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated by using the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities measured at fair value denominated in foreign currency are translated to the exchange rate at the time fair value was determined. The effects of changes in exchange rate are generally recognized in profit and loss as 'Other financial items', except for gains and losses that arise from intercompany receivables that form part of net investment in subsidiaries which are recognised in 'Other comprehensive income'. No intercompany receivables are considered as part of net investment as of 31 December 2019.

Foreign operations

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

- Assets and liabilities, including any goodwill and fair value adjustments arising on acquisition, are translated into NOK at the exchange rates at the reporting date; and
- Results are translated based on the average exchange rate on a monthly basis.

- Foreign exchange differences arising from this translation are recognised in other comprehensive income, and presented as a separate component in equity.

Exchange differences arising from the translation of the net investment in foreign operations are included in other comprehensive income as a translation reserve. These translation differences are reclassified to the income statement upon disposal or liquidation of the related operations. No intercompany receivables are considered as part of net investment as of 31 December 2019.

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

Business combinations

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

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

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

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

Fair value measurement

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

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

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

Level 1: quoted prices in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices that are directly or indirectly observable
Level 3: inputs that are not based on observable market data

Revenue

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

The group principally generates revenue from providing vehicle-tracking systems for vans, digital mileage claim for cars, protection technology for equipment and tools, as well as project management software. By the end of June 2019 Abax has divested the Worker product. Products and services may be sold separately or in bundled packages. The typical length of a contract is 36 months. No significant financing component exists within the customer contracts.

For bundled packages, the Group accounts as performance obligations each promise to transfer to the customer either products and services that are distinct, or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. A product or service is distinct from other items in the bundled package and if a customer can benefit from it either on its own or together with other resources that are readily available to the customer. The consideration is allocated between performance obligations in a bundle based on their stand-alone selling prices.

Description of main revenues streams and performance obligations:

ABAX Trip logs and Equipment control

These contracts generally consist of two performance obligations – hardware and service. The Group recognises revenue for the hardware when the customer obtains control of the hardware, typically when a customer takes possession of the device. Revenues for services (series of distinct services) are recognized as the services are provided over the contract period. Observable stand-alone prices can be obtained for the hardware. The service element may include a wide range of services, sold in packages to different customers for a broad range of amounts. The Group consider that the selling price is highly variable because a representative stand-alone selling price is not discernible from past transactions or other observable evidence. As a result, revenues for hardware are based on observable market price while allocation of revenues to the service element is calculated by use of the residual method. The residual method is considered to provide a faithful depiction of the transfer of services satisfied over time. For trip logs and equipment control, customers usually pay yearly up-front in equal fixed instalments over a period of 36 months according to original customer contracts.

ABAX Worker

Worker contracts generally consist of two performance obligations – day-one access to HSE/QA material (right to IP) which is considered to have distinct value to the customers on a stand alone basis, and the digital project management service. The Group recognises revenue for the HSE/QA material when a customer gains access to these materials, typically upon entering the contract. Revenues for services (series of distinct services) are recognized as the services are provided over the contract period. Observable stand-alone prices can be obtained for the HSE/QA material. The service element may include a wide range of services, sold in packages to different customers for a broad range of amounts. The Group consider that the selling price is highly variable because a representative stand-alone selling price is not discernible from past transactions or other observable evidence. As a result, revenues for HSE/QA material are based on observable market price while allocation of revenues to the service element is calculated by use of the residual method. For Worker, customers usually pay yearly in equal instalments over a period of 36 months. The Worker product was divested June 2019.

Employee benefits

Short term employee benefits

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

Defined contribution plans

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

Financial income and finance cost

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

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

Taxes

Income tax

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

Current tax

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

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

Deferred tax

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

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

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that

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

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

Inventories

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

Property plant and equipment

Recognition and measurement

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

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

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

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

Depreciation

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

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

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

Right of Use assets recognised under IFRS 16 have the following estimated useful lives, though these are never longer than the estimated lease term:

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

Leases (As a lessee)

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

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

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

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

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily
When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.
The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

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

Intangible assets and goodwill

Recognition and measurement

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

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

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

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

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

Amortisation

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

The amortisation of other intangible assets is recorded on a straight-line basis over the estimated useful lives as follows:
- Development of telematic solutions: 3-10 years;
- Purchased customer portfolios: 10 - 15 years.

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

Financial instruments

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

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

Impairment

Non-derivative financial assets

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

Objective evidence that financial assets are impaired includes:
default or delinquency by a debtor;
indications that a debtor or issuer will enter bankruptcy;
adverse changes in the payment status of borrowers or issuers;

Financial assets measured at amortised cost
The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then

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

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. The process of write offs is enforced when the debt is more than 90 days past due and at least 3 reminders are issued in addition to the debtor being considered insolvent by the debt collector. The debt collections agency will still have the debtor on surveillance and will, in case of financial improvement, enforce payment of the debt. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Non-financial assets

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

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

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

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

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

Provisions

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

Adoption of new and revised reporting standards and interpretations

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

Note 3 Significant accounting estimates and judgements

Critical judgements in applying accounting policies

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

Note 2 and 4 - Revenue recognition: the number of performance obligations in a contract with a customer and the methodology to allocate transaction price when there is more than one performance obligation

Key sources of estimation uncertainty

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

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

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

Note 4 Revenue

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

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

Amounts in NOK thousand	01.01.19-31.12.19	01.01.18-31.12.18
Primary geographical markets		
Norway	225,608	233,141
Sweden	194,188	192,954
Finland	37,488	36,469
Denmark	20,195	29,233
UK	35,262	37,449
Other	17,219	14,624
Total revenue	**529,960**	**543,871**
Major products/service lines		
Trip logs	491,413	496,572
Equipment control	34,149	21,937
Worker	4,398	25,362
Total revenue	**529,960**	**543,871**
Timing of revenue recognition		
Products transferred at a point in time	121,738	133,665
Products and services transferred over time	408,222	410,206
Total revenue	**529,960**	**543,871**

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

Amounts in NOK thousand	31/12/2019	31/12/2018
Receivables, which are included in "Trade and other receivables"	60,672	71,712
Contract assets	102,044	230,657
Contract liabilities	100,024	171,622

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

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

	01.01.18.31.12.18	
Amounts in NOK thousand	Contract assets	Contract liabilities
Balance at 1 January	198,719	140,868
Decrease due to cash received, excluding amounts recognised as revenue during the period	31,938	30,753
Balance as at 31 December	**230,657**	**171,621**

[1)] Refer to Note 26 Business combinations

	01.01.19.31.12.19	
Amounts in NOK thousand	Contract assets	Contract liabilities
Balance at 1 January	230,657	171,622
Decrease due to cash received, excluding amounts recognised as revenue during the period	(128,613)	(71,598)
Balance as at 31 December	**102,044**	**100,024**

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

Reporting date 31 December 2018

Amounts in NOK thousand	2019	2020	2021	2022	2023	2024->	Total
Trip logs	343,770	176,001	78,980	9,274	907	264	609,197
Equipment control	15,314	9,044	5,631	622	23	3	30,638
Worker	15,517	12,295	3,162	154	-	-	31,129
Total future revenue	**374,602**	**197,340**	**87,773**	**10,051**	**930**	**268**	**670,963**

Reporting date 31 December 2019

Amounts in NOK thousand	2020	2021	2022	2023	2024	2025->	Total
Trip logs	370,267	157,528	65,064	11,227	953	157	605,196
Equipment control	27,098	13,259	6,874	1,418	245	95	48,990
Worker	-	-	-	-	-	-	-
Total future revenue	**397,365**	**170,786**	**71,939**	**12,645**	**1,199**	**252**	**654,186**

No consideration from contracts with customers is excluded from the amounts above. There are no capitalised costs relating to obtaining contracts or fulfilling contracts as at 31 December 2019 or 31 December 2018.

Note 5 Employee benefit expenses

Amounts in NOK thousand	01.01.19 - 31.12.19	01.01.18 - 31.12.18
Salaries and holiday pay	213,563	250,184
Social security tax	31,059	31,823
Pension cost including social security tax	5,336	6,607
Other personnel costs and benefits	1,836	3,628
Total	**251,794**	**292,242**
Restructuring cost salaries	-	21,621
Own work captalised	(40,572)	(41,331)
Total Employee benefit expenses	**211,222**	**272,532**
Number of full-time equivalent in ABAX Group AS	310	408

Pension plans
Norwegian companies are required to have occupational pension schemes according to the law on compulsory occupational pension. The Group's pension agreement is a defined contribution plan for all employees, also including those employed outside of Norway. The pension cost of the year was NOK 5,3 million including social security tax, and is equal to the group's contribution to the employee's pension savings during the financial year.

Management remuneration

The Group's CEO, Morten Strand, is employed by ABAX AS, subsidiary of ABAX Group AS. Remuneration disclosed below includes the cost charged the group for Morten Strand in 2019. Comparable numbers in 2018 was including both Morten Strand and previous CEO part of the year, Petter Quinsgaard.

Amounts in NOK thousand	2019	2018
Salaries and holiday pay	2,417	2,831
Bonus payments	-	-
Other benefits	-	144
Pension cost	26	30

The CEO is part of the standard employee pension and insurance plan applicable to all employees in the Group.
There is no established bonus-program for the CEO, with bonuses paid to management during the year being determined by the Board of Directors.
For 2018 the former CEO had a severance pay equal to 7 months basic salary and car allowance, totalling an amount of gross NOK 1.540.000. There have not been established any severance agreement with the current CEO. The current CEO has no loans from the Group.

In 2019 there was no compensation to the board members. None of the members of the Board received compensation from any other company within the Group, except for the employee representatives. None of the members of the Board of Directors has loans to or from the Group.

Loans and guarantees to employees
Employees were given the opportunity to receive a loan in order to invest in shares in ABAX Invest AS (ultimate norwegian parent company) at market value by the time of the ABAX Group AS formation in 2017. ABAX Invest AS has given the employees the opportunity to invest in previous years and some of the employees has financed the shares with loan. The loans are issued from the company where the employee works, and are on ordinary market terms and conditions. Outstanding debt from employees related to this is NOK 1,0 million at 31 December 2019. Besides this there are no other loans, prepayments, credits or guarantees from the company to board members, CEO or other employees within the Group.

Note 6 | Other operating expenses

The operating cost is split into each main groups:

Amounts in NOK thousand	01.01.19-31.12.19	01.01.18-31.12.18
IT licences, equipment and cost	26,710	30,088
Consultancy and other professional fees	33,259	30,376
Travel and vehicle costs	15,251	20,767
Marketing and sponsorships	11,468	17,817
Other operational cost	3,863	11,484
Total operating expenses	**90,551**	**110,531**

Audit fees and fees for audit related services incurred by the group during 2019 and 2018 are summarized in the table below. Fees include both Norwegian and foreign subsidiaries. Fees to auditors are reported exclusive of VAT.

Amounts in NOK thousand	01.01.19-31.12.19	01.01.18-31.12.18
Statutory audit fee	2,416	2,108
Technical assistance related to preparation of financial statements and tax papers	88	2,335
Other assurance services	800	1,760
Total audit fees	**3,304**	**6,203**

Note 7 | Finance income and expenses

Amounts in NOK thousand	01.01.19-31.12.19	01.01.18-31.12.18
Interest income		
Cash and cash equivalents	140	150
Other finance income		
Other interest income	742	739
Net foreign exchange gains (loss)	494	5,270
Total finance income	**1,375**	**6,159**
Financial liabilities measured at FVTPL:		
Change in fair value of interest rate swap	1,900	775
Finance cost - other		
Financial liabilities measured at amortised cost - interest expense	(33,391)	(29,098)
Other interest expenses	(3,477)	(491)
Interest on lease liabilities	(3,020)	(4,559)
Other finance expenses	(5,517)	(9,295)
Total finance expenses	**(43,505)**	**(42,668)**
Net finance income (expense) recognised in profit and loss	**(42,130)**	**(36,509)**

Note 8 Income tax

Amounts in NOK thousand	31/12/2019	31/12/2018
Profit before tax	(91,312)	(137,807)
Current taxes	1,178	12,280
Deferred taxes	(32,588)	(41,818)
Income tax	**(31,410)**	**(29,538)**

Effective tax rate
The table below reconciles the reported income tax expense to the expected income tax expense according to the Norwegian corporate income tax rate of 22% in 2019 and 23% in 2018. It also discloses the main elements of the tax expense. Selected line items are commented below the table.

	%	01.01.19 - 31.12.19	%	01.01.18 - 31.12.18
Profit / loss (-) before tax		(91,312)		(137,807)
Income tax income / expense (-) at corporate income tax rate in Norway[1)]	22%	20,089	23%	31,696
Tax effects of:				
Effect of differing tax rates in foreign jurisdictions	0.0 %	-	0.1 %	150
Non-deductable expenses	11.2 %	10,207	-1.1 %	(1,520)
Current-year losses for which no deferred tax asset is recognised	0.8 %	760	-10.1 %	(13,923)
Changes in tax rates[2)]	0.0 %	-	9.7 %	13,359
Previous year tax adjustment	0.4 %	354	-0.2 %	(223)
Total taxes	**34.4 %**	**31,410**	**21.4 %**	**29,538**

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

2) The effect mainly relates to reduction in the Norwegian tax rate to 22 % in 2019 and 23% in 2018.

Deferred tax assets and deferred tax liabilities (-)	31/12/2019	31/12/2018
Property, plant, equipment and intangible assets	(269,922)	(342,682)
Accounts receivable	(886)	1,238
Provisions	(18,601)	22,637
Other differences	5,447	5,527
Tax losses to carry forward	44,801	45,380
Deferred tax assets (liabilities)	**(239,161)**	**(267,900)**
Unrecognised deferred tax assets relating to tax losses carried forward	(26,269)	(29,669)
Net deferred tax assets (liabilities) recognised	**(265,430)**	**(297,570)**

Change in net deferred tax assets and deferred tax liabilities (-)	31/12/2019	31/12/2018
Balance at 1 January	(297,570)	(342,426)
Balance acquired through purchase transaction[1)]	-	-
Recognised in profit and loss during the year	32,588	41,818
Foreign currency exchange differences	(448)	3,038
31 December	**(265,430)**	**(297,570)**

1) Refer to Note 26 Business combinations

Deferred taxes	31/12/2019	31/12/2018
Deferred tax asset	18,535	18,535
Deferred tax liabilities	(283,965)	(316,105)
Net deferred tax assets (liabilities)	**(265,430)**	**(297,570)**

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Tax losses carried forward

Tax losses carried forward in selected countries expire as follows as of 31 December 2019:

Amounts in NOK thousand	Netherlands	Denmark	Finland	UK	Other	Total
Never expire	8,996	8,969	10,781	10,855	5,201	44,804
Total tax loss carried forward	**8,996**	**8,969**	**10,781**	**10,855**	**5,201**	**44,804**
Unrecognized deferred tax assets	(5,712)	-	(10,781)	(4,574)	(5,201)	(26,268)
Tax losses recognised	**3,284**	**8,969**	**-**	**6,282**	**-**	**18,535**

Tax losses carried forward in selected countries expire as follows as of 31 December 2018:

Amounts in NOK thousand	Netherlands	Denmark	Finland	UK	Other	Total
Never expire	12,025	11,450	11,117	11,013	2,599	48,204
Total tax loss carried forward	**12,025**	**11,450**	**11,117**	**11,013**	**2,599**	**48,204**
Unrecognized deferred tax assets	(9,665)	-	(11,117)	(6,288)	(2,599)	(29,669)
Tax losses recognised	**2,360**	**11,450**	**-**	**4,725**	**-**	**18,535**

In 2019 and 2018, selected ABAX subsidiaries have achieved its planned profitability; therefore, management continues to consider it probable that future taxable profits would be available against which the tax losses can be recovered and, therefore, the related deferred tax asset can be realised.

Note 9 | Property, plant and equipment

	Owned	Right of use			
Amounts in NOK thousand	**Fixtures and office machinery**	**Land and buildings**	**Fixtures and office machinery**	**Motor vehicles**	**Total**
Historical cost					
Balance as of 1 January 2018	13,988	78,238	18,592	8,589	**119,405**
Additions [1]	2,265	4,996	8,145	10,749	**26,155**
Disposals	(838)	(1,980)			**(2,818)**
Currency translation	7	(159)	(8)	(101)	**(261)**
Balance as of 31 December 2018	**15,423**	**81,095**	**26,729**	**19,237**	**142,482**
Accumulated depreciation and impairment					
Balance as of 01.01.18	(1,111)	(5,421)	(3,691)	(2,312)	**(12,535)**
Depreciation for the period	(3,157)	(9,809)	(8,000)	(5,275)	**(26,241)**
Accumulated depreciations as at 31 December 2018	**(4,268)**	**(15,230)**	**(11,691)**	**(7,587)**	**(38,776)**
Currency translation	(52)	(77)	(1)	(61)	**(192)**
Balance as of 31 December 2018	**11,103**	**65,788**	**15,036**	**11,590**	**103,516**
Useful life	3 - 5 years	5 - 15 years	3 - 5 years	3 - 5 years	
Depreciation plan	Straight line	Straight line	Straight line	Straight line	

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

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Amounts in NOK thousand	Owned: Fixtures and office machinery	Right of use: Land and buildings	Right of use: Fixtures and office machinery	Right of use: Motor vehicles	Total
Historical cost					
Balance as of 1 January 2019	15,423	81,095	26,729	19,237	**142,483**
Additions [1]	3,466	102,779	7,474	2,579	**116,298**
Disposals and balance changes	(983)	(60,055)	(858)	(2,576)	**(64,473)**
Currency translation	152	(27)	(5)	(125)	**(5)**
Balance as of 31 December 2019	**18,058**	**123,792**	**33,339**	**19,115**	**194,304**
Accumulated depreciation and impairment					
Balance as of 01.01.19	(4,320)	(15,307)	(11,692)	(7,648)	**(38,967)**
Depreciation for the period	(3,802)	(9,791)	(8,013)	(5,068)	**(26,674)**
Disposals and balance changes	615	-	-	-	**615**
Accumulated depreciations as at 31 December 2019	**(7,507)**	**(25,098)**	**(19,705)**	**(12,716)**	**(65,026)**
Currency translation	59	-	(4)	5	**60**
Balance as of 31 December 2019	**10,609**	**98,694**	**13,630**	**6,404**	**129,337**
Useful life	3 - 5 years	5 - 15 years	3 - 5 years	3 - 5 years	
Depreciation plan	Straight line	Straight line	Straight line	Straight line	

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

Commitments

The Group has no commitments to fulfil contracts of which is not recorded in the statement of financial position as of 31 December 2019 and 31 December 2018.

Assets pledged as security

See note 18 for information.

Note 10 | Intangible assets and goodwill

Amounts in NOK thousand	Brand name	Goodwill	Development of telematic solutions	Customer portfolio	Total
Historical cost					
Balance as of 1 January 2018	**18,820**	**451,337**	**747,818**	**1,048,281**	**2,266,256**
Additions			66,126		**66,126**
Reclassifications		1,843	-	(1,843)	-
Currency translation		1,367	60	(473)	**955**
Balance as of 31 December 2018	**18,820**	**454,547**	**814,004**	**1,045,966**	**2,333,336**
Accumulated depreciation and impairment					
Balance as of 1 January 2018					
Amortisation for the period			(33,928)	(44,349)	(78,277)
Government grants cost reduction			(60,589)	(81,852)	(142,441)
Currency translation			55	(684)	(630)
Accumulated depreciations as at 31 December 2018	**-**	**-**	**(95,560)**	**(126,885)**	**(222,445)**
Balance as of 31 December 2018	**18,820**	**454,547**	**718,444**	**919,081**	**2,110,891**
Useful life	Indefinite	Indefinite	3 - 15 years	15 years	
Amortisation	None	None	Straight line	Straight line	

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Amounts in NOK thousand	Brand name	Goodwill	Develop-ment of telematic solutions	Customer portfolio	Total
Historical cost					
Balance as of 1 January 2019	18,820	454,547	814,004	1,045,966	2,333,336
Additions			61,010	-	61,010
Disposals			(59,905)	-	-59,905
Currency translation		(1,137)		(605)	-1,742
Balance as of 31 December 2019	18,820	453,410	815,109	1,045,361	2,332,698
Accumulated depreciation and impairment					
Balance as of 1 January 2019	-	-	(95,560)	(126,885)	(222,445)
Amortisation for the period			(63,646)	(82,372)	(146,018)
Government grants cost reductions			(1,414)		(1,414)
Disposals			13,773		13,773
Currency translation			-	197	197
Accumulated depreciations as at 31 December 2019	-	-	(146,847)	(209,060)	(355,907)
Balance as of 31 December 2019	18,820	453,410	668,261	836,300	1,976,791

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

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

Research and development costs
During 2019, NOK 64,4 million has been capitalised related to development activities. In addition, research and development cost of NOK 22,0 million were expensed during the year as the criteria for capitalisation is not met. During 2018, NOK 41,3 million was capitalised related to development activities. In addition, research and development cost of NOK 7,92 million were expensed during the year as the criteria for capitalisation was not met.

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

Changes in government grant:

	Develop- ment of telematic solutions	Total
Remaining grant acquired in business combination as at 01.01.18	13,777	13,777
New government grants during the period	5,996	5,996
Reduction of grant liability in the period recognised in profit or loss	(1,098)	(1,098)
Net government grant liability as at 31 December	18,675	18,675

	Develop- ment of telematic solutions	Total
Remaining grant acquired in business combination as at 01.01.19	18,675	18,675
New government grants during the period	8,301	8,301
Reduction of grant liability in the period recognised in profit or loss	(1,414)	(1,414)
Recognised due to sale intangibles	(7,690)	(7,690)
Net government grant liability as at 31 December	17,872	17,872

Note 11 | Impairment testing of goodwill and brandname

Goodwill originates from the purchase of ABAX Holding AS (later merged with ABAX AS) in 2017 and other minor acquisitions. For the purpose of impairment testing, goodwill has been allocated to the group's single cash generating unit ('CGU'), being the ABAX business.

Amounts in NOK thousand	2019	2018
ABAX	472,230	473,366
Total goodwill and brandname	**472,230**	**473,366**

Impairment test ABAX

Impairment testing is based on value-in-use calculations, determined by discounting the estimated future cash flows to be generated by the CGU. The recoverable amount of the CGU was determined to be higher than it's carrying amount per date of testing.

Management has made cash flow projections based on budget and strategic forecast for the periods 2020-2024. Beyond the explicit forecast period of five years, the cash flows are extrapolated using a constant growth rate.

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

In percentage	2019	2018
Discount rate pre-tax	7.4 %	6.8 %
Discount rate post-tax	7.6 %	7.2 %
Average EBITDA growth rate	22.0 %	21.0 %
Terminal value growth rate	3.0 %	3.0 %

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

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

The cash flow projections included specific estimates for five years and a **terminal value growth rate** thereafter. The terminal growth rate was determined based on management's estimates of the long-term annual compound EBITDA growth rate of approx. 2 % inflation and 1 % growth above inflation into the forseable future.

Discount rate used are post-tax and reflect specific risks relating to the CGU, calculated as the weighted average cost of capital (WACC). The risk free interest rates used in the discount rates are based on the norwegian 10 year state treasury bond rate at the time of the impairment testing. Optimal debt leverage is estimated for the CGU as a whole. The discount rates are further adjusted to reflect any additional short to medium term market risk considering current industry conditions.

CAPEX is based on the assumptions that the groups R&D department will require approx. 60 MNOK each year for development of new products and features.

Sensitivity to changes in assumptions
Impairment test of goodwill is performed on an annual basis or when there are indicators of impairment. No impairment loss were recognised during 2019, as the recoverable amounts are higher than the carrying amounts based on the value-in-use analysis.

Due to the recent aqcuisition of ABAX, the carrying amount of the goodwill is close to equal its fair value. Accordingly, the value-in-use calculation is highly sensitive to changes in key assumptions. The group has performed sensitivity calculations to identify any reasonably possible change in key assumptions that could cause the carrying amount to exceed the recoverable amount.

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

In percentage	2019	2018
Decline in average EBITDA growth rate	-5.0 %	-10.0 %
Decline in average terminal value growth rate	-1.9 %	-2.4 %
Increase in discount rate post-tax	1.6 %	1.9 %

Note 12 | Other non-current interest-bearing receivables

Amounts in NOK thousand	2019	2018
Deposits for rent and cars	889	1,199
Other non-current receivables	400	36
Total non-current interest-bearing receivables	**1,289**	**1,235**

Note 13 | Inventories

Amounts in NOK thousand	2019	2018
Finished goods (trip log units)	8,594	14,026
Total inventories	**8,594**	**14,026**
Inventories expensed in the period	74,283	85,831
Write-down of inventories from cost to net realisable value	-	-

Note 14 | Trade and other receivables

Amounts in NOK thousand	2019	2018
Trade receivables	60,272	71,187
Other current receivables	64,805	30,310
Prepaid expenses	14,645	12,685
Loans to employees[1]	1,252	6,798
VAT and sales related taxes	3	517
Total trade and other receivables	**140,977**	**121,496**

[1] Refer to Note 5 Employee benefit expenses for details on loan terms

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

Note 15 | Other current assets and receivables

Amounts in NOK thousand	2019	2018
Contract assets[1]	102,044	230,657
Total other current receivables	**102,044**	**230,657**

[1] See note 4 Revenue and other income

Note 16 | Cash and cash equivalents

Amounts in NOK thousand	2019	2018
Cash at bank	39,503	23,893
Restricted cash	7,057	7,562
Total cash and cash equivalents	**46,560**	**31,455**

31/12/2019
Additional undrawn committed current bank revolving credit facilities amount to NOK 79,2 million, that together with cash and cash equivalents gives a total liquidity reserve of NOK 125,8 million as of December 31, 2019. See also note 18 Loans and borrowings.

31/12/2018
Additional undrawn committed current bank revolving credit facilities amount to NOK 59,4 million, that together with cash and cash equivalents gives a total liquidity reserve of NOK 83,3 million as of December 31, 2018. See also note 18 Loans and borrowings.

Restricted cash relates to tax deductions from the employees.

Note 17 | Capital and reserves

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

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

The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at General Meetings. Total outstanding shares are 1 431 968 378 at par value NOK 0.01 per share. All issued shares are fully paid.

No changes in share capital 2019.

Note 18 | Loans and borrowings

Amounts in NOK thousand	2019	2018
Non-current liabilities		
Loans from group companies[1)]	15,504	21,702
Secured bank loans	530,131	557,775
Other long-term debt	76	-
Lease liabilities[2)]	90,405	72,520
Total	**636,116**	**651,997**
Current liabilities		
Current portion of secured bank loans	11,500	6,500
Loans from group companies[1)]	62,077	44,570
Lease liabilities[2)]	30,498	23,154
Accrued interest	3,115	9,300
Total	**107,190**	**83,524**

1) See note 25 Related party transactions

2) See note 20 Leases

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

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

Amounts in NOK thousand	Currency	Nominal interest rate	Year of maturity	2018 Face value	2018 Carrying amount
Facility A	NOK	4.83%	2023	43,500	41,968
Facility B	NOK	5.16%	2024	400,000	391,176
CAPEX & Aqcuisition facility	NOK	4.39%	2019	58,626	57,079
Revolving Facility	NOK	4.69%	2019	82,000	83,352
Total secured bank loans				**584,126**	**573,575**
Loans from group companies	NOK	4.00%	(n.a.)	66,272	66,272
Lease liabilities				114,935	95,674
Other long-term debt					-
Total interest-bearing liabilities				**181,207**	**161,946**
Outstanding debt				765,333	735,521
Less current portion					(83,524)
Total				**765,333**	**651,997**

Amounts in NOK thousand	Currency	Nominal interest rate	Year of maturity	2019 Face value	2019 Carrying amount
Facility A	NOK	5.47%	2023	37,000	36,100
Facility B	NOK	5.97%	2024	400,000	390,328
CAPEX & Aqcuisition facility	NOK	5.15%	2019	58,783	57,619
Revolving Facility	NOK	5.35%	2019	62,000	60,699
Total secured bank loans				**557,783**	**544,746**
Loans from group companies	NOK	4.00%	(n.a.)	77,581	77,581
Lease liabilities				160,024	120,903
Other debt					76
Total interest-bearing liabilities				**237,605**	**198,560**
Outstanding debt				795,388	743,306
Less current portion					(107,190)
Total				**795,388**	**636,115**

Bank debt

All facilities are provided by SEB. As security for the loans, ABAX Group AS has pledged its shares in ABAX AS. Further, all subsidiaries in the Group has pledged its bank accounts, real estate, fixed assets, intellectual property, intercompany receivables, trade receivables, inventory and shares/partnership interests. The terms and conditions include restrictions which are customary for these kinds of facilities, including inter alia negative pledge provisions and restrictions on acquisitions, disposals and mergers and change of control provisions. The facilities include no dividend restrictions.

As of 31 December 2019 the Group has undrawn total granted credit facilities of NOK 79,2 million, compared to NOK 59,4 million as of 31 December 2018.

Loan covenants

The Group has covenants related to the facilities granted linked to its financial performance. Covenants are measured on the basis of a gearing ratio (net debt/equity) and interest coverage ratio (ICR) based on EBITDA/net interest costs. The Group must comply with the covenant requirements as of Q4 2019. Refer to Note 21 Capital management for further information about covenants.

Contractual payments on long-term debt, including current portion (undiscounted, including interest)

Amounts in NOK thousand	Secured bank loans	Other long-term loans[1]	Finance lease	Total[2]
2020	39,341	3,179	30,487	**73,007**
2021	38,213	3,227	24,547	**65,987**
2022	34,653	3,356	19,131	**57,140**
2023	32,646	3,491	17,488	**53,625**
2024	536,924	3,630	16,749	**557,303**
Thereafter	-	94,388	51,622	**146,010**
Total	681,777	111,271	160,024	**953,072**

[1] Intercompany loans are payable at the discression of ABAX Group AS

[2] Including current portion

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

Amounts in NOK thousand	Note	Secured bank loans	Other long-term loans	Finance lease	Share capital/ premium	Total
Balance as of 01.01.18		524,288	50,571	95,830	1,431,969	**2,102,659**
Changes from financing cash flows						
Proceeds from loans from group companies			15,611			**15,611**
Proceeds from loans and borrowings		45,000				**45,000**
Repayment of borrowings		(6,500)	(1,428)			**(7,928)**
Payment of lease liabilities	20			(21,677)		**(21,677)**
Total changes from financing cash flows		562,788	64,754	74,153	1,431,969	**31,006**
The effect of changes in foreign exchange rates		(189)		(297)		**(486)**
Liability-related						
Shares in ABAX Invest AS [1]				(1,980)		**(1,980)**
New lease liabilities	20			23,798		**23,798**
Amortisation		4,108				**4,108**
Interest expense		29,080	1,518	4,559		**35,158**
Interest paid		(22,212)		(4,559)		**(26,772)**
Total liability-related other changes		10,787	1,518	21,521	-	**33,826**
Total equity-related other changes		-	-	-	-	**-**
Balance as of 31 December		**573,575**	**66,272**	**95,674**	**1,431,969**	**2,167,491**

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

Amounts in NOK thousand	Note	Secured bank loans	Other long-term loans	Finance lease	Share capital/ premium	Total
Balance as of 01.01.19		573,575	66,272	95,674	1,431,969	**2,167,491**
Changes from financing cash flows						
Proceeds from loans and borrowings		(20,000)				**(20,000)**
Repayment of borrowings		(6,500)	(7,329)			**(13,829)**
Payment of lease liabilities	20			(22,986)		**(22,986)**
Total changes from financing cash flows		-26,500	-7,329	(22,986)	-	-56,815
The effect of changes in foreign exchange rates		218		139		**357**
Liability-related						
Operational financing from Group companies			18,637			
New lease liabilities	20			112,980		**112,980**
Change in lease liabilities				(64,904)		**(64,904)**
Amortisation		3,710				**3,710**
Interest expense		31,778		3,020		**34,798**
Interest paid		(38,035)		(3,020)		**(41,055)**
Total liability-related other changes		(2,329)	18,637	48,215	-	**45,886**
Total equity-related other changes		-	-	-	-	-
Balance as of 31 December		**544,746**	**77,581**	**120,903**	**1,431,969**	**2,156,562**

Note 19 | Trade and other payables

Amounts in NOK thousand	2019	2018
Trade payables	38,999	37,325
Total trade payables	**38,999**	**37,325**
Public duties payables	24,403	28,806
Payables to Bro & Tunnel 1)	58,625	24,744
Other current payables including holiday pay	39,400	54,780
Total trade and other payables	**161,426**	**145,655**

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

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Note 20 | Leases

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

Right-of-use assets

Amounts in NOK thousand	Property	Vehicles	IT and machinery	Total
Balance as of 1 January 2018	72,799	6,275	14,900	**93,974**
Additions to right-of-use assets during the financial year	4,996	10,749	8,145	**23,890**
Depreciation charge for the year	(9,809)	(5,275)	(8,000)	**(23,084)**
Disposals/lease contracts cancelled	(1,980)			**(1,980)**
Currency translations	(218)	(159)	(9)	**(386)**
Balance at 31 December 2018	**65,788**	**11,590**	**15,036**	**92,414**

Lease liabilities

Maturity analysis – contractual undiscounted cash flows

	Property	Vehicles	IT and machinery	Total
2019	11,069	5,528	7,136	**23,733**
2020	10,435	4,411	5,035	**19,881**
2021	8,133	2,396	2,815	**13,345**
2022	7,520	115	1,248	**8,882**
2023	6,919	-	174	**7,094**
2024——>	42,000			**42,000**
Total undiscounted lease liabilities at 31 December	86,076	12,451	16,408	**114,935**
Balance at 31 December 2018	**68,475**	**11,752**	**15,448**	**95,674**
Current	**10,799**	**5,394**	**6,962**	**23,154**
Non-current	**57,676**	**6,358**	**8,486**	**72,520**

Amounts recognised in profit or loss 01.01.18 - 31.12.18

	Property	Vehicles	IT and machinery	Total
Depreciation of right-of-use assets	9,809	5,275	8,000	**23,084**
Interest on lease liabilities	3,369	370	820	**4,559**
Total recognised in profit or loss	**13,178**	**5,644**	**8,820**	**27,643**

Total cash outflow related to leases during the financial statement period 01.01.18 - 31.12.18

	Property	Vehicles	IT and machinery	Total
Cash outflow	11,936	5,551	8,750	**26,236**
Total	**11,936**	**5,551**	**8,750**	**26,236**

Right-of-use assets

	Property	Vehicles	IT and machinery	Total
Balance as of 1 January 2019	65,788	11,590	15,036	**92,414**
Additions to right-of-use assets during the financial year	102,779	2,579	7,474	**112,833**
Depreciation charge for the year	(9,791)	(5,068)	(8,013)	**(22,872)**
Disposals/lease contracts cancelled	(60,055)	(2,572)	(862)	**(63,488)**
Currency translations	(27)	(125)	(5)	**(158)**
Balance at 31 December 2019	**98,694**	**6,404**	**13,630**	**118,728**

Due to changed needs it has been material changes to lease of premises during 2019. The old lease agreement has been terminated and replaced by a new one. As the new lease is for a larger area the additions in RoU assets are material.

Lease liabilities

Maturity analysis – contractual undiscounted cash flows

	Property	Vehicles	IT and machinery	Total
2020	17,056	4,413	9,018	**30,487**
2021	15,188	2,560	6,799	**24,547**
2022	13,992	348	4,791	**19,131**
2023	13,928	23	3,537	**17,488**
2024	13,912	-	2,837	**16,749**
2025——>	51,622			**51,622**
Total undiscounted lease liabilities at 31 December	125,698	7,344	26,982	**160,024**
Balance at 31 December 2019	**100,194**	**6,701**	**14,008**	**120,903**
Current	**17,056**	**4,413**	**9,018**	30,487
Non-current	**83,138**	**2,288**	**4,990**	**90,416**

Amounts recognised in profit or loss 01.01.19 - 31.12.19

	Property	Vehicles	IT and machinery	Total
Depreciation of right-of-use assets	9,791	5,068	8,013	**22,872**
Interest on lease liabilities	1,889	421	710	**3,020**
Total recognised in profit or loss	**11,680**	**5,489**	**8,723**	**25,892**

Total cash outflow related to leases during the financial statement period 01.01.19 - 31.12.19

	Property	Vehicles	IT and machinery	Total
Cash outflow	11,801	5,328	8,618	**25,747**
Total	**11,801**	**5,328**	**8,618**	**25,747**

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

Note 21 | Capital management

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

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

Ratios used in monitoring of capital / covenants

ABAX Group AS has covenants related to the revolving credit facilities (see note 18 Loans and borrowings for details). Capital is monitored using the same leverage ratio as set out in the Covenants, based on total net debt to EBITDA ratio. ABAX Group AS have throughout 2019 stayed within the covenant requirements and have reported this to SEB at the end of each quarter.

The covenants are monitored on a regular basis by management to ensure compliance with the loan agreements, and are tested and reported on a quarterly basis.

Note 22 | Financial risk management and exposures

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

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

Amounts in NOK thousand	2019	2018
Impairment loss on trade and other receivables including contract assets	9,328	7,593
Total	**9,328**	**7,593**

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

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

At 31 December 2019 and 31 December 2018, the exposure to credit risk for trade receivables and contract assets by geographic region was as follows:

Amounts in NOK thousand	Carrying amount 2019	Carrying amount 2018
Norway	49,250	82,955
Sweden	56,655	133,592
UK	24,182	35,858
Other regions	32,231	49,439
Total	**162,317**	**301,844**

ABAX Group only sells to end-user customers. The entire account receivables portfolio has end-user counterparties.
ABAX Group has a variety of small customers, and not one single customer accounting for more than 1% of trade receivables and contract assets.

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

31 December 2018

Amounts in NOK thousand	Not credit-impaired	Credit-Impaired	Total
- Four or more years' trading history with the Group*	21,066		**21,066**
- Less than four year's trading history with the Group*	54,660	2,109	**56,768**
- Higher risk	-	-	**-**
Total loss carrying amount	75,726	2,109	**77,834**
Loss allowance	4,539	2,109	**6,647**
Total	71,187	-	**71,187**

*excluding 'higher risk'

31 December 2019

Amounts in NOK thousand	Not credit-impaired	Credit-Impaired	Total
- Four or more years' trading history with the Group*	19,824	-	**19,824**
- Less than four year's trading history with the Group*	44,231	2,704	**46,936**
- Higher risk	-	-	**-**
Total loss carrying amount	64,056	2,704	**66,760**
Loss allowance	3,784	2,704	**6,488**
Total	60,272	-	**60,272**

*excluding 'higher risk'

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

Expected credit loss assessment for customers

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

31 December 2018 *Amounts in NOK thousand*	Weighted-average loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Credit-impaired
Current (not past due)	0.0 %	30,233	-	30,233	No
1-90 days past due	2.7 %	37,693	(1,018)	36,675	No
91-180 days past due	25.0 %	3,506	(877)	2,630	No
181-270 days past due	50.0 %	2,305	(1,153)	1,153	No
271-360 days past due	75.0 %	1,989	(1,492)	497	No
More than 361 days past due	100.0 %	2,109	(2,109)	-	Yes
Total		**77,834**	**(6,647)**	**71,187**	

31 December 2019 *Amounts in NOK thousand*	Weighted-average loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Credit-impaired
Current (not past due)	0.0 %	31,900		31,900	No
1-90 days past due	2.7 %	24,971	(674)	24,297	No
91-180 days past due	25.0 %	3,419	(855)	2,564	No
181-270 days past due	50.0 %	2,278	(1,139)	1,139	No
271-360 days past due	75.0 %	1,488	(1,116)	372	No
More than 361 days past due	100.0 %	2,704	(2,704)	-	Yes
Total		**66,760**	**(6,488)**	**60,272**	

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

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

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

Amounts in NOK thousand	2019	2018
Balance at 01.01	6,647	6,393
Amounts written off	(9,487)	(7,339)
Net remeasurement of loss allowance	9,328	7,593
Balance at 31 December	**6,488**	**6,647**

There is not a significant change in provision for bad debt in the period 01.01.19 to 31.12.19

Liquidity risk

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

As at 31 December 2019 the group has unrestricted cash of NOK 39,5 million. In addition, revolving credit facilities amount to NOK 650 million of which NOK 79,2 million is undrawn.

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

31 December 2018 *Amounts in NOK thousand*	**Book value**	**Total cash flow** [1]	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Borrowings	573,575	755,570	-	35,681	35,421	104,702	579,767
Leasing	95,674	114,935	4,747	18,986	19,881	29,320	42,000
Loans from group companies	66,272	82,177	368	2,209	2,651	7,953	68,923
Net derivative financial instruments	1,034	1,720	-	1,147	573	-	-
Trade and other payables	145,655	145,655	40,875	104,780	-	-	-
Total	**882,210**	**1,100,056**	**45,990**	**162,803**	**58,526**	**141,975**	**690,689**

[1] Nominal currency value including interest

31 December 2019 *Amounts in NOK thousand*	**Book value**	**Total cash flow** [1]	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Borrowings	544,746	681,777		39,341	72,866	569,570	-
Leasing	120,903	160,024	5,081	25,406	24,547	53,368	51,622
Loans from group companies	77,581	111,271	530	2,649	6,583	7,121	94,388
Trade and other payables	161,426	161,426	42,453	104,621			-
Total	**904,657**	**1,114,498**	**48,064**	**172,017**	**103,996**	**630,059**	**146,010**

[1] Nominal currency value including interest

Market risk

Currency risk - transactions in foreign currency

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

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

31 December 2018 *Amounts in NOK thousand*	**GBP**	**SEK**	**DKK**	**EUR**	**Other**	**Total**
Trade receivables	8,660	22,958	3,486	6,656	124	**41,884**
Trade payables	(252)	(1,581)	(532)	(1,103)	(731)	**(4,199)**
Net statement of financial position exposure	**8,408**	**21,377**	**2,954**	**5,553**	**(607)**	**37,685**
Next six months' forecasted sales	23,366	90,594	15,067	26,102	1,510	**156,639**
Next six months' forecasted purchases	(10,502)	(21,621)	(7,374)	(15,470)	(3,095)	**(58,062)**
Net forecast transaction exposure	**12,864**	**68,973**	**7,693**	**10,632**	**(1,585)**	**98,577**
Net exposure	**21,272**	**90,350**	**10,647**	**16,185**	**(2,192)**	**136,262**

31 December 2019 *Amounts in NOK thousand*	**GBP**	**SEK**	**DKK**	**EUR**	**Other**	**Total**
Trade receivables	6,481	21,068	4,377	7,466	288	**39,680**
Trade payables	(87)	(685)	(411)	(415)	(165)	**(1,763)**
Net statement of financial position exposure	**6,395**	**20,383**	**3,966**	**7,051**	**(607)**	**37,918**
Next six months' forecasted sales	15,809	89,201	10,158	23,901	798	**139,867**
Next six months' forecasted purchases	(9,206)	(26,374)	(3,273)	(16,973)	(2,448)	**(58,275)**
Net forecast transaction exposure	**6,603**	**62,827**	**6,884**	**6,928**	**(1,585)**	**81,593**
Net exposure	**12,998**	**83,210**	**10,850**	**13,979**	**(2,192)**	**119,510**

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

	2019		2018	
Amounts in NOK thousand	Profit (loss) before tax	Equity Increase (decrease) (before tax)	Profit (loss) before tax	Equity increase (decrease) (before tax)
SEK (15 % weakening of NOK)	540	10,095	2,484	9,674
DKK (15 % weakening of NOK)	1,133	(2,993)	(1,738)	(3,117)
EUR (15 % weakening of NOK)	273	(13,572)	(3,789)	(16,420)
GBP (15 % weakening of NOK)	185	(8,337)	(2,019)	(7,940)

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

Interest risk
The Group's interest rate risk arises from borrowings from external financial institutions and financing from parent entities. The Group's liabilities are mainly denominated in NOK. The Group's interest rate is all variable (NIBOR/CIBOR + margin according to covenant corridor). The Group uses interest rate derivatives, primarily interest rate swap, to manage the interest rate risk on the long-term debt portfolio.

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

31 December 2018 *Amounts in NOK thousand*	Floating rate	Fixed rate	Total
Interest-bearing liabilities	224,126	360,000	**584,126**
Net exposure	**224,126**	**360,000**	**584,126**

31 December 2019 *Amounts in NOK thousand*	Floating rate	Fixed rate	Total
Interest-bearing liabilities	197,783	360,000	**557,783**
Net exposure	**197,783**	**360,000**	**557,783**

Sensitivity analysis
The following interest rate risk sensitivity has been calculating assuming a change of 1,0 percentage points as a reasonably possible changes in the interest rates as of the end of 2019+.

Amounts in NOK thousand	2019	2018
Cash and cash equivalents	466	315
Borrowings	(3,956)	(5,841)
Cash flow sensitivity	**(3,490)**	**(5,527)**

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

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

Note 23 | Financial instruments

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

31 December 2018

Amounts in NOK thousand	Notes	Financial instruments at amortised cost	Financial instruments at FVTPL	Financial assets at FVOCI	Other financial liabilities at amortised cost	Total	Level in fair value hierarchy
Non-current assets							
Other non-current receivables	12	1,235				1,235	
Current assets							
Trade receivables	14	71,187				71,187	
Other receivables	14	50,309				50,309	
Contract assets	4	230,657				230,657	
Cash and cash equivalents	16	31,455				31,455	
Non-current liabilities							
Liabilities to credit institutions	18				630,294	630,294	
Loans from group companies	18				21,702	21,702	
Fair value interest rate swap			1,034			1,034	Level 2
Other long term liabilities					20,171	20,171	
Current liabilities							
Trade payables	19				37,325	37,325	
Tax payables	8				7,352	7,352	
Public duties payable	19				28,806	28,806	
Loans from group companies	18				44,570	44,570	
Other current liabilities					283,574	283,574	
Current portion of long-term debt	18				6,500	6,500	
Total		**384,843**	**1,034**	**-**	**1,080,294**	**1,466,171**	

31 December 2019

Amounts in NOK thousand	Notes	Financial instruments at amortised cost	Financial instruments at FVTPL	Financial assets at FVOCI	Other financial liabilities at amortised cost	Total	Level in fair value hierarchy
Non-current assets							
Other non-current receivables	12	1,289				1,289	
Other investments, including derivatives			866			866	**Level 2**
Current assets							
Trade receivables	14	60,272				60,272	
Other receivables	14	80,705				80,705	
Contract assets	4	102,044				102,044	
Cash and cash equivalents	16	46,560				46,560	
Non-current liabilities							
Liabilities to credit institutions	18				620,625	620,625	
Loans from group companies	18				15,504	15,504	
Other long term liabilities					17,872	17,872	
Current liabilities							
Trade payables	19				38,999	38,999	
Tax payables	8				902	902	
Public duties payable	19				24,403	24,403	
Loans from group companies	18				62,077	62,077	
Other current liabilities					231,661	231,661	
Current portion of long-term debt	18				11,500	11,500	
Total		**290,870**	**866**	**-**	**1,023,543**	**1,315,279**	

Level 1
Fair values are based on prices quoted in an active market for identical assets or liabilities.

Level 2
Fair values are based on price inputs other than quoted prices derived from observable market transactions in an active market for identical assets or liabilities.

Level 2 includes interest derivatives which are computed as the sum of the value of a fixed leg and the value of a floating leg. The fixed leg is computed as a sum of cash flows, where each cash flow is computed as the notional x fixed rate x length of the period (in year) x discounting factor. The floating leg is computed as a sum of cash flows, where each cash flow is computed as the notional x the projected rate x length of the period (in year) x discounting factor. The discount factors and projected rate are computed from the interest rate curve. The notional is scaled according to the amortizing structure of the deal.

Level 3
Fair values are based on unobservable inputs, mainly based on internal assumptions used in the absence of quoted prices from an active market or other observable price inputs.

Note 24 | Group companies

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

			2019	2018
Company	**Location**	**Country**	**Ownership %**	**Ownership %**
ABAX AS	Larvik	Norway	100	100
ABAX Performance AS	Larvik	Norway	100	100
ABAX Technology AS	Larvik	Norway	100	100
ABAX Sweden AB	Västeras	Sweden	100	100
ABAX Danmark A/S	Copenhagen	Denmark	100	100
Fleetfinder ApS	Copenhagen	Denmark	100	100
ABAX Finland OY	Helsinki	Finland	100	100
ABAX Nederland BV	Amsterdam	Netherlands	100	100
ABAX UK Ltd	Petersborough	United Kingdom	100	100
ABAX China Co., Ltd	Nantong	China	100	100
ABAX Poland sp. Z.o.o	Gdynia	Poland	100	100
ABAX Deutschland GmbH	Berlin	Germany	100	100

Note 25 | Related party transactions

Parent and ultimate controlling party
ABAX Group AS is owned by ABAX Midco AS: Ultimate controlling party is Triplog Holdings Ltd.

Related party transactions

Short term debt to group companies

Amounts in NOK thousand	**2019**	**2018**
ABAX Invest AS	36,072	35,071
ABAX MidCo AS	26,004	9,487
Balance at 31 December	**62,076**	**44,558**

Long term debt to group companies

Amounts in NOK thousand	**2019**	**2018**
ABAX Invest AS	15,504	21,702
Balance at 31 December	**15,504**	**21,702**

Transactions with related parties

Related party	**Shareholding**
Triplog Holdings Ltd	Owns indirectly 89,43 % of shares in ABAX Group AS
ABAX Invest AS	Ultimate norwegian parent company
Investcorp	Manager of investment in ABAX Group AS on behalf of its owners in which no person or institutions holds more than 13,97%

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

- Monitoring fees from Investcorp of NOK 2,5 million invoiced through Triplog Holdings Ltd in 2019.
- Monitoring fees from Investcorp of NOK 2,3 million invoiced through Triplog Holdings Ltd in 2018.

Note 26 | Provisions for restructuring costs

Amounts in NOK thousand	2019	2018
Balance at 01.01	8,917	-
Provisions made during the year	-	21,621
Provisions used during the year	(8,917)	(12,704)
Balance at 31 December	**-**	**8,917**

The restructuring of the Abax headcount in 2018 was a one-time cost that was required in order to ensure that the business operations are streamlined and set up for further future success. The calculated restructuring amount of 21,6MNOK in 2018 is based on the total payroll cost including social taxes for employees affected by the restructuring. The amounts are calculated from the month in which discussions started with the affected employees, which impacted their work and covered that period up to their last payment. The period for each employee will be different, due to length of service, and existing specific employments conditions in existing contracts.

Note 27 | Gains / Losses from divestments

In June 2019 the Worker product was sold. The divestment resulted in a loss of 21 MNOK.

Note 28 | Subsequent events

The Abax Group has successfully raised a Nordic Bond in June 2020. The Bond will replace the current long term loan and credit facilities.

During the first half of 2020 we have seen a big challenge to all parts of the world due to COVID-19. In the short-term (first three to four weeks), we experienced like most firms across our industry and the globe, a decrease in new to new sales. We have throughout the pandemic continued to upsell and cross sell to our existing base of 252,000 subscriptions, which reflects the strength of our subscription base. As for the long-term effects, we will have to see what the wider effects on business across the globe will be, but ABAX has a very strong subscription base, and a lot of data, and the skilled personnel and leadership to be able to weather this pandemic.

Alternative Performance Measures

Adjusted earnings before interest, tax, depreciation andamortisation (adjusted EBITDA)

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

Amounts in NOK thousand	2019	2018
Loss for the period	(59,903)	(108,269)
Income tax expense	(31,410)	(29,538)
Loss before tax	(91,312)	(137,807)
Adjustments for:		
– Net finance costs	42,130	36,509
– Depreciation	26,674	26,241
– Amortisation	146,018	142,441
– Gains/losses from divestment	21,066	-
Adjusted EBITDA	**144,576**	**67,384**

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To the General Meeting of ABAX Group AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company ABAX Group AS (the Company), which comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of ABAX Group AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, 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.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 6 August 2020
KPMG AS

Øyvind Skorgevik

Øyvind Skorgevik
State Authorised Public Accountant

Abax Group AS

Financial Statements 2019

Income statement

Operating income and operating expenses	Note	2019	2018
Operating income		**0**	**0**
Other operating expenses	2	3 882 506	5 823 869
Total operating expenses		**3 882 506**	**5 823 869**
Operating profit		**-3 882 506**	**-5 823 869**
Financial income and expenses			
Income from subsidiaries	9	34 192 121	53 430 550
Interest income from group companies	9	6 691 017	5 800 817
Other interest income		5 730	1 032
Other financial income		-156 600	188 964
Interest expense to group companies	9	2 456 054	1 785 222
Other interest expenses		29 878 998	28 307 411
Other financial expenses		4 592 096	4 868 155
Net financial items		**3 805 119**	**24 460 575**
Operating result before tax		-77 386	18 636 706
Tax on ordinary result	8	-17 274	4 297 157
Ordinary result after tax		**-60 112**	**14 339 549**
Annual net profit	**7**	**-60 112**	**14 339 549**
Allocation of the result			
Given intra-group contribution	7	0	14 350 264
Reatined earnings	7	-60 112	-10 715
Net brought forward		**-60 112**	**14 339 549**

Abax Group AS

Financial Statements 2019

Balance sheet

Assets	Note	2019	2018
Fixed assets			
Deferred tax assets	8	0	227 373
Total intangible assets		**0**	**227 373**
Financial fixed assets			
Investments in subsidiaries	6	1 893 724 224	1 893 724 224
Total financial fixed assets		**1 893 724 224**	**1 893 724 224**
Total fixed assets		**1 893 724 224**	**1 893 951 597**
Current assets			
Debtors			
Other short-term receivables		1 300 000	50 000
Receivables from group companies	3	153 522 810	181 276 516
Total receivables		**154 822 810**	**181 326 516**
Cash and bank deposits		535 603	118 343
Total current assets		**155 358 414**	**181 444 859**
Total assets		**2 049 082 637**	**2 075 396 456**

Abax Group AS

Financial Statements 2019

Balance sheet

Equity and liabilities	Note	2019	2018
Equity			
Paid-up equity			
Share capital	5, 7	14 319 684	14 319 684
Share premium	7	1 417 506 194	1 417 506 194
Total paid-up equity		**1 431 825 878**	**1 431 825 878**
Retained earnings	7	3 475 240	1 991 968
Total retained earnings		**3 475 240**	**1 991 968**
Total equity	**7**	**1 435 301 118**	**1 433 817 846**
Liabilities			
Other long-term liabilities			
Liabilities to group companies	3	62 037 758	63 193 898
Other long term liabilities	4, 10	540 777 395	565 308 368
Deferred tax	8	190 666	0
Total non-current liabilities		**603 005 819**	**628 502 266**
Current debt			
Trade creditors		7 544 960	3 750 000
Tax payable	8	0	242 675
Other current debt		3 230 741	9 083 669
Total current liabilities		**10 775 701**	**13 076 344**
Total liabilities		**613 781 519**	**641 578 610**
Total equity and liabilities		**2 049 082 637**	**2 075 396 456**

Abax Group AS

Financial Statements 2019

Balance sheet

Larvik, 15.07.2020

The board of Abax Group AS

Andrea Jayne Davis Chairman of the board	Petter Quinsgaard Board member	Bjørn Erik Brandsæter Helgeland Board member
Jürgen Heilmann Board member	Type text here Yanlin Li Board member	Morten Strand Board member/CEO

Cash flow statement

Abax Group AS

	Note	2019	2018
Cash flows from operating activities			
Profit/loss before tax		-77 386	18 636 706
Taxation paid		-242 675	-582 577
Change in accounts payable		3 794 960	2 046 134
Change in other accrual items		-6 667 616	-14 361 395
Net cash flows from operating activities		**-3 192 718**	**5 738 868**
Cash flows from financing activities			
Proceeds from loans and borrowings		29 297 090	41 248 578
Change in loans to group companies	3	-25 687 113	-46 898 559
Net cash flows from financing activities		**3 609 977**	**-5 649 981**
Net change in cash and cash equivalents		417 259	88 887
Cash and cash equivalents at the start of the period		118 343	29 456
Cash and cash equivalents at the end of the period		**535 603**	**118 343**

Abax Group AS

Financial Statements 2019

Note 1 Accounting principles

The annual accounts have been prepared in conformity with the provisions of the Norwegian Accounting Act and good accounting practice in Norway.

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

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

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

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

Tax
The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

Cash flow statement
The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments

Abax Group AS

Financial Statements 2019

Note 2 Salary costs and benefits

Abax Group AS hasn´t had any salary costs or benefits in 2019 and there are no such obligations.

Auditor
Audit fees expensed for 2019 amount to 690 999.
In addition there is a fee for other services of NOK 570 109.

Note 3 Inter-company items between companies in the same group

	2019	2018
Receivables		
Other short-term receivables within the group	153 522 810	181 276 516
Total	**153 522 810**	**181 276 516**
Liabilities		
Other short-term liabilities within the group	62 037 758	63 193 898
Total	**62 037 758**	**63 193 898**

Note 4 Other long-term liabilities

Liabilities with maturity more than 5 years subsequent to the end of the fiscal year	2019	2018
Liabilities to credit institutions	0	-584 126 288

The existing loan agreement includes covenants linked to financial ratios related to cash flow, interest, gearing and investments. Abax Group AS was not in breach of covenant conditions as at 31.12.2019.

Note 5 Shareholders

The share capital in Abax Group AS as of 31.12 consists of:

	Number of shares	Face value	Share capital
Ordinary shares	1 431 968 378	0,01	14 319 684
Total			**14 319 684**

Ownership structure

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Abax Midco AS	1 431 968 378	100,0	100,0
Total number of shares	**1 431 968 378**	**100,0**	**100,0**

Abax Group AS

Financial Statements 2019

Note 6 Subsidiaries

	Municipality	Owner share	Purchase cost	Brought to balance value	Share of equity	Share of result
ABAX AS	Larvik	100 %	1 893 724 224	1 893 724 224	458 939 581	7 467 529

Note 7 Equity capital

	Share capital	Share premium	Retained earnings	Total equity
As at 31.12.2018	14 319 684	1 417 506 194	1 991 968	1 433 817 846
Profit for the year			-60 112	-60 112
Group contributions made			0	0
Group contributions received			1 543 384	1 543 384
As at 31.12.2019	**14 319 684**	**1 417 506 194**	**3 475 240**	**1 435 301 118**

Abax Group AS

Financial Statements 2019

Note 8 Tax

This year's tax expense	**2019**	**2018**
Entered tax on ordinary profit/loss:		
Payable tax	**-435 313**	**4 108 557**
Changes in deferred tax	418 039	188 600
Tax expense on ordinary profit/loss	**-17 274**	**4 297 157**

Taxable income:

Ordinary result before tax	**-77 386**	**18 636 706**
Permanent differences	-34 193 253	1 654
Changes in temporary differences	-1 900 179	-775 066
Received intra-group contribution	36 170 818	1 828 522
Provided intra-group contribution	0	-18 636 706
Taxable income	**0**	**1 055 110**

Payable tax in the balance:

Payable tax on this year's result	**0**	**-8 180 469**
Payable tax on provided Group contribution	0	-4 286 442
Payable tax on received Group contribution	0	12 709 587
Total payable tax in the balance	**0**	**242 675**

Calculation of effective tax rate:

Profit before tax	**-77 386**	**18 636 706**
Calculated tax on profit before tax	-17 025	4 286 442
Tax effect of permanent differences	-7 522 516	-12 288 646
Effect of change in tax rate	0	10 335
Tax on received intra-group contribution	7 522 267	12 288 646
Total	**-17 274**	**4 297 158**
Effective tax rate	22,3 %	23,1 %

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:

	2019	**2018**	**Difference**
Other differences	866 665	-1 033 514	-1 900 179
Total	**866 665**	**-1 033 514**	**-1 900 179**
Deferred tax (22 %)	**190 666**	**-227 373**	**-418 039**
Effect of change in tax rate			**0**

Abax Group AS

Financial Statements 2019

Note 9 Specification of financial income and expenses from group companies

	2019	2018
Financial income		
Interest income from group companies	6 691 017	5 800 817
Income from subsidiaries (Group contributions)	34 192 121	53 430 550
Total financial income from group companies	**40 883 138**	**59 231 367**
Financial expenses		
Interest expenses to group companies	2 456 054	1 785 222
Total financial expenses to group companies	**2 456 054**	**1 785 222**

Note 10 Cash credit etc.

	2019	2018
Unused part of rapid credit facilities	18 000 000	33 000 000
Unused part of acquisition facilities	41 373 712	71 350 000

Abax Group AS has established a rapid credit facility and a CAPEX facility of NOK 100 000 000 each in agreement of the existing long-term loan.

Note 11 Subsequent events

The Abax Group has successfully raised a Nordic Bond in June 2020. The Bond will replace the current long term loan and credit facilities.

During the first half of 2020 we have seen a big challenge to all parts of the world due to COVID-19. In the short-term (first three to four weeks), we experienced like most firms across our industry and the globe, a decrease in new to new sales. We have throughout the pandemic continued to upsell and cross sell to our existing base of 252,000 subscriptions, which reflects the strength of our subscription base. As for the long-term effects, we will have to see what the wider effects on business across the globe will be, but ABAX has a very strong subscription base, and a lot of data, and the skilled personnel and leadership to be able to weather this pandemic.

Skattedirektoratet

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

ABAX AS
Hammergata 24
3264 LARVIK

Tillatelse til å utarbeide årsregnskap og årsberetning på norsk språk

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

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

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

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

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

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

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

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60

2017/1123064 Side 2 av 2

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer