

ABAX Danmark A/S

Per Henrik Lings Allé 4, st.
2100 København Ø
Denmark

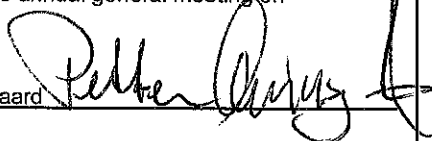
CVR no. 34 05 47 38

Annual report 2017

The annual report was presented and approved at
the Company's annual general meeting on

31 May 2018

Petter Quinsgaard
chairman



Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of ABAX Danmark A/S for the financial year 1 January – 31 December 2017.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

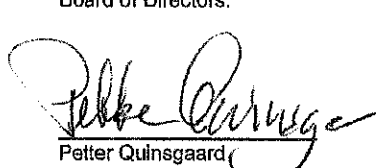
We recommend that the annual report be approved at the annual general meeting.

Copenhagen 31 May 2018
Executive Board:

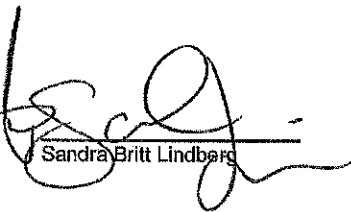


Morten Callésen

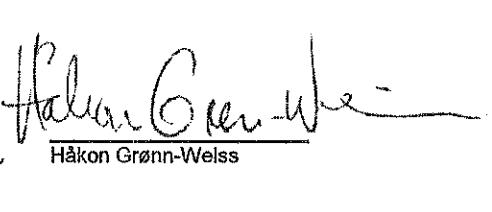
Board of Directors:



Petter Quinsgaard
Chairman



Sandra Britt Lindberg



Håkon Grønn-Weiss



Bjørn Erik Brandsæter
Helgeland



Independent auditor's report

To the shareholders of ABAX Danmark A/S

Opinion

We have audited the financial statements of ABAX Danmark A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, 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.



Independent auditor's report

- 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 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 in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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 Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Klaus Rytz
State Authorised
Public Accountant
MNE no. 33205

ABAX Danmark A/S
Annual report 2017
CVR no. 34 05 47 38

Management's review

Company details

ABAX Danmark A/S
Per Henrik Lings Allé 4, st.
2100 København Ø
Denmark

CVR no.: 34 05 47 38
Registered office: Copenhagen
Financial year: 1 January – 31 December

Board of Directors

Petter Quinsgaard, Chairman
Sandra Britt Lindberg
Håkon Grønn-Weiss
Bjørn Erik Brandsæter Helgeland

Executive Board

Morten Callesen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Annual general meeting

The annual general meeting will be held on 31 May 2018 at the Company's address.

Management's review

Operating review

Core activity

ABAX has defined its social mission to be a problem solver for businesses using vehicles for work. The business consists of developing, selling and delivering ABAX electronic mileage logs and relevant associated services.

Development in the year

Loss for the year amounted to DKK 5,775 thousand (2016: DKK 4,280 thousand), and the Company's equity amounted to a negative DKK 8,337 thousand at 31 December 2017 (2016: DKK 2,421 thousand).

In December 2017 ABAX Danmark A/S has acquired Fleetfinder ApS for a total cost of DKK 29,090 thousand, which has been financed by ABAX AS.

ABAX AS has issued a letter of support stating that they will provide the necessary financial support to ABAX Danmark A/S until annual general meeting in 2019.

Based on the letter of support and budgets for the years ahead, Management expects that equity will be restored based on operating profits generated in the years ahead.

Targets and expectations for the year ahead

ABAX Danmark A/S represents an important part of the ABAX International platform. The customer base is constantly growing in Denmark, but ABAX expects further investments in 2018, before we will see positive results in 2019.

Subsequent events

After the balancesheet date, it has been decided to merge ABAX Danmark A/S and Fleetfinder ApS.

After the balance sheet date of 31st December 2017, the company incurred an additional expense related to the purchase of its subsidiary, the amount was DKK 11 million.

Besides the above mentioned, no significant events have incurred.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2017	2016
Gross profit/loss		-42,850	1,930,318
Staff costs	2	-6,305,305	-5,710,223
Depreciation, amortisation and impairment loss		-94,200	-172,132
Profit/loss before financial income and expenses		-6,442,355	-3,952,037
Financial income		892,318	49,931
Financial expenses	3	-225,345	-377,437
Profit/loss before tax		-5,775,382	-4,279,543
Tax on profit/loss for the year		0	0
Profit/loss for the year		<u>-5,775,382</u>	<u>-4,279,543</u>
Proposed distribution of loss			
Retained earnings		<u>-5,775,382</u>	<u>-4,279,543</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2017	2016
ASSETS			
Fixed assets			
Intangible assets	4		
Completed development projects		<u>0</u>	<u>5,397</u>
		<u>0</u>	<u>5,397</u>
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		<u>256,598</u>	<u>274,101</u>
		<u>256,598</u>	<u>274,101</u>
Investments			
Investments in subsidiaries		29,089,937	0
Deposits		<u>200,973</u>	<u>197,970</u>
		<u>29,290,910</u>	<u>197,970</u>
Total fixed assets		<u>29,547,508</u>	<u>477,468</u>
Current assets			
Inventories			
Raw materials and consumables		<u>5,280</u>	<u>5,280</u>
		<u>5,280</u>	<u>5,280</u>
Receivables			
Trade receivables		2,192,201	993,213
Receivables from group entities		45,596	308,146
Other receivables		1,982,763	3,325,180
Prepayments		<u>361,862</u>	<u>301,601</u>
		<u>4,582,421</u>	<u>4,928,140</u>
Cash at bank and in hand		<u>1,806,202</u>	<u>947,718</u>
Total current assets		<u>6,393,903</u>	<u>5,881,138</u>
TOTAL ASSETS		<u>35,941,411</u>	<u>6,358,606</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2017	2016
EQUITY AND LIABILITIES			
Equity	6		
Contributed capital		500,001	500,001
Retained earnings		<u>-8,837,007</u>	<u>-2,920,553</u>
		<u>-8,337,006</u>	<u>-2,420,552</u>
Liabilities other than provisions			
Current liabilities			
Trade payables		1,143,520	476,639
Payables to affiliated entities		42,325,544	6,889,091
Other payables		<u>809,353</u>	<u>1,413,428</u>
		<u>44,278,417</u>	<u>8,779,158</u>
Total liabilities other than provisions		<u>44,278,417</u>	<u>8,779,158</u>
TOTAL EQUITY AND LIABILITIES		<u>35,941,411</u>	<u>6,358,606</u>
Contractual obligations, contingencies, etc.	7		
Related party disclosures	8		

Financial statements 1 January – 31 December

Statement of changes in equity

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	500,001	-2,920,553	-2,420,552
Net effect from opening adjustments	0	-141,072	-141,072
Net loss for the year	<u>0</u>	<u>-5,775,382</u>	<u>-5,775,382</u>
Equity at 31 December 2017	<u><u>500,001</u></u>	<u><u>-8,837,007</u></u>	<u><u>-8,337,006</u></u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of ABAX Danmark A/S for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Income statement

Revenue

Income from the sale of goods is recognised in the income statement when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Other external costs

Other external costs comprise costs for distribution, sale, advertising, administration, premises, bad debts, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

ABAX Danmark A/S is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiary. The subsidiary is included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

ABAX Danmark A/S is the administrative company for the joint taxation and accordingly settles all

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Intangible assets

Completed development projects are measured at cost less accumulated amortisation. Completed development projects are amortised on a straight-line basis over its useful life, which is assessed at three years.

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. The basis of depreciation is cost less any expected residual values after the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item have different useful lives, they are accounted for as separate items, which are depreciated separately.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

The depreciable amount, which is calculated as cost less any residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	5 years
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Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Investments

Equity investment subsidiary is measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments and deferred income

Prepayments comprise costs incurred concerning subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax value, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Deferred net tax assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

Liabilities

Financial liabilities, comprising payables to credit institutions, trade payables and payables to group entities, are recognised at cost at the date of borrowing, equivalent to proceeds received less transaction

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

costs paid. Subsequently, these financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

2 Staff costs

	2017	2016
Average number of full-time employees	5	4

3 Financial expenses

Interest expense to group entities	208,995	91,475
Other financial costs	2,794	192
Exchange losses	13,543	285,770
Other adjustments of financial expenses	13	0
	<u>225,345</u>	<u>377,437</u>

4 Intangible assets

	Completed development projects
DKK	
Cost at 1 January 2017	<u>193,913</u>
Cost at 31 December 2017	<u>193,913</u>
Amortisation for the year	<u>-193,913</u>
Amortisation and impairment losses at 31 December 2017	<u>-193,913</u>
Carrying amount at 31 December 2017	<u>0</u>

5 Property, plant and equipment

	Fixtures and fittings, tools and equipment	Total
DKK		
Cost at 1 January 2017	<u>625,281</u>	<u>625,281</u>
Cost at 31 December 2017	<u>625,281</u>	<u>625,281</u>
Depreciation and impairment losses at 1 January 2017	<u>-368,683</u>	<u>-368,683</u>
Depreciation and impairment losses at 31 December 2017	<u>-368,683</u>	<u>-368,683</u>
Carrying amount at 31 December 2017	<u>256,598</u>	<u>256,598</u>

Financial statements 1 January – 31 December

Notes

6 Equity

The share capital consists of 500,001 shares of a nominal value of DKK 1. No shares carry any special rights.

Equity is negative, and consequently, the Company is subject to the capital provisions of the Danish Companies Act. The parent company, ABAX AS, committed to provide irrevocable and unconditional support so that the Company can continue its operations and pay its external creditors. The commitment has been provided for a period of 12 months.

7 Contractual obligations and contingencies, etc.

The Company has entered into a lease for premises with an annual rent of DKK 289 thousand (2016: DKK 289 thousand). The lease is irrevocable until 1 December 2020.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. The jointly taxed entities' total net liability to SKAT amounted to DKK 0 at 31 December 2017. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties

The Group's Danish entities are jointly and severally liable for the joint registration for VAT.

8 Related party disclosures

Consolidated financial statements

The financial statements of ABAX Danmark A/S are included in the consolidated financial statements of ABAX AS.

The annual report for the Group may be obtained at the following address:

ABAX AS
Sanden 1
3264 Larvik
Norway