

ABAX DANMARK A/S

Jægergårdsgade 76, 1.
8000 Aarhus C
CVR no. 34 05 47 38

Annual report for 2023

Adopted at the annual general
meeting on 25 June 2024

Emma Dyga
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent Auditor's Report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Accounting policies	7
Income statement 1 January - 31 December	12
Balance sheet 31 December	13
Statement of changes in equity	15
Notes	16

Statement by management on the annual report

The Board of Directors and executive board have today discussed and approved the annual report of ABAX DANMARK A/S for the financial year 1 January - 31 December 2023.

The annual report is 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 financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Aalborg, 25 June 2024

Executive board

John Ole Moe
Director

Board of Directors

Emma Dyga
chairman

Karina Walseth Hansen

John Ole Moe

Independent Auditor's Report

To the shareholder of ABAX DANMARK A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of ABAX DANMARK A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (financial statements).

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's Responsibilities 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken 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 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.
- 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.

Independent Auditor's Report

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.

Hellerup, 25 June 2024

PricewaterhouseCoopers
Statsautoriseret revisionspartnerselskab
CVR no. 33 77 12 31

Leif Ulbæk Jensen
State Authorised Public Accountant
mne23327

Thomas Lauritsen
State Authorised Public Accountant
mne34342

Company details

The company

ABAX DANMARK A/S
Jægergårdsgade 76, 1.
8000 Aarhus C

CVR no.: 34 05 47 38

Reporting period: 1 January - 31 December 2023

Incorporated: 28 October 2011

Financial year: 12nd financial year

Domicile: Aarhus C

Board of Directors

Emma Dyga, chairman
Karina Walseth Hansen
John Ole Moe

Executive board

John Ole Moe, director

Auditors

PricewaterhouseCoopers
Statsautoriseret revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management's review

Business review

ABAX has defined its social mission to be a sustainable solution provider for a connected world.

The business consists of developing, selling and delivering ABAX electronic mileage logs and relevant associated services.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The company's financial position at 31 December 2023 and the results of its operations for the financial year ended 31 December 2023 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 1.039.223, and the balance sheet at 31 December 2023 shows negative equity of DKK 149.614.

To ensure the company's continued operation, the Company has received a Letter of Support from the parent company. The parent company will provide financial support to ABAX DANMARK A/S by loan to the extent that it is necessary to finance the company's operation and settlement of the company's financial obligations. Within the annum the company has received DKK 52.7 million in contribution from the parent company.

The parent company has also stated that the parent company's receivables in ABAX DANMARK A/S stand behind other creditors in ABAX DANMARK A/S.

Significant events occurring after the end of the financial year

We refer to note 2 regarding disclosure of events occurring after the end of the financial year.

No further events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of ABAX DANMARK A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as selected provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, other operating income and other external expenses.

Revenue

Income is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Consumption of trade goods

Costs of trade goods and consumables include the goods for resale and consumables used in generating the year's revenue.

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Impairment of financial assets

Impairment of financial assets includes write-downs of financial fixed assets to one lower recoverable amount and financial current assets at a lower net realizable value.

Accounting policies

Tax on profit/loss for the year

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

On payment of joint taxation contributions, the current Danish income 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 been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 4 years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market position and a long-term earnings profile.

Accounting policies

Tangible assets

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at 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.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Fixtures and fittings, tools and equipment	5 years	0 %

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Investments in subsidiaries, associates and participating interests

Investment in subsidiaries, associates and participating interests are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Accounting policies

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

As management company, ABAX DANMARK A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		6.376.289	5.035.590
Staff costs	3	<u>-4.098.546</u>	<u>-2.788.095</u>
Profit/loss before amortisation/depreciation and impairment losses		2.277.743	2.247.495
Depreciation, amortisation and impairment losses		<u>-2.724.913</u>	<u>-1.459.580</u>
Profit/loss before net financials		-447.170	787.915
Income from investments in subsidiaries		-100.000	0
Financial income	4	4.026.550	2.089.607
Financial costs	5	<u>-2.440.157</u>	<u>-2.427.194</u>
Profit/loss before tax		1.039.223	450.328
Tax on profit/loss for the year	6	<u>0</u>	<u>147.652</u>
Profit/loss for the year		<u>1.039.223</u>	<u>597.980</u>
Retained earnings		<u>1.039.223</u>	<u>597.980</u>
		<u>1.039.223</u>	<u>597.980</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Goodwill		5.129.857	7.181.800
Intangible assets	7	<u>5.129.857</u>	<u>7.181.800</u>
Other fixtures and fittings, tools and equipment	8	2.334.522	1.848.234
Tangible assets		<u>2.334.522</u>	<u>1.848.234</u>
Investments in subsidiaries	9	1.941.122	2.041.122
Deposits	10	51.000	50.784
Fixed asset investments		<u>1.992.122</u>	<u>2.091.906</u>
Total non-current assets		<u>9.456.501</u>	<u>11.121.940</u>
Finished goods and goods for resale		17.118	16.231
Stocks		<u>17.118</u>	<u>16.231</u>
Trade receivables		1.764.409	2.009.928
Other receivables		310.928	200.399
Joint taxation contributions receivable		0	119.812
Prepayments		8.403	39.335
Receivables		<u>2.083.740</u>	<u>2.369.474</u>
Cash at bank and in hand		<u>2.535.843</u>	<u>2.988.296</u>
Total current assets		<u>4.636.701</u>	<u>5.374.001</u>
Total assets		<u><u>14.093.202</u></u>	<u><u>16.495.941</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		500.002	500.001
Retained earnings		-649.616	-54.394.172
Equity		<u>-149.614</u>	<u>-53.894.171</u>
Other credit institutions		12.707	5.450
Trade payables		233.806	100.279
Payables to Group enterprises		11.703.985	67.964.774
Other payables		1.126.079	1.124.313
Deferred income		1.166.239	1.195.296
Total current liabilities		<u>14.242.816</u>	<u>70.390.112</u>
Total liabilities		<u>14.242.816</u>	<u>70.390.112</u>
Total equity and liabilities		<u>14.093.202</u>	<u>16.495.941</u>
Capital resources	1		
Contingent assets	11		
Contingent liabilities	12		
Related parties and ownership structure	13		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	500.002	-54.394.172	-53.894.170
Net profit/loss for the year	0	1.039.223	1.039.223
Contribution from group	0	52.705.333	52.705.333
Equity at 31 December 2023	<u>500.002</u>	<u>-649.616</u>	<u>-149.614</u>

Notes

1 Capital resources

The Company's capital is lost. According to the Danish Companies Act, Management has prepared a plan of action as to the re-establishment of the capital. The Parent Company, ABAX AS has issued a letter of support to the Company's continued operation providing a guarantee for the Company's continued operation. Until further notice, the letter of support is valid until the annual report for the period 1 January to 31 December 2024 has been published. It is the Management's opinion that the letter of support will be extended for such period as it's required to ensure the Company's continued operations if considered necessary at the expiration of the letter of support.

2 Subsequent events

In June 2024, the Company and its wholly-owned subsidiary, Fleetfinder ApS, approved a merger plan. The merger is expected to be carried out in 2nd half of 2024 with Abax Danmark A/S as the continuing company and with accounting effect as per January 2024. The merger does not have an impact on these Financial Statements.

3 Staff costs

	<u>2023</u> DKK	<u>2022</u> DKK
Wages and salaries	2.420.703	1.771.275
Pensions	265.800	144.889
Other social security costs	12.704	0
Other staff costs	<u>1.399.339</u>	<u>871.931</u>
	<u>4.098.546</u>	<u>2.788.095</u>
Number of fulltime employees on average	<u>5</u>	<u>3</u>

4 Financial income

Other financial income	82.803	22.437
Exchange gains	<u>3.943.747</u>	<u>2.067.170</u>
	<u>4.026.550</u>	<u>2.089.607</u>

5 Financial costs

Financial expenses, group entities	2.292.018	2.422.943
Other financial costs	<u>148.139</u>	<u>4.251</u>
	<u>2.440.157</u>	<u>2.427.194</u>

Notes

	2023 DKK	2022 DKK
6 Tax on profit/loss for the year		
Adjustment of tax concerning previous years	0	-27.840
Joint taxation contribution	0	-119.812
	0	-147.652
7 Intangible assets		Goodwill
		<u>8.207.771</u>
Cost at 1 January 2023		8.207.771
Cost at 31 December 2023		<u>8.207.771</u>
		1.025.971
Impairment losses and amortisation at 1 January 2023		2.051.943
Amortisation for the year		<u>3.077.914</u>
Impairment losses and amortisation at 31 December 2023		<u>3.077.914</u>
Carrying amount at 31 December 2023		<u>5.129.857</u>
8 Tangible assets		Other fixtures and fittings, tools and equipment
		<u>3.045.944</u>
Cost at 1 January 2023		3.045.944
Additions for the year		1.204.736
Disposals for the year		-56.194
Cost at 31 December 2023		<u>4.194.486</u>
		1.197.709
Impairment losses and depreciation at 1 January 2023		672.970
Depreciation for the year		-10.715
Reversal of impairment and depreciation of sold assets		<u>1.859.964</u>
Impairment losses and depreciation at 31 December 2023		<u>1.859.964</u>
Carrying amount at 31 December 2023		<u>2.334.522</u>

Notes

	<u>2023</u>	<u>2022</u>
	DKK	DKK
9 Investments in subsidiaries		
Cost at 1 January 2023	<u>40.276.917</u>	<u>40.276.917</u>
Cost at 31 December 2023	<u>40.276.917</u>	<u>40.276.917</u>
Revaluations at 1 January 2023	-38.235.795	-38.235.795
Write-down	<u>-100.000</u>	<u>0</u>
Revaluations at 31 December 2023	<u>-38.335.795</u>	<u>-38.235.795</u>
Carrying amount at 31 December 2023	<u><u>1.941.122</u></u>	<u><u>2.041.122</u></u>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>	<u>Equity</u>	<u>Profit/loss for the year</u>
Fleetfinder ApS	Aalborg	100%	1.912.474	-4.581

10 Fixed asset investments

	<u>Deposits</u>
Cost at 1 January 2023	<u>51.000</u>
Cost at 31 December 2023	<u>51.000</u>
Carrying amount at 31 December 2023	<u><u>51.000</u></u>

11 Contingent assets

Deferred tax receivable of TDKK 8.092 is not recognized in the income statement and balance.

12 Contingent liabilities

As management company, the company is jointly taxed with other danish related parties and jointly and severally liable with other jointly taxed entities for payment of income taxes as well as for payment of withholding taxes on dividends. The total provision at 31 December 2022 is DKK 0.

Notes

13 Related parties and ownership structure

Consolidated financial statements

The financial statement 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
Hammergata 20
3264 Larvik
Norway