

Driving a sustainable future



ANNUAL REPORT 2021



ABOUT AXESS

Axess Group creates world-class sustainable solutions for the future for leading players in the oil and gas, wind energy, marine and infrastructure industries worldwide.

As a trusted global partner with over two decades of experience, we have worked on more than 600 assets globally. With our focus on Health, Safety, Environment and Quality (HSEQ), we are dedicated to helping our clients achieve their goal of maximum production uptime and zero harm.

From our humble beginnings in Molde, Norway in 1998, our company has developed a strong global presence through organic growth, establishing branch offices in Orkanger, Oslo, Stavanger, Bergen, Trondheim, Rio de Janeiro, Houston, St. John's, Ciudad del Carmen, Singapore, Busan, Cape Town, Aberdeen, Accra, Luanda, Perth, Mumbai, Dubai, Georgetown, Dammam and Taipei.

In 2021, Axess Group had over 400 employees worldwide, of which more than half are degreed engineers.

Our wholly-owned subsidiaries, Axess Digital and Axess Technologies, provide inspection software and material handling technologies respectively, to meet the needs of our clients. With our recent venture into Fabric Maintenance & Protection Systems (FMPS), we established another subsidiary, Praxis, to offer the services required to ensure the integrity of assets.

To learn more about Axess, visit www.axessgroup.com.

24

years of experience

600+

Assets on our reference list

24

Offices worldwide

19

Countries worldwide

OUR VISION

We create world-class sustainable solutions for the future.

OUR MISSION

We are a long-term strategic partner to our clients. We are dedicated to help our clients achieve maximum uptime and zero harm with sustainable integrity and engineering solutions.

WE VALUES

We strive for continuous improvement
We are considerate
We are enterprising

We communicate well
We keep deadlines
We are responsible



(Photo: Smøla wind farm in Norway)

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CEO STATEMENT

In 2021, we achieved extraordinary results. Despite the COVID-19 pandemic affecting parts of our business, the strong efforts across the company led us to achieve an unprecedented growth of 39%, or 243 MNOK, in turnover, from 2020 to 2021. In addition, the turnover of 863 MNOK in 2021 is the highest in Axess' history.

We will continue to work with our enablers to achieve our ambitious goals for 2025: zero harm to people, turnover of 1.200 MNOK, keeping our margins, reducing our emissions per value created by 60% compared to the 2017 baseline, increase turnover outside Europe to 50% and turnover of strategic initiatives to above 300 MNOK.

Investing in our talents

Safety remains our top priority and we will continue to employ best practices globally to ensure a safe and healthy working environment.

Our people are the key to our success. We are committed to cultivate a passionate and high-performance culture where highly engaged and competent employees can grow, develop together, and succeed as a team.

In 2021, we have made great strides in improving our Training Portal, which helps to enable the growth and development of our people, set a standard across the Group and enable us to be compliant with clients' requirements. We will develop an Axess Academy, to improve onboarding processes and facilitate professional development.

To ensure that our employees are heard and satisfied at work, we carry out employee satisfaction surveys annually. 2021 has seen us focus on sharing company information with all employees through information videos and email newsletters on a monthly basis, to improve communication and transparency in the company.

Outside of work, we safeguarded our employees' mental and physical wellbeing by organising more outdoor team building activities.

Market achievements in 2021

I am proud of our market achievements last year and we are ahead of our strategy plan on most aspects.

We are continuously expanding our global footprint. In 2021, we have opened offices in Guyana and Saudi Arabia. We are currently establishing an office in Taipei, and monitoring several other opportunities to expand our footprint.

We have been able to grow our business within the Oil and Gas industry with new and existing clients through execution of complex and demanding projects worldwide. Additionally, we are successful in expanding into markets like renewables and infrastructure. We are well ahead of our strategic plan for such developments.

Driving a sustainable future

The shift towards low-carbon and renewables is becoming more prominent. We see more clients in the Oil and Gas sector wanting solutions to reduce carbon footprint.

Our existing solutions reduce the need for support vessels, avoid flaring and improve service efficiency. We are continuing our journey to develop innovative climate-efficient solutions. This year, we will continue to invest in research and development, and evaluate our products and services, in order to stay ahead of the market. This will be done together with our clients, to ensure that we meet their evolving needs.

With the energy transition here to stay, we are growing our business by expanding towards offshore wind and other strategic markets. Establishing a new entity in Taipei, and the formation of Axess Technologies, a material handling technology company, will help to make this a success.

Ukraine situation

The atrocities and unrest we have seen unfolding in Ukraine in the past weeks have deeply shocked and saddened us. It is inconceivable that a situation like this can arise in our modern world. We all have strong sympathy for the Ukrainian people who are under attack and for the Russian people who are burdened by the decisions made by their leadership.

As an international company with employees from all over the world, we have learned that diversity in culture, ideas and opinions is of a great advantage to the company and it enriches all of us. In the group, we have people with close ties to Ukraine who are deeply worried about their loved ones, and we have people with close ties to Russia who strongly want all hostilities to end.

Our employees have through several initiatives gathered support for the victims of this illegal war and Axess Group has provided financial support. Whatever we do and however we contribute, it does not feel sufficient, although it is infinitely better than doing nothing.



(Photo: Lasse Iversen, CEO)

Looking ahead

Striving for continuous improvement, focusing on our markets and clients and celebrating innovation is fundamental to our ongoing success.

We will continue to expand internationally to better serve our clients in the traditional markets and emerging markets such as offshore wind.

With a steady increase in order backlog in the past year, we are poised for growth and well-positioned to deliver on our strategic goals.

Best regards,

Lasse Iversen
CEO, Axess Group

The strong efforts across the company led us to achieve an unprecedented growth of 39%, or 243 MNOK, in turnover, from 2020 to 2021.

HIGHLIGHTS

Expanding global presence with three new offices

In 2021 to 2022, we have expanded our global presence by opening three new offices, in Guyana, Kingdom of Saudi Arabia (KSA) and Taiwan. This brings the number of entities worldwide to 17.

While the first two entities are focusing on providing asset integrity and engineering services to clients in the Oil & Gas industry, the entity in Taipei, Taiwan will focus on the burgeoning offshore wind market in the country, to grow our renewable energy portfolio.



(Photo: Iktva 2022 Forum & Exhibition in KSA)



(Photo: Alpa Winch used in a thruster replacement project)

Establishment of Axess Technologies AS

Alpa AS and our Engineering department have merged to form Axess Technologies AS, a leading material handling technology company.

A wholly-owned subsidiary of Axess Group, it provides material handling systems and services such as redundant lifting, complex lifting, compliance, studies and analysis as well as maintenance.

With the strategic merger, the company will be able to seamlessly combine the delivery of Alpa products and engineering services, have stronger concept development capabilities and increased capacity to provide turnkey solutions for clients in the energy sector, amongst other benefits.

In 2021, we won long-term agreements with:





(Photo: Artistic illustration of wind turbines and a substation at Dogger Bank Wind Farm by Aibel)

Contract for Dogger Bank Wind Farm

We secured an Enterprise of Competence service contract with Aibel's fabrication yard in Laem Chabang, Thailand, for the Dogger Bank Substation A, the first of three phases of the Dogger Bank Wind Farm – the world's largest offshore wind farm.

We have provided engineering review, inspection, testing and certification of lifting appliances on the platform, to ensure statutory compliance and delivery of the asset to regional operational standards.

Dogger Bank Wind Farm is located more than 130km off the North East coast of England, the first two phases have already reached FID in 2020 and phase 1 is due to start commercial operations from summer 2023. All 3 phases of the project will make up the world's largest offshore wind farm, with an installed capacity of 3.6GW – capable of powering 6 million UK homes.

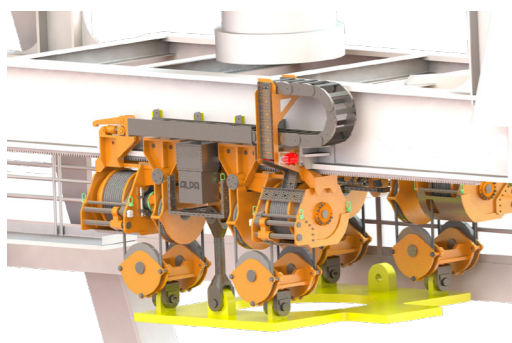
Dogger Bank A and B is a joint venture between SSE Renewables (40%), Equinor (40%) and Eni (20%). Dogger Bank C is a 50:50 joint venture between SSE Renewables and Equinor.

Long-term contracts within the renewable energy sector

We have signed two inspection contracts with a renewable energy company based in Norway.

As part of these long-term contracts, we will provide inspections of lifts, lifting equipment and safety equipment in wind parks located in Norway, in accordance with statutory requirements. Additionally, we will conduct periodic control of bolt tension and support the client in establishing a risk-based inspection programme for bolted connections.

In addition, we have also secured an extension of frame agreement with a global wind energy company. It involves the provision of inspection and maintenance services to the client's onshore wind turbines in Northern Europe.



(Photo: Illustration of crane)

Contract for supply of crane offshore Canada

We have secured a contract with a leading international energy company to supply a crane to an installation offshore Newfoundland, Canada.

The custom-made crane is designed to be extremely space-efficient while requiring minimum maintenance. The state-of-the-art crane allows for remote access from shore for better service support along with real-time condition monitoring of the system. In turn, this reduces the need for unnecessary mobilisations, decreasing carbon emissions.

Extension of frame agreement with Odfjell Drilling

We have signed an extension of the frame agreement with Odfjell Drilling, that is held between the companies since 2016.

The long-term agreement will see us continue to conduct periodic surveys of lifting appliances and lifting gear on Odfjell Drilling's offshore units.

Odfjell Drilling is an international drilling, well service and engineering company with operations in more than 20 countries. Since its foundation, Odfjell Drilling has demonstrated its ability to conduct successful drilling operations in some of the most demanding environments on the planet.



Global contract with Altera Infrastructure

We have signed an offshore support services contract with Altera Infrastructure, a leading global energy infrastructure services group.

The long-term global contract will see us provide offshore support services to FPSO assets located on the Norwegian Continental Shelf and the Brazilian Continental Shelf, as well as other assets in the future. The scope of work includes planning and executing inspection services.

Altera Infrastructure is focused on the ownership and operation of critical infrastructure assets in offshore oil regions of the North Sea, Brazil and the East Coast of Canada. They own more than 50 offshore assets, including FPSOs, shuttle tankers and towing vessels.



(Photo: Altera Infrastructure's FPSO Petrojarl Knarr)



Frame agreement with Lede

We have signed a frame agreement with Lede (formerly known as Skagerak Nett), a Norwegian electricity grid owner, to provide inspection services for equipment at its power grids in Norway.

The long-term agreement will see us conduct EOC inspection of lifting equipment, inspection of fall arrest and personal protection equipment, as well as inspection of lifesaving and electrical testing equipment.

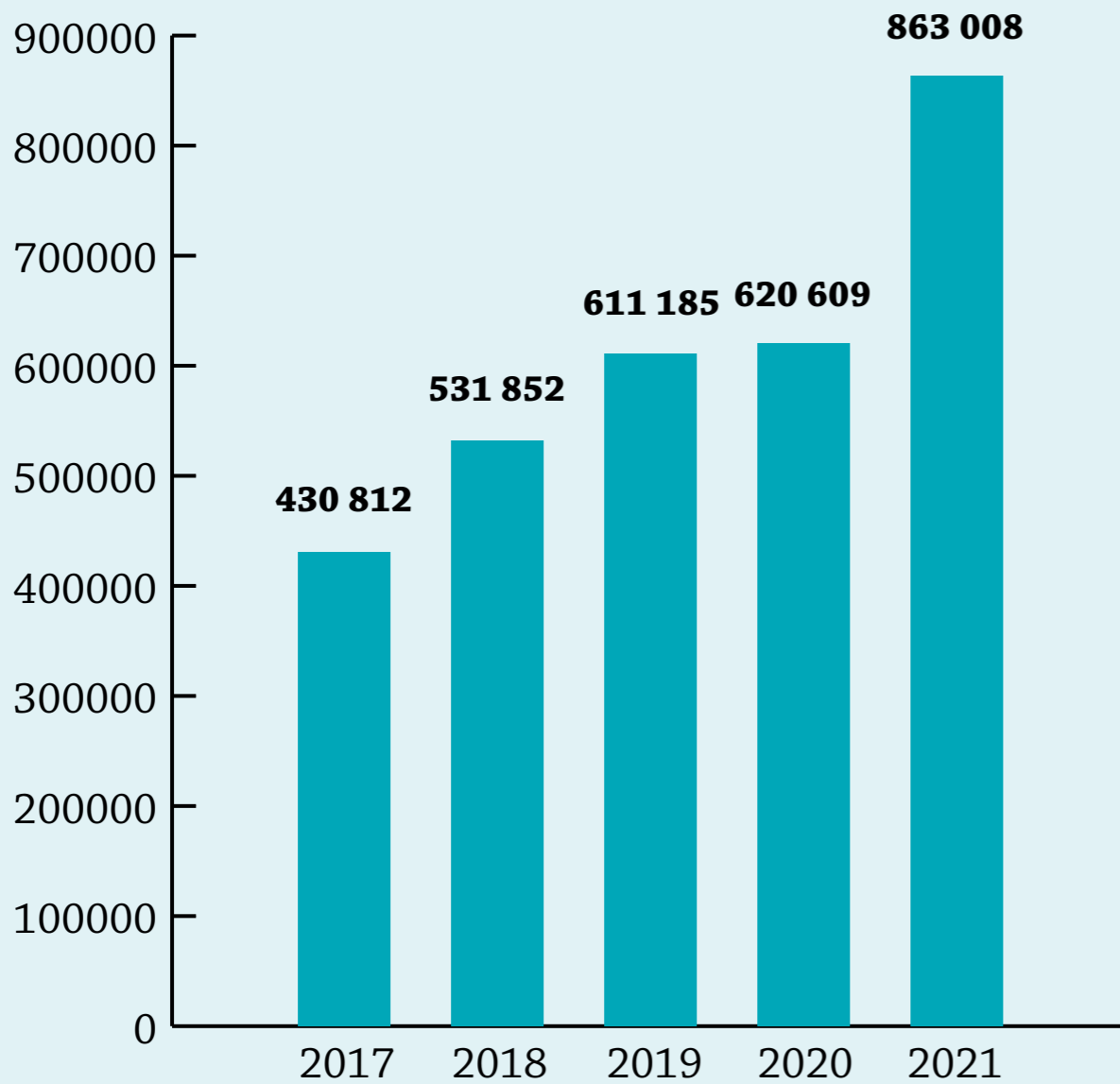
Lede is one of Norway's largest power grid owners. The company distributes electricity to over 207,000 customers in Vestfold, Telemark and Svelvik. They are responsible for maintaining a reliable and effective distribution grid that is a critical part of Norway's infrastructure.

KEY FIGURES

Revenue (NOK 1000)

863 008

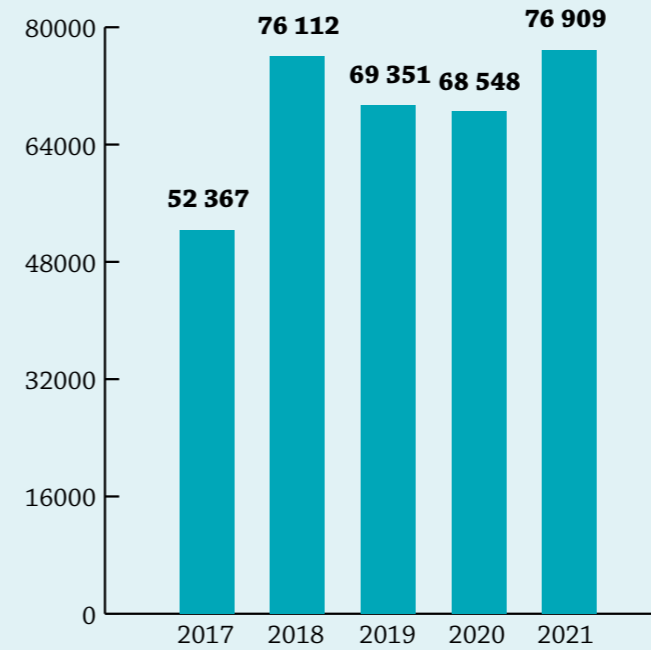
LAST 5 YEARS



EBITDA (NOK 1000)

76 909

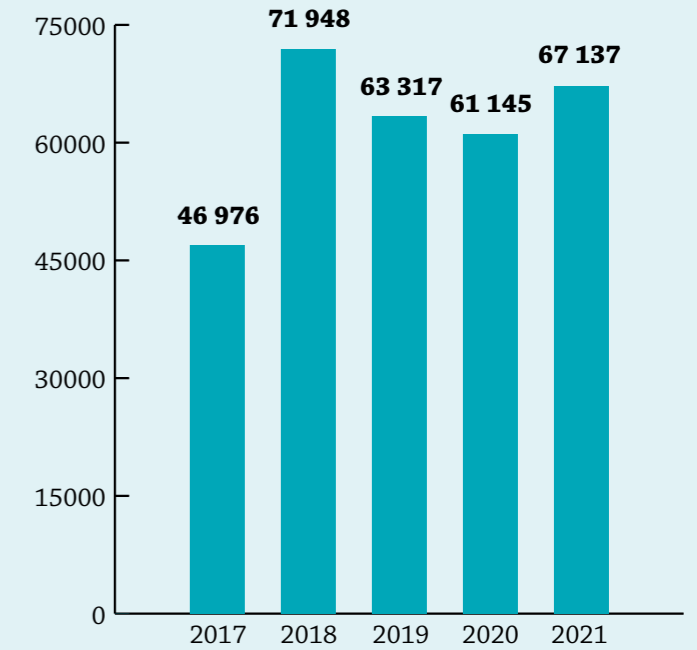
LAST 5 YEARS



EBIT (NOK 1000)

67 137

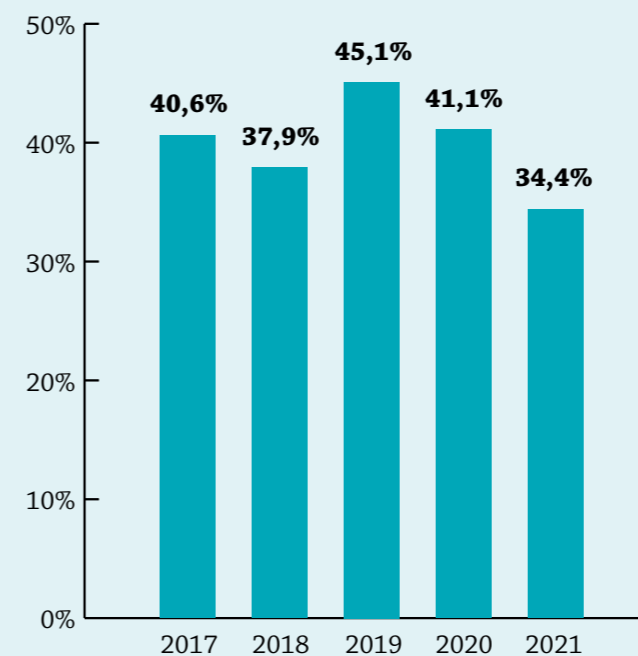
LAST 5 YEARS



Equity ratio (%)

34,4%

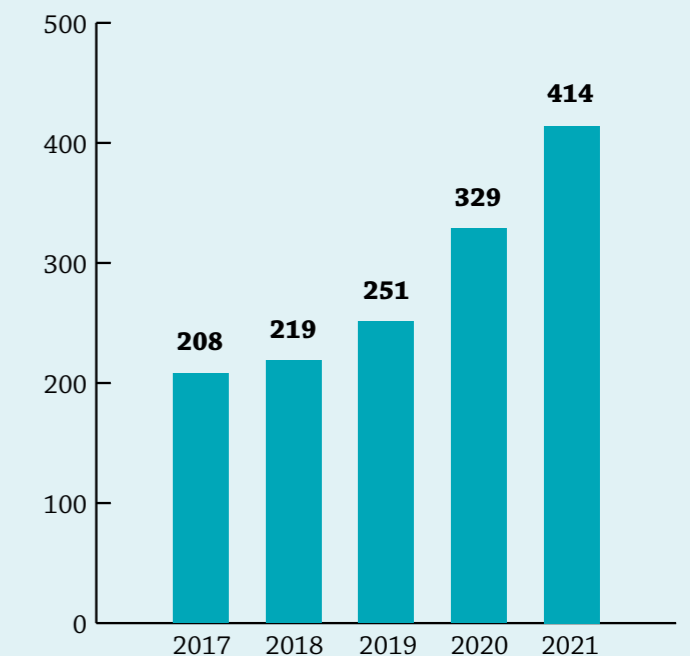
LAST 5 YEARS



Employees

414

LAST 5 YEARS

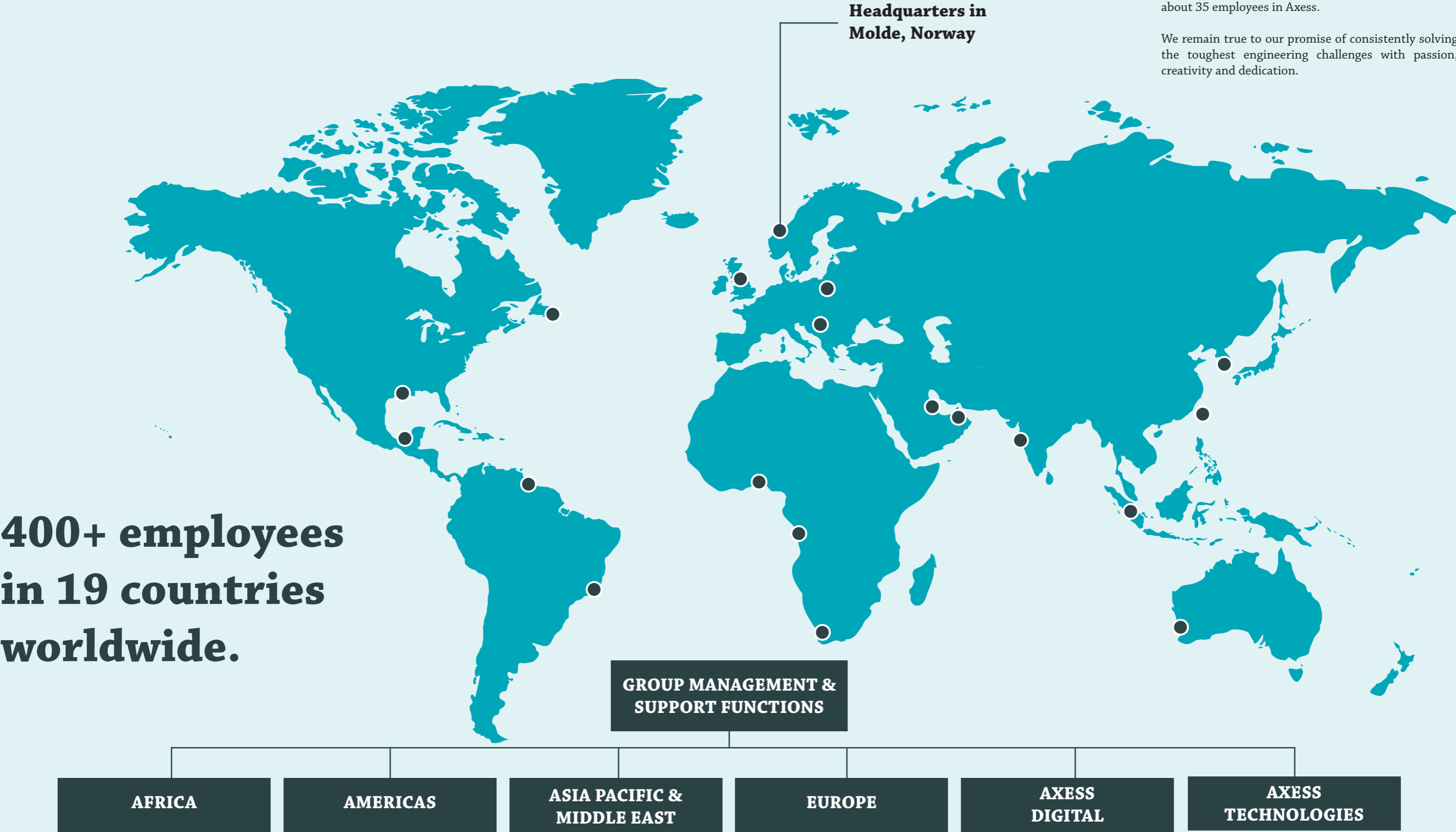


GROUP STRUCTURE

Ownership

Axess is owned by Axio AS (80%) and Salvesen & Thams Invest AS (20%). Axio AS is owned by the founders and about 35 employees in Axess.

We remain true to our promise of consistently solving the toughest engineering challenges with passion, creativity and dedication.



MARKETS

This section covers our main business areas and key services.



BUSINESS AREAS

Our diverse portfolio of innovative and industry-leading solutions are designed to fit the needs of our clients in market sectors such as Oil & Gas, Renewables, Marine, Infrastructure and Refinery.

OIL & GAS



We help enhance the safety and efficiency of our clients' assets in the global oil & gas industry, covering various sectors such as Drilling, E&P, FPSO and SURF.

INFRASTRUCTURE



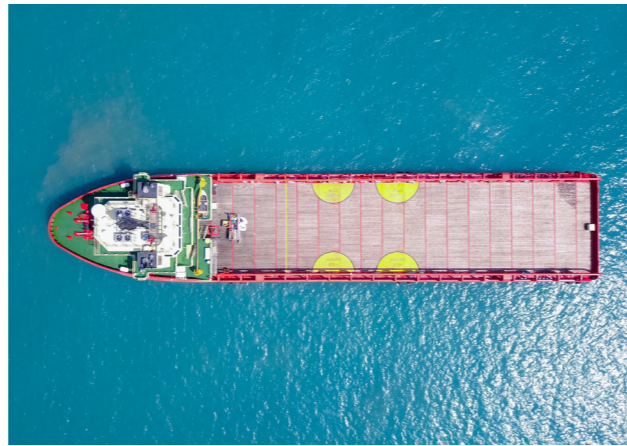
We deliver verification and in-service inspection services to our clients in the infrastructure industry, covering all phases from design development to installation.

RENEWABLES



We provide a wide range of services and products for our clients in the offshore and onshore wind energy industry,, across all phases of the assets' life cycle.

MARINE



We developed strategies anchored in effective, innovative integrity management, asset inspection, and engineering solutions.

REFINERY



We deliver engineering services that complements our innovative digital reporting solutions and AIR concept.

Safety is at the core of everything we do.



(Photo: Tank inspection in Norway)

SERVICES

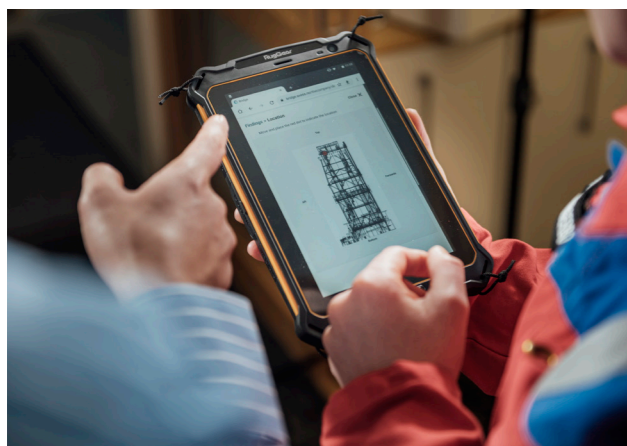
We are committed to helping our clients reach their goal of maximum productivity, uptime, and operational efficiency through providing innovative asset integrity and engineering solutions while ensuring zero harm to the environment, personnel, assets, and reputation.

CABLE PULL-IN AND TERMINATION & TESTING



We perform both cable pull-in and termination & testing services as an integrated package to achieve efficiency gains in cable installation for both bottom-fixed and floating offshore wind turbines. This reduces the project's overall risk and capital expenditure (CAPEX).

DIGITAL SOLUTIONS



Bridge, a comprehensive and user-friendly inspection software, automates and streamlines the entire inspection programme and reporting processes, putting our clients in control of their assets.

INTEGRATED BOP SERVICES



Our integrated approach to Balance of Plant (BoP) combines several inspection and maintenance services for both topside and subsea to gain powerful synergies.

ENGINEERING & MATERIAL HANDLING



We deliver engineering solutions and material handling products while striving to reduce carbon emissions. For example, our Alpa Winch reduces flaring, and we conducted caisson replacement without the use of support vessels.

ASSET INTEGRITY MANAGEMENT



We support our clients in the development of an effective Asset Integrity Management (AIM) system that covers various asset components, including static pressurised equipment, dynamic pressurised equipment, hull and structures, as well as subsea equipment.

MARINE SOLUTIONS



We offer measurable risk reduction for offshore operations through marine services such as dynamic positioning, marine assurance, marine warranty and marine engineering.

INSPECTION SERVICES



We help our clients manage risks effectively with our broad range of inspection services, using conventional and advanced non-intrusive inspection (NII) and non-destructive testing (NDT) techniques.

ADVISORY SERVICES



We combine our hands-on experience, deep industry knowledge and business understanding to deliver high-value advisory services such as asset evaluation, litigation and arbitration, transactional services and risk management.

SUSTAINABILITY

Sustainability in Axess means to conduct our business in a way that balances short- and long-term interests, and that integrates environmental, social, and economic considerations.



(Photo: Climbing the Store Venjetind in Romsdalen, Norway)

OUR APPROACH

We are committed to making responsible business decisions that create value, protecting the health and safety of our people, taking ownership to stop the climate change, and contributing to the good of society.



(Photo: Meeting in the Perth office)

Goals and opportunities:

ENVIRONMENTAL

Stopping climate change by reducing climate emissions

- E1-3: Reduction of greenhouse gas emissions
- E4: Low-carbon solutions for clients
- E5: Energy from renewable sources

SOCIAL

Protecting the health and safety of our people and contributing to the good of society

- S1-4: Healthy working environment
- S5: Employee development
- S6-9: Diversity & equal opportunities

GOVERNANCE

Making responsible business decisions that create value

- G1-4: Financial results, solidity, and local value creation
- G5-6: Quality and reliability of deliveries
- G7: Responsible supply chain
- G8-10: IT security and privacy
- G11-12: Open and ethical practices



(Photo: Employees cycling to work in Molde, Norway)

ESG Performance Data

ESG area	Goal	ESG	Opportunity	KPI	Target 2025	2021	2020	2019	2018	2017
Environment	Stop climate change	E1	Reduction of GHG - services	% reduction since 2017/value created (2021 not calculated)	60%		45%			0%
Environment		E2	Reduction of GHG - products	% reduction since 2017/value created (2021 not calculated)	30%		6%			0%
Environment		E3	Reduction of GHG - office	% reduction since 2017/value created (2021 not calculated)	60%		52%			0%
Environment		E4	Low-carbon solutions for clients	Positive handprint vs. footprint (from 2022)	-					
Environment		E5	Renewable energy	Strategic initiatives, activity in Non Oil&Gas	25%	8%	8%	-	-	-
Social	Protect the health and safety of our people and contribute to the good of society	S1	Healthy working environment	TRIF (Total Recordable Incident Frequency, per million man hours)	0	5,02	4,56	2,82	-	-
Social		S2	Healthy working environment	Internal start-up meeting (from 2022)						
Social		S3	Healthy working environment	Employee satisfaction (1-5)	4,0	3,83*	3,86	-	3,88	-
Social		S4	Healthy working environment	Employee presence	97,5%	97,0%*	97,8%			
Social		S5	Employee development	Trainingportal (completion of mandatory courses)	90%	86%	-	-	-	-
Social		S6	Diversity & equal opportunities	% female employees*	30%	18%	-	-	-	-
Social		S7	Diversity & equal opportunities	% female senior managers & executive positions	30%	14%	14%	13%	6%	8%
Social		S8	Diversity & equal opportunities	% female board members	40%	0%	0%	0%	0%	0%
Social		S9	Diversity & equal opportunities	% Non-Norwegians in Group Management	27%	18%	0%	0%	0%	0%
Governance	Responsible business decisions that create value	G1	Financial results and solidity	Profitability - EBITDA margin	11,8%	7,8%	9,8%	10,4%	13,5%	10,9%
Governance		G2	Financial results and solidity	Solidity; Equity ratio=Total Equity/Total Assets	25%	37%	41%	45%	38%	41%
Governance		G3	Financial results and solidity	Growth (Turnover in MNOK)	1 100	863	621	611	532	431
Governance		G4	Local value creation	% of Axess Group revenue outside Europe	50%	42%	35%	34%		
Governance		G5	Quality and reliability of deliveries	Client Satisfaction (1-6)	5,00	5,23	5,22	5,27	5,08	-
Governance		G6	Quality and reliability of deliveries	% completion of planned internal audits	100%	50%	33%	50%	42%	30%
Governance		G7	Responsible Supply chain	Signed Supplier Commitment (from 2022)	100%	-	-	-	-	-
Governance		G8	IT security and privacy	Inbound email protection breakdown (% of all emails blocked)	-	88%	-	-	-	-
Governance		G9	IT security and privacy	Security incidents followed up and closed	-	148	-	-	-	-
Governance		G10	IT security and privacy	Days downtime due to security incidents	0	0	0	0	0	0
Governance		G11	Open and ethical practices	Number of Improvement Reports/MNOK	2	1,50	2,02	0,70	0,75	1,09
Governance		G12	Open and ethical practices	Whistle blower reports (complaints)	-	1	-	-	-	-

*Numbers from Norway only

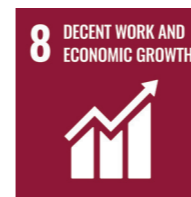


(Photo: Skiing at Loftskarstind)

Building a better tomorrow, today.

Axess Group supports the UN Sustainable Development Goals (SDGs) set by the United Nations in 2015. We have prioritised three SDGs that are aligned with our values, culture and work. We believe that we can have the most impact in these areas:

Through our own operations



DECENT WORK AND ECONOMIC GROWTH

We promote inclusive and sustainable economic growth, employment, and decent work for all through creating a good working environment, delivering financial results and solidity, prioritising local value creation and ensuring responsible supply chain. We create a good working environment by providing a healthy and safe place to work, promoting employee wellbeing, communicating well and involving our employees in decision-making.

Through our contribution to society



SUSTAINABLE CITIES AND COMMUNITIES

We contribute to sustainable, inclusive, safe and resilient local communities in countries where we are present in. We donate to sports facilities and support physical activities for the younger generation, and participate in voluntary work and beach clean-ups. To raise awareness and increase engagement regarding sustainable production among our employees, we established an urban garden at our headquarters where we used compost from food waste to sustain the gardens.

Through our solutions



CLIMATE ACTION

We combat climate change and its impact by reducing our carbon emissions and offering low-carbon solutions to our clients. In 2018, we established our Climate Roadmap with goals for how we can reduce our own emissions (“footprint”) as well as what we can do to help our clients reduce theirs (“handprint”). The three focus areas identified are support vessels, avoid flaring and service efficiency.

SUSTAINABLE SOLUTIONS

Our solutions help our clients in the energy sector achieve more sustainable operations. Our three focus areas are:

1 Support vessels

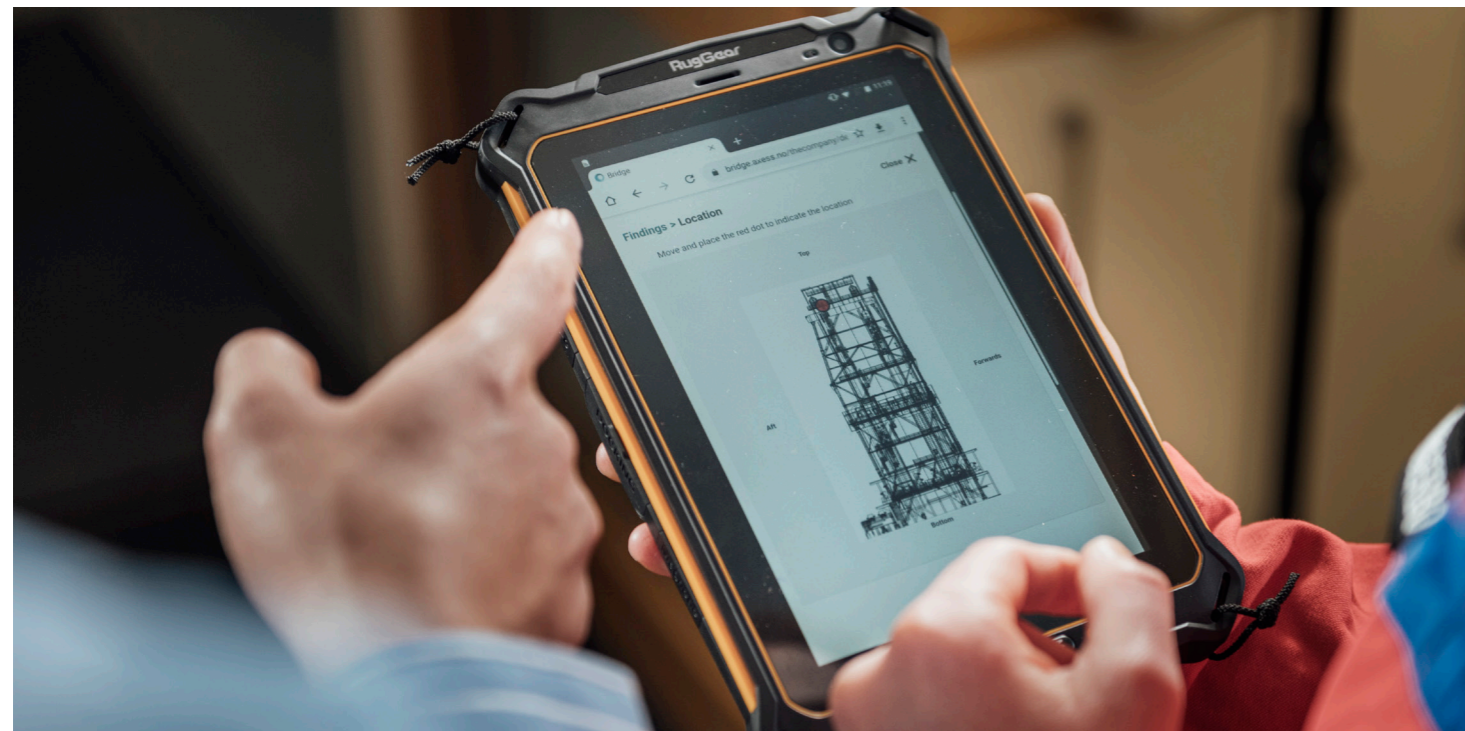
We offer innovative lifting solutions that avoid the use of support or Inspection, Maintenance and Repair (IMR) vessels. Our caisson replacement and thruster replacement services reduce 200t CO₂ per caisson and 100t CO₂ per thruster respectively.

2 Avoid flaring

We offer products and solutions that avoid production shutdown and flaring. An example is the Alpa Winch – its reduction potential is 100 to 500t CO₂ per month, depending on the customer case.

3 Service efficiency

We bundle services and plan systematically together with customers, to increase service efficiency and reduce the number of mobilisations/travel activity. With a large international client as our pilot customer, we have documented a reduction of 40% man-mobilisations/cost from 2016 to 2020.



(Photo: Bridge application on a tablet)

Notes

For more information on our work relating to sustainability, please refer to the Sustainability Report 2021.



Our mission is to significantly reduce carbon emissions from the oil and gas industry by staying at the forefront of technological innovation and providing our customers with the most climate-efficient solutions.

OUR PEOPLE

We understand that the work to achieve equal rights and having a diverse workforce is a continuous process, and we will continue to strive towards diversity and inclusion in the workplace.

We are committed to cultivate a passionate and high-performing culture where highly engaged and competent employees can grow, develop together, and succeed as a team regardless of their background.



(Photo: Discussion in the Molde office)

Our Code of Conduct establishes our commitment towards non-discrimination and equal opportunity for all employees.

WORKFORCE PROFILE

Gender Balance | Permanent employees in our Norwegian companies as of 31.12.2021

Entity	Employees	Women
Axess AS	142	18%
ALPA AS	24	8%
AxBit AS	26	27%
Axess Digital AS	10	10%
AxPeak AS	40	3%
Axess Services AS	16	0%
Axess Group Norway (total)	258	18%

Women in senior management and executive positions

In Axess Group Norway, 3 out of 14, or 21%, of employees in senior management and executive positions are women. This refers to positions with titles including C*, VP or director. In Axess AS, 25% of employees in senior management and executive positions are women.

Gender balance in recruitment

Of those employees recruited in 2020 and 2021 in Axess AS, and whom are still employed, 27,8% are women.



(Photo: Discussion in the Perth office)

Notes

There is a low proportion of women in general, but we are taking actions to improve the gender balance.

For more information on our work for equality and against discrimination, please refer to the Equality and Diversity Report 2021.

THE EXECUTIVE COMMITTEE

The management team works closely together to govern and direct our activities in Axess Group.



LASSE IVERSEN
GROUP CEO

Lasse became the CEO of Axess in 2020, succeeding Børge Gjeldvik. He was previously the Chief Financial Officer.

Lasse enjoys swing dancing, carpentering, fishing and cooking.

He is a state authorised public auditor and holds a Master of Business Administration (MBA) from the Norwegian School of Economics (NHH).

Lasse joined Axess in 2015 as an Operations Controller.



SVEIN EIDE
GROUP CBDO

Svein Eide has been the Chief Business Development Officer since 2019. Previously, he was the Chief Operating Officer.

Svein joined Axess as the Vice President of Sales and Marketing in 2012. He then moved to Singapore and later, South Korea, to start up the Group's entities, holding various senior management positions in Asia Pacific.

Svein is passionate about people and has a background in the Royal Norwegian Navy.



KNUT STEFANUSSEN
GROUP CMO

Knut Stefanussen became the Chief Marketing Officer in 2017. Prior to that, he was the Vice President of Business Development. Knut has been with Axess since 2009, where he started as a Project Manager.

He has a passion for outdoor activities like skiing, trad-climbing, dry tooling, and general alpinism.

Knut holds a certificate as a trained Industrial Mechanic. Additionally, he has a Master's degree in High Voltage Engineering from the Norwegian University of Science and Technology (NTNU).



THERESE MONSÅS
GROUP CPOO

Therese Monsås became the Chief Our People and Operational Excellence Officer in 2021. She was previously the Chief Operating Officer, having served in multiple positions since joining Axess in 2003.

Therese is passionate about sustainable urban agriculture and outdoor activities like cycling and skiing.

She holds a Master of Science (MSc) in Mechanical Engineering from the Norwegian University of Science and Technology (NTNU), and has furthered her studies in risk management and corrosion and surface technology.



ANDREAS SÆTER
VP EUROPE

Andreas Sæter became the Vice President of Europe in 2021. He has held several roles within Axess, including Project Engineer, Operations Manager, and most recently, Department Director.

Andreas enjoys ski touring and cross country skiing in the winter, and mountain biking and road biking in the summer.

He holds a Bachelor of Science (BSc) in Project Engineering from the Østfold University College. Andreas joined Axess in 2012.



JOSTEIN TVERDAL
VP AMERICAS

Jostein Tverdal became the Vice President of Americas in 2019. Prior to that, he has held several senior management positions such as Operations Manager, Chief Technology Officer, and the Managing Director of Axess North America.

Jostein is passionate about hiking, mountain biking, hunting and skiing.

He is a skilled machinist and holds a Bachelor of Engineering and Product Development from Aalesund University in Norway. Jostein joined Axess in 2008.



FERGUS MURRAY
VP ASIA PACIFIC & MIDDLE EAST

Fergus Murray has been the Vice President of Asia Pacific and Middle East since 2019. He previously held several senior management positions in the Asia Pacific & Middle East region. Fergus has been with Axess since 2012, where he started as the Operations Manager of Axess Singapore.

He has a passion for all things sports, but most notably, rugby and cycling.

Fergus hold a Bachelor's degree (dual honours) in Business Administration and Human Resource Management from the UK.



MAARTEN TURKSTRA
VP AFRICA

Maarten Turkstra joined Axess as Vice President of Africa in 2014. He was responsible for spearheading our expansion into the region, establishing offices in Cape Town, Luanda and Accra. Maarten has managed all aspects of growth, from operations to sales.

He enjoys the outdoors, including trail running, climbing and canyoneering. He also has a love for fine food and wine.

Maarten has a degree in business administration as well as a diploma in horticultural sciences.



TROND STOKKE
CEO, AXESS TECHNOLOGIES

Trond Stokke is the CEO of Axess Technologies. He has been working in Axess for the past 15 years, in multiple positions, including Department Manager and Vice President of Engineering Solutions.

Trond loves being out in the mountains. He enjoys skiing and mountain climbing in the winter, and mountain biking in the summer.

Trond studied for a Master's degree in Business and Economics at Molde University College.



LEIF LØKEN
COO, AXESS TECHNOLOGIES

Leif Løken is the Chief Operating Officer of Axess Technologies, and the director for the product division in the company. He was previously the Chief Executive Officer at Alpa.

He has a passion for alpine skiing, cross-country skiing and general outdoor activities.

Leif has a Master of Science (MSc) in Industrial Economics and Technology Management from the Norwegian University of Science and Technology (NTNU). He joined Axess in 2015.

PERFORMANCE

The Board of Directors' report provides a comprehensive review of Axess Group's strategy and performance for the year as well as the Board's outlook for the future. The annual accounts have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.



(Photo: Meeting in the Singapore office)

BOARD OF DIRECTORS' REPORT 2021

This report provides a comprehensive review of Axess Group's strategy and performance for the year as well as the Board's outlook for the future.



(Photo: Engineers in Norway)

The Business

The Axess Group delivers services in the field of asset integrity management solutions and, engineering and material handling solutions to leading players in the oil and gas, renewable, marine and infrastructure industries worldwide. The Group's vision is to create world-class sustainable solutions for the future.

The Axess Group conducts the business globally and has permanent presence in Norway, United Kingdom, Singapore, United States, Canada, Brazil, Scotland, Ghana, Guyana, India, Poland, Bosnia, Australia, South Africa, India, Mexico, Korea and Dubai. The parent company's

business address is in Molde, Norway. For information about the company structure, it is referred to the accounting principles and note 2 of the accounts in the financial statement.

The Group's vision is to create world-class sustainable solutions for the future.

The share capital is NOK 4,910,850, and is made up of 23 385 shares, nominal value of NOK 210 each. The company is owned by Axio AS (80%) and Salvesen & Thams Invest AS (20%).

Results

The turnover for the Group was NOK 863,0 million (NOK 620,6 million) and result before tax was NOK 64,2 million (NOK 56,6 million).

Turnover in Axess AS was NOK 397,1 million this year (NOK 346,8 million) and result before tax was NOK 51,9 million (NOK 36,4 million).

Covid-19 gave a challenging start of the year, mainly due to boarder restrictions, which affected the profits. Despite restrictions, both Axess AS and the Group delivered a growth in turnover from 2020 to 2021, respectively 15% and 39%. The Group has delivered an EBIT margin of 8% (10% in 2020).

Axess AS' EBIT margin was 11,9% (8,1%). This includes a sale of their digital investment to their fully owned daughter company Axess Digital AS. The sale accounts for 30 million.

The activity outside Norway has made a valuable contribution to the Group.

The turnover for the Group was NOK 863,0 million (NOK 620,6 million) and result before tax was NOK 64,2 million (NOK 56,6 million).

Research and development

The Group has several R & D projects ongoing. Some of the projects have proven eligible to support from public institutions such as the Norwegian tax incentive scheme Skattefunn.

Main development projects are related to development of Software solutions to improve future effectiveness. In 2021 Axess Group invested NOK 15 million in software solutions like eDrops, NDT, Bridge, Equip and other digital initiatives.

In addition to software and digitalization projects Axess Group is continuously investing in development of new competence, services, solutions, and products.

Main development projects are related to development of Software solutions to improve future effectiveness.

Balance Sheet

Bank deposits, accrued income on projects, and trade receivables are the main assets in Axess Group balance sheet.

Liability to credit institutions is related to the company's multicurrency credit facility and Norwegian financial factoring.

Axess Group has a credit facility of NOK 60 million, of which NOK 42,7 is utilized at year end.

Axess Group has a strong Equity of NOK 154,4 million (NOK 119,6 million) and an equity ratio of 34,4%. Axess AS has an equity of NOK 85,1 million (NOK 41,9 million) and an equity ratio of 40,6%.

Axess Group has a strong Equity of NOK 154,4 million (NOK 119,6 million) and an equity ratio of 34,4%.

Cash Flow Statement

Cash flow from operations was NOK -34,1 million (NOK 69,3 million) for the Group. Main difference from operational results is increase in accounts receivables and accrued, not invoiced revenues, related to contracts delivered at the end of the year. Cash flow from operations for Axess AS was NOK 29,6 million (NOK 20,8 million). The Group and Axess AS has focus on overdue accounts receivable and securing liquidity. The liquidity has decreased in 2021 due to the high growth in turnover the four last months of the year.

Cash flow from investing activities is NOK -26,8 million (NOK -7,3 million) for the Group. Increase is mainly related to increased acquisition of fixed assets, including intangibles.

Cash flow from investing activities for Axess AS was NOK -5,1 million (NOK 12,2 million). Main change is loans to subsidiaries.

Cash flow from financing activities was NOK 35,2 million (NOK -21,2 million) for the Group, and NOK -24,8 million (NOK -32,1 million) for Axess AS.

The overall change in liquidity in 2021 is affected by growth in turnover especially in H2. The Group has sufficient liquidity for continued operations. Continued growth at this level is dependent of adequate working capital levels and financing.

The liquidity situation is deemed to be satisfactory for both Axess AS and the Group.

Activity in 2021

2021 has been a year of significant growth for the Axess Group and the growth has increased throughout the year. The Group's growth has been in the renewables, infrastructure and oil and gas markets. The growth was 22% in Europe and 69% outside of Europe with Americas as the largest contributor.

The Group's operating companies had a continuous focus on the development of products and services within existing and new markets.

It is the Board's opinion that the financial statements give a satisfactory description of Axess and the Group's position at the end of the year. There have not been any subsequent events after the end of the year of any significance to the profit and loss or balance.

The Group's growth has been in the renewables, infrastructure and oil and gas markets. The growth was 22% in Europe and 69% outside of Europe with Americas as the largest contributor.

Forward Looking Statement and Continued Operations

The Axess Group has had significant growth in 2021, and the Group's order backlog has increased steadily throughout 2021, with its highest level in December 2021. This gives confidence that the Group will be able to grow further in 2022.

Based on the current market situation the Board has a positive view of the future. The geopolitical situation will be a driving force for the oil and gas market. Low levels of exploration and investments in the O&G industry since 2014 can yield high prices and investment levels for the coming years.

Axess Group has no direct activities towards Russia or Ukraine that will be affected by the current geopolitical situation in Ukraine.

In the Renewables market, political aspects are driving development and energy prices at high level generally triggers investments in renewables as well. Around 11.6 gigawatt of capacity in offshore wind is forecasted to become operational in 2022, which would make it the

second consecutive year with capacity additions of more than 10 GW. Excluding China, the expected auctioned amount is 45GW in 2022, compared to 12GW in 2021.

There is still uncertainty related to the corona virus and how this will affect operations in 2022 and beyond. It will affect Axess Group in a negative way. However, the situation is predicted to improve, and the impact should be less than in 2020 and 2021.

The Board of Directors believes the assumption of going concern of the Company and the Group is appropriate for the preparation of these financial statements.

Working Environment

The Board of Directors is considering the working environment of the Group as good. There are overall systems in place in the Group for health, safety, and the environment, and Axess is certified according to ISO 45001. The different entities have specific plans and activities in place for HSE work.

A good working environment is created by caring about the employees; Axess provides a healthy and safe place to work, and promotes workforce health and wellbeing, including mental health. Passion for outdoor activities is deeply embedded in the company culture, with a strong belief that physical activities together with colleagues improve the working environment. In 2021, the focus on Outdoor Values increased by arranging more activities and by sharing these activities and moments both in internal and external communication.

A good working environment is created by caring about the employees.

In Axess, the employee presence has always been high, meaning a low percentage of sick leave. In 2020 the employee presence was 97,8% (Axess Group), and in 2021, the employee presence was 97,0% (Axess Group Norway).

Axess aims to prevent all accidents by systematic and focused safety work. In 2021, the internal HSE communication was enhanced, the capacity on HSE work was increased, and a new HSE course for all employees and contractors was introduced. It has not occurred considerable injuries or accidents in the workplace in 2021.

Axess aims to prevent all accidents by systematic and focused safety work.

The Covid-19 pandemic has also in 2021 led to increased use of home office. While Axess is a global company with

strong digital communication, the Group has used that advantage to strengthen communication even more. The Group's operations have not been affected by employees working from home offices. From a work-environment and mental well-being perspective, it has been an increased focus on support across the organization. A specific focus has been given to employees in isolation and quarantine preparing for conducting work for clients.

For more information about working environment, it is referred to the "Sustainability Report 2021" that can be retrieved at Axess AS' head office in Molde.

Equality and Anti-discrimination

A variety of minds working together gives new perspectives and increase the competitiveness by better serving Axess' clients. In Axess, all employees have the right to be themselves regardless of background and who they are as human beings, and diversity, different perspectives, and new approaches are valued. The work to achieve equal rights and having a diverse workforce is a continuous process, and Axess will continue to strive towards diversity and inclusion in the workplace. The Board's opinion is that the Company is practicing equality in all aspects of the business, however targeted efforts to increase proportion of women in the company should be made.

A variety of minds working together gives new perspectives and increase the competitiveness by better serving Axess' clients.

In Axess Group Norway, 18% of employees are women. 21% of senior management and executive positions are held by women. There is no female representation in the Board of Directors. Specific goals have been set to increase the number of women in the company. By 2025, at least 30% should be women, and 40% in the future. At least 30% of senior management and executive positions should be held by women by 2025, and at least 40% of the board members should be women. To reach these goals, significant efforts are planned in different areas; Recruitment, internal and external communication, work against discrimination, parental policy and employee surveys.

For more information regarding this work and findings on Gender Equality and work against discrimination in Axess Group Norway, the Board refers to the separate report "Gender Equality 2021".

The main observations from the gender equality investigations done for Axess Group Norway are:

- Low proportion of women in general (18%)
- No evidence of significant or systematic gender pay gap found
- No evidence of discrimination of women in leadership positions found
- High proportion of the women in Axess AS hold field positions, but no women in field positions in Axess Technologies AS, AxPeak AS or Axess Services AS

The report can be retrieved at Axess AS' head office in Molde, and on axessgroup.com.

Sustainability, Climate and Corporate Social Responsibility

Since the inception of Axess Group in 1998, sustainability has been the cornerstone of its business model. Axess is dedicated to help their clients achieve maximum uptime and zero harm to people, assets, environment, and climate. Sustainability in Axess means to conduct the business in a way that balances short- and long-term interests, and that integrates environmental, social, and economic considerations.

Since the inception of Axess Group in 1998, sustainability has been the cornerstone of its business model.

Axess makes an impact in three ways;

- Internally through Axess' own operations
- Externally through Axess' solutions
- Through Axess' contribution to society

Impact through Axess' own operations

A good working environment is created by providing a healthy and safe place to work, promote workforce health and wellbeing, listen to our employees, and involve the employees in improvement, changes and when making important decisions. Axess delivers financial results and solidity, and promotes inclusive and sustainable economic growth, employment, and decent work for all, all over Axess Group by prioritising local content, local value creation and ensuring a responsible supply chain. The Group has taken an active role and introduced Axess Climate Roadmap, setting up ambitious targets to reduce the Group's own emissions in the entire value chain ("footprint").

Internally, commuting to work and work-related travel is deemed to be the activities having the most negative effects on the environment. It is therefore encouraged that all employees try to reduce their relative travel activity and reducing emissions related to commuting to work.

The Group has taken an active role and introduced Axess Climate Roadmap.

Impact through Axess' solutions

Axess combats climate change and its impact by reducing our own climate emissions. However, the biggest impact on the climate, is through the products, services, and solutions Axess provides to their clients. With our competence, experience, and global footprint, Axess has a unique opportunity to support our clients world-wide to work more efficient, to reduce the emissions in the business and to develop a sustainable production and operation. Axess Climate Roadmap does not only have goals for how our own emissions can be reduced, but also for what can be done to help our clients reduce theirs ("handprint"). Axess helps our clients through several products, services, and solutions, and have so far identified three focus areas for handprint solutions; Support vessels, Avoid flaring, and Service efficiency. Axess is certified according to ISO 14001.

Impact through Axess' contribution to society

Axess aims to contribute to develop sustainable, inclusive, safe, and resilient local communities all over the world where Axess is located. They support and make donations to sports facilities and activities for the younger generation in their local communities to create safe and inclusive places to meet, enjoy physical activity, and ensure both mental and physical health when growing up. Axess initiates and participates in voluntary work, arranges beach clean-up and other motivational campaigns. To increase engagement, competence and raise awareness around sustainable ecosystems, biodiversity, food recycle and production, Axess Urban Garden is established at the head office, where food waste is turned into fertile soil to grow decorative and edible plants.

For more information about sustainability, climate and corporate social responsibility, it is referred to the "Sustainability Report 2021" that can be retrieved at Axess AS' head office in Molde, and on [axessgroup.com](https://www.axessgroup.com).

Risk Factors

Market Risk

Market risk relates to the potential loss that may be associated with sales in an uncertain marketplace. The markets Axess operate in are highly competitive and demanding. The consequences of delivering behind time or delivering services/solutions/products that are not working as planned, may be very costly for our customers. Accordingly, the market risk is substantial should Axess not meet the expectations of their customers.

Axess market fluctuates over time, impacting the Groups turnover. The market is currently on recovery. The Group is monitoring trends closely and taking strategic initiatives to protect and improve its market position.

The level of operation, maintenance and investment in

the petroleum industry is another important parameter for Axess and this market is volatile but is expected to decrease in the longer perspective.

Operational risk

The Axess Group's deliveries are services, solutions and products of different complexity. The deliveries are organised as projects. Project management is an important success factor for reducing operational risk. Axess Group has established a project management process based on 'best practices' internally. All project managers undergo an in-house training programme on the project management process. Projects' earnings are contractually, so any uncertainty is attached to assessments of remaining costs and the accrual of projects' earnings.

Financial Risk

The Group is exposed to credit risk, interest rate risk and foreign exchange risk in its ordinary course of business. The credit risk is medium, the customers mainly consist of major players in the energy segment.

Axess Group has low to medium foreign currency exposure since it earns more than 90 per cent of its revenues locally. The foreign Exchange risk is managed since the projects have a substantial share of its procurements locally. This mitigates the Group's net foreign currency exposure.

Axess AS, the parent company, has foreign currency risk related to investment in subsidiaries. The Group's most important trading currencies outside Norway are USD and Singapore dollars. Axess AS policy is to limit currency risk while actively assessing various currencies' importance as competitive parameters.

Consolidated operating revenues and profits are not expected to be influenced to any great extent by fluctuations in foreign exchange rates over the next one to two years.

The local Axess entities are exposed to foreign exchange risk related to their sales. The local entities manage such risk by trying to reduce net exposure to foreign currency. For example they alter payments to contractors and other COGS to the same currency as the sales income.

The Group has Interest-bearing debt which is entered on a floating rate of interest.

Climate related Risk

Axess recognizes the urgency of climate change, and climate related risks are identified all over the business.

The market change is significant, and an increasing number of governmental policies and requirements to the business are expected. Axess clients, many of them among the world's leading oil and rig companies, have specific reduction plans. When these companies take lead, their suppliers will need to follow. To stay competitive, Axess

needs to have a climate strategy and offer low carbon solutions to the clients.

To reach future company goals, Axess needs to attract and keep talent. The younger generation, and Axess future employees, care more about the purpose of their work. To attract and keep talent, it is required that Axess have a clear choice and policy regarding social responsibility and sustainability.

Directors & Officers Liability Insurance

The company has acquired a Directors and Officers insurance policy to cover the personal liability for financial losses that directors and officers of the company may incur in their capacities as such ("Directors and Officers Liability/Styre og ledelsesansvar"). The policy is placed with a reputable international carrier on market terms.

Profit For The Year and Allocation

The Board proposes that the year's profit of the parent company of NOK 53,1 million is to be distributed as follows:

Dividends	NOK 10,0 million
Transferred to equity	NOK 43,1 million

Net profit in the Group was NOK 46,8 million, of which minority share amounts to a profit of NOK 0,7 million.

The Parent Company's free equity is NOK 80,1 million.



(Photo: Roan wind farm in Norway)

BOARD OF DIRECTORS



BØRGE GJELDVIK
CHAIRMAN OF THE BOARD

Børge is the current CEO of Axio. He served as the founder and CEO of Axess for 22 years, from 1999 to 2020.

Under his leadership, the company expanded globally, and grew into one with offices in 15 countries.

Børge has also been heavily involved in the start-up and development of several companies, including Axbit, Moments Climbing and Kraftmontasje.



GUNNAR GJELDVIK
BOARD MEMBER

Gunnar has a combined 28 years of experience in Stålprodukter, Aktro, Axess and Alpa. He has held a board position in Axess since 2001.

Gunnar played a key role in the establishment and development of AxTech, Sensorlink, Alpa and the international growth of Axess.

He worked in Axess from 1999 to 2020.



KJELL BJORDAL
BOARD MEMBER

Kjell has 24 years of experience as CEO in global industrial enterprises and 30 years of experience as Chairman of the Board at a number of national and international, listed and not listed companies.

Currently, he is the Chairman of the Board in Axio, Nordlaks Group, Sparebank1 SMN, Norsk Landbrukskjemi, Norwegian Research Council section HAV.



SVEIN SIVERTSEN
BOARD MEMBER

Svein has 33 years of experience as the Deputy Director at Salvesen & Thams.

He is the Chairman in Frøy, Arctic Fish, Power International, Berh Brekke, Napoleon Invest, Aalesundfisk and Boa Offshore.

Svein is also a board member at a number of companies.



ØYSTEIN RASMUSSEN
BOARD MEMBER

Øystein has been an Operations Manager at Axess since 2018. He joined the Board of Directors in 2016.

Øystein has a Master of Science (MSc) in Mechanical Engineering - Energy and Process from the Norwegian University of Science and Technology (NTNU).

He joined Axess in 2011. Øystein was chosen for the board by the employees.



OLE-ERICH HAAS
BOARD MEMBER

Ole-Erich is the current Head of Product Development at Axess Digital.

He joined Axess as a Service Manager in 2012 and moved to its subsidiary, Axess Digital, in 2021.

He has a Master of Science (MSc) in Electrochemistry and a PhD in Physical Chemistry from the Norwegian University of Science and Technology (NTNU). Ole-Erich was chosen for the board by the employees.



(Photo: Hundhammerfjellet wind farm in Norway)

FINANCIAL PERFORMANCE

The financial statements in this section include income statement, balance sheets and statement of cash flow for Axess AS and Axess Group.

INCOME STATEMENT

Axess AS				Group	
2021	2020	Note	2021	2020	
Operating income and operating expenses					
397 129 414	346 829 714	11	863 007 640	620 609 153	
30 000 000	2 670 093	12	697 762	4 261 263	
427 129 414	349 499 807		863 705 402	624 870 416	
143 051 628	105 006 316	13	338 885 142	174 410 558	
152 569 106	146 186 928	1	325 084 027	275 530 642	
2 097 177	1 510 205	3	9 771 147	7 402 723	
78 570 086	68 575 569	1	122 827 732	106 381 273	
376 287 997	321 279 018		796 568 048	563 725 196	
50 841 417	28 220 789		67 137 354	61 145 220	
Financial income and expenses					
13 108 696	10 000 000		0	0	
1 846 654	1 398 611		2 464 693	796 131	
1 380 922	5 825 130	16	21 530 135	20 497 860	
1 255 490	1 786 615		3 176 810	2 054 801	
2 019 722	7 276 224	16	23 795 662	23 803 503	
13 061 060	8 160 902		-2 977 644	-4 564 313	
63 902 477	36 381 691		64 159 710	56 580 907	
10 768 931	5 527 512	4	17 326 059	14 813 704	
53 133 546	30 854 179		46 833 651	41 767 203	
0	0		693 910	1 097 188	
53 133 546	30 854 179		46 139 741	40 670 015	

BALANCE SHEET

Axess AS				Group	
2021	2020	Note	2021	2020	
Assets					
Fixed assets					
Intangible fixed assets					
1 833 424	1 715 549	3, 14	17 241 314	4 448 278	
0	998 027	4	1 474 649	2 237 395	
1 833 424	2 713 576		18 715 963	6 685 673	
Tangible fixed assets					
4 617 967	3 352 984	3, 7	21 877 535	15 685 219	
4 617 967	3 352 984		21 877 535	15 685 219	
60 414 530	22 327 492	2	0	0	
17 962 157	3 347 713	9	0	0	
5 866 080	2 026 080	2	7 127 915	3 287 915	
1 012 407	7 894 518	9	1 012 407	7 894 518	
20 900	26 900		20 900	26 900	
0	0		2 105 443	1 889 982	
85 276 074	35 622 703		10 266 665	13 099 315	
91 727 465	41 689 263		50 860 163	35 470 207	
Current assets					
Inventories					
646 878	599 813	7, 17	2 034 478	1 531 739	
646 878	599 813		2 034 478	1 531 739	
Receivables					
50 336 440	53 175 511	7, 9	117 365 410	100 986 731	
18 414 010	30 205 832		31 481 605	27 193 079	
41 987 458	30 278 352		187 008 226	40 226 148	
110 737 908	113 659 695		335 855 241	168 405 958	
Bank deposits					
6 426 447	6 688 584	8, 10	59 846 013	85 571 721	
6 426 447	6 688 584		59 846 013	85 571 721	
117 811 233	120 948 092		397 735 732	255 509 418	
209 538 698	162 637 355		448 595 895	290 979 625	

BALANCE SHEET

Axess AS				Group	
2021	2020	Note	2021	2020	
Equity and liabilities					
Paid in equity					
4 910 850	4 910 850	Share capital	5, 6, 15	4 910 850	4 910 850
36 159 202	36 159 202	Share premium	5, 15	36 159 202	36 159 202
41 070 052	41 070 052	Total paid in equity		41 070 052	41 070 052
Retained earnings					
43 987 724	854 179	Other equity	5, 15	108 639 845	72 468 342
43 987 724	854 179	Total retained earnings		108 639 845	72 468 342
0	0	Non controlling interests		4 710 185	6 071 716
85 057 776	41 924 231	Total equity		154 420 082	119 610 110
Liabilities					
Provisions					
4 803 505	0	Deferred tax	4	0	0
4 803 505	0	Total provisions		0	0
Other long-term liabilities					
0	0	Liabilities to financial institutions	7	10 533 632	6 572 529
0	0	Other long term liabilities	3	3 631 748	2 199 871
0	0	Total of other long term liabilities		14 165 380	8 772 400
Current liabilities					
28 010 822	22 777 645	Liabilities to financial institutions	7	81 889 275	21 155 896
24 898 547	15 645 673	Trade payables	9	68 385 167	19 191 907
3 087 514	6 710 795	Tax payable	4	11 239 879	11 925 750
11 644 940	12 106 557	Public duties payable		23 724 578	23 549 190
10 000 000	30 000 000	Dividends	5	10 000 000	30 000 000
42 035 594	33 472 454	Other short term liabilities		84 771 534	56 774 372
119 677 417	120 713 124	Total short term liabilities		280 010 433	162 597 115
124 480 922	120 713 124	Total liabilities		294 175 813	171 369 515
209 538 698	162 637 355	Total equity and liabilities		448 595 895	290 979 625

STATEMENT OF CASH FLOW

Axess AS			Group	
2021	2020		2021	2020
Cash flow from operating activities				
63 902 477	36 381 691	Pre-tax profit	64 159 710	56 580 906
-30 000 000	0	Gain business transfer	0	0
-6 710 795	-216 277	Tax paid during the period	-17 249 184	-9 045 364
2 097 177	1 510 205	Depreciation	9 771 147	7 402 723
-8 870 035	-6 754 925	Change in accounts receivable incl. accrued revenues	-163 160 757	9 267 774
9 252 874	3 263 445	Change in accounts payable	49 193 260	962 359
-114 644	-13 347 518	Change in other accrual items	23 162 616	4 089 539
29 557 054	20 836 621	Net cash flow from operating activities	-34 123 208	69 257 937
Cash flow from investing activities				
-3 480 035	-2 284 201	Payment for acquisitions of fixed assets incl. intangibles	-29 664 205	-5 796 769
0	-1 785	Payment for acquisitions of shares in other businesses	0	0
0	0	Proceeds from sale of fixed assets	0	0
10 000 000	0	Proceeds from investments in subsidiaries	0	0
-11 572 333	14 485 961	Proceeds/payments on loans/investments	3 042 111	-289 698
0	0	Proceeds/payments on other long term receivables	-215 461	-1 226 415
-5 052 368	12 199 975	Net cash flow from investing activities	-26 837 555	-7 312 882
Cash flow from financing activities				
0	0	Proceeds from establishing new long term debt	5 392 980	6 572 529
0	0	Proceeds from establishing new short term debt	0	0
0	0	Payments on long term debt	0	0
5 233 177	-12 100 479	Net change in short term interest bearing debt	60 733 379	-8 231 259
0	0	Payment from/to non controlling interests	-891 304	523 564
-30 000 000	-20 000 000	Payments of dividends/group contributions	-30 000 000	-20 000 000
0	0	New equity	0	0
-24 766 823	-32 100 479	Net cash flow from financing activities	35 235 055	-21 135 166
-262 137	936 117	Net change in cash and cash equivalents	-25 725 708	40 809 889
6 688 584	5 752 467	Cash and cash equivalents at start of period	85 571 721	44 761 832
6 426 447	6 688 584	Cash and cash equivalents at end of period	59 846 013	85 571 721
6 426 447	6 652 542	Of which is tied up in tax accounts	10 962 694	9 991 871

NOTES

Accounting principles

The annual accounts have been prepared in accordance with the Accounting Act and generally accepted accounting principles.

Use of estimates

The preparation of accounts in accordance with the Accounting Act requires the use of estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in the notes.

Revenue

Income from sale of goods and services are recognised at fair value, net after deduction of VAT, returns, discounts and reductions.

Revenue from sale of goods

Revenue from sale of goods are recognised in the income statement when both risk and control have passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Normally this will be when the goods are delivered to the customer. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

Revenue from sale for services

Revenues for services are recognised when the service are performed and the company has a right to payment for performed. Revenues for services and long-term manufacturing projects are recognized in the income statement according to the projects level of completion provided the outcome of the transaction can be estimated reliably. The progress is measured as the expenses incurred compares to total expenses estimated. When the outcome of the transactions cannot be estimated reliably, only revenues equal to project costs that have been incurred will be recognized as revenue. The total estimated loss on a contract will be recognized in the income statement during the period when it is identified that a project will generate a loss.

Classification and assessment of balance sheet items

Assets intended for long term ownership or use are classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Intangible assets

Expenses for research and development and other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the cost can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Capitalised development costs are amortised linearly over the asset's expected useful life.

Fixed assets

Tangible fixed assets are capitalised and depreciated linearly down to the residual value over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Maintenance of operating equipment is expensed on an ongoing basis. Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased. Plots and land are not depreciated.

Operating leases of fixed assets are expensed over the lease period. Prepayments are reflected in the balance sheet as a prepaid expense, and are distributed over the rental period. The group are part of a financial leases agreement for fixed assets. The agreements are capitalized as machinery and plant, and depreciated linearly down to residual value over the expected useful economic life of the assets. The associated liability is presented as other long-term liabilities in the balance sheet. The obligation constitutes the present value of the total remaining estimated rent payments for the fixed assets.

Impairment of fixed assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If

the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Investments in other companies

The cost method is applied to investments in other companies. The carrying amount is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are generally recognised as income. Dividends/group contribution from subsidiaries are booked in the same year as the subsidiary makes the provision for the amount. Dividends from other companies are reflected as financial income when the dividends are approved. Investments are written down to fair value if the fair value is lower than the carrying amount.

Short-term investments in listed companies

Short-term investments in listed shares that are included a trading portfolio intended for resale is measured at fair value. The carrying amount in the balance sheet equals the market value of the investments at 31.12. Dividends received, as well as realised and unrealised gains/losses are recognised as other financial income/expense.

Inventory

The inventory of purchased goods is valued at the lower of acquisition cost according to the FIFO principle and net sales value. Finished goods of own production and work in progress are valued at production cost, including both variable and fixed production costs.

Receivables

Accounts receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables.

Pensions

The company and the group has defined contribution plans. The company is also part of the early retirement (AFP) scheme.

Defined contribution plan

With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognised as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Early retirement (AFP) scheme

The early retirement (AFP) scheme is a defined benefit multi-employer pension plan, funded through premiums determined as a percentage of salary. The scheme is treated in the accounts as a defined contribution plan with premium payments expensed as incurred and no provisions are made in the accounts.

Tax

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate at the end of the accounting year. Agio gains and losses relating to sales and purchases of goods in foreign currencies are recognised as operating income and cost of goods sold.

Cash Flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank

deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Consolidation

The consolidated financial statement comprises companies where parent company and/or subsidiaries directly or indirectly have controlling interests. The consolidated statement shows profit and loss, balance sheet and cash flow as if the group was one entity. An ownership is normally considered as a controlling interest when the parent company directly or indirectly controls more than 50 % of the voting rights. Accounting principles are applied equally throughout the group. Newly acquired subsidiaries are consolidated from the point in time when controlling interest is reached.

The group consolidated financial statement comprises the following companies:

Company	Ownership %	Ownership company
Axess AS	parent company	
Axess International AS	100%	Axess AS
Axess Technologies AS	100%	Axess AS
Axess Digital AS	100%	Axess AS
Axess Services AS	100%	Axess AS
Axpeak AS	100%	Axess AS
Axbit AS	51%	Axess AS
Axess do Brasil Ltda	92%	Axess International AS
Axess North America Inc	100%	Axess International AS
Axess Offshore Pte Ltd	100%	Axess International AS
Axess North Sea Ltd	100%	Axess International AS
Axess Offshore Inspection Ghana Ltd	100%	Axess International AS
Axess Offshore Africa Pty Ltd	100%	Axess International AS
Axess North Sea Holding Ltd	100%	Axess International AS
Axess Baffin Inc	100%	Axess North America Inc
Axess Offshore Services Pte Ltd	100%	Axess Offshore Pte Ltd
Axess Offshore Pte Ltd Korea Branch	100%	Axess Offshore Pte Ltd
Axess Offshore Services India Branch	100%	Axess Offshore Pte Ltd
Axess Offshore Australia Pty Ltd	100%	Axess Offshore Pte Ltd
Axess Offshore Middle East DMCC	100%	Axess Offshore Pte Ltd
Axess AIM India Private Ltd	100%	Axess Offshore Pte Ltd
Axess de Operations de Mexico	100%	Axess North Sea Holding Ltd
Axess Guyana Inc	100%	Axess North Sea Holding Ltd
Axess Digital D.O.O	100%	Axess Digital AS
Axess Petrorig Ghana Limited	60%	Axess Offshore Inspection Ghana Ltd

All material transactions between group companies have been eliminated in the consolidated financial statement. Axess Offshore Inspection Ghana Ltd and Axess North Sea Holding Ltd are not included in the consolidated accounts for Axess as these subsidiaries are deemed immaterial.

Elimination of shares in subsidiaries

Shares in subsidiaries are in the group statement eliminated according to the acquisition-method. The difference between purchase price and balance sheet value of net assets at the time of acquisition is analyzed and allocated to specific balance sheet items according to fair value. Values that cannot be allocated in this way, that exist due to expectations to future earnings are allocated to goodwill and depreciated according to expected useful life. In order to consolidate the Group's financial statements have entries in other currencies in the subsidiary's balance accounts been converted according to the rate on the balance sheet date, and income statement have been converted according to the average exchange rate for the period. Conversion differences which occur at consolidation are accounted directly against equity since this in our opinion gives the most representative P&L.

Note 1 Personnel expenses, number of employees, remuneration, loan to employees

Axess AS:

Payroll expenses	2021	2020
Salaries/wages	123 309 968	120 413 774
Social security fees	18 602 031	17 454 425
Pension expenses	7 626 212	5 775 273
Other remuneration	3 030 895	2 543 457
Total	152 569 106	146 186 928

Average number of employees during the financial year	136	127
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Remuneration	CEO	Board
Salaries/wages	1 753 739	440 000
Other remuneration	13 142	0
Total	1 766 881	440 000

CEO has no agreement of special consideration in case of termination of the employment. The company has bonus agreements with leading employees based on achieved results.

Expensed audit fee

Expenses paid to the auditor for 2021 amounts to NOK 956 000,- excl.mva.

Statutory audit fee	592 000
Technical assistance with financial statements	210 000
Other assistance	154 000
Total audit fees	956 000

Group:

Payroll expenses	2021	2020
Salaries/wages	268 826 381	232 307 071
Social security fees	35 162 590	28 415 109
Pension expenses	11 416 115	8 270 550
Other remuneration	9 678 940	6 537 912
Total	325 084 026	275 530 642
Average number of employees during the financial year	414	329

Expensed audit fee

Expenses paid to the auditor for 2021 amounts to NOK 1 334 123,- excl.mva.

Statutory audit fee BDO	799 615
Statutory audit fee other audit companies	63 889
Technical assistance with financial statements	273 100
Other assistance	185 350
Other assistance other audit companies	12 169
Total audit fees	1 334 123

Audit fee for the group includes fee for auditing foreign subsidiaries for consolidation purposes.

OTP (Statutory occupational pension)

The norwegian companies in the group are required to have a pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). Each company's pension scheme meets the requirement of this law.

Early retirement (AFP) scheme

The parent company is part of the early retirement (AFP) scheme which is a defined benefit multi-employer pension plan, funded through premiums determined as a percentage of salary. The scheme is treated in the accounts as a defined contribution plan with premium payments expensed as incurred and no provisions are made in the accounts.

Contributions to the pension scheme is included in salary costs in the financial statements. There is no official estimates of future premium rates for the AFP, but it is assumed that the premium for the new AFP must be increased over time to accommodate the expectations of increased payments with sufficient capital buffers.

The company is jointly responsible for two-thirds of the pension to be paid to the workers that at any given time satisfy the conditions. The responsibility applies to both the lack of payment and if the premium rate proves to be insufficient. In the event of liquidation of the scheme, the company has an obligation to continue premium payments to cover pension payments for employees who have acceded or which meet the conditions for early retirement pension at the time of liquidation.

Axess AS

Of the total pension costs for 2021 NOK 5 364 295 is related to the defined contribution plans and NOK 2 261 917 is related to early retirement (AFP) scheme. In 2020 no companies in the group were part of the early retirement (AFP) scheme.

Group

Of the total pension costs for 2021 NOK 9 154 198 is related to the defined contribution plans and NOK 2 261 917 is related to early retirement (AFP) scheme. In 2020 no companies in the group were part of the early retirement (AFP) scheme.

Note 2 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are booked according to the cost method.

Company	Location	Ownership/ voting rights	Balance sheet value (in Axess AS)	Annual net profit / loss	Equity pr. 31.12	Dividend booked in Axess AS
Axess Technologies AS	Molde	100%	19 510 000	7 976 333	19 097 678	10 000 000
Axpeak AS	Molde	100%	1 861 197	-1 767 631	311 747	
Axess Services AS	Molde	100%	1 967 363	-1 271 988	199 116	
Axess Digital AS	Molde	100%	35 153 950	-5 023 875	30 099 999	
Axess International AS	Molde	100%	1 818 235	4 924 659	5 546 956	2 000 000
Axbit AS	Molde	51%	102 000	2 379 587	7 132 317	1 108 696
Sensorlink AS	Tr.heim	38%	5 866 080	-826 000	11 716 000	

Sensorlink AS figures are for 2020

Company indirectly owned through subsidiaries	Location	Ownership/ voting rights	Balance sheet value (in parent company)	Annual net profit / loss	Equity pr. 31.12
Axess do Brasil Ltda	Brazil	92%	1 437 321	1 594 428	8 471 971
Axess Offshore Pte Ltd	Singapore	100%	1 500 000	1 932 358	34 296 587
Axess North America Inc	USA	100%	1 500 000	2 493 330	25 192 516
Axess Offshore Africa Pty Inc	South Africa	100%	3 571 429	4 519 274	12 651 714
Axess Offshore Inspection Ghana Ltd(*)	Ghana	100%	246 155	0	2 848 200
Axess Offshore Pte Ltd Indian Branch	India	100%	0	-2 222 432	-2 194 648
Axess Offshore Services Pte Ltd	Singapore	100%	13	791 530	4 060 877
Axess Offshore Pte Ltd Korea Branch	Korea	100%	0	-355 135	-1 067 721
Axess Baffin Inc	Canada	100%	26	-3 286 864	-8 859 659
Axess North Sea Ltd	Scotland	100%	0	1 390 650	6 182 238
Axess Offshore Australia Pty Ltd	Australia	100%	0	-4 078 473	-4 054 978
Axess de Operations de Mexico	Mexico	100%	0	18 211 585	18 216 173
Axess Petrorig Ghana Limited	Ghana	60%	0	-1 261 145	2 057 211
Axess Offshore Middle East DMCC	UAE	100%	0	-321 994	-2 162 780
Axess North Sea Holding Ltd(*)	Scotland	100%	1 170	0	1 194
Axess AIM India Private Ltd	India	100%	0	2 028 928	2 335 812
Axess Digital D.O.O	Bosnia	100%	0	17 241	22 032
Axess Guyana	Guyana	100%	0	-81 496	-79 127

For Axess Offshore Inspection Ghana Ltd figures are for 2020.

* Axess Offshore Inspection Ghana Limited and Axess North Sea Holding Ltd are not included in the consolidated accounts for Axess AS as these subsidiaries are deemed immaterial. The group also has an 48% ownership in Altum Sp.z.o.o. with a book value of NOK 1 261 835. The shares are recognised at cost. Altum had a preliminary result of NOK 623 757 in 2021 and a preliminary equity pr 31.12.21 of NOK 1 725 767.

Note 3 Fixed assets**Axess AS:**

	Intangible assets	Other fixed assets	Total
Acquisition cost 01.01	1 805 841	7 908 358	9 714 199
Additions	492 731	2 987 304	3 480 035
Disposals	0	0	0
Acquisition cost 31.12	2 298 572	10 895 662	13 194 234
Acc. depreciation/ impairment 31.12	-465 147	-6 277 695	-6 742 842
Book value 31.12	1 833 425	4 617 967	6 451 392
Depreciation in the year	374 855	1 722 322	2 097 177
Depreciation plan	Linear	Linear	
Economic useful life	Up to 5 years	Up to 5 years	

Group:

	Intangible assets	Other fixed assets	Total
Acquisition cost 01.01	8 182 208	31 517 225	39 699 433
Additions	15 339 291	14 324 914	29 664 205
Disposals	0	0	0
Acquisition cost 31.12	23 521 499	45 842 139	69 363 638
Acc. depreciation/ impairment 31.12	-6 280 186	-23 964 602	-30 244 788
Book value 31.12	17 241 313	21 877 537	39 118 850
Depreciation in the year	2 546 254	7 224 893	9 771 147
Depreciation plan	Linear	Linear	
Economic useful life	Up to 10 years	Up to 10 years	

Axess Technologies AS are part of a financial leases agreement for fixed assets. The agreements are capitalized as machinery and plant, and depreciated linearly down to residual value over the expected useful economic life of the assets. The associated liability is presented as other long-term liabilities in the balance sheet. The obligation constitutes the present value of the total remaining estimated rent payments for the fixed assets.

Note 4 Tax**Axess AS:**

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	4 967 399	6 561 769
Changes in deferred tax	5 801 532	-1 034 255
Tax expense on ordinary profit/loss	10 768 931	5 527 514
Taxable income:		
Ordinary result before tax	63 902 476	36 381 693
Permanent differences	-13 129 725	-13 616 949
Changes in temporary differences	-26 370 597	4 701 157
Provided intra-group contribution	-10 367 998	-763 426
Taxable income	14 034 155	26 702 475
Payable tax in the balance:		
Payable tax on this year's result	3 087 514	5 874 545
Accrual tax audit	0	4 000 000
SkatteFunn(Public grants R&D)	0	-3 163 749
Total payable tax in the balance	3 087 514	6 710 796

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2021	2020	Difference
Tangible assets	-2 442 191	-2 770 935	-328 744
Accounts receivable	-300 000	-3 300 000	-3 000 000
Profit and loss account	27 776 302	4 734 449	-23 041 853
Other temporary differences	-3 200 000	-3 200 000	0
Total	21 834 111	-4 536 486	-26 370 597
Basis for deferred tax	21 834 111	-4 536 486	-26 370 597
Deferred tax (22 %)	4 803 505	-998 027	-5 801 531

Group:

Tax payable in the balance sheet	2021	2020
Tax payable in Norway	5 265 194	8 988 688
Tax payable in other countries	5 974 685	2 937 062
Total tax payable	11 239 879	11 925 750
Tax cost	2021	2020
Tax payable	16 563 313	15 830 438
Change in deferred tax	762 746	-1 016 734
Total tax cost	17 326 059	14 813 704

Note 5 Equity**Axess AS:**

	Share Capital	Share premium reserve	Retained earnings	Total equity
Equity 01.01	4 910 850	36 159 202	854 179	41 924 231
Dividends		0	-10 000 000	-10 000 000
Annual net profit/loss			53 133 545	53 133 545
Equity 31.12	4 910 850	36 159 202	43 987 724	85 057 776

Group:

	Share Capital	Share premium	Other equity	Non controlling interests	Total equity
Equity 01.01	4 910 850	36 159 202	72 468 342	6 071 716	119 610 110
Own shares			-561 000	-539 000	-1 100 000
Exchange rate differences			313 957	-346 331	-32 374
Change non controlling interests			278 806	-278 806	0
Dividends non controlling interests				-891 304	-891 304
Dividends		0	-10 000 000		-10 000 000
Annual net profit/loss			46 139 740	693 910	46 833 650
Equity 31.12	4 910 850	36 159 202	108 639 845	4 710 185	154 420 082

Note 6 Shareholders**The share capital in Axess AS as of 31.12 consists of:**

	Total	Face value	Entered
Ordinary shares	23 385	210,0	4 910 850
Total	23 385		4 910 850

Ownership structure

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Axio AS	18 708	80,0	80,0
Salvesen & Thams Invest AS	4 677	20,0	20,0
Total number of shares	23 385	100,0	100,0

Chairman of the board Børge Gjeldvik, board member Svein Sivertsen, board member Gunnar Gjeldvik, board member Kjell Bjordal and CEO Lasse Iversen have indirect ownership of shares through Axio AS.

Note 7 Debtors, liabilities, pledged assets and guarantees etc.**Axess AS:**

	2021	2020
Debtors which fall due later than one year after the expiry of the financial year	0	0
Long-term debtors which fall due later than five years after the expiry of the financial year	0	0
Liabilities secured by mortgage	2021	2020
Liabilities to credit institution, short term	5 332 627	4 077 977
Liabilities to factoring company, short term	22 678 195	18 699 668
Total	28 010 822	22 777 645
Balance sheet value of assets placed as security	2021	2020
Equipment, fixtures etc	4 617 967	3 352 984
Investment in subsidiaries	60 414 530	22 327 492
Inventories/Accounts receivables	92 970 777	84 053 676
Total	158 003 274	109 734 152

Group:

	2021	2020
Debtors which fall due later than one year after the expiry of the financial year	0	0
Long-term debtors which fall due later than five years after the expiry of the financial year	0	0
Liabilities secured by mortgage	2021	2020
Liabilities to credit institution, long term	10 533 632	0
Liabilities to credit institution, short term	52 744 393	0
Liabilities to factoring company, short term	29 144 882	21 155 896
Total	92 422 907	21 155 896
Balance sheet value of assets placed as security	2021	2020
Equipment, fixtures and fittings and other movables	21 877 535	15 685 219
Inventories/Accounts receivables	306 408 114	142 744 618
Total	328 285 649	158 429 837

Axess AS, Axess Technologies AS, Axess International AS, Axess Offshore Pte Ltd, Axess North America Inc, Axess Baffin Inc and Axess North Sea Ltd are part of a corporate account agreement with a total credit line of MNOK 60 of which MNOK 42,7

is utilized year end at group level.

In addition Axess AS has a factoring agreement with limit of MNOK 30 of which 22,7 is utilized at year end. Axess Technologies AS has a factoring agreement with limit of MNOK 7,5 of which MNOK 6,5 is utilized at year end. Total creditline for Axess AS and the Group is therefore MNOK 97,5.

Note 8 Guarantees

Axess AS has guaranteed for credit lines of subsidiaries in the corporate account agreement by a total of MNOK 60.

Note 9 Group intercompany balances**Axess AS:**

Receivables	2021	2020
Long term receivables	17 962 157	3 347 713
Accounts receivables	6 111 308	9 503 549
Dividend and group contribution	12 000 000	10 000 000
Total receivables	36 073 465	22 851 262
Liabilities	2021	2020
Trade creditors	10 837 837	6 079 729
Short term liabilities	0	234 600
Group contribution, payable	10 367 998	763 426
Total liabilities	21 205 835	7 077 755

The company is part of a corporate account system with Axess Technologies AS, Axbit AS and Axess International AS with some of the subsidiaries. Axess AS had an income of MNOK 47,1 towards other group companies, of MNOK 8,4 was management fee. Axess AS also has long term loans to associated companies with MNOK 1,0.

Note 10 Restricted bank deposits, cash in hand etc.**Axess AS:**

	2021	2020
Restricted funds deposited in the tax deduction account	6 426 447	6 652 542

Group:

	2021	2020
Restricted funds deposited in the tax deduction account	10 962 694	9 991 871

Note 11 Revenues

	Axess AS		Group	
Geographical distribution	2021	2020	2021	2020
Norway	296 333 111	299 554 980	432 864 090	347 953 408
Other countries	100 796 303	47 274 734	430 143 550	272 655 745
Total	397 129 414	346 829 714	863 007 640	620 609 153

Note 12 Other income

Other income	Axess AS		Group	
	2021	2020	2021	2020
Business transfer	30 000 000	0	0	0
Public grants	0	2 670 093	0	4 167 259
Profit on sales, fixed assets	0	0	0	94 004
Other	0	0	697 762	0
Total	30 000 000	2 670 093	697 762	4 261 263

In 2021 Axess AS transferred parts of its business activities to the wholly owned subsidiary Axess Digital AS. As a result a gain of MNOK 30 has been recognized in the company accounts of Axess AS. This gain has been eliminated in the group accounts.

Note 13 Cost of goods and Services purchased

Cost of goods	Axess AS		Group	
	2021	2020	2021	2020
Goods	21 115 738	12 341 464	88 914 258	33 145 452
Services	110 706 766	82 417 026	211 660 709	118 729 379
Travel costs	11 229 124	10 247 826	38 310 177	22 535 727
Total	143 051 628	105 006 316	338 885 144	174 410 558

Note 14 Research and development and grants

The company continuously runs R&D projects, and the cost related to these are included in operating expenses. In addition to Axess AS, the group has R&D projects in Axess Technologies AS and Axess Digital AS. The projects in Axess Technologies AS and Axess Digital AS are partially recognized in the balance sheet as they are directly linked to products and/or customers. In connection with R&D projects the company receives public grants (mainly skatteFUNN). Such grants are accrued and accounted for against the costs in the projects.

Note 15 Group financial reporting

The group Axess AS is included in the consolidated financial statement of the group Axio AS. The parent company is located in Molde, and the group financial statement can be retrieved there.

Note 16 Specification of financial income and financial expenses

Financial income	Axess AS		Group	
	2021	2020	2021	2020
Other financial income	0	0	0	0
Agio	1 380 922	5 825 130	21 530 138	20 497 860
Total financial income	1 380 922	5 825 130	21 530 138	20 497 860

Financial expenses	Axess AS		Group	
	2021	2020	2021	2020
Other financial expenses	0	0	0	0
Disagio	2 019 722	7 276 223	23 795 662	23 803 503
Total financial expenses	2 019 722	7 276 223	23 795 662	23 803 503

Note 17 Inventories

Inventories	Axess AS		Group	
	2021	2020	2021	2020
Inventories valued at purchased cost	646 878	599 813	2 034 478	1 531 739
Inventories valued at net realisable value	0	0	0	0
Write-down for obsolescence	646 878	599 813	2 034 478	1 531 739

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