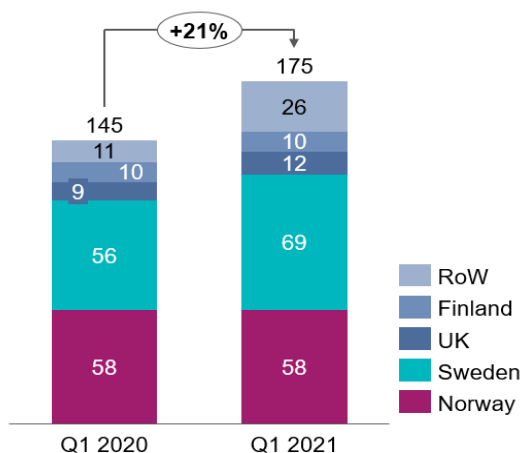


### STRONG REVENUE GROWTH OF 21% IN Q1

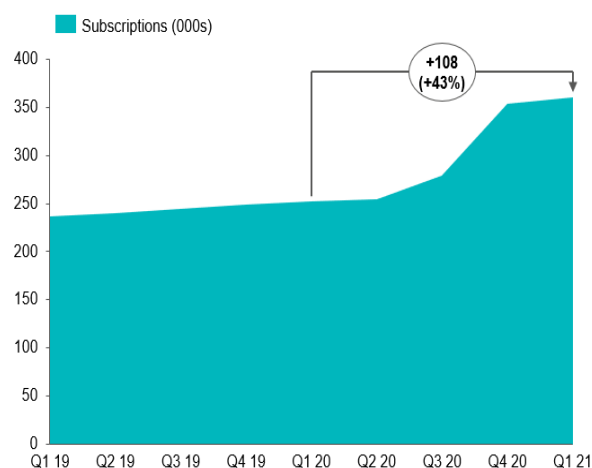
#### Q1 2021 / YTD

- Revenue of 174,6 (144,7) MNOK in the first quarter, representing growth of 21% from Q1 2020
- Adjusted EBITDA of 69,8 (61,7) MNOK, impacted by RAM and Automile margins.
- Quarter over quarter subscription growth of 43%.

#### Q1, Pro – Forma Revenue, MNOK



#### Qtrly - Subscriptions



### KEY FIGURES

	Q1 2021	Q1 2020	YTD 2021	YTD 2020
<b>MNOK</b>				
Revenue	174.6	144.7	174.6	144.7
Adjusted EBITDA	69.8	61.7	69.8	61.7
Adjusted EBITDA-margin	40%	43%	40%	43%

Abax constitutes the operating entities under Abax Group AS. All figures in () refer to the comparable figures from previous year. The pro-forma for the year-to-date 2021 and full year 2020 includes Revenue Recognition Change. All figures are shown under IFRS

## ABOUT ABAX

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

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

Innovation, sustainability and enthusiasm are at the core of the experience our customers have with ABAX. ABAX solutions continually help our customers run their businesses smarter and healthier, making it easy for them to improve efficiency, comply with legislation, and increase profitability.

ABAX is at the forefront of telematics, with a proven track record of attracting happy and innovative customers. We have a fast-growing customer base of 38,000, and more than 360,000 subscriptions within our IoT Network.

## FIRST QUARTER OPERATIONS UPDATE

Q1 had a slow start, and the first two weeks of the year had a different business dynamic than normal in all major markets. Given the tight Corona regulations, including Sweden enforcing a stricter work from home environment, new subscription sales started weak, but increased and returned close to expected levels through the quarter giving us a new customer MRR growth of 2,4% from the starting MRR January 1<sup>st</sup> (Annualised is 9.6%).

As the IoT Telematics market matures, our customers expect more advanced solutions from suppliers, and Abax is at the forefront of this development with the launch of Abax Access in Q4 2020. We saw average price per new subscription increase by 13% in the quarter over Q1 2020. Driven by a very large part of our new sales being the new and innovative solution family. Abax Access is future proof, using LTE-M, supported by both 4G and 5G networks.

As markets start to normalize after the pandemic, we expect new sales to gradually increase. Our business with Hitachi already highlights this improving dynamics as they have started to order again. As they catch up on their machine deliveries, we expect them to as well pick up the pace of ordering through the rest of 2021.

Our main risk in 2021 is the global shortage of chips and components that are important supplies for our hardware manufacturers. We have secured supply for our main budgeted business, but work on alternative supply strategies for incremental growth opportunities we see in the markets.

Finally, as previously announced, Abax has received an arbitral award concerning a claim against the insurance provider under the warranty and indemnity policy, which the Company had taken out in connection with the Company's acquisition of Abax Holding AS in 2017. In this context, we have received a payment in excess of 250 MNOK in May. The funds will be invested in the acceleration of our growth initiatives, organically and inorganically.



**Morten Strand, CEO**

## FIRST QUARTER FINANCIAL HIGHLIGHTS

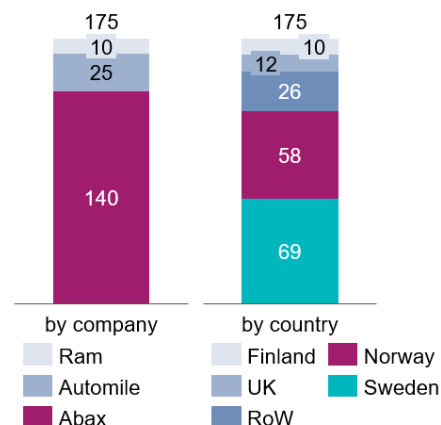
Revenue in the first quarter amounted to 174,6 (144,7) MNOK, representing growth of 21% from Q1 2020.

Adjusted EBITDA in the first quarter amounted to 69,8 (61,7) MNOK resulting in an adjusted EBITDA margin of 40% (43)%. The short-term decrease in adjusted EBITDA arises from different capitalisation methodologies at RAM and Automile, which are now being standardised under the Abax Group.

Employee related expenses and other operating expenses amounted to 94,1 (78,5) MNOK, corresponding to an increase of 20%, as a result of the Abax Group growing through acquisition. The number of fulltime employees rose to 344 at the end of the first quarter, an increase of 14,2% from the comparable figure last year.

Depreciation and amortization amounted to 85,8 (39) MNOK.

Q1, Pro – Forma Revenue, MNOK



## COVID-19 IMPLICATIONS ON THE BUSINESS

Whilst it is still too early to predict the effect of COVID-19 on the wider economy, Abax continues to support its customers with connectivity of assets to their businesses and increasing their ROI in these uncertain times.

The Abax leadership team continues to hold weekly meetings and monitor the various initiatives to keep the business focused on meeting the needs of our customers during this difficult time.

Abax customer segments have little or no exposure to industries that have been severely impacted by the current COVID pandemic.

## LIQUID FUNDS AND CASH CONVERSION

By the end of March 2021, Abax's cash amounted to 132.9 MNOK. Additionally, Abax has a non-utilized credit facility amounting to 50 MNOK.

Abax's cash conversion is driven by the payment frequencies of subscription fees, ranging from monthly/quarterly and yearly in advance, off-set by investments in capital expenditures and capitalized R&D.

## LEVERAGE

By the end of the first quarter the leverage amounted to 3,1 x LTM Q1-21 EBITDA. The leverage is calculated according to the table on the righthand side. This calculation is in line with the definitions agreed in the existing bond terms.

### Leverage calculation, MNOK

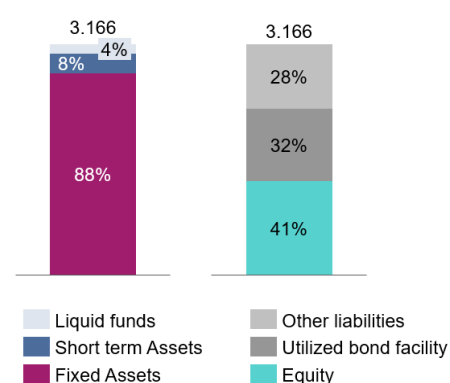
Interest bearing debt	1000
Cash	-133
Net debt	867
Pro forma LTM EBITDA	278
Leverage (Net debt/EBITDA)	3.1x

## BALANCE SHEET

Abax's fixed assets amount to 88% of which 80% refer to intangible assets subject to impairment tests. Management believes that these assets provide for a solid foundation to drive future profitability and growth.

The external interest-bearing loans amounted to 1,136 MNOK of which 1,000 MNOK refers to utilized bond facility and 133 MNOK refers to financial lease liability with regards to IFRS 16.

### Balance Sheet - M NOK



## PRODUCTS AND TECHNOLOGY

As the fastest growing Telematics company in Europe, Abax is in a unique position to become the central IoT platform provider within the Fleet Management space. Already with over 360K devices powering the Abax Global Network (Bluetooth Enabled), the Abax Open IoT Platform will provide access to millions of connected devices & sensors in Vehicles, Machines, Tools - in fact any sensor of interest to seamlessly and effortlessly run your business.

On top of that, the Abax Open IoT Platform will provide data to power a suite of add on services through our partners in Insurance & Leasing as well as the Abax After-sales Portal for Dealers. All of which give Abax even more revenue streams to nurture.

## CUSTOMERS

Abax's customer base mainly consists of small and medium-sized enterprises (SME) with the potential for multiple services, but that currently primarily use one of Abax' services. The SME customers are loyal, with an average lifetime of approximately 6 years.

There is also a significant mid-level segment, with 20-80 vehicles contracted to Abax but with an upsell potential of as many, if not more, machines and other assets. The base also includes key accounts, often using more than one service. In Norway and Sweden in particular, these key accounts include significant market leaders.

## SUSTAINABILITY

Abax was born along the south-western coastal city of Larvik, Norway where we still have our headquarters. Surrounded by unique fjords and forests, it's no wonder we believe that businesses have a part to play in protecting the environment in which they operate.

Our approach is linked to helping Norway reach its sustainability goals as well as being a sustainably viable business in our own right.

Abax's sustainability initiatives can be found at [www.abax.com](http://www.abax.com) under the Corporate Social Responsibility.



## MARKET

Abax is well positioned to leverage on a growing and fragmented marketplace. Abax benefits from being present in some of the most mature European markets such as the Nordics, UK, and Benelux. Growth for Abax in those markets is aided by the large awareness of Internet of Things (IOT) and connectivity amongst its customers, and the value, short pay-back time, and benefits Abax provides to those customers.

# RISKS

The operations of Abax Group are exposed to a number of financial risks such as market risks (currency risk and interest risk), credit risk and liquidity risk. The group aims to minimize potential adverse effects of these risks on the group's financial results.

The group's exposure to currency risk consists primarily of transactions taking place in foreign currencies between subsidiaries of Abax. The company does not use derivative instruments in order to reduce currency risks at present.

Since Abax Group AS in June 2020 issued a senior secured bond for a total amount of 1,000 MNOK, the company is exposed to interest rate trends. The bond terms give the investors a yield of NIBOR 3M + 6.15%. In order to reduce that exposure Abax Group AS has entered into an Interest Rate Hedge Transaction with SEB.

For a more detailed description of the risks mentioned above and other risks and uncertainties, please refer to the Investor presentation.

## Transactions with related parties

Abax Group AS is the senior operating company in the group. Closely-related parties consist of all subsidiaries and senior executives in the group and their closely-related parties. Transactions take place on market terms. The extent and nature of transactions with related parties in the period is consistent with previous year's transactions with related parties, as described in the 2020 annual report.

This interim report has not been subject to external audit.

Larvik, 31 May 2021



Morten Strand – CEO



David Norton - CFO

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Amounts in NOK thousand	Q1 2021	Q1 2020	Audited 01.01.20- 31.12.20
<b>REVENUE</b>	155 849	114 390	512 061
<b>OPERATING EXPENSES</b>			
Cost of hardware and services	20 882	10 908	52 184
Employee benefit expenses	62 663	53 556	214 801
Other operating expenses	31 532	25 036	106 242
Impairment loss on trade and other receivables	1 202	1 229	5 505
Depreciation	13 476	8 404	38 807
Amortisation	72 349	30 600	209 889
<b>OPERATING LOSS</b>	<b>(46 255)</b>	<b>(15 342)</b>	<b>(115 367)</b>
<b>FINANCIAL ITEMS</b>			
Finance income	9 312	32 008	13 836
Finance expenses	(21 442)	(12 191)	(79 603)
<b>TOTAL NET FINANCIAL ITEMS</b>	<b>(12 129)</b>	<b>19 818</b>	<b>(65 767)</b>
<b>LOSS/GAIN BEFORE TAX</b>	<b>(58 384)</b>	<b>4 476</b>	<b>(181 135)</b>
Income tax income	(0)	-	38 835
<b>LOSS/GAIN FOR THE PERIOD</b>	<b>(58 384)</b>	<b>4 476</b>	<b>(142 300)</b>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q1 2021	Q1 2020	Audited 01.01.20- 31.12.20
<b>Profit/loss (-) for the period</b>	<b>(58 384)</b>	<b>4 476</b>	<b>(142 300)</b>
<b>TOTAL ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS</b>	<b>(47 092)</b>	<b>(4 866)</b>	<b>(19 462)</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>(47 092)</b>	<b>(4 866)</b>	<b>(19 462)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(105 476)</b>	<b>(389)</b>	<b>(161 762)</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Audited

Amounts in NOK thousand	31.03.2021	31.12.2020
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	192 975	194 277
Intangible assets and goodwill	2 533 014	2 633 262
Deferred tax assets	34 000	34 000
Other investments, including derivatives	8 778	500
Non-current interest-bearing receivables	4 496	6 568
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2 773 262</b>	<b>2 868 606</b>
<b>CURRENT ASSETS</b>		
Inventories	21 209	23 134
Current tax assets	5 362	5 800
Trade and other receivables	165 185	133 084
Contract assets	68 363	54 216
Cash and cash equivalents	132 956	143 955
<b>TOTAL CURRENT ASSETS</b>	<b>393 075</b>	<b>360 188</b>
<b>TOTAL ASSETS</b>	<b>3 166 337</b>	<b>3 228 794</b>
<b>EQUITY</b>		
Share capital	42 959	42 959
Share premium	1 817 821	1 817 821
Retained earnings	(503 545)	(445 161)
Other reserves	(71 228)	(24 136)
<b>TOTAL EQUITY</b>	<b>1 286 007</b>	<b>1 391 483</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	223 789	210 704
Contract liabilities	151 998	120 386
Current tax liabilities	1 594	2 989
Loans and borrowings	119 881	113 558
<b>TOTAL CURRENT LIABILITIES</b>	<b>497 261</b>	<b>447 637</b>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	1 083 090	1 085 499
Deferred tax liabilities	283 877	285 808
Other non-current liabilities, not interest bearing	16 102	17 282
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1 383 069</b>	<b>1 389 674</b>
<b>TOTAL LIABILITIES</b>	<b>1 880 330</b>	<b>1 837 312</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 166 337</b>	<b>3 228 794</b>



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in NOK thousand	Q1 2021	Q1 2020	Audited 01.01.20 -31.12.20
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss for period	(58 384)	4 476	(142 300)
<b>Adjustments for:</b>			
- Depreciation	13 476	8 404	38 807
- Amortization	72 349	30 600	209 889
- Net finance costs	12 129	(19 818)	65 767
- Tax expense	0	-	(38 835)
<b>Cash inflows before changes in working capital, interest and tax</b>	<b>39 570</b>	<b>23 662</b>	<b>133 328</b>
<b>Changes in:</b>			
- Inventories	1 925	700	6 450
- Trade and other receivables	(29 592)	3 400	33 028
- Trade and other payables	13 085	(1 400)	(37 168)
- Contract assets/liabilities	17 465	27 300	68 745
- Other movements	(6 002)	(11 462)	6 452
<b>Cash outflows before interest and tax</b>	<b>36 450</b>	<b>42 200</b>	<b>210 836</b>
Interest paid	(16 625)	(1 700)	(50 806)
Income taxes paid	(1 471)	(2 900)	(3 460)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>18 355</b>	<b>37 600</b>	<b>156 570</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Aquisition of property plant and equipment, and intangible assets	(28 954)	(24 000)	(105 657)
Aquisition of RAM	-	-	(37 741)
Aquisition of Automile	-	-	(523 717)
Cash from acquisition RAM	-	-	1 107
Cash from acquisition Automile	-	-	72 103
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(28 954)</b>	<b>(24 000)</b>	<b>(593 905)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital	-	-	151 350
Proceeds from loans from group companies	8 700	(12 900)	300
Proceeds from loans and borrowings	-	66 300	1 046 083
Repayment of borrowings	-	-	(625 328)
Payment of lease liabilities	(9 099)	-	(28 927)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(399)</b>	<b>53 400</b>	<b>543 478</b>
<b>NET INCREASE/DECREASE (-) IN CASH AND CASH-EQUIVALENTS</b>	<b>(10 998)</b>	<b>67 000</b>	<b>106 144</b>
CASH AND CASH-EQUIVALENTS BEGINNING OF PERIOD	143 954	46 600	46 560
Currency effect of cash and cash equivalents	-	-	(8 749)
<b>CASH AND CASH-EQUIVALENTS AT PERIOD END</b>	<b>132 956</b>	<b>113 600</b>	<b>143 954</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year 2020	Attributable to shareholders of ABAX Group AS					Total equity
	Share capital	Share premium	Total paid-in capital	Retained earnings	Translation reserve	
<b>Amounts in NOK thousand</b>						
Ingoing balance 1 January 2020	14 320	1 417 506	1 431 826	(304 379)	(4 674)	1 122 773
<b>Total comprehensive income for the period 01.01.20 - 31.12.20</b>						
Loss for the period				(142 300)		(142 300)
Other comprehensive income for the period					(19 462)	(19 462)
				(142 300)	(19 462)	(161 762)
<b>Transactions with owners of the Company</b>						
Capital increase debt conversion	14 320	263 284	277 604			277 604
Capital increase cash contribution	14 320	137 031	151 351			151 351
Group contribution Abax Midco				(26)		-26
Group contribution Abax Invest			-	1 543		1 543
	28 639	400 315	428 954	1 517	-	430 471
<b>Balance as of 31 December 2020</b>	<b>42 959</b>	<b>1 817 821</b>	<b>1 860 780</b>	<b>(445 161)</b>	<b>(24 136)</b>	<b>1 391 483</b>

Year 2021	Attributable to shareholders of ABAX Group AS					Total equity
	Share capital	Share premium	Total paid-in capital	Retained earnings	Translation reserve	
<b>Amounts in NOK thousand</b>						
Ingoing balance 1 January 2021	42 959	1 817 821	1 860 780	(445 161)	(24 136)	1 391 483
<b>Total comprehensive income for the period 01.03.21 - 31.03.21</b>						
Loss for the period				(58 384)		(58 384)
Other comprehensive income for the period					(47 092)	(47 092)
				(58 384)	(47 092)	(105 476)
<b>Balance as of 31 March 2021</b>	<b>42 959</b>	<b>1 817 821</b>	<b>1 860 780</b>	<b>(503 545)</b>	<b>(71 228)</b>	<b>1 286 007</b>

### Note 1: General information

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

The interim condensed consolidated financial statements for the first quarter 2021, ending 31 March 2021, were prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's 2020 annual report.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020 prepared under IFRS.

### Note 2: Segment reporting

The group recognizes only a single segment in accordance with the definition of operating segment in IFRS 8. The starting point for identifying operating segments on which separate information can be provided are the internal reports to and monitoring by the group management. The group management monitors operating income for the entire business as one operating segment.

### Note 3: Revenue

ABAX has business areas as operating segments. The operating segments correspond to the way in which the business areas report figures to the Group executive management (key decision maker). ABAX is currently reporting its figures to key decision maker as one operating segment, the telematics solutions. In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition.

<i>Amounts in NOK thousand</i>	<b>01.01.21-31.03.21</b>	<b>01.01.20-31.03.20</b>
<b>Primary geographical markets</b>		
Norway	50 530	45 766
Sweden	62 188	44 360
Finland	8 867	8 058
Denmark	3 982	4 933
UK	10 107	7 476
Other	20 175	3 798
<b>Total revenue</b>	<b>155 849</b>	<b>114 390</b>
<b>Major products/service lines</b>		
Trip logs	146 858	106 958
Equipment control	8 991	7 433
<b>Total revenue</b>	<b>155 849</b>	<b>114 390</b>
<b>Timing of revenue recognition</b>		
Products transferred at a point in time	-	-
Products and services transferred over time	155 849	114 390
<b>Total revenue</b>	<b>155 849</b>	<b>114 390</b>

# APPENDIX

The following information does not form part of the interim condensed consolidated financial statements, and is only for supplemental information purposes, to aid in the transition from previously reported quarterly reports under NGAAP to reporting under IFRS

## YTD & LYTD BRIDGE – TO ADJUSTED FINANCIAL STATEMENTS

MNOK	Q1 2021		Q1 2021		Q1 2021		Q1 2021
	FS (NGAAP)	IFRS adjust.	FS (IFRS)	Revenue recognition adjust.	FS after revenue recognition adjust.	NRI adjust.	Adjusted FS
Revenue	156		156	19	175		175
Cost of goods sold	(21)		(21)		(21)		(21)
<b>Gross Profit</b>	<b>135</b>	-	<b>135</b>	<b>19</b>	<b>154</b>	-	<b>154</b>
Gross margin	1		1		1		1
Payroll expenses	(63)		(63)	(1)	(64)	1	(63)
Other operating expenses	(44)	11	(33)		(33)	12	(21)
<b>EBITDA</b>	<b>29</b>	<b>11</b>	<b>40</b>	<b>17</b>	<b>57</b>	<b>13</b>	<b>70</b>
EBITDA margin	18 %		25 %		33 %		40 %

MNOK	Q1 2020		Q1 2020		Q1 2020		Q1 2020
	FS (NGAAP)	IFRS adjust.	FS (IFRS)	Revenue recognition adjust.	FS after revenue recognition adjust.	NRI adjust.	Adjusted FS
Revenue	114	-	114	30	145		145
Cost of goods sold	(11)		(11)		(11)		(11)
<b>Gross Profit</b>	<b>103</b>	-	<b>103</b>	<b>30</b>	<b>134</b>	-	<b>134</b>
Gross margin	1		1		1		1
Payroll expenses	(54)		(54)	-	(54)		(54)
Other operating expenses	(35)	8	(26)		(26)	8	(19)
<b>EBITDA</b>	<b>15</b>	<b>8</b>	<b>24</b>	<b>30</b>	<b>54</b>	<b>8</b>	<b>62</b>
EBITDA margin	13 %	-	21 %		37 %		43 %

Non-Recurring items relating to:	Q1 2021	Q1 2020	YTD 2021	YTD 2020
<b>MNOK</b>				
Restructuring exceptional cost (Payroll)	1	0	1	0
Advisory and legal fees (other operating expenses)	8	4	8	4
Advisory fees mergers and acquisitions (other operating expenses)	2	2	2	2
Nordic Bond cost (other operating expenses)	2	2	2	2
<b>Total non-recurring items</b>	<b>13</b>	<b>8</b>	<b>13</b>	<b>8</b>