

ABAX GROUP AS

Financial Report Q2 2024

Highlights

Steady growth amidst economic challenges



Q2 highlights

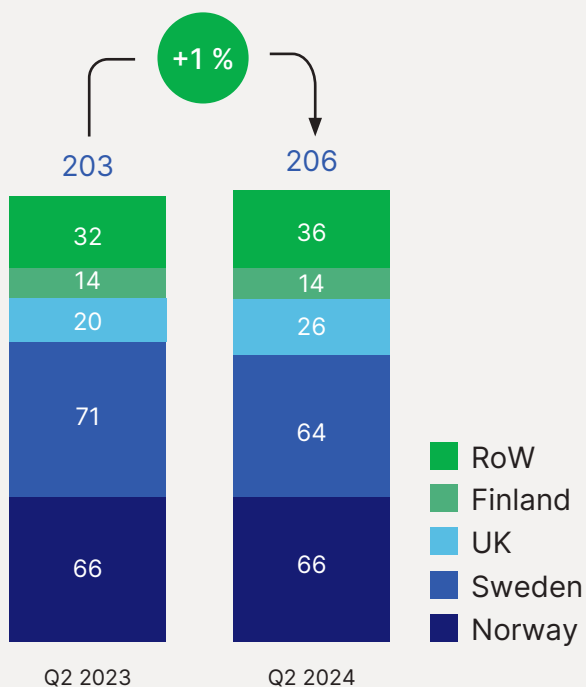
- Revenue of 205,7 (203,2) MNOK, 1 % growth year-over-year or 7 % growth excluding Sweden, which remains impacted by macroeconomic challenges, particularly in the construction sector
- Solid growth in our Asset Tracking solutions of 7 %
- Annual Recurring Revenue (ARR) of 803,1 MNOK, 2 % growth year-over-year
- Average subscription per customer has grown by 4 % on average year-over-year.
- Adjusted Gross Margin at 88 %, 1 pp growth year-over-year
- Adjusted EBITDA of 89,1 (92,3) MNOK, -3 % change year-over-year due to investments in future growth initiatives, such as Fair and iSquared
- Acquisition of RA Forsikring AS, a Norwegian independent insurance intermediary
- Secured recertification of ISO 9001, 14001 and 27001



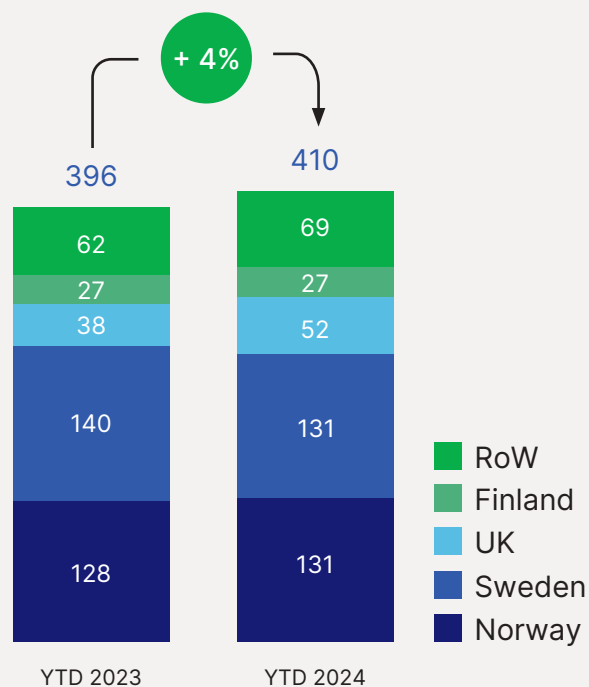
ABAX constitutes the operating entities under ABAX Group AS. All figures in the report are shown under IFRS.



Q2 Revenue, MNOK



YTD Operational Revenue, MNOK



Key figures¹

Amounts in NOK million	Q2 2024	Q2 2023	Variance % Y-on-Y	Jan-Jun 2024	Jan-Jun 2023	Variance % Y-on-Y
Revenue	205,7	203,2	1 %	410,1	395,9	4 %
Adjusted EBITDA	89,1	92,3	-3 %	167,9	169,9	-1 %
Adjusted EBITDA Margin	43 %	45 %	-2 %	41 %	43 %	-2 %
Adjusted Operating Free Cash Flow	40,0	24,5	63 %	85,0	80,4	6 %
Monthly Recurring Revenue	66,9	65,8	2 %			
Annual Recurring Revenue	803,1	789,7	2 %			

¹Revenue grew in all regions, with the exception of Sweden, which remains impacted by macro-economic challenges, particularly in the construction sector. Outside of Sweden, Revenue YTD was up by 9 %.

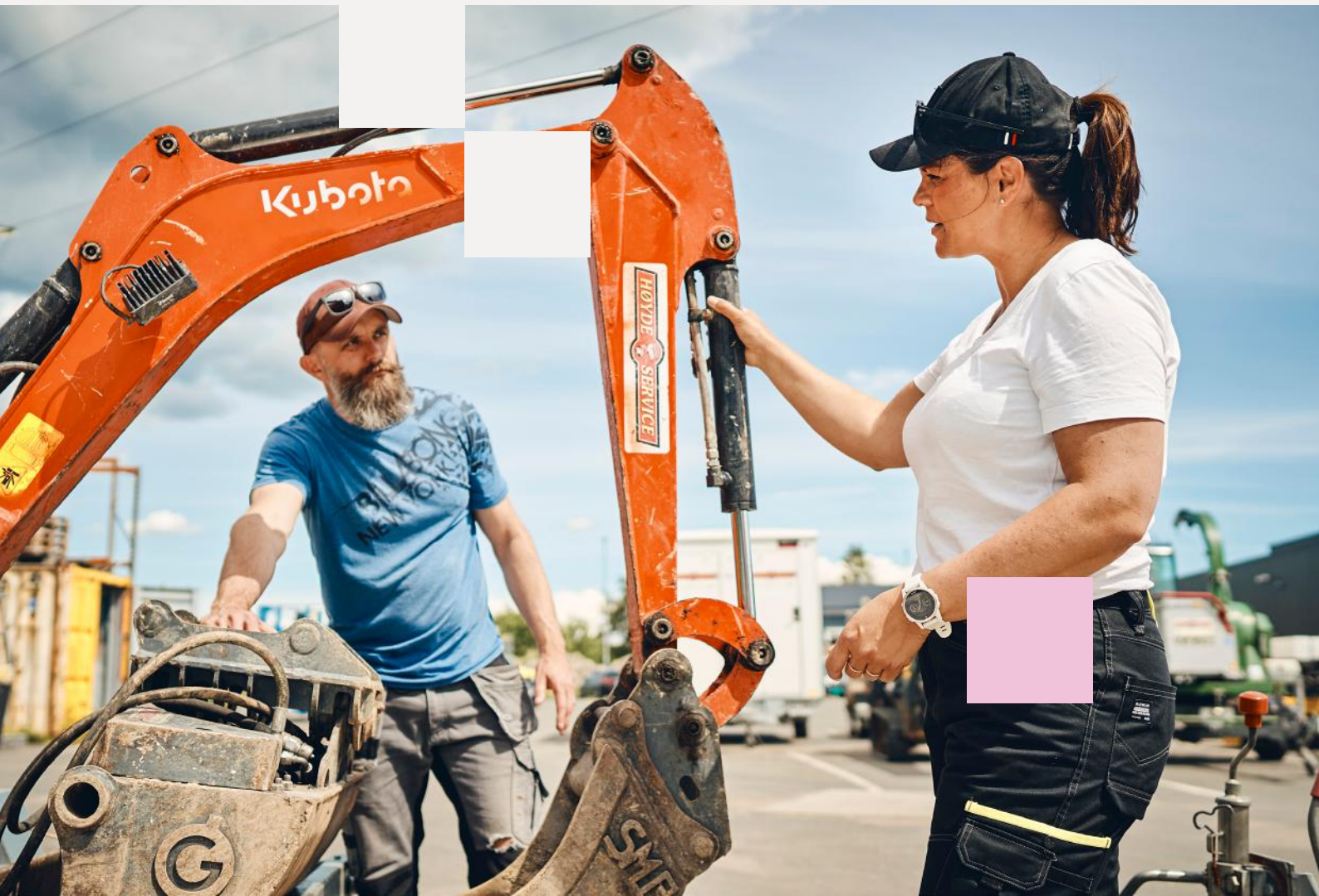
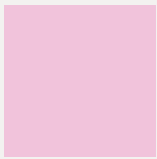
Adjusted EBITDA YTD of 167,9 (169,9) MNOK, down 1 % over last year due to investments in future growth initiatives and macroeconomic challenges in the Swedish construction sector. Excluding investments in future growth initiatives, adjusted EBITDA would have shown a stable development year-over-year.

About Abax

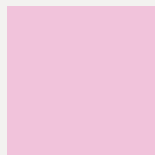
ABAX is a leading European telematics IoT (Internet of Things) platform providing connected mobility solutions for vehicle tracking, asset tracking, and equipment control.

Our mission is to deliver mobility data insights that empower customers to do more with less. We support businesses that rely on field workforces for production, delivery, and maintenance of products, goods, and services. By offering actionable data insights and automated reporting, we help customers optimize field operations, comply with regulations, and achieve significant operational savings.

With over 500,000 tracked mobile assets and more than 40,000 customers, ABAX has a proven track record of translating customer needs into powerful solutions through our advanced data insights platform.



Second quarter commentary and highlights



Emma Dyga, CEO

Our revenue grew 1 % year-over-year to reach 205,7 MNOK, while Adjusted EBITDA was 89,1 (92,3) MNOK, -3 % over the same period last year due to investments in future growth initiatives. Excluding these Adjusted EBITDA would have been flat year-over-year. Annual Recurring Revenue (ARR) continues to grow and was up 2 % year-over-year at the end of June, providing strong forward visibility on revenue into 2024.

We still feel the challenges of the macro and the construction sector downturn, which is impacting churn in terms of bankruptcies and fleet downsizing. However, we see a lower logo churn reduction of 11% from Q1-24 to Q2-24. Despite the market challenges, ABAX's highly recurring subscription business model continues to provide us strong degree of downside protection and resilience. We believe that the downward trend in Swedish central bank interest rates will over time help the recovery of the Swedish construction sector and the economy at large.

Since last year we are putting a lot of focus into cross-selling, and we can see that our efforts paying off looking at the growth in asset tracking. During Q2 ARR on asset tracking grew with 7 %. We consider this to be an area of great potential going forward and we keep commercializing the offering to improve even further. This focus also fits well with our ambitions to attract and grow our larger accounts and looking at our large accounts ARPA we can see a growth of 6 % during Q2. The ABAX product development roadmap will deliver new and innovative integrations during 2024 to support our customers in enabling regulatory compliance and making their operations even more efficient.

In November ABAX launched "Fair" in Sweden, a new ABAX vehicle insurance intermediary service developed to deliver data-driven insurance to connected fleet customers. As part of our roadmap, we rolled out the Fair offering in Norway in mid-May and during the summer we have received a lot of positive attention from our customers. We see an increased pipeline in both markets, and we expect to see more customers during the second half of the year. Our insurance offering will create value for our customers and also build stickiness in the portfolio over time.

During Q2 we have also pursued conversations with other TSP's in connection with our iSquared platform, ABAX's proprietary, yet open data monetization platform. Our focus is to provide an insurance offering (supported by partners) to ABAX customers in all our geographies and also scale that opportunity to other TSP's across Europe.

We continue to pursue add-on acquisitions where they are accretive to our strategic focus and have built a short- and long-term pipeline of targets. We are exploring opportunities both on portfolio, but also for verticalization and platform enhancements. We announced in Q1 that we had acquired a Norwegian insurance intermediary called RA Forsikring AS, to further scale and strengthen our Fair offering and during Q2 we have started to execute on the synergy plan.

Financial highlights – Q2, 2024

Revenue in the second quarter amounted to 205,7 (203,2) MNOK representing growth of 1 % on Q2 2023. Annual Recurring Revenue (ARR) continues to grow and was up 2 % year-over-year at the end of June.

The number of subscriptions increased by 3 % compared to Q2 2023, showing the intended effect of our strategy of addressing larger customers. Our average subscription per customer has grown by 4 % on average year over year.

Our stable subscription base results in increasing MRR (Monthly Recurring Revenue) which adds predictability to the company’s revenue and cash generation and is a key financial objective for ABAX. MRR has increased by 2 % since June 2023.

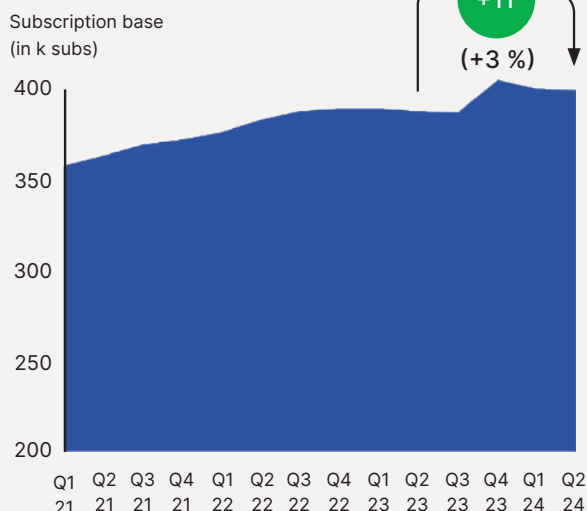
Adjusted Gross Margin at 88 % (87 %) for the quarter, 1pp increase from last year mainly driven by lower SIM costs. Adjusted EBITDA is 89,1 (92,3) MNOK, a 3 % decrease from last year. The Adjusted EBITDA margin was 43 %, compared to 45 % in Q2 last year. ABAX has onboarded additional resources during the period leading to higher payroll costs, investing personnel in our Product capabilities and Mobility Data Services teams as part of our growth trajectory.

Q2 employee related expenses and other operating expenses amounted to 113,1 (88,9) MNOK, corresponding to an increase of 27 %. However, normalized for non-recurring items we see 8 % increase from Q2-23 partly as a result of higher headcount, inflation and the weak Norwegian currency, but primarily from the acquisition of Movolytics late in Q4 2023. The number of full-time employees stands at 292 (263) at the end of the second quarter of 2024.

Adjusted Operating Free Cashflow is 63 % higher than Q2-23 mainly due to healthier inventory levels, taking out the lingering impacts of Covid-19 where we experienced a shortage of some components, which led to increasing stocking. Our Days Sales Outstanding (DSO) is also trending down and this KPI has improved by 6 % year-over-year.

Q2 depreciation and amortization amounted to 87,1 (90,6) MNOK.

Subscriptions Growth



MRR
66,9 MNOK
+2 % YoY

ARR
803,1 MNOK
+2 % YoY



Liquid funds and cash conversion

At the end of June 2024, ABAX's held 89,8 MNOK of cash. Additionally, ABAX has a revolving credit facility (RCF) of 50 MNOK of which 11 MNOK has been utilized as a guarantee related to office premises.

ABAX's cash conversion is driven by the payment frequencies of subscription fees, ranging from monthly/quarterly and yearly in advance, offset by investments in capital expenditures and capitalized R&D. Even though ABAX recognizes subscription revenue on a monthly basis, the majority of the subscriptions are paid either annually, semi-annually or quarterly.



Leverage

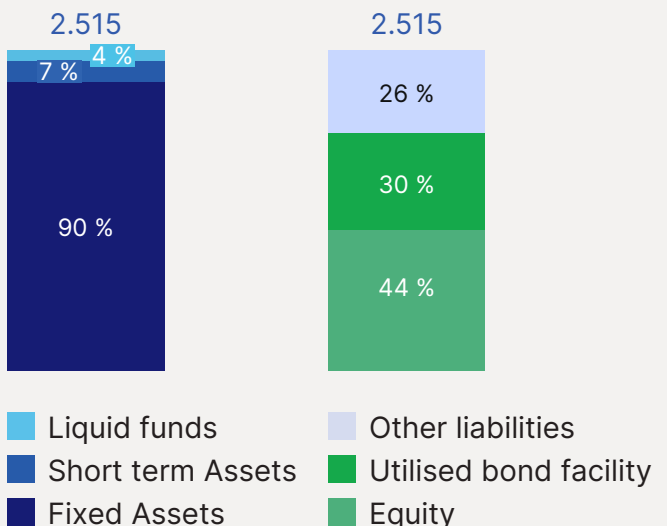
At the end of the second quarter the leverage amounted to 2,1 x LTM June 24 Adjusted EBITDA. The leverage is calculated according to the table on the right-hand side. This calculation is in line with the definitions agreed in the existing bond terms.

Leverage calculation, NOK million	
Utilised bond facility	766
Cash	-90
Net debt	676
LTM Adjusted EBITDA	321
Leverage (Net debt/Adjusted EBITDA)	2,1x

Balance sheet

ABAX's fixed assets amount to 90 % of total assets, of which 87 % refer to intangible assets subject to impairment tests. Management believes that these assets provide a solid foundation to drive future profitability and growth. We continue to show a strong Balance Sheet with an Equity Ratio of 44 %. The external interest-bearing loans amounted to 867,3 MNOK, of which 766,3 MNOK refer to utilized bond facility and 101,0 MNOK refer to financial lease liability under IFRS 16.

Balance sheet, MNOK



Products and technology

In first half of 2024 ABAX fully transitioned to the product operating model, marking a strategic shift in the approach to delivering value to customers, emphasizing streamlined processes and enhanced efficiency. By implementing this model, ABAX will optimize resource allocation, improve product development cycles, and ultimately bolster its competitive edge in the market. The transition to the product operating model reflects ABAX's commitment to embrace product-led as a growth strategy, and focused innovation and responsiveness to evolving customer needs. This work continued in Q2 with new hires within Product Design and Product Management enabling ABAX to truly solve problems worth solving going forward.

Example on achievements during the quarter was a focused effort on increasing customer satisfaction spanning several continuous improvements in H1-24, resulting in 18% less support tickets YoY. One of the notable product launches during the quarter was the May release of Fair usage-based insurance in Norway, which took off with a flying start where we see good traction on lead generation and customer engagement.

We continue to focus on strengthening our core business to serve our large existing customer base at the highest level, bringing efficiencies to our value and supply chains and stepping into the future with our Data Science & Business Intelligence investments. Ongoing investments into areas like Single-Sign-On (SSO) and key integrations will directly benefit our larger customers and expand the addressable market further.





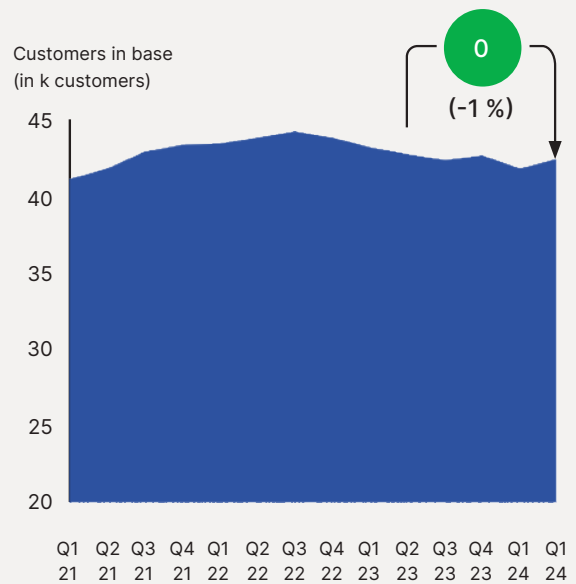
Customers

ABAX supports businesses that rely on field workforces for production, delivery, and maintenance of products, goods, and services. By offering actionable data insights and automated reporting, we help customers optimize field operations, comply with regulations, and achieve significant operational savings.

ABAX's diverse and large customer base exhibits strong loyalty, with an average customer lifetime of approximately nine years. Although the total number of customers has decreased by 1 % since Q2-23, the number of subscriptions has increased by 3 % over the same period, indicating an increase in the average customer size. This trend is largely due to significant growth in our large account segment, which is a key commercial focus of the business going forward. Conversely, smaller customers naturally experience higher churn rates, due to current macro headwinds, for example in the Swedish construction sector.

ABAX base represents a significant upsell and cross-sell potential for mobility data services and add-on products, such as usage-based insurance (UBI).

Customer Growth



Sustainability

ABAX is striving to become not just a sustainable, but a regenerative business. With our origins in Norway, surrounded by unique fjords and forests, it is no wonder that we believe that businesses have a part to play in protecting the environment in which they operate. Our approach is focused both on our own regenerative improvement, but also that of helping our customers reach their sustainability goals.

In Q2 2024, we continued to map out our supply chain, separating our value chain's corporate carbon footprint, and our product carbon footprint. This allows us to make decisions in different parts of our supply chain and organization with a measured approach.

We continue to choose relevant and engaging themes for corporate giving, including Rewilding and Regeneration. We also develop Products that help our fleet customers become more aware of their impact on the world. This is an extremely exciting development, which will place us solidly at the forefront of sustainable mobility.

The 2023 Sustainability report is being assembled, but the 2022 Sustainability Report for ABAX is issued at <https://www.abax.com/investor-relations>

The Norwegian Transparency Act came into effect in June 2022. It requires that companies carry out due diligence activities that will ensure they are operating responsibly, respecting human rights and decent working conditions.

The 2024 Human Rights Due Diligence report is issued at <https://www.abax.com/investor-relations>

Corporate Sustainability Reporting Directive, (Directive 2022/2464/EU) CSRD has been implemented into Norwegian law. This entails some changes to our current reporting. As a result, ABAX has already started to prepare for the new reporting obligation from the year of 2025.





Risk

The operations of ABAX Group AS are exposed to several 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 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 %.



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 in 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 2023 annual report.

Responsibility statement

We confirm to the best of our knowledge that the condensed consolidated set of financial statements for the period 1 January to 30 June 2024, has been prepared in accordance with IAS 34 – interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and result for the period viewed in their entirety, and that the interim management report, to the best of knowledge, includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, any significant related parties transactions, and a description of the principal risks and uncertainties of the remaining six months of the year.

This interim report has not been subject to external audit.

Larvik, 30 August 2024

Emma Dyga – CEO

John Ole Moe – CFO

Condensed consolidated statement of profit and loss

	Note	Unaudited Second quarter	Unaudited	Unaudited January - June	Unaudited	Audited Year
Amounts in NOK thousand		2024	2023	2024	2023	2024
Operational Revenue	Note 3	205,663	203,193	410,084	395,945	798,549
Total Revenue		205,663	203,193	410,084	395,945	798,549
OPERATING EXPENSES						
Cost of hardware and services		28,215	30,331	60,043	57,661	102,890
Employee benefit expenses		57,714	51,323	127,953	114,625	255,937
Other operating expenses		43,648	30,969	89,126	58,001	123,413
Impairment loss on trade and other receivables		11,804	6,592	16,292	9,981	22,195
Depreciation		22,308	18,601	43,979	35,612	77,083
Amortization		64,821	71,956	139,519	145,495	294,753
OPERATING PROFIT(+)/LOSS(-)		(22,847)	(6,579)	(66,828)	(25,430)	(77,721)
FINANCIAL ITEMS						
Finance income		1,053	22,616	10,591	48,025	45,741
Finance expenses		(29,939)	(29,798)	(53,672)	(55,572)	(103,535)
TOTAL NET FINANCIAL ITEMS		(28,886)	(7,182)	(43,081)	(7,546)	(57,793)
PROFIT(+)/LOSS(-) BEFORE TAX		(51,733)	(13,761)	(109,909)	(32,976)	(135,515)
Tax income (+) / expense (-)		4,288	-	10,263	-	17,133
PROFIT(+)/LOSS(-) FOR THE PERIOD		(47,445)	(13,761)	(99,647)	(32,976)	(118,382)

Consolidated statement of comprehensive income

	Second quarter		January - June		Year
	2024	2023	2024	2023	2023
PROFIT(+)/LOSS(-) FOR THE PERIOD	(47,445)	(13,761)	(99,647)	(32,976)	(118,382)
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS					
Foreign currency translation differences	(9,341)	(5,477)	(39,194)	34,236	26,469
TOTAL ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	(9,341)	(5,477)	(39,194)	34,236	26,469
OTHER COMPREHENSIVE INCOME, NET OF TAX	(9,341)	(5,477)	(39,194)	34,236	26,469
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(56,786)	(19,238)	(138,841)	1,260	(91,913)

Condensed consolidated statement of financial position

	Unaudited	Unaudited	Audited
Amounts in NOK thousand	30.06.2024	30.06.2023	31.12.2023
NON-CURRENT ASSETS			
Property, plant and equipment	235,342	236,547	230,451
Intangible assets and goodwill	1,959,465	2,135,831	2,074,977
Deferred tax assets	28,033	32,924	27,838
Other investments, including derivatives	5,927	20,796	5,927
Non-current interest-bearing receivables	22,934	14,945	15,969
TOTAL NON-CURRENT ASSETS	2,251,701	2,441,043	2,355,163
CURRENT ASSETS			
Inventories	29,350	37,822	29,301
Current tax assets	3,677	5,803	4,300
Trade and other receivables	134,351	169,822	126,785
Contract assets	1,808	1,068	2,595
Cash and cash equivalents	89,796	169,060	156,012
TOTAL CURRENT ASSETS	258,982	383,575	318,993
TOTAL ASSETS	2,510,683	2,824,618	2,674,156
EQUITY			
Share capital	42,959	42,959	42,959
Share premium	1,817,821	1,817,821	1,817,821
Retained earnings	(684,492)	(472,741)	(558,293)
Other reserves	(84,522)	(37,561)	(45,327)
TOTAL EQUITY	1,091,767	1,350,477	1,257,160
NON-CURRENT LIABILITIES			
Financial liabilities and lease liabilities	84,910	839,878	833,228
Deferred tax liabilities	138,575	197,290	146,783
Other non-current liabilities, not interest bearing	16,825	18,896	21,098
TOTAL NON-CURRENT LIABILITIES	240,310	1,056,064	1,001,109
CURRENT LIABILITIES			
Trade and other payables	145,954	170,912	182,929
Contract liabilities	113,890	133,374	87,145
Current tax liabilities	9,299	2,017	28,583
Loans and borrowings	909,464	111,774	117,233
TOTAL CURRENT LIABILITIES	1,178,607	418,077	415,890
TOTAL LIABILITIES	1,418,917	1,474,141	1,416,998
TOTAL EQUITY AND LIABILITIES	2,510,683	2,824,618	2,674,156

Condensed consolidated statement of cash flow

	Unaudited January - June	Unaudited January - June	Audited Year
Amounts in NOK thousand	2024	2023	2023
CASH FLOW FROM OPERATING ACTIVITIES			
PROFIT (+)/LOSS(-) FOR THE PERIOD	(99,647)	(32,976)	(118,382)
Adjustments for:			
- Depreciation	43,979	35,612	77,083
- Amortisation	139,519	145,495	294,753
- Net finance costs	43,081	7,546	57,793
- Tax income (-) / expense (+)	(10,263)	0	(17,133)
Cash flow before changes in working capital, interest and tax	116,669	155,677	294,114
Changes in:			
- Inventories	(49)	(16,256)	(7,246)
- Trade and other receivables	(7,386)	(4,700)	13,553
- Trade and other payables	(37,612)	(17,500)	(53,235)
- Contract assets/liabilities	28,762	4,662	17,205
- Other movements	10,613	505	6,095
Cash flow before interest and tax	110,997	122,388	270,486
Income taxes paid	(11,446)	(13,462)	(10,555)
CASH FLOW FROM OPERATING ACTIVITIES	99,551	108,926	259,931
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Movolytics, net of cash	-	-	(46,074)
Acquisition of RA Forsikring AS, net of cash	(26,984)	-	-
Acquisition of property plant and equipment	(40,127)	(51,467)	(65,916)
Acquisition of intangible assets	(37,110)	(4,744)	(72,744)
CASH FLOW FROM INVESTING ACTIVITIES	(104,221)	(56,211)	(184,734)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid	(41,664)	(29,927)	(83,615)
Interest received	-	-	354
Proceeds from realization of interest swap	-	-	25,220
Loans to related parties	(4,594)	-	-
Payment of lease liabilities	(16,285)	(14,480)	(29,950)
CASH FLOW FROM FINANCING ACTIVITIES	(62,543)	(44,407)	(87,991)
NET INCREASE (+)/DECREASE (-) IN CASH AND CASH-EQUIVALENTS	(67,213)	8,308	(12,794)
Cash and cash-equivalents beginning of period	156,011	160,753	160,753
Currency effect of cash and cash equivalents	998	-	8,052
CASH AND CASH-EQUIVALENTS END OF PERIOD	89,796	169,060	156,011

Condensed consolidated statement of changes in equity

Year 2023

Attributable to shareholders of ABAX Group AS

Amounts in NOK thousand	Share capital	Share premium	Total paid-in capital	Retained earnings	Translation reserve	Total equity
Ingoing balance 1 January 2023	42,959	1,817,821	1,860,780	(439,765)	(71,797)	1,349,218
Total comprehensive income for the period 01.01.23 - 31.12.23						
Loss for the period				(118,382)		(118,382)
Other comprehensive income for the period					26,469	26,469
				(118,382)	26,469	(91,913)
Transactions with owners of the Company						
Group contribution Abax Midco				(45)		(45)
Group contribution ABAX Invest				(100)		(100)
Totals Transactions with owners	-	-	-	(145)	-	(145)
Balance as of 31 December 2023	42,959	1,817,821	1,860,780	(558,293)	45,328	1,257,160

January - June 2024

Attributable to shareholders of ABAX Group AS

Amounts in NOK thousand	Share capital	Share premium	Total paid-in capital	Retained earnings	Translation reserve	Total equity
Ingoing balance 1 January 2024	42,959	1,817,821	1,860,780	(558,293)	(45,328)	1,257,160
Total comprehensive income for the period 01.01.24 - 30.06.24						
Loss for the period				(99,647)		(99,647)
Other comprehensive income for the period					(39,194)	(39,194)
				(99,647)	(39,194)	(138,841)
Transactions with owners of the Company						
Group contribution Abax Midco				(21,901)		(21,901)
Group contribution ABAX Invest				(4,652)		(4,652)
Totals Transactions with owners	-	-	-	(26,552)	-	(26,552)
Balance as of 30 June 2024	42,959	1,817,821	1,860,780	(684,492)	(84,522)	1,091,767



Notes

Note 1: General Information

ABAX Group AS ("the Company") and its subsidiaries (together "the Group") has its headquarters and registered office at Hamnergata 20, 3264 Larvik, Norway.

The interim condensed consolidated financial statements for the second quarter 2024, ending 30. June 2024 was 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 2023 annual report.

The consolidated financial statements of profit and loss is converted to NOK by using monthly average exchange rates as reported by Norges Bank.

The consolidated financial statement of financial position is converted to NOK by using ending rates as reported by Norges Bank.

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

Amounts in NOK thousand	Second quarter		January-June	
	2024	2023	2024	2023
Primary geographical markets				
Norway	66,260	66,101	130,905	128,312
Sweden	64,309	70,765	131,277	140,280
Finland	13,529	14,136	26,981	27,336
Denmark	5,777	5,627	11,676	10,647
UK	25,966	19,911	51,567	38,041
Other	29,823	26,653	57,679	51,329
Revenue	205,663	203,193	410,084	395,945
Major products/service lines				
Vehicle Tracking	181,650	180,755	362,203	352,222
Asset tracking and Mobility Data Services	24,013	22,438	47,881	43,723
Revenue	205,663	203,193	410,084	395,945
Timing of revenue recognition				
Products transferred at a point in time	5,664	4,572	11,293	8,910
Products and services transferred over time	200,000	198,620	398,792	387,035
Revenue	205,663	203,193	410,084	395,945
Revenue type				
Operational revenue	205,663	203,193	410,084	395,945
Total revenue	205,663	203,193	410,084	395,945



Note 4: Business Combinations

On 24 May 2024, Fair Insurance AS, a wholly owned subsidiary of ABAX Group AS, acquired 70 % of shares in RA Forsikring AS, with the remaining 30% of shares owned by the sellers will be subject to a call and put option that that gives buyer a right to purchase and the sellers the right to sell the remaining shares. RA Forsikring AS is registered in Norway and is a Norwegian insurance broker specializing in the Norwegian taxi sector. The amounts recognized at the date of acquisitions in respect of identifiable assets acquired and liabilities assumed are set out in the table below. The items are translated to the presentation currency at transaction date.

Amounts in NOK thousand	
Purchase consideration	
Cash consideration	30,000
Exercise liability	7,257
Total purchase consideration	37,257
Customer relationship	8,260
Property, plant and equipment	82
Trade and other receivables	1,658
Cash and cash equivalents	3,017
Deferred tax liability	(1,817)
Trade payables and other current liabilities	(1,087)
Total net identifiable assets acquired at fair value	8,914
Consideration	37,257
Goodwill	28,343
Cash consideration	30,000
Less:	
Cash and cash equivalent balances acquired	(3,016)
Net cash outflow arising on acquisition	26,984

On the closing date, the purchase price of the shares was settled in cash. To value the remaining 30%, the exercise liability has been estimated to 7.2 MNOK by calculating the probability of each possible scenario that will determine the purchase price of the additional 15% and the remaining 15% of RA Forsikring.

Goodwill from the acquisition of RA Forsikring AS are attributable to geographical presence, technical expertise and synergies. Goodwill in the acquisition of RA Forsikring AS are all allocated to ABAX Group level. Acquisition costs of 0.4 MNOK arose as a result of the transaction. These have been recognized as part of other operating expenses in the statement of comprehensive income.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

A photograph of a white SUV driving on a paved road that is lined with tall, thin trees. The road curves slightly to the right. The car is in the foreground, moving away from the viewer. The background is filled with green foliage and sunlight filtering through the trees. A solid blue square is positioned in the top right corner of the image.

Alternative performance measures

EBITDA (Earnings before interest, tax, depreciation and amortisation)

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

Non-recurring items (NRIs)

A non-recurring item is an infrequent or abnormal gain or loss that is reported in the companies' financial statements. Unlike other items reported by a company, non-recurring items do not arise from the normal company's operations. The items are generally caused by unusual and infrequent events.

Non-recurring Items relating to:	Second quarter		January - June	
Amounts in NOK thousand	2024	2023	2024	2023
Exceptional payroll related cost	721	2,183	1,916	4,310
Advisory, legal and start-up cost (OPEX)	20,639	2,338	40,256	3,050
Data analytics start-up cost and hardware NRI (COGS)	2,640	3,754	7,085	6,877
Total non-recurring items (NGAAP)	24,000	8,275	49,256	14,237
Retention bonus (IFRS)	829	0	1,964	0
Total non-recurring items (IFRS)	24,829	8,275	51,220	14,237

Adjusted EBITDA

The adjusted EBITDA measure is based on EBITDA and adjusted for Revenue and non-recurring items as described above.

Adjusted EBITDA margin

The adjusted EBITDA margin measure the profitability of operational performance and is calculated from adjusted EBITDA divided by Revenue.

LTM Adjusted EBITDA

Shows the last twelve months Adjusted EBITDA.

Adjusted Operating Free Cash Flow

Adjusted Operating Free Cash Flow is calculated as: Adjusted EBITDA less Capitalized Expenses and adjusted for change in Net Working Capital.

Monthly Recurring Revenue (MRR)

Monthly Recurring Revenue from subscriptions and add-on services measured by actual FX rates.

Annual Recurring Revenue (ARR)

Annual Recurring Revenue = MRR * 12 months.

Average Revenue per Account (ARPA)

Monthly revenue per customer/account. MRR base / Number of single customers.





ABAX

Hammergata 20, NO-3264 LARVIK

+47 22 22 22 99

www.abax.com

Contact info:

John Ole Moe

Chief Financial Officer

+47 95 26 87 01 /

john.moe@abax.com