

ABAX CONTINUES GROWTH

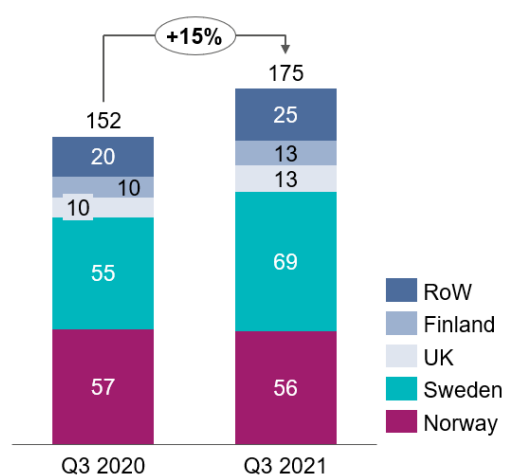
Q3 2021

- Pro-forma revenue¹ of 175,2 (151,8) MNOK in the third quarter, representing growth of 15% from Q3 2020 (including acquisitions).
- Adjusted EBITDA of 68,6 (64,9) MNOK, a growth of 6% from Q3 2020.

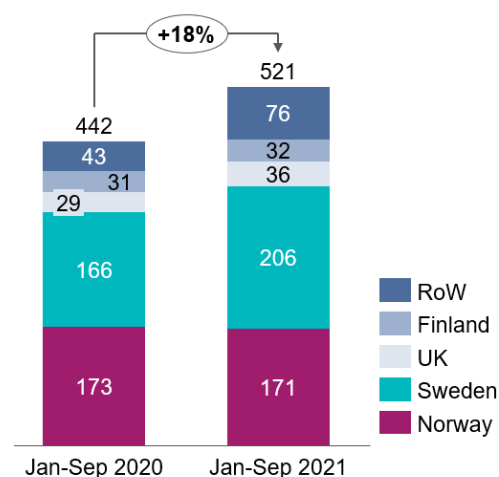
JAN TO SEPT 2021

- Pro-forma revenue during year to date 2021 of 521,5 (442,1) MNOK, a growth of 18% last year to date.
- Adjusted EBITDA year to date of 222,2 (205,9) MNOK, a growth of 8% compared to last year to date

Q3 Pro-Forma Revenue, MNOK



YTD Pro-Forma Revenue, MNOK



KEY FIGURES

Amounts in NOK million	Q3	Q3	Jan-Sep	Jan-Sep
	2021	2020	2021	2020
Pro-forma revenue	175,2	151,8	521,5	442,1
Adjusted EBITDA	68,6	64,9	222,2	205,9
Adjusted EBITDA margin	39%	43%	43%	47%

¹ Abax constitutes the operating entities under Abax Group AS. All figures in () refer to the comparable figures from previous year. The pro-forma revenue for the year-to-date 2021 and full year 2020 reflects Revenue Recognition Change. All figures are shown under IFRS

ABOUT ABAX

Abax is one of the largest telematics and IoT companies in Europe. Telematics is the science 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 which, tied together in an open platform, 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. Our solutions continually help our customers run their businesses smarter, 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 customer acquisition and innovation. We have a customer base of 43,000, and more than 370,000 subscriptions within our IoT Network.

THIRD QUARTER OPERATIONS UPDATE

Through the pandemic, we have seen a relatively low direct impact on the Abax business. Q3 continues to show increasing stability in most of our markets, and Abax recorded an all-time high in monthly new subscription sales in September. The UK is our pilot country on data-driven insurance. This market-leading technological innovation makes the UK our fastest growing region with a high volume growth in the 30% range in Q3.

With the global semiconductor shortages still impacting the manufacture of electronic devices, Abax has quickly adjusted its supply chain to ensure coverage of hardware and components, by switching from single-sourcing to multi-sourcing. At the end of September, we record around 3,6 MNOK of annual recurring revenue in sold but not shipped subscriptions. Additional supply has been secured through Q3, and Abax continues to accept new business from customers. Based on our current knowledge, we do expect to have our main offerings covered from a hardware perspective.

Our tech team released a brand new IoT offering, Abax SmartConnect. SmartConnect is the first hardware-agnostic, fully self-serviced online tracking platform for our customers' equipment. SmartConnect has been well received by our customers in the trial period, and we continue to work with a number of well-known equipment vendors to on-board and launch this innovation to the wider market. With SmartConnect we prove once again, our position as the leading technology platform for Telematics and IoT.

In Q3, we closed the acquisition of a Finnish competitor, Helpten OY. Together with the existing Abax subscription base we now have a clear number 1 market position in Finland. We continue to look at the marketplace for further acquisition opportunities that will complement Abax.



Morten Strand, CEO

FINANCIAL HIGHLIGHTS – Q3, 2021

Subscriptions continue to grow across the company, highlighting the company's unrelenting focus on the customers, and helping them connect their assets. This is highlighted in decreasing customer churn and subscription growth, resulting in a 35% increase in subscriptions from Q3 2020.

The growing customer base results in increasing MRR (Monthly Recurring Revenue) which adds predictability to the company's revenue, which is a key financial focus / objective of Abax. MRR has increased by 20% YTD compared to LYTD.

Revenue in the third quarter amounted to 175,2 (151,8) MNOK, representing growth of 15% from Q3 2020. YTD 2021 revenue was 521,5 (442,1) MNOK an increase of 18% on LYTD.

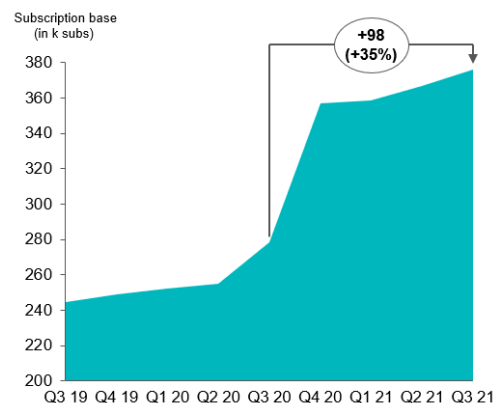
With the continuing global shortage of electronic components affecting the industry, Abax has maintained its focus during Q3 on securing its supply chain with minimum impact to our customers. However, Abax still experienced a delay in shipping equipment to our customers in Q3, this resulted in a temporary impact to revenue and adjusted EBITDA in Q3.

Adjusted EBITDA in the third quarter amounted to 68,6 (64,9) MNOK resulting in a growth of 6% compared to Q3, 2020. Adjusted EBITDA margin of 39% (43%). YTD Adjusted EBITDA amounted to 222,2 (205,9) MNOK resulting in a strong adjusted EBITDA margin of 43% (47%). The decrease in adjusted EBITDA margin is mainly the effect of different hardware capitalisation methodologies of the acquired companies. RAM and Automile historically expensed hardware while ABAX capitalize box cost. These methodologies are being harmonized under Abax Group during the remainder of 2021.

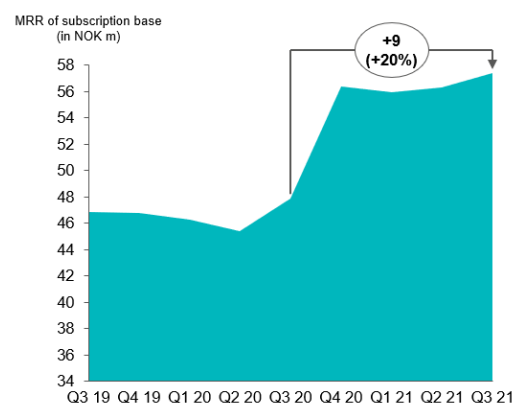
YTD employee related expenses and other operating expenses amounted to 257,8 (219,4) MNOK, corresponding to an increase of 17.5%, as a result of acquisitions. The number of fulltime employees rose to 344 at the end of the third quarter, an increase of 11% from the comparable figure last year.

YTD depreciation and amortisation amounted to 251,9 (134,1) MNOK.

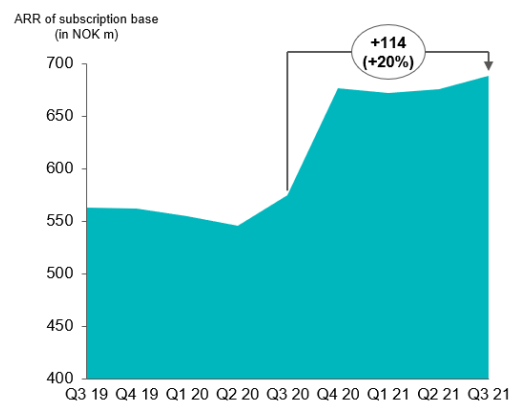
Qtrly Subscriptions



MRR Development



ARR Development



COVID-19 IMPLICATIONS ON THE BUSINESS

During the last three quarters, we have seen a slow return to stability across our core Nordic markets and increasing business activity in markets such as the UK. 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 monitor the development of the COVID 19 pandemic across the Group and will take adequate actions if required.

LIQUID FUNDS AND CASH CONVERSION

By the end of September 2021, Abax's cash amounted to 393 MNOK. Additionally, Abax has a non-utilised 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 capitalised R&D.

LEVERAGE

By the end of the third quarter the leverage amounted to 2,1 x LTM Q3-21 EBITDA. The leverage is calculated according to the table on the righthand side, under IFRS. This calculation is in line with the definitions agreed in the existing bond terms.

Leverage calculation, NOK million

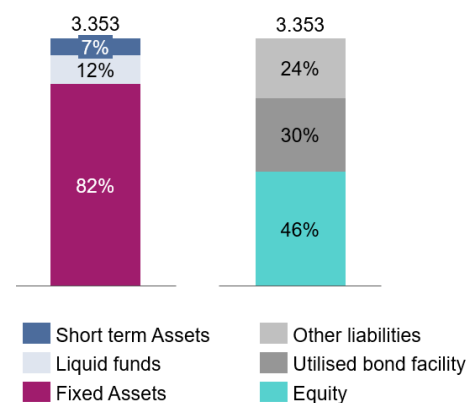
Utilised bond facility	1000
Cash	-393
Net debt	607
Pro forma LTM EBITDA	285
Leverage (Net debt/EBITDA)	2,1x

BALANCE SHEET

Abax's fixed assets amount to 82% of total assets, which 91% 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 1,128 MNOK of which 1,000 MNOK refers to utilised bond facility and 128 MNOK refers to financial lease liability with regards to IFRS 16.

Balance Sheet - M NOK



PRODUCTS AND TECHNOLOGY

Abax is in a unique position to become the central IoT platform provider within the Fleet Management space. Already with over 370K 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 a business.

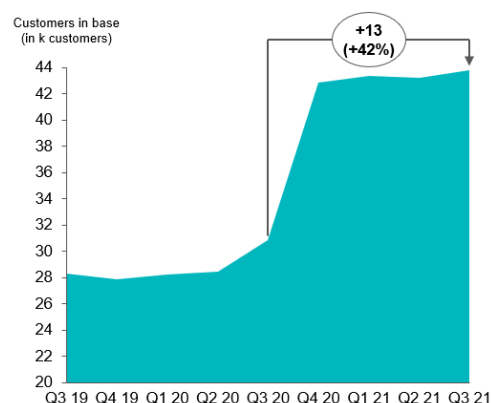
On top of that, the Abax Open IoT Platform will provide data to power a suite of add on services through our partners in Insurance as well as the Abax After-sales Portal for Dealers. All of which provide Abax, with more revenue growth opportunities in the future.

CUSTOMERS

Abax's diversified 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 8 years. Customer numbers have increased by 42% since Q3-2020.

The segments of mid-sized customers (20-80 vehicles) and key accounts, particularly in Norway and Sweden, offer particular potential for up- and cross-selling as these customers typically operate larger fleets of vehicles, machines and tools and are interested in more than one service.

Customer Growth



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 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 established 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 as well as the value, short pay-back time and benefits Abax provides to those customers.

RISKS

The operations of Abax Group are exposed to several financial risks such as market risks (currency risk and interest risk), credit risk and liquidity risk. The group aims to minimise 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%. In order to reduce that exposure Abax Group AS has entered 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, 30 September 2021



Morten Strand – CEO



David Norton - CFO

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Amounts in NOK thousand	Third quarter		January-September		Full year
	2021	2020	2 021	2 020	2 020
Operational Revenue	161 355	126 350	472 822	358 860	512 061
One-time insurance payment	-	-	321 981	-	
Total Revenue	161 355	126 350	794 803	358 860	512 061
OPERATING EXPENSES					
Cost of hardware and services	18 828	13 703	56 804	36 105	52 184
Employee benefit expenses	63 726	54 741	170 559	144 014	214 801
Other operating expenses	28 382	25 990	87 252	75 397	106 242
Impairment loss on trade and other receivables	1 243	482	3 732	3 198	5 505
Depreciation	14 449	8 572	40 696	24 068	38 807
Amortisation	69 460	36 980	211 213	110 093	209 889
OPERATING PROFIT (+)/LOSS (-)	(34 733)	(14 118)	224 548	(34 016)	(115 368)
FINANCIAL ITEMS					
Finance income	(7 492)	(13 185)	398	1 283	13 836
Finance expenses	(9 286)	(6 012)	(47 643)	(42 884)	(79 603)
TOTAL NET FINANCIAL ITEMS	(16 778)	(19 197)	(47 245)	(41 601)	(65 767)
PROFIT (+)/LOSS (-) BEFORE TAX	(51 511)	(33 315)	177 303	(75 617)	(181 135)
Income tax income	0	(0)	0	-	38 835
PROFIT (+)/LOSS (-) FOR THE PERIOD	(51 511)	(33 315)	177 303	(75 617)	(142 300)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Third quarter		January-September		Full Year
	2021	2020	2021	2020	2020
PROFIT (+)/LOSS (-) FOR THE PERIOD	(51 511)	(33 315)	177 303	(75 617)	(142 300)
TOTAL ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	3 546	2 017	(22 689)	5 839	(19 462)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(47 965)	(31 298)	154 614	(69 778)	(161 762)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	30.09.2021	30.09.2020	31.12.2020
NON-CURRENT ASSETS			
Property, plant and equipment	210 675	151 913	194 277
Intangible assets and goodwill	2 470 889	1 996 696	2 633 262
Deferred tax assets	34 000	18 535	34 000
Other investments, including derivatives	5 927	500	500
Non-current interest-bearing receivables	16 823	2 013	6 568
TOTAL NON-CURRENT ASSETS	2 738 315	2 169 658	2 868 606
CURRENT ASSETS			
Inventories	27 154	11 753	23 134
Current tax assets	4 216	5 274	5 800
Trade and other receivables	159 517	132 901	133 084
Contract assets	31 402	53 728	54 216
Cash and cash equivalents	392 619	405 574	143 955
TOTAL CURRENT ASSETS	614 908	609 230	360 188
TOTAL ASSETS	3 353 223	2 778 888	3 228 794
EQUITY			
Share capital	42 959	14 320	42 959
Share premium	1 817 821	1 417 506	1 817 821
Retained earnings	(267 858)	(379 996)	(445 161)
Other reserves	(46 825)	1 165	(24 136)
TOTAL EQUITY	1 546 096	1 052 994	1 391 483
CURRENT LIABILITIES			
Trade and other payables	188 012	161 060	210 704
Contract liabilities	118 570	100 024	120 386
Current tax liabilities	1 746	(2 138)	2 989
Loans and borrowings	113 201	96 748	113 558
TOTAL CURRENT LIABILITIES	421 529	355 695	447 637
NON-CURRENT LIABILITIES			
Loans and borrowings	1 087 492	1 067 516	1 085 499
Deferred tax liabilities	284 604	285 825	285 808
Non-current derivatives	-	-	1 086
Other non-current liabilities, not interest bearing	13 501	16 857	17 282
TOTAL NON-CURRENT LIABILITIES	1 385 597	1 370 199	1 389 674
TOTAL LIABILITIES	1 807 126	1 725 893	1 837 312
TOTAL EQUITY AND LIABILITIES	3 353 223	2 778 888	3 228 794

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	January - September		Full Year
Amounts in NOK thousand	2021	2020	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT(+)/LOSS(-) FOR THE PERIOD	177 303	(75 617)	(142 300)
Adjustments for:			
- Depreciation	40 696	24 068	38 807
- Amortisation	211 213	110 093	209 889
- Net finance costs	47 245	41 601	65 767
- Tax expense	(0)	-	(38 835)
Cash flow before changes in working capital, interest and tax	476 456	100 145	133 328
Changes in:			
- Inventories	(4 020)	(3 159)	6 450
- Trade and other receivables	(26 332)	(5 500)	33 028
- Trade and other payables	(11 978)	(10 800)	(37 168)
- Contract assets/liabilities	20 997	48 316	68 745
- Other movements	(1 837)	281	6 452
Cash flow before interest and tax	453 286	129 283	210 836
Interest paid	(55 663)	(39 415)	(50 806)
Income taxes paid	4 592	(6 460)	(3 460)
CASH FLOW FROM OPERATING ACTIVITIES	402 216	83 409	156 570
CASH FLOW FROM INVESTING ACTIVITIES			
Aquisition of property plant and equipment, and intangible assets	(105 180)	(71 860)	(105 657)
Aquisition of RAM		(37 141)	(37 741)
Aquisition of Automile			(523 717)
Aquisition of Helpten	(16 416)		
Shares in Reen	(5 427)	(500)	
Cash from acquisition RAM		1 107	1 107
Cash from acquisition Automile			72 103
Earn-out RAM	(10 514)		
CASH FLOW FROM INVESTING ACTIVITIES	(137 537)	(108 394)	(593 905)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital			151 350
Proceeds from loans from group companies	8 700	(16 300)	300
Proceeds from loans and borrowings		1 046 083	1 046 083
Repayment of borrowings		(625 328)	(625 328)
Payment of lease liabilities	(24 714)	(20 456)	(28 927)
CASH FLOW FROM FINANCING ACTIVITIES	(16 014)	383 999	543 478
NET INCREASE (+)/DECREASE (-) IN CASH AND CASH-EQUIVALENTS	248 665	359 014	106 144
Cash and cash-equivalents beginning of period	143 954	46 560	46 560
Currency effect of cash and cash equivalents			(8 749)
CASH AND CASH-EQUIVALENTS END OF PERIOD	392 619	405 574	143 954

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK thousand	Attributable to shareholders of ABAX Group AS					Total equity
	Share capital	Share premium	Total paid-in capital	Retained earnings	Translation reserve	
Ingoing balance 1 January 2020	14 320	1 417 506	1 431 826	(304 379)	(4 674)	1 122 773
Net result for the period				(75 617)		(75 617)
Other comprehensive income for the period					5 839	5 839
				(75 617)	5 839	(69 778)
Transactions with owners of the Company						
Capital increase debt conversion						-
Capital increase cash contribution						-
Group contribution Abax Midco						-
Group contribution Abax Invest						-
	-	-	-	-	-	-
Closing balance as of 30 September 2020	14 320	1 417 506	1 431 826	(379 996)	1 165	1 052 994
Net result September - December				(66 683)		(66 683)
Other comprehensive income for the period					(25 301)	(25 301)
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
Closing balance as of 31 December 2020	42 959	1 817 821	1 860 780	(445 161)	(24 136)	1 391 483
Net result for the period				177 303		177 303
Other comprehensive income for the period					(22 689)	(22 689)
Closing balance as of 30 September 2021	42 959	1 817 821	1 860 780	(267 858)	(46 826)	1 546 096

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 third quarter 2021, ending 30 September 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 recognises 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.

Amounts in NOK thousand	January-September	
	2 021	2 020
Primary geographical markets		
Norway	151 606	140 026
Sweden	187 668	134 475
Finland	28 204	24 744
Denmark	12 269	15 002
UK	32 918	23 455
Other	60 156	21 158
Revenue	472 821	358 860
Major products/service lines		
Trip logs	449 180	340 917
Equipment control	23 641	17 943
Revenue	472 821	358 860
Timing of revenue recognition		
Products transferred at a point in time	-	-
Products and services transferred over time	472 821	358 860
Revenue	472 821	358 860
Revenue type		
Operational revenue	472 821	358 860
One-time insurance payment	321 981	-
Total revenue	794 803	358 860

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

Amounts in NOK million	Jan-Sep 2021		Jan-Sep 2021		Jan-Sep 2021		Jan-Sep 2021
	FS (NGAAP)	IFRS adjust.	FS (IFRS)	Revenue recognition adjust.	FS after revenue recognition adjust.	NRI adjust.	Adjusted FS
Revenue	794,8		794,8	48,6	843,4	(322,0)	521,5
Cost of goods sold	(56,8)		(56,8)		(56,8)	1,0	(55,8)
Gross Profit	738,0	-	738,0	48,6	786,6	(321,0)	465,7
Gross margin	93 %		93 %		93 %		89 %
Payroll expenses	(170,6)		(170,6)	(3,4)	(173,9)	2,3	(171,6)
Other operating expenses	(120,8)	29,8	(91,0)		(91,0)	19,1	(71,8)
EBITDA	446,6	29,8	476,5	45,3	521,7	(299,5)	222,2
EBITDA margin	56 %		60 %		62 %		43 %

Amounts in NOK million	Jan-Sep 2020		Jan-Sep 2020		Jan-Sep 2020		Jan-Sep 2020
	FS (NGAAP)	IFRS adjust.	FS (IFRS)	Revenue recognition adjust.	FS after revenue recognition adjust.	NRI adjust.	Adjusted FS
Revenue	358,9		358,9	83,3	442,1	-	442,1
Cost of goods sold	(36,1)		(36,1)		(36,1)	-	(36,1)
Gross Profit	322,8	-	322,8	83,3	406,0	-	406,0
Gross margin	90 %		90 %		92 %		92 %
Payroll expenses	(143,9)		(144,0)	-	(144,0)	-	(144,0)
Other operating expenses	(103,9)	25,3	(78,6)		(78,6)	22,4	(56,2)
EBITDA	75,0	25,3	100,1	83,3	183,4	22,4	205,9
EBITDA margin	21 %		28 %		41 %		47 %

Non-Recurring items relating to:	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020
Restructuring exceptional cost (Payroll)	1,7	0,0	2,3	0,0
Advisory and legal fees(OPEX)	2,9	8,3	14,5	16,9
Advisory fees mergers and acquisitions (OPEX)	0,9	3,6	2,6	5,3
Nordic Bond cost (OPEX)	0,0	-3,8	2,1	0,2
One-time insurance payment (Revenue)	0,0	0,0	-322,0	0,0
COGS Hardware extra cost: data-chip shortage	1,0	0,0	1,0	0,0
Total non-recurring items	6,5	8,1	-299,5	22,4