

STRONG REVENUE GROWTH OF 18% IN Q2 2021

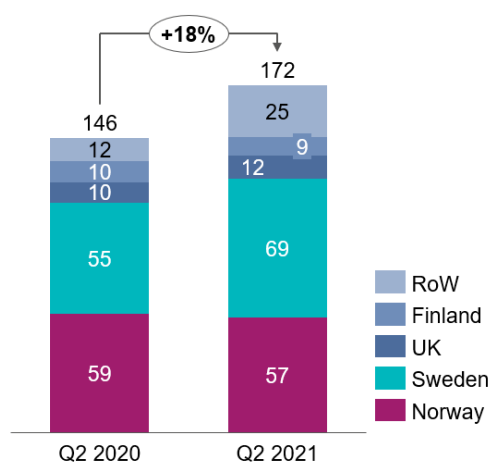
Q2 2021

- Pro-forma revenue¹ of 171,7 (145,7) MNOK in the second quarter, representing growth of 18% from Q2 2020
- Adjusted EBITDA of 83,8 (79,0) MNOK, a growth of 6% from Q2 2020.

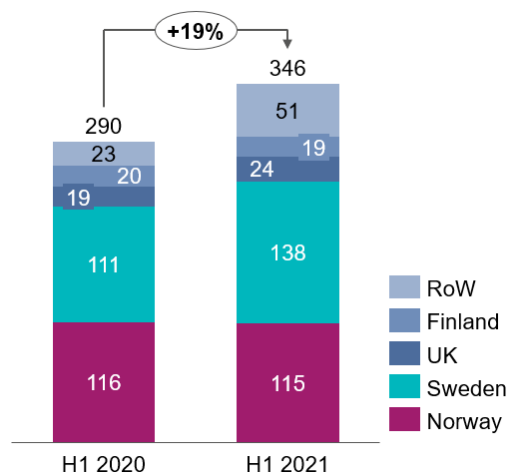
HALF YEAR (H1) 2021

- Pro-forma revenue during half year 2021 of 346,3 (290,4) MNOK, a growth of 19% half year over half year
- Adjusted EBITDA of 153,6 (140,7) MNOK, a growth of 9% half year over half year

Q2 Pro-Forma Revenue, MNOK



H1 Pro-Forma Revenue, MNOK



KEY FIGURES

Amounts in NOK million	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020
Pro-forma revenue	171,7	145,7	346,3	290,4
Adjusted EBITDA	83,8	79,0	153,6	140,7
Adjusted EBITDA margin	49%	54%	44%	48%

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 the second-largest telematics company and one of the largest 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, 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, 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 fast-growing customer base of 41,000, and more than 365,000 subscriptions within our IoT Network.

SECOND QUARTER / H1 OPERATIONS UPDATE

The second quarter has increasingly been indicating a slow return to normal mobility and business climate, as vaccinations across our key geographies have progressed well through both Q1 and Q2. We see early indications of larger decisions that have been slow during Covid to pick up again, and we see larger clients again making investment decisions.

Our core business keeps performing well, churn in subscriptions have been stable and slowly decreasing, and the continuous success of our new platform offering, Abax Access, keeps increasing the new subscription share to above 50% of our new sales volume. Abax Access is a more innovative, comprehensive, and higher value offering, and a steady flow of existing customers also choose to migrate to the new platform, and these two factors give us a solid ARPS increase of 20% year over year in new subscription sales in Abax core.

Our small shortfall in revenues for Q2 was to a large extent an effect of the microelectronics supply shortfalls. We are happy to say that through the quarter and into Q3 we have secured supply for the short and medium term and will be clearing the backlog through Q3. Longer term impacts are harder to predict, but as a large and financially sound industry player, we do see a preferential treatment in our supplier relationships so far.

All our markets have steadily improved trading through Q2, especially UK is worth mentioning, where large logistics clients are driving very high double digit volume growth. The growth figures are based on customers adopting the latest innovations on the Abax platform that are unique and not easy to replicate. We therefore expect the UK to keep accelerating growth and take substantial market share.

We are working on a few small to midsize acquisition opportunities and expect to close at least one during Q3.



Morten Strand, CEO

FINANCIAL HIGHLIGHTS – Q2, H1 2021

Subscriptions continue to grow across the company, highlighting the company's unrelenting focus on the customer, and helping them empower and connect their own businesses. This is highlighted in decreasing customer churn and subscription growth, resulting in a 44% increase in subscriptions from Q2 2020.

The growing customer base results in increasing MRR (Monthly Recurring Revenue) which adds predictability to the company's revenue and cash generation, which is a key financial focus / objective of Abax. MRR has increased by 28% YTD compared to LYTD.

Revenue in the second quarter amounted to 171,7 (145,7) MNOK, representing growth of 18% from Q2 2020. YTD 2021 revenue was 346,3 (290,4) MNOK an increase of 19% on LYTD.

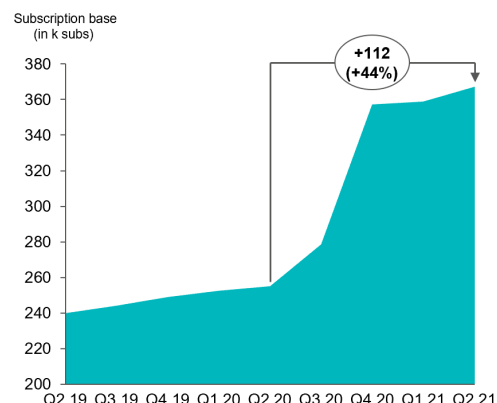
With the continuing global shortage of electronic components, effecting the industry. Abax has focused during Q2 on securing its supply chain, with minimum impact to our customers. However, Abax experienced a delay in shipping equipment to our customers in Q2, this resulted in a temporary impact to revenue and Adjusted EBITDA in Q2. The annual revenue effect would be 4.4 MNOK. This delay is expected to be rectified during Q3 of 2021.

Adjusted EBITDA in the second quarter amounted to 83,8 (79,0) MNOK resulting in a growth of 6% compared to Q2, 2020. Adjusted EBITDA margin of 49% (54%). YTD Adjusted EBITDA amounted to 153,6 (140,7) MNOK resulting in a strong adjusted EBITDA margin of 44% (48%). The short-term decrease in adjusted EBITDA arises from the delay in order fulfillment and hence the company's revenue recognition model (as we only recognise revenue when an order is delivered), and the capitalisation methodologies at RAM and Automile (historically expensed hardware), which are now being standardised under the Abax Group during the remainder of 2021.

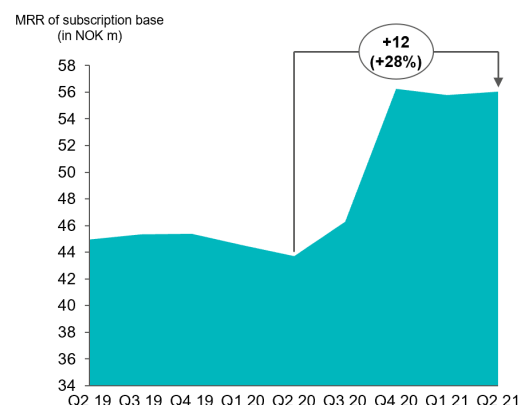
YTD employee related expenses and other operating expenses amounted to 165,7 (138,2) MNOK, corresponding to an increase of 20%, as a result of the Abax Group growing through acquisition. The number of fulltime employees rose to 342 at the end of the second quarter, an increase of 18% from the comparable figure last year.

YTD Depreciation and amortisation amounted to 168 (82,2) MNOK.

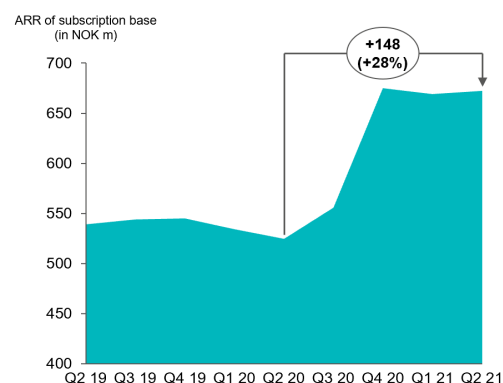
Qtrly Subscriptions



MRR Development



ARR Development



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 June 2021, Abax's cash amounted to 447,6 MNOK. Additionally, Abax has a non-utilised credit facility amounting to 50 MNOK. During Q2 2021, Abax received 322 MNOK, in respect of an arbitrational award.

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 second quarter the leverage amounted to 2,0 x LTM Q2-21 EBITDA (3,1 x Q1 2021). 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

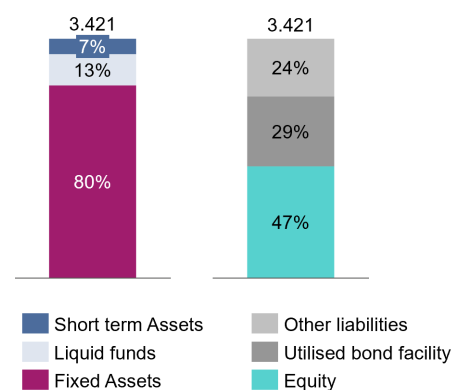
Utilised bond facility	1000
Cash	-448
Net debt	552
Pro forma LTM EBITDA	282
Leverage (Net debt/EBITDA)	2.0x

BALANCE SHEET

Abax's fixed assets amount to 80% 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 1,122 MNOK of which 1,000 MNOK refers to utilised bond facility and 122 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 a business.

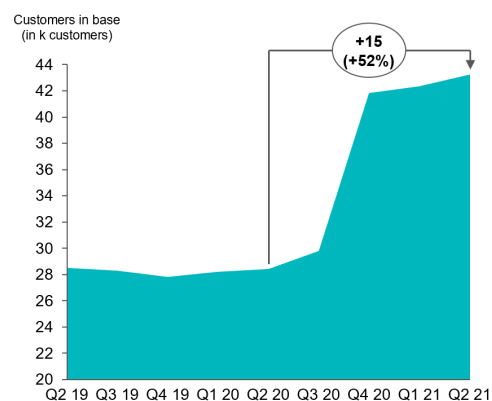
On top of that, the Abax Open IoT Platform will provide data to power a suite of add on services through our partners in Insurance & Leasing as well as the Abax After-sales Portal for Dealers. All of which give Abax even more revenue streams to nurture.

CUSTOMERS

Abax's 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 52% from Q2-2020.

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.

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 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 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, 31 August 2021



Morten Strand – CEO



David Norton - CFO

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 2021, 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.

Larvik, 31 August 2021



Andrea Davis
Chairman



Yanlin Li
Board member



Morten Strand
Board member/CEO



Juergen Heilmann
Board member



Bjørn Erik B. Helgeland
Board member

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Amounts in NOK thousand	Second quarter		January - June		Full Year
	2021	2020	2021	2020	2020
Operational Revenue	155 617	118 120	311 467	232 510	512 061
One-time insurance payment	321 981		321 981	-	
Total Revenue	477 598	118 120	633 448	232 510	512 061
OPERATING EXPENSES					
Cost of hardware and services	17 093	11 494	37 975	22 402	52 184
Employee benefit expenses	44 170	35 717	106 833	89 273	214 801
Other operating expenses	27 338	24 371	58 870	49 407	106 242
Impairment loss on trade and other receivables	1 287	1 487	2 489	2 716	5 505
Depreciation	12 771	7 093	26 247	15 497	38 807
Amortisation	69 404	42 514	141 753	73 113	209 889
Losses from divestment			-	-	-
OPERATING PROFIT/LOSS (-)	305 535	(4 556)	259 281	(19 898)	(115 367)
FINANCIAL ITEMS					
Finance income	(1 422)	(17 540)	7 890	14 468	13 836
Finance expenses	(16 915)	(24 681)	(38 357)	(36 872)	(79 603)
TOTAL NET FINANCIAL ITEMS	(18 338)	(42 222)	(30 467)	(22 404)	(65 767)
PROFIT/LOSS (-) BEFORE TAX	287 198	(46 778)	228 814	(42 302)	(181 135)
Income tax income	-	0	(0)	0	38 835
PROFIT/LOSS (-) FOR THE PERIOD	287 198	(46 778)	228 814	(42 302)	(142 300)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Second quarter		January - June		Full Year
	2021	2020	2021	2020	2020
Profit/loss (-) for the period	287 198	(46 778)	228 814	(42 302)	(142 300)
TOTAL ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	20 616	8 687	(26 476)	3 822	(19 462)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	307 814	(38 091)	202 338	(38 480)	(161 762)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	30.06.2021	30.06.2020	31.12.2020
NON-CURRENT ASSETS			
Property, plant and equipment	194 058	148 192	194 277
Intangible assets and goodwill	2 502 440	1 954 811	2 633 262
Deferred tax assets	34 000	18 535	34 000
Other investments, including derivatives	15 180	500	500
Non-current interest-bearing receivables	4 593	1 380	6 568
TOTAL NON-CURRENT ASSETS	2 750 271	2 123 418	2 868 606
CURRENT ASSETS			
Inventories	23 121	8 751	23 134
Current tax assets	2 775	5 274	5 800
Trade and other receivables	156 502	120 685	133 084
Contract assets	40 733	60 798	54 216
Cash and cash equivalents	447 605	476 335	143 955
TOTAL CURRENT ASSETS	670 736	671 843	360 188
TOTAL ASSETS	3 421 007	2 795 262	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	(216 348)	(333 127)	(445 161)
Other reserves	(50 612)	(14 406)	(24 136)
TOTAL EQUITY	1 593 820	1 084 293	1 391 483
CURRENT LIABILITIES			
Trade and other payables	203 536	141 818	210 704
Contract liabilities	129 022	100 024	120 386
Current tax liabilities	1 622	(3 662)	2 989
Loans and borrowings	113 450	94 375	113 558
TOTAL CURRENT LIABILITIES	447 630	332 556	447 637
NON-CURRENT LIABILITIES			
Loans and borrowings	1 079 981	1 075 664	1 085 499
Deferred tax liabilities	284 661	285 551	285 808
Non-current derivatives	-	-	1 086
Other non-current liabilities, not interest bearing	14 915	17 198	17 282
TOTAL NON-CURRENT LIABILITIES	1 379 556	1 378 412	1 389 674
TOTAL LIABILITIES	1 827 187	1 710 968	1 837 312
TOTAL EQUITY AND LIABILITIES	3 421 007	2 795 262	3 228 794

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	January - June		Full Year
Amounts in NOK thousand	2021	2020	2020
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/loss (-) for period	228 814	(42 302)	(142 300)
Adjustments for:			
- Depreciation	26 247	15 497	38 807
- Amortization	141 753	73 113	209 889
- Loss on sales of intangible assets	-	-	-
- Net finance costs	30 467	22 404	65 767
- Tax expense	0	0	(38 835)
Cash flow before changes in working capital, interest and tax	427 281	68 713	133 328
Changes in:			
- Inventories	13	(158)	6 450
- Trade and other receivables	(20 700)	20 567	33 028
- Trade and other payables	(7 168)	(19 607)	(37 168)
- Contract assets/liabilities	22 120	41 246	68 745
- Other movements	(2 790)	(3 184)	6 452
Cash flow before interest and tax	418 755	107 577	210 836
Interest paid	(33 839)	(20 980)	(50 806)
Income taxes paid	(3 131)	(4 947)	(3 460)
CASH FLOW FROM OPERATING ACTIVITIES	381 785	81 650	156 570
CASH FLOW FROM INVESTING ACTIVITIES			
Aquisition of property plant and equipment, and intangible assets	(66 704)	(50 469)	(105 657)
Aquisition of RAM	-	-	(37 741)
Aquisition of Automile	-	-	(523 717)
Cash from acquisition RAM	-	-	1 107
Cash from acquisition Automile	-	-	72 103
Investment in shares	(5 427)	(500)	-
Deposit refund claim	1 625	-	-
CASH FLOW FROM INVESTING ACTIVITIES	(70 506)	(50 969)	(593 905)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	-	-	151 350
Proceeds from loans from group companies	8 700	(13 900)	300
Proceeds from loans and borrowings	-	1 051 300	1 046 083
Repayment of borrowings	-	(625 328)	(625 328)
Payment of lease liabilities	(16 328)	(12 977)	(28 927)
CASH FLOW FROM FINANCING ACTIVITIES	(7 628)	399 095	543 478
NET INCREASE/DECREASE (-) IN CASH AND CASH-EQUIVALENTS	303 650	429 776	106 144
Cash and cash-equivalents at 1 January	143 954	46 560	46 560
Currency effect of cash and cash equivalents	-	-	(8 749)
CASH AND CASH-EQUIVALENTS AT 31 DECEMBER	447 605	476 336	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				(42 302)		(42 302)
Other comprehensive income for the period					3 822	3 822
				(42 302)	3 822	(38 480)
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 June 2020	14 320	1 417 506	1 431 826	(346 680)	(853)	1 084 293
Net result July - December				(99 998)		(99 998)
Other comprehensive income for the period					(23 284)	(23 284)
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)	1 391 482
Net result for the period			-	228 814		228 814
Other comprehensive income for the period			-		(26 476)	(26 476)
Closing balance as of 30 June 2021	42 959	1 817 821	1 860 780	(216 347)	(50 612)	1 593 820

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 second quarter 2021, ending 30 June 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 - June	
	2021	2020
Primary geographical markets		
Norway	99 469	93 235
Sweden	124 352	89 138
Finland	16 686	16 410
Denmark	7 888	10 034
UK	21 145	15 536
Other	41 926	8 157
Revenue	311 467	232 510
Major products/service lines		
Trip logs	295 893	220 885
Equipment control	15 573	11 626
Revenue	311 467	232 510
Timing of revenue recognition		
Products transferred at a point in time	-	-
Products and services transferred over time	311 467	232 510
Revenue	311 467	232 510
Revenue type		
Operational Revenue	311 467	232 510
One-time insurance payment	321 981	-
Total Revenue	633 448	232 510

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	Jan-Jun 2021		Jan-Jun 2021		Jan-Jun 2021		Jan-Jun 2021
	FS (NGAAP)	IFRS adjust.	FS (IFRS)	Revenue recognition adjust.	FS after revenue recognition adjust.	NRI adjust.	Adjusted FS
Revenue	633	-	633	35	668	(322)	346
Cost of goods sold	(38)	-	(38)	-	(38)	-	(38)
Gross Profit	595	-	595	35	630	(322)	308
Gross margin	1	-	1	-	1	-	1
Payroll expenses	(107)	-	(107)	(2)	(109)	1	(109)
Other operating expenses	(81)	20	(61)	-	(61)	15	(46)
EBITDA	408	20	427	32	460	(306)	154
EBITDA margin	64 %	-	67 %	-	69 %	-	44 %

MNOK	Jan-Jun 2020		Jan-Jun 2020		Jan-Jun 2020		Jan-Jun 2020
	FS (NGAAP)	IFRS adjust.	FS (IFRS)	Revenue recognition adjust.	FS after revenue recognition adjust.	NRI adjust.	Adjusted FS
Revenue	233	-	233	58	290	-	290
Cost of goods sold	(22)	-	(22)	-	(22)	-	(22)
Gross Profit	210	-	210	58	268	-	268
Gross margin	1	-	1	-	1	-	1
Payroll expenses	(89)	-	(89)	-	(89)	-	(89)
Other operating expenses	(69)	16	(52)	-	(52)	14	(38)
EBITDA	52	16	68	58	126	14	141
EBITDA margin	22 %	-	29 %	-	44 %	-	48 %

Non-Recurring items relating to:	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020
Amounts in NOK million				
Restructuring exceptional cost (Payroll)	0	0	1	0
Advisory and legal fees(OPEX)	3	4	12	9
Advisory fees mergers and acquisitions (OPEX)	0	0	2	2
Nordic Bond cost (OPEX)	0	2	2	4
One-time insurance payment (Revenue)	-322	0	-322	0
Total non-recurring items	-319	7	-306	14