



ABAX GROUP AS

# Financial Report Q3 2024

# Highlights

## Steady Growth and Resilient Performance



### Q3 highlights

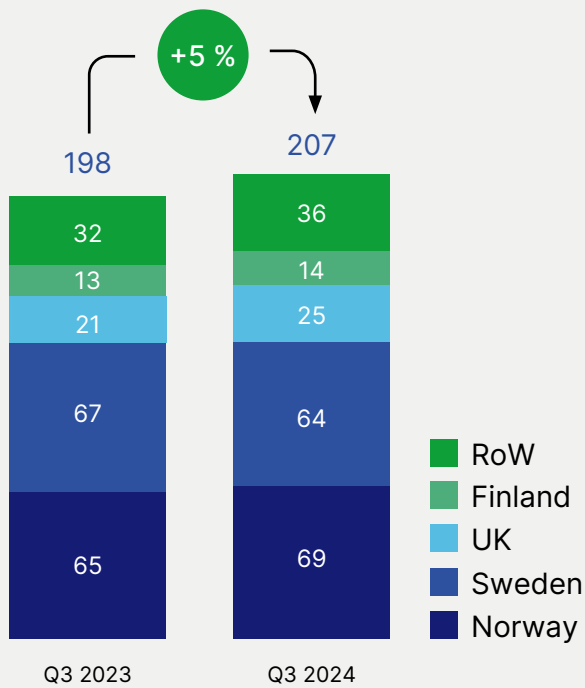
- Revenue of 207,1 (197,7) MNOK, 5 % growth year-over-year or 10 % growth excluding Sweden, which remains impacted by macroeconomic challenges, particularly in the construction sector
- Strong adjusted EBITDA of 83,3 (77,3) MNOK, growth of 8% YoY
- Adjusted EBITDA margin of 40 %, improved 1pp from last year
- Annual Recurring Revenue (ARR) of 812,4 MNOK, 4 % growth year-over-year
- Average Revenue per Account has grown by 4 % on average year-over-year



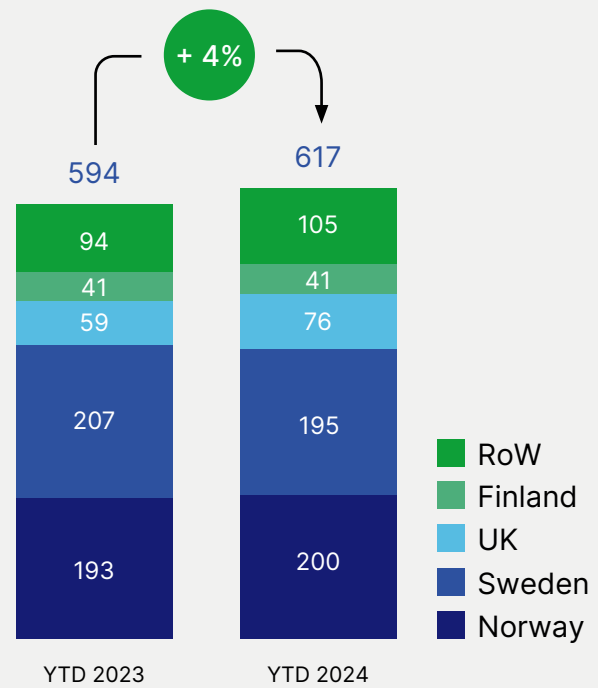
ABAX constitutes the operating entities under ABAX Group AS. All figures in the report are shown under IFRS.



## Q3 Revenue, MNOK



## YTD Operational Revenue, MNOK



# Key figures<sup>1</sup>

FS (IFRS) adjust.

Amounts in NOK million	Q3 2024	Q3 2023	Variance % Y-on-Y	Jan-Sep 2024	Jan-Sep 2023	Variance % Y-on-Y
Revenue	207,1	197,7	5 %	617,2	593,7	4 %
Adjusted EBITDA	83,3	77,3	8 %	251,1	247,2	2 %
Adjusted EBITDA Margin	40 %	39 %	1 %	41 %	42 %	-1 %
Adjusted Operating Free Cash Flow	40,0	31,6	27 %	125,0	112,0	12 %
Monthly Recurring Revenue	67,7	65,1	4 %			
Annual Recurring Revenue	812,4	780,6	4 %			

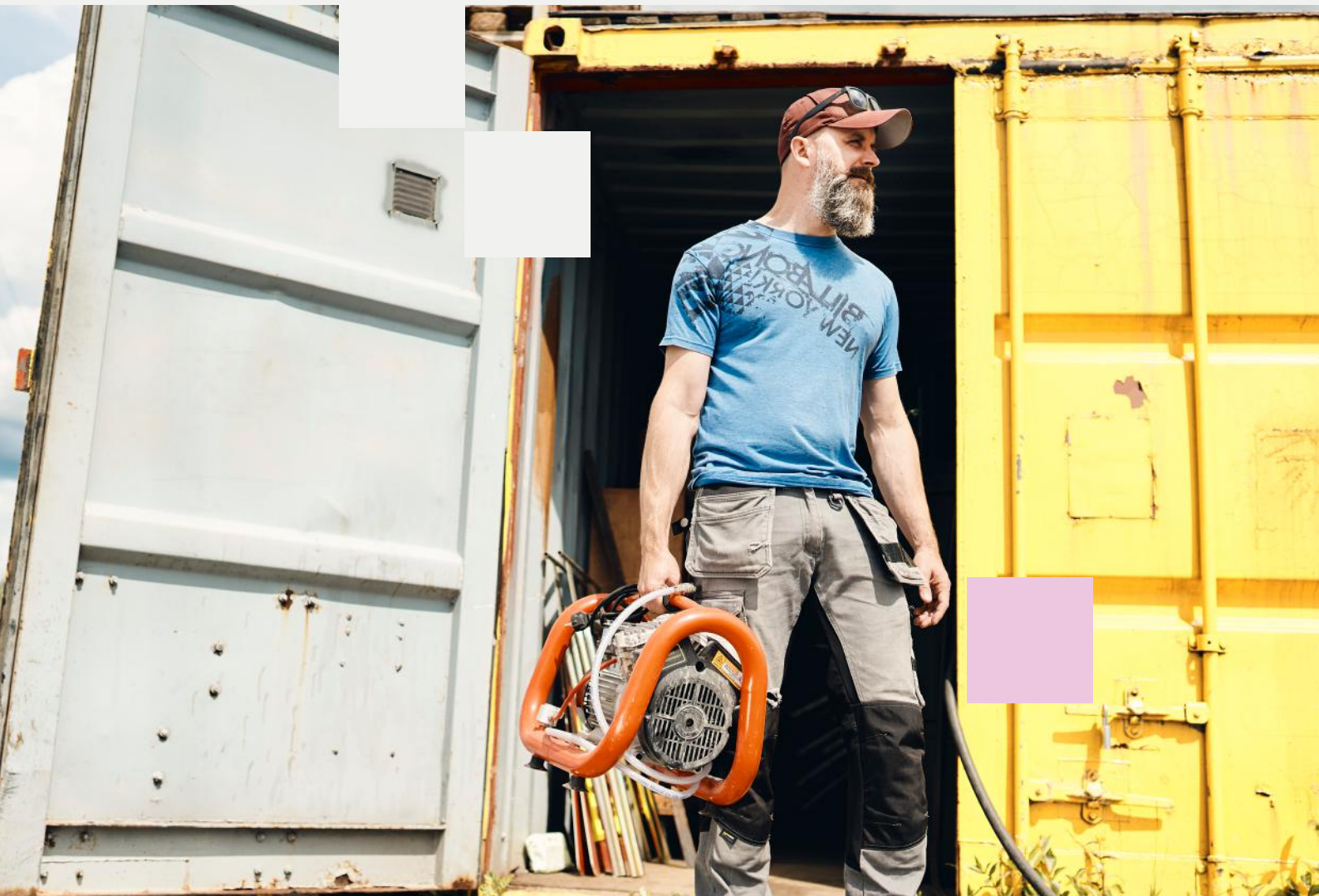
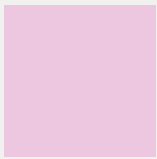
<sup>1</sup>Quarterly Revenue grew in all regions, except for Sweden, which remains impacted by macro-economic challenges, particularly in the construction sector. Outside of Sweden, Revenue YTD was up by 10 %

# 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 physical operations, comply with regulations, and achieve significant operational savings.

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



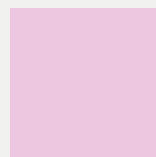
# Third quarter commentary and highlights



Emma Dyga, CEO

Our revenue grew 5 % year-over-year to reach 207,1 (197,7) MNOK. Revenue growth excluding Sweden was 10%. Adjusted EBITDA was 83,3 (77,3) MNOK, 8% growth. A continuous focus on operational efficiencies and controlling operating expenses delivered adjusted EBITDA margin of 40%, up 1pp from Q3-23. Annual Recurring Revenue (ARR) continues to grow and was up 4 % year-over-year at the end of September, providing strong forward visibility on revenue into 2025.

With further reductions of interest rates from the Swedish Central bank in November, we expect improvements in the operating environment for the Swedish construction sector and the economy at large going into 2025, although challenges will remain due to the economic weakness impacting churn in terms of bankruptcies and fleet downsizing. Despite the market challenges, ABAX's highly recurring subscription business



model continues to provide us with a strong degree of downside protection and resilience. ABAX's management has launched a number of initiatives to continue to improve the commercial function in order to capture the market rebound as it arrives.

The sale of Asset tracking solutions, which represent a cross-selling opportunity to our core Vehicle Tracking customers, continue to grow during Q3. Our high ambition to grow in this area is starting to show results and we see an increasing demand from our customers in this field. The ABAX product development roadmap will continue delivering new and innovative integrations during the remainder of 2024 and going into 2025 to support our customers in enabling regulatory compliance and making their operations even more efficient.

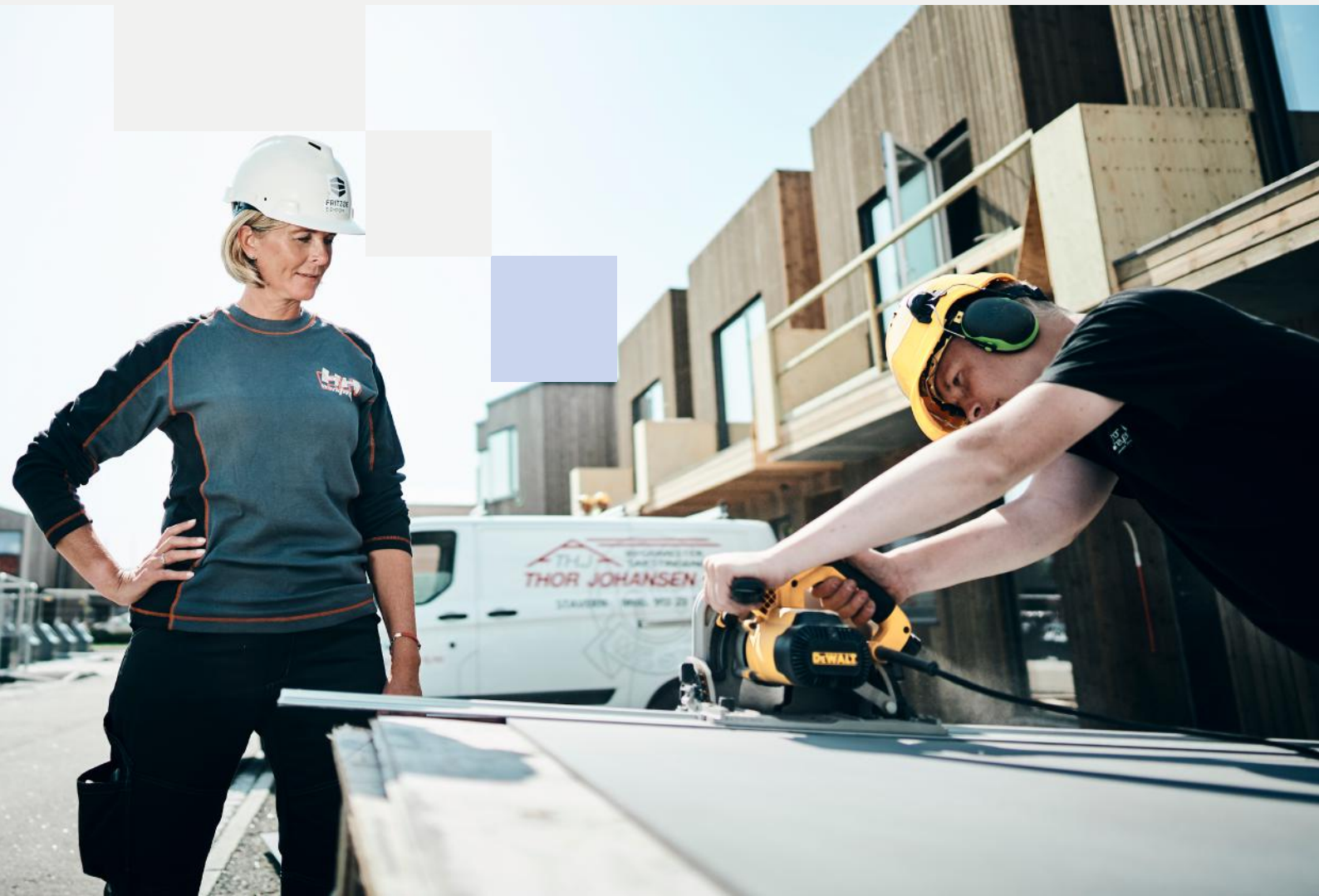
Since the launch of our usage-based insurance ("UBI"), ABAX has put a lot of focus into ensuring that our customer risk assessment is of the highest quality and accuracy, so as to provide our customers with the right insurance service and manage the risk appropriately. As part of that process, we have decided to find a new partner that better supports our insurance proposition.



ABAX gave notice on the agreements with the former risk score partner Greater Than for termination in February. Unfortunately, during the discussions that followed, Greater Than made it clear to us that it would increase the prices during the remaining term of the agreements in a manner that was not at all consistent with the agreements. We also saw that there are several other suppliers on the market with more well-developed risk score products. In view of this, ABAX decided to cut the ties with this former partner by immediately terminating the agreements. Due to our termination, Greater Than has sued ABAX. ABAX has reviewed this claim together with lawyers and other professional advisors and hold it to be completely unfounded. Therefore, no reservation has been made for the dispute.

During Q3 we have renamed our previously named "iSquared" platform "Mobyling". Our focus is to provide an insurance offering (supported by partners) to ABAX customers in all our geographies and scale that opportunity to other TSP's across Europe. Our focus during Q3 has been to identify the best partners for a long-term fit.

We continue to pursue add-on acquisitions where they are accretive to our strategic focus and have built an active pipeline of targets. We announced in Q1 that we had acquired a Norwegian insurance intermediary called RA Forsikring AS (RA), to further scale and strengthen our insurance offering and during Q2-Q3 we have started to execute on the synergy plan. RA has performed well with solid growth on both revenue and EBITDA since the acquisition and follows the expected plan. The UK acquisition of Movolytics from the end of Q4 2023 is also on target from a post-merger integration perspective.



# Financial highlights

## – Q3, 2024

Revenue in the third quarter amounted to 207,1 (197,7) MNOK representing growth of 5 % on Q3 2023. Annual Recurring Revenue (ARR) continues to grow and was up 4 % year-over-year at the end of September.

The average ARR per customer increased by 2 % compared to Q3 2023, showing the intended effect of our strategy of addressing larger customers. Our average ARPA has grown by 4 % on average year over year.

Our stable subscription base results in increasing ARR, which adds predictability to the company's revenue and cash generation and is a key financial objective for ABAX. ARR has increased by 4 % since Q3 of 2023.

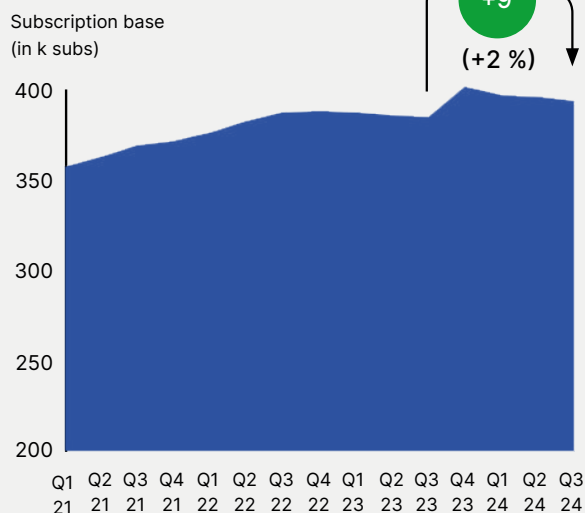
Adjusted Gross Margin at 87 % (87 %) for the quarter, a stable development from last year. Despite inflation, we managed to decrease SIM cost and keep the strong gross margins across the Group. Adjusted EBITDA is 83,3 (77,3) MNOK, 8 % increase from last year. The Adjusted EBITDA margin was 40 %, compared to 39 % in Q3 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.

Q3 employee related expenses and other operating expenses amounted to 113,9 (100,2) MNOK, corresponding to an increase of 14 %. However, normalized for non-recurring items we see 3 % increase from Q3-23 partly because of 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 286 (267) at the end of the third quarter of 2024.

Adjusted Operating Free Cashflow is 27 % higher than Q3-23 and 12 % improved compared to last year to date 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 2 % year-over-year.

Q3 depreciation and amortization amounted to 66,0 (90,2) MNOK, a reduction mainly from finalized amortization of immaterial assets related to technology.

### Subscriptions Growth



MRR  
**67,7 MNOK**  
**+4 % YoY**

ARR  
**812 MNOK**  
**+4 % YoY**



## Liquid funds and cash conversion

At the end of September 2024, ABAX's held 74,8 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 Sep 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.

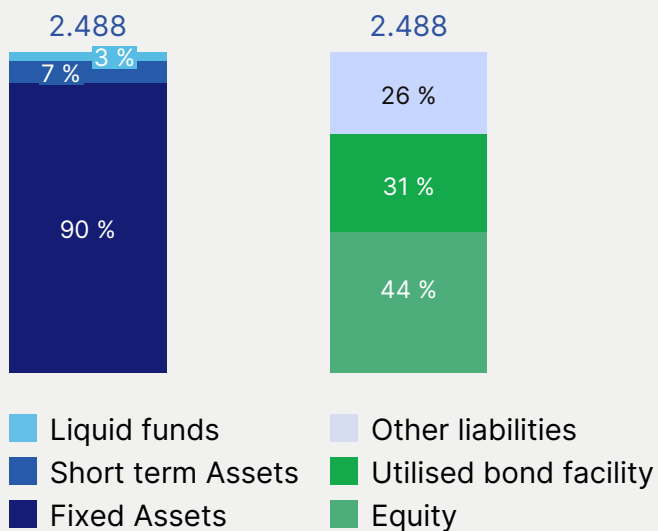
### Leverage calculation, NOK million

Utilised bond facility	766
Cash	-74.8
Net debt	691
LTM Adjusted EBITDA	327
Leverage (Net debt/Adjusted EBITDA)	2,1x

## Balance sheet

ABAX's fixed assets amount to 90 % of total assets, of which 88 % 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 862,6 MNOK, of which 766,3 MNOK refer to utilized bond facility and 96,3 MNOK refer to our 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 Q3 with four new hires within Product Design and Product Management enabling ABAX to truly solve problems worth solving going forward.

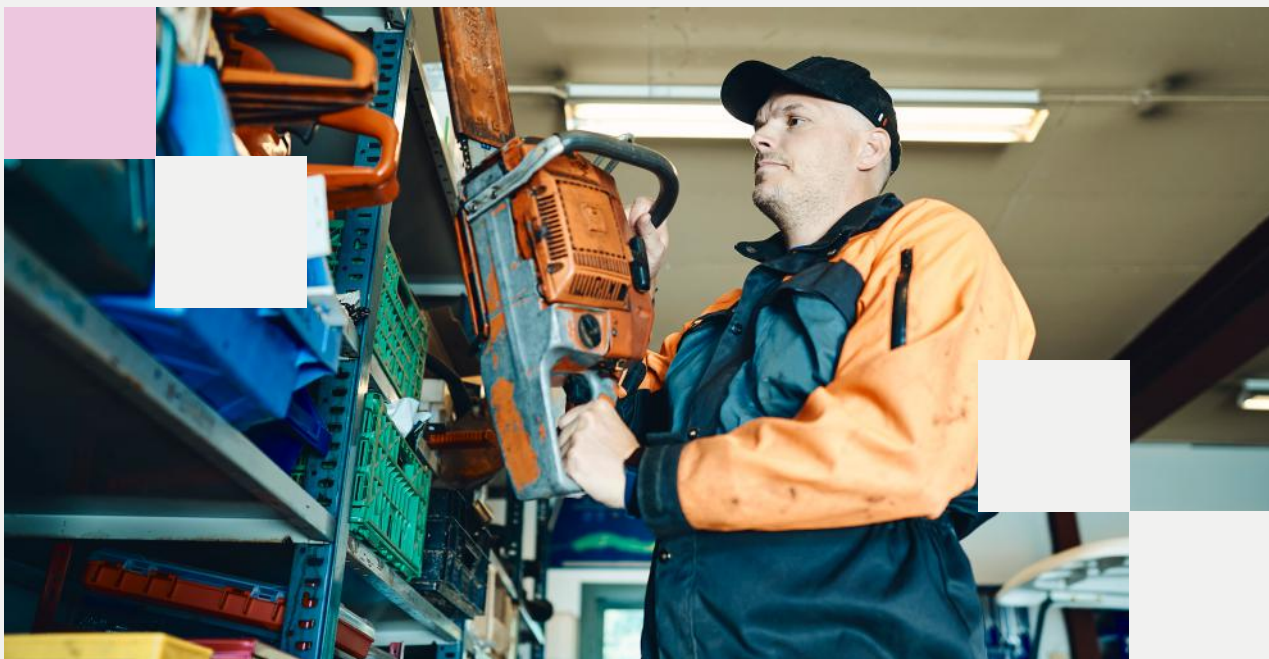
During the quarter ABAX introduced several innovative solutions, further cementing its position as a customer-centric technology leader. These initiatives spanned across multiple business areas, each tailored to address specific customer needs and enhance overall user experience. New Car Self-Service features empowered users with greater autonomy. Since the mobile networks are phasing out 2G, a significant progress was made to optimize the Swap Experience (2G) for customers and customer facing teams, enhancing operational efficiencies and simplifying customer workflows.

For Fair Insurance we're increasing the pace for innovation around the experience, the focus was on digitizing the customer journey, exemplified by an improved digital offer flow, updated finance system integrations, and Sales Self-Service capabilities that streamline customer onboarding and decision-making processes.

Finally, platform-wide improvements, including testing for Single Sign-On (SSO) and upgrades to ABAX 6L and 6U systems, laid the groundwork for a more seamless and scalable architecture.

These advancements showcase ABAX's commitment to continuous improvement, ensuring the delivery of impactful solutions that address real-world challenges while laying a robust foundation for future growth.





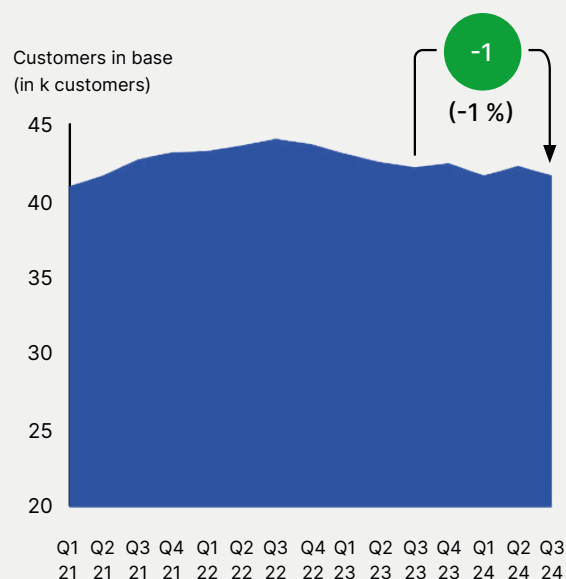
# Customers

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 eight years. Although the total number of customers has decreased by 1 % since Q3-23, the number of subscriptions has increased by 2 % 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.

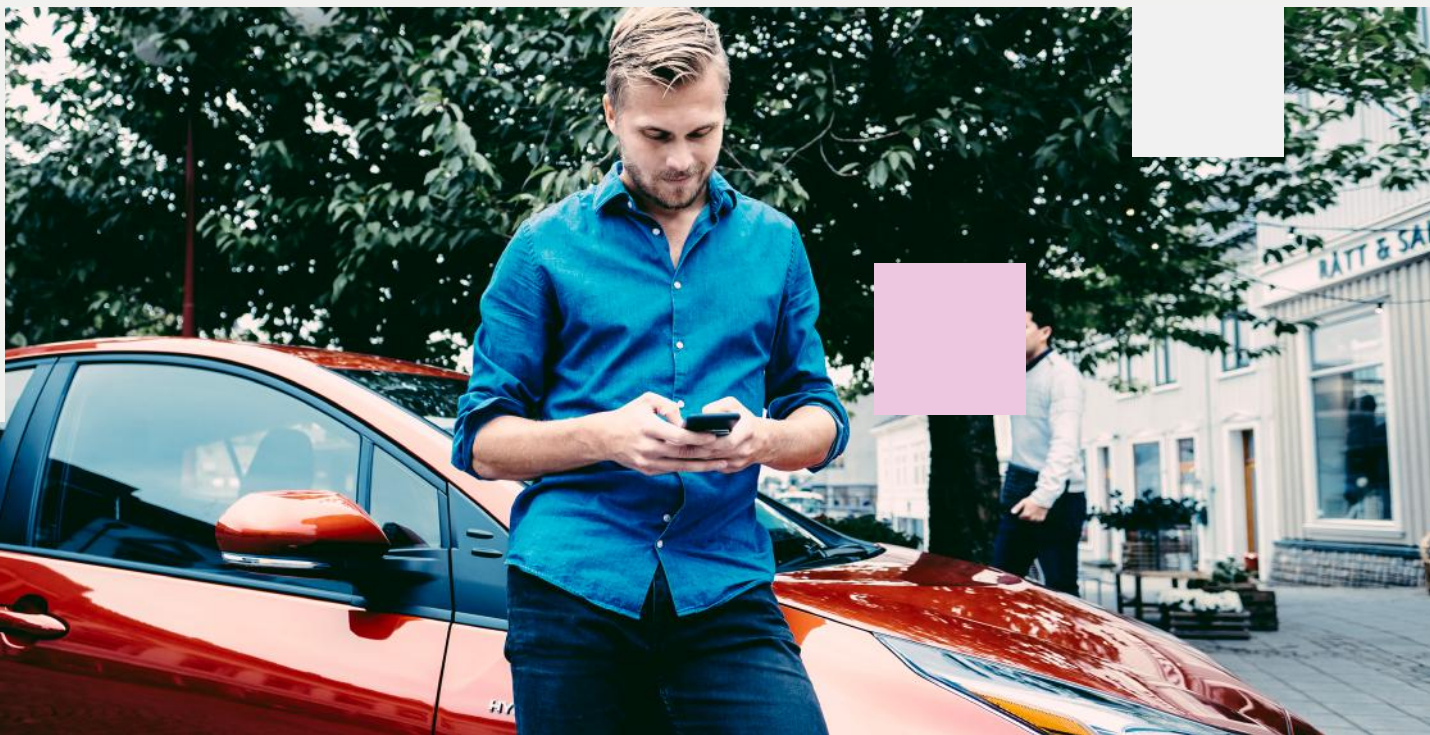
In Q3 2024, we continued to map out our supply chain, separating our value chain's corporate carbon footprint, and our product carbon footprint. This allows us to make decisions in different parts of our supply chain and organization with a measured approach.

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 %. The current bond expires in June 2025 and management has started the preparations for a refinancing that should complete well ahead of the expiry.



# 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 September 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 nine-month period and their effect on the financial report, any significant related parties transactions, and a description of the principal risks and uncertainties of the remaining nine-months of the year.

This interim report has not been subject to external audit.

Larvik, 29 November 2024

Emma Dyga – CEO

John Ole Moe – CFO

# Condensed consolidated statement of profit and loss

	Note	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		Third quarter	2023	January-September	2023	Year
Amounts in NOK thousand		2024	2023	2024	2023	2023
Operational Revenue	Note 3	207,107	197,712	617,191	593,657	798,549
<b>Total Revenue</b>		<b>207,107</b>	<b>197,712</b>	<b>617,191</b>	<b>593,657</b>	<b>798,549</b>
<b>OPERATING EXPENSES</b>						
Cost of hardware and services		29,489	30,399	89,532	88,061	102,890
Employee benefit expenses		72,837	63,219	200,790	177,845	255,937
Other operating expenses		38,061	30,696	136,798	88,697	123,413
Impairment loss on trade and other receivables		3,050	6,312	9,740	16,292	22,195
Depreciation		21,861	18,720	65,839	54,331	77,083
Amortization		44,121	71,472	183,640	216,967	294,753
<b>OPERATING PROFIT(+)/LOSS(-)</b>		<b>(2,320)</b>	<b>(23,106)</b>	<b>(69,148)</b>	<b>(48,536)</b>	<b>(77,721)</b>
<b>FINANCIAL ITEMS</b>						
Finance income		5,597	(9,101)	16,188	38,925	45,741
Finance expenses		(18,117)	(28,914)	(71,789)	(84,486)	(103,535)
<b>TOTAL NET FINANCIAL ITEMS</b>		<b>(12,520)</b>	<b>(38,015)</b>	<b>(55,601)</b>	<b>(45,561)</b>	<b>(57,793)</b>
<b>PROFIT(+)/LOSS(-) BEFORE TAX</b>		<b>(14,840)</b>	<b>(61,121)</b>	<b>(124,750)</b>	<b>(94,097)</b>	<b>(135,515)</b>
Tax income (+) / expense (-)		(8,332)	-	1,931	-	17,133
<b>PROFIT(+)/LOSS(-) FOR THE PERIOD</b>		<b>(23,172)</b>	<b>(61,121)</b>	<b>(122,819)</b>	<b>(94,097)</b>	<b>(118,382)</b>

# Consolidated statement of comprehensive income

	Third quarter		January - September		Year
	2024	2023	2024	2023	2023
<b>PROFIT(+)/LOSS(-) FOR THE PERIOD</b>	<b>(23,172)</b>	<b>(61,121)</b>	<b>(122,819)</b>	<b>(94,097)</b>	<b>(118,382)</b>
<b>ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS</b>					
Foreign currency translation differences	17,789	(5,588)	(21,405)	28,648	26,469
<b>TOTAL ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS</b>	<b>17,789</b>	<b>(5,588)</b>	<b>(21,405)</b>	<b>28,648</b>	<b>26,469</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>17,789</b>	<b>(5,588)</b>	<b>(21,405)</b>	<b>28,648</b>	<b>26,469</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(5,383)</b>	<b>(66,709)</b>	<b>(144,224)</b>	<b>(65,449)</b>	<b>(91,913)</b>

# Condensed consolidated statement of financial position

	Unaudited	Unaudited	Audited
Amounts in NOK thousand	30.9.2024	30.9.2023	31.12.2023
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	230,401	225,517	230,451
Intangible assets and goodwill	1,970,861	2,056,380	2,074,977
Deferred tax assets	15,822	32,713	27,838
Other investments, including derivatives	5,927	13,886	5,927
Non-current interest-bearing receivables	22,597	14,718	15,969
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,245,607</b>	<b>2,343,214</b>	<b>2,355,163</b>
<b>CURRENT ASSETS</b>			
Inventories	31,653	40,300	29,301
Current tax assets	2,430	7,135	4,300
Trade and other receivables	132,186	164,948	126,785
Contract assets	1,523	2,173	2,595
Cash and cash equivalents	74,775	175,764	156,012
<b>TOTAL CURRENT ASSETS</b>	<b>242,568</b>	<b>390,320</b>	<b>318,993</b>
<b>TOTAL ASSETS</b>	<b>2,488,175</b>	<b>2,733,534</b>	<b>2,674,156</b>
<b>EQUITY</b>			
Share capital	42,959	42,959	42,959
Share premium	1,817,821	1,817,821	1,817,821
Retained earnings	(707,665)	(533,863)	(558,293)
Other reserves	(66,732)	(43,149)	(45,327)
<b>TOTAL EQUITY</b>	<b>1,086,384</b>	<b>1,283,768</b>	<b>1,257,160</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities and lease liabilities	81,487	833,055	833,228
Deferred tax liabilities	147,299	196,255	146,783
Other non-current liabilities, not interest bearing	14,782	16,495	21,098
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>243,568</b>	<b>1,045,805</b>	<b>1,001,109</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	148,735	172,412	182,929
Contract liabilities	96,285	121,020	87,145
Current tax liabilities	4,427	(56)	28,583
Loans and borrowings	908,777	110,584	117,233
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,158,223</b>	<b>403,961</b>	<b>415,890</b>
<b>TOTAL LIABILITIES</b>	<b>1,401,791</b>	<b>1,449,766</b>	<b>1,416,998</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,488,175</b>	<b>2,733,534</b>	<b>2,674,156</b>

# Condensed consolidated statement of cash flow

	Unaudited January - September	Unaudited January - September	Audited Year
Amounts in NOK thousand	2024	2023	2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
PROFIT (+)/LOSS(-) FOR THE PERIOD	(122,819)	(94,097)	(118,382)
<b>Adjustments for:</b>			
- Depreciation	65,839	54,331	77,083
- Amortisation	183,640	216,967	294,753
- Net finance costs	55,601	45,561	57,793
- Tax income (-) / expense (+)	(1,931)	-	(17,133)
<b>Cash flow before changes in working capital, interest and tax</b>	<b>180,331</b>	<b>222,762</b>	<b>294,114</b>
<b>Changes in:</b>			
- Inventories	(2,352)	(18,734)	(7,246)
- Trade and other receivables	(5,222)	(4,800)	13,553
- Trade and other payables	(34,831)	(21,300)	(53,235)
- Contract assets/liabilities	11,441	(8,797)	17,205
- Other movements	(661)	(624)	6,095
<b>Cash flow before interest and tax</b>	<b>148,707</b>	<b>168,508</b>	<b>270,486</b>
Income taxes paid	(21,675)	(6,348)	(10,555)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>127,032</b>	<b>162,159</b>	<b>259,931</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Movolytics, net of cash	-	-	(46,074)
Acquisition of RA Forsikring AS, net of cash	(26,984)	-	-
Acquisition of property plant and equipment	(38,659)	(41,819)	(65,916)
Acquisition of intangible assets	(55,855)	(39,075)	(72,744)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(121,499)</b>	<b>(80,895)</b>	<b>(184,734)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Interest paid	(62,737)	(44,332)	(83,615)
Interest received	-	-	354
Proceeds from realization of interest swap	-	-	25,220
Loans to related parties	(4,594)	-	-
Payment of lease liabilities	(22,736)	(21,922)	(29,950)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(90,068)</b>	<b>(66,254)</b>	<b>(87,991)</b>
<b>NET INCREASE (+)/DECREASE (-) IN CASH AND CASH-EQUIVALENTS</b>	<b>(84,535)</b>	<b>15,010</b>	<b>(12,794)</b>
Cash and cash-equivalents beginning of period	156,011	160,753	160,753
Currency effect of cash and cash equivalents	3,298	-	8,052
<b>CASH AND CASH-EQUIVALENTS END OF PERIOD</b>	<b>74,775</b>	<b>175,763</b>	<b>156,011</b>

# 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
Ingoing balance 1 January 2023	42,959	1,817,821	1,860,780	(439,765)	(71,797)	1,349,218
<b>Total comprehensive income for the period 01.01.23 - 31.12.23</b>						
Loss for the period				(118,382)		(118,382)
Other comprehensive income for the period					26,469	26,469
				(118,382)	26,469	(91,913)
<b>Transactions with owners of the Company</b>						
Group contribution to ABAX MidCo AS				(45)		(45)
Group contribution ABAX Invest				(100)		(100)
Totals Transactions with owners	-	-	-	(145)	-	(145)
<b>Balance as of 31 December 2023</b>	<b>42,959</b>	<b>1,817,821</b>	<b>1,860,780</b>	<b>(558,293)</b>	<b>(45,328)</b>	<b>1,257,160</b>

January - September 2024	Attributable to shareholders of ABAX Group AS					
	Amounts in NOK thousand	Share capital	Share premium	Total paid-in capital	Retained earnings	Translation reserve
Ingoing balance 1 January 2024	42,959	1,817,821	1,860,780	(558,293)	(45,328)	1,257,160
<b>Total comprehensive income for the period 01.01.24 - 30.06.24</b>						
Loss for the period				(122,819)		(122,819)
Other comprehensive income for the period					(21,405)	(21,405)
				(122,819)	(21,405)	(144,224)
<b>Transactions with owners of the Company</b>						
Group contribution to ABAX MidCo AS				(21,901)		(21,901)
Group contribution ABAX Invest				(4,652)		(4,652)
Totals Transactions with owners	-	-	-	(26,552)	-	(26,552)
<b>Balance as of 30 September 2024</b>	<b>42,959</b>	<b>1,817,821</b>	<b>1,860,780</b>	<b>(707,665)</b>	<b>(66,732)</b>	<b>1,086,384</b>



# 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 third quarter 2024, ending 30. September 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	Third quarter		January-September	
	2024	2023	2024	2023
<b>Primary geographical markets</b>				
Norway	68,975	65,092	199,879	193,404
Sweden	63,713	66,802	194,989	207,082
Finland	13,547	13,475	40,528	40,811
Denmark	6,162	5,095	17,838	15,743
UK	24,891	20,657	76,458	58,697
Other	29,820	26,591	87,498	77,920
<b>Revenue</b>	<b>207,107</b>	<b>197,712</b>	<b>617,191</b>	<b>593,657</b>
<b>Major products/service lines</b>				
Vehicle Tracking	179,085	175,253	533,685	526,221
Asset tracking and Mobility Data Services	28,022	22,459	83,506	67,436
<b>Revenue</b>	<b>207,107</b>	<b>197,712</b>	<b>617,191</b>	<b>593,657</b>
<b>Timing of revenue recognition</b>				
Products transferred at a point in time	4,971	-	14,813	-
Products and services transferred over time	202,136	197,712	602,378	593,657
<b>Revenue</b>	<b>207,107</b>	<b>197,712</b>	<b>617,191</b>	<b>593,657</b>
<b>Revenue type</b>				
Operational revenue	207,107	197,712	617,191	593,657
<b>Total revenue</b>	<b>207,107</b>	<b>197,712</b>	<b>617,191</b>	<b>593,657</b>





# Alternative Performance Measures (APM)

## 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:	Third quarter		January - September	
Amounts in NOK thousand	2024	2023	2024	2023
Exceptional payroll related cost	9,487	1,027	11,403	5,337
Advisory, legal and start-up cost (OPEX)	7,350	5,034	47,606	8,084
Data analytics start-up cost and hardware NRI (COGS)	1,760	4,114	8,845	10,991
<b>Total non-recurring items (NGAAP)</b>	<b>18,598</b>	<b>10,175</b>	<b>67,854</b>	<b>24,412</b>
Stay-on bonus Movolytics acquisition (IFRS)	1,005	0	2,934	0
<b>Total non-recurring items (IFRS)</b>	<b>19,603</b>	<b>10,175</b>	<b>70,788</b>	<b>24,412</b>

## Bridge from Statutory reported Financials to Alternative Performance Measure - Adjusted EBITDA

	Third quarter		January - September	
Amounts in NOK thousand	2024	2023	2024	2023
Operating profit (+)/Loss(-)	(2,320)	(23,106)	(69,148)	(48,536)
Depreciation	21,861	18,720	(65,839)	54,331
Amortization	44,121	71,472	183,640	216,967
Non-recurring items (NRI's)	19,603	10,175	70,788	24,412
<b>Adjusted EBITDA</b>	<b>83,265</b>	<b>77,261</b>	<b>251,119</b>	<b>247,174</b>

## Subsequent events

ABAX is currently involved in a legal proceeding with the former risk score contractor, Greater Than. Greater Than has on the 14th of October 2024 taken legal action against ABAX for alleged unsettled debts for and alleged unlawful breach of contract.

ABAX has reviewed this claim together with lawyers and other professional advisors and hold the claims to be completely unfounded. As a result ABAX has not recognized any provision related to this matter in the financial statements, as management does not consider an unfavourable outcome of this lawsuit to be probable.

# 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.  $MRR \text{ base} / \text{Number of single customers}$ .



# ABAX

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