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## **LINK Mobility intends to apply for a listing on the Oslo Stock Exchange**

**Oslo, 6 October 2020: LINK Mobility Group Holding ASA<sup>1</sup> ("LINK Mobility" or the "Company", and together with its consolidated subsidiaries "LINK" or the "Group") today announces its intention to launch an offering of shares in the Company and to apply for a listing on the Oslo Stock Exchange (the "IPO").**

LINK is one of Europe's leading providers<sup>2</sup> of mobile messaging and Communications Platform as a Service ("CPaaS") solutions for customer engagement serving enterprise, SME and government customers. LINK offers a wide range of innovative and scalable mobile solutions, creating valuable digital convergence between businesses and customers, platforms and users. As of 30 June 2020, the Group had more than 33,000 customer accounts across Europe and in 2019, LINK exchanged 9.5 billion messages. The Group reported revenue of NOK 2,933 million in FY 2019 and NOK 1,718 million in H1 2020 with Adjusted EBITDA (as defined below) of NOK 308 million in FY 2019 and NOK 183 million in H1 2020.

The IPO will support LINK's strategy and growth plans, including acquisitions, investments in go-to-market initiatives and continued expansion of the CPaaS platform. Furthermore, the IPO will allow the Company, as a listed business, to increase its profile and build a new long-term shareholder base. The largest owners in the Group, including Victory Partners VIII Limited and Karbon Invest AS, will continue to remain shareholders after the IPO.

LINK was founded in 2001 and its original focus was SMS Application to Person (A2P) messaging services. Over time, the Group has grown and evolved its business model into an omni-channel messaging and mobile technology platform leveraging CPaaS functionality to deliver efficient, automated solutions spanning across functions that are mission critical in customer's operations. Use cases include customer service, customer engagement, marketing, notifications and payments amongst others. Since its creation, the Group has expanded its business both organically and through acquisitions, successfully completing 24 M&A transactions since 2014. The Company's vision is to enable meaningful, personalized, reliable and valuable conversations between customers and companies.

### **Guillaume Van Gaver, Group CEO, commented:**

"Becoming a stock exchange listed company marks a significant milestone on the way to our ambitious goal of becoming a global leader in the CPaaS industry. In an increasingly digitized world, we believe we are well positioned to meet the demand for efficient and trustworthy solutions where governments can communicate with citizens, and brands can build valuable and personalized connections and conversations with their customers on mobile. Our entire organization is committed to working hard to continue to meet our customers needs across the globe and deliver deeper and more innovative mobile messaging solutions."

### **Jens Rugseth, Co-founder and Chairman of Link Mobility, commented:**

"Having been part of Link Mobility's journey since the very beginning, I'm proud of the position we've achieved over the recent years, as one of Europe's leading providers of mobile messaging and CPaaS solutions. An Oslo Stock Exchange listing will build upon this strong foundation to support continued growth and expansion, and I'm very excited to see how the company continues to innovate and create valuable solutions that help our customers achieve better relationships with their end-users. Mobile messaging has become an indispensable part of modern communication, and we are one of the companies that have the scalable solutions ready to provide seamless messaging services across platforms, geographies and industries."

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<sup>1</sup> Previously known as Victory Partners VIII Norway Holding AS.

<sup>2</sup> Based on volume of messages. Company estimate.

## Company highlights

- LINK Mobility delivers solutions to its customers that enable mobile engagement through all key messaging channels. LINK operates in the global and fast-growing mobile messaging and CPaaS markets supported by consumer's increased preference for messaging
  - The A2P market is expected to grow at a 10% CAGR between 2020 and 2023<sup>3</sup> and the CPaaS industry is expected to grow at a CAGR of about 33% between 2020 and 2024<sup>4</sup>, resulting in an addressable market of USD 62bn and USD 18bn in 2023 and 2024 respectively
  - The emergence of Over-The-Top channels ("OTT", e.g. Facebook Messaging, Whatsapp, Apple Chat) and new features, such as rich content, has been driving increased consumer engagement with brands and new use cases
- Differentiated CPaaS platform focused on driving value by developing and delivering comprehensive solutions and optimal routing through all key OTT and operator channels
  - Offering a cloud-based platform that enables customers to add real-time communications features to their own applications without having to build backend infrastructure and interfaces
  - Connected to more than 1,000 mobile networks in more than 220 markets thanks to more than 300 supplier connections worldwide
- Strategic geographic footprint with 29 offices across Europe and established local leadership, delivering high-touch service
  - The Company believes it is a leading supplier in Europe of A2P messaging based on volume of messages, with leading positions in several countries including Bulgaria, Denmark, Finland, France, Norway, Poland, Spain and Sweden<sup>5</sup>
  - Large customer base with more than 33,000 customer accounts as of 30 June 2020, with no single customer representing more than 4.7% of revenue for the Group's revenue for the twelve months ended 30 June 2020
- Strong focus on delivering mission critical solutions to tier-1 enterprise customers
  - Enterprise sales force of 90 people that communicate to customers in 17 languages
  - Deeply embedded with customers with application program interfaces ("API") often integrated into the customers' workflow
  - Vertically integrated solutions for a number of industries such as e-commerce, logistics, banking and insurance, software vendors and IT service players
- Predictable revenue base with high retention and low churn underpinning growth
  - Recurring revenue profile with strong net retention of 113% driven by low churn of 4%, and substantial upsell capabilities (H1 2020)
- Proven M&A platform, core to LINK's strategy in establishing local leadership, providing substantial incremental growth opportunities
  - Significant experience acquiring synergistic assets to strengthen market position and accelerate growth with 24 acquisitions completed across 16 countries since 2014
  - Strong pipeline of near-term, actionable M&A with + EUR 300 million in revenue opportunity across numerous geographies
- Proven and deep management team with well-defined strategy to deliver long-term profitable growth
  - Management team with significant industry experience and demonstrated track record of executing on the corporate strategy

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<sup>3</sup> Juniper Research, A2P (Application to Person) Messaging, 2019.

<sup>4</sup> IDC, Worldwide Communications Platform-as-a-Service Forecast, 2020.

<sup>5</sup> Company estimate.

- Medium to long-term target of NOK 10 billion in revenue and acceleration of organic growth of revenue<sup>6</sup> to over 20% per annum through:
  - Increased customer and market penetration
  - Investments in go-to market initiatives and continued expansion of the CPaaS platform
  - Continued focus on accretive acquisitions to strengthen market leading positions in existing markets and enter new markets

## Covid-19 pandemic

Since the start of the outbreak of the pandemic, LINK has experienced an increase in customer demand for digitalisation products and services, as businesses and governmental entities have been forced to rely on IT infrastructures and systems and have turned to remote working and cloud-based solutions to run their operations. Leveraging LINK's significant experience and digital solutions portfolio as well as its existing workforce, LINK assisted new and existing customers in their responses to the COVID-19 pandemic, including in connection with digital transformation projects, digital workplace solutions, cloud-based solutions and business continuity solutions.

"Digitalisation is not a new trend, but there is little doubt that the response to the Covid-19 pandemic worldwide has highlighted and accelerated it. The need for secure digital communication is high on the agenda, and we are proud to have been chosen as a partner for a number of public authorities in this period," says Torbjørn G. Krøvel, CTO at LINK Mobility.

## Financial highlights

LINK has experienced substantial revenue growth in the period from 2017 to 2019. The growth has been driven by a combination of organic growth and acquisitions. The Group reported revenue for FY 2019 of NOK 2,933 million (NOK 1,972 million in 2018) with a Gross Profit (defined below) of NOK 753 million (NOK 547 million in 2018) implying a Gross Margin (defined below) of 26% (28% in 2018). Adjusted EBITDA (defined below) for 2019 was NOK 308 million (NOK 212 million in 2018) corresponding to an Adjusted EBITDA margin of 10% (11% in 2018).

The Group reported H1 2020 revenue of NOK 1,718 million (NOK 1,336 million in H1 2019) with a Gross Profit of NOK 429 million (NOK 355 million in H1 2019) implying a Gross Margin of 25% (27% in H1 2019). Adjusted EBITDA for H1 2020 was NOK 183 million (NOK 134 million in H1 2019) corresponding to an Adjusted EBITDA margin of 11% (10% in H1 2019).

<i>(In NOK million<sup>1</sup>)</i>	<b>FY 2017<sup>2</sup></b>	<b>FY 2018<sup>2</sup></b>	<b>FY 2019<sup>3</sup></b>	<b>H1 2019<sup>3</sup></b>	<b>H1 2020<sup>3</sup></b>
<b>Revenue</b>	<b>1,294</b>	<b>1,972</b>	<b>2,933</b>	<b>1,336</b>	<b>1,718</b>
<i>% Growth</i>	<i>n.a.</i>	<i>52%</i>	<i>49%</i>	<i>n.a.</i>	<i>29%</i>
<b>Gross Profit<sup>4</sup></b>	<b>397</b>	<b>547</b>	<b>753</b>	<b>355</b>	<b>429</b>
<i>% Gross Margin<sup>5</sup></i>	<i>31%</i>	<i>28%</i>	<i>26%</i>	<i>27%</i>	<i>25%</i>
<b>Adj. EBITDA<sup>6</sup></b>	<b>140</b>	<b>212</b>	<b>308</b>	<b>134</b>	<b>183</b>
<i>% Adj. EBITDA margin<sup>7</sup></i>	<i>11%</i>	<i>11%</i>	<i>10%</i>	<i>10%</i>	<i>11%</i>
<i>% Gross Profit Conversion<sup>8</sup></i>	<i>35%</i>	<i>39%</i>	<i>41%</i>	<i>38%</i>	<i>43%</i>

(1) Please note that the numbers are rounded to the nearest million.

(2) The Company acquired LINK Mobility Group AS in 2018 in a voluntary take-over offer completed by the Company's wholly-owned subsidiary LINK Mobility Pecunia AS (formerly known as Victory Partners VIII Norway AS) (the "Take-over"). The financial information for 2017 and 2018 are derived from/based on LINK Mobility Group AS's consolidated and audited financial statements for the years ended 31 December 2017 and 2018.

(3) The financial information for 2019 and 2020 are derived from the Company's consolidated and audited financial statements for the year ended 31 December 2019 and the Company's unaudited interim financial statements for the six month periods ended 30 June 2020 and 2019.

<sup>6</sup> Less acquisitions.

- (4) Non-IFRS measure. Gross Profit is defined as revenue less direct cost of services rendered.
- (5) Non-IFRS measure. Gross Margin is defined as revenue less direct costs divided by revenue.
- (6) Non-IFRS measure. Adjusted EBITDA is defined as EBITDA adjusted for mergers and acquisitions costs, restructuring costs and costs related to share option program.
- (7) Non-IFRS measure. Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of revenue in the respective periods.
- (8) Non-IFRS measure. Gross Profit Conversion is defined as Adjusted EBITDA divided by Gross Profit.

## Offering highlights

The IPO is expected to comprise an offering of new shares in the Group to raise gross proceeds of approximately NOK 2.5 billion. In addition, the IPO is expected to include a sale of shares by existing shareholders in the Company. The net proceeds from the Offering will be used to repay current debt liabilities, strengthen the Group's balance sheet and fund future acquisitions in addition to investments in R&D and product development, in line with the Group's strategy.

Seven cornerstone investors have undertaken to acquire shares for a total amount of NOK 2.3 billion in the IPO, subject to certain conditions and for price per share of up to NOK 47.00, which equates to a pre-money equity value of approximately NOK 10 billion based on the current shares outstanding. These seven cornerstone investors are i) Swedbank Robur Fonder (NOK 600 million committed), ii) DNB Asset Management (NOK 500 million committed), iii) The Government Pension Fund of Norway, Folketrygdfondet (NOK 500 million committed), iv) Delphi Funds, a part of Storebrand Asset Management AS (NOK 250 million committed), v) Luxor Capital Group (NOK 175 million committed), vi) TIN Fonder (NOK 175 million committed) and vii) Didner & Gerge Fonder (NOK 100 million committed).

Subject to receiving the relevant approvals from the Oslo Stock Exchange and the Financial Supervisory Authority of Norway, as well as prevailing equity capital market conditions, the Company is expected to have a first day of trading on the Oslo Stock Exchange in Q4 2020. Further announcements relating to the IPO will be made in due course.

## Advisers

ABG Sundal Collier ASA and Jefferies International Limited are acting as Joint Global Coordinators and Joint Bookrunners in the IPO, while Carnegie AS is acting as Joint Bookrunner and SpareBank 1 Markets AS is acting as Co-Lead Manager (jointly the "Managers").

AGP Advokater AS is acting as Norwegian legal counsel to the Company and Paul Hastings LLP is acting as international legal counsel to the Company. Advokatfirmaet Thommessen AS is acting as Norwegian legal counsel and Davis Polk & Wardwell London LLP is acting as international legal counsel to the Managers. TRY Råd is acting as communications adviser.

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Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is an advertisement and is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended) as implemented in any Member State (the "EU Prospectus Regulation"). Investors should not subscribe for any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus, if a prospectus is published. Copies of any such prospectus will, following publication, be available from the Company's registered office and, subject to certain exceptions, on the website of the Company.

In connection with the contemplated offering, the Managers and any of their affiliates, acting as investors for their own accounts, may subscribe for or purchase shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of the Company or related investments in connection with the contemplated offering or otherwise. Accordingly, references in any prospectus, if published, to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, such Managers and any of their affiliates acting as investors for their own accounts. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "aims", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should"

and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. The Company, each of the Managers and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

The offering may be influenced by a range of circumstances, such as market conditions, and there is no guarantee that the offering will proceed and that the listing will occur.

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