

LINK Mobility Group Holding ASA

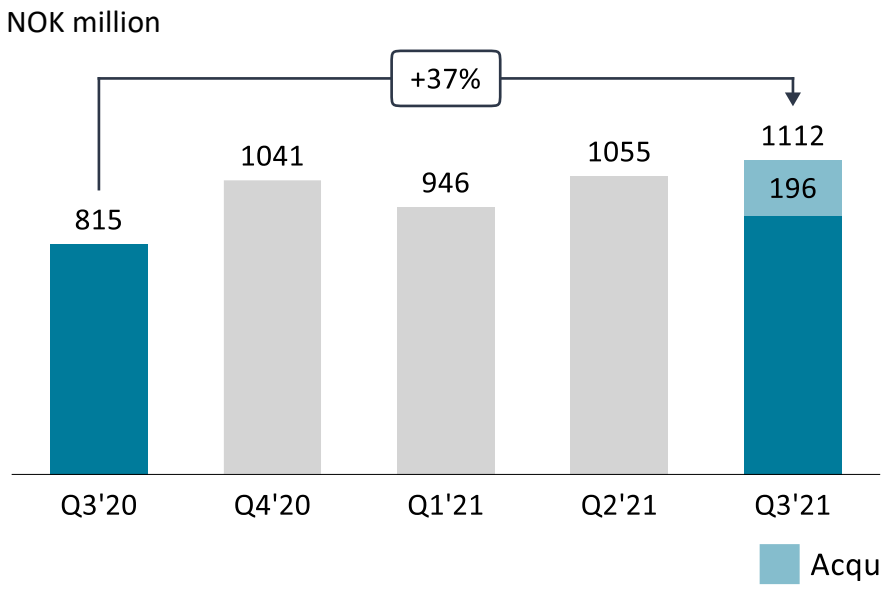
Interim financial report

Third Quarter 2021

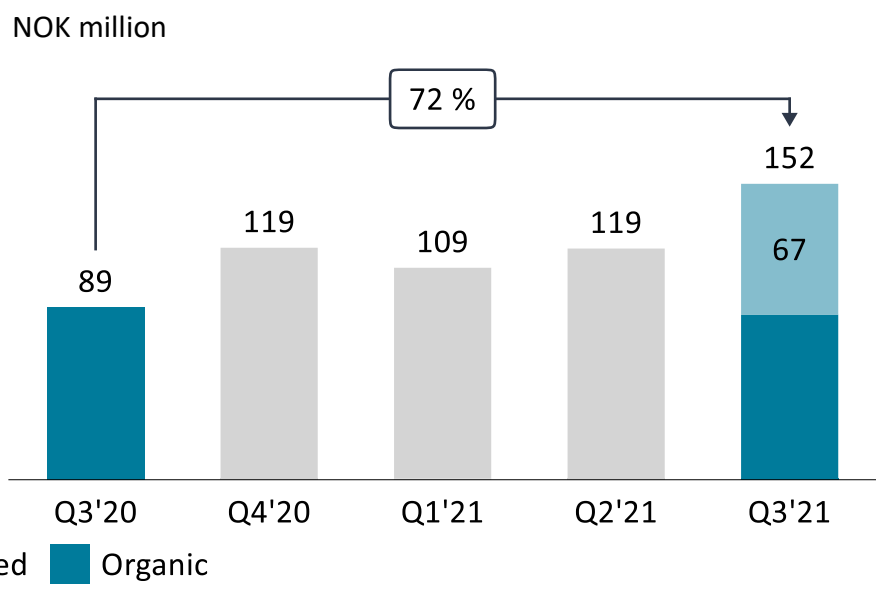
Highlights Third Quarter

- Reported revenue of NOK 1,112 million, a 37% growth YoY
- Organic revenue growth in local currency at 16%
- Gross profit of NOK 325 million, a 57% growth YoY
- All-time high gross profit margin of 29% also positively impacted by acquired entities
- All-time high reported adjusted EBITDA of NOK 152 million, a 72% growth YoY
- LINK has entered the US market, Message Broadcast fully consolidated from Q3 21
- Added more than 3,100 new customer accounts organically
- Message Broadcast won a large new utility customer in the US after quarter end
- LINK specifies the growth trajectory in its forward-looking statement, reiterates 20% long term revenue growth target, expects 14-17% medium term revenue growth
- LINK ranked established leader in Juniper Research’s new CPaaS Competitor Leaderboard, clearly highlighting leading position in the industry

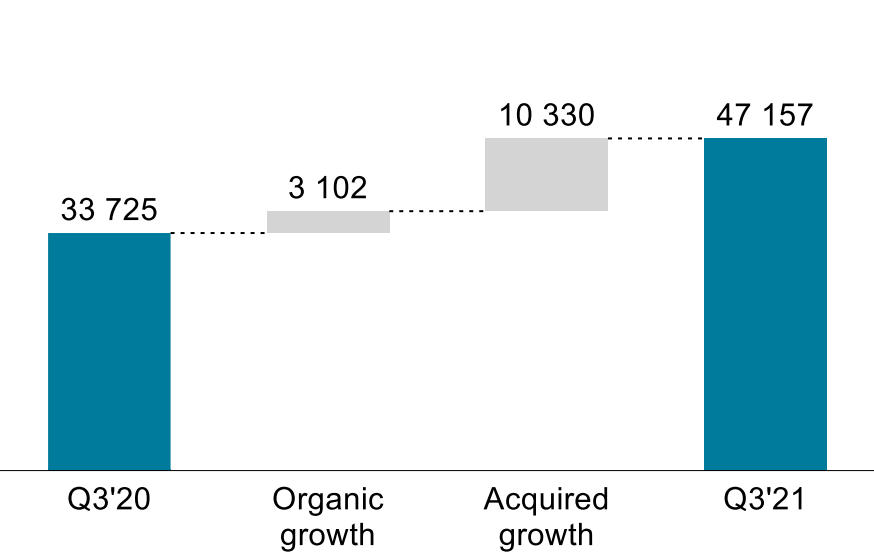
Total operating revenues (mNOK)



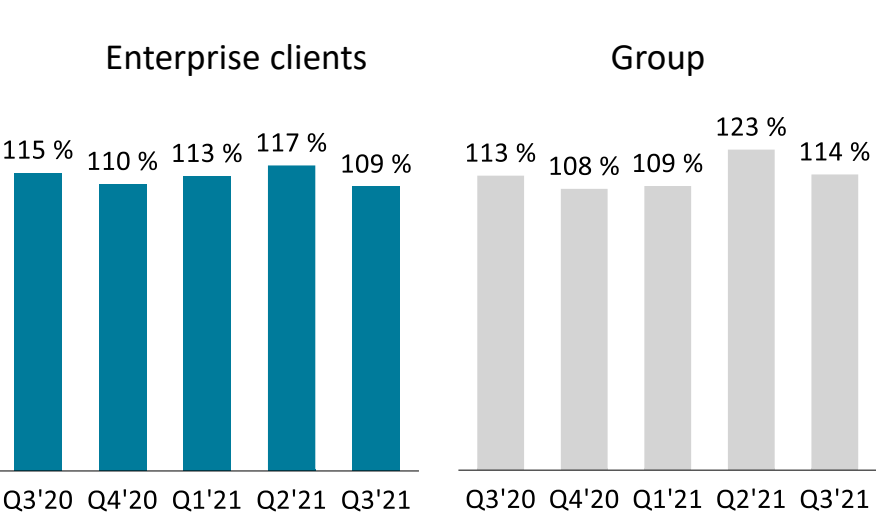
Adjusted EBITDA (mNOK)



Customer accounts



Pro forma net retention rate in local currency



* Pro forma includes historical financials for acquired entities WebSMS, Tismi, MarketingPlatform, AMM and Message Broadcast for comparable data

Strong growth with US expansion

LINK Mobility (LINK) reports strong revenue growth of 37% to NOK 1,112 million in the third quarter of 2021 including acquired entities. Organic revenue growth in local currency was 16% and in-line with medium term growth targets. Gross profit increased 57% to NOK 325 million and the margin expanded to 29% from 25% in the same period last year, reflecting accretive contributions from acquired entities. Adjusted EBITDA grew 72% to NOK 152 million with margin at 13.7%. LINK reiterates its long-term forward-looking statement to 2024 and specifies its medium-term growth expectation in the 14-17% range.

LINK is experiencing increased demand for CPaaS solutions and is executing on its go-to-market (GTM) strategy, which includes roll-out of self-sign-up (SSU) platforms and a further expansion of the partner network. The acquisition of Message Broadcast in the US is the start of acquisitions outside Europe and a beachhead for further M&A in the US. After quarter end, Message Broadcast won another new material contract with a large US utility company which has more than 4 million customers, further strengthening its position in that vertical.

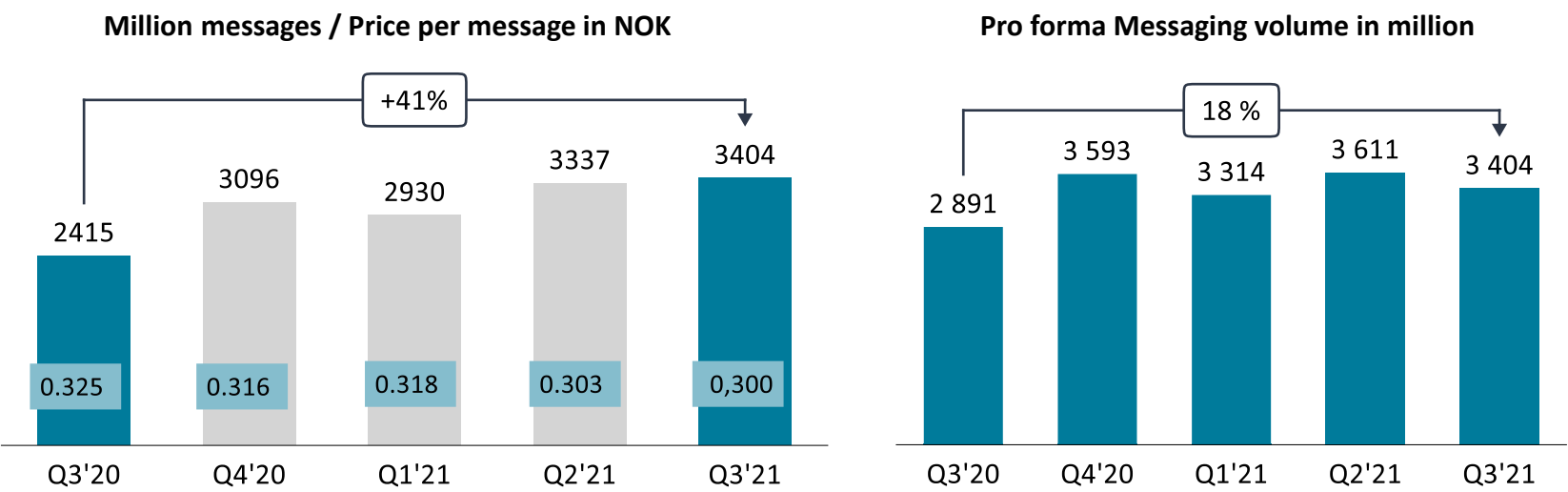
Revenue is reported at NOK 1,112 million which translates into an organic revenue growth in local currency of 16% YoY. Global messaging revenue increased organically in local currency at 47%, positively impacting growth rates on total revenue. For the Enterprise segment, all markets rebounded after lockdowns imposed by the authorities due to the pandemic in the previous quarters except in France, where retail activity remained below normal levels.

All-time high gross profit of NOK 325 million. The gross profit margin expanded 400 basis points YoY with contribution from acquired entities. Organic gross profit growth in local currency was 7%, reflecting the larger proportion of global messaging volumes at a lower margin. Organic gross margin in the Enterprise segment was stable in Q3 21 compared to same period last year.

Reported adjusted EBITDA reached an all-time high of NOK 152 million and the adjusted EBITDA margin improved 2.8 percentage points to 13.7% YoY. Organic adjusted EBITDA declined slightly due to OPEX investments reflecting the current roll-out of GTM initiatives and commercialization of new CPaaS solutions in the market.

LINK was ranked an established leader in Juniper Research's new CPaaS Competitor Leaderboard in the quarter. The leaderboard clearly highlights LINK's leading position in the industry with customer relation management (CRM) platforms integration, ability to capitalize on growth in inbound contact center as a service (CCaaS) traffic and a strong M&A strategy including expansion to the US with Message Broadcast.

Messaging volumes increased 41% in the third quarter to 3 404 million compared to the same quarter last year, of which 17% organically. Correspondingly the proforma growth in messaging volumes was 18%.



Acquisitions and pro forma

LINK acquired Message Broadcast in the US, MarketingPlatform in Denmark and AMM in Italy during the second quarter 2021. The closing of these acquisitions, in addition to the closing of WebSMS in November 2020 and Tismi in March 2021, affects the last twelve months pro forma financials of the group. For the third quarter isolated, there are no proforma effects from acquired entities. The tables below show proforma figures (full-year effect of closed acquisitions) for Q3 21 and LTM Q3 21 in reported currency (NOK). The financials are based on management estimates given the information available.

NOK million

Q3 2021	LINK Reported	Closed acquisitions	LINK Proforma
Revenue	1 112	0	1 112
Gross Profit	325	0	325
Adj EBITDA	152	0	152

Q3 2021 LTM	LINK Reported	Closed acquisitions	LINK Proforma
Revenue	4 154	336	4 489
Gross Profit	1 103	214	1 317
Adj EBITDA	500	116	616

Forwarding looking statement specified

LINK benefits from strong long-term market trends with increased demand for advanced CPaaS solutions and products. As LINK expands its go-to-market (GTM) initiatives and launches new products, demand is expected to support even higher growth. LINK is also executing on its M&A strategy with several near-term acquisitions closed in Europe and expansion to the US. This continuation of underlying long-term trends and progress on M&A, enable LINK to reiterate its forward-looking revenue and margin statement and commitment to its 20% long-term growth target in a mature CPaaS market with S-curve adoption of omnichannel solutions.

The pandemic has been a particular challenge for the retail sector, also observed in the current quarter with moderate volumes from retail in France. This has directly reduced LINK’s medium-term growth rate and the pandemic has also delayed the GTM expansion across the footprint. LINK specifies its medium-term growth trajectory in the forward-looking statement at 14-17% based on the current market adoption of CPaaS products and GTM roll-out.

Forward looking statement	
Amounts are in million NOK	2024
Pro forma revenue	10.000
Pro forma adjusted EBITDA* margin	15% - 17%

New contracts and market trends

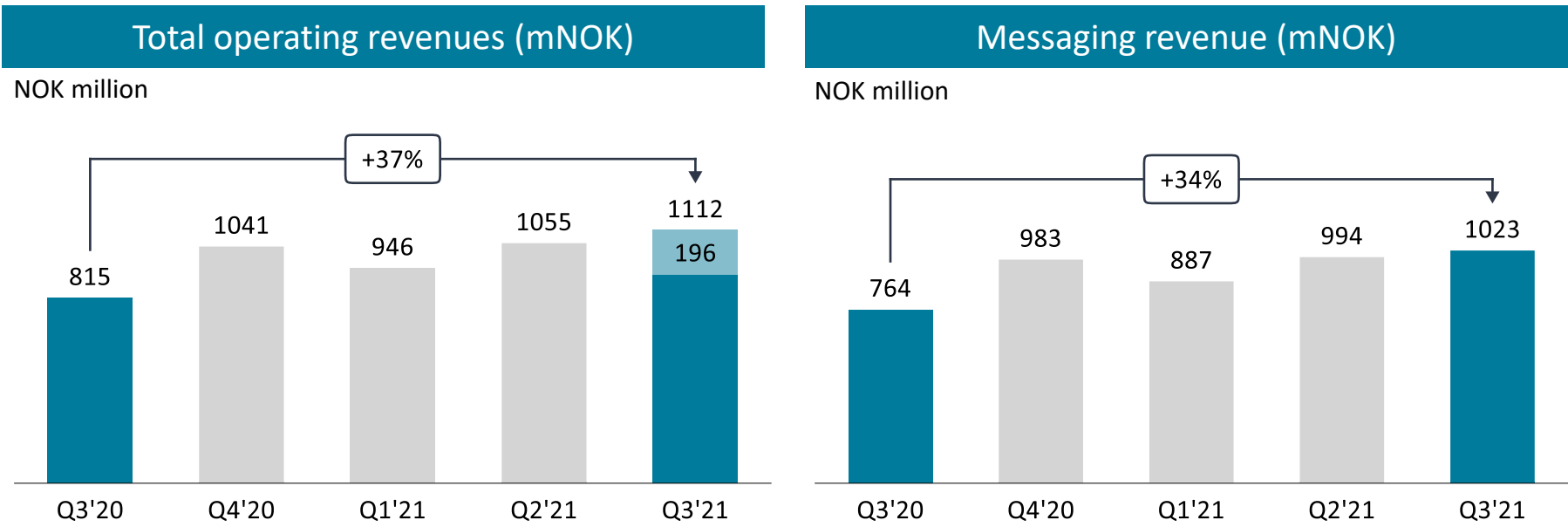
During Q3 21, LINK added an estimated annual revenue contribution of NOK 74 million from 269 signed direct customer contracts, 21 signed partner framework agreements and 75 new partner customers.

LINK won an RFP for providing mobile communication services for a worldwide fashion retailer. LINK has transformed customer services for DNB through a solution that enables significantly less telephone support. LINK now forms part of the popular Emarsys omnichannel platform with a seamless messaging application. After quarter end, Message Broadcast won another large utility customer in the US with more than 4 million customer.

Financial Review (Figures in brackets refer to the same period last year)

Group income statement

Operating revenues amounted to NOK 1 112 million (NOK 815 million) or a reported growth of 37 percent versus same period last year including acquisitions. Organic revenue growth in local currency was 16 percent, currency translation negatively affected reported organic revenue growth in NOK by 4 percentage points. Global messaging revenue experienced solid growth in the current quarter, contributing positively to total revenue growth. The growth in revenue from the Global messaging segment was mainly due to higher aggregator volumes and further increase in traffic volumes from normalization of business after the pandemic. For the Enterprise segment, all markets rebounded after lockdowns imposed by the authorities due to the pandemic except in France, where retail activity remained below normal levels.

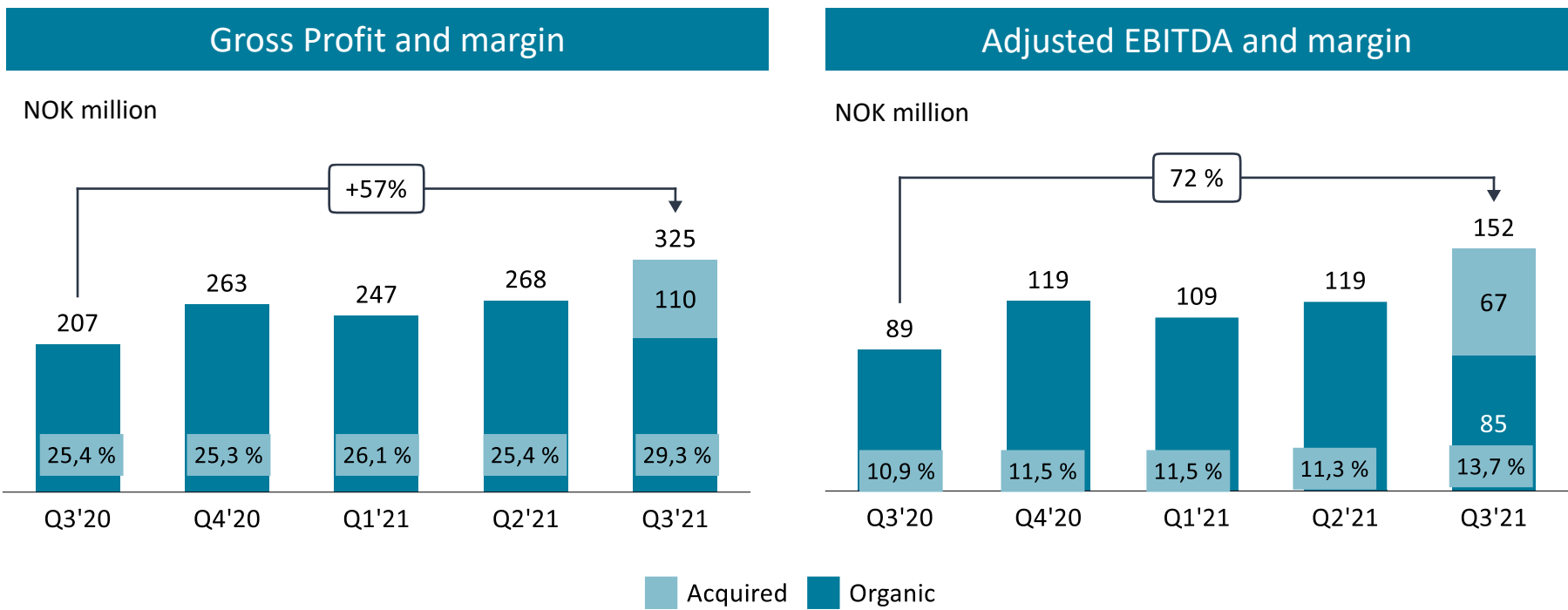


Reported gross profit of NOK 325 million or a growth of 57 percent. Gross profit margin was 29.3% in the current quarter, an increase of 3.9 percentage points mainly due to;

- Impact of acquired companies with higher gross margin than LINK’s original footprint
- Stable organic gross profit margin in the enterprise segment
- Higher portion of revenue deriving from lower margin aggregator segment compared to same period last year have a diluting effect on total gross profit margin

Total operating expenses amounted to NOK 173 million (NOK 118 million) or a growth of 33 percent. Organic growth in operating expenses was 6 percent mainly due to OPEX investments reflecting the current roll-out of GTM initiatives and commercialization of new CPaaS products, which will support increased revenue growth going forward.

Adjusted EBITDA, before non-recurring cost, was reported at NOK 152 million (NOK 89 million) or 14 percent of total revenues (11 percent). Organically, adjusted EBITDA declined slightly YoY as investments in commercial capabilities supporting global expansion and future revenue growth offset organic growth in gross profit. Gross profit to adjusted EBITDA conversion was 47% compared to 43% same period last year.



EBITDA after non-recurring items was reported at NOK 92 million (NOK 85 million) after deduction of non-recurring cost of NOK 60 million (NOK 4 million) related to acquisitions, share option program and restructuring costs. The increase in non-recurring costs was mainly related to the management share-option program launched in October 2020 in connection with the IPO and costs related to higher M&A activity compared to same period last year.

Third quarter depreciation and amortization was NOK 101 million (53 million). The increase was attributable to depreciation of certain assets categories related to PPA for closed acquisitions and to a smaller extent internal R&D.

In the third quarter, net financial expenses were NOK 37 million (96 million). Comparison to the prior year is skewed by the implementation of hedge accounting from the first quarter of this year. Net interest expense was NOK 18 million less than the comparative period due to lower interest-bearing debt and refinanced debt facilities at improved terms. Please refer to note 2 for details regarding hedge accounting and note 5 for information regarding group debt.

Balance sheet, financing, and liquidity

Non-current assets amounted to NOK 8 792 million (NOK 5 576 million). The increase was attributable to the acquisitions of WebSMS, Tismi B.V., MarketingPlatform Aps, AMM S.p.A and Message Broadcast LLC compared to same quarter last year.

Trade and other receivables amounted to NOK 802 million (NOK 648 million). Most of the increase (NOK 148 million) was attributable to acquisitions. The remainder of the increase was attributable to timing of collections.

Cash and cash equivalents were NOK 766 million (NOK 626 million). The increase was due to cash generation from operations and cash from acquired entities of NOK 48 million.

Trade and other payables were reported at NOK 819 million (NOK 1 296 million). The decrease was largely attributable to last years repayment of a share premium of NOK 414 million as part of the IPO process which was reported as short-term payables in the third quarter of last year.

Total equity amounted to NOK 5 050 million (NOK 1 992 million) or 49 percent (29 percent) of balance sheet value. The increase is due to issuance of new equity in last years IPO.

Long-term liabilities amounted to NOK 4 407 million (NOK 3 464 million) consisting of external debt and deferred tax liability. Please see note 5 for more details.

Net cash from operating activities was NOK 47 million (NOK 61 million). Net cash from investing activities was negative NOK 63 million (negative NOK 18 million) as a result of the acquisition of the remaining shares connected to the squeeze-out in AMM and increased investment in R&D related to CPaaS platforms.

Net cash flow from financing activities was negative NOK 25 million (positive NOK 8 million) due to repayment of holdback amount for Spot Hit and external debt in AMM. LINK has not generated new interest-bearing debt in the quarter.

Condensed consolidated income statement

NOK '000	Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
Total operating revenues		1 112 030	814 598	3 112 994	2 498 701	3 539 231
Direct cost of services rendered		-786 755	-607 524	-2 272 505	-1 862 308	-2 640 012
Gross profit		325 275	207 075	840 490	636 393	899 220
Payroll and related expenses		-111 476	-60 177	-294 764	-183 959	-346 450
Other operating expenses		-61 388	-58 139	-165 078	-181 030	-161 928
Adjusted EBITDA		152 411	88 759	380 648	271 404	390 842
Restructuring cost		-4 062	-1 729	-16 760	-20 978	-47 400
Share based compensation	6	-43 113	-	-124 503	-	-34 711
Expenses related to acquisitions		-13 279	-2 034	-56 312	-5 382	-15 123
EBITDA		91 956	84 996	183 073	245 044	293 607
Depreciation and amortization	7	-101 440	-52 939	-237 655	-160 442	-271 389
Operating profit (loss)		-9 484	32 057	-54 583	84 602	22 218
Finance income and finance expenses						
Net currency exchange gains (losses)		4 073	-37 686	-27 357	-221 471	-101 218
Net interest expense		-37 521	-55 774	-80 104	-159 656	-207 093
Net other financial expenses		-3 162	-2 088	-3 103	-8 967	-118 735
Finance income (expense)		-36 610	-95 548	-110 564	-390 095	-427 047
Profit (loss) before income tax		-46 094	-63 491	-165 147	-305 493	-404 828
Income tax		-31 485	-5 028	-15 771	-7 723	76 823
Profit (loss) for the period		-77 580	-68 519	-180 918	-313 216	-328 005
Minority Interest Income		-	-	-208	-	-
Owner's income		-77 580	-68 519	-181 127	-313 216	-328 005
Earnings per share (NOK/share):						
(Loss) earnings per share (NOK/share):		-0,27	-0,26	-0,62	-1,17	-1,21
Diluted (loss) earnings per share		-0,27	-0,26	-0,62	-1,17	-1,21

Condensed consolidated statement of comprehensive income

NOK '000	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
Profit (loss) for the period	-77 580	-68 519	-180 918	-313 216	-328 005
Total effect - foreign exchange	35 698	45 557	17 206	372 573	134 373
Gains and losses net investment hedge	636	-	29 004	-	-
Tax on OCI that may be reclassified to P&L	3 543	-	-6 381	-	-
Total Other Comprehensive Income (OCI)	39 877	45 557	39 828	372 573	134 373
Total Comprehensive Income	-37 702	-22 963	-141 090	59 356	-193 632
Attributable to:					
Minority interest	-	-	166	-	-
Owner's equity	-37 702	-22 962	-141 256	-304 807	-193 632

Condensed consolidated statement of financial position

NOK in thousand	Note	Q3 2021	Q3 2020	Year 2020
Assets				
Non-current assets				
Goodwill		5 619 308	3 686 882	3 982 843
Other intangible assets		2 967 218	1 778 811	1 823 494
Right-of-use-assets		41 107	20 112	26 513
Equipment and fixtures		19 958	20 631	25 083
Deferred tax assets		141 479	68 250	140 551
Other long term assets		2 966	1 614	1 313
Non-current assets		8 792 037	5 576 301	5 999 796
Current assets				
Trade and other receivables		802 070	648 237	748 547
Cash and cash equivalents		766 164	626 346	952 144
Current assets		1 568 234	1 274 583	1 700 691
Total assets		10 360 271	6 850 885	7 700 487
Equity & Liabilities				
Equity				
Shareholders equity		5 050 231	1 991 981	4 303 974
Total equity		5 050 231	1 991 981	4 303 974
Liabilities				
Long-term borrowings	5	3 758 739	3 127 162	2 078 515
IFRS 16 liability, non-current	5	44 007	13 969	30 624
Deferred tax liabilities		568 926	321 261	313 090
Other long term liabilities	5	34 855	1 443	2 398
Total non-current liabilities		4 406 527	3 463 835	2 424 628
Short-term liabilities:				
Borrowings, short term	5	51 369	96 620	27 244
IFRS 16 liability, current	5	14 971	6 984	8 619
Trade and other payables		819 722	1 295 546	927 094
Tax payable		17 452	-4 082	8 928
Total current liabilities		903 514	1 395 068	971 885
Total liabilities		5 310 040	4 858 904	3 396 513
Total liabilities and equity		10 360 271	6 850 885	7 700 487

Condensed consolidated statement of changes in equity

Q3 2021 - YTD ('000 NOK)	Note	Share capital	Share premium	Other equity	Retained earnings	Other reserves	Minority interest	Total equity
Total Opening Balance		1 355	4 875 968	185 496	-840 496	81 651	-	4 303 974
Changes in Net Income		-	-	-	-181 099	-	180	-180 918
Other Comprehensive Income		-	-	-16 829	-43	56 885	-180	39 828
Total Comprehensive Income		-	-	-16 829	-181 142	56 885	-	-141 090
Changes due to issue of stock		107	770 816	-	-	-	-	770 923
Changes due to repayment of equity		-	-	-	-	-	-	-
Share based payment		-	-	116 420	-	-	-	116 420
Closing Balance	9	1 462	5 646 784	285 087	-1 021 638	138 536	-	5 050 231

Q3 2020 - YTD ('000 NOK)	Note	Share capital	Share premium	Other equity	Retained earnings	Other reserves	Minority interest	Total equity
Total Opening Balance		1 081	2 725 406	109 431	-511 713	15 944	-	2 340 149
Changes in Net Income		-	-	-	-313 216	-	-	-313 216
Other Comprehensive income		-	-	373 794	-	-1 221	-	372 573
Total Comprehensive Income		-	-	373 794	-313 216	-1 221	-	59 357
Issue of ordinary shares		3	6 105	-	-	-	-	6 108
Changes due to repayment of equity		-13	-413 620	-	-	-	-	-413 633
Closing Balance	9	1 071	2 317 892	483 225	-824 929	14 722	-	1 991 981

Condensed consolidated statement of cash flows

NOK '000	Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
Net cash flows from operating activities						
Profit before income tax		-46 094	-63 491	-165 147	-305 493	-404 828
Adjustments for:			-		-	
Taxes paid		-7 915	-9 850	-28 911	-29 761	-41 431
Finance income (expense)		36 610	95 548	110 566	390 095	427 047
Depreciation and amortization		101 440	52 939	237 655	160 442	271 389
Non-cash employee benefit - share based payments		39 233	-	116 420	-	34 711
Change in other provisions		-6 870	4 504	-11 989	-14 111	-19 185
Change in trade and other receivables		14 946	-37 004	8 835	85 675	-8 383
Change in trade and other payables		-84 312	18 638	-151 249	-48 147	104 513
Net cash flows from operating activities		46 976	61 286	116 118	238 699	363 832
Net cash flows from investing activities						
Payment for equipment and fixtures		-1 245	-1 798	165	-2 286	-9 255
Payment for intangible assets		-28 445	-16 645	-81 889	-62 145	-105 817
Payment for acquisition of subsidiary, net of cash acquired	8	-33 406	-	-1 838 312	-	-397 234
Purchase price adjustment subsidiary		-	-	-	-3 791	-147 902
Net cash flows from investing activities		-63 096	-18 443	-1 920 035	-68 222	-660 209
Net cash flows from financing activities						
Proceeds on issue of shares		-1 069	3 684	60 789	6 147	2 373 513
Repayment of equity		-	-	-	-	-411 757
Proceeds from borrowings	5	0	34 664	1 670 020	586 062	2 687 634
Repayment of borrowings		-19 057	-21 867	-40 413	-140 553	-3 259 081
Interest paid		-869	-5 873	-39 386	-105 555	-243 386
Principal elements of lease payments		-3 892	-2 853	-7 161	-9 079	-11 615
Net cash flows from financing activities		-24 887	7 755	1 643 848	337 021	1 135 309
Effect of foreign exchange rate changes		-759	-1 785	-25 912	-28 350	-33 987
Net change in cash and cash equivalents		-41 008	50 597	-160 068	507 498	838 932
Cash and equivalents at beginning of period		807 931	577 534	952 144	147 198	147 198
Cash and equivalents at end of the period		766 164	626 346	766 164	626 346	952 144

Selected notes to the accounts

Note 1 – General information

The Board of Directors approved the condensed interim financial statements for the nine months ended 30 September 2021 for publication on 3 November 2021. The Group financial statements have not been subject to audit or review by auditors.

LINK Mobility Group Holding ASA (LINK) is a public limited company registered in Norway. The Company is one of Europe's leading CPaaS providers within mobile communication, specializing in messaging and digital services. Headquartered in Oslo, Norway, the Group has 723 employees and operates in 19 countries.

Note 2 – Basis for preparation and significant accounting policies

The consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 "Interim Financial Reporting." The condensed interim financial statements do not include all information and disclosures required in the annual financial statement and should be read in accordance with the Group's annual report for 2020, which has been prepared according to IFRS as adopted by the EU.

The preparation of interim financial statements requires the Group to make certain estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. Estimates and judgements are continually evaluated by the Group based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. Actual results may differ from these estimates. The most significant judgements used in preparing these interim financial statements and the key areas of estimation uncertainty are the same as those applied in the consolidated annual report for 2020.

Goodwill and other Intangible assets with an indefinite useful economic life are not amortized but are tested annually for impairment. The company performs an impairment test for goodwill on an annual basis or when there are circumstances which would indicate that the carrying value of goodwill may be impaired. When assessing impairment, assets are grouped into cash generating units (CGU's).

The presentation currency of the consolidated financial statement is Norwegian kroner (NOK), which is also the functional currency of the parent company. Unless otherwise stated, amounts presented are in thousands of NOK

The accounting policies applied in the preparation of the consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended December 31, 2020, except for the adoption of new and amended standards as set out below.

Hedging

The Group applies hedge accounting for hedges that meet the criteria for hedge accounting. The Group has a hedge of net investments in foreign operations.

At the inception of each hedge relationship, the Group designates and documents the hedge accounting relationship, risk management objective, and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to change in the hedged item's fair value of cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated.

Hedge relationships that meet the requirements for hedge accounting are accounted for in the Group's consolidated financial statements as follows:

Hedge of a net investment

A hedge of a net investment in a foreign operation is accounted for in a similar way to a cash flow hedge. Foreign exchange gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized directly in comprehensive income while any foreign exchange gains or losses relating to the ineffective portion are recognized in the income statement. On disposal of the foreign entity, the cumulative foreign exchange gains or losses recognized in other comprehensive income is reclassified to the income statement.

Exchange rate risk

Net investment hedge accounting is applied when possible.

For information related to amendments to standards, new standards, and interpretations effective from 01 January 2021, please refer to the Group Annual Report for 2020. None of the amendments, standards, or interpretations effective from 01 January 2021 have had a significant impact on the Group's consolidated interim financial information.

Note 3 – Segment reporting

The Group reports revenue, gross profit (revenue less direct costs), gross margin (gross profit divided by revenue) and adjusted EBITDA in functional operating segments to the Board of Directors (the Group's chief operating decision makers). While LINK uses all four measures to analyze performance, the Group's strategy of profitable growth means that adjusted EBITDA is the prevailing measure of performance (refer to alternate performance measures).

An examination of operating units based on market maturity and product development as well as geography identifies five natural reporting segments. These are Northern Europe, Western Europe, Central Europe, Northern America and Global Messaging; these represent market clusters. Generally, regions are segregated into similar geographic locations as these follow similar market trends. Global Messaging includes all regions with aggregator traffic; the other four have enterprise traffic.

The regions are:

Northern Europe

The Nordics is composed of Norway, Sweden, Denmark, Finland, and Baltics.

Central Europe

Central Europe is composed of Bulgaria, Romania, North Macedonia, Poland, Hungary, Germany, Austria, and the Netherlands.

Western Europe

Western Europe is composed of Spain, France, the United Kingdom, and Italy.

Northern America

Northern America is composed of the US market currently includes the entity Message Broadcast.

Global Messaging

Global messaging is comprised of non-enterprise traffic and is representative of either stand-alone business or as a component of revenues in countries included above. If a business is comprised of both enterprise and wholesale/aggregator transactions, the latter is segregated here. The Swiss operation Horisen Messaging is included here.

Wholesale/aggregator business is defined as an operating unit within LINK's industry, and that use LINK connections in markets where they do not have such connections themselves. This business can generally be referred to, at least partly, as a direct competitor that use LINK connections. Smaller local aggregators cannot be expected to be covered efficiently by Global Messaging and as such they are still subject to local handling (not a focus area though because they are generally low margin and switch easily).

NOK '000

<i>Revenues by segment</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
Northern Europe	322,478	272,480	928,043	817,714	1 169,382
Central Europe	271,155	173,602	783,889	514,295	765,980
Western Europe	306,759	265,784	881,518	799,931	1 125,316
North America	65,941	0,000	65,941	0,000	0,000
Global Messaging	145,697	102,733	453,604	366,761	478,553
Total revenues	1 112,030	814,598	3 112,994	2 498,701	3 539,231

<i>Gross profit by segment</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
Northern Europe	92,952	82,218	273,010	255,228	350,957
Central Europe	90,608	48,450	262,940	142,719	218,603
Western Europe	69,145	65,229	200,015	202,226	276,462
North America	57,795	0,000	57,795	0,000	0,000
Global Messaging	14,775	11,178	46,729	36,220	53,198
Total gross profit	325,275	207,075	840,490	636,393	899,220

<i>Adj. EBITDA by segment</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
Northern Europe	57,825	57,079	173,276	176,021	240,485
Central Europe	59,731	27,788	175,732	85,733	129,283
Western Europe	31,279	27,312	87,261	82,430	127,826
North America	34,233	0,000	34,233	0,000	0,000
Global Messaging	7,319	5,400	24,782	17,841	27,150
Group Costs	-37,977	-28,820	-114,636	-90,622	-133,902
Total adjusted EBITDA	152,411	88,759	380,648	271,404	390,842

<i>Reconciliation of adjusted EBITDA to Group profit (loss) before income tax</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
Adjusted EBITDA	152,411	88,759	380,648	271,404	390,842
Non-recurring items*	-60,454	-3,763	-197,575	-26,360	-97,235
Depreciation and amortization	-101,440	-52,939	-237,655	-160,442	-271,389
Operating profit	-9,484	32,057	-54,583	84,602	22,218
Finance income (expense)	-36,610	-95,548	-110,564	-390,095	-427,047
Profit (loss) before income tax	-46,094	-63,491	-165,147	-305,493	-404,828

* Non-recurring items is comprised of amounts that relate entirely to the company. Costs related to mergers and acquisitions, personnel cost deemed to be non-recurring, restructuring expenses, advisors, licenses, and sales and marketing are included in this reconciliation line item (this list is not exhaustive).

Note 4 – Related party transactions

Balances and transactions between LINK Mobility Group Holding ASA and its subsidiaries, which are related parties of LINK Mobility Pecunia AS, have been eliminated on consolidation and are not disclosed in this note.

As of 30 September 2021, the Group has not entered into any transactions with related parties.

Note 5 – Debt

On 23rd June 2021 LINK issued EUR 170 million new bonds in LINK’s outstanding 5-year senior unsecured 3.375% fixed rate bond issue, raising the total outstanding amount to EUR 370 million. The bonds were issued at par.

NOK '000

<i>Non-current financial liabilities</i>	YTD 2021	YTD 2020	Year 2020
Debt to financial institutions	-	3 104 233	5 235
Bond loan	3 690 376	-	2 073 280
Lease liability	44 007	13 969	30 624
Hold-back	99 739	22 930	-
Other long-term liabilities	3 480	1 443	2 398
Total	3 837 601	3 142 574	2 111 538

NOK '000

<i>Current liabilities</i>	YTD 2021	YTD 2020	Year 2020
Hold-back	16 350	-	24 340
Lease liability	14 971	6 984	8 619
Debt to financial institutions/bond loan*	- 34	96 620	2 904
Total	31 288	103 604	35 863

* Instalments falling due within a 12-month period, including non-capitalised interest, are classified as current.

Note 6 – Options

In Q3 2021, a total expense of NOK 43 million was recognized in relation to the RSU and LTI program. Please refer to the annual report for 2020 regarding details for the respective option programs.

Note 7 – Depreciation and amortization

Depreciation and amortization are comprised of the following amounts:

NOK '000

Depreciation and amortization	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
Equipment and fixtures	1 887	1 778	5 246	5 375	7 975
Right-of-use-assets	4 953	2 447	12 675	7 827	24 348
Intangible assets acquisitions*	75 495	40 710	163 855	122 447	164 494
Intangible assets - subsidiaries**	19 104	8 005	55 879	24 793	74 572
Total depreciation and amortization	101 440	52 939	237 655	160 442	271 389

* Acquisitions: depreciation of allocated surplus values from purchase price allocations on acquisitions (Group level)

** Subsidiaries: depreciation of amounts booked in subsidiary balances. Includes book values from acquisitions

Note 8 – Business combinations, updated Purchase Price Adjustments related to acquisitions

LINK acquired Message Broadcast, a leading provider of mission critical customer engagement solutions, headquartered in Newport Beach, California. The total consideration is adjusted downwards by NOK 1.6 million.

LINK finalized the acquisition of AMM S.p.A, a mobile communications company in Italy. LINK exercised its squeeze-out right pursuant to Italian rules in respect of the remaining ordinary shares in AMM not held by LINK and this process was completed in Q3 2021. The increase to the total consideration is NOK 36.7 million.

LINK acquired MarketingPlatform Aps, a developer of an omnichannel marketing platform with an integrated customer data platform (CDP), based in Vejen, Denmark. There are no adjustments to the total consideration presented in the second quarter.

NOK '000

Category	AMM S.p.A.	MarketingPlatform	Message Broadcast
Cash paid	191 835	32 276	1 596 241
Ordinary shares issued	-	75 309	567 644
Earn-out (estimated)	-	30 071	-
Total consideration	191 835	137 655	2 163 885

Fair value of assets identified	AMM S.p.A.	MarketingPlatform	Message Broadcast
Customer relationships	44 788	-	806 339
Trademark	7 418	-	-
Technology	16 008	166 622	130 923
Deferred tax asset	1 248	-	-
Equipment and fixtures	120	-	-
Other non-current assets	-	-	182
Trade and other receivables	40 520	1 594	29 272
Cash and cash equivalents	39 666	- 7 807	12 293
Long-term borrowings*	- 11 956	- 16 137	-
Deferred tax liability	- 16 383	- 29 540	- 196 825
Other long-term liabilities	- 2 485	-	-
Trade and other payables	- 36 277	- 6 617	- 9 338
Income tax payable	- 993	-	-
Net identifiable assets acquired	81 674	108 115	772 846
Add: Goodwill	110 161	29 540	1 391 039
Net assets acquired	191 835	137 655	2 163 885

Note 9 – Earnings per share

The Group’s earnings per share is calculated as below:

<i>NOK '000</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
Net (loss) income	-77 580	-68 519	-180 918	-313 216	-328 006
Non-controlling interests	0	-	- 208	-	-
Owners of LINK Mobility Group Holding ASA	-77 580	-68 519	-181 127	-313 216	-328 006

<i>Weighted average number of ordinary shares (basic)</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
Issued ordinary shares at 01 January	270 911	213 656	270 911	213 656	213 656
Effect of shares issued (07 January 2020)		219		219	219
Effect of shares issued (07 January 2020)		213 875		213 875	213 875
Share split (15 September 2020)		324		324	324
Effect of shares issued (15 September 2020)		53 200		53 200	53 200
Effect of shares issued (05 October 2020)					3 512
Effect of shares issued (16 November 2020)					
Effect of shares issued (11 March 2021)	1 227		1 227		
Effect of shares issued (31 May 2021)	1 688		1 688		
Effect of shares issued (07 June 2021)	1 723		1 723		
Effect of shares issued (24 June 2021)	16 755		16 755		
Weighted average number of ordinary shares	292 304	267 399	292 304	267 399	270 911
Basic (loss) earnings per share (NOK)	(0,27)	(0,26)	(0,62)	(1,17)	(1,21)

<i>Weighted average number of ordinary shares (diluted)</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
Weighted average number of ordinary shares (basic)	292 304	267 399	292 304	267 399	270 911
Effect of share options on issue	-	-	-	-	-
Weighted average number of ordinary shares (diluted)	292 304	267 399	292 304	267 399	270 911
Diluted (loss) earnings per share (NOK)	(0,27)	(0,26)	(0,62)	(1,17)	(1,21)
Number of outstanding ordinary shares per 01.01	270 911	213 656	270 911	213 656	213 656
Number of outstanding ordinary shares per period end	292 304	267 399	292 304	267 399	270 911

There were no preference shares at the end of FY2020.

ALTERNATIVE PERFORMANCE MEASURES (“APM'S”)

The financial information in this report is prepared under International Financial Reporting Standards (IFRS), as adopted by the EU. To enhance the understanding of LINK’s performance, the Group presents several alternative performance measures (“APM’s”). An APM is defined by the European Securities and Markets Authority (ESMA) guidelines as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS).

Below, LINK presents certain APMs, including gross margin, EBITDA, adjusted EBITDA, and adjusted EBITDA margin. APMs such as EBITDA are commonly reported by companies in the markets in which LINK competes and are widely used by investors when comparing performance on a consistent basis without regard to factors such as depreciation and amortization, which can vary significantly, depending upon accounting methods (particularly when acquisitions have occurred) or based on non-operating factors.

LINK uses the following APMs:

Gross Profit

Gross Profit means revenues less direct costs of services rendered.

Gross margin

Gross margin means gross profit as a percentage of total operating revenues.

Adjusted EBITDA

Adjusted EBITDA means EBITDA adjusted by expenses related to significant one-time, non-recurring events such as acquisitions and restructuring activities, legal advisors, and share-based compensation. LINK has presented adjusted EBITDA in the consolidated statement of profit and loss because management believes the measure provides useful information regarding operating performance.

Adjusted EBITDA margin

Adjusted EBITDA margin is presented as adjusted EBITDA as a percentage of total operating revenues in the respective periods.

EBITDA

EBITDA means earnings before interest, taxes, amortization, depreciation, and impairments. LINK has presented EBITDA in the consolidated statement of profit and loss because management believes that the measure provides useful information regarding the Group’s ability to service debt and to fund capital expenditures and provides a helpful measure for comparing its operating performance with that of other companies.

See below for a reconciliation of EBITDA to Adjusted EBITDA, and adjusted EBITDA margin.

NOK '000	Q3 2021	Q3 2020	YTD 2021	YTD 2020*	Year 2020
Operating profit (loss, ("EBIT"))	-9 484	32 057	-54 583	84 602	22 218
Depreciation and amortization	101 440	52 939	237 655	160 442	271 389
EBITDA	91 956	84 996	183 073	245 044	293 607
Add: Restructuring cost	4 062	1 729	16 760	20 978	47 400
Add: Share based compensation	43 113	-	124 503	-	34 711
Add: Expenses related to acquisitions	13 279	2 034	56 312	5 382	15 123
Adjusted EBITDA	152 411	88 759	380 648	271 404	390 842
Operating revenues	1 112 030	814 598	3 112 994	2 498 701	3 539 231
Adjusted EBITDA	152 411	88 759	380 648	271 404	390 842
Adjusted EBITDA margin	13,7 %	10,9 %	12,2 %	10,9 %	11,0 %

Net debt

The Group monitors Net debt according to Bond loan terms which includes interest-bearing debt and debt like arrangements. Net debt is derived from the balance sheet and consists of both current and non-current liabilities such as bond loan, other debt from financial institutions and current and non-current lease liabilities less cash and cash equivalents. Sellers credits, holdback and earn-outs are excluded as they are not interest-bearing.

Net debt/LTM Adjusted EBITDA

LINK measures leverage ratio as Net debt/Last Twelve Months Adjusted EBITDA. The measure provides useful information about the financial position. Due to the significant M&A activity LINK use Last Twelve Months Proforma Adjusted EBITDA to calculate net debt to present a comparable measure over time.

Below is a reconciliation of Net debt and Net debt/Adjusted EBITDA ratio*:

NOK '000	Q3 2021	Year 2020
Bond loan	3 690 376	2 073 280
Other long term	-0	5 235
IFRS 16 liabilities	58 978	39 244
Less cash	-766 164	-952 144
Net debt	2 983 190	1 165 615
LTM adjusted EBITDA (proforma)**	615 922	435 169
Net debt/LTM adjusted EBITDA	4,8	2,7

* The leverage definition of the legacy SFA agreement is not directly comparable with the Bond loan terms and is hence omitted for the historical periods