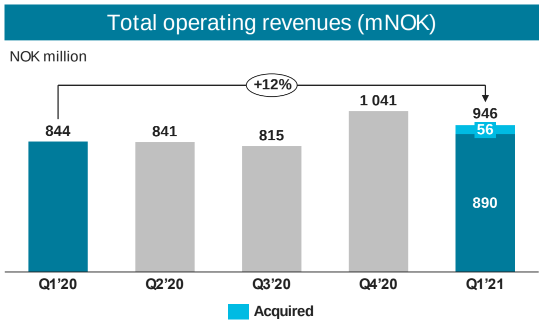
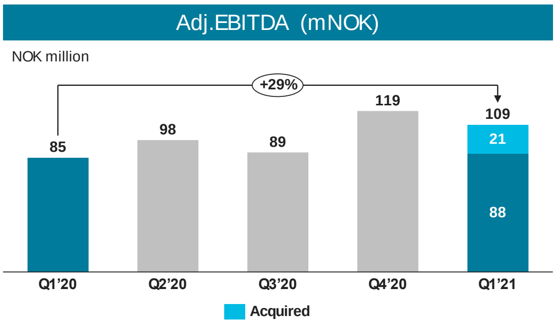
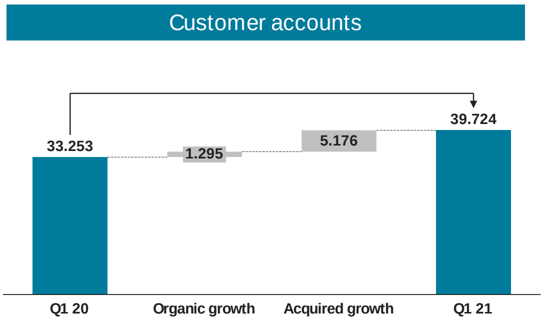
LINK Mobility Group Holding ASA
Interim financial report
First Quarter 2021

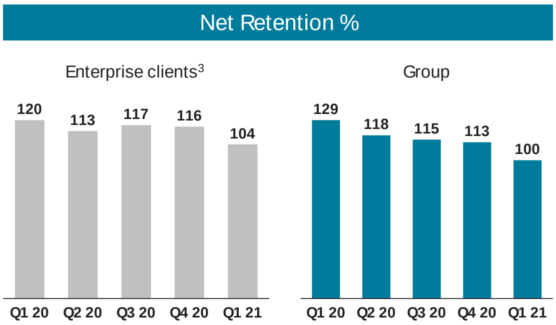
Highlights First Quarter

- Acquired AMM SpA in Italy enabling LINK to become a leading CPaaS provider in the Italian market for EUR 18.7 million
- Acquired Marketing Platform, an omnichannel marketing platform in Denmark with considerable upsell opportunities, for EUR 13 million
- Margin expansion with 29% growth on adjusted EBITDA[1] to NOK 109 million and an uplift to 11.5% in profitability
- Revenue grew 12% to NOK 946 million. Organic growth 6% hampered by stricter lockdowns in the Nordics and Western Europe
- April 2021 volumes are rebounding with 31% organic growth year over year as enterprises are reengaging as societies start to reopen
- Diversified customer base of 40.000 accounts[2]
- Pent up demand for LINK's CPaaS solutions expected to be released as societies operate normally post pandemic









1.) *Please refer to note 3 for segment information and reconciliation of Alternative Performance Metrics*
2.) *Customer accounts invoiced*
3.) *Organic revenue growth in comparable footprint same quarter previous year*

Lockdowns affect growth – Margins improved

LINK Mobility (LINK) reports total revenue growth of 12% and organic revenue growth of 6% despite economies being severely impacted by new and stricter lockdowns across its European footprint. There was a negative FX of -2% with a stronger NOK in the quarter. In April 2021, LINK observes high growth in messaging volumes of 31%, which indicates a quick rebound as societies start to reopen and enterprises are reengaging activity to a normal operating environment. LINK also reports a margin expansion with an adjusted EBITDA growth of 29% and margin increase to 11.5 % from 10.0% same quarter last year. Gross profit in the first quarter increased 18% with higher profitability compared to same quarter last year. LINK reiterates its forward-looking statement which targets NOK 10 billion in pro forma revenue by 2024 and EBITDA margins in the 13-15% range.

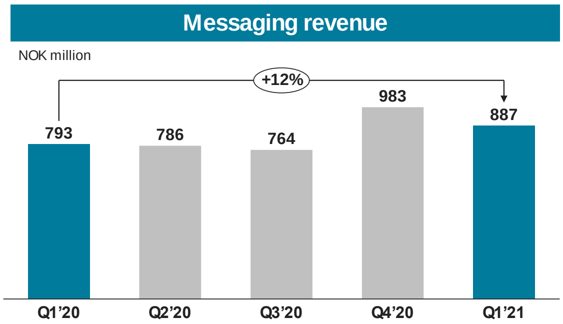
LINK's total operating revenue increased 12% to NOK 946 million in the first quarter compared to the corresponding period last year. The Enterprise segment generated 6% organic growth, while the low margin aggregator business had a negative contribution to total organic revenue growth.

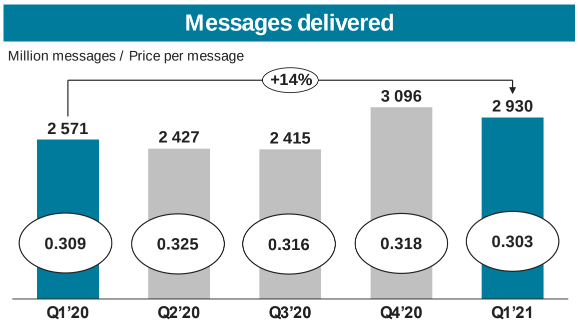
In the first quarter of 2020, LINK reported a spike in activity as governments and businesses had large information needs which drove messaging volumes and revenue. This year, a rebound in Covid-19 cases led to new government restrictions**,** severe lockdowns were introduced in the Nordics for the first time and Western European societies remained closed throughout the quarter. This had a negative effect on organic growth in Q1 21 regarding both messaging volumes and revenue.

Gross profit grew 18% to NOK 247 million compared to the same quarter last year. The gross margin improved by 1.3 percentage points to 26.1% with contribution from acquisitions.

Reported growth in adjusted EBITDA was 29% to NOK 109 million, whereof NOK 21 million was related to the acquisitions of WebSMS and Tismi. The adjusted EBITDA margin improved by 1.5 percentage points. LINK's scalable business model is set up to handle large amounts of additional volumes and revenue. A relatively small increase in operating expenses can support significant revenue growth driving margins and profitability.

Messages delivered increased 14% in the first quarter to 2.930 million compared to the same quarter last year. Messaging revenue grew 12% to NOK 887 million and organically messages delivered grew 10%.





Acquisitions and pro forma financials

During the first quarter LINK have signed or closed three acquisitions, Tismi in Netherlands, MarketingPlatform in Denmark and AMM in Italy. The closing of these acquisitions in addition to the closing of WebSMS in November 2020 impacts the pro forma financials of the Group. The table below shows updated pro forma (full-year effect of closed acquisitions) key financial numbers for 2020 and estimates on impact to first quarter 2021 financials based on management estimates given information available.

(Amounts in NOK million)	**2020 Revenue**	**Q121 Revenue**	**2020 Adj.EBITDA**	**Q121 Adj.EBITDA**
Reported	3.539	946	391	109
Pro forma	3.898	991	474	121

Forwarding looking statement reiterated

LINK is benefitting from strong market trends with an accelerated demand for advanced CpaaS solutions and products. As LINK invest more in additional go-to-market (GTM) initiatives and launch new products in the current footprint, LINK expect demand for our products to grow even further. LINK also has strong momentum on M&A processes and observes increased M&A activity in a highly fragmented industry. The strength in these underlying trends enable LINK to communicate a more precise forward-looking statement:

Forward looking statement *Amounts are in million NOK*	**2024**
Pro forma revenue	10.000
Pro forma adjusted EBITDA* margin	13-15%

The main assumptions behind the guidance are a gradual increase in organic growth to 20% in the mid to long-term with the effects from the GTM initiatives and margin expansion driven by the operating leverage inherent in LINK's scalable business model. The tailwinds from strong market trends and uplift in new products and channels will increase organic revenue growth and LINK expects a gradual increase in number of messages and revenues growth through 2021 from current levels. While quarterly variations due to lockdowns and government restrictions make forecasting with LINK's typical level of precision somewhat more difficult, LINK expect an increased level of underlying growth during 2021 as compared to 2020.

New contracts

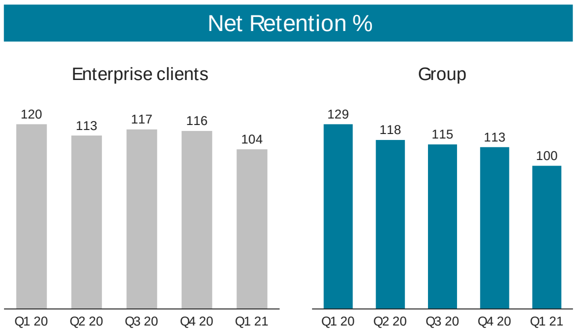
LINK generally sees great demand for multi-channel mobile communication and our enterprise grade solutions. The following material new contracts were signed:

- Aldeamo, an ISV partner for WhatsApp headquartered in Colombia with offices in 10 LatAm countries, will onboarded all new clients with LINK BSP
- Vittoria Assicurazioni, one of the largest insurance companies in Italy, will use LINK for notifications and marketing communication through both SMS and email
- DHL Global Forwarding, a division of Deusche Post providing air and ocean freight, will use WhatsApp with LINK in Europe, US and LatAm as an integrated communication channel
- Lotto 24 AG, the leading online lottery provider in Germany, will use LINK for SMS notifications in relation to wins & promotions
- Coca Cola will for the first time, with LINK in Bulgaria, use Viber business messages for notifications & promotions
- Dolce Gabbana will use LINK to send SMS invites and reminders in connection with online fashion shows in Austria
- Orange (Intrum). Orange offer Comunica, a white label of LINK's SMS platform to its customers. Intrum, an Orange customer, is now using Comunica to sends SMS and certified SMS
- The Polish Government has together with LINK and our integration partner launched a service that allows citizens to sign up for vaccine via SMS
- Envialia World SL, a logistics and express company specialized in eCommerce, will use LINK to send delivery notifications in Spain and Portugal
- Ultimile, a last mile software delivery platform, orchestrating deliveries for brands, logistics operators and local service providers will use LINK for SMS notifications as part of the customer journey in France

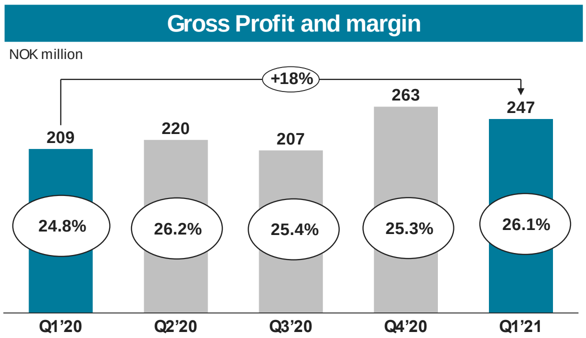
Financial Review *(Figures in brackets refer to the same period last year)*

Group Income Statement

Operating revenues amounted to NOK 946 million (NOK 844 million) or a reported growth of 12 percent versus same period last year including the acquisitions of WebSMS and Tismi. Organic revenue growth was 6 percent negatively impacted by -2% due to FX as the NOK has appreciated compared to same period last year. Growth levels in current quarter has been hampered by stricter lockdowns in Northern and Western Europe, which has reduced messaging volumes and revenue. In April 2021, LINK observes high growth in messaging volumes of 31%, which indicates a quick rebound as societies start to reopen and enterprises are reengaging activity and communications to a normal operating environment.



Net retention decline in the current quarter as existing clients in especially the Nordics and Western Europe reduced communication volume as societies and stores were closed. Churn remains low at below 2% so a swift rebound in messaging volumes as societies reopen is expected.



Reported Gross profit of NOK 247 million or a growth of 18 percent. LINK's strategy is to maintain and increase margins by rolling out new mobile solution products, introducing highly profitable license models in new markets and targeting the SME clients in LINK's footprint.

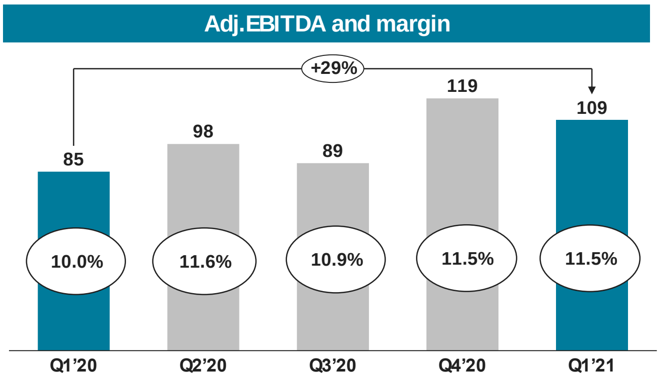
Gross margin is mainly influenced by the following factors:

- Acquired entities have different gross margin level than the existing LINK footprint and impacts reported Gross margins.
- Customer mix. High-volume clients have lower margins than SME customers due to their bargaining power, but also drives scalability. Over time, gross margin fluctuates depending on client mix.
- Product mix. More advanced mobile solution products and use cases enables higher pricing both on licenses and messages as these products enables a higher value for clients and increases Gross margin over time.
- Cogs synergies due to increased size and bargaining power towards the operators increase Gross margin over time.

The acquisition of WebSMS and Tismi entities positively impacted the gross margin by 1.6 percentage points.

Total operating expenses amounted to NOK 138 million (NOK 124 million) or a growth of 11 percent. Organic growth in total operating expenses was 5% mainly driven by sales-related costs and expansion of personnel as part of commercial investments to further develop commercial capabilities in less mature regions.

Adjusted EBITDA, before non-recurring cost, is reported at NOK 109 million (NOK 85 million) or 11.5 percent of total revenues. Organic growth in adjusted EBITDA was 4%.



Gross profit to adjusted EBITDA conversion was 44% (41%) driven by a scalable business model whereby large volumes and revenues from both existing clients and new clients can be onboarded with only incremental OPEX increases.

EBITDA after non-recurring items is reported at NOK 53 million (NOK 73 million) after deduction of non-recurring cost of NOK 56 million (NOK 12 million) related to acquisitions, share option program and restructuring costs. The increase in non-recurring costs was related to management share-option program launched in October 2020 in connection with the IPO and increased costs related to higher M&A activity compared to same period last year.

First quarter depreciation and amortization was NOK 68 million (52 million). The increase is attributable to the completion of development projects during 2020 and WebSMS acquisition.

In the first quarter, net financial expenses were NOK 52 million (NOK 351 million). The change was mainly related to a decrease in net currency losses (comparatively NOK 266 million lower); this is driven by the implementation of hedge accounting and the hedge of the net investment. Net interest expense is NOK 32 million less than the comparative period due to decreased borrowings and refinanced debt at better terms. Please refer to note 2 for details regarding hedge accounting and note 5 for information regarding interest-bearing debt.

Balance sheet, financing, and liquidity

Non-current assets amounted to NOK 5 966 million (NOK 5 771 million), the increase is attributable to the acquisition of WebSMS and to currency effects.

Trade receivables and other receivables amounted to NOK 674 million (NOK 734 million), the decrease is attributable to timing of collection. Cash and cash equivalents are NOK 807 million (NOK 304 million). The comparative increase is representative of proceeds from the IPO, the bond issue, and to a lesser extent, timing of collection of trade receivables.

Trade and accounts payable are comparatively lower and were NOK 751 million (NOK 916 million). The reduction is largely attributable to timing of payments.

Total equity amounted to NOK 4 245 million (NOK 2 513 million) or 57 percent (37 percent) of balance sheet value. The increase is due to the initial public offering and the issuance of shares.

Long-term liabilities amounted to NOK 2 389 million (NOK 3 324 million). The decrease is attributable to refinancing of external debt (note 5).

In the first quarter, net cash from operating activities was negative NOK 18 million (NOK 56 million). The change was mainly driven by timing effects on working capital.

Net cash from investing activities is negative NOK 87 million (negative NOK 20 million); the change was related to the acquisition of Tismi during the first quarter this year.

Net cash flow from financing activities is negative NOK 4 million (NOK 121 million). The change is related to draw on the revolving facility in Q1 2020 (proceeds from borrowings) and lower interest payments this quarter compared to same period last year due to change in debt terms.

Condensed consolidated income statement

Condensed consolidated income statement (NOKk)	Note	Q1 2021*	Q1 2020*	Year 2020
Total operating revenue	3	945 733	843 565	3 539 231
Direct cost of services rendered		(698 748)	(634 645)	(2 640 012)
Gross profit	3	246 984	208 920	899 220
Payroll and related expenses		(95 729)	(82 431)	(346 450)
Other operating expenses		(42 101)	(41 731)	(161 928)
Adjusted EBITDA	3	109 155	84 758	390 842
Restructuring costs		(6 605)	(10 043)	(47 400)
Share based compensation		(41 313)	-	(34 711)
Expenses related to acquisitions		(8 169)	(1 711)	(15 123)
EBITDA	3	53 068	73 003	293 607
Depreciation and amortization	7	(67 501)	(51 782)	(271 389)
Operating profit (loss)		**(14 434)**	**21 222**	**22 218**
Finance income and finance expenses				
Net currency exchange gains (losses)		(30 322)	(296 324)	(101 218)
Net interest expense		(21 043)	(53 057)	(207 093)
Net other financial expenses		(318)	(1 708)	(118 735)
Finance income (expense)		**(51 683)**	**(351 089)**	**(427 047)**
Profit (loss) before income tax	**3**	**(66 117)**	**(329 868)**	**(404 829)**
Income tax		16 543	(13 622)	76 823
Profit (loss) for the period		**(49 574)**	**(316 246)**	**(328 006)**
Profit attributable to:				
Owners of the company		(49 574)	(316 246)	(328 006)
Earnings per share (NOK/share)				
Earnings per share		(-0.18)	(-1.48)	(1.21)
Diluted earnings per share		(-0.18)	(-1.48)	(1.21)

**unaudited*

Condensed consolidated statement of comprehensive income

Condensed consolidated Statement of comprehensive income (NOKk)	Q1 2021*	Q1 2020*	Year 2020
Profit (loss) for the period	(49 574)	(316 246)	(328 006)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Translation differences of foreign operations	(149 877)	486 956	134 373
Gains and losses on net investment hedge	45 106	-	-
Tax effect on net investment hedge	(9 923)	-	-
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(114 694)**	**486 956**	**134 373**
Items that will not be reclassified to profit or loss in subsequent periods	-	-	-
Other comprehensive income for the period	(114 694)	486 956	134 373
Total comprehensive income for the period	**(164 268)**	**170 710**	**(193 632)**

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Condensed consolidated statement of financial position

Condensed consolidated statement of financial position (NOKk)	*Note*	31.03.2021*	31.03.2020*	Year 2020
Assets				
Non-current assets				
Goodwill	8	3 956 652	3 786 246	3 982 843
Other intangible assets		1 825 962	1 872 282	1 823 494
Deferred tax asset		139 020	61 191	140 551
Equipment and fixtures		21 267	23 481	25 083
Right-of-use assets		22 064	25 932	26 513
Other non-current assets		1 272	1 603	1 313
Total non-current assets		**5 966 237**	**5 770 734**	**5 999 796**
Current assets				
Trade and other receivables		673 945	734 123	748 547
Cash and cash equivalents		807 216	304 714	952 144
Total current assets		**1 481 161**	**1 038 837**	**1 700 691**
Total assets		**7 447 398**	**6 809 571**	**7 700 487**
Equity and liabilities				
Share capital		1 361	1 082	1 355
Share premium and other reserves		5 023 190	2 727 868	4 882 513
Accumulated translation differences		109 871	612 330	259 748
Retained earnings (accumulated losses)		(889 292)	(827 958)	(839 718)
Total equity		**4 245 129**	**2 513 322**	**4 303 897**
Long-term liabilities				
Long-term borrowings	5, 8	2 051 764	2 934 114	2 078 515
Lease liabilities		29 427	17 798	30 624
Deferred tax liabilities		306 295	326 252	313 090
Other long-term liabilities		1 299	45 661	2 398
Total long-term liabilities		**2 388 786**	**3 323 825**	**2 424 628**
Short-term liabilities				
Short-term borrowings		43 791	47 799	27 244
Lease liabilities		7 419	8 899	8 619
Trade and other payables		751 413	915 522	927 171
Income tax payable		10 861	203	8 928
Total short-term liabilities		**813 483**	**972 425**	**971 963**
Total liabilities		**3 202 269**	**4 296 249**	**3 396 590**
Total equity and liabilities		**7 447 398**	**6 809 571**	**7 700 487**

*unaudited

Condensed consolidated statement of changes in equity

Condensed consolidated statement of changes in equity (NOKk)

	Share capital	Share premium and other reserves	Accumulated translation differences	Retained earnings (accumulated losses)	Total equity
Balance at 01 January 2021	**1 355**	**4 882 513**	**259 748**	**(839 718)**	**4 303 897**
Comprehensive income for the year					
Profit (loss) for the period	-	-	-	(49 574)	**(49 574)**
Other comprehensive income (loss) for the period, net of income tax	-	35 183	(149 877)	-	**(114 694)**
Total comprehensive income for the year	**-**	**35 183**	**(149 877)**	**(49 574)**	**(164 268)**
Issue of ordinary shares	6	67 115	-	-	**67 121**
Redemption of preference shares	-	-	-	-	**-**
Share-based payment	-	38 380	-	-	**38 380**
Total contributions by and distributions to the owners	**6**	**105 495**	**-**	**-**	**105 501**
Balance at 31 March 2021 *	**1 361**	**5 023 190**	**109 871**	**(889 292)**	**4 245 129**

	Share capital	Share premium and other reserves	Accumulated translation differences	Retained earnings (accumulated losses)	Total equity
Balance at 01 January 2020	**1 081**	**2 725 406**	**125 374**	**(511 713)**	**2 340 149**
Comprehensive income for the year					
Profit (loss) for the period	-	-	-	(328 006)	(328 006)
Other comprehensive income (loss) for the period, net of income tax	**-**	**-**	134 373	-	134 373
Total comprehensive income for the year	**-**	**-**	**134 373**	**(328 006)**	**(193 632)**
Issue of ordinary shares	286	2 538 146	-	-	**2 538 432**
Redemption of preference shares	(13)	(411 744)	-	-	**(411 757)**
Share-based payment	-	30 704	-	-	**30 704**
Total contributions by and distributions to the owners	**273**	**2 157 106**	**-**	**-**	**2 157 377**
Balance at 31 December 2020	**1 355**	**4 882 513**	**259 748**	**(839 718)**	**4 303 897**

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Condensed consolidated statement of cash flows

Condensed consolidated statement of cash flows (NOKk)	*Note*	Q1 2021*	Q1 2020*	Year 2020
Cash flow from operating activities				
Profit (loss) before tax		(66 117)	(329 868)	(404 829)
Adjustments for:				
Taxes paid		(8 255)	(9 503)	(41 431)
Finance income (expense)		51 683	351 089	427 047
Depreciation and amortization	7	67 501	51 782	271 389
Non-cash employee benefit (share-based payments)	6	41 313	-	34 711
Change in trade and other receivables		49 443	14 512	(8 383)
Change in trade and other payables		(150 080)	(5 541)	104 513
Change in other provisions		(3 327)	(16 000)	(19 185)
Net cash flow from operating activities		**(17 838)**	**56 471**	**363 832**
Cash flow from investing activities				
Payment for equipment and fixtures		(1 314)	(870)	(9 255)
Payment for intangible assets		(22 041)	(19 484)	(105 817)
Payment for acquisition of subsidiary, net of cash acquired		(63 741)	-	(397 234)
Purchase price adjustment (acquisition of subsidiary)		-	-	(147 902)
Net cash flow from investing activities		**(87 096)**	**(20 354)**	**(660 209)**
Cash flow from financial activities				
Proceeds on issue of shares		-	2 463	2 373 513
Repayment of equity		-	-	(411 757)
Other financial items		-	-	-
Proceeds from borrowings		-	170 232	2 687 634
Repayment of borrowings		-	(994)	(3 259 081)
Interest paid		(1 323)	(47 457)	(243 386)
Principal elements of lease payments		(3 041)	(3 418)	(11 615)
Net cash flow from financial activities		**(4 364)**	**120 826**	**1 135 309**
Effect of changes in foreign exchange rates		(35 630)	573	(33 987)
Net change in cash and cash equivalents		(144 928)	157 516	804 946
Cash and cash equivalents at the beginning for the period		952 144	147 198	147 198
Cash and cash equivalents at the end of the period		**807 216**	**304 714**	**952 144**

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Selected notes to the accounts

Note 1 – General information

The Board of Directors approved the condensed interim financial statements for the three months ended 31 March 2021 for publication on 11 May 2021. These Group financial statements have not been subject to audit or review.

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 approximately 649 employees and operates in 18 countries.

Note 2 – Basis for preparation and significant accounting policies

The consolidated condensed interim financial report for the three-month reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard IAS 34 *Interim Financial Reporting*.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with 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.

The annual report for 2020 provides a description of the uncertainties and potential business impact from the COVID-19 pandemic. The Group has experienced varied effects of COVID-19.

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 margin (revenue less direct costs) 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 four natural reporting segments. These are Northern Europe, Western Europe, Central Europe, 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 three 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.

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).

Revenues by segment	Q1 2021*	Q1 2020*	Year 2020
Northern Europe	293 935	268 717	1 169 382
Central Europe	241 167	161 949	765 980
Western Europe	276 077	272 299	1 125 316
Global Messaging	134 554	140 600	478 553
Total Revenues	**945 733**	**843 565**	**3 539 231**

Gross profit by segment	Q1 2021*	Q1 2020*	Year 2020
Northern Europe	88 350	83 708	350 957
Central Europe	79 650	43 545	218 603
Western Europe	62 998	69 190	276 462
Global Messaging	15 986	12 477	53 198
Total Gross profit	**246 984**	**208 920**	**899 220**

Adjusted EBITDA by segment	Q1 2021*	Q1 2020*	Year 2020
Northern Europe	57 477	55 954	240 485
Central Europe	53 069	25 340	129 283
Western Europe	25 482	30 594	127 826
Global Messaging	9 150	7 201	27 150
Group Costs	(36 023)	(34 331)	(133 902)
Total Adjusted EBITDA	**109 155**	**84 758**	**390 842**

Reconciliation of Adjusted EBITDA to Group profit (loss) before income tax	Q1 2021*	Q1 2020*	Year 2020
Adjusted EBITDA	109 155	84 758	390 842
Non-recurring items[1]	(56 087)	(11 755)	(97 235)
Depreciation and amortization	(67 501)	(51 782)	(271 389)
Operating profit	**(14 434)**	**21 222**	**22 218**
Finance income (expense)	(51 683)	(351 089)	(427 047)
Profit (loss) before income tax	**(66 117)**	**(329 868)**	**(404 829)**

*unaudited

[1] 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

For the three months period ended 31 March 2021, the Group has not entered any transactions with related parties.

Note 5 - Interest-bearing debt

The bonds have a 5-year tenor and a fixed coupon of 3.375% p.a.

(Amounts in 1000 NOK)

Collateral and guarantees	Q1 2021	Q1 2020
Bond loan	2 000 270	-
Transaction costs*	(20 087)	-
Debts secured by collateral	**1 980 183**	**-**

*The bond loan is initially measured at fair value net of transaction costs and it is subsequently measured at amortized cost using the effective interest rate method. Consequently, the transaction cost will be amortized over the life of the bond loan. The carrying value of the bond loan will be equal to the principal amount of EUR 200 million at maturity in FY2025.

Note 6 – Options

In Q1 2021, a total expense of NOK 41.3 million was recognized in relation to the RSU and LTI program.

Note 7 – Depreciation and amortization

Depreciation and amortization are comprised of the following amounts:

(Amounts in 1000 NOK)

Category	Q1 2021	Q1 2020	Year 2020
Equipment and fixtures	1 619	1 790	7 975
Right-of-use assets	4 460	2 970	24 348
Intangible assets – acquisitions	42 968	40 209	164 494
Intangible assets - subsidiaries	18 454	6 813	74 572
Total Depreciation and amortization	**67 501**	**51 782**	**271 389**

Note 8 – Business combinations, acquisition of Tismi in the Netherlands

Current entity name/Former entity name	Main business activity	Date of business combination	Proportion of voting equity acquired	Acquiring entity
Tismi B.V.	Mobile messaging services	10 March 2021	100%	LINK Mobility Group AS
Tismi Mobile B.V.	Mobile messaging services	10 March 2021	100%	LINK Mobility Group AS

On 10 March 2021, LINK Mobility Group AS acquired 100% of the voting equity instruments of Tismi B.V. and Tismi Mobile B.V. These entities are headquartered in Bunnik, Netherlands and are collectively referred to as Tismi.

The purchase price is settled as a combination of cash upon closing, shares upon closing, and seller's credit.

Tismi is a provider of telecommunication services and products and holds licensed operator status in 8 European countries. The company's main business is comprised of providing virtual mobile numbers, smart traffic routing, and signaling services to Enterprise customers and CPaaS providers.

The acquisition was completed based on an agreed enterprise value of EUR 20.0 million and an agreed purchase price of EUR 20.0 million. The enterprise value is based on a multiple of 13.06 times 2020 EBITDA.

Details of the purchase consideration, the net assets acquired, and goodwill based on the provisionary purchase price allocation are as follows:

Figures in 1000 NOK

Purchase consideration	
Cash paid	67 171
Ordinary shares issued	67 171
Seller's credit	67 171
Total consideration	**201 512**

Figures in 1000 NOK

Fair value of assets identified	
Customer relationships	74 633
Technology	12 962
Equipment and fixtures	378
Trade and other receivables	11 055
Cash and cash equivalents	3 430
Deferred tax liability	(21 899)
Trade and other payables	(10 334)
Corporation tax liability	(226)
Net identifiable assets acquired	**70 000**
Add: Goodwill	131 512
Net assets acquired	**201 512**

The Tismi acquisition related expenses recognized as other operating expenses in the period amount to NOK 2.553 million.

Note 9 – Events after the reporting period

Acquisition of MarketingPlatform in Denmark

On 15th April 2021, LINK announced the definitive agreement to acquire MarketingPlatform. MarketingPlatform was established in 2011 in Denmark and is headquartered in Vejen. The company has developed an omnichannel marketing platform with an integrated customer data platform (CDP) giving customers a unified profile view. The omnichannel output is to email, SMS, application, web, and social media. MarketingPlatform is established in the Danish, Swedish, Norwegian, Peruvian, and Spanish markets and focusses on enterprise, large, and medium sized customers. Software development is located in Macedonia.

The transaction values MarketingPlatform at an enterprise value of EUR 13 million with an additional 2-year earnout of up to EUR 5 million contingent upon commercial results and continued platform development. Upon completion of the transaction, the purchase price will be settled with 30% in cash and 70% in shares in LINK. The consideration shares will be subject to a customary lock-up for a 6-month period after the close of the transaction.

Acquisition of AMM S.p.A in Italy

On 26th April 2021, LINK announced the agreement to acquire approximately 81% of AMM S.p.A. AMM was founded in 2008 and listed on the AIM list of the Italian Stock Exchange in 2019 (ticker AAM.MI, free float 19%); the company is headquartered in Arezzo. AMM operates within mobile marketing and web advertising and their product offering includes SMS A2P, email services, and chatbots. The company serves close to 3,500 enterprise and SME customers throughout Italy by direct sales and a self-sign-up (SSU) platform.

LINK has agreed to acquire 6,351,815 shares (representing approximately 80% of the issued and outstanding shares) in AMM for EUR 2.40/share, at a share premium of 19.4% over the closing price on 26th April 2021. The transaction values of the total share capital of AMM at a market capitalization of approximately EUR 18.7 million, implying a forecasted EV/EBITDA multiple of 6.77x. Upon completion of the transaction, and subject to customary conditions, the purchase price will be settled in cash. The transaction is planned to close in May 2021.

LINK is also planning to launch a mandatory offer for the remaining approximately 18,6% free float shares at EUR 2.40 per share and a voluntary offer for 146.475 outstanding warrants in AMM at EUR 0.80 per warrant.

In a separate agreement, the sellers of AMM have agreed to subscribe for new shares in LINK at a subscription price per share equal to the volume weighted average price per share of the last 5 trading days prior to the closing date, for an amount equal to 40% of the purchase price received by the sellers under the transaction. The shares will be subject to lock-up for a 6-month period after closing of the transaction.

Listing of Bond

On 03 December 2020, LINK Mobility Group Holding ASA (LINK) announced the issuance of EUR 200 million senior unsecured bonds, with a EUR 300 million borrowing limit and maturity on 15 December 2025 (the “Bonds). The Bonds are issued with ISIN NO0010911506.

LINK has prepared a prospectus in connection with the listing of the Bonds on Oslo Børs (the “Prospectus”); the prospectus was approved by the Financial Authority of Norway on 03 May 2021. All necessary application documents submitted to Oslo Børs on 04 May 2021.

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.

	Q1 2021*	Q1 2020*	Year 2020*
Operating profit (loss), ("EBIT")	(14 434)	21 222	22 218
Add: Depreciation intangible assets	67 501	51 782	271 389
EBITDA	**53 068**	**73 004**	**293 607**
Add: Restructuring costs	6 605	10 043	47 400
Add: Share-based compensation	41 313	-	34 711
Add: Expenses related to acquisitions	8 169	1 711	15 123
Adjusted EBITDA	**109 155**	**84 758**	**390 841**
Operating revenues	945 733	843 565	3 539 231
Adjusted EBITDA	109 155	84 758	390 841
Adjusted EBITDA margin	**11.5%**	**10.0%**	**11.0%**

* unaudited

Net debt

Net debt is derived from the balance sheet and consists of both current and non-current liabilities such as bond loan, seller's credit and other financing arrangements, current and non-current lease liabilities less cash and cash equivalents. Earn-outs are excluded due to their contingent nature.

Net debt is a measure of the Group's net indebtedness that provides an indicator of the strength of the balance sheet.

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:

	Q1 2021*	Q1 2020*	Year 2020*
SFA	-	2 976 323	-
Bond loan	2 000 270	-	2 094 060
Seller's credit	90 922	31 181	24 340
Other debt	4 998	-	5 235
Less: Cash	(807 216)	(304 714)	(952 144)
Net debt	**1 288 974**	**2 702 790**	**1 171 491**
Proforma LTM adjusted EBITDA	461 325	338 138	435 169
Net debt/LTM adjusted EBITDA	**2.8**	**8.0**	**2.7**