

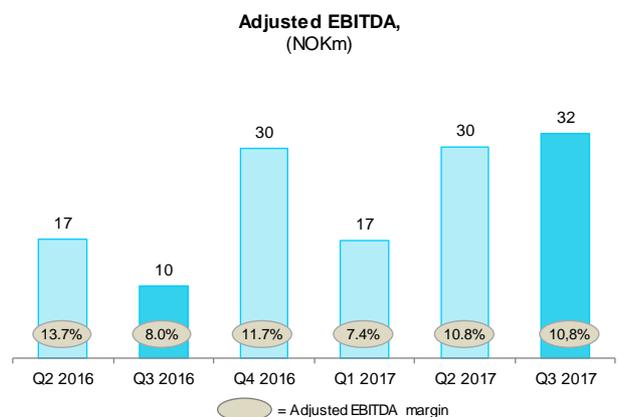
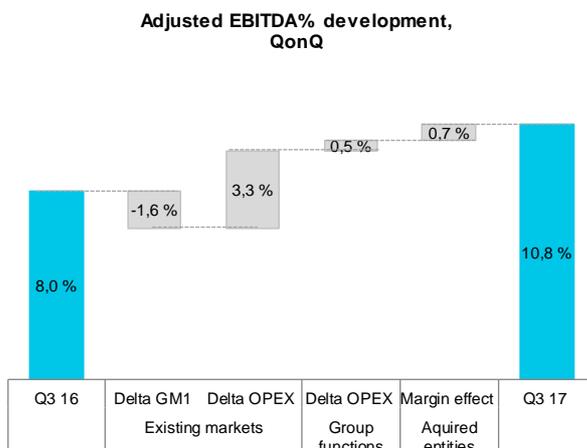
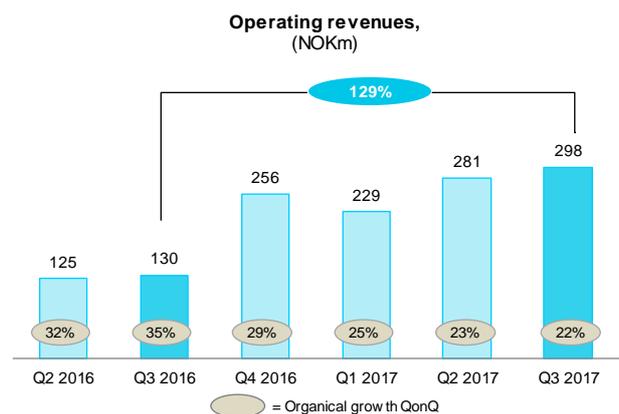
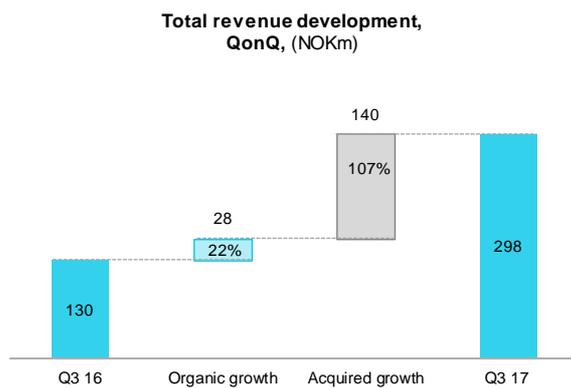
A direct link to your customers

– by the number one provider
of mobile communication solutions

LINK Mobility Group ASA
Financial Results
Third quarter 2017

Highlights third quarter 2017

- Continued strong revenue growth of 129 percent. Organic growth of 22 percent, 36 percent for the mobile messaging segment
- High acquisition activity with closed transactions for GMS in Spain, Vianett in Norway, Voicecom in Bulgaria, Comvison in Poland and Netmessage in France
- A diversified and strong customer base with more than 16 000 enterprise customers
- Adjusted EBITDA of NOK 32 million or 10.8 percent (+2.8 percent above last year)
- Signed contract with Lindex regarding mobile communication services covering 18 countries including significant amounts of mobile coupons for use in-store
- Transformation of Germany implemented, improved margins with 4 percentage points in the third quarter. Transformation of Denmark initiated
- Contemplating tap issue of EUR 30 million of existing bond agreement immediately after third quarter reporting to finance future acquisitions

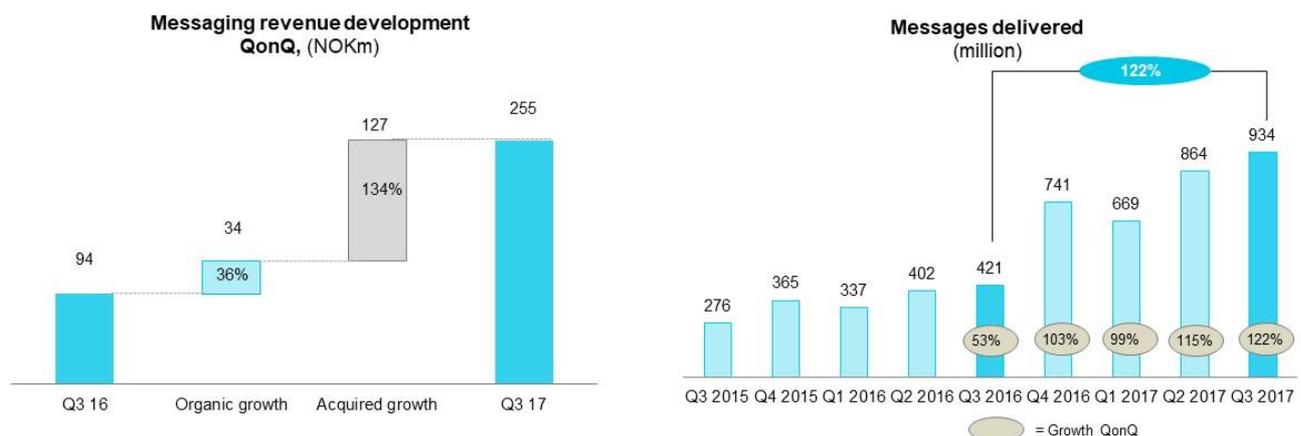


Existing markets are defined as the subsidiaries as reported in third quarter in 2016. Acquired business include the acquisition of Labyrintti Group, Whatever Mobile Group, Linus, Globalmouth Marketing AB, Didimo-Jet Group and Vianett.

Strong organic growth and successful acquisitions

LINK Mobility Group ASA (LINK) confirms its strategy, and reports solid revenue growth in the third quarter of 2017 which is traditionally a slow quarter. The strong figures are the result of high organic growth and successful acquisitions. LINK has closed multiple transactions which will further strengthen the market position in Norway and Spain through the acquisitions of Vianett and GMS, and entering the Polish, Bulgarian and French market through the acquisitions of Comvison, Voicecom and Netmessage. LINK has also signed a term sheet regarding the acquisition of the Italian entity Totalconnect. LINK is one of Europe's leading and fastest growing companies within the industry.

The strong organic revenue growth in the quarter, confirms the positive underlying trend of solid growth in the market for mobile messaging and mobile solutions delivered by LINK. LINK achieved operating revenues of NOK 298 million in the third quarter, up 129 percent compared with corresponding period last year. The overall market conditions have been favorable, resulting in a messaging volume of 934 million, and an organic growth in the Mobile Messaging segment of 36 percent (see graphs below).



The adjusted EBITDA for the third quarter is reported at NOK 32 million, an increase of NOK 22 million from same quarter last year. The EBITDA margin is reported at 10.8 percent, an increase of 2.8 percentage points versus same quarter last year. The increase in margin is due to:

- +3.8 percent due to scale advantages as OPEX does not increase at the same rate as revenue
- +0.7 percent due to margin effect of acquired entities. Link Germany has substantially increased margins as cost cutting efforts have been in effect for the third quarter
- -1.6 percent due to lower gross margin from existing entities
 - Introduction of high volume and low price customers in Sweden. LINK is working with upselling initiatives of mobile solution products to increase margins.
 - Sesonality and a negative one-time effect on license revenue in Norway.

Net finance items are reported at negative NOK 9.6 million, impacted by interest cost of NOK 8.2 million. In the third quarter, LINK implemented hedge accounting in accordance with IAS 39 related to borrowings in foreign currency which is expected to reduce the currency fluctuations significantly.

The financial position is good, with a cash position of NOK 289 million. LINK has no additional plans to raise new equity to fund acquisitions except for future acquisitions settled partly in LINK shares.

LINK secured a EUR 50 million, with a EUR 175 million borrowing limit, 5-year, fixed interest of 4.75% senior secured bond in the first quarter of 2017. LINK has mandated ABG Sundal Collier ASA and Danske Bank to arrange for a tap issue of EUR 30 million on the existing bond agreement subject to inter alia market conditions. If successful, net proceeds from such transaction will be used to provide funding for future acquisitions in line with the acquisition strategy towards 2018.

Acquisitions and pro forma financials

In the second quarter of 2016, LINK closed the acquisition of Responsfabrikken in Denmark. In the third quarter of 2016, LINK closed the acquisition of Whatever Mobile Group in Germany, Labyrintti Group in Finland, Linus AS in Norway and Globalmouth Marketing AB in Sweden. In the first quarter of 2017, LINK closed the acquisition of the Didimo-Jet Group in Spain. In the third quarter of 2017, LINK closed the acquisition of Vianett AS in Norway and GMS SL in Spain. For the third quarter of 2017, Vianett is included in the income statement for August and September. The acquisitions of Comvision Sp.z o.o. in Poland, Voicecom AD in Bulgaria and Netmessage SARL in France were closed in the fourth quarter.

LINK reports the following pro forma revenue and adjusted EBITDA for 2016:

<i>(Amounts in NOK million)</i>	2016 Reported	2016 Pro forma**)
Operating revenues	622	1 407
Adjusted EBITDA*	67	175
Adjusted EBITDA margin*	10.8 %	12.4 %
Number of messages (million)	1 901	4 373

LINK reports the following year to date pro forma revenue and adjusted EBITDA in third quarter of 2017:

<i>(Amounts in NOK million)</i>	2017 YTD Q3 reported	2017 YTD Q3 Pro forma **)
Operating revenues	808	1 151
Adjusted EBITDA*	79	136
Adjusted EBITDA margin*	9.8%	11.8%
Number of messages (million)	2 467	3 896

**) Adjusted for costs related to acquisitions, one-off cost and share based compensations.*

***) Proforma: includes full year effect of the acquisitions of Responsfabrikken, Whatever Mobile Group, Labyrintti Group, Linus, Globalmouth Marketing, Didimo-Jet Group, Vianett, GMS, Comvision, Netmessage and Voicecom. All acquisitions are closed.*

Outlook 2017

In the second quarter of 2017, LINK gave the market an outlook regarding pro forma revenue and adjusted EBITDA for 2017. LINK is adjusting the pro forma outlook for 2017 as a consequence of a specific undisclosed acquisition not been finalised as previously estimated by management due to the detection of material findings in the due diligence. The updated outlook takes into consideration management's best estimate towards;

- Organic development of existing footprint
- Effect from closed acquisitions or acquisitions that LINK has announced to the market which are in progress

- An estimate of the pro forma financial impact for 2017 relating to LINK's view of its M&A pipeline for second half of 2017.

LINK's updated outlook for 2017 is based on the stated assumptions, and the updated outlook should therefore be:

- Revenue*) NOK 1 600 to 1 700 million
- Adjusted EBITDA*) NOK 195 to 210 million

LINK's outlook for 2018 is kept unchanged with a pro forma revenue*) of NOK 2 700 million and a pro forma adjusted EBITDA*) of NOK 400 million.

LINK has during 2017 taken the #1 position within mobile messaging and solutions in Europe. This is an excellent position for LINK to leverage on market position and operational scale in a large European market with strong potential for far greater penetration levels and usage of LINK's global mobile messaging and solutions services. Being the leading mobile messaging and solutions provider in the European market, should position LINK for continued growth from greater use and penetration of its services. LINK also believe that when the new messaging solutions applications develops (WhatsApp, Facebook Messenger, Snapchat, Viber, Google RCS etc.), and these channels start monetizing their channels, LINK will be a natural partner in Europe towards the Enterprise segment, the same way that the Operators have monetized through LINK and other selected partners within the SMS messaging space.

**) The above outlook for 2017 and 2018 is calculated on LINK's best estimate based on information available to LINK, and views and assessment of LINK, as of the date of this report. LINK's growth assumptions may deviate from the outcome resulting in material or immaterial deviations from the outlook. Further, LINK's assumption relating to successfully acquire further businesses during 2018 is to a great extent outside the control of LINK. LINK's ability to successfully acquire new businesses at fair value, or at all, could materially affect the outlook figures correspondingly. Investors must therefore make their own calculation in relation to valuing LINK based on their own analysis and judgement.*

Market conditions

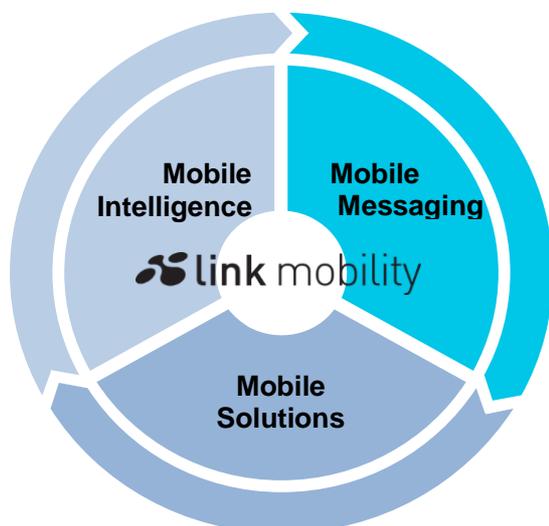
LINK is continuing to experience a high degree of recurring revenue combined with high organic growth as most customers increase their use of LINK's various mobile services. The overall market trend is the move towards "mobilization of businesses". Customers who have first started using mobile communications in one area, tend to move more and more business activities to mobile platforms. In addition to the strong increase in demand for mobile messages, LINK is also experiencing an increased demand for integrated mobile solutions such as customer clubs, statistical and analytical tools, databases, payment solutions, strategic advice and numerous other mobile services.

In the third quarter LINK delivered mobile services to more than 100 million unique mobile subscribers. LINK's international business was also picking up through enterprise with global customers. In the third quarter, LINK delivered mobile messages to nearly all nations throughout the world.

The Scandinavian markets are regarded as advanced in terms of adopting mobile technologies and services. Scandinavian organizations are 2-4 years ahead of their counterparts in other markets in taking mobile messaging services into use. LINK has a comparative advantage when entering new markets. Highly developed technological platforms, advanced services and solid reference cases, will make LINK able to expand the market potential when entering new geographical markets.

Business segments

LINK has three business segments; Mobile Messaging, Mobile Solutions and Mobile Intelligence.



LINK Mobile Messaging is currently the largest business area, representing 86 percent of the total revenue. Double digit growth is forecasted for this area over the next 5 years. SMS will be the main messaging carrier, enriched with over the top messaging carriers such as, Apps, Facebook Messenger, WhatsApp, Joyn and e-mail delivered through our state of the art multi-channel platform.

LINK Mobile Solutions comprises of mobile payment, mobile licenses and other mobile solutions surrounding Mobile Messaging, such as Customer club, Mobile Invoice, mobile notifications, authentication and Joyn.

LINK Mobile Intelligence gather and analyze data to make mobile messaging even more powerful. LINK Mobility Intelligence is under development, and the segment is expected to generate revenue by end of 2017.

New contracts

LINK signed 332 new contracts in the third quarter, whereof 163 contracts with new customers and 169 new contracts with existing customers. The following new contracts of significant financial and strategic importance were signed in the third quarter:

- Lindex, one of Europe's leading fashion chains, chose LINK as their supplier of mobile messaging and mobile solutions such as mobile coupons.
- Mobilskole, a provider of easy communication between school and home, chose LINK as their digital communication provider.
- Uni Micro, a provider of cloud based ERP/CRM system, chose LINK to provide both consumer and business database information as well as all mobile messaging.
- Studido, a Danish enterprise offering online tutoring for students, chose LINK as their provider for mobile messaging in Scandinavia with the intend to add more operating countries.
- Actimo, the Danish leading provider of mobile onboarding and training technology, chose LINK as provider of mobile messaging services.
- Opus Systemer, the leading Nordic provider of dental practice management solution software with more than 25 000 users in over 3 500 clinics, chose LINK as partner for their mobile communication services integrated into their software. LINK has in the first month already signed and onboarded 70 clinics.
- Gjensidige, a leading Nordic insurance company, chose LINK as the sole provider of all digital communication services.
- 2PARK Technologies, a Norwegian company that develops innovative, customer friendly and future safe solutions for the parking industry, chose LINK as their digital communication provider and digital SMS payment solution parking machines.

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

Group Income Statement

Operating revenues amounted to NOK 298 million (NOK 130 million) or a growth of 129 percent versus same quarter last year. The strong growth was due to organic growth and successful acquisitions last quarters. The organic growth is driven by the Mobile Messaging business segment with a growth rate of 36 percent versus last year. A lower organic growth rate of 22 percent for total revenue is due to lower growth rates for Direct carrier billing and Consulting which is not a strategic area for LINK.

Revenues by business segment					
segment	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Transactions	94	200	183	235	255
Direct carrier billing	11	21	14	11	11
Licenses	20	30	28	30	29
Consulting	5	5	4	5	2
Total	130	256	229	281	298
Revenues by operating segment					
segment	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Norway	75	107	96	106	123
Sweden	24	34	31	34	33
Denmark	29	35	29	30	28
Baltics	2	2	2	1	1
Finland	0	16	14	16	15
Germany		62	57	64	70
Spain				29	29
Total	130	256	229	281	298

Direct carrier billing is a mature product, and LINK is expecting a slow decline within this business area. However, LINK sees opportunities for taking a stronger role as mobile payment enabler, offering customers access to multiple scalable mobile payment alternatives through the product Mobile Invoice.

Consulting revenues varies from quarter to quarter dependent on order reserves and internal development projects. LINK is focusing on standardized scalable solutions rather than tailor made products within the Consulting area.

Total gross margin was 30 percent (38.8 percent) or a 8.9 percentage points reduction due to;

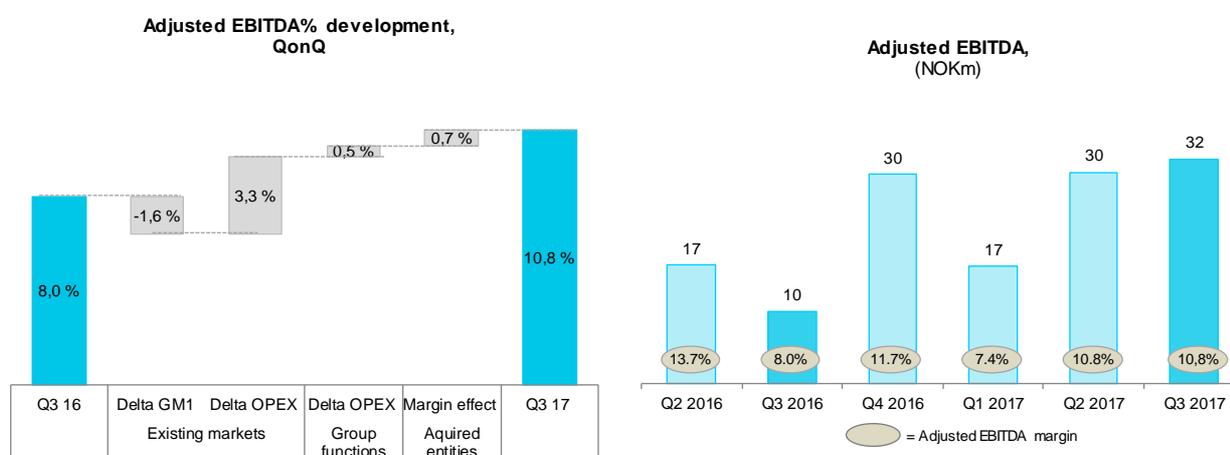
- 7.3 percent reduced margins due to the dilutive effect of lower margins from acquired companies in Germany, Spain and Norway (Vianett). The subsidiaries acquired over the last quarters are messaging companies with lower gross margin. LINK is expecting long-term margin improvements in the acquired entities due to focus on LINK's mobile solutions products.
- 1.6 percent due to lower gross margin from existing entities.
 - Lower margins for Sweden due to the introduction of high volume and low price customers. LINK is working with upselling initiatives of mobile solution products to increase margins.
 - Lower margins for Norway due to seasonality as the third quarter is a weak quarter for the retail and SME segment which on average have higher prices. Also, license revenue was negatively impacted by one-time effects.



Personnel costs were, in addition to cost of services rendered, the main cost element. Personnel costs adjusted for costs related to share based compensation, were in the third quarter 13.5 percent of net operating revenues (22.7 percent).

Adjusted EBITDA, before non-recurring cost, was NOK 32 million (NOK 10 million), equaling an adjusted EBITDA margin of 10.8 percent (8.0 percent) or an increase of 2.8 percentage points. The increase in margin versus same quarter last year is due to:

- -1.6 percent regarding change in GM1 margins in existing markets (see comments above)
- +3.3 percent due to lower OPEX from existing markets (scale effect)
- +0.5 percent due to lower OPEX regarding Group functions
- +0.7 percent due to margins from acquired business due to margin improvements in Germany



Existing markets are defined as the subsidiaries as reported in third quarter in 2016. Acquired business include the acquisition of Labyrintti Group, Whatever Mobile Group, Linus, Globalmouth Marketing AB, Didimo-Jet Group and Vianett.

EBITDA is reported at NOK 21 million (NOK -3 million) for the third quarter after deduction of non-recurring cost of NOK 12 million (NOK 14 million) related to acquisitions, one-off items due to restructuring efforts and share based compensation.

Financial items amounted to a negative NOK 10 million (NOK 3 million in profit). NOK 8 million (NOK 2 million) were interest expenses on sellers' credits and the senior secured bond. The net impact of currency loss amounted to NOK 0.7 million. In the third quarter, LINK implemented hedge accounting in accordance with IAS 39 related to borrowings in foreign currency which is expected to reduce the currency fluctuations in the P&L significantly. Under other financial expenses, a loss of NOK 0,8 million is incurred regarding the disposal of Whereever SIM as part of the transformation in Germany.

Balance sheet, financing and liquidity

Non-current assets amounted to NOK 1 144 million (NOK 746 million), the increase is due to acquisitions as customer relations, technology and goodwill from acquired subsidiaries represent a book value of NOK 1 079 million. Investments in R&D amounted to NOK 11 million (NOK 7 million) resulting in NOK 55 million in book value.

Trade receivables and other receivables amounted to NOK 262 million (NOK 162 million), the increase is mainly a result of acquisitions. The cash balance is strong with NOK 289 million (NOK 92 million).

Total equity amounted to NOK 633 million (NOK 414 million) or 37 percent of balance sheet value (41 percent). Long term liabilities amounted to NOK 612 million (NOK 257 million). Further details can be found in Note 6 "Long term liabilities".

Net cash from operating activities for the first three quarters of 2017 was positive with NOK 90 million (NOK 43 million). Net cash flow from operating activities for 2016 was NOK 52 million.

Outlook and way forward

The market for B2C mobile services has been a double-digits growth market over the last years. LINK expects this trend to last, as more and more businesses, public services and organizations are forced by customers' and users' demands to use mobile devices as the key channel for communication. LINK is experiencing a higher growth rate than the markets in which it operates.

LINK is currently delivering a wide variety of mobile messaging services and mobile solutions. LINK sees that businesses communicating with their customers via LINK's advanced cloud based messaging services, gain a strong advantage in their customer relations. LINK is now fueling the development of new and attractive mobile solutions ranging from innovative in-app mobile messaging, customer club and loyalty programs, to creative mobile payment solutions. LINK is currently developing a mobile intelligence offering to its existing customers. This increased insight puts LINK in a leading position to give targeted and valuable advice to its customers, on how best to deploy LINK's mobile messaging and solutions to their business. The Scandinavian market for developing and deploying state of the art mobile solutions is amongst the most innovative in the world. LINK intends to capitalize on the knowledge from the Nordic markets to access and expand new underdeveloped markets.

It is the opinion of the company that LINK is well positioned to pursue new profitable growth initiatives. LINK has a solid customer portfolio, a highly scalable technology and an experienced organization. The R&D capacity is good, and the business models are agile. LINK is well prepared to further strengthen its position in the fast growing B2C market for mobile services. We see that the current growth level, both organic and non-organic, will continue through our strategic planning period 2018.

LINK will constantly seek to streamline its operations and development activities across our footprint to ensure that we optimize our use of resources and synergies. Some key activities related to this work are:

- Consolidate our messaging and solution platforms
- Strengthening our sales profile in each of our markets
- Drive innovation through standardized common product and solutions for all our markets

Expected annual recurring synergies from scaling up and consolidation activities ranging from NOK 50 to 70 million (full year effect 2019) with corresponding EBITDA improvement of 2-3 percentage points.

Consolidated Income Statement

<i>Consolidated Income Statement (NOKk)</i>	Note	3Q 2017	3Q 2016	YTD 2017	YTD 2016	Year 2016
Operating revenues	3	298 109	130 161	808 232	365 219	621 606
Total operating revenues		298 109	130 161	808 232	365 219	621 606
Cost of services rendered		208 926	79 659	546 693	220 653	391 255
Personell costs		40 278	29 482	134 647	78 624	114 610
Other operating expenses		16 655	10 645	47 705	28 344	48 310
Total operating expenses		265 860	119 786	729 045	327 621	554 175
Adjusted EBITDA*	3	32 249	10 375	79 188	37 599	67 431
Share based compensation	5	2 473	5 309	13 485	11 978	18 038
Expenses related to acquisitions		6 688	8 380	14 452	10 335	11 939
Restructuring costs		2 616		2 616		
EBITDA		20 472	-3 314	48 633	15 266	37 454
Depreciation intangible assets	8	10 322	7 771	26 431	22 096	24 274
Operating profit	3	10 151	-11 085	22 203	-6 830	13 180
Interest income		160	144	881	252	718
Other financial income		688	5 303	1 037	5 939	11 037
Interest expenses	6	8 164	1 504	22 512	3 785	7 867
Other financial expenses		2 252	1 145	17 186	5 656	6 980
Net financial items		-9 569	2 797	-37 780	-3 250	-3 092
Profit before tax		582	-8 288	-15 580	-10 080	10 088
Income tax		-6 623	1 485	-7 700	1 631	5 417
Profit for the period		-6 041	-9 773	-21 125	-11 711	4 671
Earnings per share (NOK/share)						
Earnings per share		-0,440	-0,998	-1,580	-1,196	0,466
Diluted earnings per share	5	-0,440	-0,998	-1,580	-1,196	0,423
Profit attributable to:						
Owners of the company		-6 041	-9 773	-21 125	-11 711	4 671
Statement of comprehensive income						
Profit for the year		-6 041	-9 773	-21 125	-11 711	4 671
Exchange rate differences Group		-5 259	241	21 638	282	-973
Total comprehensive income		-11 300	-9 532	513	-11 429	3 698

* Before share-based compensation, one-off items and expenses related to acquisitions.

Consolidated Balance Sheet

<i>Consolidated Balance Sheet (NOKk)</i>	Note	3Q 2017	3Q 2016	2016
Assets				
Non-current assets				
Intangible assets	8	1 134 503	739 179	757 752
Equipment and fixtures		6 065	6 499	6 304
Deferred tax assets		3 361		2 136
Total non-current assets		1 143 929	745 678	766 192
Current assets				
Trade receivables and other receivables		262 173	161 805	169 513
Cash and cash equivalents		288 897	92 432	187 924
Total current assets		551 070	254 237	357 437
Total assets		1 694 999	999 915	1 123 629
Equity and liabilities				
Share capital	7	13 790	11 795	13 087
Share premium	7	455 350	273 037	399 749
Other equity	8	164 107	129 126	152 433
Total equity		633 247	413 958	565 269
Deferred tax				
Deferred tax		72 921	42 483	46 280
Total deferred tax		72 921	42 483	46 280
Long-term liabilities				
Seller's credit	6	152 905	150 770	117 332
Debt to financial institutions			105 876	88 350
Bond loan		459 248		
Other long-term liabilities	6	341		
Total long-term liabilities		612 494	256 647	205 682
Short-term liabilities				
Seller's credit short term	6	33 698		19 821
Trade and other payables		316 372	217 185	204 954
Tax payable		8 380	10 294	8 245
Short-term debt to financial institutions		15 652	59 348	73 378
Short-term liabilities Bond loan	6	2 235		
Total short-term liabilities		376 337	286 827	306 398
Total liabilities		1 061 752	585 957	558 360
Total equity and liabilities		1 694 999	999 915	1 123 629

Statement of changes in equity

Statement of changes in equity (NOKk)

	Note	Ordinary shares	Share premium	Other equity	Total equity
Balance at 31.12.2016		13 087	399 749	152 433	565 269
Comprehensive income for the year					
Profit for the period				-21 125	-21 125
Exchange rate differences				21 638	21 638
Total comprehensive income for the year				513	513
Contributions by and distributions to owners					
Issue of share capital		703	55 601		56 304
Employee share-option schemes				11 160	11 160
Total contributions by and distributions to owners		703	55 601	11 160	67 464
Balance at 30.09.2017		13 790	455 350	164 106	633 246
	Note	Ordinary shares	Share premium	Other equity	Total equity
Balance at 31.12.2015		9 641	102 773	29 374	141 788
Comprehensive income for the year					
Profit for the period				4 671	4 671
Exchange rate differences				-973	-973
Total comprehensive income for the year				3 697	3 697
Contributions by and distributions to owners					
Issue of share capital		3 446	296 976	112 345	412 767
Employee share-option schemes				7 017	7 017
Total contributions by and distributions to owners		3 446	296 976	119 362	419 784
Balance at 31.12.2016		13 087	399 749	152 433	565 269

Consolidated Cash Flow Statement

<i>Consolidated Cash Flow Statement (NOKk)</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016	Year 2016
Cash flow from operating activities					
Profit before tax	582	-8 288	-15 579	-10 080	10 088
Taxes paid	-598	-2 181	-9 795	-2 919	-8 284
Depreciation and amortization	10 322	7 771	26 431	22 096	24 274
Adjustment for share-based payment	2 473	-921	13 485	3 778	18 038
Adjustment for expenses related to acquisitions	6 687		14 660		11 939
Net interest in profit and loss	8 004	-2 798	21 631	3 249	3 093
Interest received	160	152	475	252	
Other financial items	1 620		16 151		
Change in trade receivables and other receivables	-10 798	-66 800	-18 073	-63 099	-65 103
Change in trade and other payables	22 180	100 115	42 723	89 475	69 222
Change social security tax share based payment	1 386		-2 325		-11 021
Other change in operating activities	621				
Net cash flow from operating activities	42 639	27 050	89 784	42 752	52 246
Cash flow from investing activities					
Acquisition of subsidiary, net of cash acquired	-162 396	-90 844	-174 850	-108 183	-118 571
Purchase price adjustment subsidiary, net of cash	-968		-20 281		
Expenses related to acquisitions	-6 687		-14 660		-11 939
Purchase of tangible assets	-89	-114	-612	-2 576	-4 042
Purchase of intangible assets	-10 570	-6 764	-33 491	-16 856	-24 444
Net cash flow from investing activities	-180 710	-97 721	-243 894	-127 615	-158 996
Cash flow from financial activities					
Net interest paid	-13 095	-1 496	-18 750	-3 432	-5 060
Other financial items	-5 173		-5 173		
Proceed from borrowings		126 000	447 924	147 000	147 000
Repayment of borrowings	-13 162	-6 823	-173 012	-12 223	-16 117
Proceeds from issuing new shares	1 127		8 534	6 255	129 842
Net cash flow from financial activities	-30 303	117 681	259 523	137 600	255 665
Foreign exchange effect on cash	-6 762	-341	-4 441	-382	-1 065
Net change in cash and cash equivalents	-175 136	46 671	100 972	52 357	147 850
Cash and cash equivalents at the beginning for the period	464 033	45 761	187 924	40 075	40 075
Cash and cash equivalents at the end of the period	288 897	92 432	288 897	92 432	187 924

Selected notes to the accounts

Note 1 – General information

LINK Mobility Group ASA is a private limited company registered in Norway. LINK Mobility Group ASA is the parent company of the LINK Mobility Group (LINK or the group) and owns 100 percent of the subsidiaries LINK Mobility AS and Vianett AS in Norway, LINK Mobility Group in Sweden, LINK Mobility Group in Denmark, Link Mobility Group in Germany, Link Mobility Group in Finland, LINK Mobility SIA in the Baltics, Link Mobility Spain and Global Messaging Solutions in Spain. LINK is headquartered in Oslo, Norway.

LINK is the leading provider of B2C mobile messaging and services in the Nordic, Baltic, German and Spanish markets. LINK provides services that enable companies, public services and organizations to have mobile communication with and deliver mobile services to their customers and users. LINK offers products and services extending from mobile messaging, marketing, payment, databases and applications. LINK's business is classified into the business segments; Mobile Messaging, Mobile Solutions and Mobile Intelligence.

Note 2 – Basis for preparation / Accounting Policies

The consolidated interim financial statements for the third quarter of 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The financial statements should be read in conjunction with the annual financial statements of the financial year 2016, which have been prepared in accordance with IFRS as adopted by EU, and the financial statements for the four quarters 2016 that have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies adopted are consistent with those of the previous financial reporting.

The consolidated financial statements for the third quarter of 2017 were approved by the Board of Directors of Link Mobility Group ASA on the 8th of November 2017.

The financial statements have not been audited or reviewed by the auditors.

LINK's presentation currency is Norwegian kroner (NOK), which is also the parent company's functional currency. All amounts are stated in NOK 1 000.

Consolidation

The consolidated financial statements show the total financial results and financial position of the parent company, LINK Mobility Group ASA and its subsidiaries that are 100 percent owned by LINK Mobility Group ASA, and are fully consolidated in the consolidated financial statement. Subsidiaries acquired in 2017 are included in the consolidated financial statement from the date of closing the transactions. Global Messaging Solutions SL (GMS) is consolidated in the balance statement as of September 2017, with no effect on the profit and loss statement in third quarter. Vianett AS is consolidated in the financial statement from August 2017.

Note 3 – Segment reporting

The tables below show the revenues generated by business segments and operating segment.

<i>Revenues by business segment</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016	Year 2016
Transactions	255 474	94 445	673 557	265 194	465 339
Direct carrier billing	11 470	10 912	37 107	32 177	53 397
Licenses	28 764	19 788	86 132	55 765	85 763
Consulting	2 401	5 016	11 436	12 083	17 107
Total	298 109	130 161	808 232	365 219	621 606

<i>Direct costs by business segment</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016	Year 2016
Transactions	194 125	68 493	502 951	188 170	339 352
Direct carrier billing	9 849	6 777	28 968	21 495	36 195
Licenses	4 698	3 278	13 649	9 232	13 171
Consulting	255	1 112	1 124	1 757	2 537
Total	208 926	79 660	546 693	220 654	391 255

<i>Revenues per country (operating segment)</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016	Year 2016
Norway	122 705	75 076	324 518	227 359	333 954
Sweden	33 063	23 811	98 425	66 939	100 715
Denmark	28 100	29 243	87 474	65 110	100 976
Baltics	1 088	2 031	4 070	5 810	7 948
Germany	69 691		190 473		61 986
Finland	14 695		45 025		16 028
Spain	28 766		58 249		
Total	298 109	130 161	808 232	365 218	621 606

<i>Direct costs per country (operating segment)</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016	Year 2016
Norway	78 539	45 802	199 052	137 238	203 855
Sweden	25 045	15 968	74 719	43 790	69 627
Denmark	15 613	16 424	45 505	35 270	53 977
Baltics	849	1 466	3 139	4 355	5 977
Germany	55 501		148 531		48 813
Finland	8 776		25 496		9 006
Spain	24 605		50 250		
Total	208 926	79 660	546 693	220 654	391 255

<i>Adjusted EBITDA by operating segment</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016	Year 2016
Norway	20 980	5 723	56 956	22 982	50 793
Sweden	1 695	2 003	4 045	6 057	8 327
Denmark	5 456	2 422	13 642	8 832	15 973
Baltics	-44	226	82	-272	278
Germany	8 942		20 015		4 629
Finland	2 640		8 316		4 228
Spain	2 845		5 339		
Group cost	-10 264		-29 207		-16 799
Adjusted EBITDA*	32 249	10 375	79 188	37 599	67 431

*Before share-based compensation, one-off items and expenses related to acquisitions

<i>EBIT by operating segment</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016	Year 2016
Norway	18 824	-8 958	49 451	-1 530	13 884
Sweden	1 343	692	1 285	3 340	4 951
Denmark	1 426	1 245	7 230	7 347	13 536
Baltics	-47	222	74	-283	263
Germany	8 358		18 614		4 015
Finland	2 414		7 651		4 216
Spain	2 439		5 142		
Group cost	-24 607	-4 011	-67 244	-15 704	-27 685
EBIT	10 151	-11 085	22 203	-6 830	13 180

Note 4 – Related party transaction

There have been no transactions with related parties of significant importance in the period.

Note 5 – Options

Allotment of share options has been consistent with resolutions of LINK's general meetings, lastly LINK's Annual General Meeting on 27 April 2017, which granted the Board of Directors an authority to increase the share capital of LINK with up to NOK 750 000 in connection with share option programs for employees in LINK. The authorization is valid until 30 June 2018. Authorization to grant share options is held by the CEO and the Chairman of the Board of Directors jointly or by the Board of Directors. All options have an exercise schedule and expired options will lapse without any compensation to the holder. If the options are exercised, the price per share shall be equal to the agreed strike price. No fees were paid nor will be paid for the options. In general, share options have a vesting period of 3 years and the strike price is set in accordance with the value of LINK's shares as registered on the Oslo Stock Exchange at the time of signing of the option agreement in question.

If the options are exercised, LINK Mobility Group ASA may choose to issue shares, or to transfer shares from its own stock of shares, in either case against payment of the strike price specified above. Option agreements contains provisions regarding the lock up period, and the consequences for remaining share options in case of a possible termination of employment. There are 851 674 outstanding options to executive management and other key employees of LINK with the following agreed average strike price:

Average strike price	Remaining share options
27.8	133 340
35	66 667
45	383 333
119	16 667
147	16 667
158	50 000
166	185 000
	851 674

The fair value of the options is calculated when they are allotted and expensed over the vesting period. The fair value at grant date is determined using an adjusted form of the Black Scholes Model, that

considers the strike price, the term of the option, the impact of dilution (where material), the share price at the grant date, expected price volatility of the underlying share and risk-free interest. A cost of NOK 2.5 million (including accrued social security tax) has been charged as an expense for the third quarter.

Note 6 - Long-term liabilities

LINK Mobility Group ASA completed in February 2017 the issuance of EUR 50 million senior secured bonds in the Nordic bond market. Settlement was on the 24 February 2017, with final maturity the 24 February 2022. The bond issue has a fixed coupon of 4.75 % p. a. The bond issue is booked to amortized cost. For details regarding LINK's borrowings, see table below:

Bond issue:

Amounts in million	Outstanding debt	Currency	Amortized cost EUR	Amortized cost NOK	Maturity	Term	Interest	Due date interest
Bond issue	50	EUR	48.8	459.2	24.02.2022	5 years	4.75 %	Half yearly

Accrued interest bond is classified under short term liabilities bond loan in balance statement.

Seller's credit:

Purpose	Outstanding debt	Currency	Outstanding debt NOK	Maturity	Term	Interest	Due date interest
Acquisition of PSWinCom	19,8	NOK	19,8	30.12.2017	3 years	5 %	Quarterly
Acquisition of Responsfabrikken A/S	16,7	DKK	21,1	29.06.2019	3 years	5 %	Quarterly
Acquisition of Linus AS	6,8	NOK	6,8	30.09.2019	3 years	5 %	Quarterly
Acquisition of Labyrintti Group	3,0	EUR	28,2	30.09.2019	3 years	5 %	Quarterly
Acquisition of Whatever Mobile Group	7,0	EUR	65,8	30.09.2019	3 years	5 %	Quarterly
Acquisition of Didimo Group	2,2	EUR	20,6	31.03.2020	3 years	5 %	Quarterly
Acquisition of Vianett AS	24,3	NOK	24,3	Specified below	Quarterly, 24 months	4,75 %	Quarterly
Total			186,6				

Seller's credit from the acquisition of Vianett, initial amounted to NOK 27.7 million , is paid in equal quarterly instalments over 24 months period, starting from 1st of October 2017.

Seller's credit from the acquisition of PSWincom with maturity within 12 months, and quarterly instalments regarding seller's credit from the acquisition of Vianett with due date within 12 months are classified as short term interest bearing debt in balance statement.

Note 7 – Increase in share capital

The total of 280 318 new shares with par value NOK 1 were issued in third quarter 2017, increasing the share capital from 13 509 338 to NOK 13 789 656.

The Board of Directors decided to increase the share capital with NOK 230 318 by issuing 230 318 new shares with par value NOK 1 at the price NOK 120.50 per shares at its meeting 15 August 2017. The shares were issued to the sellers of Vianett AS.

The Board of Directors decided to increase the share capital with NOK 50 000 by issuing 50 000 new shares with par value NOK 1 at the price NOK 27.80 per share at its meeting 9 August 2017. The shares were issued as part of the option program. Pursuant to the share option agreement, 50 000 options were earned on 30 April 2017, with a strike price of NOK 27.80 and a deadline to subscribe within 30 October 2018. The options were exercised on 9 August 2017.

Note 8 – Business combinations

Acquisition of Vianett AS, Norway

Vianett was established in 1998, and acquired Sendega AS in 2014. ViaNett has a total of 1 100 customers in Norway and Sweden. Vianett/Sendega has experienced solid growth during the last years. Fair value of consideration at closing amounted to NOK 83.4 million and was settled as follows:

- 1/3 of the purchase price in cash at closing,
- 1/3 of the purchase price as sellers' credit to be paid quarterly over 24 months after closing. Interest of 4.75% per annum is to be paid in quarterly arrears, and
- 1/3 of the purchase price in LINK shares

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill based on a provisional purchase price allocation are as follows:

(amounts in NOKk)	Book value	Adjustment	Fair value
Customer relationships		30 302	30 302
Technology	271	9 995	10 266
Defferred tax asset	685		685
Investment in subsidiaries	288		288
Net working capital	-6 620		-6 620
Cash and cash equivalents	1 301		1 301
NET ASSETS	-4 075	40 297	36 222
Fair value of consideration paid			(NOKk)
Cash			27 753
Seller's credit			27 753
Link shares			27 868
TOTAL CONSIDERATION			83 375
Allocation of purchase price			(NOKk)
Equity purchase price			83 375
Book value of equity			-15 188
Excess value			68 187
Book value of intangible assets to be allocated			21 879
Excess value to be allocated			90 067
Customer relationships			30 302
Technology			10 266
Sum intangible assets			40 568
Goodwill excl. deferred tax liability			49 598
Deferred tax liability			9 671
TOTAL GOODWILL			59 270

Purchase price allocation (PPA)

The above purchase price allocation is a provisional PPA based on the information available at the reporting date for LINK Group for the third quarter. This allocation may be changed in the final PPA based on further information and the final opening balance for Vianett AS.

Acquisition of Global Messaging Solutions SL, Spain

On 28 September 2017, LINK Mobility Group ASA acquired 100 % of the voting equity instruments of Global Messaging Solutions SL (GMS). GMS has a solid position in the Spanish market for mobile messaging services, and is particularly strong on mobile marketing and mobile multi-channel solutions. GMS is located in Madrid, and has 20 employees. The acquisition was completed at a revised purchase price of EUR 15.5 million paid in cash.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill based on a provisionary purchase price allocation are as follows:

(amounts in NOKk)	Book value	Adjustment	Fair value
Customer relationships		29 123	29 123
Technology	2 819	8 189	11 008
Fixed assets	2 600		2 561
Other financial assets	1 400		1 394
Deffered tax asset	100		88
Net working capital	4 360		4 360
Cash and cash equivalents	10 719		10 719
NET ASSETS	21 999	37 311	59 253
Fair value of consideration paid			(NOKk)
Cash			144 626
TOTAL CONSIDERATION			144 626
Allocation of purchase price			(NOKk)
Equity purchase price			144 626
Book value of equity			-5 418
Excess value			139 208
Book value of intangible assets to be allocated			2 819
Excess value to be allocated			142 028
Customer relationships			29 123
Technology			11 008
Sum intangible assets			40 131
Goodwill excl. deferred tax liability			101 897
Deferred tax liability			9 328
TOTAL GOODWILL			111 225

Purchase price allocation (PPA)

The above purchase price allocation is a provisional PPA based on the information available at the reporting date for LINK Group for third quarter. This allocation may be changed in the final PPA based on further information and the final opening balance for GMS.

Note 9 – Non-current assets

LINK has depreciated customer relationships recorded in the balance sheet linearly over five years until third quarter 2016. Based on analysis of customer churn and the remaining useful lifetime of the customer relationships recorded in the balance sheet, it is assessed to be more than five years from the acquisition dates. Based on the analysis, LINK has prolonged the depreciation period of the customer relationships acquisitions to 10 years (from the acquisition date).

Note 10 – Events after the reporting period

Possible tap issue of EUR 30 million on bond agreement

At 9 November 2017, LINK will start book building for a tap issue of EUR 30 million on the existing bond agreement. The bond has a EUR 175 million borrowing limit, 5-year, fixed interest of 4.75%. The transaction will be used to provide funding for future acquisitions in line with the acquisition strategy towards 2018.

New share capital

In connection with the acquisition of Voicecom AD, the Board of directors resolved to issue 96 683 new shares in the Company as partial consideration to the sellers of Voicecom. In connection with the acquisition of Comvion Sp. z.o.o., the Board of directors resolved to issue 381 123 new shares in the Company as partial consideration to the sellers of Comvion Sp. z.o.o. Pursuant to the Board's resolution, the Company's new share capital is NOK 14 267 462 divided into 14 267 462 shares, each with a nominal value of NOK 1.

Acquisition of Voicecom AD, Bulgaria

On 2 October 2017, LINK Mobility Group ASA acquired 100 % of the voting equity instruments of Voicecom AD. Voicecom is one of the leading providers of value added mobile services in Bulgaria with a market share of approximately 40%. Voicecom's offices are located in Sofia, and has 32 employees. The acquisition was completed based on an agreed enterprise value of EUR 3.82 million, on a cash-free and debt-free basis. The enterprise value is based on an adjusted EBITDA of EUR 0.683 million multiplied by a factor of 6. The purchase price under the transaction will, subject to customary adjustments, be settled as follows:

- 1/3 of the purchase price in cash upon closing,
- 1/3 of the purchase price as sellers' credit to be paid within three years after closing. Interest of 4.75% per annum is to be paid in quarterly arrears
- 1/3 of the purchase price in LINK shares

Acquisition of Comvion Sp. Z. o. o., (SMSAPI), Poland

On 12 October 2017, LINK Mobility Group ASA acquired 100 % of the voting equity instruments of Comvion Sp. z o. o., providing services under the brand of SMSAPI. SMSAPI has a strong presence in the Polish market, leading the market for self-service mobile messaging in Poland with a market share of more than 40%. SMSAPI is located in Gliwice, and has 37 employees. The acquisition was completed based on an agreed enterprise value of EUR 16 million on a cash-free and dept-free basis. The enterprise value is based on an estimated EBITDA for 2017 of EUR 2.66 million multiplied by a factor of 6. The purchase price under the transaction will, subject to customary adjustments, be settled as follows:

- 40% of the purchase price in cash upon closing
- 34% of the purchase price to be held on escrow to be released in equal installments 6 and 18 months after closing
- 26% of the purchase price in LINK shares

Acquisition of Netmessage SARL, France

On 31 October 2017, LINK Mobility Group ASA completed the acquisition of 100 % of the voting equity instruments of Netmessage SARL located in Paris. Netmessage has a strong position in the French market, and is one of the leading mobile messaging and marketing providers in France. The agreed enterprise value of the transaction is EUR 9.9 million, on a cash -free and debt-free basis and assuming a normalized level of working capital. The enterprise value is based on a normalized EBITDA of EUR 1.65 million multiplied by a factor of 6. The purchase price under the transaction will, subject to customary adjustments, be settled as follows:

- 70% of the purchase price in cash upon closing
- 15% of the purchase price as sellers' credit to be paid in two equal installments 6 and 12 months after closing. Interest of 4.75% per annum is to be paid in quarterly arrears
- 15% of the purchase price to be held on escrow and released in equal instalments 6 and 12 months after closing

Definitions

Alternative Performance Measures (“APM’s”)

The European Securities and Markets Authority (ESMA) has issued guidelines on Alternative Performance Measures (“APMs”) for listed issuers effective from 3 July 2016. An APM is 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.

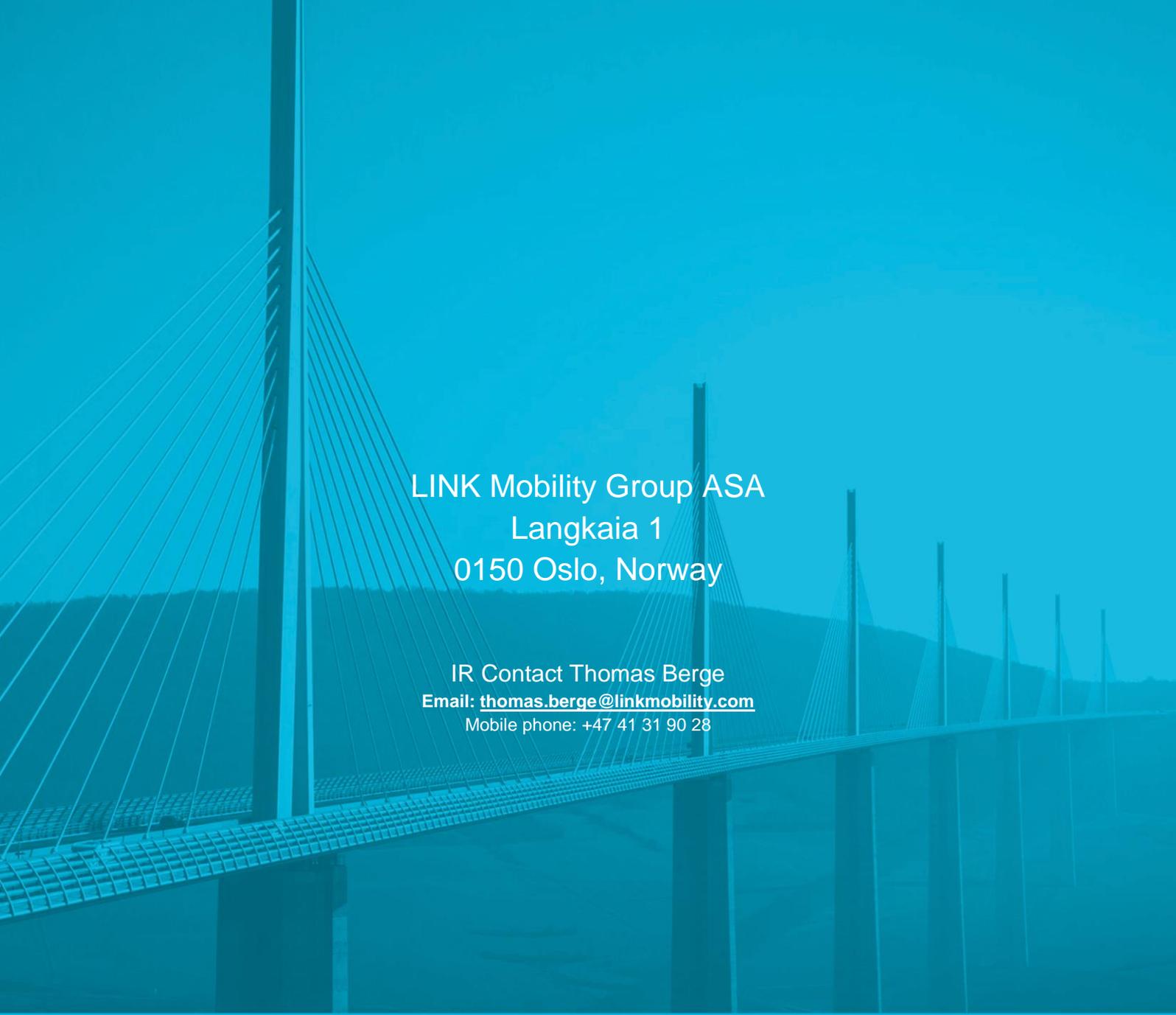
In this, the Group presents certain alternative performance measures (“APMs”), including EBIT, EBITDA, adjusted EBITDA and adjusted EBITDA margin. The Group believes that APMs such as EBIT and EBITDA are commonly reported by companies in the markets in which it competes and are widely used by investors in 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. Below follows a short description of these APMs:

EBIT means Earnings Before Interest and Taxes. EBIT is a performance measure applied to express profitability of operating activities. EBIT is presented in note 3 “Segment reporting”.

EBITDA means Earnings Before Interest, Taxes, Amortization, Depreciation and Impairments. LINK Mobility 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 other companies.

Adjusted EBITDA means EBITDA deducted by expenses related to share-based compensation and acquisitions incl. restructuring cost. LINK Mobility 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 is presented as adjusted EBITDA as a percentage of operating revenues in the respective periods.



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